

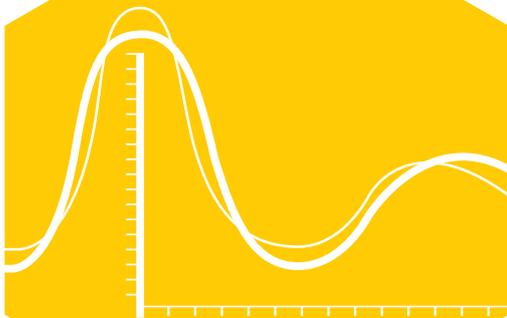
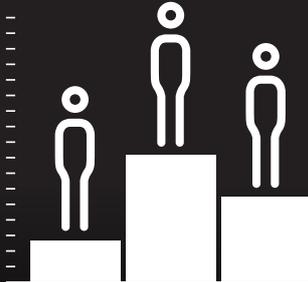
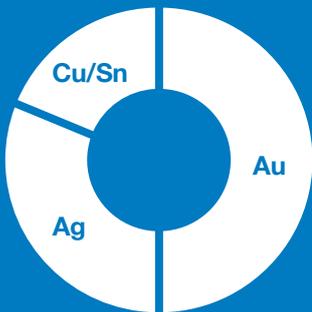
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Department for
**Employment
and Learning**
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Labour Market Bulletin 24

July 2013



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Dr Stephen Farry MLA

Minister for Employment and Learning



As Northern Ireland, along with much of the rest of the developed world, enters a sixth year of difficult economic conditions, it is more important than ever for us to build the conditions for a prosperous and dynamic economy that will support our citizens; to give hope to our young people; and to create the best conditions to build a shared society. The economic backdrop creates many challenges for us, but it also gives us a clear idea of what we must do if we are to develop as a society, and build on the innate capacity of all of our people.

It is clear that improvement in the economy will only come by enhancing and tapping the knowledge and skills of all of our people. The path to increasing prosperity – as a society, and for individuals within society – is through upskilling. The future lies in more skilled jobs that meaningfully reward workers themselves, employers, and the community as a whole. Our task is to see that nobody is left behind.

My Department is addressing this issue in many ways. With InvestNI, we are running the Assured Skills programme to help companies secure employees with the necessary training to meet the specific skills they require in order to invest or to grow. I am overseeing the development of a new all-age employment programme – Steps to Success – to ensure that it offers the best route out of unemployment for those who have lost their jobs. Our Youth Employment Scheme addresses the specific needs of young people, trying to ensure that they do not become detached from the labour market.

These are just some examples of the way in which I am determined that we will increase the life chances of many of those at risk of being left behind in our society, and at the same time build the ability of our businesses to generate wealth and create jobs, and by doing so create a robust underpinning to allow us to build a shared future.

All of what we do should be informed by good evidence. An example of this is the ongoing debate about the proposed devolution of powers to vary the rate of Corporation Tax in Northern Ireland. I support a lower rate of Corporation Tax here. However, I am also convinced that a lower rate of Corporation Tax on its own will not be effective – it must be complemented by other

measures as part of an integrated package. It is for this reason that I commissioned research into the impact of a lower rate of Corporation Tax on our skill needs – and conversely the skills issues that would have to be addressed if we were to take full advantage of a lower rate of Corporation Tax. You will find a summary of research in this issue of the Bulletin at Chapter 5.

I am also determined that we build on the good work carried out by our Further Education sector and other training providers in upskilling our people.

Most importantly, I have launched reviews of our policies on apprenticeships and youth training. These reviews will engage with key stakeholders – but will also include a robust examination of the evidence base to ensure that we fully learn from what is already taking place.

This approach to the use of evidence is the driving force behind the Labour Market Bulletin, which attempts to distil relevant information and research as we seek to develop and deliver policies and services, and to put this in the public domain in a concise way to inform and also to stimulate debate. I commend this issue of the Bulletin to you and trust that you find it both useful and stimulating.

Editorial

“Nothing is so firmly believed as what we least know.”

Michel de Montaigne
(1533-1592)

And we all know, of course, that young people have been hit hardest by the current recession: a fact that, amongst other things, has triggered significant government responses in Northern Ireland and a number of other jurisdictions. I could point you to a number of newspaper and online articles which in their different way all say that young people are bearing the brunt of the recession, almost invariably mentioning rocketing youth unemployment.

However this is true only up to a point, Lord Copper. Of course, youth unemployment has risen substantially since the onset of the recession in 2008, and I would not even begin to suggest that governments have been mistaken to put a lot of effort into combating this issue. Society owes a particular responsibility to young people, as yet unschooled in the world of work, to help them establish themselves in the labour market, and this imperative is heightened during difficult times when young people are just commencing their engagement with jobs and with employers. Of course, there is the additional perspective that losing young people at the start will probably lead to a greater risk of them being disengaged through their whole lives, with potentially devastating effects on them, their families, and society in general. So not only is it right that governments should intervene to help this group, but it also makes good economic and social sense over the long term. You will find

an article in this Bulletin outlining the position of young people in today's labour market.

Nevertheless the fact that young people have been hit hardest by the recession cannot be definitively demonstrated¹. Looking at the figures for claimant unemployment, in the period from March 2008 to March 2013, youth (16-24) unemployment rose from just over 8,000 to around 17,600, more than doubling (up 119%). However overall unemployment rose proportionately even more in the same time period, by 166%; and if we look at the 45-59 year old age group – older workers – then their numbers are up from 5,570 to nearly 16,100, a rise of 184%. How many articles on the disproportionate impact of the recession on older workers have you read? Not many, I would hazard to guess.

I do not make this point to be pedantic or “clever” (I hope I am not the former and I suspect I am not the latter). I make it because there is a risk that if we concentrate on unemployment problems amongst the young – laudable and fitting that this is – we risk not having an appropriate discourse about other groups. Not only do we need to think of the impact of the recession on older people – but we need to think of the role of older people in the Northern Ireland economy and labour market. Much of the debate in Northern Ireland highlights our lower employment rate compared to the UK as a

1. Statistics, of course, can be presented in a number of different ways. The proportional increase in unemployment amongst the younger age group over the period, as measured by the claimant count, is less than that for the 45-59 age group. The increase in absolute terms is also less. However if the increase was portrayed as a percentage of the numbers of people in the relevant population group, then young people would show the greatest proportionate increase. I will desist from falling back on Disraeli's famous dictum about lies and statistics; but I cannot resist thinking instead of Mark Twain – “facts are stubborn things, but statistics are more pliable”.

whole and most other UK regions – this is not a recent, post-downturn phenomenon but one that goes back decades: you could argue that it is endemic. But what contributes to this? Yes, there is a (recent, post-downturn) issue with very young adults aged 16-19: but in fact Northern Ireland's lower employment rate can be almost entirely attributed to lower employment in the 45+ age groups. Adults aged in their twenties and early thirties here are actually more likely to be in work than their GB counterparts. Again, you will find an article on this within the covers of this issue of the Labour Market Bulletin.

That is the whole purpose of this and earlier Bulletins. It is to put information in the public domain – hopefully in an easily accessible and digestible form without oversimplifying things – in order to stimulate public debate. I have been involved in one way or another in most Labour Market Bulletins back to issue 12: and this is the sixth issue I have been responsible for editing. But it is to be my last, and the reins must pass to others. I wish them well. Therefore, farewell!

Finally, I would like to thank a number of people involved in the production of this issue of the Bulletin – many of whom have helped me through all of the last six issues (and even longer in some instances). First, to the many contributors of articles to the Bulletin, without whom of course there would be nothing to edit; and also to the staff of Media and Marketing Branch, DEL, especially Peter Hodgett, who have been a great help in liaising between ourselves and

the designers. I would also like to thank our designers, AV Browne, who have greatly assisted in the production of the Bulletin. I am also indebted to all members of the Analytical Services team in DEL, including Tom Gardiner who has attempted to keep me on the straight and narrow throughout the production of this Bulletin – and most particularly the administrative team of Etta Wilson, Nicola McGarrigle, and Chris Lawless. It is invidious to single out just one person but I would like to put on record my particular thanks to Etta for her help – without me there may have been a Bulletin: without Etta, there most definitely would not have been. I'd like to thank her and all who have been of so much assistance over the past six issues.

Dave Rogers
Editor – Labour Market
Bulletin

The economy, skills and the labour market in Northern Ireland – an Overview

Dave Rogers, Analytical Services, Department for Employment and Learning

2013 sees Northern Ireland – in common with many other developed economies – enter the sixth year of economic and labour market difficulties that began to be manifest in 2008. The number of employee jobs has fallen, and unemployment continues to rise. At the same time economic inactivity remains stubbornly high. This article gives a brief overview of the current Northern Ireland labour market position and how the content of the Bulletin informs the debate in this area.

Background

This article looks briefly at key recent economic and labour market indicators, and at how the Bulletin seeks to contribute to our knowledge and understanding in this area. To support this, the key facts about the Northern Ireland labour market are laid out in Chapters 2 and 3 of the Bulletin by statisticians from the Northern Ireland Statistics and Research Agency (NISRA)¹, who report on key labour market statistics.

The Northern Ireland economy and labour market.

Key Economic and Labour Market Characteristics

- **Output in Northern Ireland still below pre-recession levels.**

At a United Kingdom level, the recession saw a considerable shrinkage in the economy – Gross Domestic Product (GDP) was down by 6% at one point – but the economy at a United Kingdom level has recovered somewhat, although not completely. The Northern Ireland economy has fared even worse. Regional Gross Value Added (GVA) figures are available only to 2011, but more recent data have been published by NISRA in the form of the Northern Ireland Composite Economic Index (NICEI)². Historically there has been no quarterly measure of the performance

of the whole economy in Northern Ireland. The NICEI was developed by NISRA in response to the recognised need for an overall measure of the performance of the Northern Ireland economy, and which is available on a timely basis, some 14 weeks after the end of a reference quarter. The NICEI has been developed using data from existing quarterly indices relating to output in the Production, Construction, Services and Agriculture Sectors. These sources have been combined with employee jobs data for the public sector to provide a seasonally adjusted and deflated measure of change in economic activity. However at the time of writing, regional data are only available to 2008 and so do not fully reflect the downturn. The NICEI is not strictly equivalent to the Office for National Statistics quarterly measure of change in GDP for the United Kingdom, due to the lack of suitable Northern Ireland data sources. However, when applied to the equivalent United Kingdom data sources, the NICEI provides a close short term approximation to the United Kingdom GDP series. The NICEI can therefore be used to make broad comparisons against United Kingdom quarterly GDP. Although the index showed some limited recovery in late 2011 and 2012, it was still (at Q3 2012) 11.4% below the



1. Detailed statistical reports on the Northern Ireland labour market are published regularly by NISRA on the DETI website www.deti.gov.uk/deti-stats-index.htm. Labour market data (from the Labour Force Survey, the Quarterly Employment Survey, and the Claimant Count) can be found at this location.
2. Also available on the DETI website www.deti.gov.uk/deti-stats-index.htm.



maximum value of 108.8 reached in Q2 2007. In comparison, United Kingdom GDP is only some 2.9% off peak values, demonstrating the depth of the downturn here. In the longer term, regional GVA figures³ show that Northern Ireland's relative performance against the United Kingdom as a whole is not good – in 1997 for example, Northern Ireland's GVA per head was at 80.5% if the United Kingdom average: by 2011, this had declined to 79.2% (mind you all other countries/regions had slipped back with the exception of London, the South East, and Scotland).

- **Falling Employment.**

Employment data are somewhat mixed, although the overall picture is undoubtedly one of contraction since the start of the downturn. Data from the Labour Force Survey (LFS), which includes the self-employed, suggest that the total number in employment fell from a peak of around 790,000 (seasonally adjusted) in summer 2008, just before the onset of the recession, to less than 750,000 a year later. Since then LFS figures have shown a recovery back to around 790,000 (November 2012-January 2013). However this hides a shift towards part-time work – around a quarter of all those in employment are now part-time, compared to around a fifth pre-

recession. Data on employee jobs from the Quarterly Employment Survey show an overall fall of around 40,000 jobs since summer 2008, although there is some indication that the contraction in the number of employees has halted over the last year.

- **Rising unemployment.**

The ILO⁴ unemployment rate is now around 8-8.5%, and has risen from the lows of 4% in the pre-recessionary period. Perhaps even more stark has been the growth in claims for Jobseeker's Allowance: the claimant count has nearly tripled since the end of 2007, with the total number of claimants in February 2013 approaching 65,000 (seasonally adjusted). Youth unemployment has risen and has hit nearly 25% in some recent quarters (this amounts to around one in seven young people – not a quarter, as many young people are out of the labour market altogether, for example in full-time education).

- **Persistently high levels of economic inactivity.**

The most recently published figures on economic inactivity in Northern Ireland show a working age rate of 27.4%: this is higher than in the United Kingdom as a whole (22.7%) and higher than any other United Kingdom country or region.

- **Low productivity remains a problem.**

We have seen above that productivity, as measured by GVA per head, remains low in Northern Ireland at 79.5% of the United Kingdom figure. But there are other indicators of low productivity here as well. For example, NISRA reports that output per worker per hour in Northern Ireland is only 81% of the United Kingdom average⁵.

- **High dependence on the public sector.**

Recent figures from NISRA show that some 31% of employees in Northern Ireland are employed in the public sector. The Office for National Statistics count public sector employment in a different way, and put the Northern Ireland figure at 28.3% (Q4 2012). This compares to 19.3% for the United Kingdom as a whole⁶. None of the English regions come close to Northern Ireland, with the North East being the most dependent on 22.6%. Wales (25.9%) and Scotland (23.5%) have the next highest percentage of public sector workers, but both are below Northern Ireland. This is particularly germane as at a United Kingdom level we have entered a period of considerable downward pressure on public expenditure: Northern Ireland, with its heavy dependency on the public sector for jobs, will be

3. Regional GVA figures are given in Regional Accounts, available online at www.statistics.gov.uk. Data given here are to 2011 (provisional data). Data are at current prices (ie not adjusted for inflation).

4. ILO Unemployment relates to the International Labour Organisation definition of unemployment and is derived from the Labour Force Survey (LFS). It is different from Claimant Unemployment which is derived from administrative systems of those claiming Jobseeker's Allowance. Readers should also note that unemployment rates are traditionally expressed as a percentage of the economically active (ie those employed and unemployed), not as a percent of the working age population.

5. DETI Economic Commentary, January 2013. Data relate to 2010. See www.detini.gov.uk/january_2013_economic_commentary.pdf.

6. Source for Northern Ireland figures – DETI Monthly Labour Market Report www.detini.gov.uk. Northern Ireland figure relates to employees in employment, March 2013. United Kingdom data taken from the Public Sector Employment Statistical Bulletin, available at www.ons.gov.uk/ons/dcp171778_302445.pdf.

particularly susceptible to any changes.

- **Low skill base of working age population.**

Data from the Labour Force Survey show that in 2012 some 18.3% of the Northern Ireland working age population had no qualifications at all: this was over eight percentage points higher than the United Kingdom average (9.9%) and worse than England (9.5%), Wales (10.4%) and Scotland (10.8%). Northern Ireland suffers by comparison at other qualification levels as well. The position is improving though: ten years ago one in three working age adults didn't have a qualification; today the figure is better than one in five. Further improving skills is the cornerstone of the Department's Skills Strategy, "Success Through Skills – Transforming Futures"⁷.

Labour Supply

Northern Ireland has a fast growing labour supply – in part reflecting past high birth rates: these dropped in the 1980s and 1990s, but have shown some signs of recovering recently, not least due to births to mothers who were themselves born abroad (ie, migrants). For example in the decade from 2001-2011, the Northern Ireland working age population grew by around 79,000 (and it also grew by a further 48,000 by dint of the fact that women aged 60-64 are

now considered to be working age, whilst in 2001 they were not), and this growth is expected to continue over the medium term, although projections show that from about 2030 or so the working age population is due to fall⁸, although much depends on what will happen with migration (not to mention the definition of the working age population).

Skills

As we move out of recession, it is likely that skills will become even more important in the labour market, especially as any recovery will be much more strongly underpinned if it is led by export growth in manufacturing and tradable services, as predicated on the Executive's Economic Strategy – and this can only happen if the skill base is improved. The importance of skills is reflected in a number of articles in this issue of the Bulletin. In Chapter 4, Alan Ramsey underlines the importance of skills but also employment and innovation as key drivers of the Northern Ireland Executive's Economic Strategy (referred to above) and also Executive's Programme for Government with its wealth of commitments in these areas⁹. In Chapter 5, by Graeme Harrison and colleagues from Oxford Economics, provides an examination of the skills implications of lower Corporation Tax environment in Northern Ireland. At the time of writing, it is unclear if powers to vary the rate of Corporation Tax will be granted to Northern Ireland, but at a

United Kingdom level the direction of travel is clear – in his 2013 Budget, the Chancellor of the Exchequer announced a further fall in Corporation Tax to 20%. So, one way or another, lower Corporation Tax is coming. To maximise the benefits there are skill issues that need to be addressed as Harrison and his colleagues point out. Chapter 6 of the Bulletin summarises the Northern Ireland results from the 2011 Employer Skills Monitoring Survey carried out by the United Kingdom Commission for Employment and Skills – this has replaced the former Northern Ireland Skills Monitoring Surveys which were carried out in 2002, 2005, and 2008 but is largely compatible with earlier Surveys, thus providing a temporal dimension (in addition to the geographical context which a United Kingdom-wide Survey achieves). The Chapter also contains some results from the UKCES's Employer Perspectives Survey as relevant to Northern Ireland. Chapter 7 by Rob Williams of Ecorys Consulting specifically examines the skills needs that will be required for the development of one particular small – but potentially important – sector of the economy: sustainable energy. Finally in this Section Stephen McGonagle reports on the OECD-led study that assesses Northern Ireland's skills levels in an international context – PIAAC (the Programme for the International Assessment of Adult Competences). This is the successor to the Adult Literacy Surveys of the 1990s, and although it still majors on literacy and numeracy the current



7. See www.delni.gov.uk/index/successthroughskills.htm

8. See NISRA Demography (www.nisra.gov.uk/demography/default.asp17.htm)

9. Links to the Programme for Government, the Economic Strategy, and the Investment Strategy can be found at www.northernireland.gov.uk/index/programme-for-government-and-budget-v1.htm



survey goes much wider – for example to include ICT. The results will be out in autumn 2013 and are already eagerly awaited.

Essential Skills

For many people a lack of essential skills such as literacy and numeracy (and ICT, that is information and communication technology skills) hinders their opportunity to obtain and sustain employment, and their career progression once in work. The need for action in this area led to the development of the Department for Employment and Learning's Essential Skills for Living strategy¹⁰. The PIAAC study mentioned above will inform the assessment of the impact of the Essential Skills strategy, and in Chapter 9, Stephen McGonagle outlines the current position in relation to Essential skills and development in research in the area. In chapter 10, Ian Stanley summarises the findings of a bespoke survey of essential skills students.

New Entrants to the Labour Market

Today's young people are emerging from their time in education and training into a labour market where opportunities are likely to be affected for some time to come given the impact of the downturn on the local economy and labour market as outlined in earlier chapters. During difficult times, employers tend to protect the employees they have as much as they can. This is good news for

those employees – but those out of work, - either unemployed or inactive, or new entrants to the labour market – tend to find that there are fewer opportunities for them than there were in better times. Those in poorer communities will tend to have even greater problems and this is covered by Allan Matthews in Chapter 11 where he reports on the outworkings of the Department for Employment and Learning's widening access agenda – trying to maintain (or even increase) the participation of those from deprived communities in further education, higher education, and training. In Chapter 12, Angela Hodgkinson and Kerrie Irvine from Deloitte report on barriers to learning in further education – in other words, how to engage and motivate those who have become estranged from the sector. Looking at higher education, in Chapter 13 Gaby Atfield and Kate Purcell from the Institute for Employment Research at the University of Warwick present key findings relating to experience of higher education and of the labour market aspirations of students prior to them completing their degrees; whilst in Chapter 14 Peter Martin reports on what happens to students after they leave their places of learning by reporting results from a longitudinal survey of graduates, following students up for over three years after they leave university. Finally on higher education, in Chapter 15 Orla Flanagan reports on the results of the 2012 Higher Education Business and Community Interaction Survey – in other words how the outputs of the

university sector can be maximised within the local business community and communities in general.

Unemployment and Inactivity

As employment falls and unemployment rises – and inactivity remains at the same obdurately high level – the Department's interventions with those who have unfortunately lost their jobs become even more important in a hostile environment. The Department is currently reviewing its main intervention with unemployed people – Steps to Work – with a view to building on it with a new programme, Steps 2 Success, in 2014. In order to have strong foundations on which to build, three areas of work are reported on here. First, in Chapter 16 Tony Sidebottom reports on how the statistical base held by the Department was improved by integrating data from other sources – specifically the Department for Social Development's benefits data; and employment data held by Her Majesty's Revenue and Customs. Tony's article specifically refers to work on the New Deal database, but the principle and lessons were also learned and applied to Steps to Work statistics, and are detailed on the Department's website¹¹. In Chapter 18, Jenny Irwin and Joanna Clearkin from RSM McClure Watters reports on the findings of a survey of leavers from Steps to Work – finding out in detail about their experiences whilst on and since leaving the programme – and this survey

10. See LMB #18, Chapter 13

11. See www.delni.gov.uk/occasional-paper-improving-steps-to-work-statistics.pdf

informed the evaluation of Steps to Work which is summarised in Chapter 19 by Lynsey Redpath from KPMG.

Greater understanding

Evaluation of its programmes and interventions is a key aspect of the Department for Employment and Learning's work. In addition to the evaluation of the Steps to Work programme mentioned above, Chapter 20 by David Roberts of Eskogen details the findings of and evaluation of the Department's Management and Leadership programme. More information is available on the evaluation of the Department for Employment and Learning programmes and services on the Department's website¹². Evaluation is only one tool in greater understanding: another key one is research. More information the Department's Research Agenda can also be found on the Department's website¹³ - this web page also contains a link to all of the Department's research publications. But the Department's Rolling Programme of Evaluations and Research Agenda cannot capture everything. In Chapter 17, Julie-Ann Jordan reports on the use of data on job vacancies held by the Department to develop indicators of labour market performance. Given the parlous state of the labour market for young people, Hugh McNickle from NISRA has provided an analysis of the position of young people in the Northern Ireland labour market in Chapter 21,

mainly based on data from the Labour Force Survey. But as Dave Rogers shows in Chapter 22, it is not only young people we need to worry about, but older people – particularly those in their late 40s and older. Northern Ireland has a lower employment rate than the United Kingdom as a whole – this is entirely attributable to lower employment from the age of 45. Finally in Chapter 23, Claire Hood gives an update on the results of equality monitoring by the Department of its major programmes and services.

Conclusion

The final article I would point you towards is Chapter 24 by Christine Fairfield and Dean Varley. This provides a summary of wider national and international research in the areas of skills, employment, and innovation. The information in this articles supplements summaries that are regularly placed on the Department's website¹⁴. It underlines the Department's commitment to ensuring that discussion and debate about is work is anchored in robust evidence and analysis – and it thus sits well in a Labour Market Bulletin which sets out a considerable body of research and information about the state and performance of the Northern Ireland labour market to underpin debate both with government and wider afield. Finally, the Department is committed to regular review of its performance and the quality of the work that it does. Analytical input plays a large part of this and I would refer

you to Chapter 23 of Labour Market Bulletin #23¹⁵, which details the approach taken to the Department for Employment and Learning's assessment of its work – more up-to-date analyses are regularly placed on the Department for Employment and Learning website as a series of reports entitled "Delivering Success through Excellence"¹⁶.



12. See www.delni.gov.uk/evaluations
13. See www.delni.gov.uk/stats-research
14. See www.delni.gov.uk/quarterly-research-review
15. See www.delni.gov.uk/lmb-23-web-version.pdf
16. See www.delni.gov.uk/qualityperformanceanalysis

The Northern Ireland Labour Market ‘At a Glance’

Economic and Labour Market Statistics Branch, Department of Finance and Personnel

The Labour Force Survey (LFS) is a quarterly sample survey whereby some 4,000 individuals aged 16 and over are asked about their personal circumstances and work. It is the largest regular household survey in Northern Ireland and provides a rich source of information about the labour force using internationally agreed concepts and definitions. Similar surveys are conducted throughout the European Union (EU) allowing cross-country comparisons to be made.

Results obtained from the sample are ‘grossed-up’ to provide an estimate of the levels within the population as a whole. Each individual participating in the survey is given a weight or ‘grossing factor’ which is related to that person’s age and sex. In this way the final grossed results reflect the distribution by age and sex of the population.

Individuals are classified into one of the following categories: in employment, unemployed or economically inactive.

The following charts show how each of these three major categories may be further sub-divided to produce LFS estimates for an entire spectrum of non-overlapping labour market groups ranging from full-time employee to economically inactive people who do not want

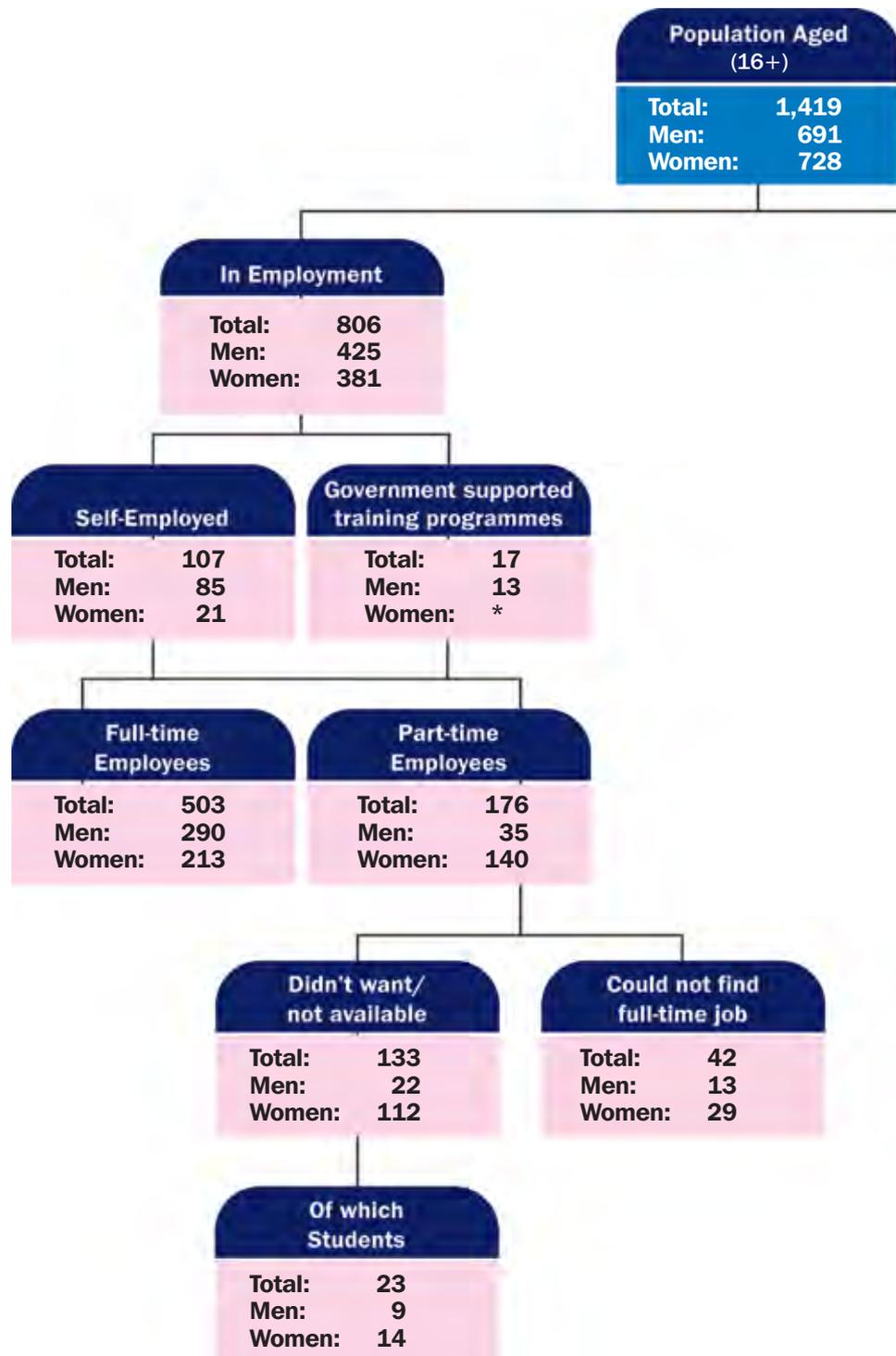
a job. The results have been provided separately for the 16+ and working age populations and the data relates to Quarter 3 (July – September) 2012.

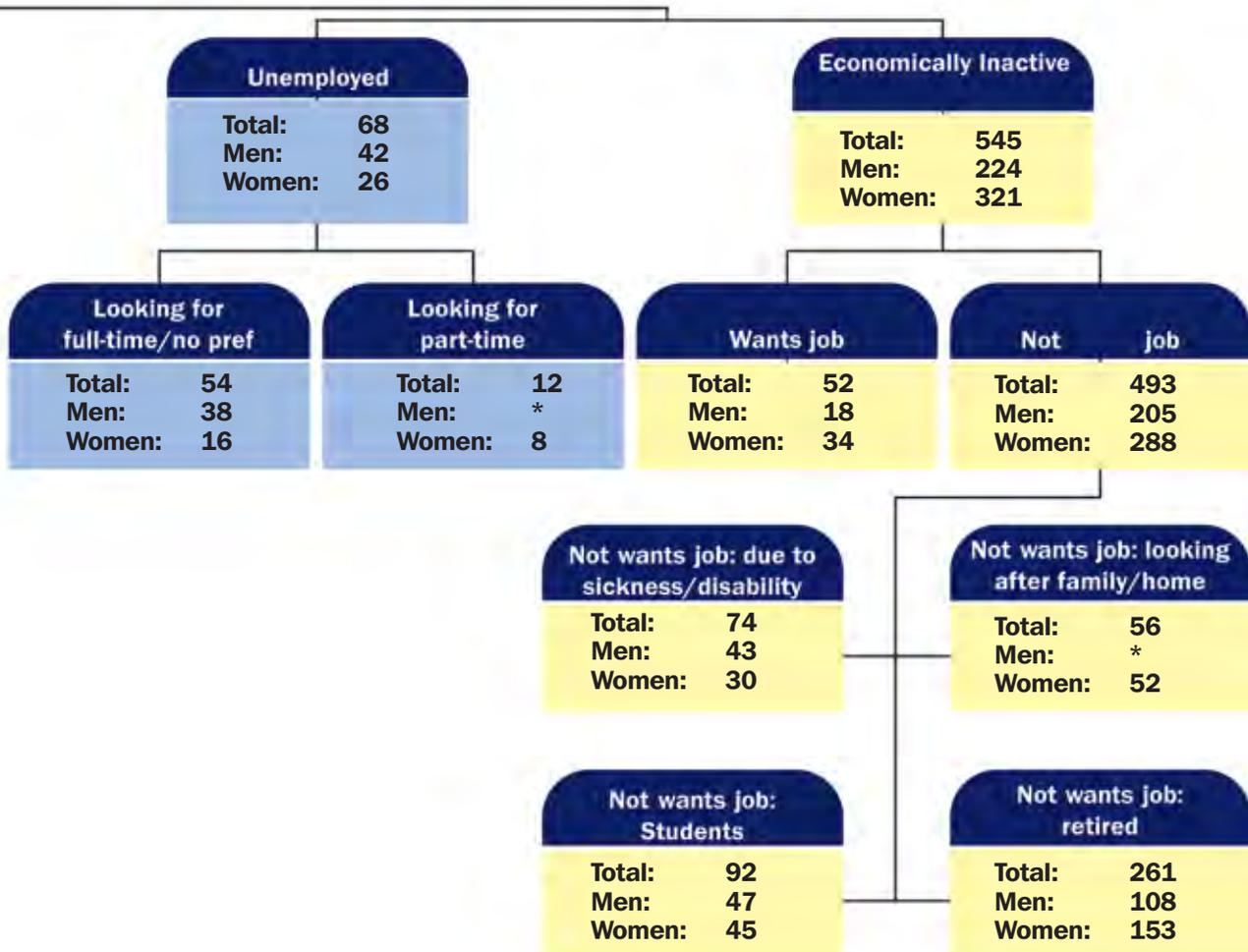
Please note that the definition of ‘working age’ used by the LFS changed in August 2010 to include those aged from 16 to 64 for both men and women. Previously these rates were based on upper age limits of 59 for women and 64 for men, reflecting the state pension ages in the UK. However, between 2010 and 2020, the state pension age for women is increasing (by one month every two months) from 60 to 65, thereby making a change to the definition necessary. Further details of this change are available at www.detini.gov.uk/introduction_of_new_working_age_definition.pdf.





Figure 1: Overall Labour Market Structure (16+ Population, thousands), Quarter 3 2012.





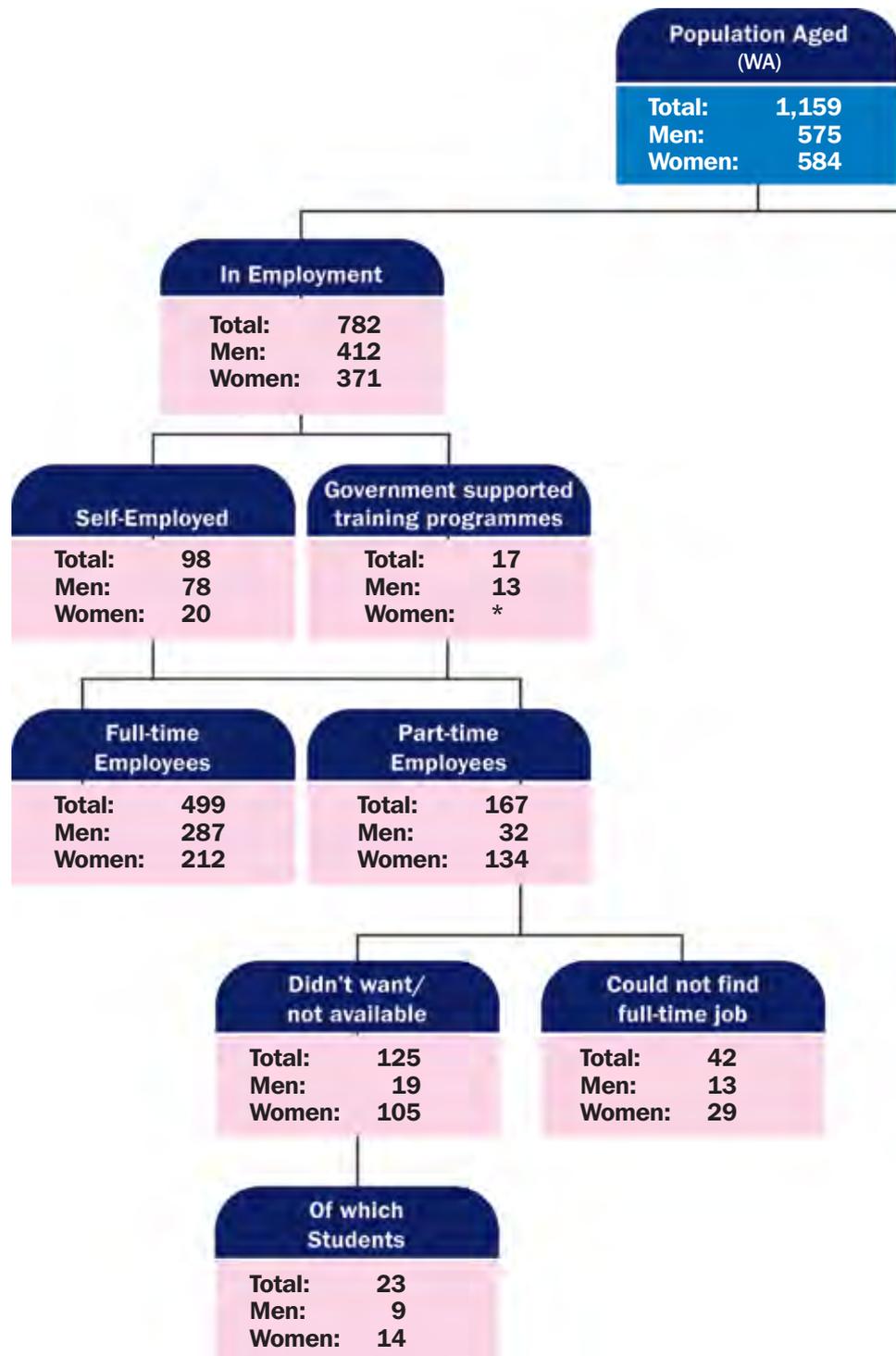
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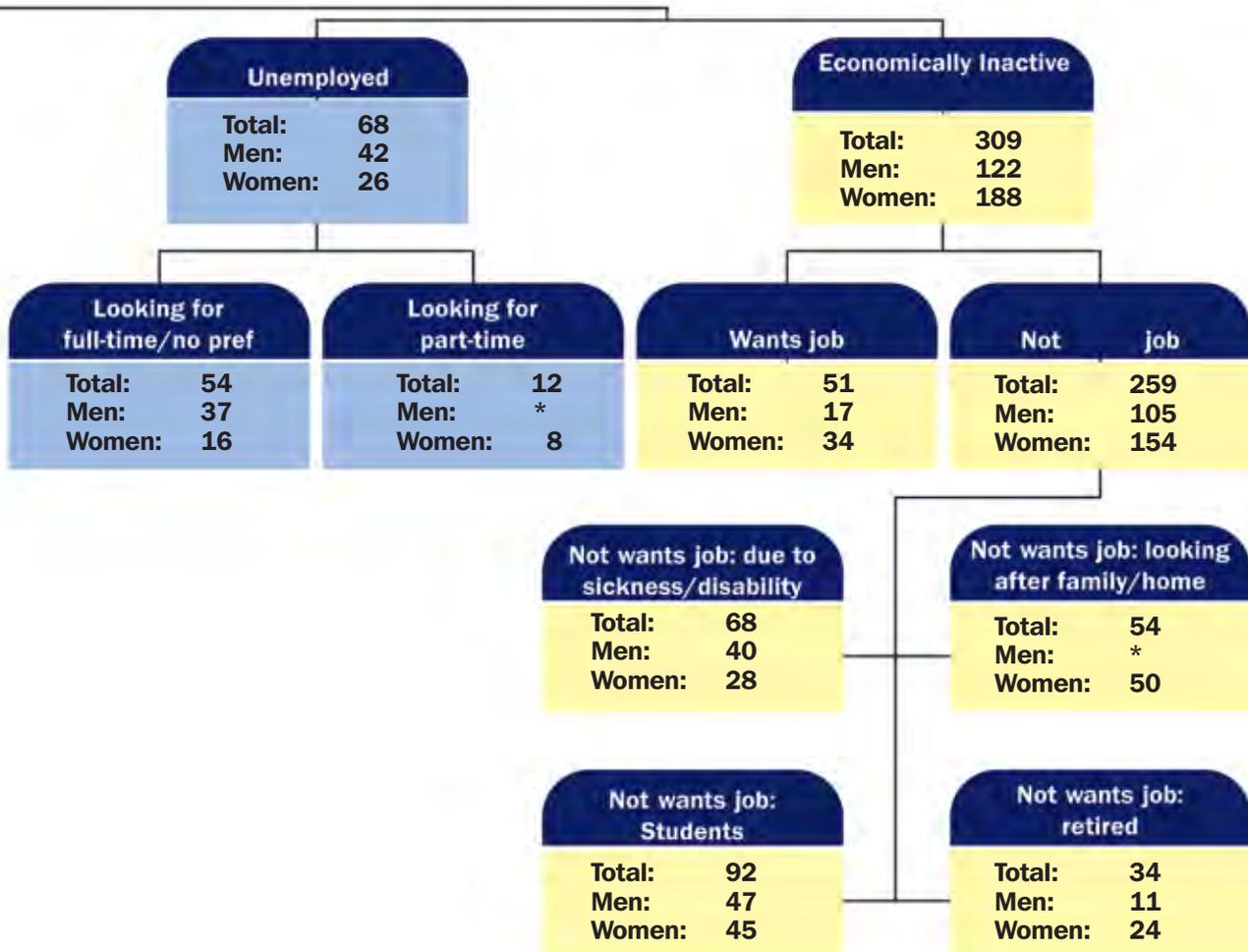
This chart illustrates the structure of the private household population in relation to the key ILO defined categories of in employment, unemployed and economically inactive (see Technical Notes for definitions).

* Too small for a reliable estimate (this explains why a gender split for some categories is omitted).

Figures may not sum due to rounding.

Figure 2: Overall Labour Market Structure (16-64 Population, thousands), Quarter 3 2012.





Notes:

This chart illustrates the structure of the private household population aged 16 to 64 in relation to the key ILO defined categories of in employment, unemployed and economically inactive (see Technical Notes for definitions).

* Too small for a reliable estimate (this explains why a gender split for some categories is omitted).

Figures may not sum due to rounding.

The definition of 'working age' is now based on 16 to 64 for both men and women (see last paragraph of introduction to article for further details).

FURTHER INFORMATION

More detailed labour market analysis is published in the monthly report "Labour Market Report". This can be obtained (free of charge) by;

Writing to Economic and Labour Market Statistics Branch,
Room 110, Netherleigh, Massey Avenue, BELFAST BT4 2JP

Telephoning Belfast (028) 9052 9475 [Fax (028) 9052 9658]

Textphone Belfast (028) 9052 9304

Visiting the web site www.statistics.detini.gov.uk/deti-stats-index.htm

Labour Market Statistics

Economic and Labour Market Statistics, Department of Finance and Personnel

This article outlines current trends in the Northern Ireland labour market using data from the Labour Force Survey (LFS), Quarterly Employment Survey (QES) and Claimant Count. A major strength of the LFS is that it is a self-contained integrated source of information on employment, unemployment, economic activity and many other labour market topics. It is the largest regular household survey carried out in Northern Ireland and it uses concepts and definitions which are consistent with International Labour Organisation (ILO) guidelines. This article is based on data from the latest LFS available at the time of writing - Quarter 3 2012 (i.e. the 3 month period July - September 2012).

Key Labour Market Statistics

Table 1 provides a seasonally adjusted summary of the Northern Ireland labour market position at July - September 2012 and an indication of change over the previous year. The figures show that seasonally adjusted employment increased by an estimated 5,000 in the year to July - September 2012. Seasonally adjusted unemployment showed an increase of 4,000, leading to a rise of 9,000 in the total number of economically active persons during the year.

Economic Activity

To provide a more detailed analysis of the labour market the remainder of this article is based on data that have not been adjusted for seasonality unless noted.

The economically active (that is, the employed plus the unemployed) are those participating in the labour market either by working or looking for work. Economic activity rates express the number economically active as a percentage of the population aged 16 and over. In the period July-September 2012, there were 874,000 economically active people in Northern Ireland - equating to an overall activity rate of 61.6%. The equivalent figures for the working age population (ie those aged 16-64) were 850,000 and a rate of 73.3%.



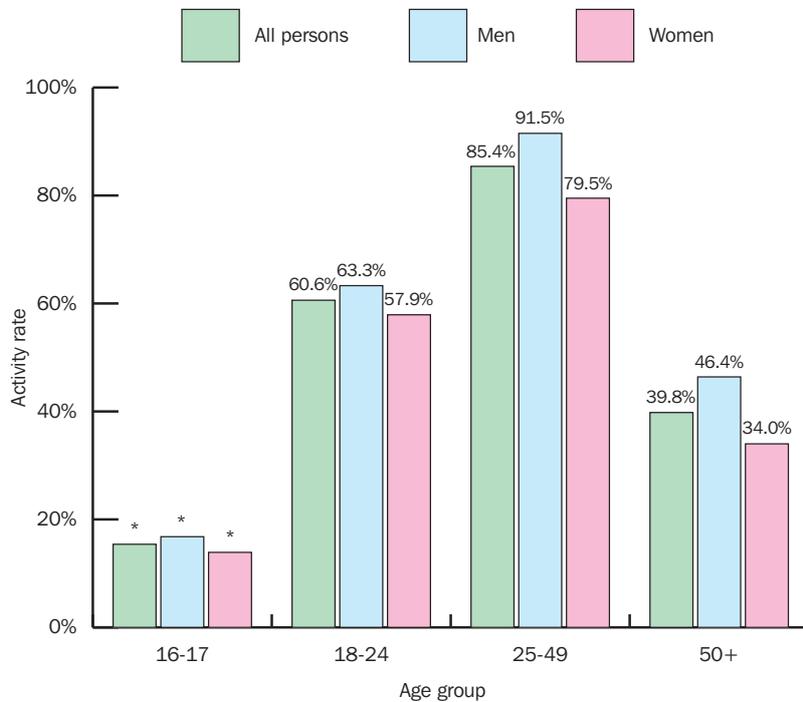
Table 1: Summary of Labour Market Statistics July - September 2012 (seasonally adjusted)

	Level	Sampling Variability of level +/- #	Change over Year	Sampling Variability of change +/- #
ILO* employment	804,000	+/-24,000	5,000	+/-30,000
ILO* unemployment	67,000	+/-12,000	4,000	+/-16,000
Economically active	871,000	+/-21,000	9,000	+/-27,000
Economically inactive	548,000	+/-21,000	2,000	+/-27,000
ILO*unemployment rate	7.6%	+/-1.3pp	0.4pps	+/-1.8pp
Economic activity rate (ages 16-64)	73.1%	+/-1.7pp	0.3pps	+/-2.2pp

*Definition agreed by the International Labour Organisation (ILO) - taken from the Labour Force Survey (LFS)
95% confidence interval pp = percentage points



Figure 1: Economic Activity Rates by Age



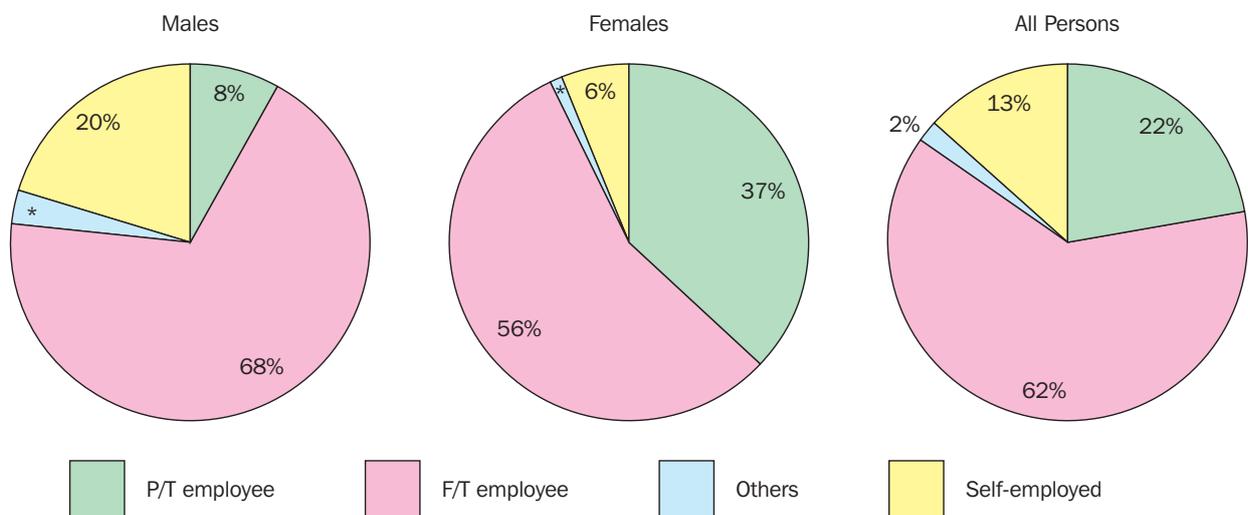
* Too small to provide a reliable estimate
Source: Labour Force Survey

Figure 1 shows how economic activity rates are relatively low during the ages associated with full-time education, rise during the ‘prime’ working years (18-49 years of age) and begin to drop again near retirement age. For women this trend is slightly more muted, largely because many females of working age have family commitments which impact on their participation in the labour market.

Employment

The total number of persons in employment at July-September 2012 was 806,000. Of these 503,000 (62%) were full-time employees, 176,000 (22%) were part-time employees, 107,000 (13%) were self-employed and 19,000 (2%) were on government employment and training programmes or were unpaid family workers.

Figure 2: Categories of Employment

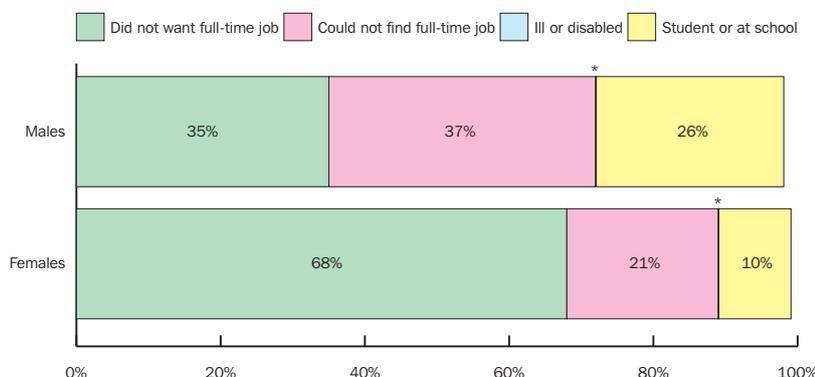


“Others” comprise those on government training and employment schemes and unpaid family workers.

* Too small for a reliable estimate.

Source: Labour Force Survey

Figure 3: Reasons for Employees Working Part-time



Other reasons comprise being ill or disabled.

* Too small for a reliable estimate.

Source: Labour Force Survey

Figure 2 shows how the relative size of these categories differs for men and women. Whilst 20% of males in work are self-employed, it accounts for just 6% of females in a job. Another feature of the Northern Ireland labour market is the significant contribution which part-time work makes to female employment: 37% of all females in employment are working part-time compared to just 8% of males.

Figure 3 shows that the reasons for part-time working also differ for men and women. While three quarters of female employees (68%) worked part-time because they did not want a full-time job,

the main reasons for males working part-time was more evenly spread across the categories. The proportions of both men and women who work part-time but would prefer full-time employment has grown since the onset of the recession.

Employee Jobs

The other major source of employment information is the Quarterly Employment Survey (QES), which measures the number of employee jobs in Northern Ireland. **Table 2** shows the breakdown of employee jobs at September 2012. Substantially

more male employees are working full-time (266,480) compared to part-time (64,900), whereas the female split in employee jobs is more evenly spread (182,560 working full-time compared to 175,840 working part-time). In September 2012 female employee jobs accounted for just over half (52.0%) of the Northern Ireland total.

Figure 4 shows the annual and quarterly changes in employee jobs. Between June 2012 and September 2012 the number of employee jobs in Northern Ireland decreased by 1,960, due mainly to seasonal effects. This consisted of decreases in the Service Sector (-1,660) and in Construction (-310) and also in Other Industries (-60). Employee jobs increased over the quarter in the Manufacturing sector (80).

Between September 2011 and September 2012 the number of employee jobs decreased by 3,300. There were decreases in Construction (-1,920), in the Service Sector (-2,730) and in Other industries (-140). Manufacturing employee jobs increased over the year (1,490).

Table 2: Employee Jobs, Full-time/Part-time split, September 2012

	Male		Female		Total	% change in total	
	Full Time	Part Time	Full Time	Part Time		since last quarter	since last year
Manufacturing	57,410	1,880	12,860	3,330	75,490	0.1%	2.0%
Construction	25,600	1,200	2,530	1,680	31,010	-1.0%	-5.8%
Services	173,870	54,430	165,710	169,420	563,420	-0.3%	-0.5%
Other ¹	9,610	7,390	1,460	1,400	19,870	-0.3%	-0.7%
Total	266,480	64,900	182,560	175,840	689,790	-0.3%	-0.5%

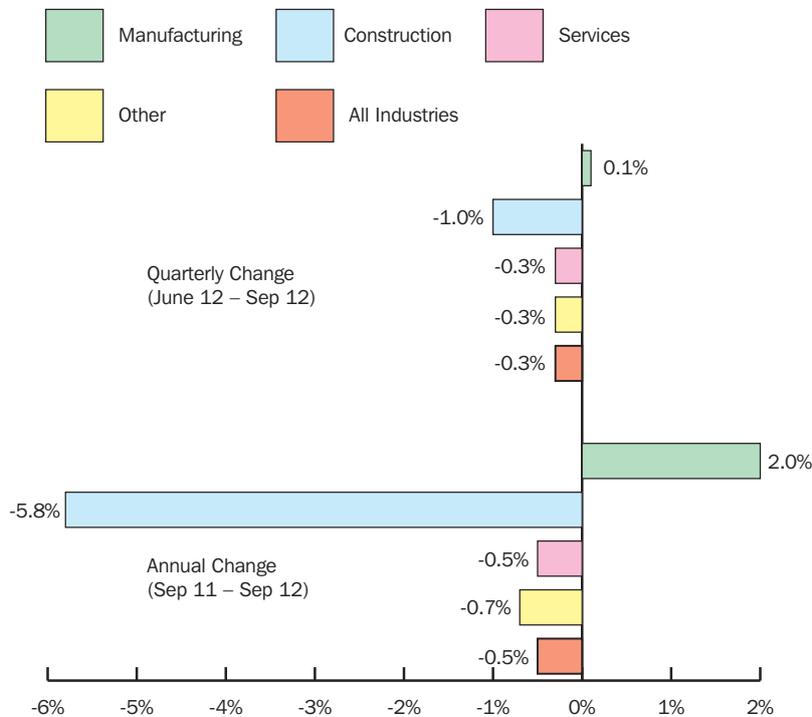
1 Covers Industry Sections A, B, C and E

Source: Quarterly Employment Survey





Figure 4: Annual and Quarterly Changes in Employee Jobs

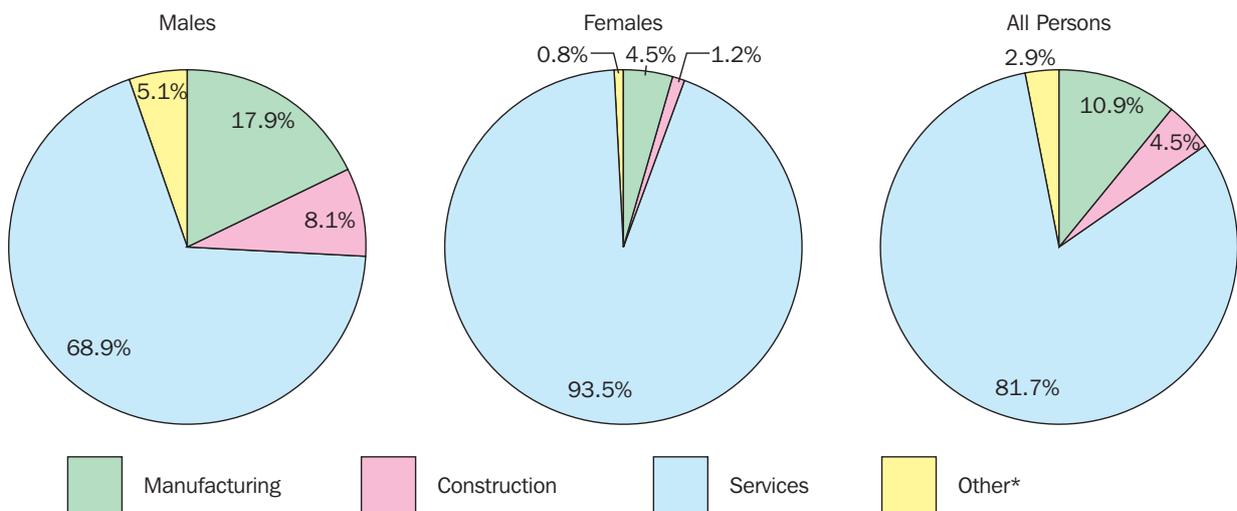


Source: Quarterly Employment Survey

Figure 5 shows the breakdown of male and female employee jobs by broad industry sector at September 2012. There are notable differences in the distribution of male and female employees: whilst some 68.9% of male employee jobs are in the Service sector, males are still well represented in Manufacturing (17.9%) and Construction (8.1%). Female employee jobs however are much more concentrated in the Service sector (93.5%), with only 4.5% involved in Manufacturing and 1.2% in Construction.

Figure 6 shows the change in the number of employee jobs over the longer term, between September 2002 and September 2012 for male and female, full-time and part-time jobs. The largest increase occurred in female part-time jobs, with an increase of just over 10,000. The second largest rise occurred

Figure 5: Employee Jobs by Broad Industry Sector



* Other industries include Agriculture, Hunting, Forestry & Fishing, Mining & Quarrying and Electricity, Gas & Water Supply.

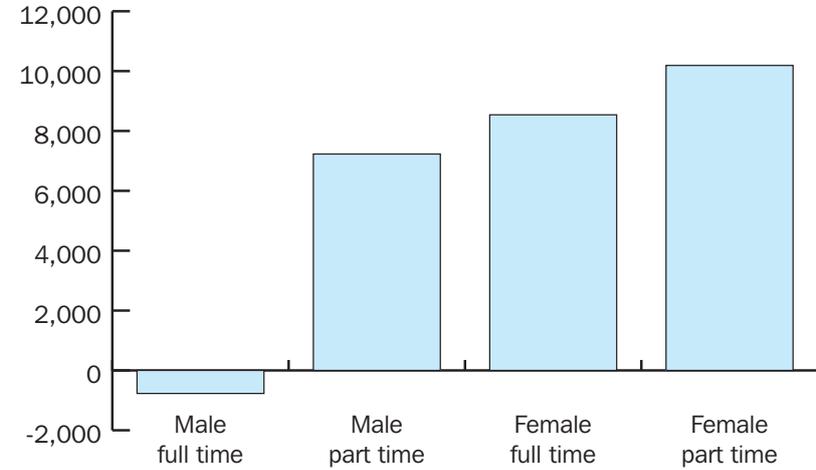
Source: Quarterly Employment Survey

in female full-time jobs (up just over 8,500). The number of part-time male jobs also rose (by over 7,000) but full-time male jobs actually fell over the period by around 800.

Unemployment

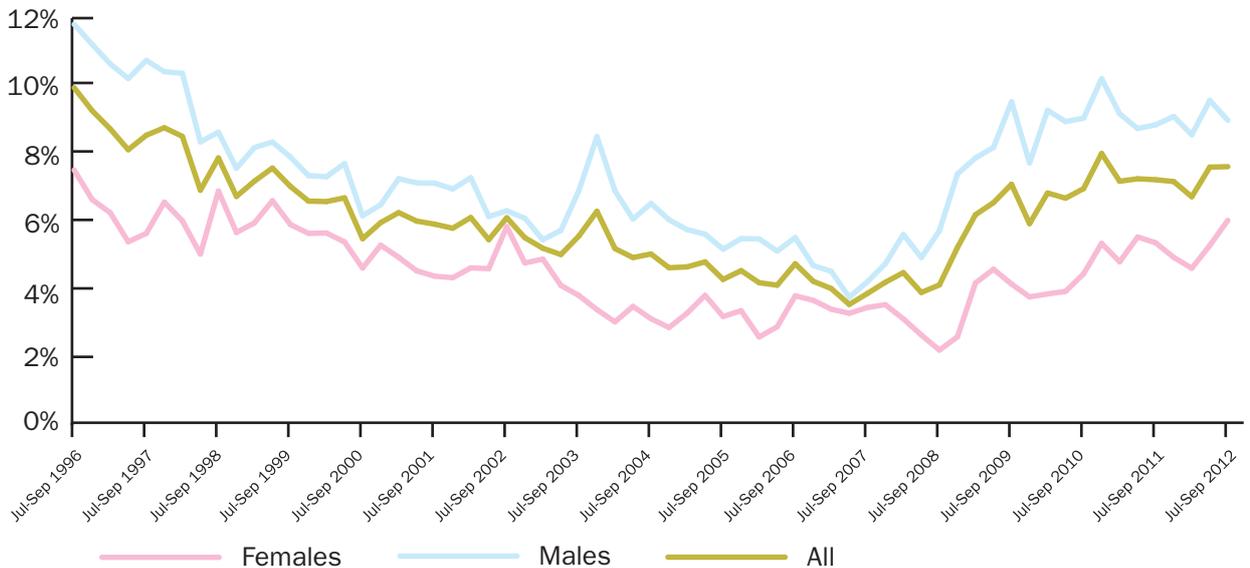
The unemployed as defined by the International Labour Organisation comprise those who are without a job; who are available to start work within the next fortnight; and who have actively looked for work at some time in the previous four weeks.

Figure 6: Change in Employee Jobs, September 2002 – September 2012



Source: Quarterly Employment Survey

Figure 7: Unemployment Rates



Source: Labour Force Survey, seasonally adjusted

In the period July-September 2012 seasonally adjusted figures estimate that there were 67,000 persons unemployed in Northern Ireland, which equates to an unemployment rate of 7.6%.

Figure 7 shows that unemployment rates in Northern Ireland had been on a downward trend for a number of years, falling from 10.0% in October-

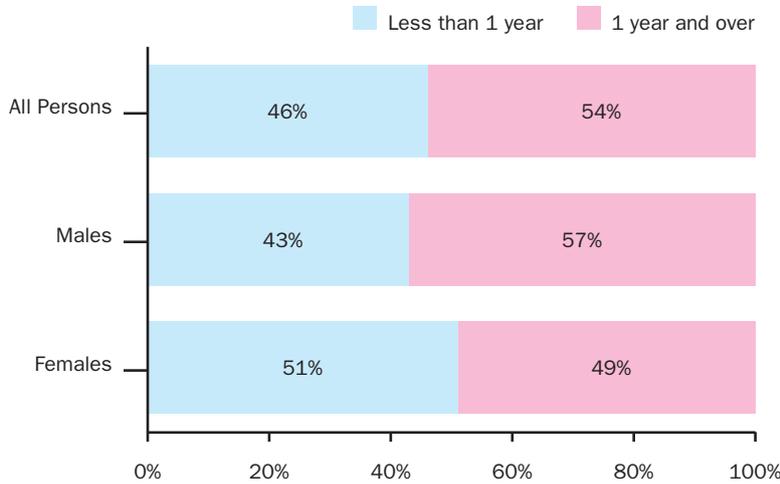
December 1995 to 3.3% in mid 2007. However, since then the unemployment rate has increased markedly with the July-September 2012 rate estimated at 7.6%. It is noticeable that the rate for males (9.0%) is considerably higher than the equivalent rate for females (6.1%).

Unadjusted data show that in the period July-September 2012, 36,000 (54%) of the unemployed had been out of work and seeking employment for one year or more. The proportion of unemployed males unemployed for one year or more was higher at 57%: the corresponding figure for women was 49% (see **Figure 8**).





Figure 8: Duration of Unemployment.



Excludes those who did not state the length of time they had been unemployed.

Source: Labour Force Survey

main reason for not wanting work was retirement; 52% of men and 53% of women who did not want a job were retired. The other reasons for not wanting work varied according to the gender of the respondent, with men more likely to cite student (23%) as their reason, and women giving 'looking after family home' (18%) as the reason.

At July-September 2012 there were 52,000 economically inactive people who wanted a job, but for a variety of reasons were not actively seeking work (Figure 10). The main reason given by these people for not seeking or being available for work was family/home (39%).

Economic Inactivity

People aged 16 and over who are not in employment and are not unemployed according to the ILO definition are classified as economically inactive. In the period July-September 2012 there were 545,000 economically inactive persons in Northern Ireland – an increase of

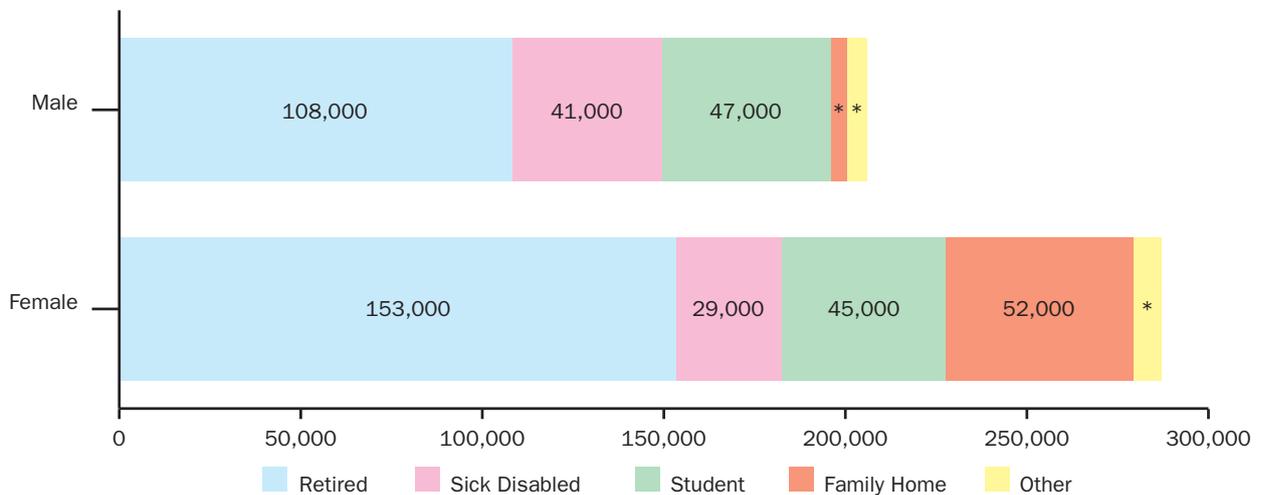
1,000 from one year earlier.

The economically inactive can be divided into two main groups; those who do not want a job (90%) and those who do want a job but fail to satisfy the ILO unemployment requirement for active job-search (10%). A breakdown of the former category is shown at Figure 9. Overall, the

Claimant Count Unemployment

The seasonally adjusted claimant count rate as a percentage of the workforce for Northern Ireland in November 2012 (7.1%) has increased by 0.5 percentage points since November 2011.

Figure 9: Economically Inactive: Reason for not Wanting Work



* Too small to provide a reliable estimate.

Source: Labour Force Survey



The rate has been steadily increasing over the last few years. The claimant count rate for Northern Ireland has been consistently higher than the United Kingdom rate throughout the past ten years while maintaining a similar pattern. However, the gap between the United Kingdom rate and the Northern Ireland rate has started to widen over the last few years, after several years of closing and now (November 2012) stands at 2.3 percentage points. The current gap between United Kingdom and Northern Ireland is the highest it has been in last 10 years, whilst back in 2007 it had all but disappeared (**Figure 11**).

Subregional analysis

An analysis at Travel-To-Work-Area (TTWA) level shows that claimant count rates as a percentage of working age population were generally highest in the north west of the region (**Figure 12**). The highest rates were 8.1% in Strabane and 8.0% in Derry while the lowest rate was in Ballymena 3.8%. Belfast TTWA comprises just under one half of the working age population in Northern Ireland and has a rate of 5.4%. The rate for Northern Ireland as a whole was 5.5%.

Analysis by duration

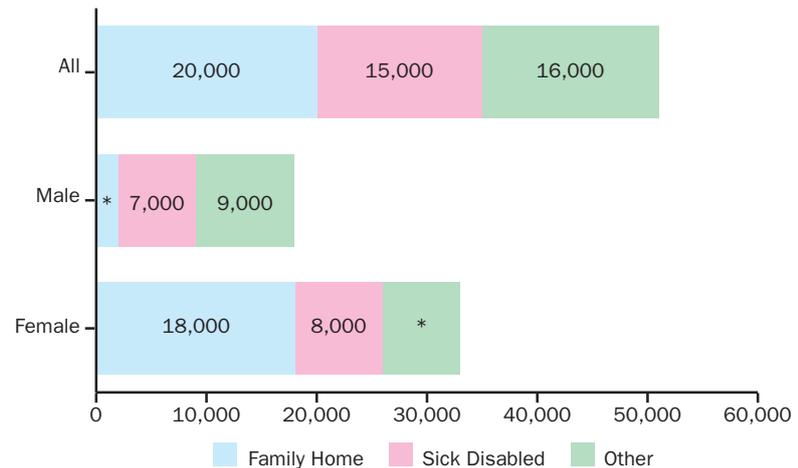
In November 2012, the structure of long-term claimants in Northern Ireland was very similar with only minor differences from that of the United Kingdom. The proportion of claimants who were short-term unemployed (claiming unemployment-related benefits for less than one year) was greater in here (74.1% in Northern Ireland compared to 72.1% in the United Kingdom), however Northern Ireland had a

smaller proportion of new claimants of duration 4 weeks or less than the UK (11.1% compared with 14.7% respectively). Northern Ireland had a lower proportion of claimants who had been claiming between three and five years, compared to the United Kingdom, 1.3% and 2.6% respectively (**Figure 13**).

Just over a quarter (25.9%) of all claimants in Northern Ireland were long term claimants (those individuals who have been claiming unemployment related benefits for over a year).

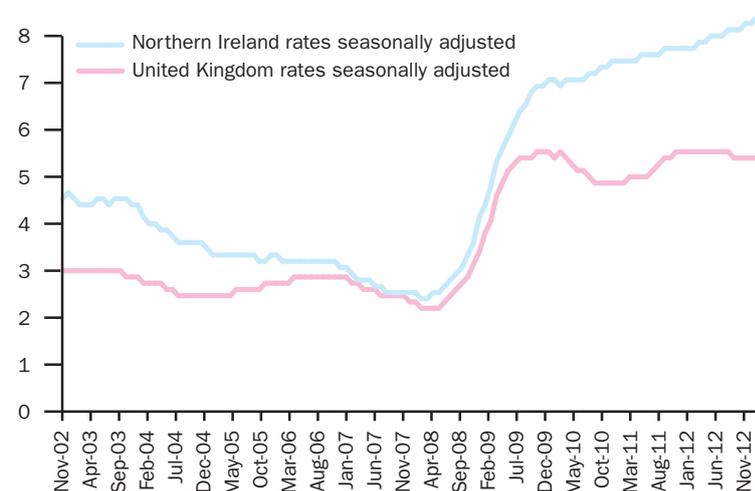
The District Council areas with the highest concentration of long term claimants were to be found in the south and west of Northern Ireland – 33.1% of claimants in

Figure 10: Economically Active who wanting a job, reason for not looking for work



* Too small to provide a reliable estimate
 Source: Labour Force Survey Claimant Count Unemployment

Figure 11: Seasonally adjusted claimant count rates for Northern Ireland and the United Kingdom, November 2002 to November 2012.



Source: Claimant Count
 Subregional analysis



Newry & Mourne were long term claimants at November 2012, followed by Omagh with 31.5% of claimants. Larne and Magherafelt had the lowest incidence of long term unemployment with 15.3% and 19.5% respectively claiming for one year or more. 15 of the 26 District Council Areas had a long term percentage of claimants greater than 20%, and less than 25% (Figure 14).

Jobs Density Indicator

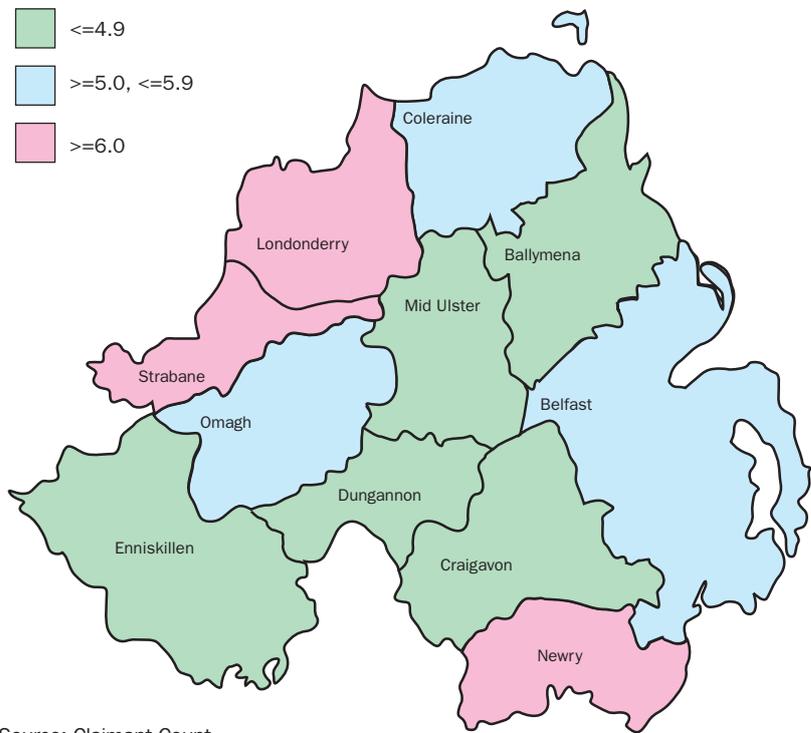
The Jobs density measure is equal to the total number of filled jobs in an area divided by the resident population of working age in that area. It provides an indication of the relationship between the supply of jobs in an area and the population from that area e.g. if the jobs density estimate equals 1.0, the number of jobs in the area would equal the working age population from that area.

The total number of jobs is a workplace-based measure of jobs and comprises employees, self-employment jobs,

government-supported trainees and HM Forces (see Box 1 for details of sources). The number of jobs in an area is composed of jobs done by residents (of any age) and jobs done by workers (of any age) who commute into the area.

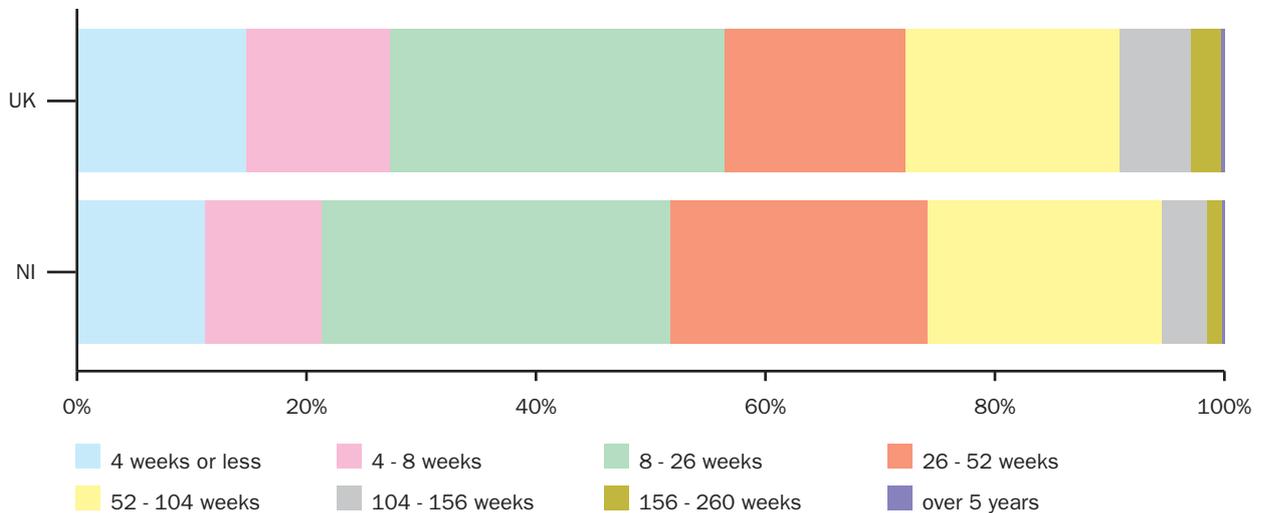
The working-age population comprises residents of working age who work in the area plus workers of working age who commute out of the area to work in other areas and those who are unemployed or economically inactive of working age.

Figure 12: Northern Ireland claimant count Travel-To-Work area rates – November 2012.



Source: Claimant Count

Figure 13: Proportion of claimants by duration; November 2012



Source: Claimant Count



Box 1

Employee jobs (excluding Agricultural employees)

By far the largest component, employee jobs accounts for 81.3 per cent of the total number of jobs at a Northern Ireland level. Estimates were obtained from the Quarterly Employment Survey, at December each year.

Agricultural employees

Estimates are obtained separately from the Agricultural Census, which is carried out by the Department of Agriculture and Rural Development. Data are for June of each year. Agricultural employees account for 1.3 per cent of the total number of jobs.

Self-employed jobs (including Agriculture)

The second largest component accounting for 14.7 per cent of the Northern Ireland total is self-employment data from the annual local area Labour Force Survey (LFS).

Government-supported trainees

The Department for Employment and Learning provides this data, at June of each year. Government-supported trainees account for just over 2.2 per cent of the total number of jobs.

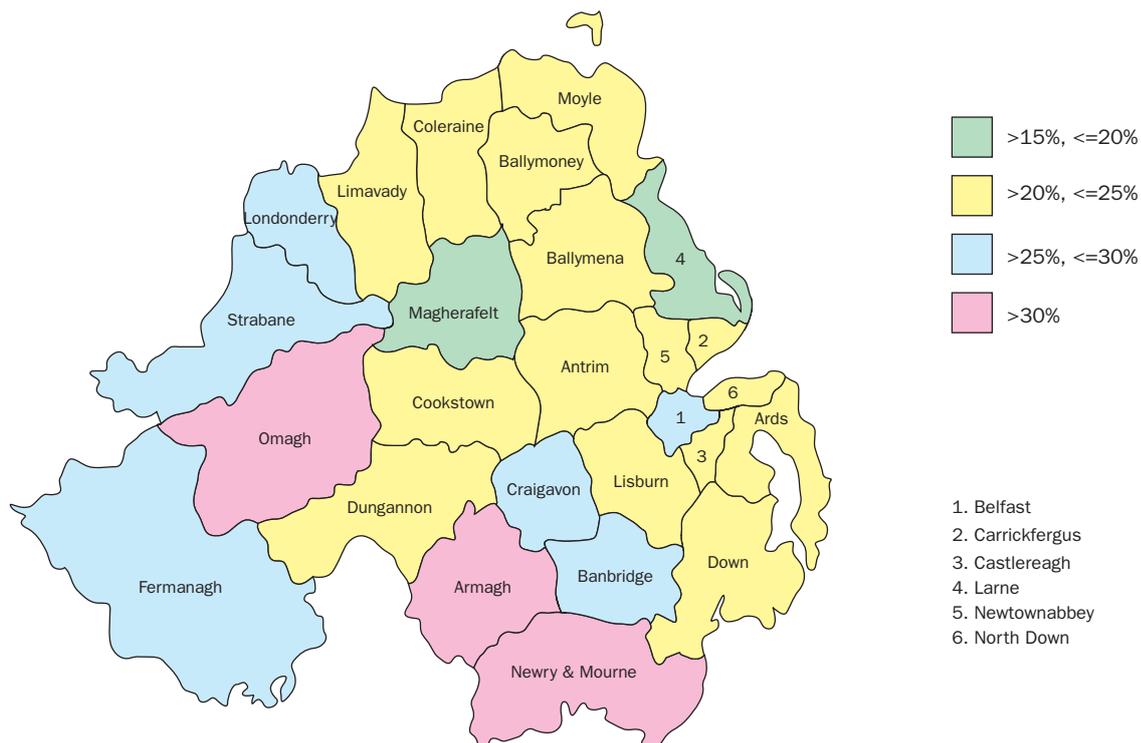
HM Forces

Estimates of armed forces personnel are produced by the Defence Analytical Services Agency as at 1 July of each year. Adjustments are made for military personnel serving overseas or whose location is unknown. They account for under 0.5 per cent of the Northern Ireland total.

Population estimates

Latest official mid-year population estimates, for persons of working age (16-64), produced by the Northern Ireland Statistics & Research Agency are used as the denominator. 2010 Job density indicators are based on 2010 mid-year population estimates.

Figure 14: Concentration of long-term claimants by District Council Area; November 2012



Source: Claimant Count



Table 3: Jobs Density Indicator (JDI) by Government Office Region 2005-2010

Government Office Region	2005	2006	2007	2008	2009	2010
North East	0.72	0.70	0.69	0.69	0.66	0.66
North West	0.76	0.77	0.77	0.76	0.75	0.74
Yorkshire and The Humber	0.78	0.76	0.75	0.75	0.73	0.72
East Midlands	0.76	0.75	0.77	0.75	0.74	0.74
West Midlands	0.79	0.79	0.78	0.77	0.75	0.75
East	0.78	0.78	0.78	0.77	0.76	0.75
London	0.91	0.88	0.90	0.90	0.88	0.88
South East	0.84	0.82	0.82	0.82	0.80	0.80
South West	0.82	0.82	0.82	0.82	0.82	0.82
England	0.81	0.80	0.80	0.79	0.78	0.78
Wales	0.74	0.73	0.72	0.71	0.71	0.70
Scotland	0.80	0.79	0.80	0.80	0.78	0.76
Great Britain	0.81	0.79	0.80	0.79	0.78	0.77
Northern Ireland	0.76	0.75	0.75	0.76	0.73	0.74
United Kingdom	0.80	0.79	0.79	0.79	0.77	0.77

Source: Claimant Count

In 2010 job density estimates show there are 0.74 jobs per person of working age in Northern Ireland, compared to a figure of 0.77 for Great Britain (**Table 3**).

Of the 12 United Kingdom regions, Northern Ireland (0.74) has the joint fourth lowest Jobs Density. The United Kingdom average at 2010 was 0.77 jobs per person.

The District Council Area (DCA) that had the highest JDI in 2010 was Belfast DCA (1.35). This indicates that a considerable amount of the workforce commutes into Belfast from surrounding DCAs. Carrickfergus

DCA had the lowest JDI (0.34) in 2010 suggesting that residents in Carrickfergus travel out of the DCA to work.

The two DCAs (Carrickfergus, 0.34 and Ards, 0.42) with the lowest JDI are within commuting distance of the Belfast DCA (**Figure 15**).

The JDI in Northern Ireland has remained relatively unchanged from 2005 to 2010. The change occurred from 2008 to 2009 when it decreased by 0.03 percentage points. In 2010, only 7 of the 26 District Council Areas showed a decrease in JDI from the previous year (**Table 4**).

Ward Claimant Count Rates

All current Jobseekers' Allowance claimant datasets contain information at Census Area Statistics (CAS) ward level. In Northern Ireland there are 582 CAS wards. These figures express the claimant count as a proportion of the resident working-age (ages 16-64) population in the ward.

The 10 highest CAS ward claimant count rates occurred in either Derry, Strabane, Belfast or Limavady DCAs. This is not surprising, as these four DCAs had the four highest claimant count rates in November 2012. In these wards the claimant count rates for males were much higher than the rates for females. In the Strand ward (Derry) around 1 in 4 males of working age were claimants compared with 1 in 12 males in Northern Ireland as a whole (**Table 5**).

The lowest CAS ward claimant count rates occurred in DCA's situated in the east of Northern Ireland. Three of the top ten occurred in Castlereagh DCA, which has the lowest rate of all 26 DCA's (3.4%) at November 2012. The ward with the lowest rate was Cultra (1.1%) in **Table 6**, only 1 in 90 persons of working age were claiming. In all these wards, male and female claimant rates were closer than in the previous wards with the highest overall rates.

Table 4: Jobs Density Indicator by District Council Area 2005 – 2010

District Council Area (DCA)	2005	2006	2007	2008	2009	2010
Antrim	0.88	0.94	0.90	0.89	0.90	1.02
Ards	0.44	0.43	0.42	0.43	0.41	0.42
Armagh	0.67	0.66	0.68	0.69	0.67	0.61
Ballymena	0.98	0.96	0.94	0.96	0.89	0.72
Ballymoney	0.51	0.50	0.49	0.50	0.46	0.48
Banbridge	0.49	0.48	0.49	0.50	0.46	0.48
Belfast	1.31	1.31	1.31	1.33	1.29	1.35
Carrickfergus	0.37	0.37	0.37	0.38	0.39	0.34
Castlereagh	0.72	0.72	0.71	0.72	0.73	0.75
Coleraine	0.79	0.79	0.77	0.79	0.71	0.75
Cookstown	0.64	0.60	0.63	0.63	0.62	0.66
Craigavon	0.81	0.79	0.76	0.76	0.73	0.70
Derry	0.70	0.69	0.69	0.71	0.69	0.76
Down	0.51	0.52	0.52	0.52	0.51	0.54
Dungannon	0.77	0.74	0.76	0.76	0.70	0.69
Fermanagh	0.71	0.70	0.70	0.70	0.68	0.70
Larne	0.52	0.51	0.52	0.53	0.52	0.57
Limavady	0.52	0.56	0.55	0.54	0.45	0.45
Lisburn	0.65	0.67	0.66	0.66	0.65	0.67
Magherafelt	0.67	0.65	0.64	0.64	0.60	0.60
Moyle	0.46	0.46	0.45	0.45	0.44	0.44
Newry & Mourne	0.68	0.66	0.67	0.67	0.63	0.63
Newtownabbey	0.71	0.69	0.67	0.68	0.65	0.65
North Down	0.50	0.53	0.51	0.51	0.52	0.51
Omagh	0.71	0.73	0.70	0.70	0.67	0.65
Strabane	0.49	0.47	0.46	0.48	0.47	0.49
Northern Ireland	0.76	0.75	0.75	0.76	0.73	0.74

Source: Claimant Count

Rural – Urban Comparisons

For this report, rural areas were defined as all parts of Northern Ireland excluding (i) the Belfast Metropolitan Area, (ii) the city of Derry/Londonderry and (iii) towns with populations of more than 5,000 people.

Of the 582 CAS wards in Northern Ireland, 239 are defined as rural and the remaining 343 are defined as urban. At November 2012, the rural CAS wards had an average claimant count rate of 4.4%¹, while the 343 urban CAS wards had a claimant count rate of 6.3%. This would compare with an overall claimant count rate of 5.5% for Northern Ireland using the resident working age population as the base. All ten wards listed earlier with the highest proportion of claimants are classified as urban wards.

Qualification Levels

Figure 16 shows the qualification levels of the 16-64 population at July-September 2012, with separate estimates for the economically active and inactive populations. Overall 21% of the working age population were qualified to at least 'degree' level, while 18% had no formal qualifications. However, there were stark differences in these figures for the economically active and inactive populations. While 26% of the economically active population held a degree or equivalent qualification, the figure for the inactive population was much lower at 7%. Likewise, while 12% of the economically



1. The average claimant count rate for rural CAS wards was calculated by expressing the summation of all claimants in rural CAS wards as a percentage of the summation of the working age in all rural CAS wards. The same procedure was applied to calculate the urban CAS ward claimant count rate.



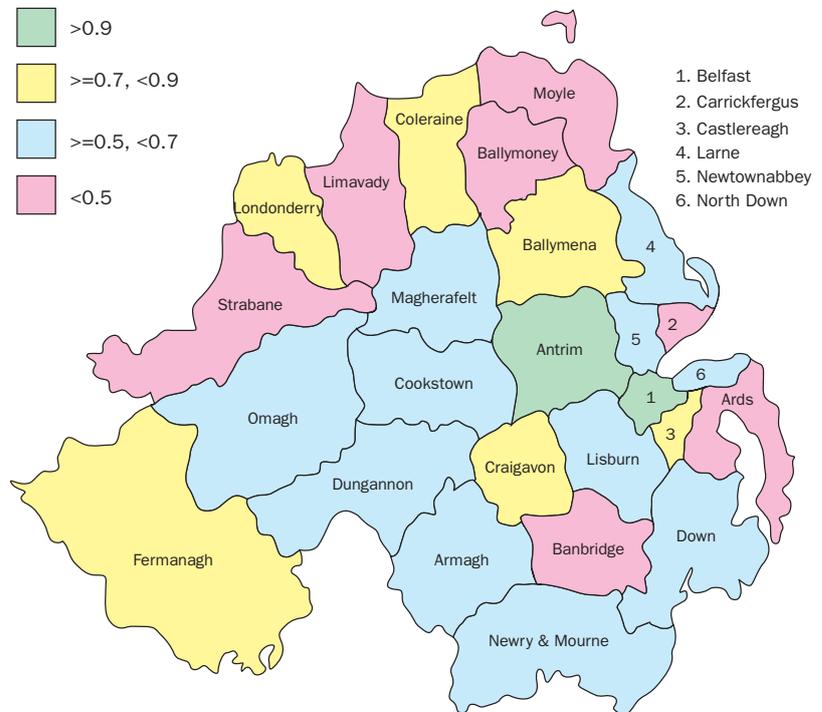
active population had no formal qualifications, the equivalent figure for the inactive population was much higher at 34%.

Households

Separate datasets specifically designed for analyses at the household level are also available from the Labour Force Survey (LFS). At April - June 2012 there were 727,000 private households in Northern Ireland. There were 1,800,000 persons living in these households, giving an average of 2.48 persons per household. This compared with a United Kingdom average of 2.36 as a whole. Indeed, Northern Ireland (2.48) and London (2.56) were the regions with the highest number of persons per household.

Figure 17 examines household types according to the relationships between the persons living in them, for both

Figure 15: Jobs Density Indicator by District Council Area 2010



Source: Claimant Count

Northern Ireland and the United Kingdom. The most common type of household in Northern Ireland consisted of a couple with

children, which accounted for 31.5% of all households. The other two main household types were one person households

Table 5: The Wards in Northern Ireland with the Highest Proportion of Claimants in November 2012

Ward	District Council Area (DCA)	Number of Claimants			% Of Working Age		
		Male	Female	Total	Male	Female	Total
STRAND	DERRY	388	105	493	26.6	8.0	17.8
THE DIAMOND	DERRY	203	67	270	24.6	8.8	17.0
WATER WORKS	BELFAST	473	152	625	26.2	8.1	16.9
EAST	STRABANE	135	47	182	23.8	8.8	16.5
ROSEMOUNT	DERRY	207	75	282	22.4	8.6	15.7
DUNCAIRN	BELFAST	278	95	373	24.1	7.6	15.6
GREYSTONE	LIMAVADY	103	40	143	21.7	8.6	15.2
CREGGAN SOUTH	DERRY	137	82	219	20.9	10.2	15.0
CLONARD	BELFAST	289	103	392	22.9	7.2	14.6
WESTLAND	DERRY	133	59	192	19.9	8.8	14.3

Source: Claimant Count

Table 6: The Wards in Northern Ireland with the Lowest Proportion of Claimants in November 2012

Ward	District Council Area (DCA)	Number of Claimants			% Of Working Age		
		Male	Female	Total	Male	Female	Total
CULTRA	NORTH DOWN	7	9	16	0.9	1.2	1.1
WALLACE PARK	LISBURN	23	9	32	1.6	0.9	1.3
ALDERGROVE	ANTRIM	44	12	56	1.9	0.7	1.4
KNOCKBRACKEN	CASTLEREAGH	21	7	28	2.2	0.7	1.4
CRAWFORDSBURN	NORTH DOWN	9	14	23	1.1	1.7	1.4
CAIRNSHILL	CASTLEREAGH	27	8	35	2.4	0.6	1.5
BLUEFIELD	CARRICKFERGUS	27	11	38	2.4	1.0	1.7
HILLFOOT	CASTLEREAGH	19	6	25	2.5	0.8	1.7
TEMPLEPATRICK	ANTRIM	18	9	27	2.3	1.2	1.8
DUNMINNING	BALLYMENA	19	8	27	2.4	1.1	1.8*

*Slemish (Ballymena), Stormont (Belfast), Stranmillis (Belfast), Ballycrochan (North Down) and Ballymacconnell (North Down) also have a claimant count rate of 1.8%.

Source: Claimant Count

(27.5%), followed by couples with no children (24.6%). Lone parents amounted to 12.9% (94,000) of all households. The main difference between the distribution of household types in Northern Ireland and the United Kingdom is the higher proportion of households composed of couples with children in Northern Ireland (31.5% compared with 27.8% in the United Kingdom).

This is partly balanced by a lower proportion of households in Northern Ireland composed of couples with no children than in the United Kingdom (24.6% compared with 27.7%).

“Others” comprise households with two or more people in all different family units, two or more family units and same sex couples.

Table 7: Working age households by combined economic activity, April - June 2012*

Household type	NI	UK
1) All Employed	48.5%	53.0%
2) Employed and Economically Inactive	24.9%	22.4%
3) All Economically Inactive	16.0%	13.4%
4) Employed, Unemployed and Econ. Inactive	2.3%	4.7%
5) Employed and Unemployed	3.7%	2.7%
6) All Unemployed	2.4%	1.9%
7) Unemployed and Economically Inactive	2.2%	1.8%
All households (100%)	587,000	20,536,000

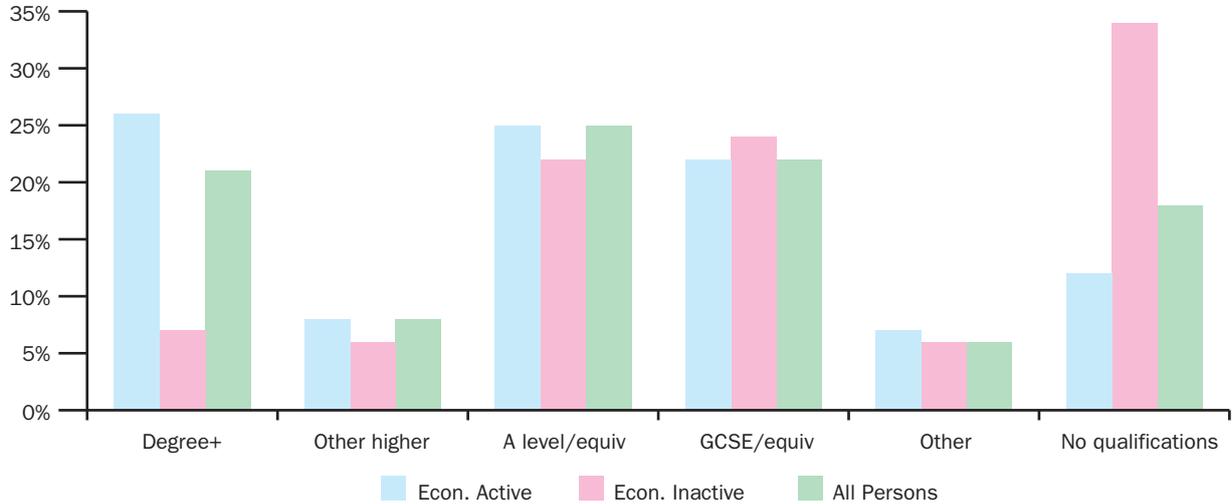
Source: Labour Force Survey

Table 7 shows the proportions of working age households according to the economic activity of their members. (A **working age household** is defined as a household with at least one person aged 16 to 64 in it.) The most common type of household in Northern Ireland was one where all persons were employed (referred to as a workrich household), accounting for 48.5% of all working age households. Note these households may contain only one person who is employed, or several persons, all of whom are employed. There is a 5 percentage point difference between the proportion of workrich working age households in Northern Ireland and the United Kingdom. In fact, Northern Ireland has the lowest proportion of working age households of all United Kingdom regions in this category (the United Kingdom average was 53.0%). The other two main





Figure 16: Qualification Levels of the 16-64 population by Labour Market status



Source: Labour Force Survey

categories of households were those containing employed and economically inactive persons (24.9%) and those where all persons who were economically inactive (16.0%). Both of these proportions were higher than the equivalent figures for the United Kingdom as a whole.

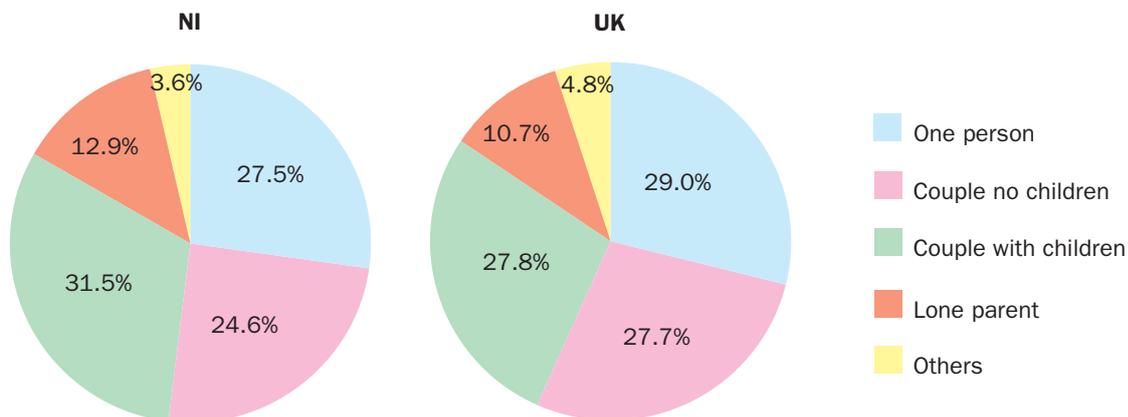
A workless household is defined as a household where no one of working age is in employment and comprises types 3, 5 and 6 from **Table 7**. In April - June

2012, there were 128,000 workless working age households, or 21.9% of all working age households in Northern Ireland. This compared with 17.9% in the United Kingdom as a whole and was the fourth highest proportion among the United Kingdom regions (the North-East being the highest at 24.5%).

Note that the proportions in these household categories are affected by the number of persons in a household.

Consequently the fact that Northern Ireland has a larger average number of persons per household and a smaller proportion of one person households than the United Kingdom means that there is more likely to be a combination of economic activity states within households than all persons of one activity state.

Figure 17: Household Types, Northern Ireland and United Kingdom, April – June 2012



Source: Labour Force Survey

Regional and International Comparisons

One of the strengths of the Labour Force Survey is the availability of comparable socio-economic data for other United Kingdom regions and European Union (EU) member states. **Table 8** provides a Labour market profile of each region of the United Kingdom at July – September 2012.

This shows that the Northern Ireland economic activity rate for those of working age (73.1%) is lower than any of the other United Kingdom regions. The unemployment rate in Northern Ireland (7.6%) is the fourth lowest among the United Kingdom regions, with the highest rate (9.8%) occurring in the North East.

Figure 18 shows how the unemployment rate in Northern

Ireland compares to others in the European Union. For the period July – September 2012, the Northern Ireland rate (7.6%) was 2.9 percentage points lower than the European Union average (10.5%). It was also 7.4 percentage points below the rate in the Republic of Ireland (15.0%).



Table 8: Regional Summary (seasonally adjusted) July - September 2012

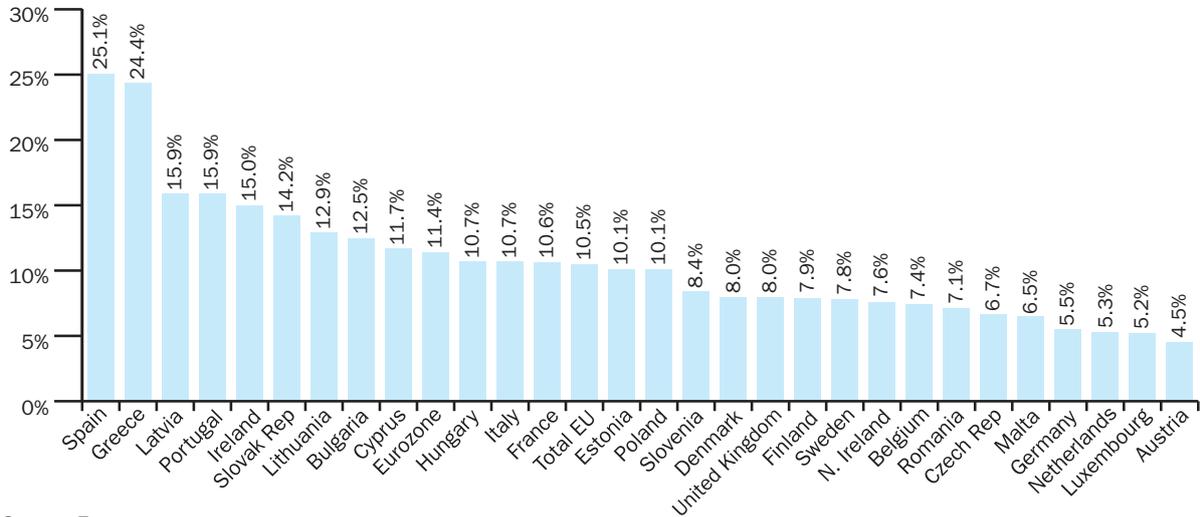
	Total aged 16 and over (000's)	Activity rate (%) 16-64	Unemployed (000's)	Unemployment rate (%)	LTU as % of total unemployed*	Employment Rate (%) 16-64
North East	2,144	75.2%	127	9.8%	41.1%	67.8%
North West (inc Merseyside)	5,594	76.4%	293	8.4%	38.0%	69.8%
Yorkshire and Humberside	4,330	76.9%	247	9.1%	36.0%	69.8%
East Midlands	3,651	77.6%	178	7.7%	32.6%	71.4%
West Midlands	4,376	76.5%	235	8.6%	36.8%	69.7%
Eastern	4,759	80.4%	212	6.8%	31.5%	74.7%
London	6,356	76.4%	372	8.7%	31.3%	69.6%
South East	6,910	79.8%	289	6.5%	30.1%	74.5%
South West	4,319	79.1%	155	5.8%	26.7%	74.4%
Wales	2,459	75.3%	121	8.2%	34.4%	69.0%
Scotland	4,277	77.0%	218	8.1%	35.7%	70.6%
Northern Ireland	1,419	73.1%	67	7.6%	53.1%	67.4%
United Kingdom	50,594	77.4%	2,514	7.8%	34.3%	71.2%

LTU = Long-term unemployed (1 year or more). * Not seasonally adjusted.

Source: Labour Force Survey



Figure 18: International Unemployment Rates (seasonally adjusted)



Source: Eurostat

Further information

More detailed labour market analysis is published in the monthly report “Labour Market Report”. This can be obtained (free of charge) by;

Writing to Economic and Labour Market Statistics Branch, Room 110, Netherleigh, Massey Avenue, BELFAST BT4 2JP

Telephoning Belfast (028) 9052 9475 [Fax (028) 9052 9658]

Textphone Belfast (028) 9052 9304

Visiting the web site **www.statistics.detini.gov.uk**

Claimant Count data at ward level is also available via the Department of Enterprise, Trade and Investment’s website (see above) and from the NOMIS website www.nomisweb.co.uk.

Skills, employability and innovation – key drivers of the Northern Ireland Economic Strategy

Alan Ramsey, Analytical Services, Department for Employment and Learning

The Northern Ireland Economic Strategy was published on 13 March 2012. It sets out the Executive’s strategy to grow and rebalance the economy towards private enterprise with a strong focus on investment and exports. Innovation, skills and employment priorities underpin the economic strategy and will be critical to its success. This article provides a summary of the research evidence which supported the inclusion of innovation, skills and employment as key pillars of the Northern Ireland Economic Strategy and which is most relevant to the work of the Department for Employment and Learning (DEL).

Background

The Northern Ireland Economic Strategy (“the Strategy”) was developed by the Executive’s Sub-committee on the economy. The Sub-committee is chaired by Arlene Foster, Minister for Enterprise, Trade and Investment with membership drawn from Ministers whose portfolios have the greatest economic focus, including the Minister for Employment and Learning. In addition other Ministers contributed to the development of the Strategy as appropriate: it includes commitments from all Executive Departments. Following an extensive period of consultation alongside the Programme for Government and Investment Strategy for Northern Ireland, the Strategy was agreed by the Executive and launched on 13 March 2012, receiving the unanimous support of the Assembly. A Comprehensive Action Plan was published alongside the Strategy; both documents are available to view on the nidirect website¹.

The overarching goal of the Strategy is to improve the competitiveness of the Northern Ireland economy. In order to achieve this the Executive has outlined its commitment to strengthening Northern Ireland’s competitiveness through a focus on export-led economic growth. The Executive’s economic vision for 2030 is for:

‘an economy characterised by a sustainable and growing private sector, where a greater number of firms compete in global markets and there is growing employment and prosperity for all’

Based on research and consultation the Executive has developed an overarching framework for growth to support this vision. The framework consists of five strategic **rebalancing** themes to deliver increases in the size, structure and strength of the private sector. These themes are:

- stimulating innovation, R&D and creativity;
- improving employability and the level, relevance and use of skills;
- competing in the global economy;
- encouraging business growth; and
- developing economic infrastructure.

Recognising the impact of the global downturn on the Northern Ireland economy the Strategy also includes two short-to medium-term labour market **rebuilding** themes:

- improving employment opportunities and employability; and
- promoting employment.

The rebuilding themes are designed to promote economic and labour market participation whilst at the same time building capacity in the labour force.

The Executive’s vision for 2030 rests upon a series of commitments to be delivered by Departments in the immediate period and into the medium/longer term: these are detailed in a Comprehensive Action Plan² and will be monitored on an annual basis.



¹ www.northernireland.gov.uk/index/work-of-the-executive/economic-strategy.htm
² See reference footnote 1



A significant number of the commitments relate to the activities of DEL, reflecting its economic footprint across skills, employment and innovation priorities. DEL's key commitments include actions to:

- support our universities and FE colleges to undertake 155 knowledge transfer projects on behalf of local businesses;
- undertake a review of Northern Ireland employment law, consistent with Better Regulation Principles, with the aim of ensuring an effective employment law framework which will stimulate business confidence while maintaining the rights of individual employees;
- increase skills in subject areas important to the Northern Ireland economy and implement the actions within the Science, Technology, Engineering and Mathematics (STEM) Strategy contributing towards achievement of the strategic goals set out in the Northern Ireland Skills Strategy 'Success through Skills – Transforming Futures' ;
- work with the relevant professional bodies to identify the key skill issues in relation to sales and marketing with a focus on developing Northern Ireland's capacity for export led growth and to develop appropriate action;
- allocate £3m per annum for the Assured Skills programme

to help attract and embed Foreign Direct Investment (FDI) and meet the needs of indigenous companies creating new employment;

- move 114,000 working age benefit clients into employment by March 2015; and
- address the issue of youth unemployment by delivering 6,000 work experience and training opportunities by 2015.

The Evidence Base

In order to build the foundation for the Strategy a wide body of evidence was reviewed and a number of focused research projects were commissioned which sought to identify the key factors behind the success of other small open economies (and regions in large economies) in the areas of competitiveness, skills, innovation and employment. Much of this work is available on the Department for Enterprise, Trade and Investment's website³. This article considers evidence which helped shape the economic strategy that is of most relevance to the work of DEL.

Links between Employability, Skills, Innovation and Growth

The research shows that a highly and appropriately skilled workforce has a crucial role to play in a modern, knowledge-intensive, export-driven economy. A skilled workforce helps economies exploit new opportunities in high value-added

activities; encourages greater investment (including inward investment) and innovation; helps firms compete successfully in export markets and, ultimately supports economic growth and enhanced productivity. Skills and the employability of the workforce are also at the heart of the drive to tackle poverty and encourage social inclusion. The links between a skilled workforce, innovation, productivity and the other themes of the economic strategy are pervasive and are detailed below.

Skills contribute to innovation

The research finds that skills provide the means to exploit outputs from the innovation process. Skilled workers have a greater capacity for transferring knowledge between firms, sectors and countries. Research shows that higher level workforce skills help firms absorb new knowledge and become more effective at making use of knowledge, ideas and technologies⁴. Education and training providers can play a particularly important role in linking with employers to ensure they have the right stock of skilled, talented and flexibly-minded people to innovate and compete in a fast changing global economy⁵ - although employers themselves have a key responsibility as well in this area. The Independent Review of Economic Policy (IREP)⁶ emphasised further the importance of STEM skills which build the foundation for an innovative economy and pointed to the need to have a supply of STEM skills in Northern Ireland so that the region's innovative capacity can be enhanced.

³ www.detini.gov.uk/deti-stats-index/deti-stats-index-3.htm

⁴ The Value of Skills. An Evidence Review (UKCES, 2010) www.ukces.org.uk/publications/er22-the-value-of-skills

⁵ Vocational education and training – key to the future (CEDEFOP, 2004) www.cedefop.europa.eu/EN/publications/13109.aspx

⁶ Independent Review of Economic Policy (2009) www.irep.org.uk

Skills and employment capacity encourages business investment

The decisions that firms make about where to locate new investments are governed largely by their desire to maximise rates of return and profitability. In the past the availability of government grant assistance had significant influence on those decisions – but that has changed, particularly for businesses that develop high value products and services. The availability of a skilled workforce has become an increasingly important factor as firms seek to make investment decisions. Human capital has been found to attract, embed and retain business investments over the long term. The North Carolina model of economic development demonstrates how skills can be used to attract and retain business investment and can act as a stimulus for sustained, high value economic growth. A particular facet of that successful model is marked out by the speed with which North Carolina's education and training system responds to the immediate and future needs of inward investors – this has set it apart from other states and regions as an attractive location for investment⁷.

Skills promote export growth

Having access to an appropriately skilled and productive workforce gives employers the confidence to expand into new export markets. Research into export-led growth in Asia⁸ shows that whilst public investments in export infrastructure and financing have been critical to export success, the measures

that have sought to enhance the human capital base have been at least as important.

Skills facilitate business growth

The up-skilling of staff has a positive impact on product quality, product development, the acquisition of market share, profitability and sales growth⁹. It is clear also that investment in training by firms is associated with greater employee commitment and lower staff turnover. Firms that invest in the skills of their workforce are shown to be more likely to survive the onset of challenging economic conditions; and have higher added value product strategies¹⁰.

Skills contribute to infrastructure development

Economic infrastructure such as transport, Information and Communication Technology (ICT) and energy networks provide a driver for future economic growth. Nevertheless, the full value of infrastructure investments can only be realised if they are accompanied by investment in a range of complementary skills. For example the development of ICT skills, at a range of levels, has been found to be critical if the full potential of investments in ICT broadband infrastructure are to be realised¹¹.

Skills and employability contribute to social inclusion

Low skill levels are a key determinant of poverty. They are associated strongly with low pay and with lack of labour market participation and progression¹².

There is a strong body of evidence which links the absence of educational attainment and skills in the workforce with the persistence of poverty and the absence of economic activity and investment in the most deprived areas¹³. Tackling skills and wider barriers to employment is essential if social inequalities are to be addressed and if economic opportunities are to be opened up to all.

Skills and employability contribute to productivity and economic growth

A nation's prosperity is determined by its employment and productivity, that is, the number of people in work and how productive they are when they are working. Transfers aside, the same is true of regions. It is well recognised that skill levels are a key driver of both employment and productivity. For example, it has been estimated that increasing the average level of education in the labour force by one year is associated, over time, with a substantial increase in labour productivity of between 11-15%¹⁴.

It is not only high level technical qualifications that generate economic growth. Research has identified that substantial economic returns can be gained by improving employability skills¹⁵. Communication and problem solving skills and the essential skills of literacy and numeracy are found to secure higher rates of return in the labour market. Raising the skill levels for the least skilled has been shown to



7 A Guide to North Carolina's Successful Bioscience Workforce and Economic Development Initiative (Lancaster and Seymour, 2010) www.delni.gov.uk/index/publications/pubs-successthroughskills/north-carolina-bioscience.htm
8 Export-Led Growth in East Asia: Lessons for Europe's Transition Economies, Kokko, A. (2002) www.eco.leu.edu.tr/wp-content/Kokko_ExportledGrowthandTransitionEconomies2002.pdf
9 Commonalities and Contradictions in research on Human Resource Management (Boselle et al, 2005) www.dro.dur.ac.uk/2384/
10 Ambition 2020, UKCES 2009 www.ukces.org.uk/publications/ambition2020
11 Unlocking ICT's Potential to Unlock Scotland's Economic Growth, ICT Forum For Scotland (2008) www.ictforumforscotland.org
12 Ambition 2020, UKCES 2009, op cit
13 Incapacity Benefit Claimants: Geography, Households, Decision Making and Welfare Reform, Shuttleworth and Green (2008) www.delni.gov.uk/incapacity_benefit_survey_report.pdf
14 Social Returns to Education – Macro-evidence (Canton, 2008) www.ec.europa.eu/enterprise/newsroom/ctf/_getdocument.cfm?doc_id=4194
15 Ambition 2020, UKCES 2009, op cit

help them move into work; to stay in work; and to progress in work.

Innovation and research & development increases growth potential

The higher and further education and training sectors have a central role to play in driving innovative capacity. There is significant evidence supporting the view that innovative research in the university sector underpins economic prosperity and is the foundation of the United Kingdom knowledge economy¹⁶. Moreover the research shows the importance of local research institutions, particularly universities, being connected fully to other parts of the local, national and international economy¹⁷.

Implementation

The Executive Sub-committee on the economy will continue to play a key role in overseeing implementation of the Strategy. Performance will be tracked, and regularly updated against a set of key indicators/goals¹⁸. Annual reports on progress will be published. This will include an annual assessment of the wider health of the Northern Ireland economy. As stated above the Economic Strategy is underpinned by a Comprehensive Action Plan and related strategies to progress each of the Executive's economic priorities. Implementation of the Northern Ireland Skills Strategy – 'Success through Skills: Transforming

Futures' will be critical to the success of the skills priorities within the Economic Strategy, for example.

Corporation Tax

In an effort to support the underdeveloped private sector in Northern Ireland, the Executive is currently considering alongside the United Kingdom Government the benefits, costs and implications of introducing a reduced rate of corporation tax as well as a range of other measures to bolster demand. The Northern Ireland Economic Strategy assumes a successful outcome to the current negotiations with the United Kingdom Government on granting the Executive powers to vary the rate of corporation tax. The need for a flexible skills response is likely to grow significantly in a context where Northern Ireland secures a lower rate of corporation tax.

The research that is available would support the view that a lower corporation tax could potentially deliver a step change in the performance of the Northern Ireland economy¹⁹. Northern Ireland could see higher output and productivity, and greater export levels.

Building on what has been said above, it is clear that the skills, employability and innovative capacity of regions are crucial to growth and it is these factors that businesses are increasingly looking towards as they make decisions about where to locate and how much to invest. With

this in mind, DEL must ensure that its skills and employment programmes are responsive to and supportive of any changes cascading from a reduction in corporation tax. Chapter 5 of this Bulletin discusses the skills and employment requirements of the Northern Ireland economy in a reduced corporation tax environment.

Conclusion

The Northern Ireland Economic Strategy has been developed by the Executive to provide a framework for growth and prosperity to 2030. It has been shaped by research evidence and stakeholder consultation and is focused on rebalancing the economy towards greater levels of private sector activity, investment and enterprise - with a strong focus on export led growth. It also recognises the need to take action that will rebuild the Northern Ireland labour market and address the impact of the recession. In doing this, the Executive has recognised the importance of innovation, skills, and employment priorities within the Economic Strategy and its supporting Comprehensive Action Plan.

¹⁶ Department for Business, Innovation and Skills Report (2009) www.bis.gov.uk/assets/biscore/corporate/migratedD/publications/D/DIUS-Annual%20Report-2009

¹⁷ The Changing Face of Innovation Policy: Implications for the Northern Ireland Economy. (Abreu et al, 2011) www.detini.gov.uk/innovation_-_final_report.pdf

¹⁸ www.northernireland.gov.uk/updated-indicators-table-final-document.pdf

¹⁹ www.eagni.com/fs/doc/publications/impact-of-corporation-tax-on-ni-eag-report-final-report.pdf

Preparing for a lower Corporation Tax environment

Graeme Harrison & Mark Magill, Oxford Economics

In its Economic Strategy¹ the Northern Ireland Executive made the devolution of powers to vary, with a view to lowering, the rate of Corporation Tax a top priority and identified this as the single measure that would have the most transformative impact on the economy.

This article discusses the future demand for skills, employability and Research and Development capacity in Northern Ireland under a 12.5% Corporation Tax rate scenario, and identifies implications for policy, drawing on international best practice from Singapore and Ireland primarily, but also from Estonia, Czech Republic, Poland and South Korea.

Background

Several countries have recently reduced or plan to reduce their rates of Corporation Tax in order to stimulate investment, create jobs and promote faster economic growth. The NI Executive recognises this and in its recently published Economic Strategy made the devolution of powers to vary, with a view to lowering, the rate of Corporation Tax a top priority and identified this as the single measure that would have the most transformative impact on the Northern Ireland economy.

Research by the Department for Enterprise, Trade and Investment's (DETI) Economic Advisory Group (EAG) and Oxford Economics² has previously been carried out to estimate the economic impact that a reduction in the rate of Corporation Tax could have on the Northern Ireland economy. However there was a need for further focused research to determine what supply-side steps – chiefly looking at skills, employability, and research & development (R&D) capacity – need to be taken to prepare the economy for this new economic trajectory, and to secure the maximum economic benefits from a lower rate of Corporation Tax.

Department for Employment and Learning (DEL) thus commissioned Oxford Economics to undertake research into estimating the future demand for skills, employability and R&D capacity in Northern Ireland under a 12.5% Corporation Tax rate scenario, and identifying implications for policy drawing on international best practice.

Modelling and forecast analysis undertaken for the research has updated previous baseline scenario skill forecasts provided to DEL by Oxford Economics, most recently in summer 2009³. The 12.5% Corporation Tax scenario has been based directly on the modelled results from the EAG-Oxford Economics research.

Future demand in baseline 'current Corporation Tax rate' scenario

How many jobs will be created?

In the baseline 'current Corporation Tax rate' scenario, total net employment growth over next two decades to 2030 is forecast to be 57,000 jobs - this is approximately a quarter of the rate of employment growth during the 'golden era' pre-recession decade (1998-2008).

What does the labour market outlook mean for employability?

With employment (+57,000) forecast to increase by less than the rise in Northern Ireland's working age population (+72,000) over the next 20 years, the economy's employment rate will: (a) not improve to the extent aspired to in the Programme for Government (PfG) and new Economic Strategy; (b) not recover to its pre-recession peak rate; and (c) not catch up with employment rates in the better performing regions of the United Kingdom.

How will sectors perform and what types of roles will grow and decline? Professional services will remain the main source of job creation.



¹ Available at www.northernireland.gov.uk/economic-strategy

² 'The Impact of Reducing Corporation Tax on the Northern Ireland Economy', May 2011, www.eagni.com/fs/doc/publications/impact-of-corporation-tax-on-ni-eag-report-final-report.pdf

³ <http://www.delni.gov.uk/index/publications/r-and-s-stats/skills-reports/forecasting-futureskills.htm>. For both the baseline and 12.5% Corporation Tax rate scenarios, the same skills forecasting model is used as for previous projects for DEL, but updated for the latest data and assumptions.



Employment levels in Manufacturing, agriculture and public administration are forecast to decline. Managerial and professional occupations, and a few low to mid-tier occupations, are the main sources of long-term occupational job creation in the baseline scenario.

How will the stock of workforce skills change? By 2030 the share of workforce jobs requiring qualifications at NQF 4⁴ and above is forecast to rise from its current level of 33% to 45% (+104,000 absolute increase). In contrast the share of jobs requiring no qualifications in 2030 is forecast to fall by almost 100,000

Importance of baseline scenario: The baseline scenario is key for understanding future skill, employability and R&D demands in a 12.5% Corporation Tax rate scenario as the impact of the latter is 'layered' on top of future needs from the baseline scenario.

Future demand in 12.5% Corporation Tax rate scenario

Jobs

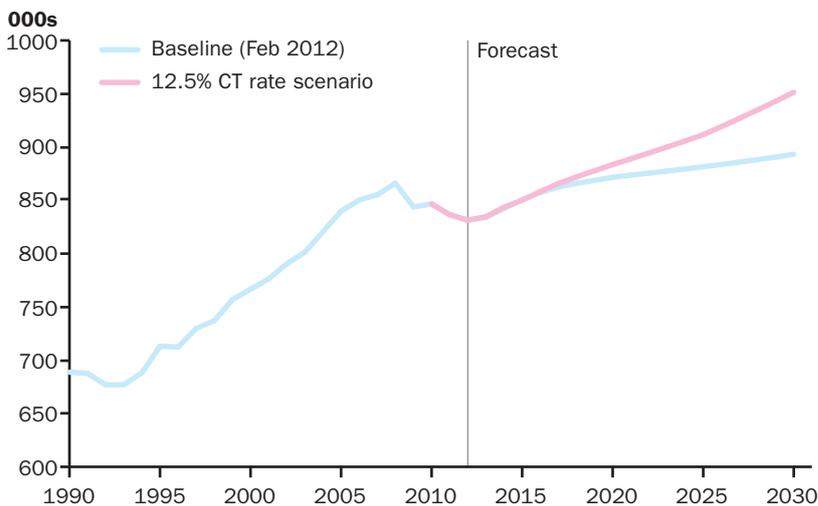
How large an impact? A reduction in Northern Ireland's Corporation Tax rate to 12.5% is expected to bring a range of economic and social benefits. In job terms an impact of **58,000 jobs above baseline employment levels by 2030** is estimated – this means the economy would create double the number of jobs that it would in the 'current Corporation Tax rate' baseline scenario (**Figure 1**).

New jobs attributable to foreign direct investment (FDI) of 25,000; indirect supply chain jobs (12,000); induced consumer spending jobs (10,000); and expansion of existing indigenous firms (9,000) account for the majority of the overall net job impact (**Figure 2**).

New FDI jobs, as was the case in Ireland, would be the main direct driver of the additional 58,000 jobs in a low tax scenario in

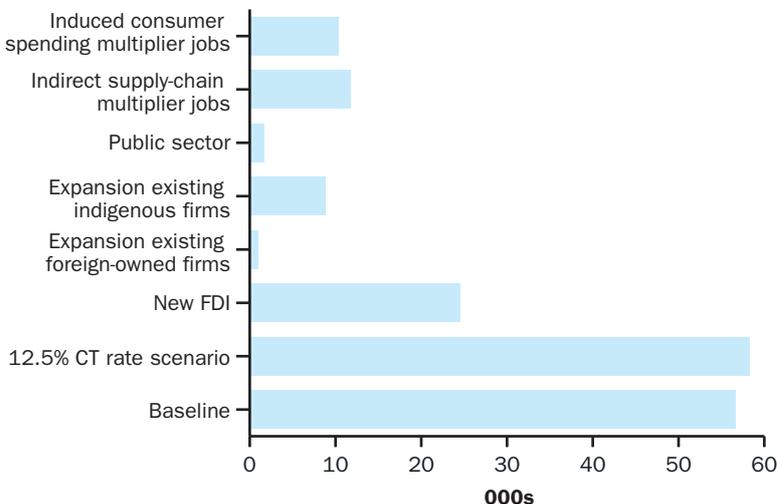
Northern Ireland, both directly and via multiplier effects. Failure to meet the skills, employability and R&D needs of foreign-owned firms would put at risk the generation of the additional multiplier jobs which depend on the FDI jobs. Over half of the additional jobs will be created by indigenous firms. Policy will thus need to respond to the needs of both foreign and indigenous firms.

Figure 1: Northern Ireland: Total employment (job based)



Source: Oxford Economics, DETI, LFS

Figure 2: Northern Ireland: Total employment (job based) impact by 2030



Source: Oxford Economics

⁴ NQF level 4 is above A-levels (level 3) but below Foundation Degree (level 5).



Sectors

How will sectors perform?

Software & IT (10,000); management consultancy (3,500); health & life sciences (3,500); creative industries (3,400); accounting & legal services (3,200); financial services (2,300); R&D (2,100) and advanced manufacturing (2,000) are the main sectoral sources generating the net 58,000 job impact by 2030 (Figure 3). **Employment in the software & IT sector alone is forecast to almost double in size by 2030 from its current level.** Given many of the above sectors are tradable or at least have export potential, and jobs in other non-exporting sectors are linked to demand from direct exporting sectors, the sectoral mix of jobs under a low tax scenario should be considered to be more sustainable than elements of recent debt-led employment growth in Northern Ireland pre-recession.

Skill levels

How will the stock of workforce skills change?

The stock of jobs requiring postgraduate qualifications is forecast to rise fastest in relative terms. The stock of jobs requiring no qualifications is forecast to experience the greatest fall (Figure 4). This is a similar pattern to the baseline scenario but future employment levels in 2030 are higher across all skill levels, particularly at higher levels (NQF level 4 and above).

For new FDI, the share of jobs requiring NQF level 4+ qualifications by 2025-2030 is forecast to be as high as

Figure 3: 12.5% Corporation Tax rate sector employment impact (2030)

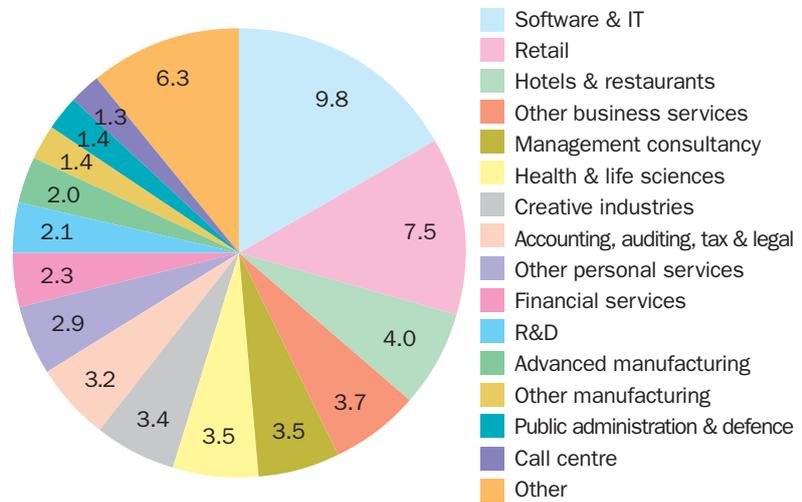
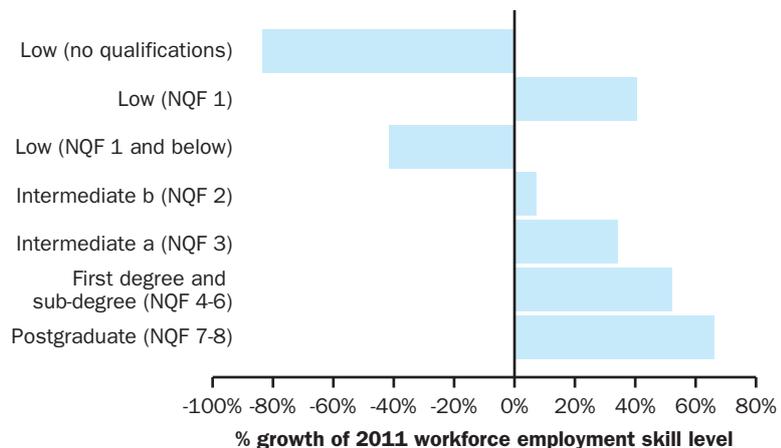


Figure 4: Northern Ireland: Workforce (people-based) skills stock impact by 2030



Source: Oxford Economics

three-fifths. This is driven by the distribution of FDI jobs across sectors, including the importance of software & IT jobs, and the specific skill requirements of these sectors (Figure 5).

Higher level skills by subject⁵

How will the subject structure of demand for higher level skills change? By 2025-2030, compared to the baseline scenario, higher level skill subject demand shares (as a per cent of total

demand) are forecast to rise for computer science, creative arts & design, biological sciences and physical science subjects; and decrease significantly for medicine & dentistry, subjects allied to medicine and education (Figure 6). STEM (Science, Technology, Engineering and Mathematics) subjects, excluding medical subjects, are forecast to account for 28% of total higher level skill demand in the low tax scenario.

⁵ Higher level skills in this instance refer to degree and above qualifications, ie NQF level 5/6 and above.



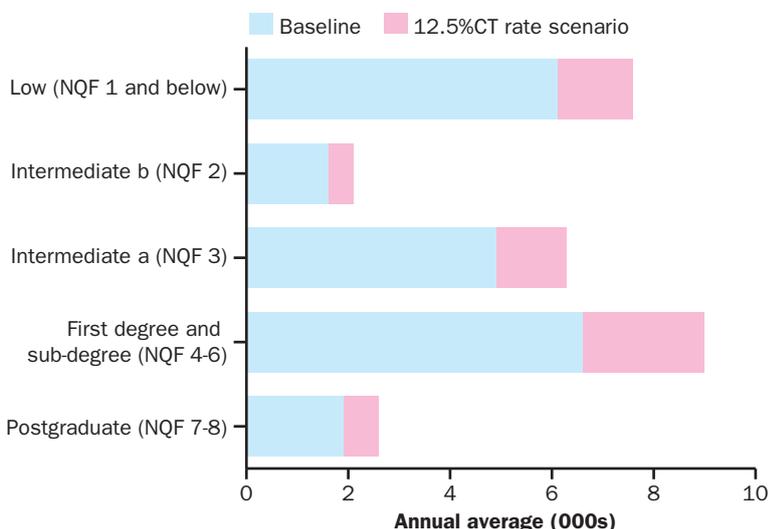
For new FDI jobs, over half of higher level skill demand is for STEM degrees, even after excluding medical degrees. Computer science's share of total higher level skill demand is forecast to rise from 5% in baseline to 8-9% in the low tax scenario. Without a significant increase in the number of NQF level 4+ qualifiers in computer

science related courses compared to current supply and destinations patterns, there will be a significant shortage of or excess demand for computer science graduates by 2030. High level skill shortages by 2030 are also forecast for the following other subject areas, assuming no change in current supply: mathematical sciences; agriculture & related

subjects; mass communications; creative design; engineering & technology; physical sciences; and biological sciences. In contrast, a long-term over-supply of high level skills in education and subjects allied to medicine is still predicted in the low tax scenario, without any change in current supply and destination patterns.

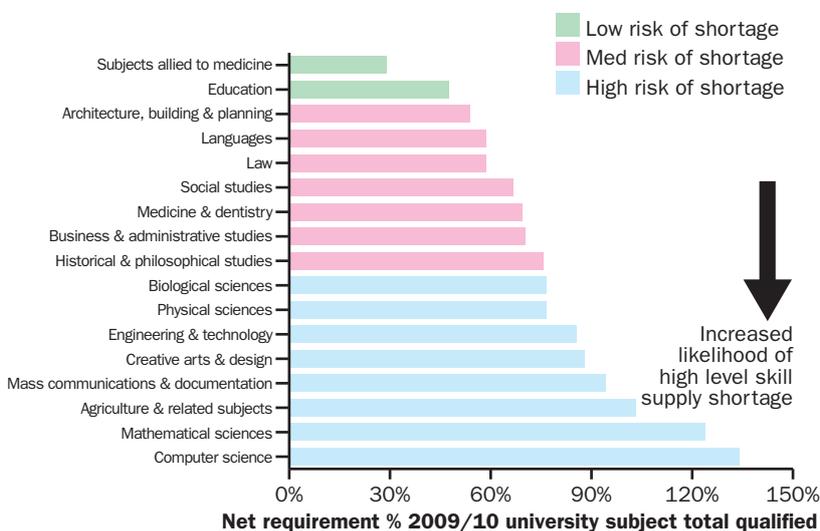
STEM skills will clearly be important and in high demand in future, and even more so in the 12.5% Corporation Tax rate scenario. **Given the broad coverage of the definition of STEM and different demand trajectories for individual subject areas, it is crucial to consider demand and policies across individual STEM subject areas, and not treat STEM as a single, homogenous subject group.**

Figure 5: Net requirement by highest qualification (2025-2030)



Source: Oxford Economics

Figure 6: Northern Ireland: Net requirement high level skill subject demand in 2030 versus supply today



Source: Oxford Economics

Employability

What are the implications for the economy's employment rate? Boosted by the 58,000 job impact above the baseline scenario, total employment is forecast to increase by more than Northern Ireland's working age population growth in the low tax scenario over the next two decades. As a result the economy's employment rate would rise from 67% today to around 71% in 2030. This would represent a solid achievement although Northern Ireland would still have a lower employment rate in future than several other United Kingdom regions and international comparators have today.

How does the supply of working age skills outside the workforce match future demand?

The low skills structure of the non-employed is a significant and persistent problem of the Northern Ireland labour market. Of today's 370,000 non-employed working age persons, almost half are qualified to only NQF level 1 and below, with 125,000 having no qualifications. In addition only 15% of Northern Ireland's current economically inactive state that they want a job compared to around 20% across the European Union and 25% in the United Kingdom. Welfare reform, via medical reassessments and changes in eligibility, is likely to require a significant proportion of the economically inactive to start to look for work.

To avoid a persistent and fiscally costly worklessness problem, policy efforts should focus on: (1) 'work readiness', and (2) upskilling, via interventions such as Essential Skills. While the Essential Skills programme has been in existence for some time, there is clearly still a very long way to go to tackle Northern Ireland's low skill problem. Welfare reform, if Northern Ireland follows Great Britain policy, is assumed to address issues around 'willingness to work' by improving the financial incentives to be in work and work longer hours. Looking at locations with the highest employment rates and lowest rates of worklessness, the key 'ingredient' is having a very low proportion of the working age population with no qualifications.

This is because in most advanced economies, there is a limit to the sustainable number of low skilled jobs required, with many low skilled jobs having been outsourced to lower cost economies, or no longer required due to technology developments.

R&D and innovation capacity Will a reduction in the rate of Corporation Tax rate significantly increase demand for R&D and innovation capacity?

The sectors that are likely to create jobs in Northern Ireland in a low tax scenario and the type of 'activities' that typically come with new FDI firms indicate that there is likely to be an increase in demand for R&D capacity. **However, a rapid escalation in R&D and innovation capacity demand would be likelier if the sector mix of additional jobs was more biased towards high-tech manufacturing (where the majority of Northern Ireland's business R&D spend currently originates), as opposed to professional services.** A low Corporation Tax rate alone does not automatically lead to high demand for R&D and innovation capacity. Some of the world's most R&D intensive economies, such as Finland, do not have low rates of Corporation Tax or high FDI. Instead their large R&D base and high demands for innovation is built around a domestic innovation 'ecosystem' culture. Further the R&D tax regime matters much more than the Corporation Tax regime to attract and develop R&D activities. **As a result for Northern Ireland in a low tax**

scenario, R&D capacity is likely to be a more long-term issue and initially rank third in importance behind skills and employability with regard to the needs of employers. As R&D features heavily in the new Economic Strategy thus regardless of Corporation Tax decisions the demand for R&D capacity is set to increase.

International best practice review

Securing maximum economic benefits from a lower rate of Corporation Tax

Is a low rate of Corporation Tax alone the 'golden ticket' to success? Crucially a low rate of Corporation Tax would only be sufficient to place Northern Ireland on the 'radar' of investors. Other factors need to be in place to compete effectively for FDI and ensure indigenous, export-led growth, as more countries today are adopting lower rates of Corporation Tax, thereby increasing competition for globally mobile investment.

How important are skills?

Genuine and long-lasting transformation of the Northern Ireland economy and securing maximum economic benefits from a reduction in the rate of Corporation Tax will require a shift in the quantum, quality and relevance of skills supply. This in turn will have implications for education and training institutions. For example as indicated by the forecasts, there could be a need for:





- More degree level graduates, particularly in subject areas such as computer sciences and other non-medical related STEM subjects;
- Greater inflows of high skilled and experienced diaspora and other migrants, and a reduction in the ‘brain drain’;
- A rebalancing of further education provision from NQF level 2 to greater level 3 provision;
- A major upskilling of the low skilled non-employed and improvements in basic literacy and numeracy; and

- Upskilling of the existing workforce, particularly in existing firms that will expand directly or indirectly via supply-chain linkages to FDI firms.

What other factors matter for securing maximum economic benefits? Greater export intensity – an automatic product of new FDI and expansion of existing firms – will require complementary policy support. This will be in areas such as ‘trade infrastructure’ – overseas trade offices, global networks and trade advice & support etc - language skills, marketing and cultural awareness. There will

also be a need to have in place supporting physical infrastructure and connectivity linked to the specific needs of expanding sectors; appropriate industry-specific regulation to support growth and meet international standards; an agglomeration of local suppliers to form the supply chain of FDI firms; and high quality and responsive policymaking and institutions.

The most successful economies, including those which have maximised the benefits of a reduction in the rate of Corporation Tax – such as Singapore and Ireland - are those which (1) have in place

Factors to secure maximum economic benefits from a lower rate of Corporation Tax

Minimum factors for business growth and investment

- Available labour supply and skills
- Sound infrastructure
- Political and macroeconomic stability
- Supportive and predictable business environment

Differentiating factors to compete for FDI and ensure indigenous, export-led growth

- Low and internationally competitive rate of Corporation Tax (or generous financial assistance)
- Low and internationally competitive wages
- World class skills
- World class R&D and innovation capacity
- World class Infrastructure
- Resource Endowments
- Proximity to large and ‘un-tapped’ markets

Specific factors to secure maximum economic benefits from a lower Corporate Tax rate in NI

- **Skills** - increase in the quantum, quality and relevance of available skills
- **Employability** - increase in the volume of labour supply ‘willing’ and ‘ready’ to work
- **R&D** - more a long-term requirement
- **Infrastructure** - physical infrastructure and connectivity
- **Business environment** - appropriate and supportive industry regulation and agglomeration of suppliers
- **Institutional** - effective and powerful inward investment agency, proactive and responsive policy making and institutions working closely together
- **Other** - favourable timing, global economic conditions and circumstances

Low Corporation Tax rate alone not a ‘golden ticket’ to faster, export-led growth and economic rebalancing

all minimum factors to be considered a potential location for FDI and to support indigenous, export-led growth; (2) on top of these, have differentiating factors such as a low Corporation Tax rate or a world class skills, R&D or infrastructure base (or a combination of these); and (3) also have in place the specific factors to meet precise needs of new FDI firms and expanding indigenous firms across different sectors.

Transferable lessons from international best practice specific to future demand under a low tax scenario

The lessons summarised below have been specifically selected as those directly related to future demands in a low Corporation Tax rate scenario and are considered transferable to Northern Ireland.

Understanding demand for skills

Both Ireland and Singapore, aided by sustained levels of employer engagement, ensured that employer demands for skills, employability and R&D were met in the initial FDI phase. This boosted confidence amongst investors and led to a ‘snowball’ effect of further inward investment and clustering – **‘success breeds success’**. This required an in-depth understanding of employer needs.

Best practice countries constantly strive to better understand needs of today’s - and perhaps more importantly tomorrow’s - employers. They have in place **highly effective institutional intelligence systems** of business needs, and disseminate this information to key stakeholders

in the most effective way. Good examples are Singapore’s Strategic Skills-in-Demand List and Manpower Resources Guide. Singapore also updates its skill forecasts every 6 months.

Improving quality and relevance of education and training

Both Ireland and Singapore have developed innovative supply-side systems to meet the specific needs of employers, even where no other country beforehand had the same system. In this way best practice came from not following other countries, but by being ‘first mover’ and breaking from tradition to modernise. The most relevant examples of innovation are Ireland’s regional institutes of technology model and Singapore’s technology transfer industrial training model.

Best practice countries also tend to have a good balance of education provision across different forms and levels, and seek a ‘mature’ debate when attempting to align demand and supply. Best practice countries have also sought expert, independent advice on how to improve their education systems and have made significant reforms, including Ireland. **Singapore and South Korea are exemplars for education reform and the quality of their modern 21st century education systems, as well as the importance attached to education and skills in wider society.**

Improving productivity by increasing skill levels of the workforce and tackling skill barriers to employability

In the 1960s during the early

stages of Singapore’s economic transformation, the emphasis of skills policy was on a massive industrial training programme to upgrade the skills of workers to increase the supply of technicians and engineers who would eventually find employment in the numerous foreign companies that the state was in the process of attracting. In the 1970s with the aim to shift away from more low cost labour intensive activities, the Government recognised that Singapore’s existing workforce lacked the higher level skills required to promote science and technology-based sectors. The government addressed this by re-designing the education system to directly support the building up of the skills base to feed into the fast growing technology sectors.

Economic strategy

Best practice countries have a very clear industrial policy & economic strategy and vision of the scale and sectoral pattern of future growth. This does not come about by chance but instead involves proactive planning years in advance and regular reviews of the economy’s growth prospects by experts. They also target a more limited number of sectors, which helps to build critical mass (on the demand and supply-side), makes skills planning easier and supports a more focused approach to R&D. This is particularly relevant for Northern Ireland given its size and more reactive targeting of inward investment.





Institutional

Ireland and Singapore both have very effective, proactive, far-sighted and powerful business investment agencies at the heart of the Government bureaucracy. This has helped to foster a FDI and private sector-orientated 'ecosystem' across Government, in a similar way to how countries such as Finland have fostered an innovation 'ecosystem' within their economies.

A further key lesson is how institutional structures are vital for maximising the potential benefits from world class intelligence systems, including the undertaking of skill forecasting and sector future need studies. Structures vary across best practice countries but tend to be most effective where there are clearly designated areas of responsibilities, where all key decision-makers are involved and bought into the process, and often where 'less is more' in terms of the streamlined structures and number of organisations and persons involved.

Other skills supply

Best practice countries have not been afraid to **over-supply skills in priority areas**, even if it has meant that not all qualifiers immediately found employment and some have had to migrate. In fact an over-supply of skills has been part of the 'sales pitch' to investors. In addition migration from an over-supply of skills can create a **diaspora** that may return in future better skilled and more experienced, which could also act as a critical part of the marketing campaign for FDI.

International work experience

has been fully exploited in Ireland and Singapore. Ireland has benefited from the international experience gained by its diaspora, while Singapore has funded international internships for its citizens and actively sought to recruit international talent.

R&D

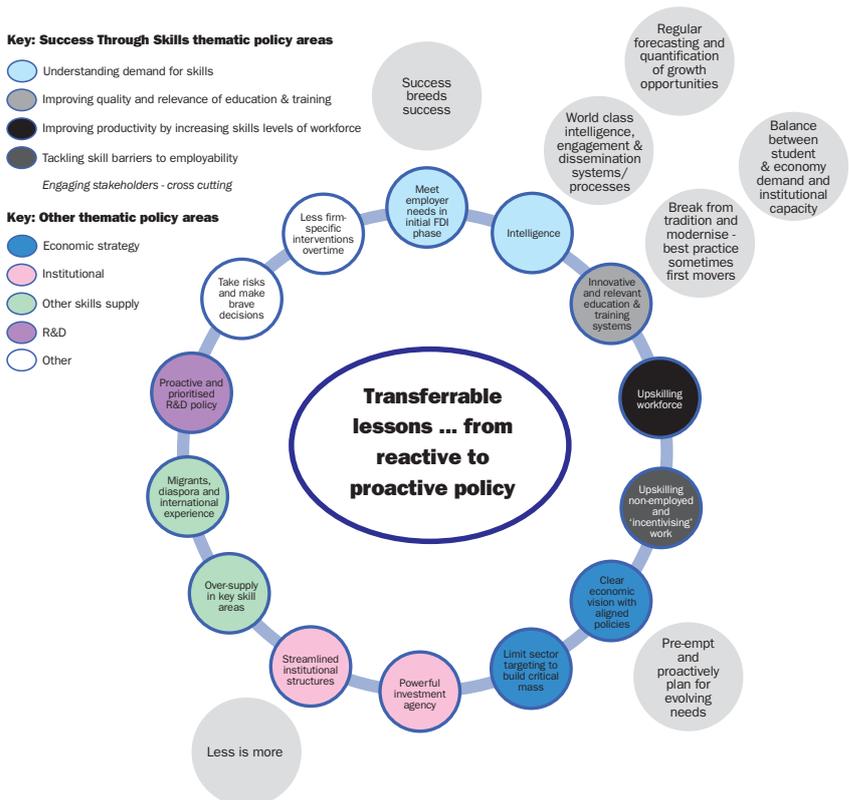
Best practice countries have taken a proactive role in prioritising R&D and innovation. Ireland and Singapore have dedicated institutions in place with clear objectives to promote research and innovation, and prioritise research areas in a small number of economically strategic sectors.

Other

Being **prepared to take risks and make brave decisions** has been a feature of best practice countries. In addition to over-supplying skills in priority areas, this has also included controversial decisions to increase investment in education and R&D, even during economic downturns when public finances were constrained.

Best practice countries have recognised the need for the **role of Government in meeting future needs of business to evolve over time – from a more reactive to a more proactive approach**. This has entailed a shift towards minimal firm-specific interventions, and greater responsibility placed on businesses to meet their own specific needs

Transferable lessons from international best practice specific to future demand under a low tax scenario



Current and future skills - summaries of Northern Ireland findings from research carried out by the United Kingdom Commission for Employment and Skills

Dave Rogers, Analytical Services, Department for Employment and Learning

This article contains summaries of findings from three pieces of research carried out by the United Kingdom Commission for Employment and Skills which covered Northern Ireland: the Employer Skills Survey, which asked employers about their current and future skills needs; the Employer Perspectives Survey, which looks at employers' overall approach to meeting skill needs; and "Working Futures" Skills Projections for Northern Ireland, which details the likely requirement for labour over the period to 2020.

Background

Over the past few years the Department for Employment and Learning has been developing its research links with the United Kingdom Commission for Employment and Skills (UKCES). In particular the Department for Employment and Learning has participated in the 2011 Employer Skills Survey, where an enhanced sample in Northern Ireland produced reliable results to be able to report on skills shortages and skills gaps in local employers. Regional results, including those for Northern Ireland, were also available from the "Working Futures" work commissioned by the UKCES from the Institute of Employment Research at Warwick and Cambridge Econometrics. Finally Northern Ireland was covered in the Employer Perspectives Survey of 2012, although in this instance an enhanced sample for Northern Ireland was not possible and results therefore somewhat more limited. This paper reports on the key findings from these three pieces of work and contains links to the UKCES website where more detailed analyses are available.

Employer Skills Survey 2011

In 2010, the Department for Employment and Learning reached agreement with the UKCES that saw Northern Ireland participating in the 2011 Employer Skills Survey. Previously Northern Ireland had conducted its own Skills

Monitoring Surveys in 2000, 2002, 2005, and 2008¹. Discussions with other United Kingdom jurisdictions (and the Republic of Ireland) had been ongoing for some time in an effort to achieve greater harmonisation², and these efforts were not without a degree of success as surveys became more closely aligned. However there remained differences between various skills monitoring surveys across the United Kingdom which meant that full comparisons were hampered. Moving from the Northern Ireland Skills Monitoring Survey to participating in the Employer Skills Survey involved a degree of dislocation in the time series, but care was taken to ensure that key findings were comparable over time.

The 2011 Employer Skills Survey was one of the largest surveys of its kind in the world with over 87,500 employers taking part across the United Kingdom. The survey examined training and staff development; vacancies which were unfilled because of skills shortages; gaps in employees' skills; and recruitment of leavers from education and training in order to provide a comprehensive and robust picture of skills needs and training investment in businesses in the United Kingdom as a whole. Just over 4,000 employers were interviewed in Northern Ireland across a representative range of employer size and sectors between March and July 2011. A small number of key findings



¹ See, for example, Labour Market Bulletin #22 (2009), Chapter 6 www.delni.gov.uk/labour_market_bulletin_22.pdf
² See Labour Market Bulletin #18 (2004), Chapter 10 www.delni.gov.uk/lmb-2004.pdf

from the survey are reproduced below, but for more detail the reader is referred to the main report “UK Commission’s Employer Skills Survey 2011: Northern Ireland National Report” (Evidence Report #60, October 2012. Report available at www.ukces.org.uk/publications/er60-employer-skills-survey-11-NI).

Key Findings from the Employer Skills Survey 2011 (Northern Ireland Report)

- The proportion of establishments recruiting new staff has fallen from the previous survey, but the number of vacancies available per employee has risen compared to 2008. So although fewer employers are taking on new staff, those that are recruiting are doing so in greater numbers.
- In relation to **skills shortages**, only a small minority of businesses (3%) reported vacancies which remained unfilled due to skill shortage reasons. This is unchanged from the corresponding figure in the 2008 Skills Monitoring Survey and is also the same as the overall figure for the United Kingdom as a whole. However there was a rise in the proportion of vacancies regarded as hard-to-fill (and most of the hard-to-fill vacancies were due to skills shortages), and nearly all business with a skills shortage (90%) found it had an impact on the operation of the business. There is thus some evidence that skills shortages are an increasing problem for Northern Ireland employers.
- The survey also finds concentrations of skills shortages in particular industries and occupations, including Skilled Trade and Professional occupations; and the Hotels and Restaurants and Business Services sectors.
- In relation to **skills gaps**, the number of employees who did not have the skills required to perform their job was estimated at in excess of 37,000. Looking back at previous surveys in Northern Ireland, there are persistent pockets of concentration of skills gaps, for example in the Hotels and Restaurants and Wholesale and Retail sectors; and in Elementary and Sales and Customer Service occupations.
- Three-fifths of establishments in Northern Ireland (63 per cent) provided some form of training for their staff in the previous year, a decline on the 74 per cent reported in 2008. As in previous years, training rates varied significantly between occupations and size of employer, with those receiving the least training tending to be found in low skilled occupations; those employed in small businesses; and those who work in specific sectors such as Agriculture and Construction.
- Some groups of employers face multiple skills issues; these may impede their economic recovery in the future. Northern Ireland’s smallest employers for example are the most likely to have a vacancy proving hard to fill due to a lack of skilled applicants, but are also least likely to train their existing staff. The Hotels and Restaurants sector is not only struggling with a high proportion of its vacancies being skills shortage vacancies, but was also the sector with the highest proportion of staff with a skills gap.

“Working Futures” 2010-2020

Working Futures 2010-2020 is a detailed and comprehensive set of United Kingdom labour market projections commissioned by the UKCES and produced jointly by the Institute of Employment Research at the University of Warwick and by Cambridge Econometrics. The results provide a picture of employment prospects by industry, occupation, qualification level, gender, and employment status for the United Kingdom and for nations and regions up to 2020. The projections form a core part of labour market intelligence to support policy development and strategy around careers, skills, and employment.

Most of the report details findings at a United Kingdom level. Chapter 6 of the report (“Spatial Perspectives”) gives

data at a national/regional level and contains specific information relating to Northern Ireland. The full report can be found on the UKCES website (www.ukces.org.uk/publications/er41-working-futures-2010-2020). It is entitled “Working Futures 2010-2012: Main Report” (Evidence Report #41, revised August 2012).

Key Findings from “Working Futures” 2010-2020

- The rate of employment growth in Northern Ireland was more than twice as fast as for the United Kingdom as a whole during 2000-2010, and was faster than any other region or nation of the United Kingdom. However the projected annual rate of employment growth for 2010-2020 is half that for the preceding decade, matching the United Kingdom average and the same as for Wales, but well below the rates projected for southern England.
- Some sectors are expected to decline in employment terms, including the Primary Sector/Utilities, and Manufacturing. Business and Other Services are generally expected to increase modestly (by 1.3% per year, the same as for the United Kingdom as a whole) and IER work suggests that Construction will grow, and at more than the United Kingdom average (1.1% pa here compared with 0.8% pa in the country as a whole). However it should be pointed out, especially germane to the construction issue, that these estimates were prepared before the full extent of the downturn in construction was evident.
- Broadly speaking, the expected pattern over the decade to 2020 is for increases in high-skill occupations and a fall in employment in lower skill areas. Employment declines are expected in the following occupational groups: Process, Plant & Machine Operatives (down nearly 8% over the decade to 2020); Skilled Trades (-6%); and Administrative and Secretarial (-5½%). These are counterbalanced by increases in Managers and Senior Officials (+19%); Professional Occupations (+16%); Associate Professional and Technical (+14%); and Caring, Leisure and other services (+11%).
- In terms of qualifications, the trend in Northern Ireland is consistent with that in the United Kingdom as a whole (and with the above point about occupations) – a rapid growth in the numbers and proportions of employees qualified at higher levels and a concomitant reduction in the numbers and proportions with no or low level qualifications. For example the number of jobs available for people with no/level 1 qualifications on the QCF is expected to fall from 261,000 in 2010 to 248,000 in 2020, whilst over the same period the number of jobs at level 4 and above is projected to increase from 239,000 to 327,000.

Employer Perspectives Survey 2012

The United Kingdom Commission’s Employer Perspectives Survey (EPS) 2012 gathered the views of 15,000 employers across the United Kingdom. The survey provides a United Kingdom-wide picture of how employers are meeting their skills needs, looking both at their engagement with skills and employment services and their broader approaches to people development. In particular the survey examines approaches to recruitment; awareness and use of skills support services/initiatives; engagement with external training providers; the use of vocational qualifications and apprenticeships; and the use of work placements and the recruitment of young people. Data from the EPS complement data from the Employee Skills Survey (see above) providing a detailed picture of the skills challenges faced by employers across the United Kingdom and what action they are taking to tackle them.

Northern Ireland participated in this survey with 1,000 businesses taking part. The response rate from Northern Ireland (50%) was higher than the United Kingdom overall figure of 42% and higher than in England, Scotland, or Wales.





Most of the report details findings at a United Kingdom level, but there are some instances where Northern Ireland findings are highlighted. A small number of key findings from the survey are given below, but more detail can be found in the main report “UK Commission’s Employer Perspectives Survey 2012” (Evidence Report #64, October 2012. Report available at www.ukces.org.uk/publications/er64-uk-employer-perspectives-survey-2012).

Key Findings from the Employer Perspectives Survey (2012)

- Looking backwards, employers in Northern Ireland were less likely to have had any vacancies to fill in the year leading up to the survey (40%) than those in Wales (43%), England (48%), or Scotland (50%).
- Looking forwards, private sector employers were less confident about growth prospects than those in the rest of the United Kingdom – 33% of employers here expected their businesses to grow over the year following the survey (United Kingdom, 47%) whilst 17% expected to contract (United Kingdom, 11%).
- In relation to training, businesses in Northern Ireland were less likely to use Further Education Colleges (11%) than in England (12%) or Wales and Scotland (both 14%). However these differences are not major and may be attributable to sampling variation.

- The overall takeup of vocational qualifications in the United Kingdom as a whole was 28%, but there was considerable variation across the four countries in this area: Wales was highest at 29%, whilst Northern Ireland was lowest at 22%.

Details of the UKCES’s full research programme and all publications can be found on its website (www.ukces.org.uk).

Skills needed to support economic growth in sustainable energy in Northern Ireland

Rob Williams, Ecorys

This article contains an estimate of the current size of the sustainable energy (defined as offshore energy, integrated building technology, bioenergy, and energy storage) skills sector in Northern Ireland, its future prospects and subsequent labour and skills needs. These are then compared with the current supply of skills and suggestions are made as to how gaps could be filled, with a particular emphasis on supporting the economy of Northern Ireland.

Background

ECORYS was appointed by the Department for Employment and Learning (DEL) in December 2010 to carry out research with two primary objectives:

- to assess the skills required over the next ten years to support the growth of the Sustainable Energy (SE) sector in Northern Ireland in the areas of Integrated Building Technology, Offshore Energy, Bio Energy and Energy Storage, as detailed in the 2008 InvestNI Study¹ and subsequent SE Inter-Departmental Working Group (IDWG) report²; and
- to identify the short, medium and long-term actions needed to ensure that the supply of these skills in Northern Ireland is sufficient to meet the predicted growth of this sector.

Sustainable energy is the only aspect of the green economy, so far, to be assessed for its economic potential in a Northern Ireland context. The study was undertaken since it was considered that existing reports have a broader focus on green jobs, rather than on the SE sectors identified as priority economic opportunities in the InvestNI study. It was also considered that by taking a broader international or United Kingdom focus, existing reports on the subject of Sustainable Energy skills did not fully address and analyse the local situation. This study was intended to focus solely on the SE sectors identified as economic priorities and to provide specific and detailed

insight into the Northern Ireland situation and skills needs. This excludes some related sectors where growth is occurring, particularly onshore wind, but where the skills needs of this sector have been the subject of other specific work, this is referenced in the report. The intention is not to just aim at self sufficiency i.e. meet only the skills needs related to energy installations in Northern Ireland, but also to consider the potential for local companies to access other markets.

Methodology

The study involved a combination of literature review; a survey of companies; consultations with relevant stakeholders; and modelling to produce the following:

- an estimate of the current size of the SE sector in Northern Ireland;
- an estimate of the future potential growth rates in each of these sectors;
- models of the staff/skills profiles in each of the sectors;
- application of growth rates to the current sector size and profiling to estimate future skills needs;
- analysis of the current supply of relevant skills; and
- comparison of the supply of skills with future demand for skills to identify any potential gaps between supply and demand.



¹ Invest NI (2008) Sustainable Energy – Maximising Business Opportunities from Sustainable Energy
² Sustainable Energy Interdepartmental Working Group – Internal discussion documents



Sectors - reasons for selection and current size

The sectors pre-selected for study, and the main reasons why they were selected, are detailed below.

Integrated Building Technology (IBT) – This sector includes energy efficiency and integration of renewables into new and existing buildings. It was included because it is a large energy consumer (a third of the total), a large amount of housing stock is in need of refurbishment, and the construction sector is a large employer.

Offshore Energy – This sector includes offshore wind, wave and tidal. It was selected because Northern Ireland has a major wind and wave resource, the offshore wind sector is developing rapidly and there is major future potential in wave and tidal energy

exploitation, where Northern Ireland also has research skills.

Bioenergy – This includes the production and utilisation of solid and liquid biomass for energy purposes. It was selected because of the large resource (particularly for Anaerobic Digestion) in Northern Ireland in combination with the wide range of both new and diversified employment opportunities it could generate.

Energy Storage – This includes the development of the Smart Grid plus the potential for storage of electrical and other energy. It was included to reflect its importance as an enabling factor in the other sectors, plus the large and global scale of the business opportunities it offers.

We estimated the current size of these sectors in Northern Ireland

by using employment and Gross Value Added (GVA) numbers from those Standard Industrial Classification (SIC) codes³ considered relevant. The selection of these codes, and the proportion of each which is relevant, was informed by a combination of our own experience; the SIC codes identified by the Department for Business Innovation and Skills (BIS) in its national low carbon and environmental goods and services report; the literature on the scale of the sector in Northern Ireland; and the opinions of those in the sector that were consulted. The combination of these inputs produced the estimate of the current size of the sectors in Northern Ireland in **Table 1** below. As the final line of the table illustrates, together, the chosen sectors currently represent a relatively small part of the Northern Ireland economy.

Table 1: Current (2010) Estimate of the turnover and size of the SE sector in Northern Ireland

Sustainable Energy	Sector GVA £m	Number of companies	Employment
Integrated Building Technology	92.1	634	1,798
Offshore Energy	31.7	94	476
Bio Energy	26.0	239	1,106
Energy Storage	25.6	73	526
Total	175.4	1,040	3,906
Share of NI Total (GVA, No. companies and Employment)	0.92%	1.52%	0.56%

Source: Ecorys Modelling

Sectors – Prospects and barriers

A range of possible future growth scenarios for each technology was produced by reviewing and combining projections of sectoral growth at a Northern Ireland, national and international level. The projections reviewed are specific to particular periods and

geographies. This was intentional since limiting the potential for growth in the Northern Ireland SE sector to just the percentage growth predicted in the market would not provide an accurate result. In order to reflect the current and potential future exports into other markets we have included growth projections from other parts of the United

Kingdom and wider markets. This provides a simple and justifiable way of producing a range of potential growth scenarios, without having to estimate the share of all markets taken by Northern Ireland companies and the potential for this to increase in the future.

The process adopted was to collate as many relevant and credible growth rates as could be identified that matched the SE sectors and present the rates from low to high, with the lowest estimate being the low scenario and the highest estimate the high scenario. There is a wide variation between sectors in the difference

between high growth and low growth. This is a reflection of the higher degrees of uncertainty in some sectors compared with others. For example in offshore wave/tidal the low estimate relates to a continuation of the research-led growth that has been occurring for the last 5-10 years, while the high scenario

describes the growth rate that would occur if the current sector in Northern Ireland was to grow to a size capable of harnessing 750 MW of wave and tidal energy in the Island of Ireland. Predicted growth rates were ranked with the resultant low, central and high figures presented in **Table 2** below.



Table 2: Annual Growth Rates to 2020 for SE sectors (and sub-sectors)

Sub Sector	Annual Growth of Market Size to 2020 (%)		
	Low	Central	High
Integrated Building Technology	5.5	10	15
Offshore - wind	17	27	32
Offshore - wave, tidal	7	26.5	40
Bioenergy - electricity	5.7	6.7	29
Bioenergy - heat	3.9	9.4	22
Bioenergy - transport	6.2	9.5	13.8
Energy storage	3	4	6

Source: Multiple

An interesting contextual point is that if overall Northern Ireland electricity demand is assumed to stay fixed up to 2020 then in order to meet 40% of the total demand (the current target) annual renewable generation would need to increase from 837 GWh in 2009 to 3,210 GWh in 2020. This is equivalent to a compound annual growth rate of 13%.

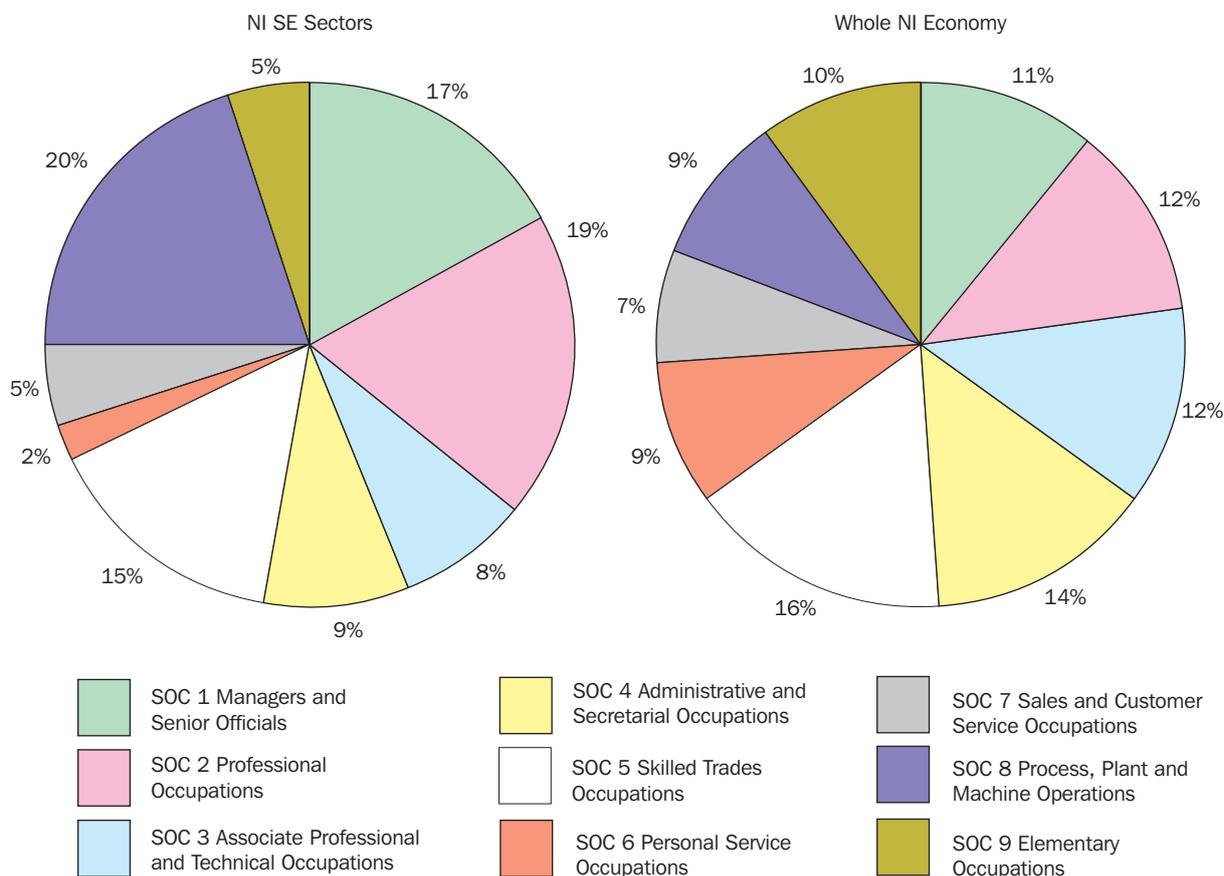
Sectoral Staff Profile

In order to analyse future skills needs it was necessary to consider the level of skills required within each sector. The results in **Figure 1** show that within the local SE sector the largest occupational groupings are in Standard Occupational Classification (SOC), SOC1 – Managers and Senior Officials, SOC2 - Professional Occupations and SOC8 - Process, Plant and Machine Operations, with 17-20% of employment in each

of these groups. This is higher than the proportions for the Northern Ireland economy as a whole. SOC5 – Skilled Trades Occupations also forms a significant part of the labour profile at 15%. SOC6 – Personal Service occupations, SOC7 – Sales and Customer Service Occupations and SOC9 – Elementary Occupations all represent 5% or less of the profiled workforce in the SE sector, which is lower than the proportions for the economy as a whole.



Figure 1: Northern Ireland Sustainable Energy and whole economy employment by standard occupational classification



Source: ECORYS Survey and Calculations

Source: Labour Force Survey

This profile characterises a highly skilled sector with a focus on manufacturing and with less input from sales and other support staff. This could be expected of the SE sector, given that it is based primarily around physical technology development and deployment, and where many of the technologies remain at early stages of commercialisation.

Future Demand for Skills

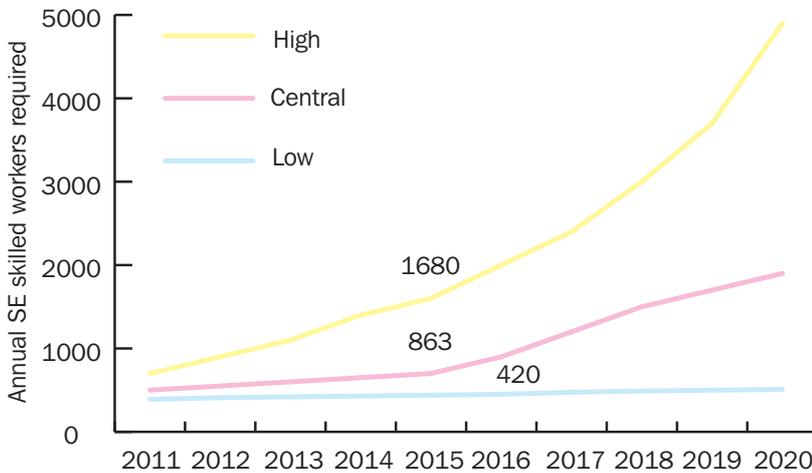
The survey of Sustainable Energy companies in Northern Ireland indicates that the majority do not currently perceive a problem in

meeting their skills requirements. While this may be the case at the moment, due to the small sector size and generally high levels of unemployment, there is clear evidence from other studies and from expansion minded companies in the sector that this situation is unlikely to continue in the long term.

The estimates of skills demand indicate a diverse array of needs across the SE sector over the next 5 years. The specific needs and drivers of demand are in many cases unique to that specific sector, which has implications for the response by

providers and potentially, and in turn, policymakers. In total, our modelling suggests that in the central scenario for all SE sub-sectors, approximately 500 skilled workers will be needed by the sector in 2011 with this growing by 70% to around 860 a year by 2015 as growth in the sector accelerates, see **Figure 2**. Overall, some 86% of the demand is for new skills, as opposed to replacement skills, although the demand for replacement skills are significant in the Energy Storage sub-sector, reflecting the ageing profile of workers in the electricity distribution industry.

Figure 2: Potential Skills Demand in the Northern Ireland SE Sector



Source: ECORYS Modelling

Over the period 2011-2015, it is estimated that the SE sector in Northern Ireland will require approximately 3,300 skilled workers. In the high-growth scenario, the requirement is around 5,900, in the low scenario the requirement is around 1,800. The central estimate of 3,300 implies a near doubling of the number of skilled workers compared with the current size of the SE sector, although this also includes an element of replacement demand.

Current Supply of Skills

The information that we have gathered from the literature review, survey of companies and consultations indicates that a large proportion of the basic skills and educational requirements flagged up by SE companies are not entirely new, implying both the need to re-skill many who are already in the workforce and a requirement to maintain an ongoing supply of new labour

market entrants with a range of Science, Technology, Engineering and Maths (STEM) skills. The Further Education (FE) and Higher Education (HE) providers within Northern Ireland offer a wide range of training relevant to SE. This includes relevant units within courses (such as a biomass unit in a land management course) and courses which are arguably entirely relevant (such as electrical engineering). The Carbon Zero project has brought together FE and HE providers with an interest in SE, to help them develop and present their most relevant courses. Many of the courses listed in the Carbon Zero prospectus have been developed over the last 12 to 18 months and as a result, information about the numbers of participants completing these courses is limited. The data which are available from DEL indicates that in 2009/10 there were over 500 enrolments on these courses. The HE sector has some strong research and teaching skills of relevance to SE, for example the

QUESTOR centre at Queen’s University, Belfast and the University of Ulster’s School of the Built Environment.

With regards to FE the overall student numbers enrolling in courses considered to be potentially relevant to SE employment is much higher than the predicted needs of the SE Sector. For example in the 2009/10 academic year there were 7,172 students enrolled in engineering courses and 9,781 enrolled in building and construction courses. Of course many of these students will be destined to work in other sectors.

The information from the literature review, survey of companies and consultations indicates that a large number of the basic skills and educational requirements flagged up by SE companies are of a more general nature than the courses included in the Carbon Zero prospectus. This is not to say that the Carbon Zero courses are not suitable and do not provide a good match to many of the skills requirements, but rather that they are not the only courses which can produce suitable workers for the sector.

The issue with the application of these generic engineering skills to the SE sector is the difficulty in accurately estimating what proportion of graduates in these disciplines will go on to work in that SE sector, rather than go on to work in more traditional engineering roles. Indeed, competition for these types of graduates, where numbers are diminishing, has been highlighted in this study. In order to estimate





the number of students completing relevant courses and who will go into the SE sector we have had to make assumptions about the percentage completing relevant courses that will go into the sector, to reflect the relative sizes of the sectors.

Overall, the evidence indicates relatively good coverage in Integrated Building Technology, some coverage in Offshore Energy and Bioenergy, but little directly relevant to Energy Storage.

Supply versus Demand

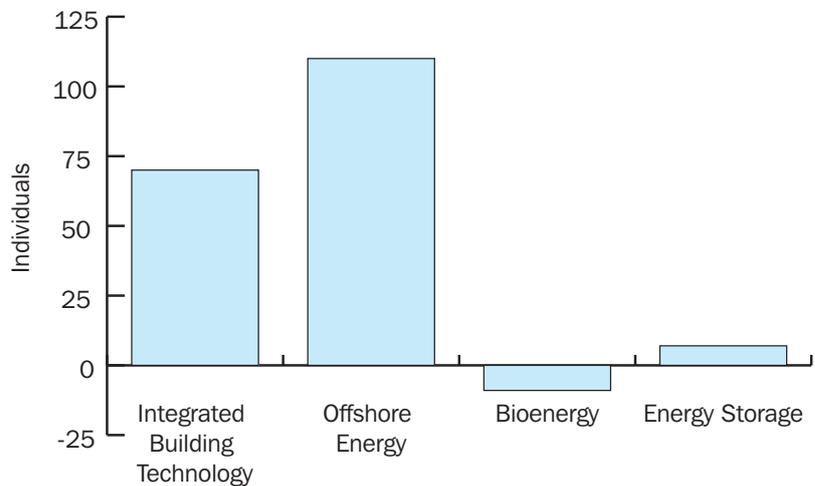
The study has attempted to match the projections in demand for skills in the four SE sectors with the current known supply of skills, this produces estimates of annual skills gaps as shown in **Figure 3**.

Integrated Building Technologies.

Under the central scenario, relatively small skills gaps are expected, with the need for around 70 skilled personnel to work in this sub-sector, across all occupational areas each year. It is likely that this gap can be bridged through increasing the intake on existing courses.

Offshore Energy. Under the central scenario skills gaps are expected, with the need for around 110 skilled personnel in this sub-sector across all occupational areas each year. This is a significant expansion on current numbers employed in the sector and reflects expectations of rapid growth. These gaps, particularly around skilled trades occupations, may require expansion of existing and the introduction of new courses.

Figure 3: Projected Average Annual Skills Gaps (2011-2015) in Northern Ireland SE sector



Source: ECORYS calculations

In a low-growth scenario, skills gaps could most likely be accommodated by existing supply. In a high-growth scenario, the likely gaps could pose significant issues to the sector if provision is unable to expand accordingly.

Bioenergy. Under the central scenario few skills gaps are expected overall, with only small gaps at managerial and professional levels. It appears that these could be accommodated within existing course provision, since there is already relatively comprehensive provision of higher level courses with land-based components. In the high-growth scenario skills gaps could emerge in the sector, but again, these are likely to be concentrated mainly at higher levels.

Energy storage. Under the central scenario only very small skills gaps are expected overall, with needs for fewer than 10 people. This is a reflection of low expectations for sector growth in the next five years, with real

expansion only expected beyond 2015, when smart-meter roll-out becomes a priority. The skills that this will require are not yet fully defined, but are likely to comprise a mix of energy and ICT skills. This uncertainty is reflected in the low estimates presented and it should also be borne in mind that this sub-sector has perhaps the greatest uncertainty of the four SE sub-sectors in terms of its future development.

Key points in future skills supply and demand

This study has allowed a number of key conclusions to be drawn and highlights uncertainties in terms of predicting and taking steps to meet future skills demands in the four SE sub-sectors:

Demand

The clearest short term need appears to be in offshore wind installation, operation and maintenance. The opportunities currently relate to installations off

the coast of England and there is a need for marine skills (e.g. health and safety) to be added to general engineering skills.

The demand for skills in Integrated Building Technology and Bioenergy should grow steadily. Subsidies are key to the rate of growth in both of these SE Sectors.

There are strong medium to long-term opportunities in wave, tidal and the Smart Grid but the timing, scale and nature of these is not yet known. These sectors are currently at a research phase so future skills needs are not yet well understood.

Government policy lead and clarity is key to demand. There was a clear view among many of the companies consulted that incentives and government energy policy are vital to stimulating growth in all of the sub-sectors.

There is a need for multidisciplinary, skilled workers. This reflects the cross-over between traditional disciplines required at all levels, such as ICT and electrical engineering for application to Smart Grid and biosciences and combustion in the field of biomass.

Export focus for Northern Ireland companies is vital for growth, but needs support. Ambitions for companies to move beyond servicing their local market require identification of high value niches in existing technologies.

Availability of funds to support additional courses, upgrade the grid and provide other SE growth assistance is an issue. Public policy makers made the point

that current public sector funding constraints will make additional public intervention in funding courses difficult. The regulator decides how much the electricity transmission and distribution company can spend on the costs of grid upgrade and how these costs are ultimately recovered from customers.

Supply

The decline in numbers of those pursuing high level mechanical and electrical engineering courses is a concern. This is because the skills these courses address are in demand and relevant to most SE sub-sectors.

Co-ordination between skills providers is growing and should continue to be supported. There was strong support among providers for efforts to link FE and HE activity in this area, for example the help colleges have had in identifying skills needs via the Connected and Carbon Zero projects.

Some skills gaps could be filled by attracting back expatriate Northern Ireland workers. This could help with the high-level skills needs of incoming SE companies.

Supporting and developing STEM skills is arguably more important than trying to match specific needs. This is because of the speed of development in this field and the expectations of workers to have a more diverse career path.

Supply versus Demand

The multiple assumptions required by the modelling involved in this work means the outputs have a high degree of uncertainty. The requirement to make assumptions on the sector size, growth rates and relative

attractiveness of the SE sector to those with suitable qualifications, means that the quantitative results of the study (particularly on skills gaps) should be treated with caution.

The ideal is to match skills supply with demand, but this requires close co-operation and possibly pump priming. It was recognised (by providers and industry) that there is a risk of over providing skills, and that the ideal situation of matching supply to industry demand is hard to achieve. If skills are offered too quickly, the skilled workers will not have opportunities available to them and will either leave the sector or have to look overseas for work. It could, though, be said that such skills export is a valid strategy to develop the workforce for global employment. One solution is to use public funding to pump prime the skill supply, i.e. develop and fund courses in expectation of future demand. While this would develop capacity it would be a high risk choice for a college to provide these courses – as there would be no immediate employment prospects for those who took them. Supplying additional public funding to provide this capacity would also be a risky policy option, as there would be no guaranteed employment in Northern Ireland.

How to meet the skills needs of large incoming companies. It appears inevitable that any large incoming company will source many of its initial skill needs from outside Northern Ireland. In order to address this it appears that the most promising route is to provide a healthy supply of entrants to the labour market with sound STEM skills.



Policy Remarks

The policy pointers have been presented under short, medium and longer-term sub-headings and then further sub-divided into skills provision, skills policy and other:

Short Term

Skills Provision.

Develop capacity in offshore/marine technician training. The offshore wind industry is the sector where the shortest term and largest skills gaps in Northern Ireland are apparent. It is also the sector with the clearest medium term prospects for supporting local economic growth. There is a clearly reported and current need for staff with offshore health and safety and marine skills and this will increase in the future. Consideration should be given to developing these courses, possibly in conjunction with private trainers and FE colleges should provide this training themselves.

Skills Policy.

Consider ensuring relevant FE courses are on the priority support list. DEL offers enhanced support to certain courses defined as being in priority skills needs and a number of the courses identified in the report should be added to this definition. There should be a debate regarding the allocation of support between SE relevant courses and others, since the future demand for SE relevant courses (and units within courses) appears strong.

Support apprenticeships in SE. Continue to promote the development and delivery of

Apprenticeships in Sustainable Energy working with Industry, the FE sector, the relevant National Skills Academies and the Sector Skills Councils (SSCs).

Other.

Use SE to promote STEM skills - Sustainable Energy and other 'green areas' should be used as part of the programme designed to increase the number of young people studying STEM subjects in schools. The STEM strategy 'Success through STEM' was published for public consultation in August 2010. It sets out the Government's commitment to increasing the number of people studying STEM subjects in school, college and university. Key aspects within the strategy are the need to improve career attractiveness and Continuous Professional Development (CPD) in STEM areas. Consideration should be given as to how the SE sector and other 'green' areas can tie in with the existing implementation of the Strategy without duplicating existing activity in this already crowded area.

Medium Term

Skills Provision.

Continue the dialogue between industry, government and skills providers in order to anticipate specific skills needs as they emerge. MATRIX, DEL, SSCs, DETI, Invest NI and the FE and HE sectors should work with the SE sector to carry out horizon scanning on future developments in the sector, in particular the timelines for the commercial development of technologies. This will ensure that both immediate and future skills needs are understood and facilitate the

development of relevant courses that meet the needs of the sector in a timely manner.

Develop capacity to retain the developed skills in Integrated Building Technology. There are a number of individuals in Northern Ireland trained by the Installer Academy in Integrated Building Technology skills who are no longer economically active in the SE area. A programme of refresher and CPD courses should be developed with the Environmental Technology National Skills Academy to meet the likely demand in this area. When the details of the Renewable Heat Incentive and its implementation become clear installers will need certification under the Microgeneration Certification Scheme (MCS) in order for installations to qualify. Any refresher training will need to take this potential requirement into consideration.

Modify the content and branding of some HE courses to include specific SE content and references. This would enable those that complete the courses to be more easily identified with the new SE industry sectors.

Skills Policy.

Link with Scotland and the rest of the UK in SE promotion and skills development. Make clear implicit links between Northern Ireland and the United Kingdom-wide and Scottish Government's policies in this area, both in terms of skills development and the general policy profile (see point under 'other' on the next page) e.g. the skills academies, to achieve economies of scale for future skills development.

Continue to support the developing SE specialisations of the FE providers. Work in partnership with industry, the Sector Skills Councils and the FE sector to ensure that the Sustainable Energy courses meet the industry's needs and future demand.

Other.

Ensure that the planned efforts to publicise and present the policy vision for SE reach industry and the general public effectively. Communication of the implications of increased levels of energy generation from renewable sources as well as the benefits of energy efficiency are essential. Therefore the plans for a coordinated communication message and brand that can be used by all departments on SE should be utilised to illustrate the efforts being made to promote SE and join up policy making. The recognition of the crucial importance of grid upgrade (and its associated cost to consumers) to maximise the potential from developments in wave and tidal technology for energy generation should also be made clear to the general public.

Communication and education by the network owner and operator and the Utility Regulator on the plans and efforts underway to improve the structural integrity and Energy Storage potential of the grid. This is underway to some degree already with Northern Ireland Electricity's Renewable Integration Development Plan (RIDP). Stakeholders need to be reminded that the responsibility

for decisions on funding grid upgrade lie with the Utility Regulator.

Continue support for SMEs wishing to enter, or increase their activity in, the SE sector. If Northern Ireland is to maximise the economic benefits it takes from the SE sector, it needs to grow its indigenous sector, to serve its own demand and that from the rest of the United Kingdom, the EU and beyond. There is a good case for encouraging and then supporting those companies that target growth in this area.

Longer Term

Skills Provision.

Retain and develop the SE skills offer in the HE sector. Ensure that the requirement for Higher Level Skills in the SE areas is a component of the Higher Education Strategy currently going through the consultation process and that the relevant courses are prioritised for support.

Other.

Consider linking to future 'Homecoming / C'Mon Over' campaigns to attract back ex-patriot workers in SE - Discussions regarding the targeting and scope of any successor to the 2009 C'Mon Over campaign should be held within DEL. These discussions should investigate if there is any potential to include the SE sector of Northern Ireland as an attraction, and if the campaign is to be focussed on sites and locations which could be of relevance to expatriate energy workers.

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Assessing Northern Ireland skill levels in an international context - PIAAC

Stephen McGonagle, Analytical Services, Department for Employment and Learning

The Department for Employment and Learning (DEL) agreed for Northern Ireland to participate alongside England in the OECD's (Organisation for Economic Co-operation and Development) Programme for the International Assessment of Adult Competencies¹ (PIAAC), which represents an update to the 1996 International Adult Literacy Survey (IALS).

The programme will assess the level and distribution of adult skills in a coherent and consistent way across countries. It will focus on the key cognitive and workplace skills that are required for successful participation in the economy and society of the 21st century.

Introduction

Northern Ireland participated in the OECD's International Adult Literacy Survey (IALS) in 1996. IALS showed that around a quarter (24%) of the adult population of Northern Ireland were operating at the lowest level of literacy. This amounted to just over 250,000 people at the time and would equate to nearly 290,000 today, based on current estimates of the adult population aged 16-65.

DEL is currently participating in a successor to IALS called the PIAAC which will give key results that are comparable to those from IALS. This international research is being led by the OECD with over 25 countries taking part. The programme will assess the level and distribution of adult skills in a coherent and consistent way across countries. It will focus on the key cognitive and workplace skills that are required for successful participation in the economy and society of the 21st century. PIAAC was officially established in March 2008 and field test data collection was completed in 2010. Survey work for the main study was completed in April 2012 and the results are expected to be available in late 2013. DEL is part of the United Kingdom consortium for PIAAC. It is very encouraging that Northern Ireland has achieved its target sample size of 3,600

which will allow the results relevant to Northern Ireland to be extracted from the nationally managed project and allow comparison with all other participating countries. The overall response rate to the survey in Northern Ireland was just under 63%, which compares to around 58% in England.

The Board of Participating Countries (BPC) has outlined details of what the first PIAAC international comparative report may look like. The first volume of the report will contain the first results of PIAAC, entitled 'OECD skills outlook: First results from the OECD survey of adult skills'. This will examine topics such as the skills needed for adapting to change in the 21st century; cross-country comparisons of the level and distribution of adult skills directly measured in PIAAC; how skill proficiency is distributed among various socio-demographic groups in different countries; the skill proficiency of workers and the use of their skills in the workplace; developing and sustaining foundation skills; and the link between foundation skills and economic and social outcomes. The second volume will consist primarily of the background and other technical aspects to the study. Again it is envisaged that the reporting of the results will be available in late 2013.



¹ www.oecd.org/document/35/0,3746,en_2649_201185_40277475_1_1_1_1,00.html



DEL will be able to use the data from the PIAAC study and the various thematic reports from the BPC which will be produced during a two-year analytic programme to provide an evidence base for policy development, covering areas such as the use of skills in the workplace; skills and labour market outcomes; skills mismatch; a closer look at the population with low levels of proficiency; digital literacy; problem solving in technology rich environments and ICT use and trends; ageing; and the determinants of skills. This research work will fulfil some of the commitments that have been made in the Department's Research Agenda.

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Essential skills in Northern Ireland – the current position and developments in research

Stephen McGonagle, Analytical Services, Department for Employment and Learning

The Department for Employment and Learning (DEL) launched the Essential Skills for Living Strategy and action plan in April 2002. The Strategy aims to improve adult literacy, numeracy and Information & Communication Technology (ICT) in Northern Ireland. This article describes how the Strategy has developed in terms of the number of enrolments; the characteristics of participants; and those gaining qualifications in Essential Skills. It also describes some of the recent and future research the Department has commissioned in the area of essential skills.

Introduction

The International Adult Literacy Survey (IALS, 1996) showed that around 24% of working age people of Northern Ireland were operating at the lowest levels of literacy¹. This would equate to more than a quarter of a million adults based on current estimates of working age population. Given that poor literacy and numeracy contribute to social exclusion in general and exclusion from the labour market in particular, DEL launched the Essential Skills for Living Strategy and action plan in April 2002. This article provides a brief overview of recent analysis examining participation and success in Essential Skills courses.

It also details the essential skills related research DEL has recently participated in or agreed to take forward.

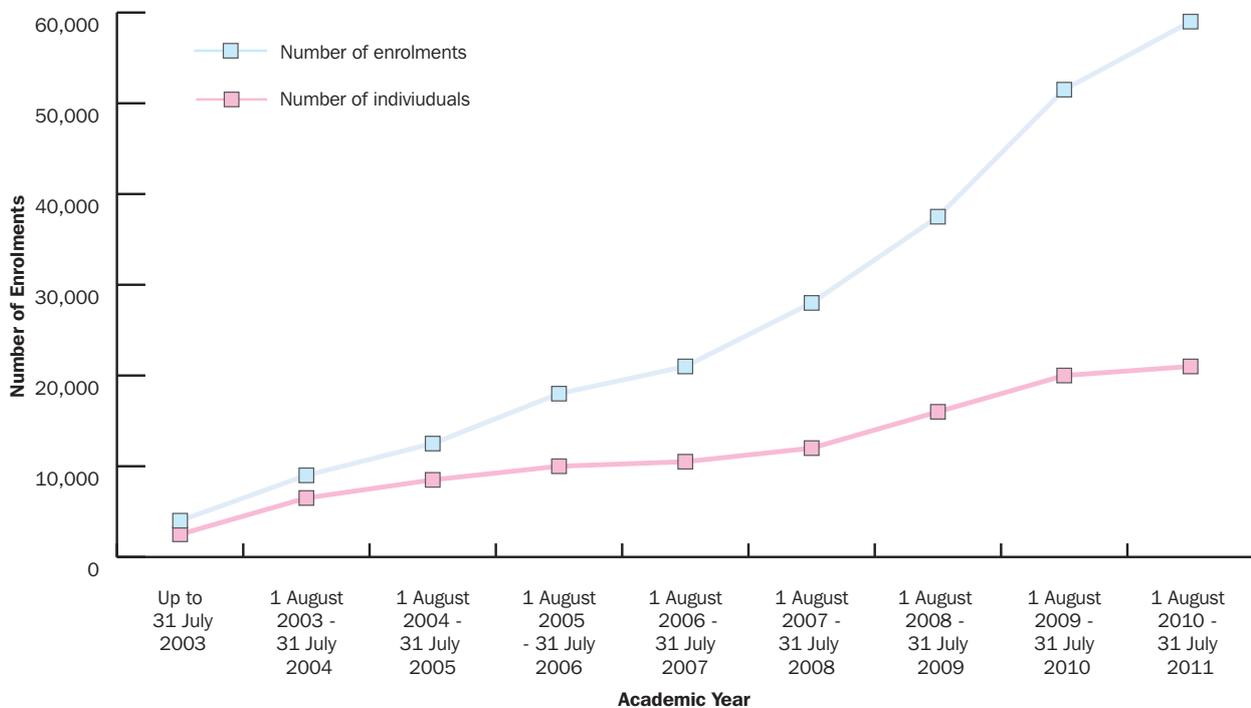
How many people have participated?

There have been nearly 275,000 enrolments (nearly 120,000 individuals²) in Essential Skills courses since the Strategy began 10 years ago. As set out in **Figure 1**, the numbers have increased progressively within each academic year as the Strategy has been rolled out.

Over these nine full academic years the retention rate within Essential Skills courses averaged 86%³.



Figure 1: Number of Essential Skills Enrolments by Academic Year



Source: Essential Skills Enrolment Return

Notes: Figures are correct as at 4th November 2011. The 2011/12 information is currently in-year data and therefore not presented in the graph above.

¹ The term 'literacy' in this context refers to both literacy and numeracy skills.

² An individual can enrol on one or more Essential Skills courses and therefore will be counted more than once within the enrolment count.

³ This is based on the number of enrolments which have been classed as non-withdrawals (excluding transfers) divided by the total number of enrolments.



What are the characteristics of those who have participated?

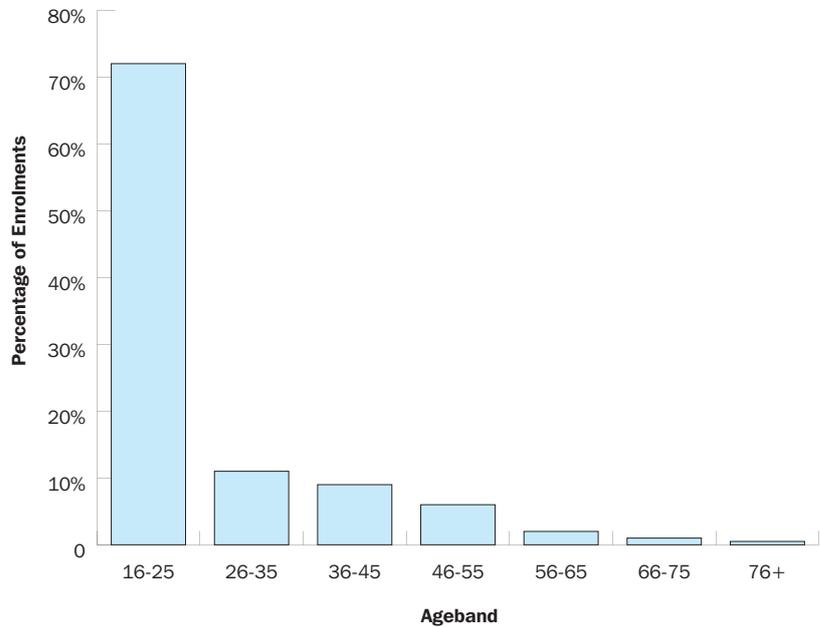
Age Group

Figure 2 shows the percentage breakdown of the participants' age at the start of the course. Over two thirds (72%) of the participants in Essential Skills courses since inception in 2002 were aged between 16 – 25 years.

Gender

Gender breakdown remained evenly split over the first few years of the strategy. However since 2006/07, male enrolments have been the majority: in the last full academic year (2010/11) males accounted for 54% of enrolments. This slightly differs from the proportion of males enrolled in Professional & Technical subjects within Further Education Colleges (50% in 2010/11).

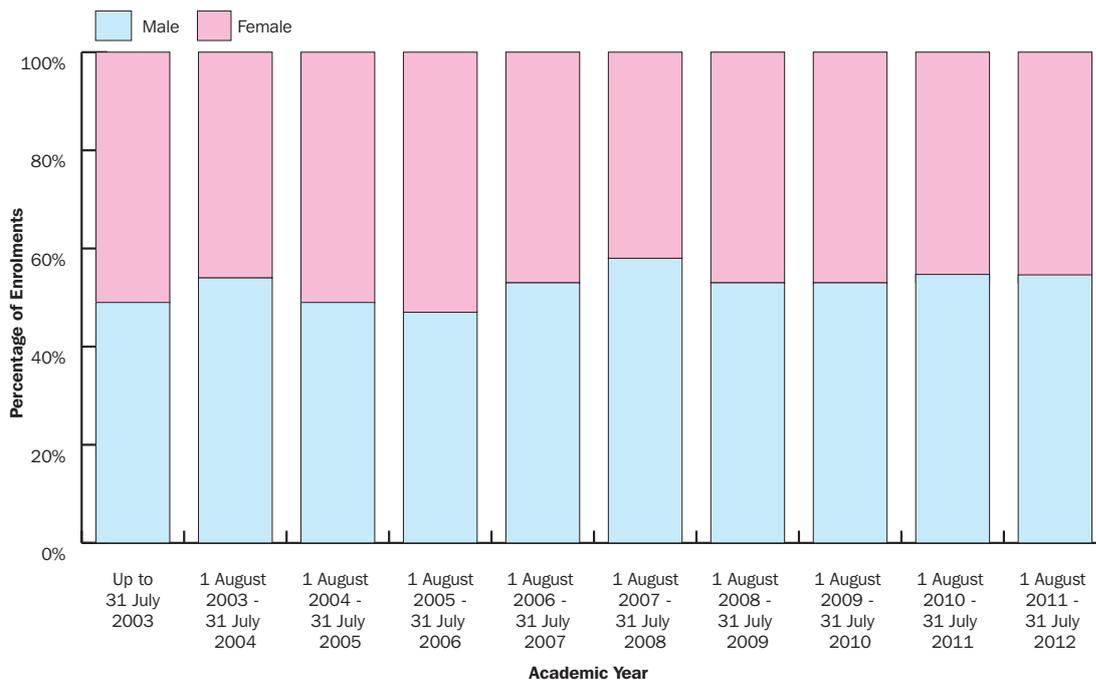
Figure 2: Essential Skills Enrolments by Ageband



Source: Essential Skills Enrolment Return

Notes: Figures are correct as at 4th November 2011. The analysis includes enrolments from the start of the strategy in 2002 up until the recent in-year data for 2011/12.

Figure 3: Essential Skills Enrolments by Gender and Academic Year



Source: Essential Skills Enrolment Return

Notes: Figures are correct as at 4th November 2011. The in-year data for 2011/12 is included in this analysis.



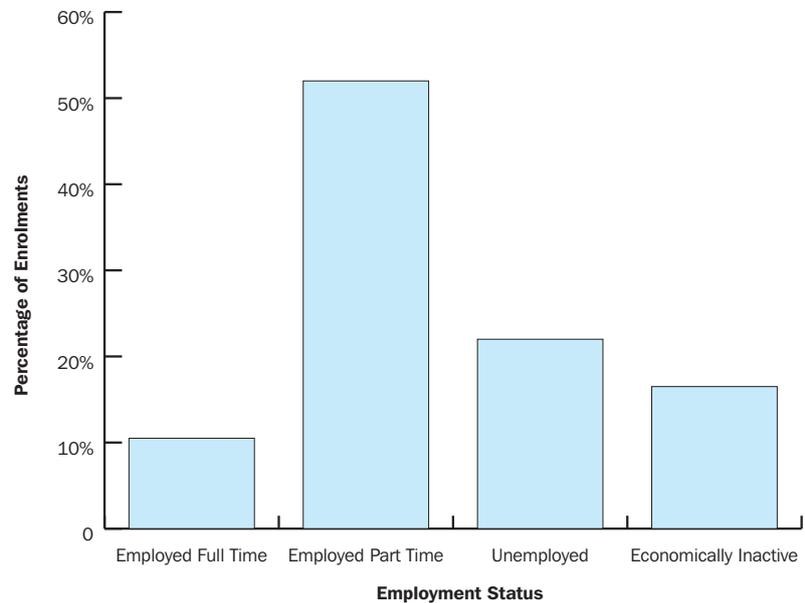
Employment Status

Most participants were in work, with the bulk of participants being in part-time employment, with 52% of all enrolments in this category. This 'part-time employment' group includes most of the 16-19 cohort, with 66% of all those in part-time employment within this age band. There are also a high proportion of enrolments who have registered as being unemployed (21%) or economically inactive (16%). This is positive as it suggests that the Strategy appears to be disproportionately targeting those on the lowest rung of the skills ladder.

Community Background

There was an approximate even split across the two main religious denominations in Northern Ireland for the majority of the academic years although in the most recent year there has been a slight Catholic plurality. It should be noted that there is a high non-response rate (23%) for this question on the enrolment forms.

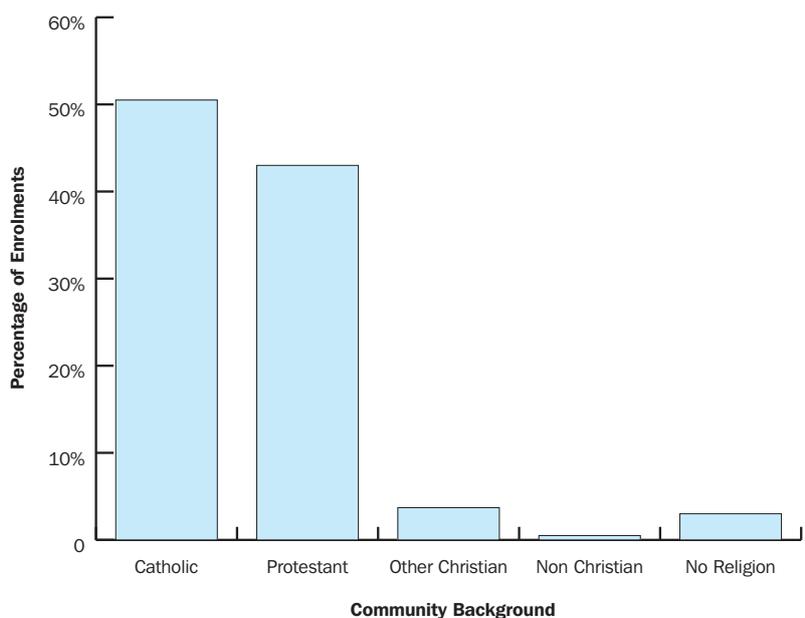
Figure 4: Essential Skills Enrolment by Employment Status



Source: Essential Skills Enrolment Return

Notes: Figures are correct as at 4th November 2011. The analysis includes enrolments from the start of the strategy in 2002 up until the recent in-year data for 2011/12. Percentages are calculated where 'Employment Status' is known.

Figure 5: Essential Skills Enrolments by Community Background



Source: Essential Skills Enrolment Return

Notes: Figures are correct as at 4th November 2011. The analysis includes enrolments from the start of the strategy in 2002 up until the recent in-year data for 2011/12. Percentages are calculated where 'Community Backgrounds' is known.

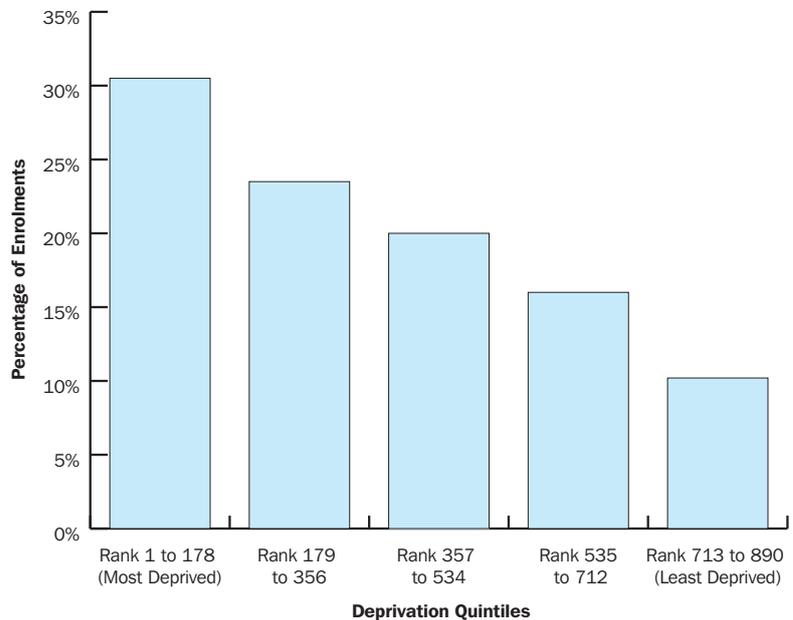


Deprivation Analysis

Figure 6 shows the number and percentage of Essential Skill enrolments within each quintile of super output areas (SOA) respectively, in terms of deprivation levels. The analysis has correlated the Northern Ireland Multiple Deprivation Measure⁴ (NIMDM) against the SOA the participant has indicated where they are from (based on their postcode) upon enrolment. It is encouraging that people from the most deprived SOAs are engaging and enrolling in Essential Skills courses. The graph illustrates that 30% of all ES enrolments are within the most deprived quintile of SOAs.

The map at **Figure 7** illustrates where the individuals are from, based on their postcode, and enrolling in Essential Skills courses in relation to the varying deprivation level of the wards within Northern Ireland. The number of enrolments per 1,000 of the population for each ward in Northern Ireland was mapped on top of the quintiles of wards in terms of their Northern Ireland Multiple Deprivation Measure.

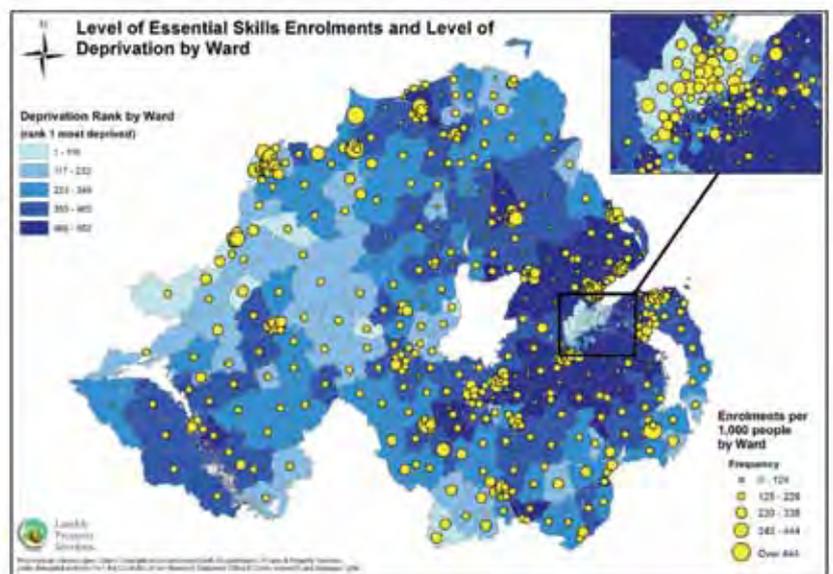
Figure 6: Essential Skills Enrolments by NIMDM Quintiles of SOAs



Source: Essential Skills Enrolment Return

Notes: Figures are correct as at 4th November 2011. The analysis includes enrolments from the start of the strategy in 2002 up until the recent in-year data for 2011/12. Percentages are calculated where 'Postcode' is known.

Figure 7: Quintile of Northern Ireland Multiple Deprivation Measure and Essential Skills enrolments per 1,000 of the population for each ward area



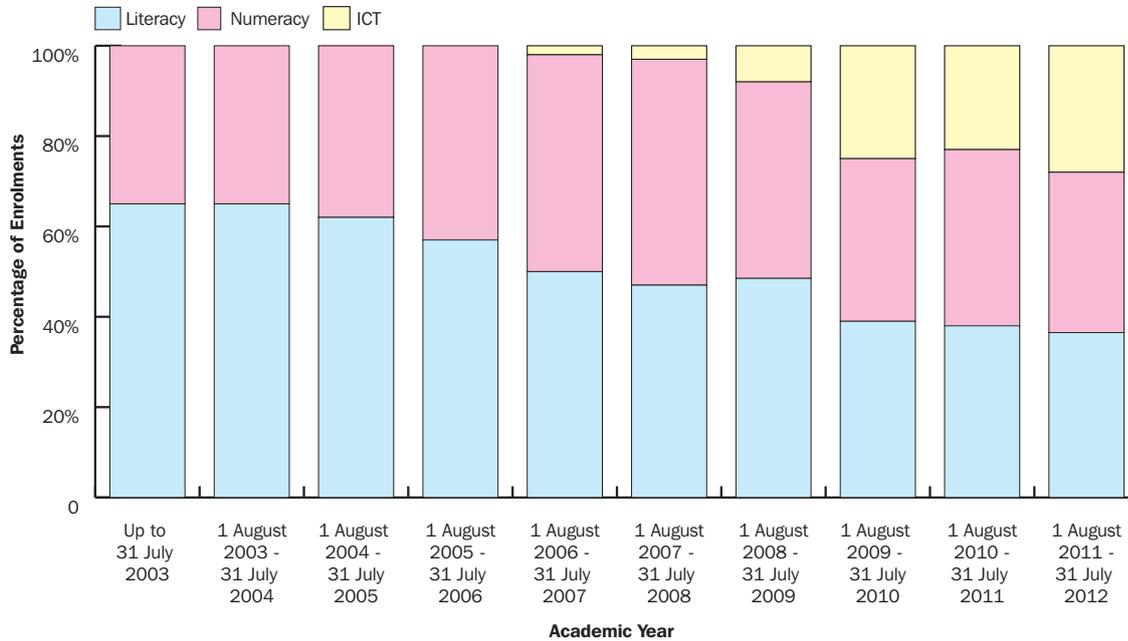
Source: Essential Skills Enrolment Return

Notes: Figures are correct as at 4th November 2011. The analysis includes enrolments from the start of the strategy in 2002 up until the recent in-year data for 2011/12. Only known postcodes are included in this analysis.

⁴ Information about the Northern Ireland Multiple Deprivation Measure can be found at www.nisra.gov.uk



Figure 8: Essential Skills Enrolments by Subject and Academic Year



Source: Essential Skills Enrolment Return

Notes: Figures are correct as at 4th November 2011. The in-year data for 2011/12 is included in this analysis.

What courses are being studied?

There has been a shift in the most recent years from Literacy to Numeracy, resulting in an approximate balance in the courses that are being enrolled on. As can be seen in **Figure 8**, the most recent full academic year (2010/11) indicates that Literacy accounts for 39% and Numeracy 38% of Essential Skills enrolments. The full programme in ICT began rolling out in August 2009, and accounted for 23% of enrolments in the last full academic year (2010/11).

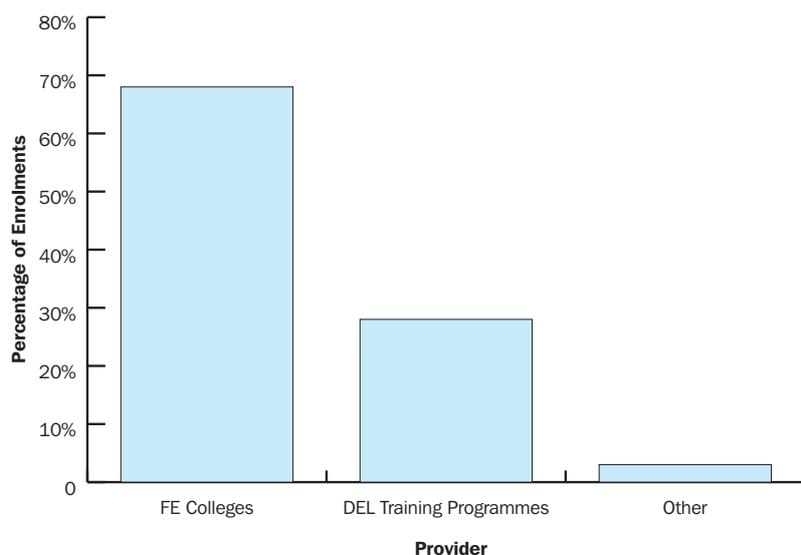
Over the nine full academic years the retention rates within Literacy, Numeracy and ICT Essential Skills courses are quite similar, with 86%, 87% and 86% respectively⁵.

Where is the provision being delivered?

The main delivery of Essential Skills courses has occurred within

FE Colleges, accounting for 69% of all registered enrolments since 2002 (**Figure 9**).

Figure 9: Essential Skills Enrolments by Provider



Source: Essential Skills Enrolment Return.

Notes: Figures are correct as at 4th November 2011. The analysis includes enrolments from the start of the strategy in 2002 up until the recent in-year data for 2011/12.

The category 'Other' includes enrolments registered against Proteus, Workers Education Association, EGSA and the Ulster People's College.

⁵ This is based on the number of enrolments which have been classed as non-withdrawals (excluding transfers) divided by the total number of enrolments.



Qualifications

Overall figures

Information from the Awarding Organisations indicates that there have been just over 133,000 qualifications issued in Essential Skills since 2002/03. As can be seen from **Figure 10**, the number of qualifications issued has increased progressively within each academic year.

On comparison of the number of qualifications issued over the nine full academic year period with the number of enrolments, the achievement rate within Essential Skills courses is approximately 60%⁶.

Achievements by subject

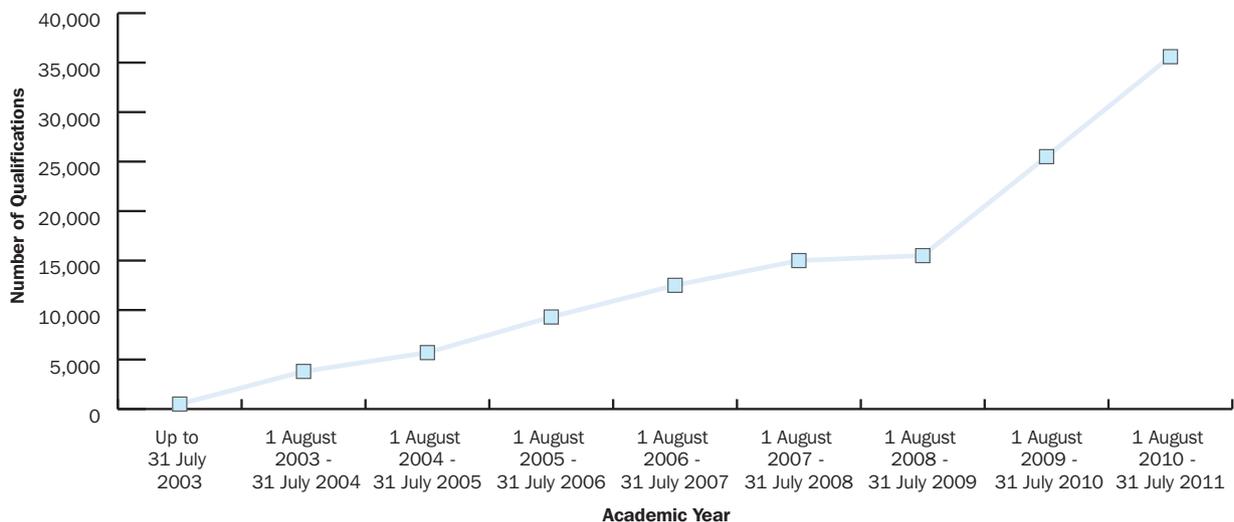
The trend of enrolments shifting in the most recent years from Literacy to Numeracy is also reflected in the achievements within Essential Skills by subject.

Figure 11 illustrates this trend.

In the most recent full academic year Literacy accounted for 37% and Numeracy 40% of Essential Skills qualifications issued. ICT qualifications accounted for 22% of qualifications issued in the last academic year.

The achievement rates for those studying Literacy or Numeracy are similar, approximated at 61% and 63% respectively.

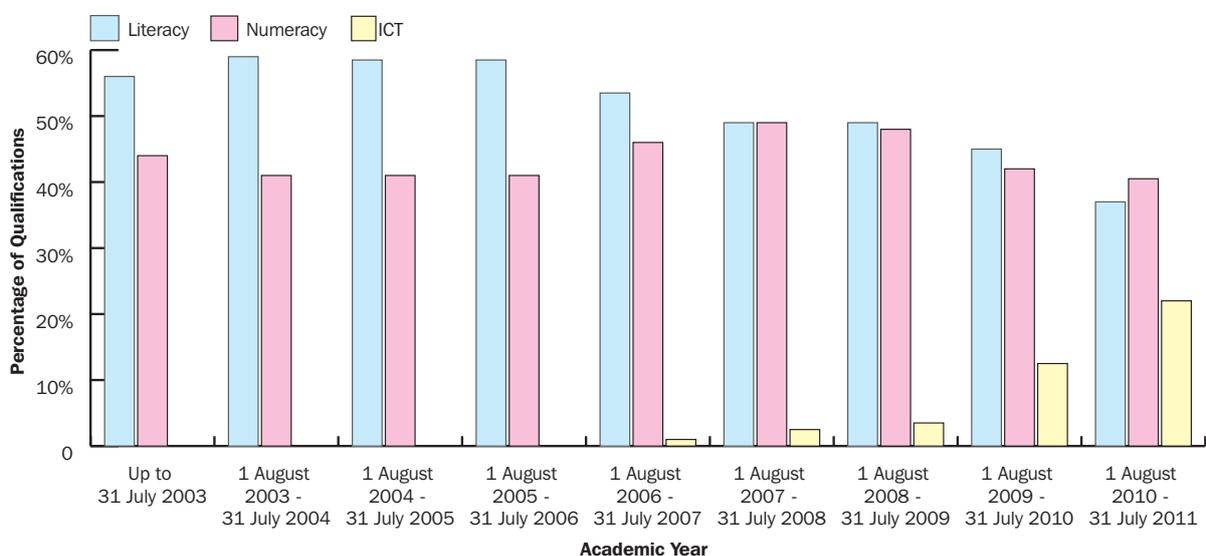
Figure 10: Essential Skills Qualifications by Academic Year



Source: Awarding Organisations

Notes: Figures are correct as at 31st December 2011. The 2011/12 information is currently in-year data and therefore not presented in the graph above.

Figure 11: Essential Skills Qualifications by Subject and Academic Year



Source: Awarding Organisations

Notes: Figures are correct as at 31st December 2011. The 2011/12 information is currently in-year data and therefore not presented in the graph above.

⁶ This is based on the number of qualifications issued by awarding organisations divided by the total number of enrolments, which have been classed as non-withdrawals (excluding transfers). This rate is approximate as the information being used for this calculation is derived from two different data sets.



Achievements by level

Figure 12 illustrates the number of qualifications within each level of Essential Skills which have been issued by Awarding Organisations. It shows that the majority of qualifications are at Level 1, accounting for 36% of all qualifications.

Assessment against Public Service Agreement (PSA) 2 Indicator 4

Table 1 details the PSA 2 Indicator 4 targets for Essential Skills set by the Department and the outcome and current position against these targets.

Research Developments

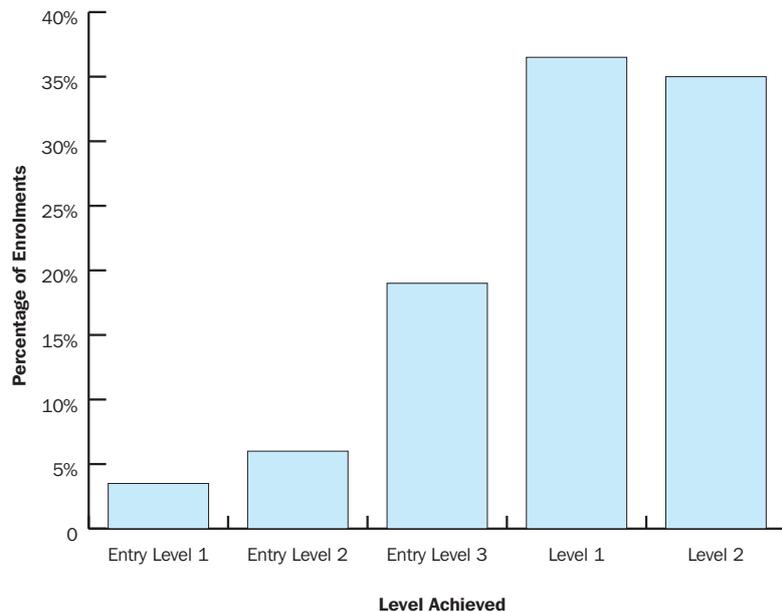
Omnibus Survey

Since April 2004, DEL has commissioned a module within the Northern Ireland Omnibus Survey, which is run by the Central Survey Unit of Northern Ireland Statistics and Research Agency⁸. The Omnibus Survey is carried out on a regular basis and is designed to provide a snapshot of the lifestyle and views of the people of Northern Ireland. The survey is administered every quarter and on a bi-annual basis an Essential Skills module is included. The rationale behind developing the module was to provide a cost effective method of monitoring individuals' perceptions of their literacy and numeracy abilities in everyday life.

Those categorised as 'self reporting a need' within one of the Essential Skills areas are those respondents who either reported that they were 'not very comfortable' or 'not at all

comfortable' in carrying out a number of 'everyday' tasks. The percentages of those self reporting a need to each particular question within the survey as presented in **Table 2**.

Figure 12: Essential Skills Qualifications by Level Achieved



Source: Awarding Organisations

Notes: Figures are correct as at 31st December 2011. The 2011/12 information is currently in-year data and therefore not presented in the graph above.

Table 1: Outcome/Position against PSA 2 Indicator 4 for Essential Skills

PSA Target for learners ⁷ achieving an Essential Skills Qualification	Outcome/Position on learners who achieved an Essential Skills Qualification
For 18,500 learners by 31st March 2007	As at 31st March 2007 22,216 learners
For a further 10,500 learners by 31st March 2008	As at 31st March 2008 a further 10,318 learners
For a further 42,000 learners by 31st March 2011	As at 31st March 2011 a further 54,395 learners

Source: Awarding Organisations.

Notes: Figures are correct as at 31st December 2011.

⁷ In calculating the number of 'learners', the number of individuals within each subject area (Literacy, Numeracy or ICT) is determined. If someone has achieved multiple levels within a specific subject area (Literacy, Numeracy or ICT) then the earliest level achieved is kept for the analysis. Once the number of individuals within each subject area (Literacy, Numeracy or ICT) is obtained, then these figures are added to together to reach the total number of 'learners'.
⁸ www.csu.nisra.gov.uk/survey.asplo.htm



It is encouraging to note that the percentages of those self reporting to be ‘not very comfortable’ or ‘not at all comfortable’ both the ‘...reading information...’ and ‘...filling out forms...’ questions has decreased since the survey began. However, the changes in percentages from June 2004 to April 2011 for all self reported need questions are not significant at the 5% level.

Although these levels are low in comparison to the results of the IALS survey, it was identified in IALS that among those who performed at prose level 1 (the lowest level) almost 1 in 10 self-assessed their reading skills as excellent and almost one quarter said they were good. Therefore the results above need to be considered in this context.

Given this evidence, the above percentages are likely to be at the lower bounds of need.

Nevertheless, in population terms they would equate to over 100,000 individuals.

This module comprises a number of questions, including:

- a) How comfortable are you reading information on your own? (For example, instruction manuals, medicine bottles or information from a bank, employer, school, doctor, hospital, Government)
- b) How comfortable are you in filling out forms on your own? (For example, an application form, driving licence or benefit form)
- c) How comfortable are you when you have to use basic maths for everyday calculations or sums? (For example, working out how much something will cost or what change you expect to receive or how much of something you can afford)
- d) How comfortable are you when you have to use computer software packages? (For example, using the Internet, email, word processing or spreadsheets)
- e) Have you ever wanted to improve your basic reading skills?
- f) Have you ever wanted to improve your basic writing skills?
- g) Have you ever wanted to improve your basic maths skills?
- h) Have you ever wanted to improve your ICT/computer skills?
- i) For what reason(s) did (do) you want to improve these skills?
- j) Have you ever tried to do anything to improve your reading, writing, maths ICT skills? If yes, what did you do? If no, why have you not tried to do something to improve your reading, writing, maths and ICT skills?

Table 2: Percentage self reporting a need within a particular ability by Survey date

Question	Percentages in the Omnibus Survey															
	2004		2005		2006		2007		2008		2009		2010		2011	
	Jun	Oct	Apr	Oct	Mar	Sep	Apr	Oct	Apr	Sep	Apr	Sep	Apr	Sep	Apr	
How comfortable are you reading information on your own?	7	7	6	6	7	4	6	5	5	5	4	5	5	5	6	
How comfortable are you filling out forms on your own?	16	14	13	13	14	12	15	11	13	13	12	13	13	14	15	
How comfortable are you when you have to use basic maths for everyday calculations or sums?	8	8	6	8	9	6	8	7	7	9	7	8	7	7	10	
How comfortable are you when you have to use computer software packages, for example using the Internet, email, word processing or spreadsheets?	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	37	38	37	38

Source: NISRA Omnibus Survey



The Programme for the International Assessment of Adult Competencies (PIAAC)

The Department is currently participating in a derivative of the International Adult Literacy Survey (IALS) called the Programme for the International Assessment of Adult Competencies (PIAAC) which will give certain results that are comparable to those from IALS. Further details of PIAAC are given in Chapter 8 of the Bulletin.

Success Rates in Essential Skills

In 2010, the Department published 'Quality and Performance: A Baseline Analysis'. This was the first wide ranging quantitative analysis of the DEL programmes, providing an overview of the Department's Higher Education, Further Education, Training for Success/ Apprenticeships NI and Essential Skills programmes. The Baseline Analysis also made a number of suggestions for further iterations of the report. These included the development of a more in-depth, statistical analysis to examine why variability in success rates exists within and across Departmental programmes. With regard to the latter, analysts within the Department are taking forward an econometric modelling project to quantify the variance in success rates based on individual and institutional characteristics in the Essential Skills provision across Northern Ireland. The study is due to be completed in 2012 but not in time for it to be summarised in this issue of the Labour Market Bulletin.

Self Reported Literacy ability – analysis by local areas within Northern Ireland

The Department has recently commissioned research to examine the possibility of providing estimates of self reported 'Literacy' ability at small geographical areas, such as Super Output Areas (SOAs), that would greatly benefit policy makers in building up a clear picture of Essential Skills needs at a local level in Northern Ireland. The first phase of this research is to scope the possibility of using Omnibus Survey data in conjunction with Census to develop a spatial microsimulation model. If this research is possible given the data available then phase two will develop the model and provide estimates of self reported 'Literacy' ability within small geographical areas.

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Essential Skills Student Survey – key findings

Ian Stanley, Analytical Services, Department for Employment and Learning

The Department for Employment and Learning (DEL) launched the Essential Skills for Living Strategy and action plan¹ in April 2002. The Essential Skills for Living Strategy aims to improve adult literacy and numeracy (and now Information & Communication Technology) in Northern Ireland. This article provides an overview of the results from the Essential Skills Student Survey undertaken in late 2010.

Background

The Essential Skills Student Survey was conducted in 2010 to inform the Department for Employment and Learning of the effectiveness of the Essential Skills for Living Strategy, from those undertaking the programme of courses at that time.

The survey was designed so that the collated results would inform the Department if there was a need to revise learner engagement, employer recognition, marketing and tutor engagement strategies.

The survey was conducted over a one week period in November 2010 and students completed the survey voluntarily and anonymously during class time. Students were encouraged to complete the survey online, although there was also the option to complete and submit a hard copy by post.

This article has been produced using the survey data collected. Brief demographic information is provided along with the reasons for course attendance, how students heard about their courses, what courses were being studied, if students would have attended their course if a cost was involved, and student attitudes towards Essential Skills courses.

Key Findings

This section outlines some of the key findings from the Essential Skills Student Survey.

Responses

- This was the largest ever survey of Essential Skills students since the Strategy was launched in 2002, with a total of 4,886 surveys returned. The profile of the respondents to the survey is broadly similar in terms of gender, age and sector to that of those who have undertaken an Essential Skills course over the last eight years;
- Almost two thirds (62.4%) of responses came from students within the Further Education (FE) sector, 28.0% from the Training Programmes sector and 9.6% from the Community and Voluntary sector.

Student Details

- For those students whose gender is known, there was an almost 50:50 split between male (50.3%) and female (49.7%) respondents;
- Where ageband was indicated, two thirds (66.7%) of students were within the 16-19 year old ageband.



1. see www.delni.gov.uk/es/essential-skills-for-living-strategy



Reasons for taking the course

- Nearly three quarters (71.1%) of survey participants indicated that the reason for taking an Essential Skills course was “To gain a qualification”. Half (50.6%) also selected the reason “To improve my chances of getting a job”. Please note students could indicate more than one reason.

First Contact Point

- Where responses were known, almost two fifths (38.9%) of students found out about their course from friends, colleagues and family, followed by nearly a third of students (30.9%) who found out about their course from an FE College.
- Of the known responses, 13.5% had selected ‘Other’ as to how they found out about the Essential Skills course. Within the ‘Other’ option ‘Employers’ and the ‘Northern Ireland Union Learning Fund (NIULF)’ accounted for approximately 34% of the responses and the ‘Extended Schools initiative’ accounted for approximately 16%.

Essential Skills Courses

- Students were asked to indicate which of the Essential Skills course(s) they were attending at the time. The majority (68.4%) were attending a Numeracy Essential Skills course. This was closely followed by Communication (65.8%). 48.6% of survey participants indicated they were attending an ICT Essential Skills course;

- A total of 58.7% of all students (2,821 students) were attending more than one course of study.

Course attendance if cost involved

- Where the response was known, 37.9% of students indicated that they would have attended their Essential Skills course if there was a cost involved, although the survey did not capture information on what the scale of such contributions might be.

Student Attitude Responses

Students were asked to indicate how much they agreed/disagreed with seven attitudinal statements. Responses from students show that they were more inclined to agree that:

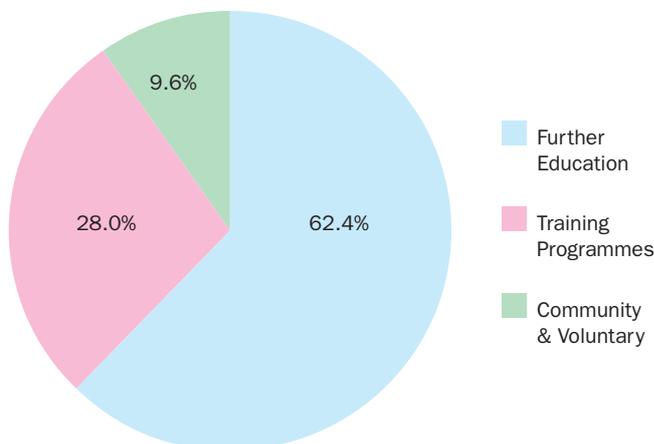
- Essential Skills courses have increased their self confidence;
- Essential Skills courses will help them to get a job or a better job;

- Employers recognise the Essential Skills qualifications;
- Essential Skills courses will increase their involvement in group or public activities;
- For those with children, that Essential Skills courses will have a positive impact on their child’s education;
- The course has met their expectations;
- They would recommend an Essential Skills course to others.

Survey Responses

There were a total of 4,886 survey responses by Essential Skills students. **Figure 1** shows that most came from the Further Education (FE) route, with about a quarter from training programmes and just under a tenth from the Voluntary/Community sector

Figure 1: Percentage of survey responses by sector.



Source: Essential Skills Student Survey 2010

Gender

Table 1 shows that the gender split was even.

Age

Students were asked to indicate which ageband they belonged to.

Table 2 illustrates their responses by sector whilst

Figure 2 summarises across all sectors. Two-thirds of participants were aged between 16 and 19 when commencing the course.

Reason for taking the course

Students were asked to indicate their main reasons for taking their Essential Skills course. Students were able to indicate more than one reason and **Table 3** illustrates the number of responses made for each reason and the associated percentages based on the number of participants within each sector and **Figure 3** summarises across sectors. The results suggest an

appreciation of the value of qualifications and the links to the labour market.

First Contact Point

Students were asked to indicate where they first found out about their Essential Skills course. Students were asked to indicate just one response, these are shown in **Table 4** within each sector (see also **Figure 4**). The role of peer influence and the FE Colleges is evident.

Table 1: Survey responses by gender and sector.

Gender	Sector						Overall	
	Further Education		Training Programmes		Community & Voluntary			
	Number	%	Number	%	Number	%	Total	%
Male	1,374	45.0%	667	48.8%	248	53.0%	2,289	46.8%
Female	1,466	48.0%	617	45.1%	179	38.2%	2,262	46.3%
Not Known / Not Answered	211	6.9%	83	6.1%	41	8.8%	335	6.9%
Total	3,051	100.0%	1,367	100%	468	100%	4,886	100%

Source: Essential Skills Student Survey 2010

Table 2: Survey responses by ageband and sector.

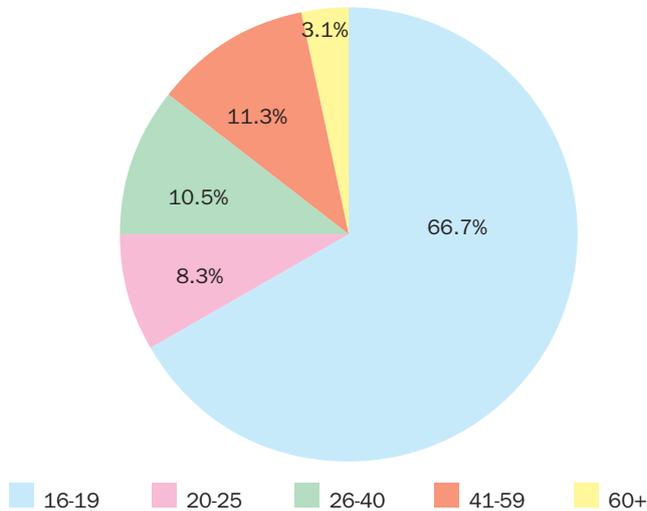
Ageband	Sector						Overall	
	Further Education		Training Programmes		Community & Voluntary			
	Number	%	Number	%	Number	%	Total	%
16-19	1,919	62.9%	1,096	80.2%	223	47.6%	3,238	66.3%
20-25	259	8.5%	88	6.4%	58	12.4%	405	8.3%
26-40	323	10.6%	101	7.4%	87	18.6%	511	10.5%
41-59	399	13.1%	73	5.3%	78	16.7%	550	11.3%
60+	131	4.3%	6	0.4%	11	2.4%	148	3.0%
Not Known / Not Answered	20	0.7%	3	0.2%	11	2.4%	34	0.7%
Total	3,051	100.0%	1,367	100%	468	100%	4,886	100%

Source: Essential Skills Student Survey 2010





Figure 2: Percentage of survey responses by ageband.



Source: Essential Skills Student Survey 2010

Note: Percentages are based on the overall responses known, therefore percentages may vary from those presented in the table.

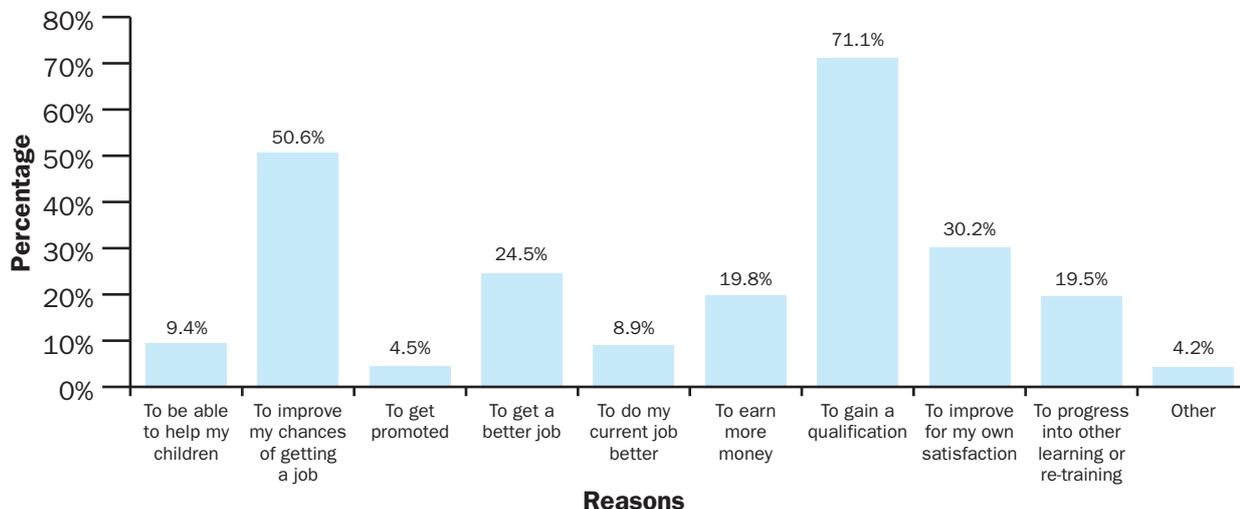
Table 3: Survey responses by reasons for taking the course and sector.

Reasons	Sector						Overall	
	Further Education		Training Programmes		Community & Voluntary			
	Number	%	Number	%	Number	%	Total	%
To be able to help my children	305	10.0%	78	5.7%	76	16.2%	459	9.4%
To improve my chances of getting a job	1,413	46.3%	811	59.3%	249	53.2%	2,473	50.6%
To get promoted	109	3.6%	87	6.4%	23	4.9%	219	4.5%
To get a better job	686	22.5%	407	29.8%	104	22.2%	1,197	24.5%
To do my current job better	256	8.4%	139	10.2%	38	8.1%	433	8.9%
To earn more money	475	15.6%	406	29.7%	88	18.8%	969	19.8%
To gain a qualification	2,154	70.6%	984	72.0%	338	72.2%	3,476	71.1%
To improve for my own satisfaction	1,002	32.8%	292	21.4%	181	38.7%	1,475	30.2%
To progress into other learning or re-training	611	20.0%	223	16.3%	120	25.6%	954	19.5%
Other	168	5.5%	21	1.5%	17	3.6%	206	4.2%
Not Known/Not Answered	6	0.2%	3	0.2%	5	1.1%	14	0.3%
Total Number of Participants	3,051		1,367		468		4,886	
Total Number of Responses	7,179		3,448		1,234		11,861	

Source: Essential Skills Student Survey 2010

Note: Percentages are based on the overall number of participants for the survey. Participants could indicate more than one reason.

Figure 3: Percentage of survey responses by reasons for taking the course.



Source: Essential Skills Student Survey 2010

Note: Percentages are based on the overall number of participants for the survey. Participants could indicate more than one reason.

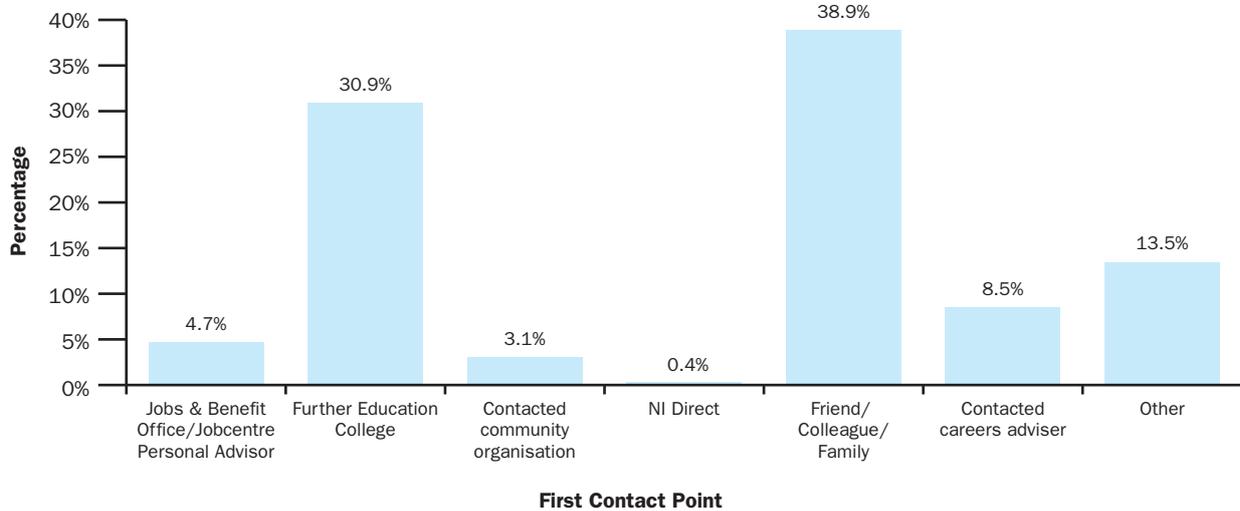
Table 4: Survey responses by first contact point and sector.

First Contact Point	Sector						Overall	
	Further Education		Training Programmes		Community & Voluntary			
	Number	%	Number	%	Number	%	Total	%
Jobs & Benefit Office/ Jobcentre Personal Advisor	75	2.5%	135	9.9%	13	2.8%	223	4.6%
Further Education College	1,293	42.4%	108	7.9%	64	13.7%	1,465	30.0%
Contacted community organisation	49	1.6%	24	1.8%	73	15.6%	146	3.0%
NI Direct	15	0.5%	4	0.3%	0	0.0%	19	0.4%
Friend/Colleague/Family	899	29.5%	736	53.8%	211	45.1%	1,846	37.8%
Contacted careers advisor	252	8.3%	136	9.9%	17	3.6%	405	8.3%
Not Known/Not Answered	93	3.0%	34	2.5%	15	3.2%	142	2.9%
Other	375	12.3%	190	13.9%	75	16.0%	640	13.1%
Total	3,051	100.0%	1,367	100.0%	468	100.0%	4,886	100.0%

Source: Essential Skills Student Survey 2010



Figure 4: Percentage of survey responses by first contact point.



Source: Essential Skills Survey 2010

Note: Percentages are based on the overall responses known, therefore percentages may vary from those presented in the table.

Table 5: Survey responses by Essential Skills courses attended.

Essential Skills Course	Sector						Overall	
	Further Education		Training Programmes		Community & Voluntary			
	Number	%	Number	%	Number	%	Total	%
Communication (English/Literacy)	1,792	58.7%	1,088	79.6%	336	71.8%	3,216	65.8%
Numeracy (Maths/ Application of Number)	1,947	63.8%	1,107	81.0%	290	62.0%	3,344	68.4%
ICT	1,546	50.7%	604	44.2%	223	47.6%	2,373	48.6%
Not Known/Not Answered	17	0.6%	13	1.0%	14	3.0%	44	0.9%
Total Number of Participants	3,051		1,367		468		4,886	
Total Number of Responses	5,302		2,812		863		8,977	

Source: Essential Skills Student Survey 2010

Note: Percentages are based on the overall number of participants for the survey.

Which Essential Skills Courses?

Students were asked to indicate which Essential Skills course(s) they were attending at the time. Students were able to indicate more than one course and

Table 5 shows the number of

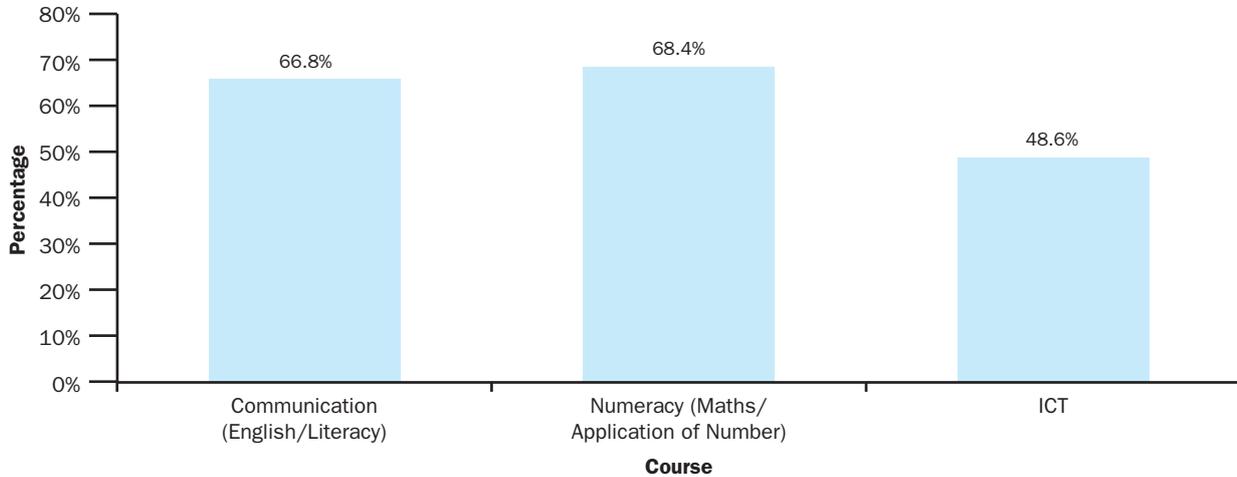
responses made for each course and the associated percentages based on the number of participants within each sector. Two thirds were following courses in Communication and in Numeracy, with nearly half doing ICT. There were no major differences across sectors.

Course attendance if cost involved?

Students were asked to indicate if they would have attended their Essential Skills course if there was a cost. Students were asked to indicate just one response, and overall results are shown in **Figure 6**: there were no substantial differences by sector.



Figure 5: Percentage of survey responses by Essential Skills courses attended and sector.



Source: Essential Skills Student Survey 2010

Note: Percentages are based on the overall number of participants for the survey.

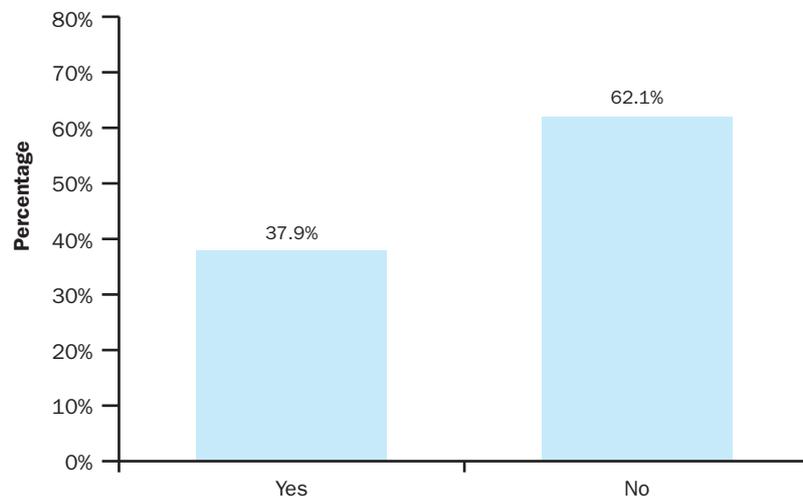
Student Attitudes

Students were asked to respond to how much they agreed with seven statements on a scale ranging from (1) “strongly disagree with the statement” to (6) “Strongly agree with the statement”: in other words, the higher the score, the more participants agreed with the statement

Confidence

Students were asked whether the course they had been on had “increased my confidence”. The responses are shown by sector in **Table 6** with overall results presented graphically in **Figure 7**. Nearly two-thirds of participants agreed to a greater or lesser extent that confidence had increased, with higher proportions reporting this from the community and voluntary sector (around three-quarters).

Figure 6: Percentage of survey responses by whether students would attend if cost involved.



Source: Essential Skills Student Survey 2010

Note: Percentages are based on the overall responses known.

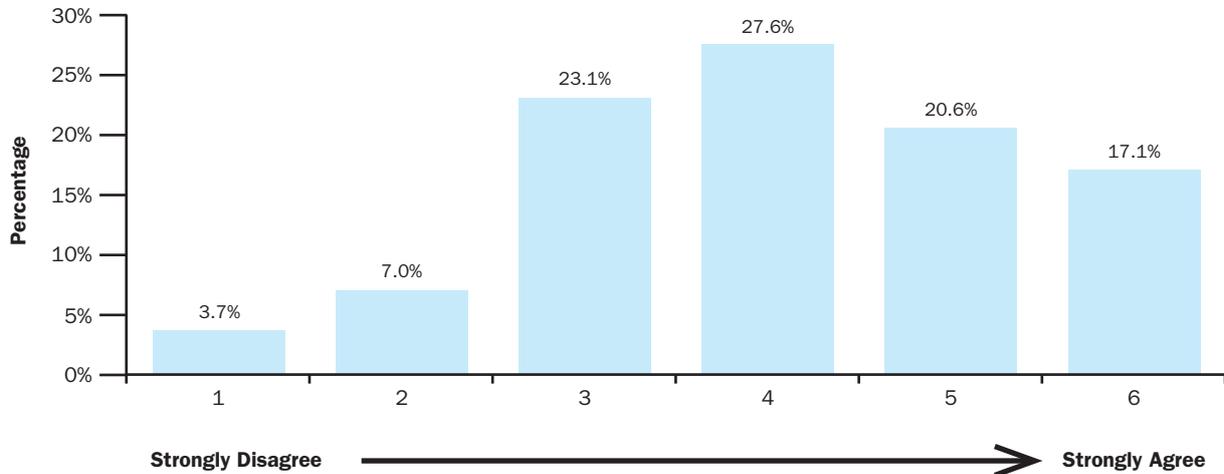


Table 6: Survey responses to statement ‘This course has increased my confidence...’ by sector.

Response	Sector						Overall	
	Further Education		Training Programmes		Community & Voluntary			
	Number	%	Number	%	Number	%	Total	%
1. Strongly disagree	133	4.4%	44	3.2%	6	1.3%	183	3.7%
2.	256	8.4%	70	5.1%	17	3.6%	343	7.0%
3.	724	23.7%	333	24.4%	74	15.8%	1,131	23.1%
4.	817	26.8%	399	29.2%	131	28.0%	1,347	27.6%
5.	582	19.1%	300	21.9%	125	26.7%	1,007	20.6%
6. Strongly agree	511	16.7%	212	15.5%	112	23.9%	835	17.1%
Not Known / Not Answered	28	0.9%	9	0.7%	3	0.6%	40	0.8%
Total	3,051	100.0%	1,367	100%	468	100%	4,886	100%

Source: Essential Skills Student Survey 2010

Figure 7: Overall percentage of survey responses to statement ‘This course has increased my confidence...’



Source: Essential Skills Student Survey 2010

Note: Percentages are based on the overall responses known, therefore percentages may vary from those presented in the table.

Help in getting a job/better job

Students were asked whether the course they had been on would “help me get a job or a better job”. The overall responses are presented in **Figure 8**. On the whole responses were encouraging with more than 60%

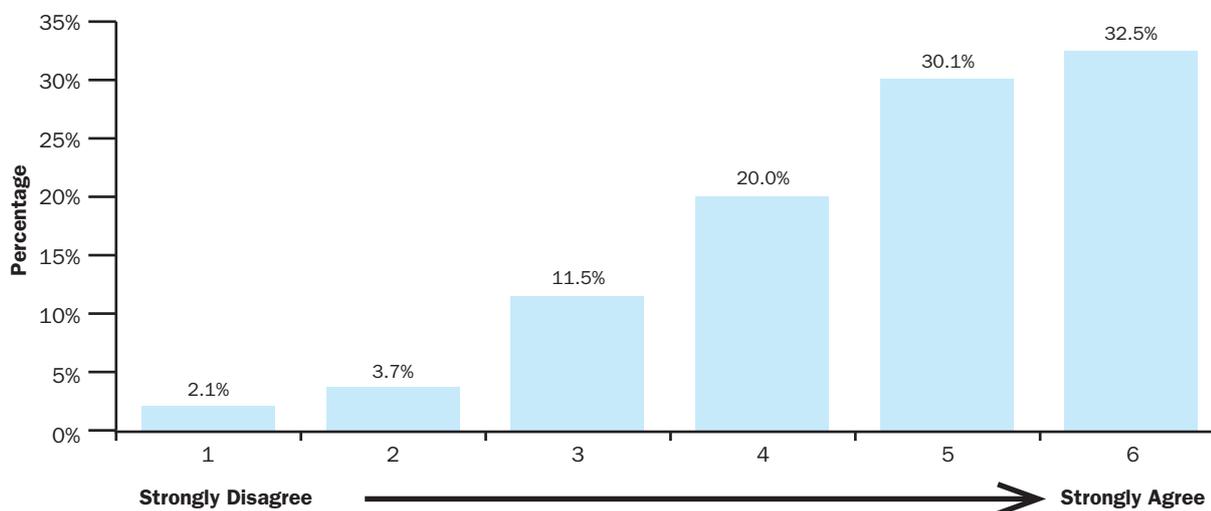
of respondents answering in the top two “strongly agree” categories.

Assessment of Employer views

Students were asked whether they agreed with the statement

that “employers recognise the Essential Skills qualification”. The sectoral responses are presented in **Table 7** and overall in **Figure 9**. Most participants were confident that employers would recognise any qualification they achieved.

Figure 8: Overall percentage of survey responses to statement ‘This course will help me get a job or a better job...’



Source: Essential Skills Student Survey 2010

Note: Percentages are based on the overall responses known.

Table 7: Survey responses to statement ‘Employers recognise the Essential Skills qualification...’ by sector.

Response	Sector						Overall	
	Further Education		Training Programmes		Community & Voluntary			
	Number	%	Number	%	Number	%	Total	%
1. Strongly disagree	76	2.5%	16	1.2%	13	2.8%	105	2.1%
2.	168	5.5%	70	5.1%	11	2.4%	249	5.1%
3.	612	20.1%	241	17.6%	77	16.5%	930	19.0%
4.	724	23.7%	334	24.4%	85	18.2%	1,143	23.4%
5.	687	22.5%	380	27.8%	109	23.3%	1,176	24.1%
6. Strongly agree	692	22.7%	304	22.2%	159	34.0%	1,155	23.6%
Not Known / Not Answered	92	3.0%	22	1.6%	14	3.0%	128	2.6%
Total	3,051	100.0%	1,367	100%	468	100%	4,886	100%

Source: Essential Skills Student Survey 2010

Participation in group or public activities

Students were asked whether they thought that participating in an Essential skills course would increase their participation in group/public activities. On

balance, they did think that was the case, particularly those from the community/voluntary sector. The sectoral responses are presented in **Table 8** and the overall in **Figure 10**.

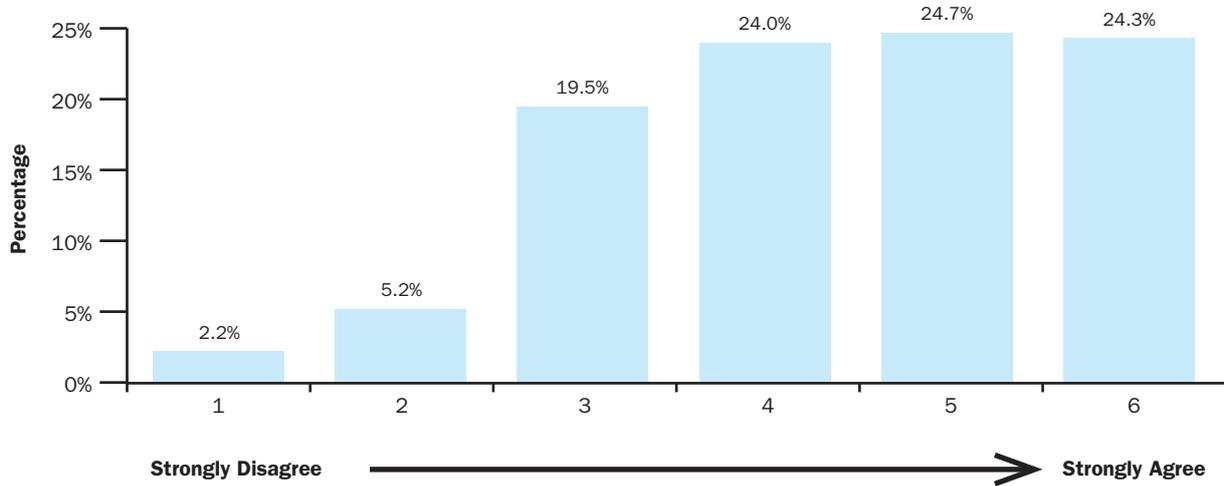
Impact on child’s chances at school

Students were asked if they thought there would be any beneficial impact on their children’s progress at school of their own participation in





Figure 9: Overall percentage of survey responses for statement ‘Employers recognise the Essential Skills qualification...’



Source: Essential Skills Student Survey 2010

Note: Percentages are based on the overall responses known, therefore percentages may vary from those presented in the table.

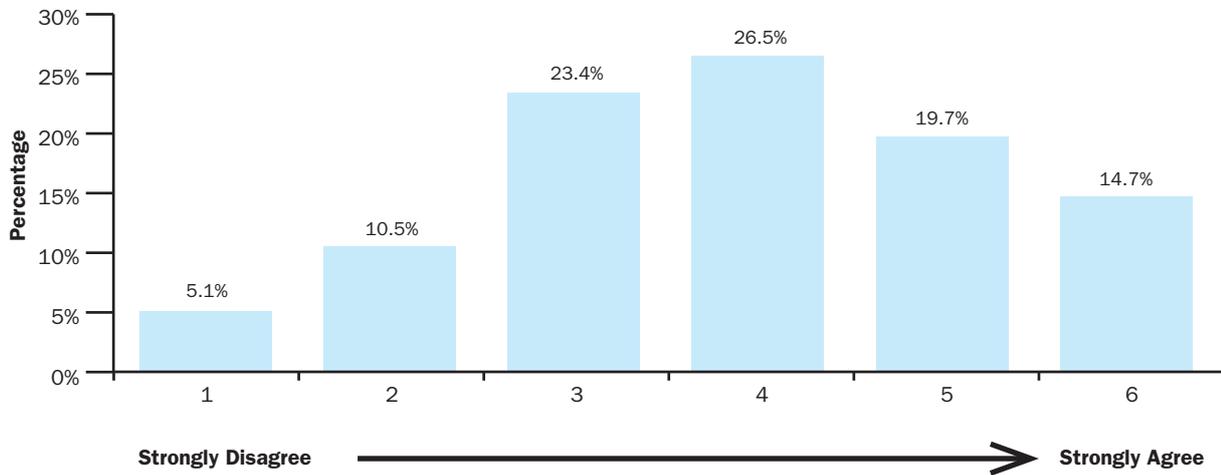
Table 8: Survey responses to statement ‘This course will increase my involvement in group or public activities...’ by sector.

Response	Sector						Overall	
	Further Education		Training Programmes		Community & Voluntary			
	Number	%	Number	%	Number	%	Total	%
1. Strongly disagree	180	5.9%	52	3.8%	13	2.8%	245	5.0%
2.	352	11.5%	136	9.9%	17	3.6%	505	10.3%
3.	713	23.4%	321	23.5%	87	18.6%	1,121	22.9%
4.	797	26.1%	365	26.7%	106	22.6%	1,268	26.0%
5.	529	17.3%	293	21.4%	123	26.3%	945	19.3%
6. Strongly agree	409	13.4%	182	13.3%	113	24.1%	704	14.4%
Not Known / Not Answered	71	2.3%	18	1.3%	9	1.9%	98	2.0%
Total	3,051	100.0%	1,367	100%	468	100%	4,886	100%

Source: Essential Skills Student Survey 2010



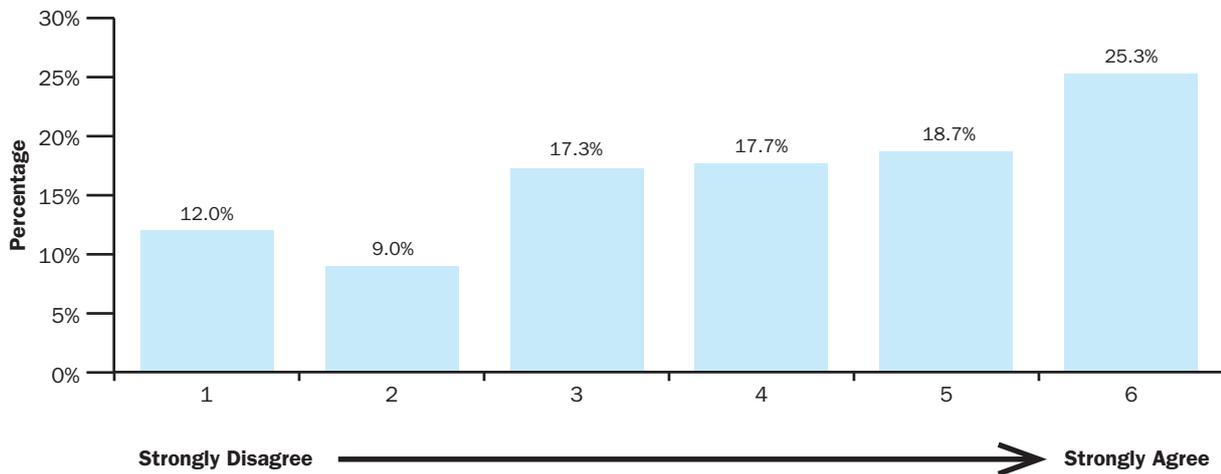
Figure 10: Overall percentage of survey responses for statement ‘This course will increase my involvement in group or public activities...’



Source: Essential Skills Student Survey 2010

Note: Percentages are based on the overall responses known, therefore percentages may vary from those presented in the table.

Figure 11: Overall percentage of survey responses for statement ‘This course will have a positive impact on my child’s chances at school...’



Source: Essential Skills Student Survey 2010

Note: Excluding those students that indicated that they do not have children. Percentages are based on the overall responses known.



Essential Skills courses. Around two-thirds of participants had no school-age children but on balance most of those who did were positive – although there was a substantial minority who could see no or little link. The

overall results are presented in **Figure 11**.

Course meeting expectations

Students were asked the extent to which the course has met their expectations. Nearly half of

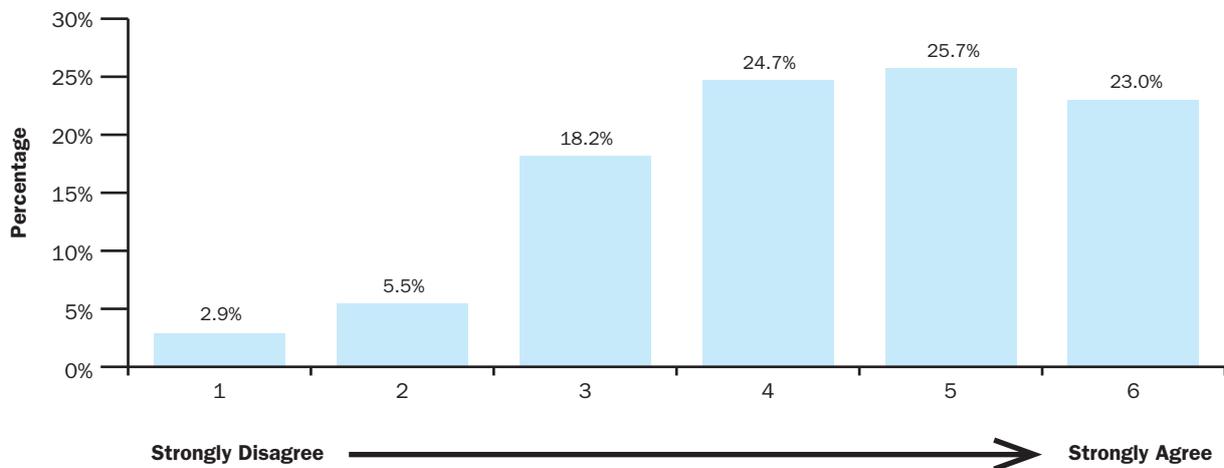
respondents were in the top 2 “strongly agree” categories and only small numbers (less than 10% strongly disagreed). The sectoral responses are presented in **Table 9** and the overall in **Figure 12**.

Table 9: Survey responses to statement ‘This course met my expectations...’ by sector.

Response	Sector						Overall	
	Further Education		Training Programmes		Community & Voluntary			
	Number	%	Number	%	Number	%	Total	%
1. Strongly disagree	85	2.8%	46	3.4%	9	1.9%	140	2.9%
2.	175	5.7%	73	5.3%	16	3.4%	264	5.4%
3.	537	17.6%	270	19.8%	67	14.3%	874	17.9%
4.	738	24.2%	351	25.7%	97	20.7%	1,186	24.3%
5.	753	24.7%	366	26.8%	115	24.6%	1,234	25.3%
6. Strongly agree	703	23.0%	242	17.7%	157	33.5%	1,102	22.6%
Not Known / Not Answered	60	2.0%	19	1.4%	7	1.5%	86	1.8%
Total	3,051	100.0%	1,367	100%	468	100%	4,886	100%

Source: Essential Skills Student Survey 2010

Figure 12: Overall percentage of survey responses for statement ‘This course met my expectations...’



Source: Essential Skills Student Survey 2010

Note: Percentages are based on the overall responses known, therefore percentages may vary from those presented in the table.

Course Recommendation

Students were asked whether they would recommend an Essential Skills course to others.

60% strongly agreed in the top two categories that they could whilst fewer than 10% were in the two strongest “disagree”

categories. The sectoral responses are presented in **Table 10** and the overall in **Figure 13**.

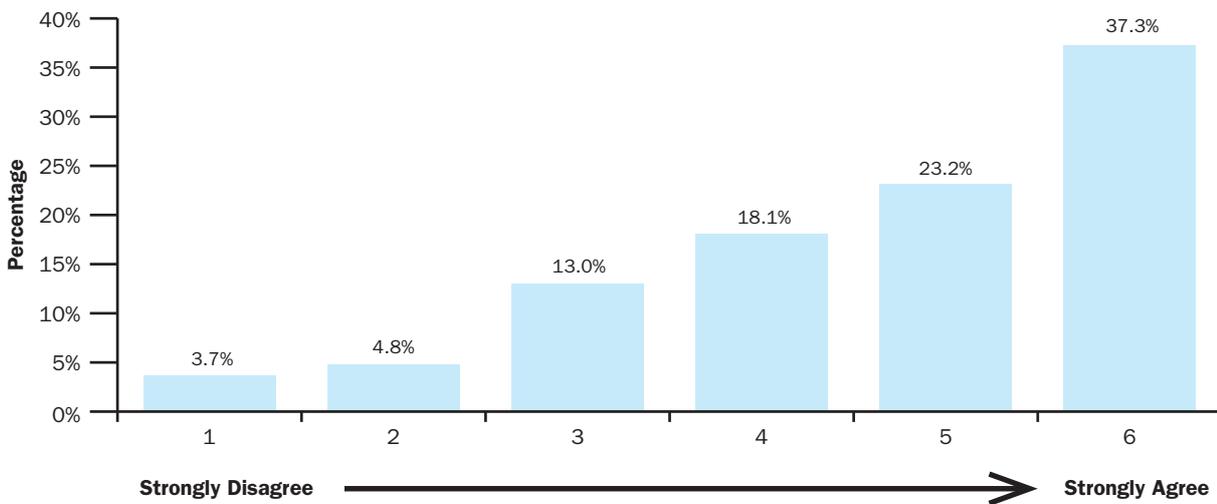


Table 10: Survey responses to statement ‘I would recommend an Essential Skills course to others...’ by sector.

Response	Sector						Overall	
	Further Education		Training Programmes		Community & Voluntary			
	Number	%	Number	%	Number	%	Total	%
1. Strongly disagree	112	3.7%	49	3.6%	16	3.4%	177	3.6%
2.	162	5.3%	63	4.6%	8	1.7%	233	4.8%
3.	404	13.2%	182	13.3%	42	9.0%	628	12.9%
4.	522	17.1%	272	19.9%	81	17.3%	875	17.9%
5.	680	22.3%	338	24.7%	104	22.2%	1,122	23.0%
6. Strongly agree	1,140	37.4%	455	33.3%	213	45.5%	1,808	37.0%
Not Known / Not Answered	31	1.0%	8	0.6%	4	0.9%	43	0.9%
Total	3,051	100.0%	1,367	100%	468	100%	4,886	100%

Source: Essential Skills Student Survey 2010

Figure 13: Overall percentage of survey responses for statement ‘I would recommend an Essential Skills course to others...’



Source: Essential Skills Student Survey 2010

Note: Percentages are based on the overall responses known, therefore percentages may vary from those presented in the table.



Post-Survey Developments

The results from the Essential Skills Student Survey 2010 were used to produce a report² which was published in March 2011. The results from the survey have helped inform the Department's advertising of Essential Skills. The commentary provided by many learners has ensured that the Department seeks to continue to ensure Essential Skills are delivered when required across all of the programmes delivered and with appropriate incentives to either the learner or deliverer of the provision.

2. See www.delni.gov.uk/essential-skills-student-survey-report.htm

Widening participation from deprived communities in further education, higher education and training

Allan Matthews, Analytical Services, Department for Employment and Learning

Widening participation in education and training – that is, opening up provision to a wider section of the Northern Ireland community than hitherto, especially underrepresented groups and communities – is a key policy for the Department for Employment and Learning (DEL) and links to the Northern Ireland Executive’s “Lifetime Opportunities” policy. This article describes how DEL has approached the measurement of widening participation on a spatial basis in key areas such as higher and further education and training to ensure that a robust evidence base is in place to assess impacts and reports on trends over the past few years.

Introduction

Reducing social and economic exclusion issues have for some time been at the core of the Northern Ireland Executive’s policy of Lifetime Opportunities¹ (and before that, Targeting Social Need) and exemplified initiatives such as Neighbourhood Renewal². DEL recognises that addressing disadvantage and exclusion will require coordinated action and consequently it is leading on the delivery of a new integrated Regional Strategy for Widening Participation in Higher Education. It is being supported in this by Higher Education Institutions, the Further Education Colleges and other relevant stakeholders.

The Regional Strategy for Widening Participation in Higher Education articulates a vision for the future in which any qualified individual in Northern Ireland should be able to gain access to higher education, irrespective of their personal or social background.

The strategy proposes a range of projects which will change existing widening participation structures between 2012 and end of March 2015. Projects aim to:

- raise awareness of the benefits of higher education;
- expand the range of aspiration and attainment raising programmes in schools, colleges, the community and the workplace;

- encourage regional programmes for disadvantage and disability application routes to HE;
- develop additional support measures for students to sustain continuing participation; and
- expand employer demand led Foundation Degrees in the workplace.

This article provides a brief overview of recent analysis examining widening participation in Higher Education, Further Education, Training for Success, and Essential Skills.

The indicator used in this article to measure widening participation builds on statistical developments which have made it possible to analyse, in detail, spatial trends of deprivation. Research concerning geographical deprivation (the Northern Ireland Multiple Deprivation Measures (NIMDM)) was published by the Northern Ireland Statistics and Research Agency (NISRA) in May 2005, and updated in 2010³. It uses sophisticated statistical techniques to merge a range of indicators of deprivation and rank 890 small areas (Super Output Areas) of Northern Ireland in terms of deprivation. This analysis uses the 2010 NIMDM.

The article analyses areas within Northern Ireland in terms of deprivation quintiles: that is, it divides Northern Ireland into five groups, from the lowest 20% (most deprived) of super-output areas up to the highest 20%



1. Office of the First Minister and deputy First Minister, www.ofmdfmi.gov.uk/antipovertyandsocialinclusion.pdf
2. Department for Social Development www.dsdni.gov.uk/neighbourhood_renewal
3. See www.nisra.gov.uk/deprivation/nimdm_2010.htm

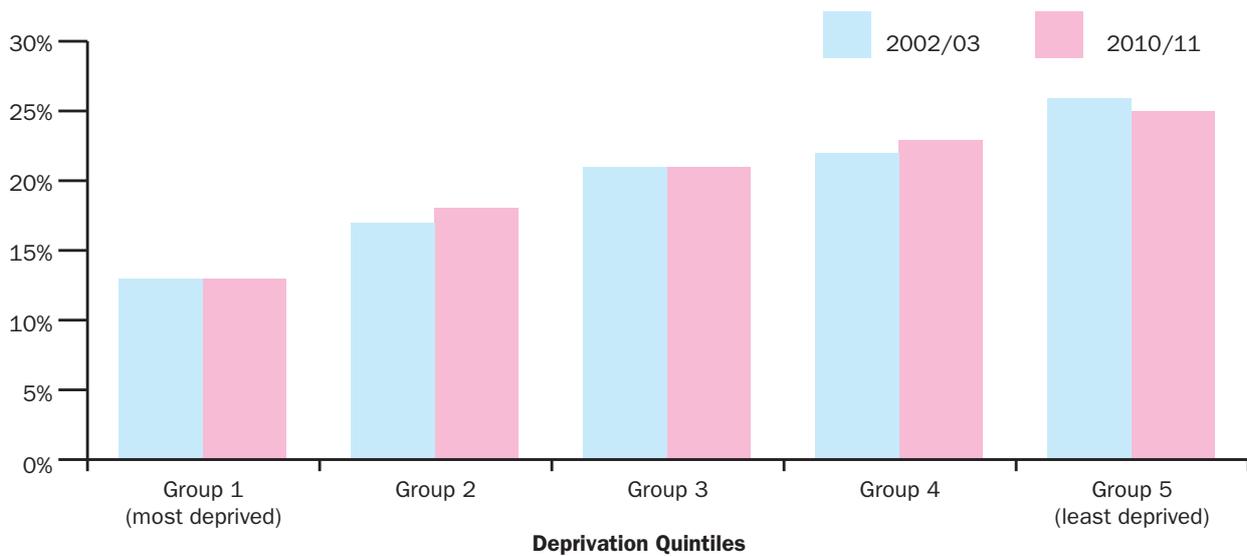


(least deprived) of super-output areas. Participation from these areas is then assessed using student home postcode data from a number of sources: the

Higher Education Statistics Agency (HESA); DEL's Further Education Statistical Record (FESR); and the DEL Essential Skills Enrolment Return. This

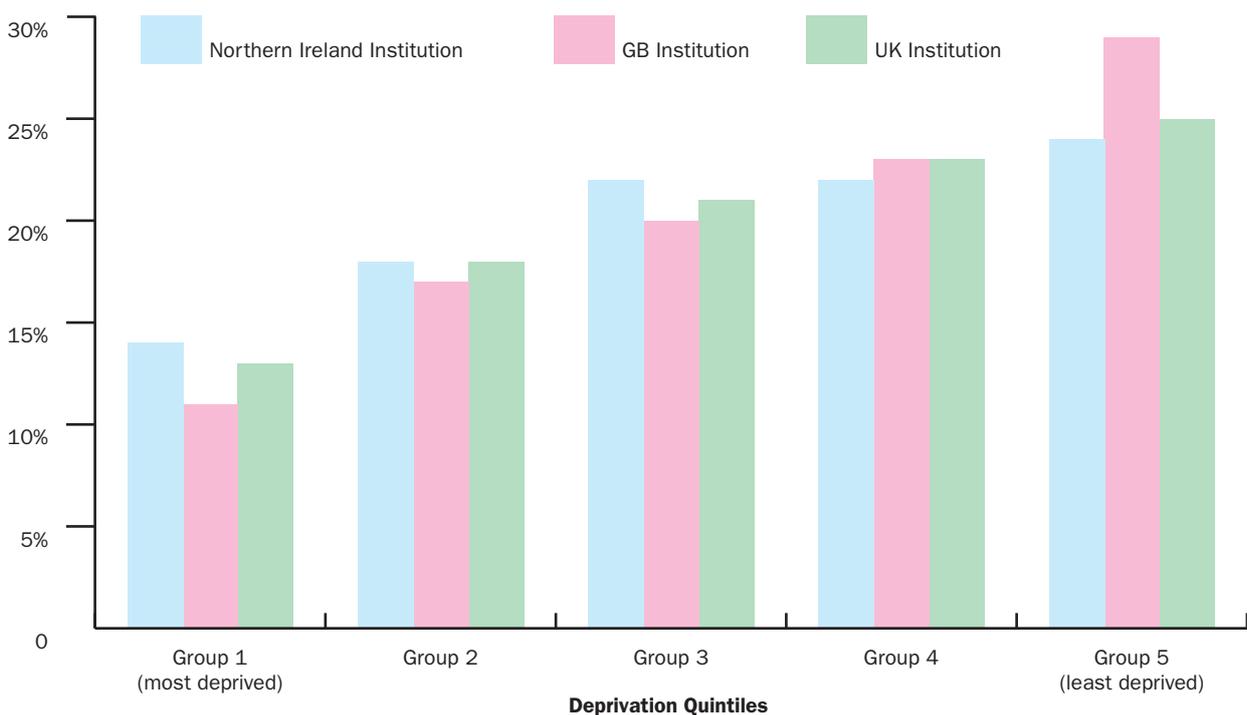
approach benefits greatly from the very high coverage of home postcode data and allows comparisons to be made across levels and mode of study.

Figure 1: NI domiciled students enrolled at Higher Education Institution in the UK by NIMDM Deprivation group 2002/03 & 2010/11



Source: HESA, NISRA

Figure 2: NI domiciled students enrolled at Higher Education Institutes in the UK by country of institution and NIMDM group 2010/11



Source: HESA, NISRA



Higher Education

Figure 1 shows that the proportion of Northern Ireland domiciled students enrolled at Higher Education institutions in the United Kingdom from the **most** deprived quintile remained the same in 2010/11 as it was in 2002/03 (13%). The proportion of students from the **least** deprived quintile decreased from 26% in 2002/03 to 25% in 2010/11. The figures include full-time, part-time, undergraduate and postgraduate students.

Figure 2 shows that of those Northern Ireland domiciled students enrolled at HE institutions in Northern Ireland in 2010/11, 14% were from the most deprived quintile, compared to 11% of those enrolled at Great Britain HE institutions. In contrast 24% of Northern Ireland domiciled students enrolled at Northern Ireland institutions in the same year were from the

least deprived quintile compared to 29% of Northern Ireland domiciled students enrolled at Great Britain institutions.

Deprivation can also be measured in Higher Education on the basis of Socio-Economic Classification. This shows that at Northern Ireland Higher Education Institutions, 39.4% of young full-time first degree entrants in 2010/11 were from NS-SEC groups 4 to 7 which is well above the United Kingdom average of 30.6%.

Further Education

In 2010/11, the distribution of students attending the Northern Ireland Further Education (FE)⁴ Sector was skewed towards those from more deprived backgrounds.

Figure 3 shows that more than a fifth (23%) of enrolments were drawn from the most deprived quintile compared to 15% from the most affluent quintile.

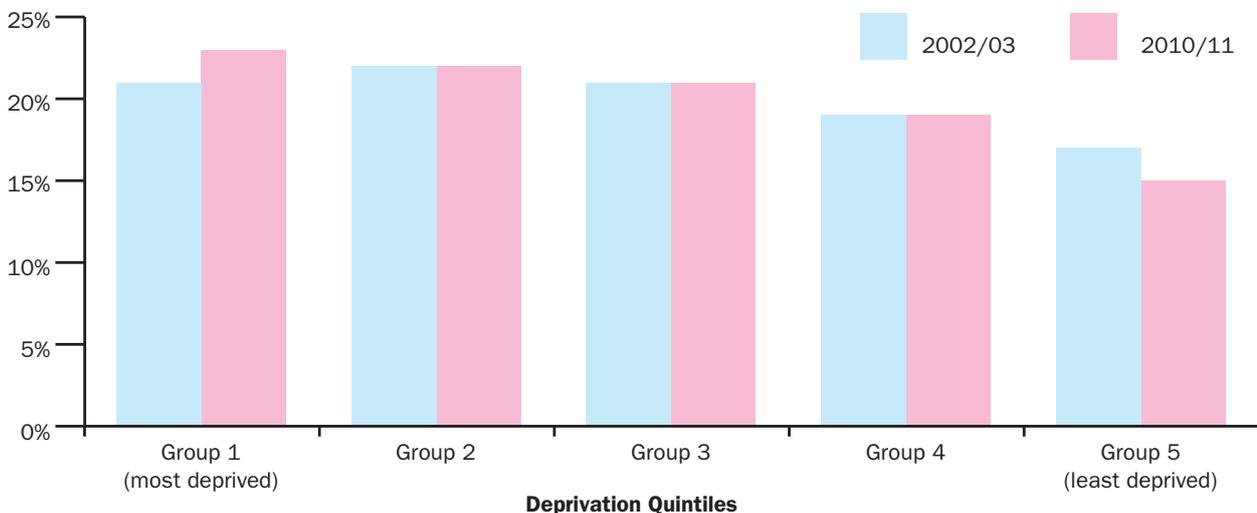
As shown in **Figure 4**, enrolments in the Northern Ireland FE Sector (excluding Government Training) increased by 8% between 2002/03 and 2010/11. During the same period there was an increase of 19% in enrolments from the most deprived areas in Northern Ireland compared to a 4% decrease from the least deprived areas.

Government Training

These programmes attract significant numbers of individuals with low prior qualification levels (with progression routes available to Level 2 & 3). The analysis shows that the participants on these programmes are drawn from more deprived areas of Northern Ireland.

Training for Success – and Jobskills which preceded it – are Government training programmes which aim to equip young people

Figure 3: Enrolments at Northern Ireland Further Education Institutes by NI Multiple Deprivation Rank (excluding Government Training) 2002/03 & 2010/11

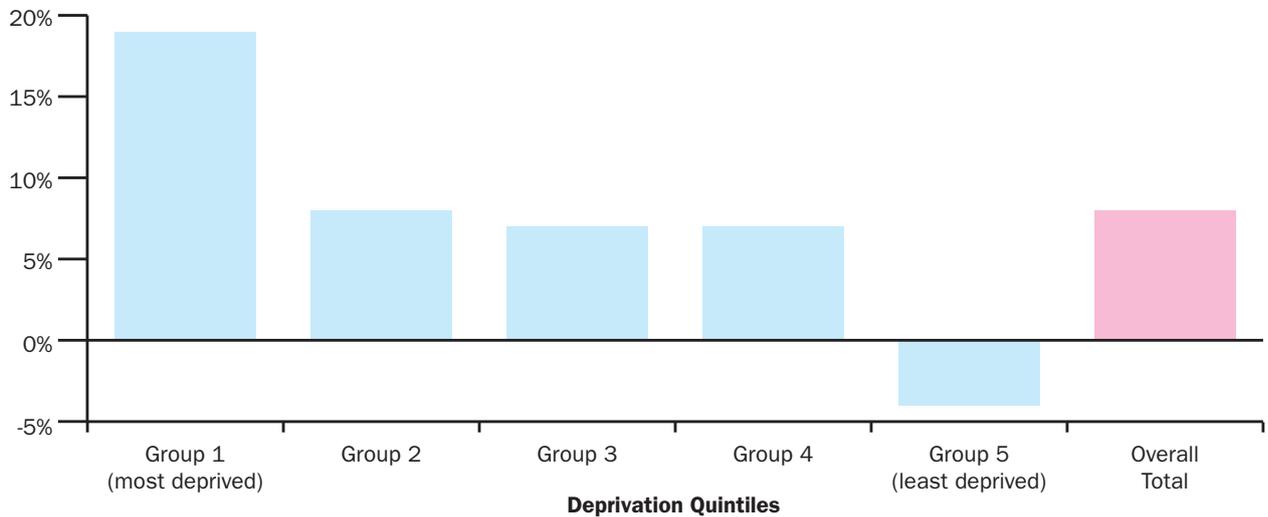


Source: FESR

4. Excluding Government Training



Figure 4: Percentage Change in Enrolments (excluding Government Training) at Northern Ireland Further Education Institutions by NI Multiple Deprivation Rank between 2002/03 and 2010/11



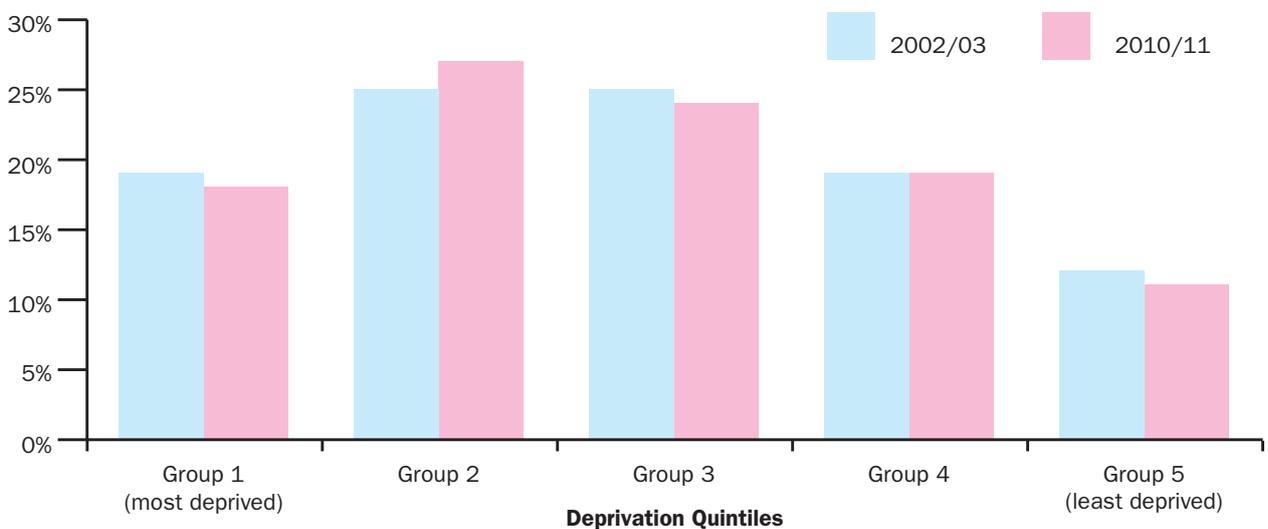
Source: FESR

with the professional and technical skills needed in the modern workplace. Training for Success/Jobskills is delivered by FE Colleges and by Training Organisations. Currently information is available only for

Government Training participants in FE colleges and, as shown in **Figure 5**, in 2010/11 18% of these beneficiaries were from the most deprived areas in Northern Ireland while 11% were from the least deprived areas. Trend data

show there has been a slight decrease in the proportion of Training for Success/Jobskills enrolments from both the most deprived areas and the least deprived areas.

Figure 5: Government Training enrolments at Northern Ireland Further Education Institutions by NI Multiple Deprivation Rank 2002/03 & 2010/11



Source: FESR (data only available for training within FE component).

Essential Skills

The Essential Skills for Living Strategy commenced in September 2002 with the mission of addressing the literacy and numeracy needs of those in the Northern Ireland adult population who experience difficulties in these areas. It has since been extended to embrace information and communication technology (ICT) needs. **Figure 6** shows that since the start of the Strategy 30% of participants come from the most deprived areas with 10% coming from the least deprived areas. Recent trend data show a slight decline in the proportion of individuals

coming from the most deprived areas enrolling in Essential Skills courses from 32% in 2007/08 to 28% in 2010/11.

Notes:

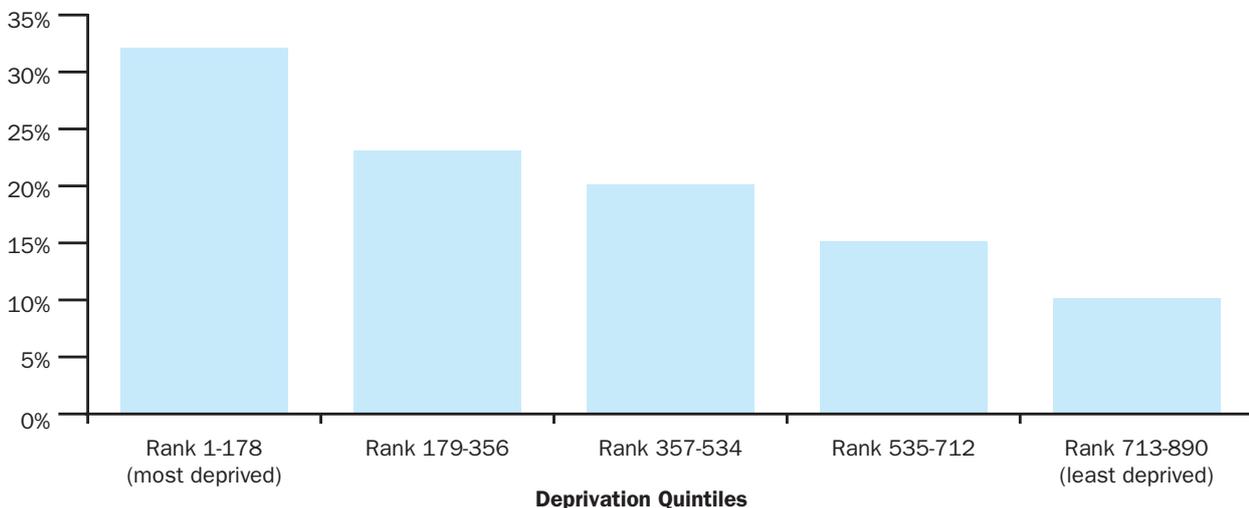
Source of Enrolment data is the Essential Skills enrolment return. Figures are correct as at 4th November 2011. Percentages are calculated where postcode is known. The analysis includes enrolments from the start of the strategy in 2002 up until the recent snapshot of academic year 2011/12 in November 2011.

More detailed statistics regarding 'widening participation in the context of DEL programmes is available upon request from:

Analytical Services,
Department for Employment and Learning.
Telephone: 02890257897.
Email: analyticalservices@delni.gov.uk



Figure 6: Essential Skills Enrolments by Northern Ireland Multiple Deprivation Measure Rank in Quintiles of Super Output Areas



Source: Essential Skills Enrolment Return.
Notes: Figures are correct as at 4th November 2011.
Percentages are calculated where 'Postcode' is known.

Barriers to learning in further education

Angela Hodkinson and Kerrie Irvine, Deloitte

It has often been debated that lower level, non-vocational courses provide opportunities to help foster and reignite the desire to learn amongst adults although evidence about the extent of this has been limited. Through the Department for Employment and Learning's (DEL) Research Agenda, Deloitte, working in partnership with Ipsos MORI, was commissioned in 2011 to gather a robust evidence base around this issue¹.

Background

The terms of reference for the research project were to:

- explore adult perceptions of Further Education (FE);
- examine perceived barriers to entry;
- identify why people participate in FE and why they do not participate;
- examine the extent to which non-vocational courses provide a “hook” for engagement and further study; and
- scrutinise why some adult students ‘drop out’.

The research involved a review of existing evidence; a series of stakeholder consultations; an analysis of relevant data held by DEL; and three separate surveys. For the purposes of this research “non-vocational” learning was defined as FE courses that do not have a qualification attached to them. These are often referred to colloquially as ‘hobby & leisure’ courses. Given that approximately one in five FE enrolments are non-vocational enrolments it is important to understand how this provision fits with and supports the wider policy aims of the Northern Ireland Executive.

Strategic Context

The FE sector plays an important role in raising literacy levels, and up-skilling and re-skilling the workforce necessary for a knowledge-based economy.

The current economic climate has led to increased unemployment rates and redundancies. Certain industries within Northern Ireland have been hit hard, particularly those that typically employed low-skilled workers. It is therefore even more important that there is a focus on raising the skills level of the whole workforce to enable progression up the skills ladder. According to DEL statistics, enrolments are equivalent to approximately one in twenty of the Northern Ireland population participating in FE, indicating that FE has a critical role in helping the broader Northern Ireland economy achieve a skills balance.

Over the past few years, DEL has sought to refocus FE on providing the workforce with the skills necessary to support the economy, with particular focus on skills development in priority skills areas, increasing enrolments at level 2 and 3 and developing essential skills.

Within this context, non-vocational courses are not a priority and DEL funding for these courses was capped in 2007/08 to a maximum of five per cent of overall funding awarded to each College. This may have contributed to the recent decrease in enrolments in non-vocational courses, but these types of courses still make up around a 20% of enrolments overall. Enrolments on professional and technical courses have increased.

The benefits of undertaking non-vocational learning are subject to debate. They are





frequently associated with personal and social benefits, but the impact on actual learning and skills progression and on engaging those from more disadvantaged areas is less well evidenced. It is within this context that this research was undertaken to understand the impact of non-vocational learning and how likely it is to lead to progression.

Further Education Enrolments

The FE Statistical Record (FESR) is collated and held centrally by DEL on students enrolled on FE courses each year. It provides a rich source of data about the FE student population and learning activity across the FE sector in Northern Ireland. This research aimed to complement the data held with further quantitative and qualitative information. For example, the FESR database does not hold detailed information on the reasons for drop-out and this is often left incomplete or completed with a generic reason such as 'unknown', 'personal reasons' or 'written-off after a lapse in time'.

Analysis of FESR data for the last three years (2007/08, 2008/09 and 2009/10) was conducted as part of this research to provide an understanding of the overall profile of students attending FE courses, those who participated in non-vocational courses and students who left courses early.

The number of enrolments in FE increased over these three years. This could be attributed to more school-leavers opting to further their education at FE colleges

rather than at University (for financial reasons), and more people deciding to re-skill and up-skill. The number of enrolments in FE is equivalent to 1 in 20 of the Northern Ireland population enrolling on an FE course. However, enrolments in non-vocational courses have decreased by 2% over the last two years of the analysis. Key points were:

- the total number of enrolments in FE was 188,109 in 2007/08, 182,873 in 2008/09 and 200,594 in 2009/10 – a 6.6% increase over the period;
- the number of enrolments on FE courses was approximately equivalent to 5% of the Northern Ireland population enrolling on a FE course;
- a significant minority were either 19 and under (44%, 46% and 47%) or 25 and over (46%, 44% and 42%); and
- over the three year period, a significant minority of enrollers had either no qualifications (39%, 36% and 38%) or had Level 2 qualifications (32%, 37% and 29%).

Looking only at the non-vocational course enrolments (which is a sub-set of the above):

- for each of the three years analysed, non-vocational provision accounted for between 19% and 21% of enrolments (38,012, 34,296 and 36,227);

- the largest proportion of those enrolled in non-vocational courses were aged 65 and over (22%, 21% and 17%) and the majority were female (65%, 66% and 64%). A significant minority (34%, 31% and 36%) were married / co-habiting and a similar proportion were single (32%, 33%, 35%). Almost all did not have dependent children and were not receiving benefits;
- in relation to the highest qualification level on entry of those who enrolled on a non-vocational course, the largest proportion (36%, 26% and 22%) had no qualifications; and
- of those who enrolled on non-vocational courses the main mode of attendance was via part-time non-released courses (51%, 52% and 56%) or evening courses (44%, 44% and 37%).

The FESR data also records when a student does not complete the course and reasons for early drop-out. While this information is limited, it did show that:

- just over one in ten (11%) of enrolments did not complete the course. For each of the three years looked at, 55% of drop-outs were female and 45% were male;
- the majority of early leavers were single (between 64% and 67%);
- the majority of early leavers were aged between 16 and 24 (60%, 63% and 64%); and

- almost all early leavers (95%) were enrolled on an accredited course.

Summary of Survey Findings

This research involved three surveys conducted by Ipsos MORI:

- a general population survey with 1,004 people (through MORI's Omnibus survey);
- a telephone survey with 200 people who enrolled on a non-vocational course within the last year; and
- a telephone survey with 201 people who dropped-out on an FE course within the last year.

The general population survey formed part of Ipsos MORI's monthly Omnibus survey and categorised learners into four types:

- current learners (currently enrolled on FE);
- potential learners (completed an FE course within the last three years);
- non-learners with interest; and
- non-learners with no interest.

The survey aimed to collect views on attitudes and awareness of FE, reasons for participation, perceived barriers to learning, and benefits of learning. Around one in six (17%) of the sampled respondents were either current or potential learners. It was

recognised that the Omnibus survey alone may not give access to sufficient people who have either taken part in a non-vocational course or dropped out early, so separate surveys were conducted to gather views on reasons for participation, reasons for drop-out, benefits of learning and progression.

Overview of Survey Population Profile

The profile of each survey population varied considerably, although it was generally representative of the overall student enrolment population over the three years. From the Omnibus survey, those who are currently enrolled in FE or who have been within the last three years (15%) are more likely to be female and younger than those who have not undertaken any learning within the last three years.

Omnibus survey findings showed that out of all the FE courses enrolled on by current or potential learners, 16% were non-vocational. This is broadly consistent with the FESR analysis that found approximately 20% of FE courses enrolled on were non-vocational. The non-vocational survey respondents were typically female, over 65 years old and retired. While there is likely to be less economic benefit of participation of retired people in learning, the research did find evidence of reported social and health benefits. By contrast, early-leavers tended to be aged 24 or under, single and employed full-time or part-time. The potential economic impact of

learning for this group is significantly higher than those who typically undertake non-vocational courses, but the impact has been lessened or not realised because they have not completed the course.

Attitudes and Awareness of Further Education

Survey findings across all learner types revealed that there was a high level of awareness of FE provision and of DEL's priority target audiences for FE. FE's role in providing flexible routes to learning and second chances for learning was also recognised. Provision was viewed as having a strong focus on building skills and on work preparation. Attitudes to learning in general were positive with the majority viewing it as a life-long activity and an important factor in employability. However, there was less awareness of the availability of Higher Education provision in FE colleges.

Take-up of advice that is available for those considering enrolling in FE was generally quite low. The main source of information was from course tutors and this was considered to be helpful by those who availed of it. However, the more readily accessible sources of information such as the internet or college brochures were seen as less helpful.

Barriers and Constraints

There was a clear split in relation to perceived barriers to learning across surveys and learner types. From the Omnibus survey, typically those with no interest in learning felt they did not need to





learn and nothing would encourage them to do so. Those who did have an interest but had not enrolled in any learning within the last three years, stated that time and financial reasons were their main barriers. The non-vocational survey found that course fees were a major barrier as well as finding the time and the location of courses.

The key points arising from the Omnibus and non-vocational surveys are set out below. (Early leavers were not asked about barriers to learning given the focus in their questionnaire on reasons for leaving courses early).

Omnibus Survey (sample - 1,004)

- The main barriers for non-learners with interest (n=171) were: family commitments (25%); work commitments (25%); financial reasons (15%); and childcare/domestic issues (13%);
- The main barriers for non-learners with no interest (n=663) were: 'don't need to' (53%); age (21%); and 'don't think it is worthwhile' (9%);
- Out of those with no interest, 70% stated that nothing would encourage them to do some learning/training.

Non-Vocational Survey (sample - 201)

- The main barriers to learning identified were: course fees (56%); family/other commitments (43%); debt concerns (42%); and work commitments (38%);

- Incentives to learning identified were: funding (74%); advice (70%); learning style (59%); and courses held at more convenient places (55%) or times (54%).

Benefits of participation in Further Education

The main reasons for enrolling on an FE course (i.e. expected benefits) were similar across all learner types and surveys. These were: improved job prospects; improved personal skills; and personal interest in the subject area. However, the non-vocational survey findings showed that those who had enrolled on non-vocational courses tended to put less emphasis on improving job prospects and more emphasis on health related benefits such as improved physical well-being and social motivators, with 82% stating they had chosen a course 'for fun'. In addition, there is little evidence of progression into further accredited learning - only in the region of 10% - 12% of those surveyed.

By categorising the benefits into social; health; family; and economic it is evident that current learners tended to perceive more economic-focused benefits while potential learners and non-vocational learners experienced more social type benefits. Early leavers were less likely to mention impact across all four categories.

The socio-economic analysis of the Omnibus survey illustrated that those who chose to enrol on

a non-vocational course were more likely to be from a more advantaged background (i.e. own their home outright), lower middle, middle, or upper middle class, and more likely to hold higher level qualifications. In comparison, those undertaking accredited courses tended to be from a more disadvantaged background (i.e. renting through the NIHE) and more likely to be lower middle class, or on benefits.

Reasons for Drop-out

The Omnibus and early leaver surveys investigated why learners do not complete courses. Health or disability reasons were factors contributing to drop-out rates for both Omnibus survey respondents and early leaver survey respondents. Perceived poor standards of teaching were highlighted by 12% of the early leaver respondents, particularly those who had enrolled on accredited FE provision, however just 5% stated that having a different tutor would have prevented them from leaving. Another common drop-out reason for those who had enrolled on non-vocational provision was because the course had been cancelled.

Only one quarter of early leavers had been offered advice and a majority of those who hadn't been offered advice stated that they would have benefited from being offered advice. However, despite this a significant minority stated that nothing would have encouraged them to stay on the course.

The key points arising from the Omnibus and early leaver survey are set out below. (As the majority of non-vocational participants had enrolled within the last year at the time of the survey, they were not asked this question.)

Omnibus Survey – potential learners (sample - 116)

- Out of the 116 potential learners, 24 did not complete the course. The top three reasons given were: health/disability reasons (17%); felt they would not succeed (13%); and childcare/domestic issues (13%).

Early Leaver Survey (sample - 201)

- The top three reasons for not completing the course were: perceived poor quality of teaching (12% of all early leavers); work commitments (9%); and course was changed or cancelled (9%);
- Just over two-fifths (42%) stated that nothing would have prevented them from dropping out.

Progression

Evidence of progression from non-vocational to accredited provision across the surveys was limited. Although the survey of those who had undertaken a non-vocational course, within the last year, found a high degree of repeated learning (59% had undertaken more than one course), only 10% of respondents, overall, had actually progressed to a course with a qualification. The Omnibus survey provided a longer-term view of

progression, but only a slightly higher rate of progression was noted – 12% of the potential learners, identified through the Omnibus survey, had started with a non-vocational course and progressed to an accredited course. Encouragingly and despite dropping out, the majority of early leavers did show an interest in undertaking further learning in the future.

Omnibus Survey – current learners (sample - 54)

- 76% of those currently undertaking an accredited course (n=50) would like to continue learning when completed and 63% of these would like to progress to a course in the same subject but at a higher level;
- 65% of all current learners stated they would like to undertake further learning in the next two years.

Omnibus Survey – potential learners (sample - 116)

- 59% of potential learners stated they would like to undertake further learning;
- 33% of potential learners (n=116) had undertaken more than one course, and 12% had progressed either from a non-vocational to an accredited course.

Non-Vocational Survey (sample - 200)

- 59% of respondents had gone on to undertake further learning, but just 10% had progressed onto an accredited course.

Early Leaver Survey (sample - 201)

- Despite dropping out, 84% stated they were either fairly or very likely to undertake further learning in the next three years.

Conclusions

The research showed there to be a high level of awareness and positive attitude to FE in general. The main barriers to learning, for those who are interested in learning, relate to timing, work, family commitments and cost of courses. These could potentially be addressed and may help to encourage learners to continue or progress. The motivations of those who enrol on non-vocational courses are more likely to be social and health-related than for those enrolling on vocational courses. In addition, evidence of progression from non-vocational to accredited provision across the surveys was limited; with only 10% of those respondents from the non-vocational survey having gone on to do a course with a qualification. The research also demonstrated that in general, those who chose to enrol on a non-vocational course are more likely to be from a more advantaged background, own their home outright, and more likely to already hold higher level qualifications.

For further information contact:

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Deloitte
Telephone: 028 90322861.



Northern Ireland's students approaching graduation: key findings from the Futuretrack survey of final year students on three year courses¹

Gaby Atfield and Kate Purcell, Institute for Employment Research, University of Warwick

This article presents key findings relating to experience of higher education and of the labour market aspirations of students prior to them completing three year undergraduate degrees in 2009 or 2010. Data are taken from the Futuretrack longitudinal survey of full-time undergraduates in United Kingdom Higher Education Institutions.

Introduction

The Futuretrack longitudinal project is a survey of 2005/6 higher education UCAS applicants who aspired to enter full-time undergraduate education in United Kingdom Higher Education Institutions (HEIs). Respondents were surveyed in spring and summer 2006 prior to higher education entry; again a year later; and finally towards the end of their three or four year undergraduate programmes, in 2009 or 2010. They have subsequently been surveyed for a fourth and final sweep in autumn and winter 2011/12 but these results are not reported on here.

The findings focus on comparative analysis of similarities and differences between students studying in Northern Ireland and in Great Britain, and between all Northern Ireland-domiciled students and all Great Britain-domiciled students², although we also conducted some exploratory analyses of the smaller groups of Northern Ireland students at GB HEIs and Great Britain students at Northern Ireland HEIs. In addition to reporting on the overall patterns identified, this article examines the experiences and aspirations of students who were studying Science, Technology, Engineering, Maths subjects (STEM – see **Box 1**) compared to those studying non-STEM and, where possible, differences in experiences and attitudes according to social class background.

Box 1 – STEM Subjects

Subjects were grouped into STEM and non-STEM by Joint Academic Coding System (JACS) code as follows:

STEM: A Medicine and Dentistry; B Subjects allied to Medicine; C Biological Sciences; D Veterinary Sciences, Agriculture and related subjects; F Physical Sciences; G Mathematical and Computer Sciences; H Engineering; J Technologies; K Architecture, Building and Planning; Interdisciplinary courses composed of two or more STEM subjects.

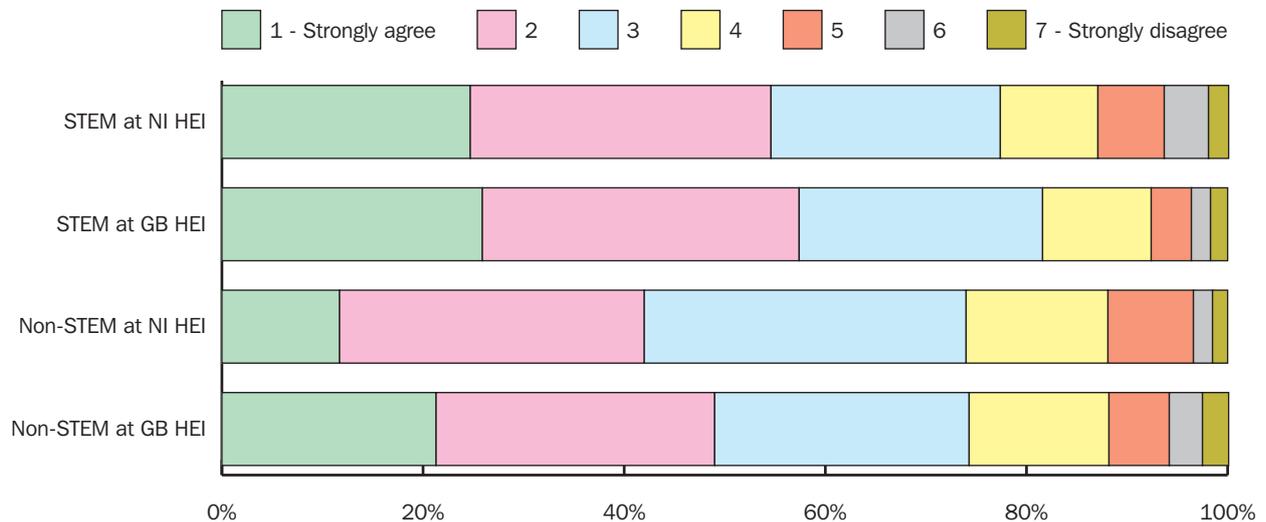
Non-STEM: L Social Studies; M Law; N Business and Administrative Studies; P Mass Communications and Documentation; Q Linguistics, Classics and related subjects; R European Languages, Literature and related subjects; T Eastern, Asiatic, African, American and Australasian Languages, Literature and related subjects; V Historical and Philosophical Studies; W Creative Arts and Design; X Education; Interdisciplinary courses composed of two or more non-STEM subjects.

Overall, Northern Ireland students as a group were happy with the higher education (HE) choices they had made. However, the students in the Futuretrack cohort were graduating at a time of recession, and Northern Ireland students were particularly concerned about whether they would see a return on their investment. In general, the

1. This is a summary of selected findings, discussed more fully in *Northern Ireland's students: key findings from the final year students on three year courses*; a Report prepared for the Department for Employment and Learning (DELNI) by Gaby Atfield and Kate Purcell, December 2011.
2. The data have been weighted to take account of response biases identified. Women's response rate was higher than men's, and the response from those with high prior educational achievement 'tariff scores' was higher than for those with low scores.



Figure 1: The skills I have developed on my course have made me more employable by subject type



Source: Futuretrack 2006 combined dataset: United Kingdom final year students (weighted).

Northern Ireland students appear to have been somewhat more cautious and risk adverse than those from the other Great Britain countries: they worked hard and made careful, well-considered decision about the careers they planned to pursue and the amount of debt they accrued in pursuing these ambitions.

The first section of this article examines knowledge and skills development, looking at the evidence about students' reported preparedness for labour market entry and views about the competences they had acquired in HE.

Skills development

Considering what they had to offer employers, respondents at Northern Ireland HEIs were generally positive about the skills they had developed in HE and their skill levels more generally. Over 75% of students at Northern Ireland HEIs rated their ability to

work in a team and written communication skills as excellent or very good, and over two thirds rated their spoken communication and computer literacy similarly. Numeracy, self-confidence and self-discipline were skills for which a lower proportion of respondents rated their skills as excellent or very good; but even for these, over 50% chose the more positive categories. Across the full range of skill categories identified, there were no significant differences in the propensity of students at Northern Ireland HEIs and at Great Britain HEIs to rate their skills development positively (between 1 and 3 on a 7 point scale).

Despite this there is evidence that respondents at Northern Ireland HEIs were slightly less likely than their Great Britain counterparts to believe that this skills development would translate into positive labour market outcomes. They were less likely to believe that the skills

they had developed on their courses had made them more employable, with students studying non-STEM subjects at Northern Ireland HEIs particularly likely to express this opinion, as **Figure 1** shows.

Respondents at Northern Ireland HEIs were also less likely than those at Great Britain HEIs to say that they thought they had the skills employers were looking for when recruiting for the kinds of jobs they wanted. This is despite Northern Ireland employers, overall, having expressed satisfaction in the skills possessed by their graduate recruits, and there being a close match between the skills students said they had developed on the courses and the skills they believed employers were looking for³. This is likely to reflect both the general situation in the graduate labour market as a whole, and particular issues in the Northern Ireland labour market, in which recession and economic downturn has had an

3. The Northern Ireland Skills Monitoring Survey (2008, p11) found that 82% of employers who took on Northern Ireland graduates stated that they were very well or well prepared for work and a very low proportion were dissatisfied with the skills of recent graduate recruits. www.delni.gov.uk/niskillsurvey2008

effect on the jobs that are available and the level of competition which exists for these jobs. It is notable that despite perceptions of limited opportunities available to them in the Northern Ireland labour market, Northern Ireland students showed a near-unanimous preference, when asked where they would consider working after graduation, to remain in Northern Ireland, particularly if they had also studied and a Northern Ireland HEI (see Atfield and Purcell 2012, p.37, Figure 32).

In terms of skills development, the extent to which students from lower socio-economic groups gained in self-confidence during their time in HE differed. The survey evidence suggests that the gains made by Northern Ireland students from routine and manual backgrounds were somewhat lower than for both Great Britain students from routine and manual backgrounds and those from more advantaged

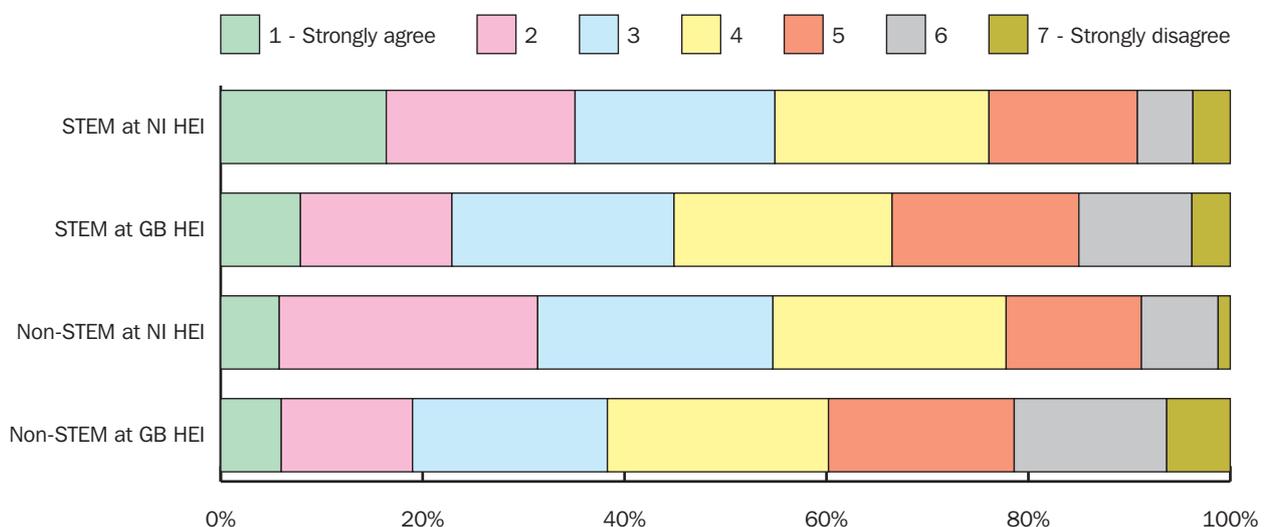
socio-economic backgrounds, and, as they started at a lower baseline in terms of their perceptions of their self-confidence, this suggests that HE experience had entrenched rather than eroded disadvantage in this respect. Only 40% of students from a routine and manual background at Northern Ireland HEIs rated their self-confidence as excellent or very good, and only 58% thought that their courses had enabled them to develop their self confidence either very much or quite a lot. In contrast, 57% of students from an intermediate occupational background and 60% of those from a managerial or professional background rated their self confidence as excellent or very good, while 73% of those from an intermediate occupational background and 60% of those from a professional or managerial background said that their course had enabled them to develop their self-confidence very much or quite a lot.

Skills in demand in Northern Ireland

The supply of STEM skills and the movement of STEM graduates into STEM careers is of particular importance for the Northern Ireland labour market. The Skills Strategy for Northern Ireland – ‘Success through Skills – Transforming Futures’⁴ noted that compared to the United Kingdom as a whole, Northern Ireland has an above average concentration of people in employment with degrees in some STEM subject areas, namely medicine and dentistry, subjects allied to medicine, and veterinary science, agriculture and related subjects, but that labour market forecasts indicate that future demand will be for physical sciences, mathematical and computer science, and engineering and technologies skills, while there will be less demand for subjects allied to medicine. Paradoxically, although more positive about their skills development in HE



Figure 2: Agreement with the statement “The amount of work I had to complete on my course was excessive” by subject type



Source: Futuretrack 2006 combined dataset: UK final year students (weighted).

4. Available at www.delni.gov.uk/index/successsthroughskills.htm



than other groups, STEM students at Northern Ireland HEIs were slightly less likely than both non-STEM students at Northern Ireland HEIs and STEM students at GB HEIs to agree strongly that being a student at their HEI had been a positive experience overall. Although 60% did agree very strongly or strongly, this compared with 76% on non-STEM Northern Ireland HEI students, 74% of STEM students at Great Britain HEIs and 72% of non-STEM at Great Britain HEIs.

This is unlikely to be related to workload because both STEM and non-STEM students at Northern Ireland HEIs were much more likely than students at Great Britain HEIs to regard the amount of work they had to do on their course as excessive, as **Figure 2** shows. More than half of the respondents at Northern Ireland HEIs agreed to some extent with the statement (chose 1 to 3 on a 7 point scale).

Despite this perception, non-STEM students at Northern Ireland HEIs were most likely to say that they would definitely or probably choose the same course again. However, respondents studying STEM subjects at Northern Ireland HEIs were the least likely, and the most likely to say that they would choose to study something completely different if they were starting HE again, as **Figure 3** shows.

This more negative perception held by STEM students at Northern Ireland HEIs is a concern for those involved in skills development, since. Growth areas in the Northern Ireland labour market are likely to lead to an increasing demand for STEM skills.

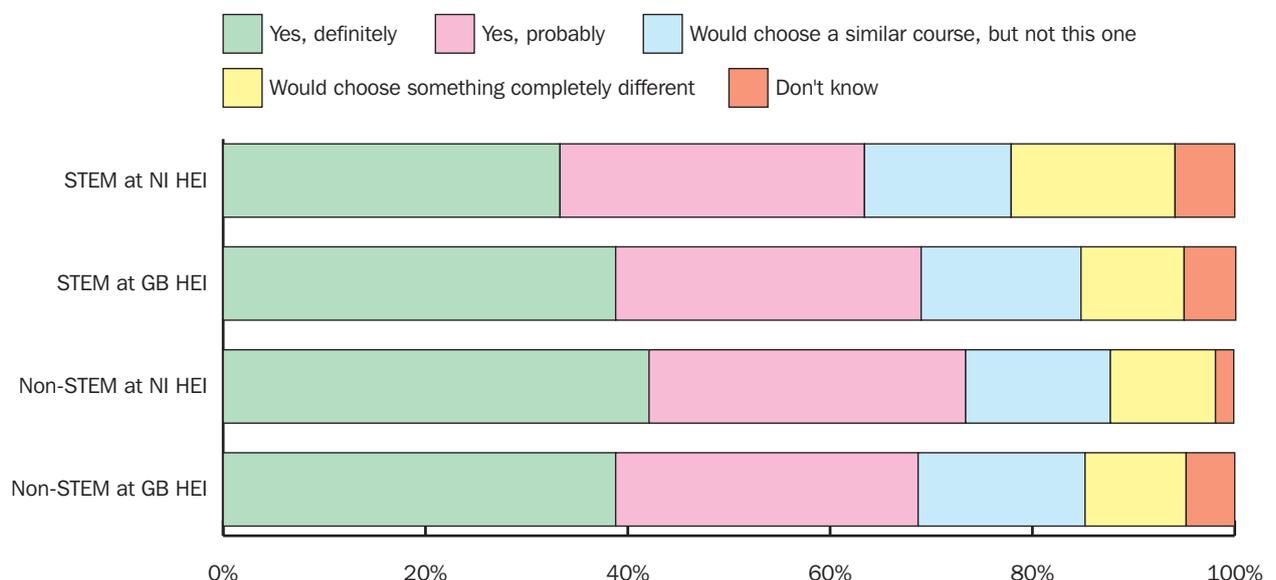
Career planning

As well as developing the skills they need to become employable, HE students are

required to make various decisions about the jobs they are willing to do in the long and short term and the locations where they are willing to work. Little difference was found between students who had studied at Northern Ireland HEIs and in other Great Britain countries in the distribution of responses to the question about whether or not they had a clear idea of the occupation they hoped to enter and the qualifications required for it, although Northern Ireland students appeared to be marginally more likely to be clear about their career plans and aspirations than Great Britain students.

This may reflect their greater use of various sources of careers advice both within their HEI and outside. **Figure 4** shows the types of careers advice offered at their HEI which students had used in their final year.

Figure 3: Whether students would choose the same course again by subject type



Source: Futuretrack 2006 combined dataset: UK final year students (weighted).

Figure 4 suggests that the Northern Ireland HEI careers advisory services have been relatively more successful in encouraging final year student to take advantage of opportunities to improve their job-application skills, and the careers information or guidance usage of students at Northern Ireland HEIs was less than that of those studying at Great Britain HEIs was less in only four of the categories listed, with the biggest gap being in attending events about a particular occupation or industry. This may have been because fewer of the big graduate recruiters include Northern Ireland in their 'milk round' and Northern Ireland students consequently have less

opportunities to attend graduate fairs relatively cheaply and easily.

Respondents at Northern Ireland HEIs were not only more likely to have sought careers advice, but also to have found the careers advice they received valuable, as **Figure 5** shows.

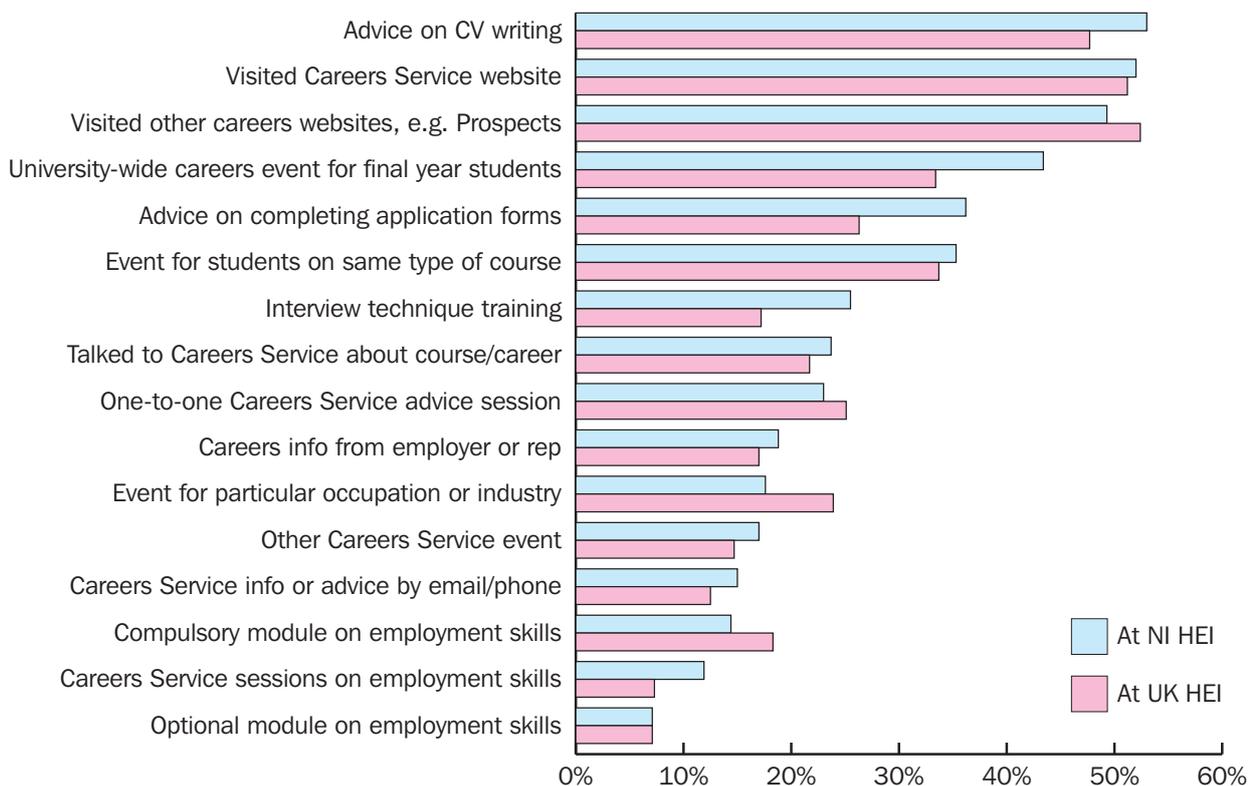
Together these findings suggest that Northern Ireland students appeared to be well-prepared to enter the labour market in terms of the skills they possess and the information they had about careers development and the labour market. However, as the following sections show, there were various factors that respondents anticipated which could limit their smooth transition into the graduate labour market.

The impact of debt

Skills development in HE and perceptions of the demand for these skills in the graduate labour market clearly has an effect on students' career planning. However, other factors, including family commitments and debt levels had also had an impact. The Northern Ireland Futuretrack students appeared to be more debt-averse than students from Great Britain. Although, as **Figure 6** shows, they expected to have lower levels of debt on completing their undergraduate courses, they worried more about repaying this debt and as **Figure 7** shows, they anticipated that it would have an impact on their post-graduation plans.



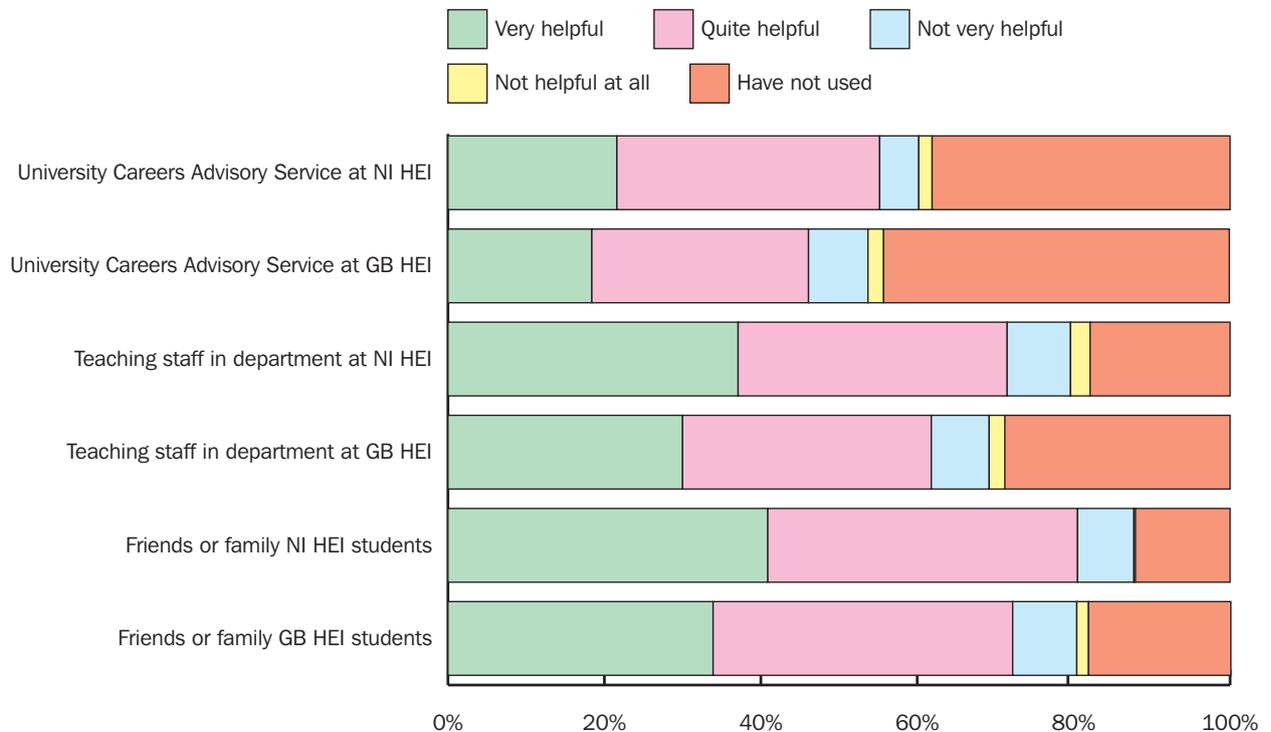
Figure 4: Types of careers advice provided by HEIs used by final year students



Source: Futuretrack 2006 combined dataset: UK final year students (weighted).



Figure 5: Helpfulness of selected sources of careers advice



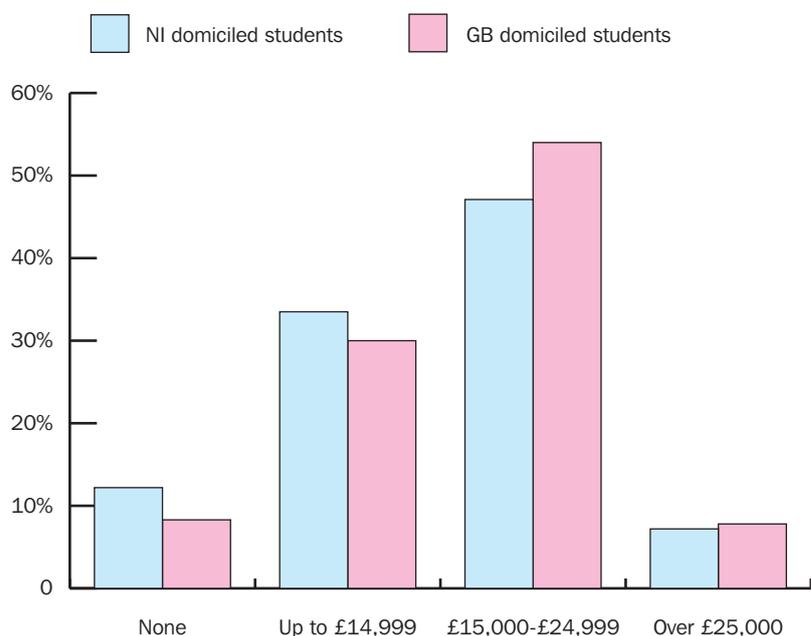
Source: Futuretrack 2006 combined dataset: UK final year students (weighted).

More than half of Northern Ireland respondents said that their post-graduation options would be limited by debt. Northern Ireland students' response to the statement that their course had represented good value for money was slightly more likely to be positive than negative. However there was only one group - students from a routine and manual background at Northern Ireland HEIs - in which more than half of the respondents agreed that their course had been good value for money. Conversely, students at Northern Ireland HEIs from a managerial and professional background were the least likely to say that their course had been good value for money, with just over a third doing so, as **Figure 8** shows. The number of students in each socio-economic category when the population is disaggregated are small, but these indicative findings may be

worth exploring further in the light of career outcomes when we have the Stage 4 dataset, reflecting their experiences in the

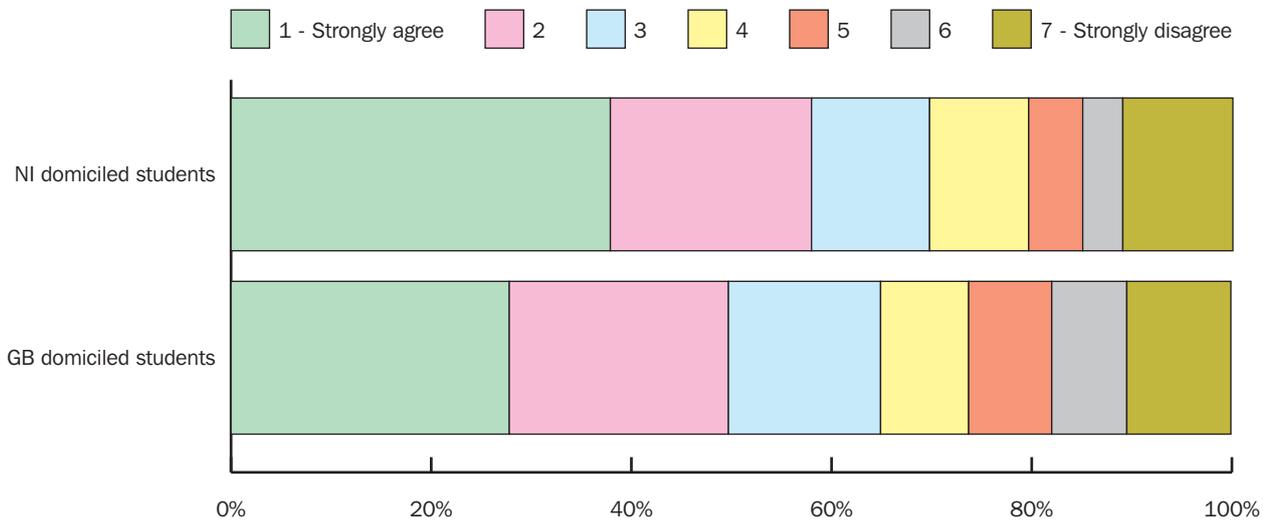
two years following graduation and their perceptions of the opportunities and challenges they have encountered.

Figure 6: Anticipated personal repayable debt at graduation, excluding existing debt



Source: Futuretrack 2006 combined dataset: UK final year students (weighted).

Figure 7: Response to the statement “I am worried about prospect of having to repay loans and debts when I have completed my course”



Source: Futuretrack 2006 combined dataset: UK final year students (weighted).

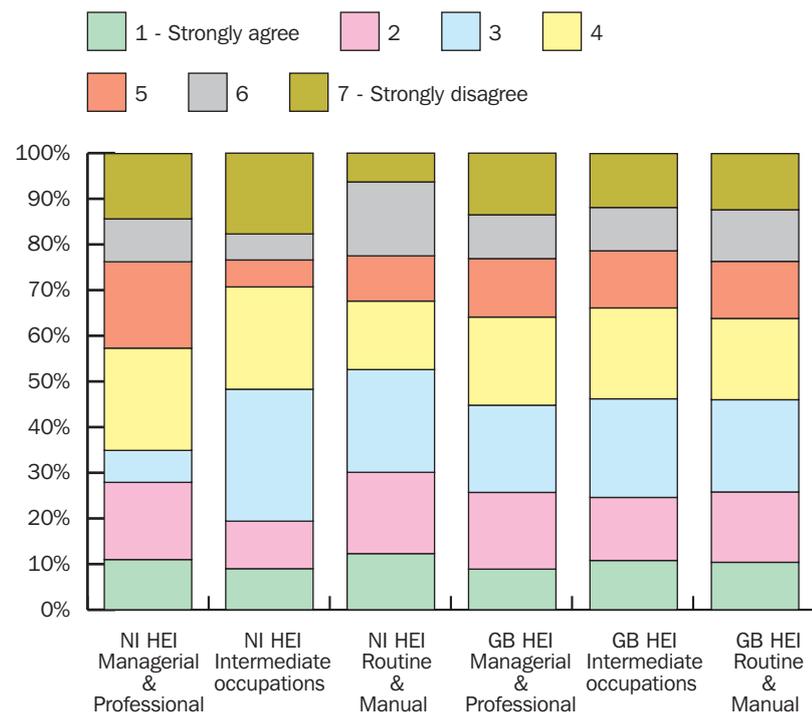
Demand for skills

The preceding sections suggest that student respondents, in general, thought that HE

participation had had a positive impact on their skills development. However, they expressed concern about the demand for these skills in the

weak labour market they were graduating into. As **Figure 9** shows, the majority of respondents believed that it is more difficult for graduates to find suitable employment now than it had been for previous cohorts of new graduates.

Figure 8: Agreement (selected 1 to 3 on a 7 point scale) with the statement “my course is good value for money”



Source: Futuretrack 2006 combined dataset: UK final year students (weighted).

This had a clear impact on respondents’ plans for the year after they graduated. Overall, less than half of respondents expected to enter employment related to their long-term career plans in the year after graduation. This figure is slightly higher for respondents from Northern Ireland (41% compared to 39% of Great Britain domiciled students), and they were less likely than Great Britain students to anticipate taking temporary employment either while they considered their long-term plans or paid off debt (14% of Northern Ireland students compared to 20% of Great Britain students). Respondents studying STEM subjects at Northern Ireland HEIs



were the only group where more than half anticipated obtaining employment in the year after they graduated that was related to their longer-term career plans, as **Figure 10** shows.

Northern Ireland domiciled respondents were more likely than Great Britain domiciled respondents to anticipate undertaking a full-time postgraduate degree course in the year following graduation (23% of Northern Ireland domiciled respondents compared to 18% of Great Britain respondents). Non-STEM students at Northern Ireland HEIs were the most likely to say that this is what they expected.

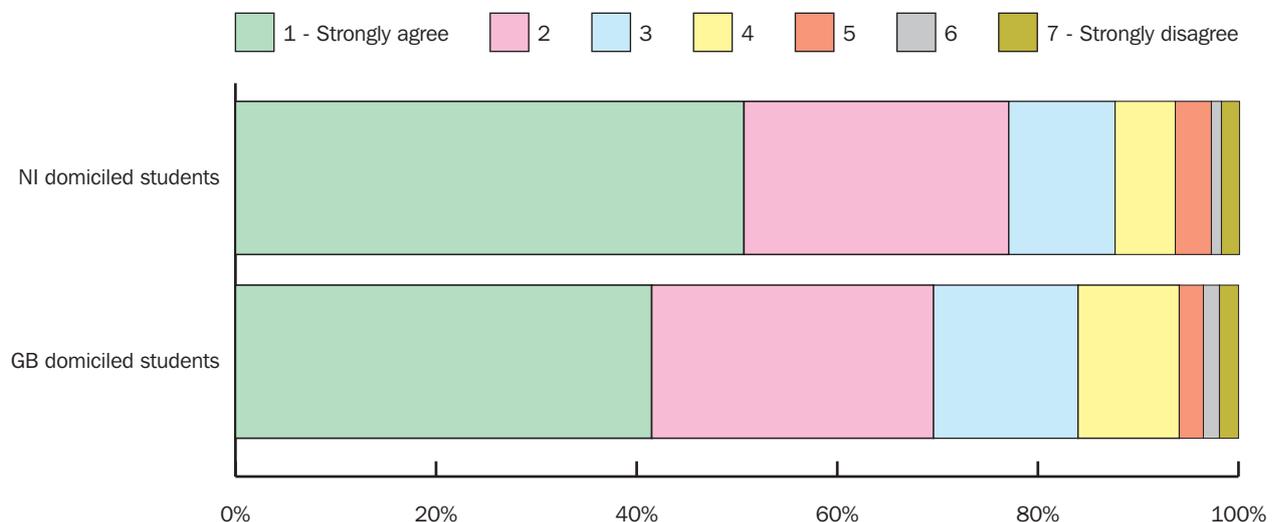
Undertaking temporary employment and continuing to study full-time were both seen by some graduates as short-term strategies in the current economic climate. Further study can add to competitive advantage in a weak labour market but also may be a way to delay entry into

the labour market in the hope that conditions may improve. The difference between the strategies of Northern Ireland students and Great Britain students is noticeable: Great Britain students were more likely to anticipate taking temporary employment in the year after they graduate, while Northern Ireland students were more likely to anticipate further study. A further group of Northern Ireland students stated that they would like to undertake further study but would be prevented by costs. Both Northern Ireland STEM and non-STEM students with debts were more likely than their Great Britain counterparts to say that they would like to do a postgraduate course but that they did not want to add to their debts. The reason for differences in post-graduation strategies between the Northern Ireland and Great Britain students may reflect, in part, a lack of opportunity in the Northern Ireland labour market even for those seeking temporary

employment at a non-graduate level.

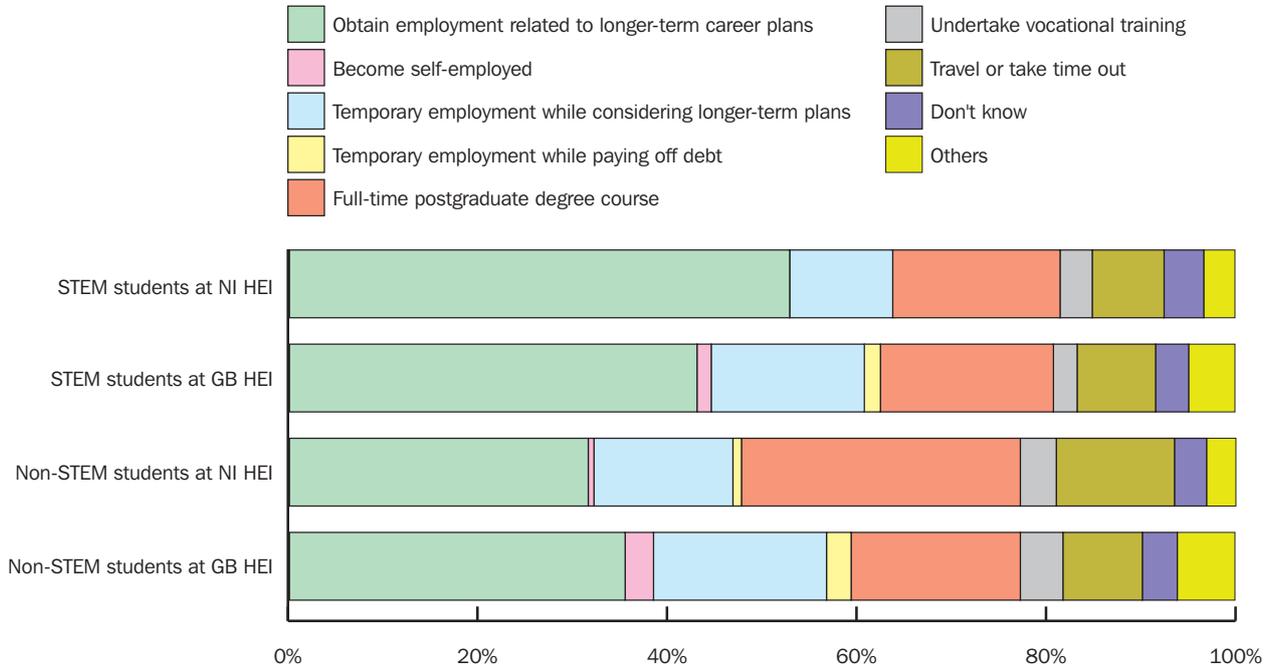
Overall, while it is possible to identify strategies that the students surveyed appeared to be adopting prior to graduating into a weak labour market, they tended to be uncertain about their immediate future. Coming to the end of their final year in HE, the proportions of Northern Ireland and Great Britain-domiciled students reporting that they were very or quite confident that they would achieve their hopes for the year after graduation was just over half, but around a third of students were simply not sure whether or not they would do so. In this, despite the more negative views held by Northern Ireland students about their opportunities when responding to other questions, the distribution of responses on the 5-point scale from 'very confident' to 'not at all confident' was identical to that of the Great Britain-domiciled respondents.

Figure 9: Response to the statement "It is more difficult now for graduates to find suitable employment than it was in the past"



Source: Futuretrack 2006 combined dataset: UK final year students (weighted).

Figure 10: Plans for the year after graduation (excluding vacation work between degrees) by subject type



Source: Futuretrack 2006 combined dataset: UK final year students (weighted).

Conclusion

The findings presented in this article show that HE experience has had a clear positive impact on both skills development and career planning amongst Northern Ireland respondents. Like the students in the other United Kingdom countries, they perceived various barriers to achieving their career aims. Debt accrued in HE is clearly an issue, and was more often anticipated to present obstacles to the pursuit of preferred career options by Northern Ireland students than Great Britain students, despite the overall lower levels of debt reported by Northern Ireland students. However, the biggest barrier faced by final year undergraduates aspiring to enter graduate employment appeared to be the external labour market

and their perceptions of the opportunities available to them. Graduating into a weak labour market had caused a great deal of uncertainty for both Northern Ireland and Great Britain students, and when students were able to make plans, these often involved delaying embarking on their long-term career ambitions, about which they remained more optimistic – and for Northern Ireland students approaching graduation, these almost universally included developing careers based in Northern Ireland.

Destination of leavers from higher education – a longitudinal survey

Peter Martin, Analytical Services, Department for Employment and Learning

In March 2012 the Department for Employment and Learning (DEL) published a report¹ on the third longitudinal survey of graduates from Higher Education. The survey was carried out among the cohort of students who completed a Higher Education course at a United Kingdom Higher Education Institution in 2006/07. The students were surveyed at both six months and three and a half years after graduation. The report and this article present Northern Ireland specific analysis from the survey.

Background

The Destinations of Leavers from Higher Education (DLHE) survey is carried out by the Higher Education Statistics Agency (HESA), the central source for the collection and dissemination of statistics about publicly funded Higher Education (HE) in the United Kingdom.

The first stage of the survey, known as the 'Early DLHE', has been running annually in some form since 1995/96. The 'Early DLHE' captures the position of students six months after graduation and provides very valuable information on the early career paths of graduates. Annual Northern Ireland reports on the 'Early DLHE' can be downloaded from the DEL website². A survey conducted only six months after graduation however, does have its limitations, for example, many graduates may not have settled into their chosen career at that early stage. In light of this, it was decided that a follow-up survey would be conducted three and a half years after graduation, known as the 'Longitudinal DLHE'.

The aim of the 'Longitudinal DLHE' was to collect comparable information to the 'Early DLHE' in order to compare and contrast outcomes at two stages after graduation. In addition the 'Longitudinal DLHE' was also used to collect further information, for example, on satisfaction levels with course studied and on career to date.

The field work for the third 'Longitudinal DLHE' was carried out by IFF Research in the winter of 2010/11, on the 2006/07 cohort of graduates. The first 'Longitudinal DLHE' was undertaken for 2002/03 graduates and biennially thereafter. A United Kingdom wide report³ on the third 'Longitudinal DLHE' was published in September 2011 with the Northern Ireland specific report published in March 2012.

Methodology for the Longitudinal DLHE

The 2006/07 'Early DLHE' was a census of all European Union domiciled⁴ students who graduated from a United Kingdom Higher Education Institution (HEI) in 2006/07. The survey achieved a response rate of 73%.

The 2006/07 'Longitudinal DLHE' is based on two sub-samples of the 332,110 qualifiers who responded to the Early Survey in 2006/07. 70,960 qualifiers were selected from across virtually all United Kingdom HEIs with certain sub-groups oversampled to provide adequate numbers for analysis. This cohort was known as Sample A and 29,340 responses were received.

In addition 153,630 of the remaining 261,150 graduates for whom an email address was available were contacted (Sample B) resulting in a further 19,725 responses to the survey. After some work to determine if it was feasible to do so, it was agreed



1. The Northern Ireland Report is available to download at www.delni.gov.uk/he_destination_of_leavers.htm
2. Annual reports on the 'Early DLHE' can be downloaded at www.delni.gov.uk/he_destination_of_leavers.htm
3. The United Kingdom report is available to download at www.hesa.ac.uk/index.php?option=com_pubs&Itemid=286&task=show_year&pubid=1714&versionid=54&yearid=262
4. Domicile – a student's place of residence prior to enrolment on a HE course.



by IFF Research and HESA that it was possible to combine Sample A and Sample B for analysis purposes without compromising the integrity of the survey. Therefore the total number of responses for the United Kingdom was 49,065.

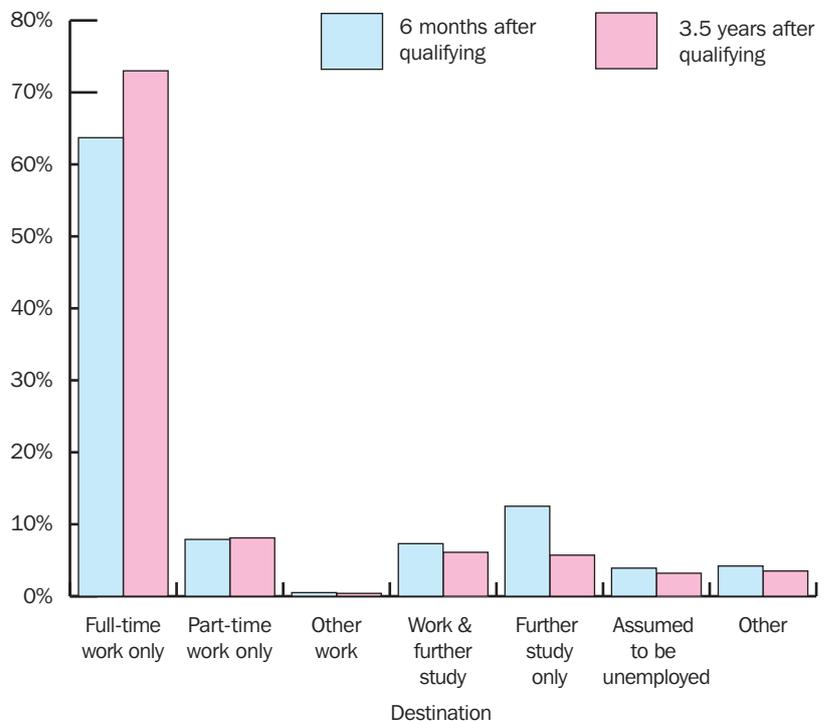
Northern Ireland was one of the oversampled sub-groups in Sample A, with 60% of Northern Ireland domiciled students and 60% of students who studied at a Northern Ireland HEI included in the sample. The total number of responses for Northern Ireland HEIs was 2,560 (2,490 from sample A and 70 from sample B). The total number of responses from Northern Ireland domiciled students was 3,225 (3,085 from Sample A and 140 from sample B). These two groups, Northern Ireland domiciled qualifiers and qualifiers from Northern Ireland HEIs, overlap substantially with both including the same 2,390 Northern Ireland domiciled qualifiers from Northern Ireland HEIs.

Questionnaire Coverage - Longitudinal DLHE

The questionnaire covered the following topics:

- main activity three and a half years after graduation;
- details of current employment at the time of the survey;
- details of further study and qualifications;
- details of all activities since graduating; and

Figure 1: Destinations of NI Domiciled qualifiers from UK HEIs - 6 months and 3.5 years after qualifying in 2006/07



- satisfaction with course taken and career to date.

The data were collected using a mixture of postal, telephone and online questionnaires.

Results

The results in this article focus on Northern Ireland domiciled qualifiers who graduated from a United Kingdom HEI (including Northern Ireland) in 2006/07. The full Northern Ireland report contains a separate section on qualifiers from Northern Ireland HEIs.

Destinations

After three and a half years, 88% of Northern Ireland domiciled qualifiers from United Kingdom HEIs in 2006/07 were in work, an increase from 79% at six months. A further 6% were in 'further

study only' compared to 12% at six months. Three percent of qualifiers were 'assumed to be unemployed' and 4% were in 'other' activities including those not available for work, similar to the proportions at six months. (See **Figure 1**).

Location of employment

The majority of Northern Ireland domiciled qualifiers in employment who studied at a Great Britain institution (including the Open University) did not return to Northern Ireland to work. Only 45% of this cohort was working in Northern Ireland after three and a half years, however this had increased from 41% at six months.

After six months 92% of Northern Ireland domiciled qualifiers from Northern Ireland HEIs in

employment were employed in Northern Ireland, this had fallen slightly to 91% at three and a half years. (See **Figure 2**).

Type of job obtained⁵

The proportion of Northern Ireland domiciled qualifiers in employment who were working in a ‘graduate’ level job increased from 76% at six months to 79% at three and a half years. Postgraduate qualifiers, in employment, were more likely to be in a ‘graduate’ job (91%) three and a half years after graduation than first degree qualifiers (75%).

Salary

The median salary of Northern Ireland domiciled full-time first degree qualifiers from United Kingdom HEIs, in ‘full-time work only’, was £22,000, three and half years after graduation. This is less than full-time postgraduate qualifiers in ‘full-time work only’, whose median salary was £26,000.

Northern Ireland domiciled male qualifiers from full-time first degree courses at United Kingdom HEIs who were in ‘full-time work only’ were earning a median salary of £23,000, compared to a median salary of £22,000 for their female counterparts.

Factors in gaining employment

Qualifiers who were in employment at three and a half years, were asked to rate the importance of various factors in gaining that employment, on a scale ranging from ‘a formal requirement’ to ‘not important’. (See **Figure 3**).

Figure 2: Location of employment of NI domiciled qualifiers from UK HEIs - 6 months and 3.5 years after qualifying in 2006/07

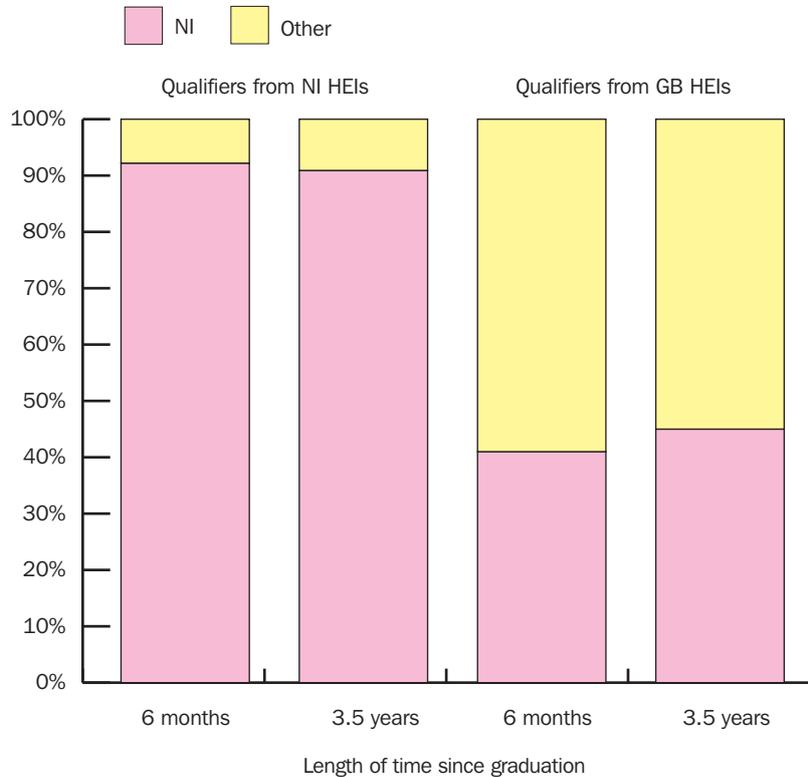
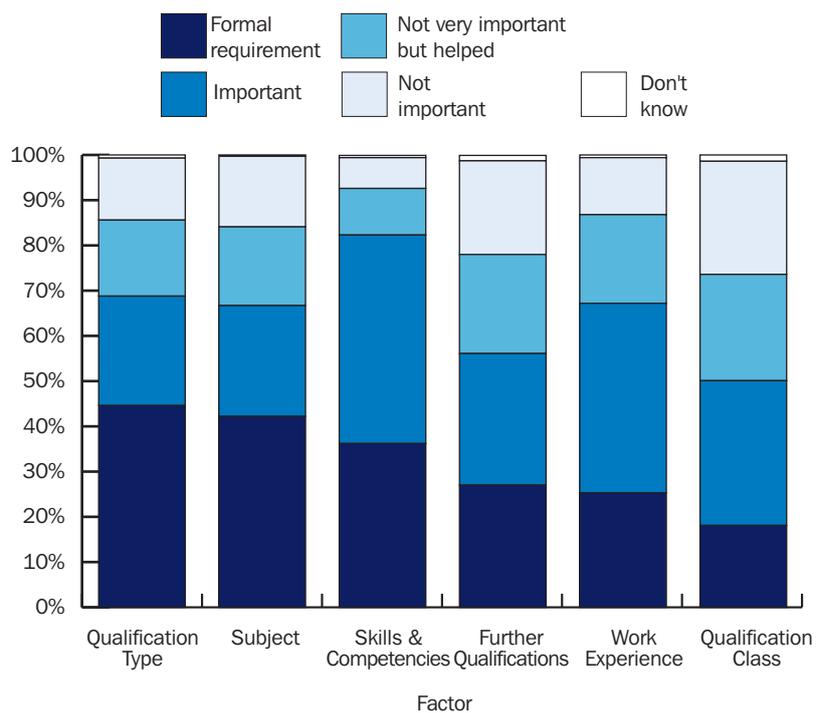


Figure 3: Importance of factors for gaining employment - NI domiciled qualifiers from UK HEIs - 3.5 years after qualifying in 2006/07



5. Type of Job – each occupation was classified as being a ‘Graduate’ or non-graduate’ occupation according to the classification scheme devised by Elias and Purcell in their 2004 report – ‘SOC (HE) A Classification of occupations for studying the graduated labour market’ (Institute of Employment Research, Warwick).



Evidence of skills and competencies was rated as a ‘formal requirement’ or ‘important’ in gaining employment by 82% of Northern Ireland domiciled qualifiers. This was followed by qualification type, subject studied and relevant work experience which were each rated as a ‘formal requirement’ or ‘important’ by approximately 67% to 69% of qualifiers. Further qualifications obtained and class of qualification were considered less important in gaining employment with 56% and 50% respectively rating them as a ‘formal requirement’ or ‘important’.

Reasons for taking current job

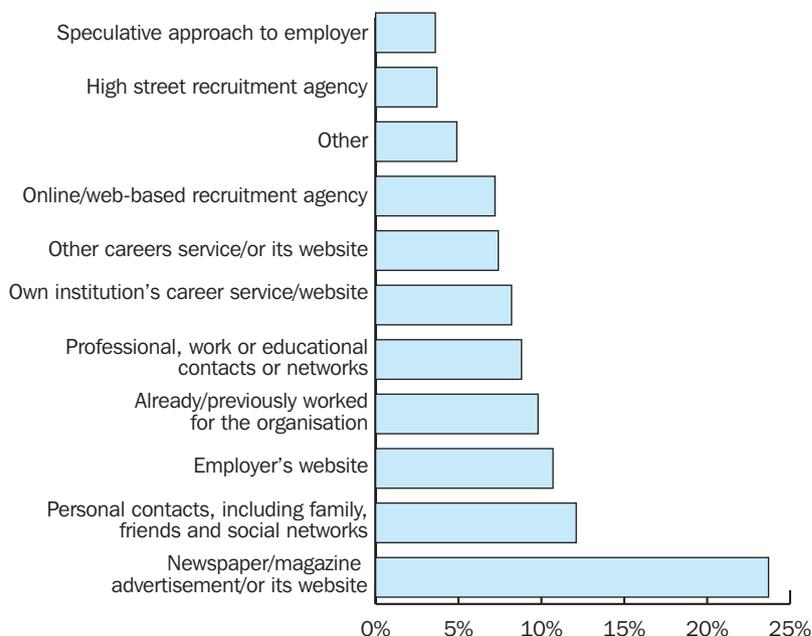
Northern Ireland domiciled qualifiers from United Kingdom HEIs in employment after three and a half years, were asked to identify all the reasons that helped them in the decision to choose their current job.

The most common reasons given for taking their current job, were, ‘In order to earn a living’, and ‘It fitted in with my career plan/ It was exactly the type of work I wanted’ with over 70% citing each of these as motivations. ‘To broaden my experience/to develop general skills’ was stated by 63% of Northern Ireland domiciled qualifiers. Other popular reasons reported were, ‘It was the best/only job offer I received’ (55%), ‘It was an opportunity to progress in the organisation’ (48%) and ‘To gain experience in order to get the type of work I really wanted’ (42%).

How qualifiers found out about their jobs

The main source used by Northern Ireland domiciled

Figure 4: How did you first find out about your current job - NI domiciled Qualifiers from UK HEIs - 3.5 years after qualifying in 2006/07



qualifiers in finding their current job was a ‘Newspaper/magazine advertisement/or its website’ with 24% quoting this category. Other popular categories quoted by between 7% and 12% of respondents were, ‘Personal Contacts’, ‘Employer’s website’, ‘Already or previously worked for the organisation’, ‘Professional, work or educational contacts’, ‘Own institution’s career service/ website’, ‘Other careers service’ or ‘Online/web-based recruitment agency’. (See **Figure 4**)

Further study

After three and a half years 6% of Northern Ireland domiciled qualifiers were combining ‘work and further study’ and a further 6% were in ‘further study only’.

Of those in ‘work or further study’ or ‘further study only’:

- 62% were studying full-time and 38% were studying part-time;

- Approximately 57% were studying for a postgraduate qualification and 43% were studying for undergraduate, professional or other qualifications;
- The main source of funding for further study was ‘Self funded’ and ‘Grant/Award’ with between 35% and 40% of respondents reporting each of these sources. ‘Employer support’ was cited by 22% of respondents with 3% quoting ‘other’ sources.

- The main reasons given for undertaking further study were ‘to develop a broader range of skills or knowledge’, ‘to change or improve my career options’ and ‘because I was interested in the content of the course’ with between 70% and 80% reporting each of these reasons. Approximately 45% of respondents cited that ‘I

had enjoyed my first course and wanted to continue studying' as a reason for undertaking further study.

Other activities since qualifying

Northern Ireland domiciled qualifiers from United Kingdom HEIs were asked about what activities they had been involved in since completing their course in 2006/07 and their current activity.

Employment

In the three and a half years since qualifying, 57% of Northern Ireland domiciled students said they had had 1 or more other jobs excluding their current job if in work. Of those who had other job/jobs 47% had one, 28% had two, 14% had three and 11% had four or more other jobs.

Unemployment

Over a quarter (28%) of Northern Ireland domiciled students had experienced at least one spell of unemployment since qualifying in 2006/07. Of those who had experienced unemployment, 65% had one spell of unemployment, 23% had two spells and 13% had three or more spells.

Further Qualifications

In the three and a half years since graduating in 2006/07, 39% of Northern Ireland domiciled qualifiers from United Kingdom HEIs had obtained a further qualification.

Of those who had obtained a further qualification:

- Approximately 72% said they obtained one qualification, 17% said they obtained two and 11% said that obtained three or more qualifications;

- 41% reported that the highest further qualification obtained was a postgraduate qualification, 22% a professional qualification, 5% an undergraduate qualification and 32% obtained other qualifications;
- The main source of funding reported for the highest further qualification obtained was 'Self funded' (48%) followed by 'Employer support' (33%), 'Grant/award' (15%) and 'Other funding' (4%).

Satisfaction and Experience

This section focuses on the qualifiers' Higher Education experience and satisfaction with their career to date. Questions were asked in relation to making different choices, satisfaction with career, value for money and preparation for their career.

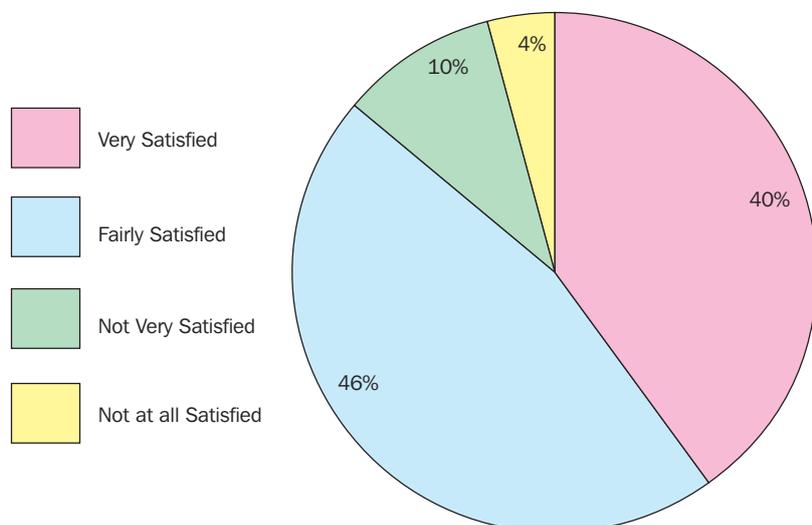
Likelihood of making different choices

If Northern Ireland domiciled qualifiers had the opportunity to make their choices again, between 27% and 30% quoted each of the following options as being 'likely' or 'very likely' - choose a different subject or work towards a different type of qualification. Under a quarter (22%) quoted each of the following options as being 'likely' or 'very likely' - study at a different institution or do something other than training, study or research.

Satisfaction with Career to date

Around 86% of Northern Ireland domiciled qualifiers from United Kingdom HEIs said that they were 'very or fairly satisfied' with their career to date, three and a half years after qualifying. One in ten (10%) qualifiers reported that they were 'not very satisfied' and 4% said they were 'not at all satisfied'. (See **Figure 5**)

Figure 5: Satisfaction with career - NI domiciled qualifiers from UK HEIs 3.5 years after qualifying in 2006/07





Value for Money

The majority (71%) of Northern Ireland domiciled qualifiers from United Kingdom HEIs said that they 'strongly agree' or 'agree' with the statement that the course they completed in 2006/07 was good value for money.

Postgraduate (81%) qualifiers were more likely to 'strongly agree' or 'agree' with the statement than first degree (67%) qualifiers. Approximately 68% of qualifiers who studied full-time 'strongly agree' or 'agree' with the value for money statement, compared to 82% of part-time qualifiers.

Preparation for career

Approximately 78% of Northern Ireland domiciled qualifiers said that their HE experience had prepared them 'very well' or 'quite well' for their career.

There was no significant difference observed between males and females or between those who studied full or part time in terms of being prepared 'very well' or 'quite well'. However first degree qualifiers (75%) were less likely than postgraduate qualifiers (88%) to report that their HE experience had prepared them 'very well' or 'quite well' for their career.

Further details, including a full set of tables can be found in the full Northern Ireland report.

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Higher Education Business and Community Interaction Survey 2012: Northern Ireland summary

Orla Flanagan, Analytical Services, Department for Employment and Learning

The annual Higher Education – Business and Community Interaction (HE-BCI) survey is carried out by the Higher Education Statistics Authority (HESA) in order to provide reliable and relevant information to support policy development and to inform funding decisions related to the Third Stream¹ activities of United Kingdom Higher Education Institutions (HEIs). The most recent survey – the eleventh in the series – was published in July 2012 and provides data on the continuing development of interaction between Business² and Higher Education Institutions.

Background

This article presents some of the key findings of the eleventh annual HE-BCI survey from a Northern Ireland perspective;³ it draws on a Northern Ireland summary report published by the Department recently.⁴ The HE-BCI survey provides a wide range of data on the “Third Stream” (i.e. business and community facing) activities of all United Kingdom HEIs which illustrate the wider contribution HEIs make to the economy and society. The survey is split into two sections: part A contains qualitative responses on the strategic aims of HEIs; and part B, the focus of this article, contains the more quantitative financial and numerical data on the performance of HEIs in respect of their Third Stream funding activities.

HE-BCI focuses exclusively on output data covering a range of activities, from the commercialisation of new knowledge, through the delivery of professional training, consultancy and services, to activities intended to have direct social benefits.

It should be noted that this survey records the interactions between Northern Ireland HEIs and businesses located both within and outside the region – it is not possible to determine the share of these Northern Ireland interactions that are purely Northern Ireland based.

This article sets out the Northern Ireland position relative to the United Kingdom and should be read in context where the Northern Ireland economy represents **2.9%** of United Kingdom population, **2.2%** of United Kingdom GVA⁵ and **2.1%** of academics in the United Kingdom⁶.

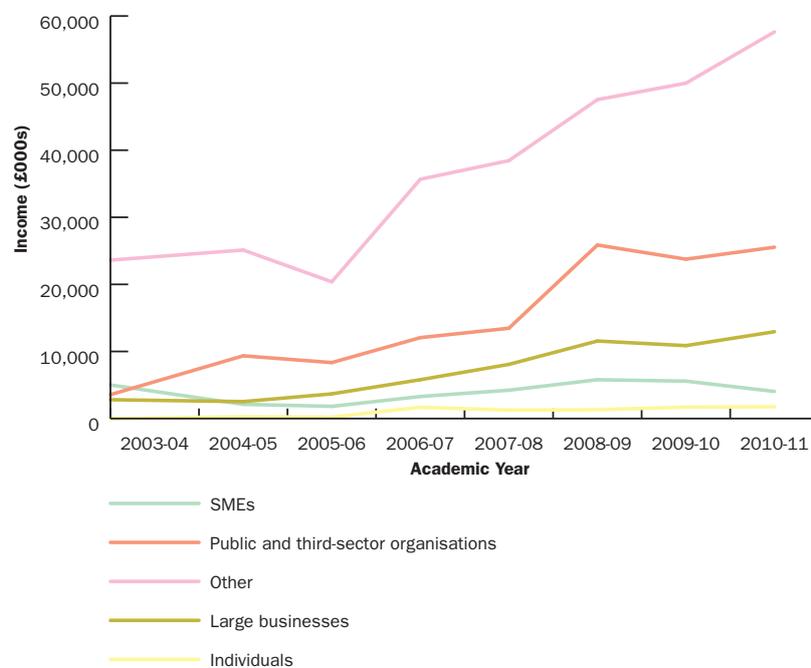
The analysis covers a selection of results from the survey and where possible reflects change over time by comparing the findings of the 2010-11 survey against those of previous surveys, giving a span of eight academic years from 2003-04 to 2010-11 across a range of key indicators.



1 Third Stream is used to describe HEIs activities in economic regeneration, regional engagement, relations with industry, intellectual property, the exploitation of research outcomes and other matters related to the HEIs Business and Community function.
2 'Business' in this context refers to private, public and third-sector parties of all sizes, with which Higher Education Institutions interact in a broad range of ways.
3 All absolute figures for NI can be viewed in the latest HE-BCI survey which contains the full breakdown of survey results. This can be accessed at www.hesa.ac.uk/
4 www.delni.gov.uk/he-bci201011-nianalysis.pdf.
5 GVA is a measure of economic activity, similar to but statistically distinct from GDP, that allows for regional analysis.
6 Expressed on a full-time equivalent basis



Figure 1: NI HEI Total income by partner 2003-04 to 2010-11 (real terms)



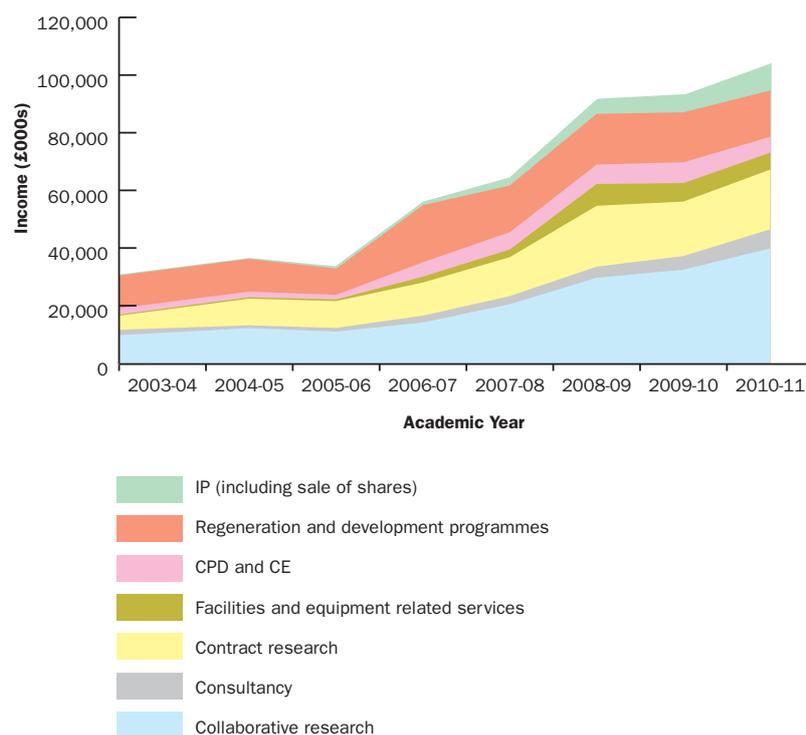
Income by partner

Figure 1 illustrates that spending by large businesses on interaction activities with Northern Ireland HEIs increased by 19% from £10.9 million in 2009-10 to £12.9 million in 2010-11, while non-commercial partners in the public and third sectors, charities and social enterprises, increased their spending by 7.5% from £23.8 million to £25.5 million. However there has been a fall of nearly 28% in total spending by small and medium-sized enterprises (SMEs) on engagement with Northern Ireland HEIs in cash terms.

Research-based interactions

The HE-BCI survey defines **collaborative research** as Research and Development (R&D) undertaken collaboratively between a HEI and an organisation/individual from business and community sectors. HE-BCI data show that income from collaborative research in Northern Ireland grew by 23% from around £32.5 million in 2009-10 to £39.9 million in 2010-11 (seen graphically in **Figure 2**). Income from this source has increased by 308% since 2003-04. In relative terms, the performance of local HEIs in gaining income from collaborative research is strong, representing 4.6% of the United Kingdom total.

Figure 2: Selected HE-BCI Income Streams 2003-04 to 2010-11 (real terms)



Contract research is when Government or commercial bodies arrange for specific research to be done, usually under a contractual agreement. The HE-BCI survey shows that contract research income has risen by 10% from £18.2 million to £20 million over the last academic year. Income from this source has increased by 238% since 2003-04. Contract research income of £20 million represented 1.9% of the United Kingdom total.

Consultancy contracts are a more direct form of knowledge exchange between Higher Education and the economy. Income from consultancy contracts grew by 38% to £6.9 million in 2010-11, up from £5 million in 2009-10. Income from this source has increased by 226% since 2003-04. £6.9 million of consultancy income represented 1.9% of the United Kingdom total in 2010-11.

Facilities and equipment related services relates to the use by an external party of physical academic resources of the HEI. Income from the use of facilities and equipment has fallen over the last year by around 8%. However, it should be noted that the total value of contracts increased exponentially over the longer term, growing from £174k in 2002-03 to £5.9 million in 2010-11. Income from facilities and equipment related services of £5.9 million represented 4.6% of the United Kingdom total in 2010-11.

Continuing Professional Development (CPD) courses are defined as a range of short and long training programmes for learners already in work who are undertaking the course for up skilling, workforce development or professional development. Income from CPD activity has fallen by around 24% from £7.2 million in 2009-10 to £5.5 million in 2010-11. CPD income has however grown by 245% in real terms since 2003-04. Income from CPD represented 0.9% of the United Kingdom total.

Regeneration funding is an important way for HEIs to invest intellectual assets in economic, physical and socially beneficial projects. Income from regeneration programmes has fallen from £15.2 million to £13.9 million over the last year, a decrease of 8%. Over the longer term, income from this source has increased steadily, growing by 41% over the period 2003-04 to 2010-11. Income from regeneration of £13.9 million represented 6.8% of the United Kingdom total.

Intellectual Property (IP) is a vital indicator for the value added by the HEI when interacting with a range of external partners. Income from IP (including sale of shares) grew by 91% from 2009-10 to 2010-11. Income from this source has increased by 3,277% since 2003-04. Income from IP (including sale of shares) represented an impressive 14% of the United Kingdom total in 2010/11.

Commercialisation Activities

Spin-offs are companies set up to exploit IP that has originated from within the HEI. In 2010-11, the total number of spin-offs still active after 3 years in Northern Ireland was 49. This is a marginal increase from 2009-10 when the figure was 48. Over the longer term the number of spin-off companies still active after 3 years have increased by 32%. The 49 spin-offs represented 4.9% of the United Kingdom total.

Disclosures occur when research-active staff become aware of potentially exploitable research and work with others (often knowledge specialist staff) to develop those ideas. Disclosures have increased by 40% to 113 in 2010-11, up from 81 in 2009-10. The number of new **patent applications** and the number of new **patents granted** have decreased by 3% (87 to 84) and 18% (50 to 41) respectively. Although there was a significant drop in the number of new patents granted, patent data should be viewed over a longer time series because of the time lag between applications and grants. Since 2003-04 the number of new patent applications and the number of new patents have increased by 95% and 1,267% respectively. The cumulative patent portfolio of the Northern Ireland HE sector increased by 2% from 508 in 2009-10 to 520. This represented 3.2% of the United Kingdom total in 2010-11.

Table 1: Summary – Trends in Key HE-BCI Indicators

Indicator	Recent change (since 2009-10)	Long-term trend (since 2003-04)	NI as a percentage of the UK total ⁷
Collaborative Research Income	23%	308%	4.6%
Contract Research Income	10%	238%	1.9%
Consultancy	38%	226%	1.9%
Facilities & Equipment Related Services	-8%	3,291% ⁸	4.6%
Education & CPD	-24%	245%	0.9%
Regeneration	-8%	41%	6.8%
Intellectual Property	91%	3,277%	14%
Number of Spin-off Companies	2%	32%	4.9%
Number of Disclosures	40%	126%	2.7%
Patent Applications	-3%	95%	3.7%
Patents Granted	-18%	1,267%	5.4%

Conclusion

Overall the HE-BCI survey shows that United Kingdom universities have improved the contribution they make to the economy and society across a broad range of activities. These activities are to the most part responsive to business and public service needs ranging from the commercialisation of research, to the delivery of professional training and to activities intended to have direct social benefits. In 2010-11, United Kingdom HEIs received £3.3 billion (including Government funding) from business and community interaction, an increase of around 7% - in cash terms – since 2009-10. **In 2010-11 Northern Ireland HEIs received £102 million from business and community interaction, which represents a 13.7% increase – in cash terms – from 2009-10 income levels.**

Income from business and community interaction has grown considerably (187%) since 2002-03 (see **Figure 2**). Northern Ireland HEIs income from business and community interaction of £102 million represents 3.1% of the United Kingdom total.

This article demonstrates that Universities in Northern Ireland are continuing to make substantial economic contributions to the local and national economy. Northern Ireland has outperformed its United Kingdom peers in many respects including: the extent of collaborative research, income from intellectual property and the number of sustainable spin-off companies. This success illustrates the growing emphasis of the universities on Third Stream activities.

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⁷ NI represents 2.9% of UK population
 NI represents 2.2% of UK GVA
 NI represents 2.1% of UK FTE Higher Education Academics
⁸ Percentage change from 2002-03

Improving New Deal statistics: using Department for Social Development benefits data and HM Revenue & Customs employment data

Tony Sidebottom, Analytical Services, Department for Employment and Learning

New Deal was introduced in Northern Ireland in 1998. Its primary aim was to help unemployed adults and young people find sustained employment through a series of initiatives designed to increase their employability and equip them with the relevant skills for the labour market. Over the lifetime of the programme regular statistics were published by the Department for Employment and Learning (DEL) derived from its Client Management System database. The purpose of this paper is to show how the quality of information on the destinations of leavers from New Deal was enhanced by utilising information from Her Majesty's Revenue and Customs and from the Department for Social Development.

Introduction

New Deal was introduced in Northern Ireland in 1998 and operated by the DEL. It was a mandatory employment programme for all those aged 18-24 who had been unemployed and claiming Jobseeker's Allowance (JSA) for a continuous period of 6 months or longer, or for those people aged 25 and over who had been unemployed and claiming JSA for 18 months or more. In September 2008 DEL introduced Steps to Work which subsumed the main New Deal programmes across most of Northern Ireland. New Deal continued to operate in the Lisnagelvin and Foyle Jobs & Benefits office areas until 24th July 2011.

A series of statistical bulletins analysing key statistics for New Deal 18-24 and New Deal 25+ were published from 2004/2005 to 2008/2009¹. The immediate destinations on leaving New Deal were included to provide DEL and the wider public with information on programme performance. A participant's immediate destination is their first destination recorded within 14 days of leaving the programme. Participants were not obliged to inform DEL of their activity on leaving New Deal and thus the immediate destination of some clients is not known.

As the primary aim of New Deal was to assist people into sustained employment, one of the key measures of the programme was moves to employment. A participant is considered to have moved into employment if they started employment within 13 weeks of leaving the programme,

and employment was deemed to be sustained if it was held for a period of at least 13 weeks. The New Deal database, derived from DEL's Client Management System (CMS) enabled the Department to monitor this. Again, measurement was affected by the existence of a proportion of participants whose post-programme activity was not known.

In order to enhance the immediate destinations data and employment outcomes for the New Deal programmes in Great Britain, the Department for Work and Pensions (DWP) merged employment data held by Her Majesty's Revenue and Customs (HMRC) with DWP employment programme and benefits data. The improved immediate destination measures resulted in an additional eight percentage points of leavers from New Deal for Young People (NDYP) and an additional six percentage points of leavers from New Deal for Long Term Unemployed (ND25plus) being recorded as leaving into employment. The improved information also indicated that approximately 11 percent more individuals were recorded as obtaining a job while on the NDYP, and an additional seven percent more individuals were recorded as obtaining a job while on ND25plus. A similar exercise was therefore initiated by DEL for Northern Ireland New Deal data.

In Northern Ireland, employment programmes are under the remit of DEL while the Department for Social Development (DSD) is responsible for benefits. Northern Ireland New Deal data from CMS was therefore merged with benefits data from DSD and



¹ Available at www.delni.gov.uk/index/statsandresearch/training-and-employment-stats/new-deal-statistics.htm



HMRC employment data. The DSD and HMRC data supplements the information recorded on CMS and has resulted in revised statistics being produced for immediate destinations on leaving New Deal and employment outcomes. Using HMRC data also enables DEL to monitor sustained employment outcomes over longer periods – statistics have therefore been included on employment outcomes sustained for 26 weeks and 52 weeks or more. The Findings section below highlights the revised figures for New Deal 18-24 and New Deal 25+ and outlines the variation in the destination statistics from those previously published.

Please note that there is a definitions section at the end of the document to describe what is meant by terms like sustained employment, participant etc.

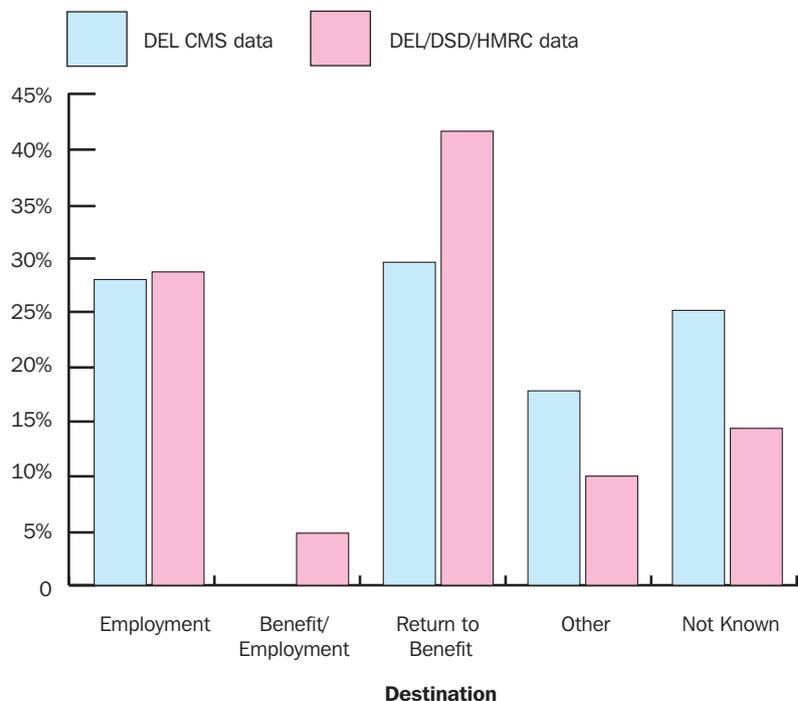
Findings – New Deal for 18-24 Year Olds

Immediate Destination on leaving New Deal 18-24

From April 2004 to September 2008, statistics based on DEL's CMS (**Figure 1**) indicate that of the 29,105 participants that left New Deal 18-24, 28% had an immediate destination of unsubsidised employment, 30% returned to benefit, 18% left to other destinations and 25% went to unknown destinations.

Merging New Deal, DSD and HMRC data (**Figure 1**) indicates that 34% had an immediate destination of unsubsidised employment and 47% returned

Figure 1: Immediate destination of participants leaving New Deal 18-24 using DEL data only and DEL/DSD/HMRC combined data, April 2004 to September 2008



to benefit (including five percent of leavers who had evidence of both benefit and employment spells within 14 days of leaving the programme). Ten percent left to other destinations and 14% went to not known destinations².

Comparing the immediate destination of participants on leaving New Deal 18-24 from April 2004 to September 2008 based on DEL data with statistics from the merged DEL, DSD and HMRC database indicates a seven percentage point increase in the proportion of participants who had an immediate destination of employment and a 17 percentage point increase in the proportion of leavers with an immediate destination of return to benefit, in both cases including those who were on benefits and

in employment. There is also an eight percentage point decrease for other destinations and a 10 percentage point decrease in the proportion of leavers whose destination was not known.

Access to the DSD benefits data enables the identification of the type of benefits claimed by participants on leaving New Deal 18-24. **Figure 2** shows that over half (52%) of all leavers with a return to benefit destination moved to or remained on JSA when they left New Deal 18-24. Almost one third (31%) of those who returned to benefit claimed Income Support, Incapacity Benefit, or both. The benefit type was not known for 15% of those who returned to benefit.

² Note that total may not sum to 100% due to rounding. All individual figures included are based on unrounded data.

Moves to Employment on leaving New Deal 18-24

From April 2004 to March 2008, statistics based on DEL's CMS indicate that 26,158 participants left New Deal 18-24. Of these a third (33%) moved to unsubsidised employment within 13 weeks of leaving the programme with more than a quarter (27%) of all leavers sustaining that employment for at least 13 weeks. When HMRC data are added the figures show that more than two-fifths (42%) of leavers moved to employment within 13 weeks of leaving New Deal 18-24 with 36% sustaining that employment for at least 13 weeks.

Therefore when these data are compared to the CMS data for the same period (Figure 3), there has been a 10 percentage point increase³ in the proportion of leavers moving to employment and an eight percentage point increase in the proportion sustaining that employment for 13 weeks.

One of the benefits of accessing the HMRC data is that they enable DEL to identify those who sustained employment for longer periods. However there is a limitation - this can only be completed for those DEL clients who were identified as moving to employment on the HMRC database.

Analysis of the data shows that of those participants who sustained employment for 13 weeks according to the HMRC database, 84% remained in employment for a further 13 weeks or more (at least 26 weeks in total), and 65% remained in employment for a total of 52 weeks or more.

Figure 2: Return to benefit destinations for New Deal 18-24 by benefit type, April 2004 to September 2008

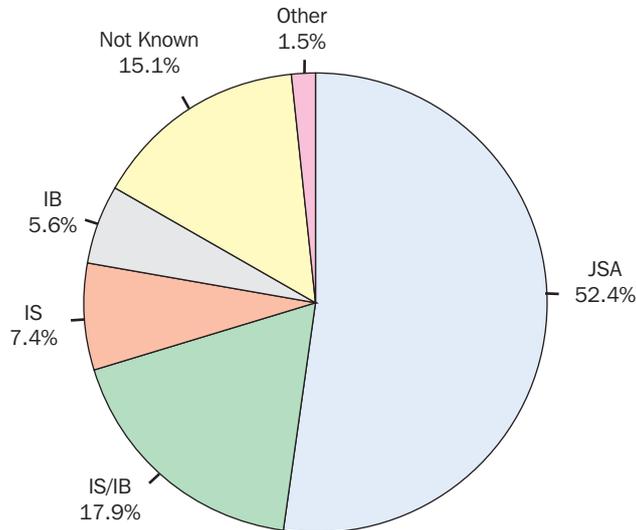
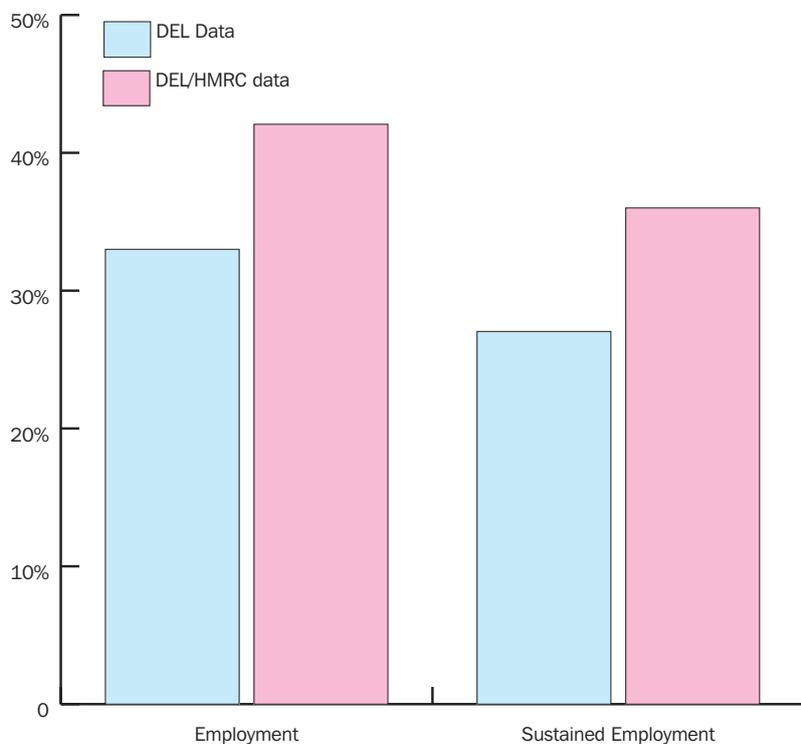


Figure 3: Percentage of participants moving into employment using DEL data only and DEL/HMRC combined data for New Deal 18-24, 2004/05 to 2007/08



³ Using unrounded data.



Findings – New Deal 25+

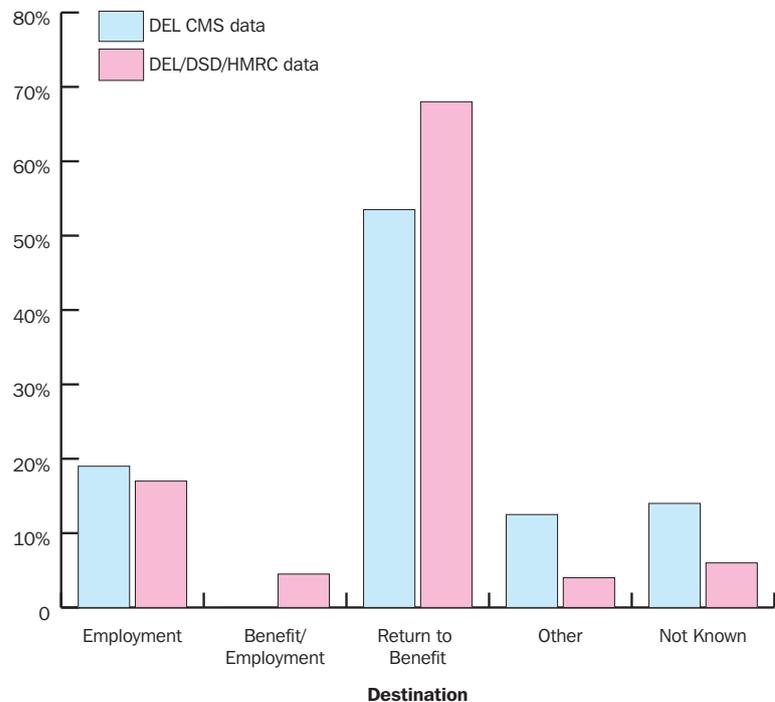
Immediate Destinations on leaving New Deal 25+

From April 2004 to September 2008, statistics based on DEL's CMS database (**Figure 4**) indicate that of the 26,164 participants who left New Deal 25+, nearly a fifth (19%) had an immediate destination of unsubsidised employment, over half (54%) returned to benefits, 13% left to other destinations and in 14% of cases the destination was unknown.

Merging New Deal, DSD and HMRC data (**Figure 4**) indicates that of the participants who left New Deal 25+, 22% had an immediate destination of unsubsidised employment and 72% returned to benefit (including 4% of leavers who had evidence of both benefit and employment spells). Four percent left to other destinations and 6% to not known destinations.

Comparing the immediate destination of participants on leaving New Deal 25+ from April 2004 to September 2008 based on DEL data with statistics from the merged DEL, DSD and HMRC databases, indicates a three percentage point increase in the proportion of participants who had an immediate destination of employment and an 18 percentage point increase in the proportion of leavers with an immediate destination of return to benefit, in both cases including those who were on benefits and in employment. There is also an eight percentage point decrease for other destinations and an eight percentage point decrease in the proportion of leavers whose destination was not known.

Figure 4: Immediate destination of participants leaving New Deal 25+ using DEL data only and DEL/DSD/HMRC combined data, April 2004 to September 2008



Access to the DSD benefits data enables the identification of the type of benefits claimed by participants on leaving New Deal 25+. **Figure 5** shows that 56% of all leavers with a return to benefit destination moved to or remained on JSA when they left the programme. Almost one third (31%) of those who returned to benefit claimed IS, IB, or both. The benefit type was not known for 12% of those who returned to benefit.

Moves to Employment on leaving New Deal 25+

From April 2004 to March 2008, statistics based on DEL's CMS indicate that 23,650 participants left New Deal 25+. Of these, more than a fifth (22%) moved to unsubsidised employment within 13 weeks of leaving the programme with 19% sustaining that employment for at least 13 weeks. On merging HMRC data with that from DEL gave an "into

employment" figure of just over a quarter (26%) with 23% sustaining that employment for at least 13 weeks. Comparing these data with CMS data for the same period (**Figure 6**) shows that there has been a four percentage point increase in both the proportion of participants moving to employment and the proportion sustaining that employment for 13 weeks (using unrounded figures).

As previously mentioned, one of the benefits of accessing the HMRC data is that it enables DEL to identify those who sustained employment for longer periods. However this can only be completed for those DEL clients who were identified as moving to employment on the HMRC database. As a result the proportion of leavers from New Deal 25+ who moved to employment for at least 26 and 52 weeks will be underestimated.

Analysis of the data shows that 10% of leavers from New Deal 25+ moved to employment sustained for at least 26 weeks. Of those sustaining employment for 13 weeks or more, 44% continued to sustain that employment for at least 26 weeks. If we only consider those participants who sustained employment for 13 weeks according to the HMRC database (2,664), then 89% of those sustaining employment for 13 weeks remained in employment for 26 weeks or more.

Analysis of the data shows that eight percent of leavers from New Deal 25+ moved to employment sustained for at least 52 weeks. Of those sustaining employment for 13 weeks or more, 35% continued to sustain that employment for at least 52 weeks. If we only consider those participants who sustained employment for 13 weeks according to the HMRC database (2,664), then 71% of those sustaining employment for 13 weeks remained in employment for 52 weeks or more.

Comparison with Great Britain

In Great Britain the information on the number of people leaving New Deal is primarily derived by matching data from the DWP Labour Market System (LMS) to DWP benefits and HMRC employment information. In Great Britain, during the period April 2004 to September 2008, 37% of New Deal for Young People leavers and 29% of New Deal 25 Plus leavers had an immediate destination of employment. In Northern Ireland during the same period, 34% of New Deal 18-24 and 22% of leavers from New Deal 25+ had

Figure 5: Return to benefit destinations for New Deal 25+ by benefit type, April 2004 to September 2008

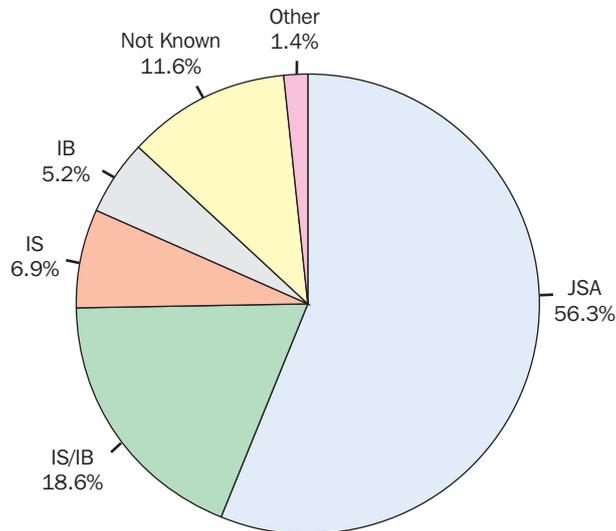
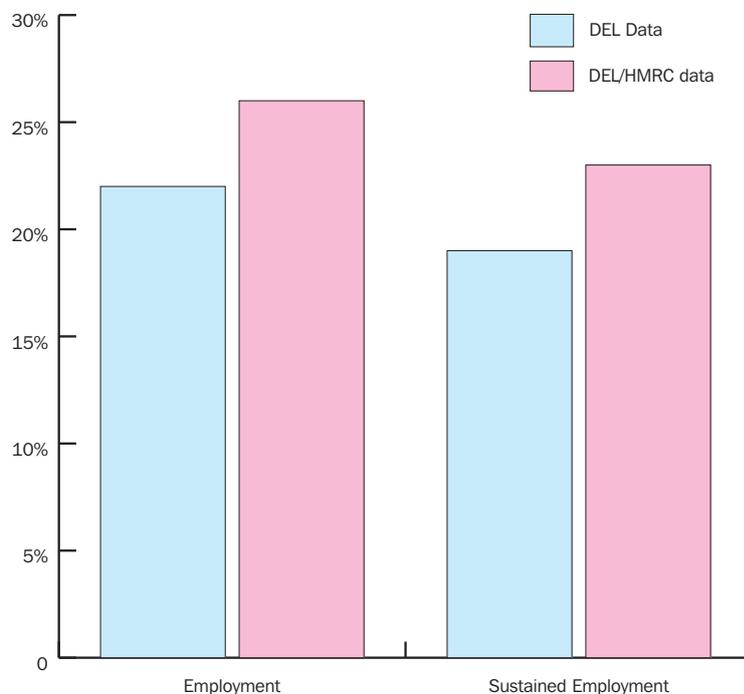


Figure 6: Percentage of participants moving into employment using DEL data only and DEL/HMRC combined data for New Deal 25+, 2004/05 to 2007/08



an immediate destination of employment (includes those in employment while claiming benefits in both Northern Ireland and Great Britain). The destination of 28% of leavers from New Deal for Young People

was not known compared to 14% for New Deal 18-24 in Northern Ireland. The corresponding figures for New Deal 25+ in Great Britain and Northern Ireland were 15% and six percent.

In Great Britain an employment outcome is achieved (i.e. a job is gained) if a participant starts employment while on New Deal and this continues after leaving the programme, or if employment starts within 14 days of leaving the programme. A job is sustained if a participant does not return to Jobseeker's Allowance within 13 weeks. In Northern Ireland a move to employment is achieved if a participant starts employment while on New Deal and this continues after leaving the programme, or if employment starts within 13 weeks of leaving the programme. A participant is considered to have sustained employment if they remain in that spell for 13 weeks or more. Definitions for Northern Ireland are outlined at the end of this article.

From April 2004 to September 2008, 50% of New Deal for Young People leavers and 39% of New Deal 25 Plus leavers were recorded as moving to employment. In Northern Ireland during the same period, 42% of New Deal 18-24 leavers and 26% of New Deal 25+ leavers were recorded as moving to employment.

Over the same time period 39% of New Deal for Young People and 30% of New Deal 25 Plus leavers who were recorded as moving to employment, sustained this employment for at least 13 weeks. In Northern Ireland 36% of New Deal 18-24 leavers and 23% of New Deal 25+ leavers who were recorded as moving to employment sustained this employment for at least 13 weeks.

It should be noted that moves to employment in Great Britain and in Northern Ireland are reported differently. In Great Britain, participants are recorded under the time period in which they found work, rather than when they left the programme. The Great Britain statistics reported are therefore jobs gained in a particular period as a proportion of leavers in the same period.

Definitions

- 1. Participant:** A participant is defined for statistical purposes as an individual on a single episode of New Deal.
- 2. Episode:** An individual can participate in New Deal more than once. Each separate occasion on New Deal is called an episode.
- 3. Immediate destination on leaving New Deal using DEL data only:** A participant's immediate destination is their first destination within 14 days of leaving New Deal.
 - a Employment:** Participants recorded by the Department as having moved or having been placed into unsubsidised employment, plus those who have been recorded as having terminated their JSA claim in order to go into a job. This will understate the total moving into employment as some participants who move into a job will not, for whatever reason record this as the reason for the termination of their JSA claim.
 - b Return to Benefit:** Includes participants who have moved from JSA to a different appropriate benefit, for example Incapacity Benefit or Income Support. Also includes those who have left New Deal but remain on or return to JSA.
 - c Other:** Includes those who transfer to other education or training programmes, those unemployed and not claiming benefits and those who have left the area.
 - d Not Known:** Includes those for whom there is no recorded destination within 14 days of leaving New Deal and those whose destination is recorded as 'Unknown'.
- 4. Immediate destination on leaving New Deal using combined DEL/DSD/HMRC data:** A participant's immediate destination is their first known destination within 14 days of leaving New Deal.
 - a Employment:** Participants recorded by the Department as having moved or having been placed into unsubsidised employment, plus those who have been recorded as having terminated their JSA claim in order to go into a job, plus those not recorded by DEL but who have an employment record in the HMRC data.
 - b Benefit / Employment:** Includes those records which after merging the DEL, DSD and HMRC data databases together had destination data indicating

they were in receipt of benefit and in employment for the same period. Where there is evidence of benefit and employment, immediate destination is recoded to employment, if the benefit spell finishes before the end of the job spell and it doesn't last at least 14 days after the New Deal episode finishes.

This recode is only applied to cases where the employment spell is based on HMRC data and the benefit spell is recorded on the DSD database. If the employment and/or benefit spell is based solely on DEL CMS data, then the destination remains as benefit/employment.

- c *Return to Benefit:* Includes participants who were recorded by DEL as having returned to benefits as well as those who are recorded on the DSD data as claiming benefit.
- d *Other:* Includes those who transfer to other education or training programmes, those unemployed and not claiming benefits and those who have left the area as recorded on DEL's CMS.
- e *Not Known:* Includes those for whom, after merging the DEL, DSD, HMRC data, there is no recorded destination within 14 days of leaving New Deal and those whose destination is recorded as 'Unknown' on DEL's CMS.

5. Moves to Employment on leaving New Deal using DEL data only

- a *Unsubsidised Employment:* A participant is considered to have moved into unsubsidised employment from New Deal if within 13 weeks of leaving New Deal:
 - They are recorded by the Department as having moved or having been placed into unsubsidised employment, or
 - They have been recorded as having terminated their benefit claim in order to go into a job,
- b *Sustained Employment:* Using DEL data only, a participant is considered to have sustained employment if they remain in unsubsidised employment for 13 weeks or more. A client is assumed to be still in work if there is no information recorded on CMS which indicates a participant is no longer in work (such as returning to benefits or starting an employment programme).

6. Moves to Employment on leaving New Deal using DEL/HMRC data

- a *Unsubsidised Employment:* A participant is considered to have moved into unsubsidised employment from New Deal if they are recorded on CMS as starting employment within 13 weeks of leaving New Deal. If a participant has a record

on the HMRC database which indicates that they started employment while on New Deal and that this employment continued after they left New Deal this is counted as a move to unsubsidised employment. In addition, if the HMRC database indicates that a participant started employment within 13 weeks of leaving New Deal then this is considered to be a move to unsubsidised employment.

- b *Sustained Employment:* A participant is considered to have sustained employment if they are recorded on CMS as sustaining unsubsidised employment for 13 weeks or more. If the employment start and end dates on the HMRC database indicate that a participant was in employment lasting 13, 26 and 52 weeks or more then this is counted as employment sustained for 13, 26 and 52 weeks respectively. This may include some time spent on subsidised employment.

For further information see link below:

www.delni.gov.uk/occasional-paper-improving-new-deal-statistics.pdf

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The use of vacancies data to construct indicators of labour market conditions

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This article examines what vacancies statistics tell us about labour market conditions in Northern Ireland during the period January 2006 to July 2011, and assesses their suitability for inclusion in a set of Department for Employment and Learning labour market indicators. In addition, the labour market conditions within key sectors of the Northern Ireland labour market are examined.

Introduction

The vacancies statistics presented in this article include those which have been notified to JobCentres / Jobs & Benefits offices (J&Bos) of the Department for Employment and Learning. The statistics do not represent the total unsatisfied demand for staff by employers within Northern Ireland, but are only those vacant positions notified by employers to the Department for Employment and Learning.

Vacancies statistics are currently included in the Department of Finance and Personnel Labour Market bulletin and are frequently quoted alongside other labour market indicators in economic reports by the Northern Bank and First Trust.

The Department for Employment and Learning also wish to include vacancies statistics amongst their labour market indicators provided that 1) they indicate similar conditions to other labour market indicators 2) they are timely in indicating changing labour market conditions. This article discusses vacancies statistics in light of these criteria.

Time series vacancies data by Standard Industrial Classification 2007 (SIC 2007) are also presented to show what vacancies data tell us about the labour market conditions in the main sectors of the Northern Ireland economy.

Methodology

Vacancy details are recorded on the Department for Employment and Learning Client Management System (CMS) which is installed in JobCentres / J&Bos throughout Northern Ireland. This is an IT system which is used to facilitate the interface with the Department's customers. The relevant data are extracted from CMS each month to form a Vacancies database maintained by the Department's Research and Evaluation Branch (REB) within Analytical Services. The data presented in this article are derived from the Vacancies database, and were extracted from CMS on 2nd September 2011.

Vacancies advertised by other means (e.g. newspapers) are not included in the figures presented in this paper. The statistics therefore do not provide comprehensive measures relating to all vacancies in Northern Ireland. The proportion of vacancies which are notified by employers varies over time, according to the occupation and industry of the vacancies and also by geographical area.

The other labour market and economic measures included in this report are the Index of Production (IOP), Index of Services (IOS), claimant count, employment, on-flows and off-flows as a proportion of claimant count. These measures were sourced in seasonally adjusted format.



The claimant count, off-flows and on-flows data are held by Jobs and Benefits Offices and seasonally adjusted versions of these datasets can be obtained via **NOMIS**. These seasonally adjusted figures are subject to revision, as they are revised to take account of the latest assessment trends. Specifically, each month that the data are published only the previous month is revised with the rest remaining fixed. Then every April, the seasonal adjustment of the claimant count is reviewed, and the previous three years of data are revised. Claimant count, on-flows and off-flows from January 2006 to July 2011 were standardised using January 2006 as the base month (see **Figure 1**).

Employment figures are taken from the April to June 2011 Labour Force Survey (LFS), a quarterly survey of a sample of addresses. The LFS collects economic status and activity data for residents aged 16 and over during a specified week each quarter. The Northern Ireland Statistics and Research Agency (NISRA) are responsible for data collection and production of the LFS. Historical data is available in the **LFS Key Data Historical Series 1992-2011**.

NISRA are responsible for the **IOS** and **IOP**. The IOS indicates quarterly movements in the output of private sector industries and is compiled using a sample

of companies, stratified by industry and size, from the Inter Departmental Business Register (IDBR). The IOS is published in January, April, July and October each year and contains quarterly figures up until 15 weeks before publication date. The IOP is based on survey data from a sample of 600 companies stratified by industry and company size. Every January, April, July and October companies are asked to provide their turnover and employee numbers for the previous quarter.

Key Findings

Recent levels of *IOP*, *IOS*, *claimant count*, *employment and notified vacancies*, are compared to levels before the recession, during the recession and one year previously (see **Table 1**). None of the economic and labour market measures have recovered to pre-recession levels. Three out of five indicators, *IOS*, *Claimant count*, and *Vacancies* have continued to show worsening conditions since the recession:

The *IOP* value in Q1 2011 was 98.1, which is 7% lower than the Q2 2008 pre-recession peak. However, compared to a low point in Q3 2009, the *IOP* is up 9% and this upwards trend continued over the year until Q1 2011 (up 6%).

Employment data follow a similar trend to the *IOP*, with the Q1 2011 level of 785,000, lower than the April 2008 pre-recession peak by 14,000, but 40,000 higher than the dip in April 2009.

IOS levels were declining before the recession, and this downwards trend has continued ever since. Levels in Q1 2011 were 12% lower than before the recession in Q2 2008.

Claimant count levels dipped in February 2008 at 23,600, then rose steeply until mid 2009, and have been rising at a shallower rate since then. The claimant count total of 60,400 in July 2011 is 156% higher than the pre-recession levels in February 2008, 25% higher than recession levels in May 2009 and 7% higher than one year previous to July 2011.

Notified Vacancies show a similar trend in labour market conditions to the claimant count data. Vacancies levels in July 2011 were 57% lower than at the pre-recession peak in December 2007. The trend since the recession has been predominantly downward, albeit much shallower; July 2011 levels were 2% lower than in May 2009 and 8% lower than one year ago when there was a brief period of recovery.

<p>Box 1</p> <p>Vacancies Notified All vacancy positions notified and added to JobCentres / Jobs & Benefits offices of the Department for Employment and Learning.</p> <p>Claimant count Seasonally adjusted figures from NOMIS for those aged 18 or over claiming Jobseeker's Allowance (JSA) and National Insurance credits.</p> <p>On-flows Seasonally adjusted levels of claimants going onto the claimant count in a given month. Sourced from NOMIS.</p>	<p>Off-flows Seasonally adjusted levels of claimants coming off the claimant count in a given month. Sourced from NOMIS.</p> <p>Employment Includes those who did some paid work in the reference week; those who had a job which they were temporarily away from (on holiday for example); those participating in government training and employment programmes; and those doing unpaid family work as measured by the Labour Force Survey (LFS).</p>	<p>Index of Services (IOS) The IOS is a seasonally adjusted annual chain linked, volume index reflecting quarterly movements in output of private service sector industries produced by the NI Statistics and Research Agency. The IOS is expressed as an index with the year 2006 serving as the base.</p> <p>Index of Production (IOP) The IOP provides a quarterly measure of changes in the output of manufacturing, electricity, gas & water and mining and quarrying industries is produced by the NI Statistics and Research Agency. The IOP is expressed as an index with the year 2006 serving as the base.</p>
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Table 1: NI Labour market indicators before, during and after the recession

Key: ✘ = Deterioration ✔ = Improvement

Indicator	Recent value ⁽¹⁾	Mid-2011 value compared to: ⁽²⁾					
		Pre-recession ⁽³⁾		Recession ⁽⁴⁾		1 year previously	
Index of Production	98.1	✘	Down 7% on Q2 2008	✔	Up 9% on Q3 2009	✔	Up 6%
Index of Services	85.8	✘	Down 12% on Q2 2008	✘	Down 5% on Q3 2009	✘	Down 5%
Claimant count	60,400	✘	2.5 times greater than Feb-2008	✘	12,000 more than May 2009	✘	3,800 more
Employment	785,000	✘	14,000 fewer than Apr-2008	✔	40,000 more than Apr-2009	✔	13,000 increase
Vacancies	4,103	✘	Down 57% on Dec-2007	✘	Down 2% on May-2009	✘	Down 8%

Source: See Box 1

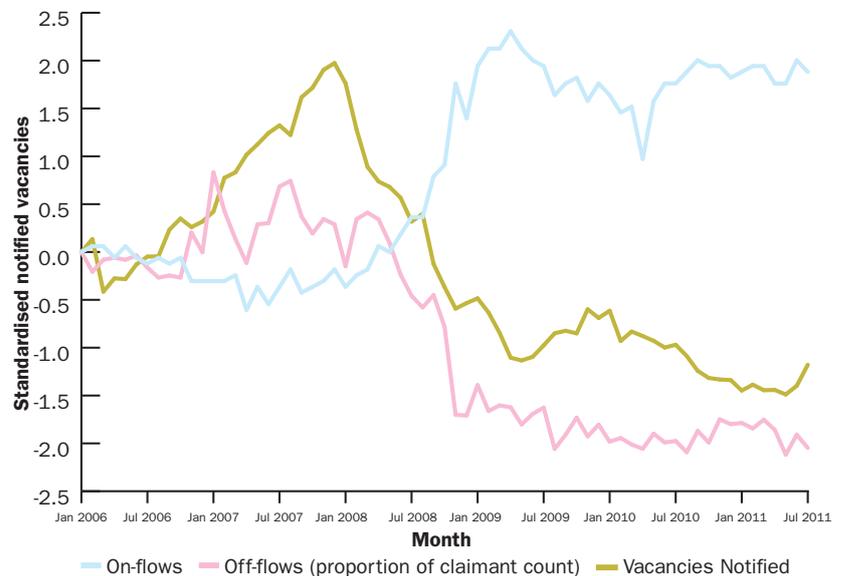
Notes:

- (1) Most recent value was the most up to date value available at the time this article was produced.
- (2) Comparisons on the recent values for each measure are made relative to pre-recession level, recession level and one year previous to the reported recent level.
- (3) Pre-recession comparison months/quarters were selected as the time at which each measure was at its optimal level during the Q4 2007 to Q2 2008 period. No clear peak/dip was observed for IOS. Q2 2008 was chosen as the pre-recession comparison quarter, as this is when a peak was observed for IOP, and is the most similar measure to the IOS.
- (4) Recession comparison months/quarters were selected as the time at which each measure was at its worst level during the Q2-Q3 2009 period. No clear dip was observed for claimant count or IOS. Q3 2009 was chosen as the pre-recession comparison quarter for IOS, as this is when a peak was observed for IOP, and this measure is the most similar to IOS. May 2009 was chosen as the comparison month for the claimant count data, as this was the month in which vacancies dipped and claimant count data are closely related to vacancies.



Notified vacancies, on-flows and off-flows as a proportion of claimant count show a close relationship throughout the period from January 2006 to July 2011 (**Figure 1**). Until the start of 2008, notified vacancies were increasing sharply, off-flows had moderate growth, and on-flows as a proportion of claimant count were falling. From early 2008 onwards these trends are reversed with vacancies and off-flows as a proportion of claimant count falling sharply and on-flows showing notable gains. Although the labour market measures indicate that the period from second quarter of 2009 to July 2011 was relatively more stable; the measures still indicate a slight worsening of conditions.

Figure 1: Standardised notified vacancies, on-flows, off-flows: January 2006 to July 2011 ^{(1) (2) (3)}



Source: See Box 1

Box 2

UK Standard Industrial Classification of Economic Activities 2007 (SIC 2007)

Employers are assigned the SIC 2007 code which best reflects their dominant activity by staff at JCs / J&Bos of DEL. All vacancies are assigned the SIC 2007 code of the employer that notified them. The SIC 2007 sectors by which vacancies are presented in this report are defined as follows:

Manufacturing

Transformation of materials, substances or components into new products via chemical or physical means (e.g. milk

pasteurising; processing and preserving of fish; manufacture of bread).

Construction

General and specialised construction activities for buildings and engineering works (e.g. demolition and site preparation).

Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles

Sale, without transformation, of any type of goods; the supply of services that are incidental to the sale of merchandise; and the repair of motor vehicles and motorcycles.

Accommodation and Food Service Activities

Covers the provision of short stay accommodation, and complete meals and drinks which are fit for immediate consumption.

Administrative and Support Service Activities

Activities that support general business operations (e.g. renting and leasing; employment agency activities).

Public Sector

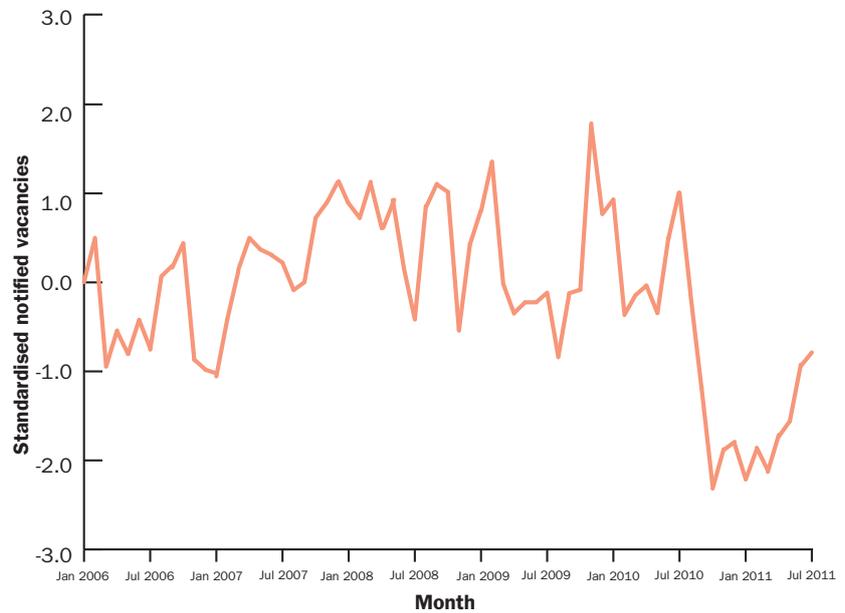
Includes three SIC 2007 sections: Public Administration and Defence; Compulsory Social Security, Education; Human Health and Social Work Activities.



Public Sector vacancies

Vacancies notified to public sector dominated SIC 2007 sections represented 12% of all vacancies notified to JobCentres / J&Bos of DEL between January 2006 and July 2011 (**Figure 2** and **Box 2**). The trend for public sector vacancies shows no clear evidence of weakening labour market conditions until July 2010 when they started to fall sharply. This declining trend persisted for just under a year, until some degree of recovery to pre-recession levels was evident in June to July 2011.

Figure 2: Vacancies notified in the public sector: January 2006 to July 2011 ⁽¹⁾

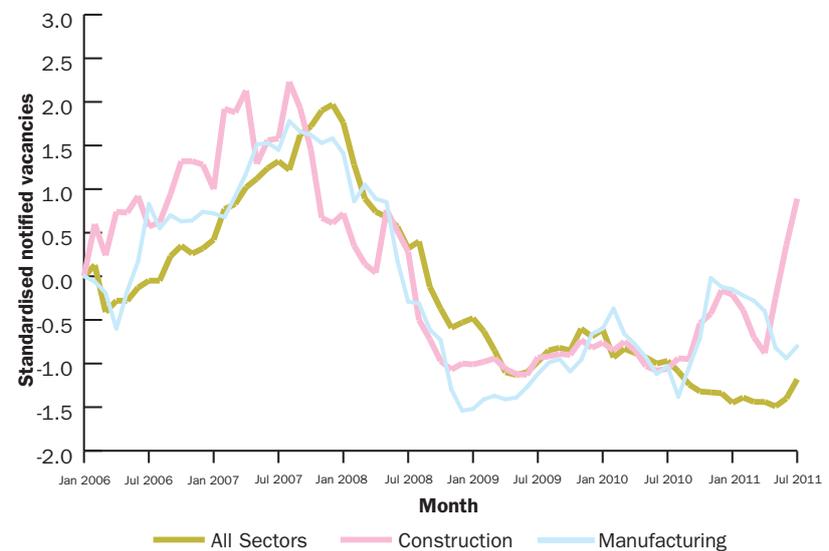


Source: See Box 1

Manufacturing and Construction

From January 2006 to July 2011, five percent of all vacancies notified to JobCentres / J&Bos of DEL were to *Manufacturing or Construction* (**Figure 3**). The vacancies data indicate that the labour market conditions in these sectors were broadly similar to those of all sectors before and during the recession. Over the year until July 2011, manufacturing, and in particular, construction vacancy levels have shown some recovery.

Figure 3: Standardised notified vacancies in manufacturing and construction: January 2006 to July 2011 ^{(1) (2)}



Source: See Box 1

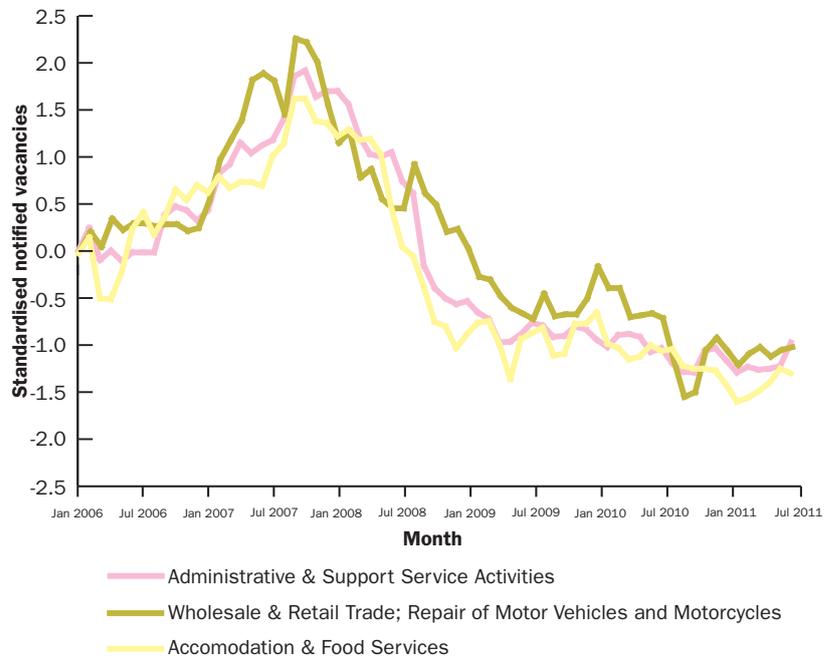


Vacancies notified to three key sectors

Over the period from January 2006 to July 2011, of all vacancies notified to JobCentres / J&Bos of DEL, 11% were to *Accommodation & Food Services*, 23% to *Wholesale & Retail Trade* and 30% to *Administrative & Support Service Activities* (Figure 4).

During the year from December 2007, vacancies notified fell in *Accommodation & Food Services* (down 51%) and *Administrative & Support Service Activities* (down 63%), while the decline was more modest for *Wholesale & Retail Trade* (down 33%). From January 2009 to July 2011, *Wholesale and Retail Trade* vacancies declined steeply, and July 2011 levels indicate similar levels of decline on pre-recession levels (down 66%) compared to those of *Accommodation & Food Services* (down 53%) and *Administrative & Support Service Activities* (down 73%).

Figure 4: Standardised notified in three key sectors: January 2006 to July 2011 ^{(1) (2) (3)}



Source: See Box 1

Note: excludes "Other Services"

Summary

The recession has provided a natural experiment in which to assess vacancies as labour market indicators. Vacancies data show a close relationship to other labour market indicators before during and after the recession. Furthermore, they are amongst the earliest indicators of labour

market conditions. A consistent trend in labour market conditions is evident before and after the recession in the key sectors of the Northern Ireland labour market, with the exception of the public sector for which notified vacancy levels started to decline later.

Steps to Work: results from the leavers' survey

Jenny Irwin and Joanna Clearkin, RSM McClure Watters

Steps to Work is the main programme to help unemployed people back into work in Northern Ireland. It has been operating since 2008 and as part of the review process and to consider the future direction of the programme it was decided to carry out a survey of leavers in 2011. The survey work and analysis was carried out by RSM McClure Watters.

Background

This survey was conducted in order to provide research into the *destinations, attitudes and experiences* of a sample of customers who have participated in the Steps to Work (StW) programme since September 2008. The aim of the survey was to:

- provide information on the labour market status of participants at the time of the survey (i.e. employed; on benefits, in education, not available for or seeking work due to e.g. caring responsibilities etc);
- detail their post-StW history, particularly moves to employment and the duration (sustainability) of that employment;
- detail their experiences of, and attitudes to, StW as a whole, to the various strands of StW and to Employment Service Advisers, taking account of the various characteristics of participants;
- examine the extent to which StW has met the expectation of participants and to ascertain satisfaction levels; and
- provide information on participants' perception of the quality and appropriateness of the provision undertaken by them.

Methodology

A comprehensive questionnaire was developed covering current activity, previous and recent work activity and experiences of and attitudes to StW.

A sampling framework of 10,000 StW leavers from September 2008 to September 2010 was extracted from an anonymised database of 22,850 StW leavers held by DEL. DEL set a target of 1,000 completed interviews stratified across Contract Management Area (CMA) and last StW activity. In order to provide details across activity strands, the sample was disproportionately stratified.

Fieldwork was conducted over the period March 2011 - May 2011 and 1,037 interviews were successfully completed. Survey data were subsequently weighted to account for the relative sample sizes of survey participants on the various StW activity strands. A full description of the methodology and the results from the survey is contained in the final report¹.

Results

Education and Qualifications

The majority (57%) of StW leavers had a school or college qualification while 43% had none. The most common qualification was GCSEs with 42% achieving this level. More than one third of leavers in each CMA had no school or college qualifications – the proportions ranged from 37% in the South & East Belfast CMA to 48% in the North Down CMA. Most (54%)



1. Published on the DEL website at www.delni.gov.uk/es/steps-to-work-leavers-survey



had at least one vocational qualification - the most common was the NVQ/SVQ with one quarter (25%) having this.

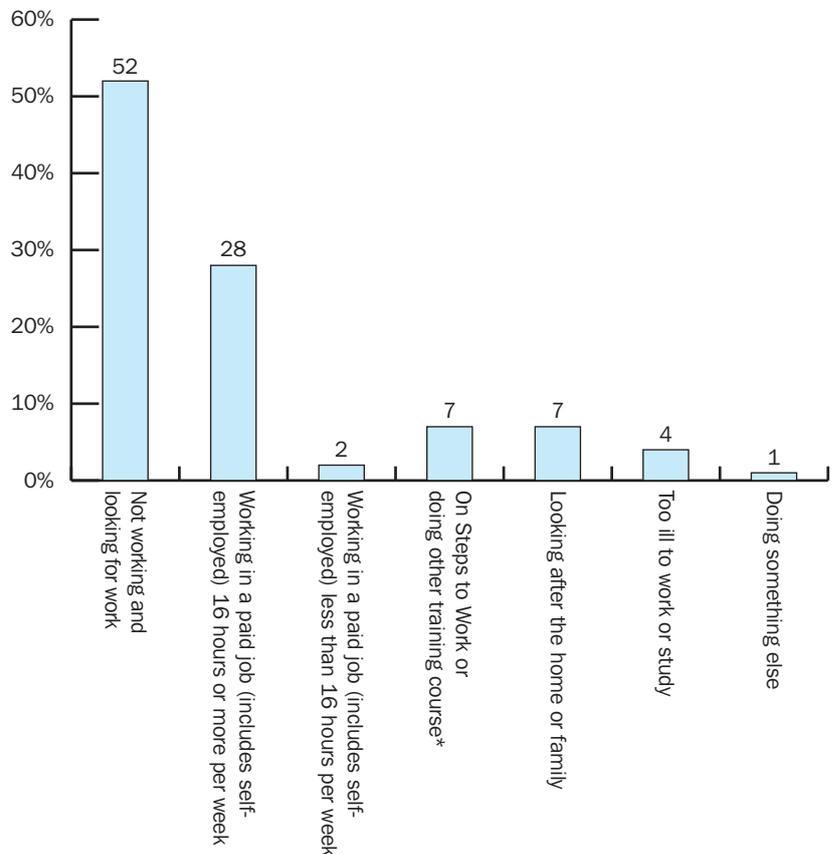
A total of 29% of respondents stated that they had no qualifications at all – either school or college qualification or vocational qualification.

Current Activity

Figure 1 shows the employment status of StW leavers at the time of the survey. Just over half (52%) were currently not working and looking for work. The majority (81%) of these people had been unemployed for more than one year with 20% for five years or more. Only 19% had been unemployed for less than one year. Just over three quarters (77%) were currently receiving JSA, 6% Incapacity Benefit and 4% Income Support. A total of 9% were not in receipt of any benefits.

In total, more than a quarter (28%) were in employment at the time of the survey (this was counted as those working 16 hours or more per week. Respondents who work less than 16 hours per week were not included in employment figures. These accounted for a further 2% of respondents). Over half (53%) of these people had been employed for over 12 months. The majority (84%) were in a permanent position and 16% in a temporary position. The most common sectors of employment were community, social and personal service activities (24%), wholesale and retail, (15%), construction (13%) and manufacturing (11%). The majority (85%) were employees

Figure 1: Current employment status



* Includes respondents currently on a Step Ahead job

of an organisation while the remaining 15% were self-employed.

Those who had volunteered to go on StW were more likely to currently be in employment than the mandatory participants (35% and 24% respectively). The Step 2 Self Employment strand had the highest proportion of leaving participants currently in employment at 63%. This was closely followed by Step 2 Employer Subsidy with 61% in employment at the time of the survey. The strands whose leavers had the lowest current level of employment were Step 2 Essential Skills and Step 2 Back To Work with 13% and 14% respectively.

In terms of location, the North West CMA had the highest proportion of leavers in employment at the time of the survey with 48% in full-time employment. North Belfast CMA had the lowest proportion with 13%, closely followed by South & East Belfast with 18% in employment.

Job Search

Survey respondents who indicated that they were not currently working (all respondents except those in a paid job for either 16 hours or more per week or less than 16 hours per week i.e. 71% of all respondents) were asked if they were looking for work at present - the majority



(78%) indicated that they were while the remaining 22% stated that they were not.

For those who were not currently looking for work, a small proportion (3%) indicated that they were not currently looking for work as they were waiting to take up a job they had already obtained. The remaining 97% were asked if they would like to have a regular job at the moment, even though they were not looking – 41% indicated that they would like a job while 59% would not. The most common reasons for not wanting a job were because the respondent was looking after children/their home (26%) or on long-term sickness/incapacity (22%).

For those who were not currently looking for work, but would like a job, the most common reasons for not currently looking for work were because of long-term sickness/incapacity (25%) followed by looking after children/their home (15%) and because their partner's benefits would be reduced/lost (14%).

Work History

Over a third (36%) of leavers has spent most of their life in steady jobs since the time they had left school or college. A further 16% have spent most of their time working in casual or short term work, with a further 2% self-employed. Just over one fifth (21%) have been in and out of work several times over and 20% have spent more time unemployed more than employed in their working life. Since leaving school or college, 44% had held between three and five jobs. Over one quarter (26%) have had six or more jobs while 8% have never had a job since leaving school or college.

Respondents who had been on Step 2 Qualifications, Step 2 Essential Skills and Step 2 NVQs were the most likely to report that they had spent more time out of work than in work – 27% respectively. Those who took part in Step 2 Self Employment were the most likely to report having spent most of their life in steady jobs (69%) followed by Step 2 Employer Subsidy with 51%.

Leavers were pessimistic when asked about their perception of the current labour market. The majority (91%) thought their chances of getting a job at the present time were bad (66% very bad and 25% fairly bad). Just 5% thought the chances were good (either fairly good or very good).

Destinations of StW Leavers

Table 2 shows the employment status of leavers at one, six and twelve months after leaving StW. In the month immediately after leaving StW, over half (58%) were unemployed and looking for work and 20% were in employment. Six months after leaving StW, the proportion in employment increased slightly to 21% and the proportion unemployed and looking for work decreased to 53%. Finally, one year after leaving StW, the proportion that were unemployed had fallen again to 51% and the proportion in employment increased to 24%.

Table 2: Employment Status at one month, six months and twelve months after leaving StW

	1 month	6 months	12 months
Unemployed and looking for work	58%	53%	51%
Working in a full time paid job	20%	21%	24%
Working in a part time paid job	6%	7%	6%
Too ill to work or study	6%	6%	4%
Looking after the home or family	3%	5%	5%
Doing training or a course	1%	3%	3%
Doing casual work	0%	1%	0%
On StW	2%	2%	3%
Something else	3%	2%	3%

Note: Not all respondents had left StW long enough to answer what they were doing after 1, 6 and 12 months.

1 unweighted n=1,030; 2 unweighted n= 1,029; 3 unweighted n= 963

Experiences of StW

When first joining StW, participants are invited to attend an interview at the JobCentre or Jobs & Benefits Office (J&BO) where an adviser explains what StW is and how it will affect them. The majority (83%) of leavers stated that they were invited to an interview and of these people, 98% attended. Of those who attended, 60% completed an Action Plan with their Adviser. This was rated very highly among leavers - over two thirds (68%) found their Action Plan useful.

Participants can undertake a range of work experience and/or training while on StW. Leavers appeared to be content with the duration of their programme - the majority (65%) felt the length was just right, 12% felt it was too short and 9% felt it was too long. Those who took part in the 52 week programme were more likely to consider it to be too long (17%).

16% of leavers gained a qualification while on StW. The majority had been on strands that provide a qualification - 41% of those who completed Step 2 NVQs gained a full NVQ Level 2 and 4% gained a part NVQ. Relatively high proportions of those who completed Step 2 Qualifications also gained a qualification - 64% gained a full NVQ and 7% a part NVQ. The majority (86%) of those who gained a qualification felt that this would be useful in helping them get a job.

In total, 27% of leavers got a job after they left StW. Of these people, 44% believe that taking part in StW increased their chances of getting this job while 49% believe it made no difference.

Support offered during StW

Most leavers received a range of help and support from their Adviser and other JobCentre/J&BO staff while on StW. Most commonly, they received advice on what work they could do (79%), their skills and experience (75%) and different ways to look for work (74%). Many were also referred to other sources of information or support where required e.g. 22% were referred to independent advice about education and/or training courses and 18% to mentoring schemes.

The vast majority (80%) of leavers did not at any time feel pressure from their Adviser and/or other JobCentre/J&BO staff to apply for a job or take part in a programme which they felt was unsuitable.

Leavers reported a number of barriers to finding work when they first started StW - 30% of respondents felt that a lack of qualifications/training was their most significant barrier, 15% felt a lack of work experience and 11% felt they lacked confidence. When asked if StW had helped them to overcome their personal barriers, 41% felt that it did and 59% that it didn't.

Satisfaction with StW

Levels of satisfaction among StW leavers was high. The majority (65%) were either very satisfied or fairly satisfied with the advice and opportunities offered to them by their Adviser and 64% were either very satisfied or fairly satisfied with their overall experiences of StW.

Levels of satisfaction varied slightly according to what strand leavers completed. Those who took part on Step 2 Employer Subsidy reported the highest levels of satisfaction with 77% being satisfied, followed by Step 2 Essential Skills with 76%. Those who only took part in Step 1 had the lowest levels of satisfaction with 59% being satisfied.

There was little difference in satisfaction levels by leavers' current employment status - 67% of those who are working 16 hours or more per week reported being either very satisfied or fairly satisfied with their experience of StW, as did 65% of those who were not working and currently looking for work.

Attitudes towards employment opportunities

Leavers reported a number of positive attitudes towards employment. Just over three quarters (76%) agreed (19% strongly agreed and 57% agreed) that having almost any job is better than being unemployed and 74% disagreed (24% strongly disagreed and 50% disagreed) that being on benefits gives them more security than trying to earn a wage.

Leavers also reported a number of positive attitudes towards themselves as an employee - 77% agreed (19% strongly agreed and 58% agreed) that they have many work related skills that would make them a good employee and 68% (15% strongly agreed and 53% agreed) agreed that they have lots of experience relevant to work. Leavers were less optimistic about current employment opportunities with just 8% agreeing (1% strongly agreed and 7% agreed) that there are plenty of jobs in their area if people are willing to look for them.

Half of all leavers agreed (7% strongly agreed and 43% agreed) that being on StW increased their confidence, 47% agreed (6% strongly agreed and 41% agreed) that they had learned new skills and 44% agreed (5% strongly agreed and 39% agreed) that it helped them develop skills they already had.

On attitudes to StW in general, 53% of leavers agreed (5% strongly agreed and 48% agreed) that being on StW increases people's chances of finding a good job. However, just over half (54% - 15% strongly agreed and 39% agreed) felt that StW is just a way of reducing unemployment totals, 29% agreed (9% strongly agreed and 20% agreed) that the things they are made to do on StW don't really help them get a job and 32% agreed (8% strongly agreed and 24% agreed) that on StW, people are pushed into activities they don't want to do.

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An evaluation of the Steps to Work programme

Maria McDonnell, Aaron Dobson and Lynsey Redpath, KPMG

Steps to Work (StW) was introduced in Northern Ireland in September 2008. The aim of StW is to assist people who are unemployed or economically inactive to find and sustain employment. This article summarises the findings of an independent evaluation of StW carried out by KPMG. The evaluation considers outcomes of the programme against targets; the outputs of survey work and consultations with Employment Service Advisers; participants; lead contractors; and employers about issues such as the quality of support the programme offered; assessments of the usefulness of the programme; and the degree to which StW had impacted on participants' relationship with the labour market.

Background

KPMG was commissioned in May 2011 to undertake an evaluation of the StW programme. The specific aims of the evaluation¹ were to:

- better inform the Department on the effectiveness, efficiency and equity of the programme;
- examine how it improves the employability of participants and how it has helped them progress into the labour market; and
- make recommendations, if appropriate, to improve the future performance of the programme.

Overview of the Steps to Work programme

The StW programme was introduced in September 2008, succeeding the main New Deal programmes across most of Northern Ireland. The aim of StW is to assist people who are unemployed or economically inactive to find and sustain employment.

Participation in StW is mandatory for all those on Jobseeker's Allowance (JSA) aged between 18 and 24 who have been claiming JSA for six months or longer and those aged 25 and over claiming JSA for 18 months or more. Steps to Work also offers access to provision for voluntary participants aged 18 or over (16 or over for lone parents) for those on Incapacity Benefit, Employment and Support Allowance, Income Support,

other benefits, and those not in receipt of benefits.

Individuals on JSA who have not yet reached the threshold for mandatory participation may also avail of StW provision on a voluntary basis. Access to StW provision is available to those on the Department for Employment and Learning's **Pathways to Work** programme and **LEMIS** (Local Employment Intermediary Service).

Participants on StW receive advice and guidance from the Department's Employment Service Advisers (ESAs) located in Jobs & Benefit offices / JobCentres (J&BOs/JCs) across Northern Ireland. Provision for participants within the programme is delivered by Lead Contractors who are contracted to deliver the programme on an area basis while ESAs throughout the network of 35 J&BOs/JCs provide advice and guidance to participants during their time on the programme. Lead Contractor funding is based on an Output Related Funding (ORF) model which reinforces the aims of the programme and ensures Lead Contractors are paid, at least in part, on results rather than solely on activities.

The programme is designed to offer a flexible menu-based approach with a focus on assisting customers into sustained employment. This approach allows provision to be tailored to suit the needs of the individual and focuses on maximising their employability. This means that a key component to the success of StW is the ability of ESAs to assess and identify the



¹ A full report on the evaluation of StW can be found at www.delni.gov.uk/index/publications/r_and_s_stats/Steps-to-work-evaluation.htm



customer's barriers to employment, and for ESAs to use their knowledge, skills and discretion in agreeing with the participant the best way of addressing these barriers.

The StW programme has three steps:

Step One

Step One consists of a period of up to 16 weeks where participants receive ongoing one-to-one support and guidance from an Employment Service Adviser with the primary aim of helping them to find work at the earliest opportunity. Participants may also avail of a range of provision such as Short Accredited Training Courses, Core Gateway courses or selected modules of Core Gateway.

Step Two

Step Two is aimed at assisting those customers who require additional assistance to move them closer to the labour market. It is designed to allow Advisers to 'mix and match' the elements of provision, adjusting duration where appropriate, to best meet the job aspirations of the customer and also the requirements of the local labour market. Participation on Step Two provision normally lasts between 8 weeks and 26 weeks.

Step Three

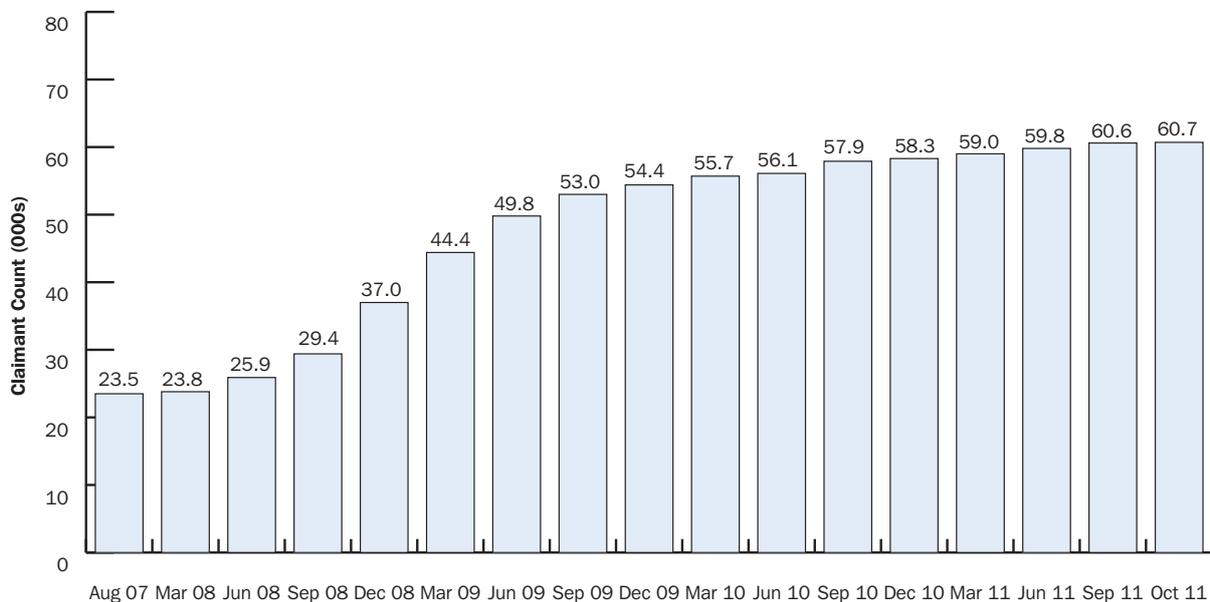
The aim of Step Three is to provide follow up support and advice to customers who have not found work following participation in Step Two provision and lasts for a period of up to 6 weeks.

Full details on StW can be found on the DEL website².

Labour Market Conditions

Steps to Work was launched at a point when the United Kingdom economy went into recession. Since 2008, unemployment in Northern Ireland rose substantially from around 4% to over 7% at the time the evaluation reported; and there was a 150% increase in the claimant count as shown in **Figure 1**.

Figure 1: Northern Ireland Claimant Count (Seasonally Adjusted)



Source: NOMIS

Unemployment among young people (aged 18-24) has also risen considerably, and the proportion of long term unemployed (LTU) rose to almost 50% of all unemployed. This means that StW has operated and continues to operate in a very

challenging economic climate, where the numbers of people becoming unemployed have increased and at the same time the number of vacancies notified to the Employment Service has fallen, thereby reducing employment

opportunities for StW participants. Therefore, it is essential that StW provides an effective employment intervention notwithstanding the challenges of meeting its key target outcomes in the current economic climate.

² See www.delni.gov.uk/index/finding-employment-finding-staff/fe-fs-help-to-find-employment/stepstowork.htm

Steps to Work Performance

KPMG carried out an overview of the performance of StW based on performance targets and key financial indicators set at the outset of the programme³. A summary of performance targets and financial indicators is provided in **Table 1**.

The StW programme met its 13 weeks sustained employment target, achieved and surpassed its 26 weeks sustained employment target, performed substantially better than Flexible New Deal in Great Britain, and has achieved greater value for money. These are all very positive achievements especially given the current economic climate with ever rising unemployment and a decline in notified vacancies.

Table 1: Summary of Performance Targets and Financial Indicators

Performance Target*	Performance Outcome	Commentary
25% to sustain employment for minimum of 13 weeks	25%	Target achieved
85% of these to sustain employment for minimum of 26 weeks	86%	Target achieved
Financial and Effectiveness**	Performance Outcome	Commentary
Cost per employment outcome	£4,608	Greater value for money than New Deal 25+ in Northern Ireland. Cost per outcome is higher than for Great Britain's former New Deal 25+ but significantly less than the more recent Flexible New Deal costs in Great Britain.
Unit cost of programme delivery	£768	Substantially greater value for money than New Deal 25+ provision in Northern Ireland and Great Britain.

Source: *Occasional Paper - Improving StW Statistics, 2011⁴/ **DEL StW KPIs

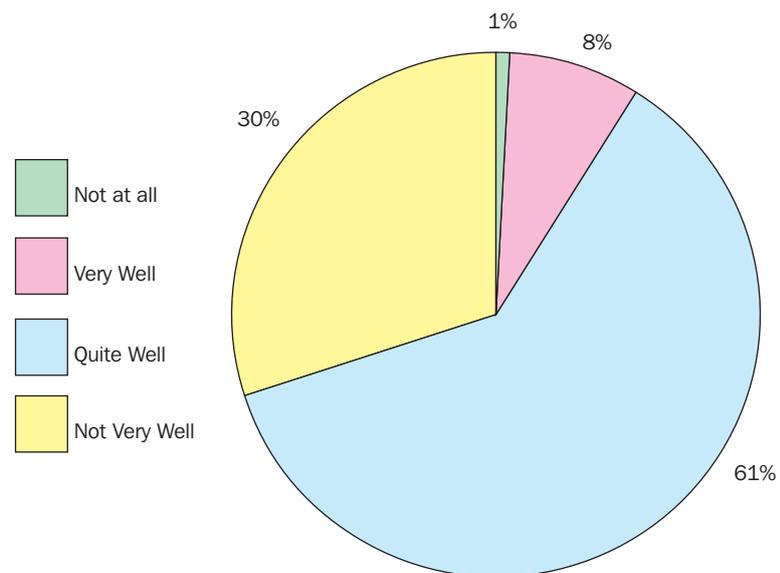
Consultation

KPMG undertook a comprehensive consultation exercise to better assess the impact of the StW programme. The following sections summarise the salient findings from this consultation. All charts and tables are sourced from KPMG surveys.

Consultation with DEL Employment Service Advisers

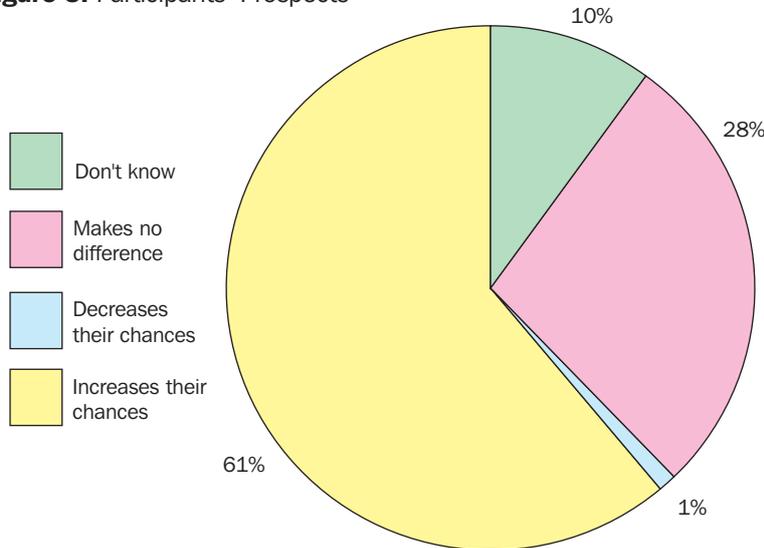
KPMG carried out consultation with frontline DEL ESAs via an online survey and a series of focus groups. It is positive to note that over two-thirds (69%) of respondents felt that the StW training prepared them quite well or very well for their role, as shown in **Figure 2**.

Figure 2: Effectiveness of Training



³ See www.delni.gov.uk/index/finding-employment-finding-staff/fe-fs-help-to-find-employment/stepstowork/stw-key-performance-indicators.htm
⁴ See www.delni.gov.uk/occasional-paper-improving-steps-to-work-statistics.pdf

Figure 3: Participants' Prospects

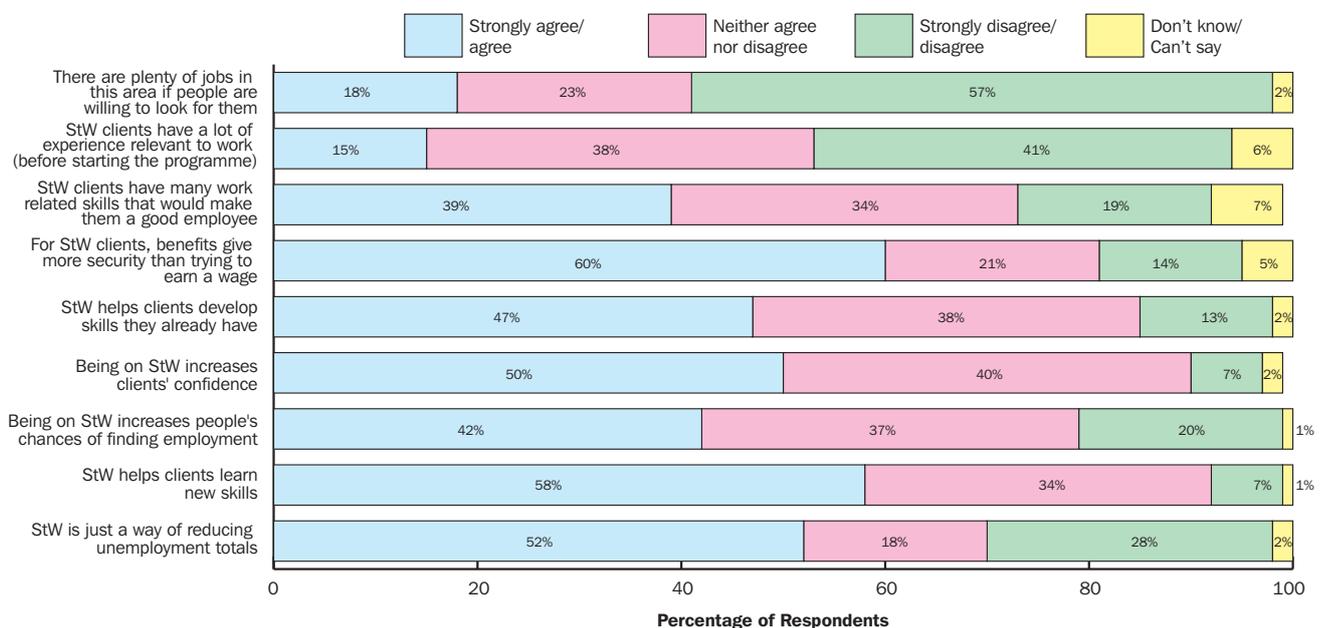


The majority of respondents were also positive about the impact of the StW programme, with 61% believing the programme increased participants' chances of getting a paid job (**Figure 3**).

However, Advisers were less positive about the impact of the StW programme in meeting the needs of the economically inactive, with over half (52%) believing StW did not perform well for those furthest from the labour market.

Advisers were asked for their views on a range of positive and negative statements about the StW programme. Salient findings are demonstrated in **Figure 4**.

Figure 4: Adviser Views of StW and Employment



Overall, respondents were positive about the strengths and practicalities of the StW programme, but less optimistic about its effectiveness at tackling the benefits culture of certain participants who are unwilling to engage in the programme.

Consultation with DEL Stakeholders

Key stakeholder groups were consulted including JC/J&BO Managers and District Managers; DEL's Financial Audit and Support Team (FAST); and the Learning and Skills Development Agency. Salient findings from this consultation were:

- All stakeholders considered that the StW programme was an improvement on previous employment interventions and that a focus on results (outcomes) and ORF was a positive development;
- Stakeholders considered that the programme was not meeting the needs of those

most excluded from the labour market and this was due to a number of factors including the economic climate and the substantial rise in the JSA register;

- There was greater monitoring and more effective management of the programme;
- DEL's Programme Management and Development Branch (PMDB) (who maintain and develop the programme) had a more positive view of partnership working with Lead Contractors compared with operational managers;
- Stakeholders recognised that some strands were more effective than others while some strands were underutilised;
- Stakeholder comments suggested that some frontline staff may not be delivering the programme in the flexible and relationship oriented manner

that it was designed to be, while such an approach would become increasingly important.

Consultation with Lead Contractors

Key findings from consultation with StW Lead Contractors included:

- Lead Contractors indicated that they believed there was a strong partnership approach evident between them and DEL and that this was key to enable optimal delivery of the programme;
- A number of strengths were identified including the programme's focus on securing sustainable employment outcomes and the flexibility of the programme;
- Barriers included the volume of participants and the current economic climate as well as overcoming negative client attitudes;

- The Step Ahead element was viewed to be very beneficial in securing temporary waged employment for the hardest to help participants;
- Lead Contractors were positive about the breadth of Short Accredited Training Courses (SATCs) available as well as confidence and motivation elements.

Consultation with Participants

Consultation was undertaken with 520 StW participants via structured face-to-face interviews, covering participants' activities, experiences of each Step of the programme, and attitudes to the programme.

Respondents were asked about the types of practical help they had received from their Adviser(s) on Step 1 of the programme and **Figure 5** demonstrates that the majority of respondents indicated they had received practical help in a number of different areas.

Figure 5: Types of Practical Help

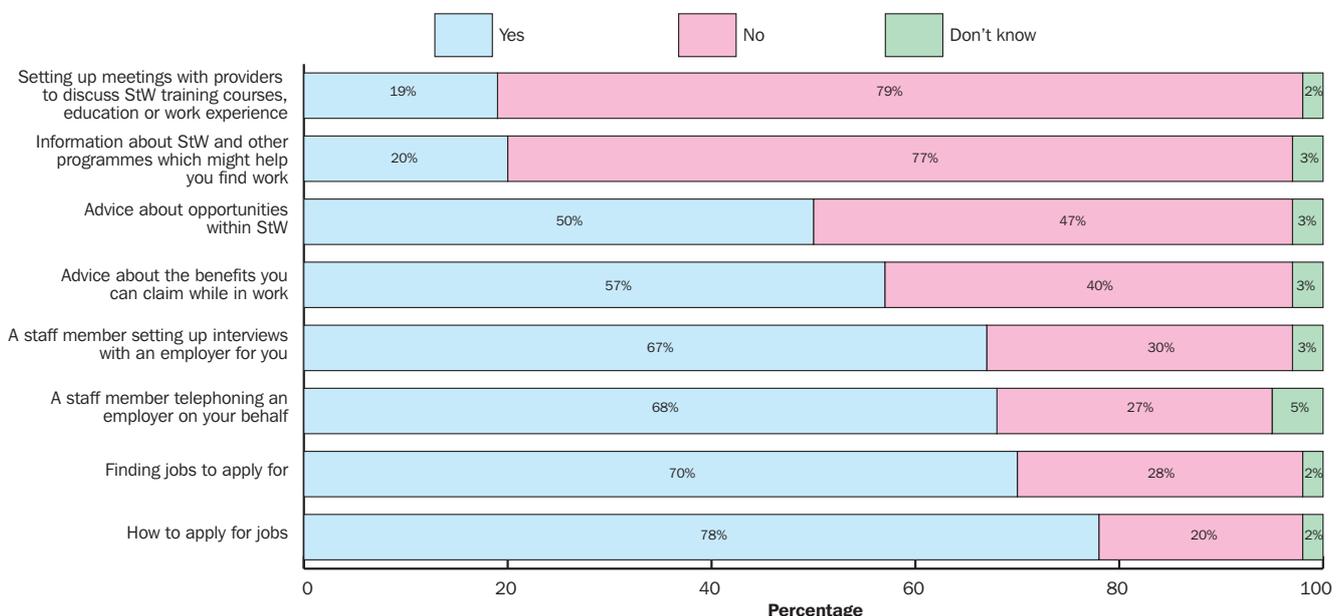




Figure 6: Step 1 Provision

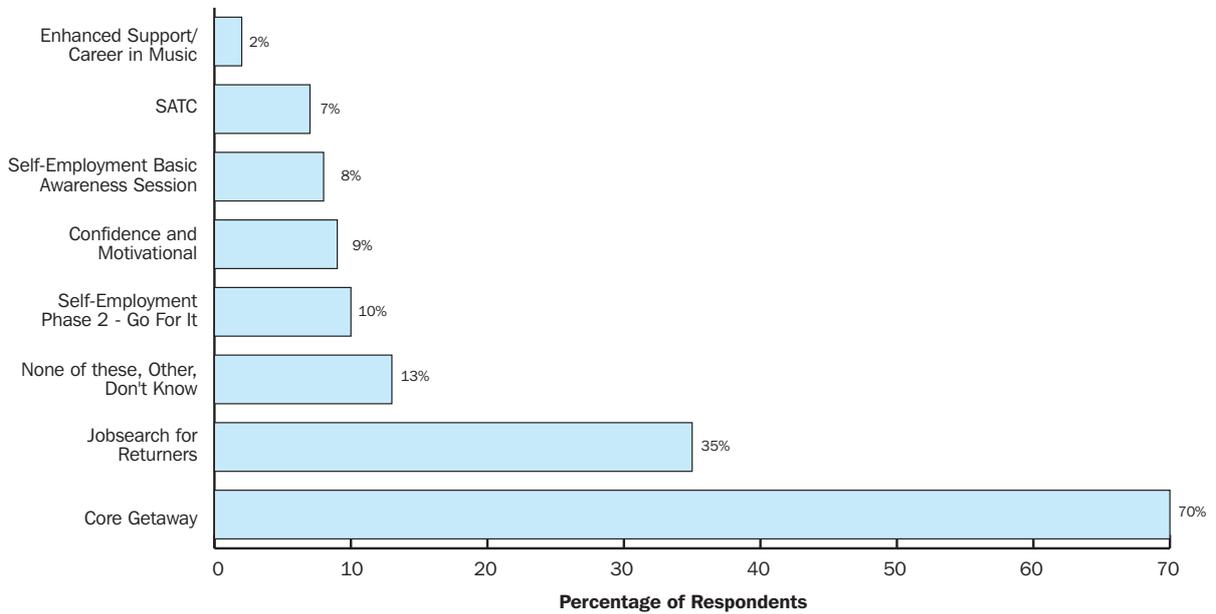
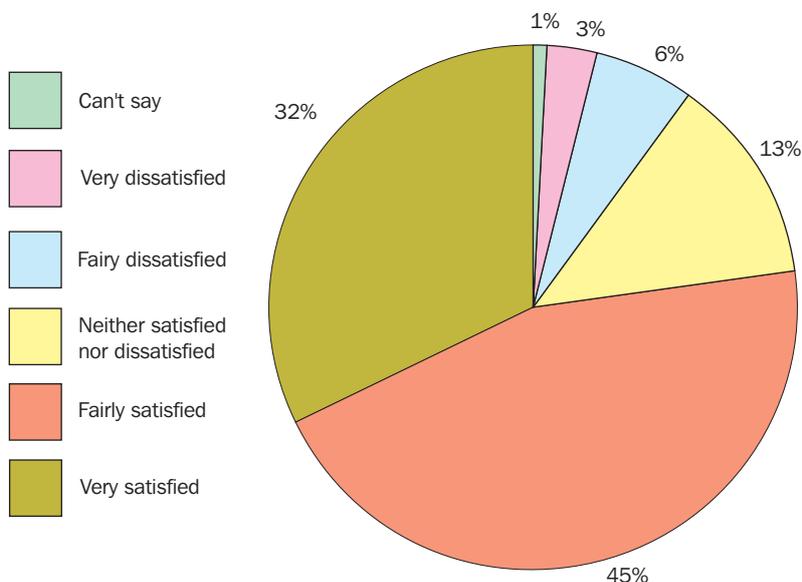


Figure 6 highlights that the highest percentage of respondents had participated in Core Gateway on Step 1, which was not surprising as it is a key component of the programme.

It is positive to note that respondents' overall satisfaction with the advice and opportunities offered to them by their Adviser(s) on Step 1 of the programme was high, with 80% indicating they

were either "very satisfied" or "fairly satisfied". This is demonstrated in **Figure 7**.

Figure 7: Overall satisfaction with Step 1



All respondents who had participated in Step 2 of the programme were asked a further series of questions about their experiences. Over three-quarters (78%) of these respondents considered the quality of support on Step 2 to be very high/high, as demonstrated in **Figure 8**.

However, **Table 2** highlights that there was variation in the views of participants across the different strands of Step 2.

Figure 8: Quality of Support on Step 2

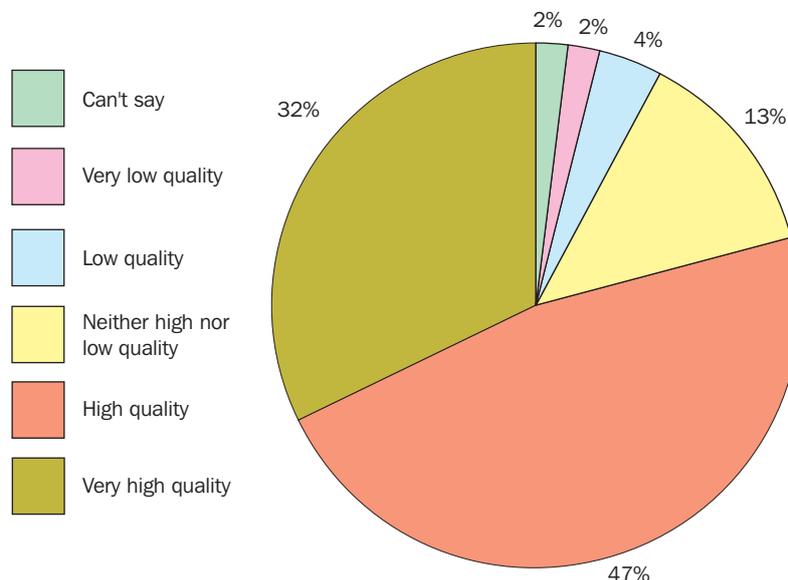


Table 2: Quality of Step 2 Strands

Step 2 Strand	Very high / high quality	Neither high nor low quality	Low/very low quality	Can't say
Self-employment (test trading)	91%	9%	0%	0%
Doing a qualification- VRQ/ NVQ and work experience	86%	5%	8%	0%
Step Ahead	85%	8%	0%	8%
Essential skills and work experience	76%	24%	0%	0%
Back to Work/ work related training	72%	16%	9%	4%
Graduate Acceleration Prog	67%	33%	0%	0%

The majority of Step 2 respondents (63%) were involved in a work placement/work experience. Over half of these respondents (53%) indicated that their reason for taking their work placement was because they wanted to move into work as quickly as possible. The majority of respondents (80%) considered that their work experience/ placement would be useful or very useful in helping them secure a permanent job and 81% agreed that their work placement was a good match for their experience, skills and interests. This suggests that Lead

Contractors are managing to secure high quality work placements and work opportunities despite the difficult economic climate.

A small number of respondents had experience of Step 3 of the programme. Of these respondents, over half (57%) considered the activity they had done to be very appropriate/fairly appropriate in helping them find paid work. Almost two-thirds (65%) rated the quality of support on Step 3 to be of very high/high quality and a sizeable majority (71%) considered that the

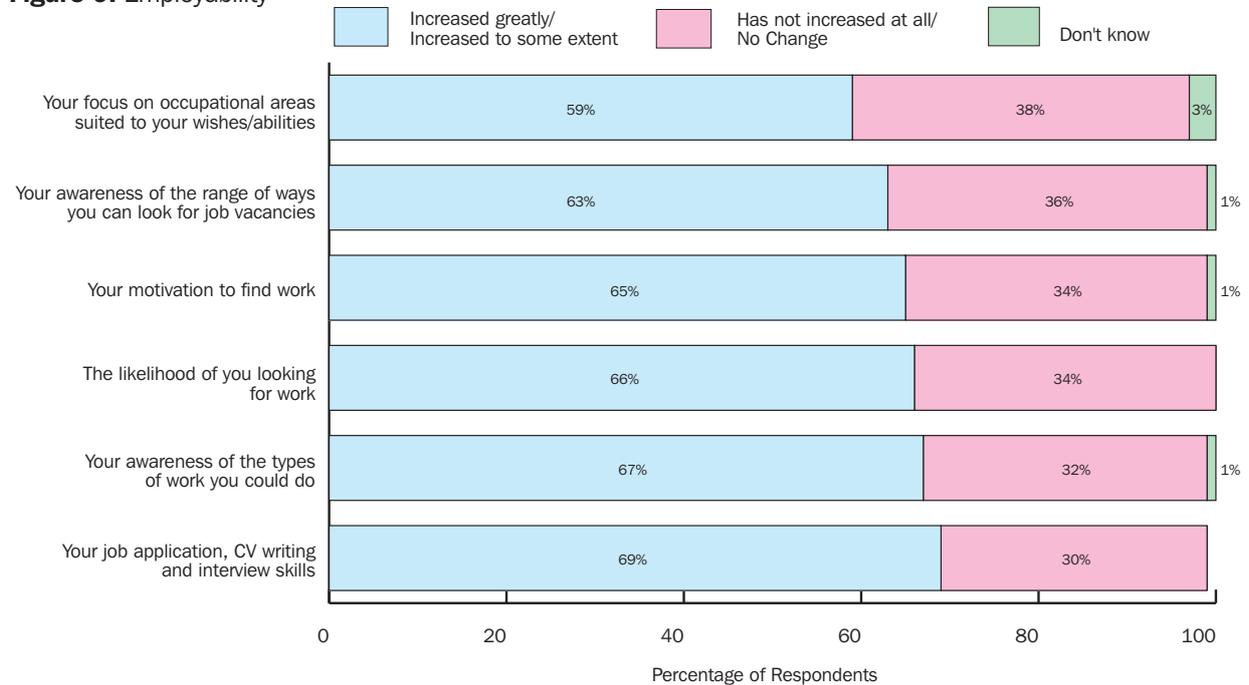
additional advice and support provided on Step 3 would be useful in helping them to secure employment.

In addition to their experiences on the different steps of the programme, the attitudes of all respondents towards the programme overall were explored across a range of dimensions. For example, respondents were asked to consider how their employability had changed as a result of their time on StW, the results of which can be seen in **Figure 9**.





Figure 9: Employability



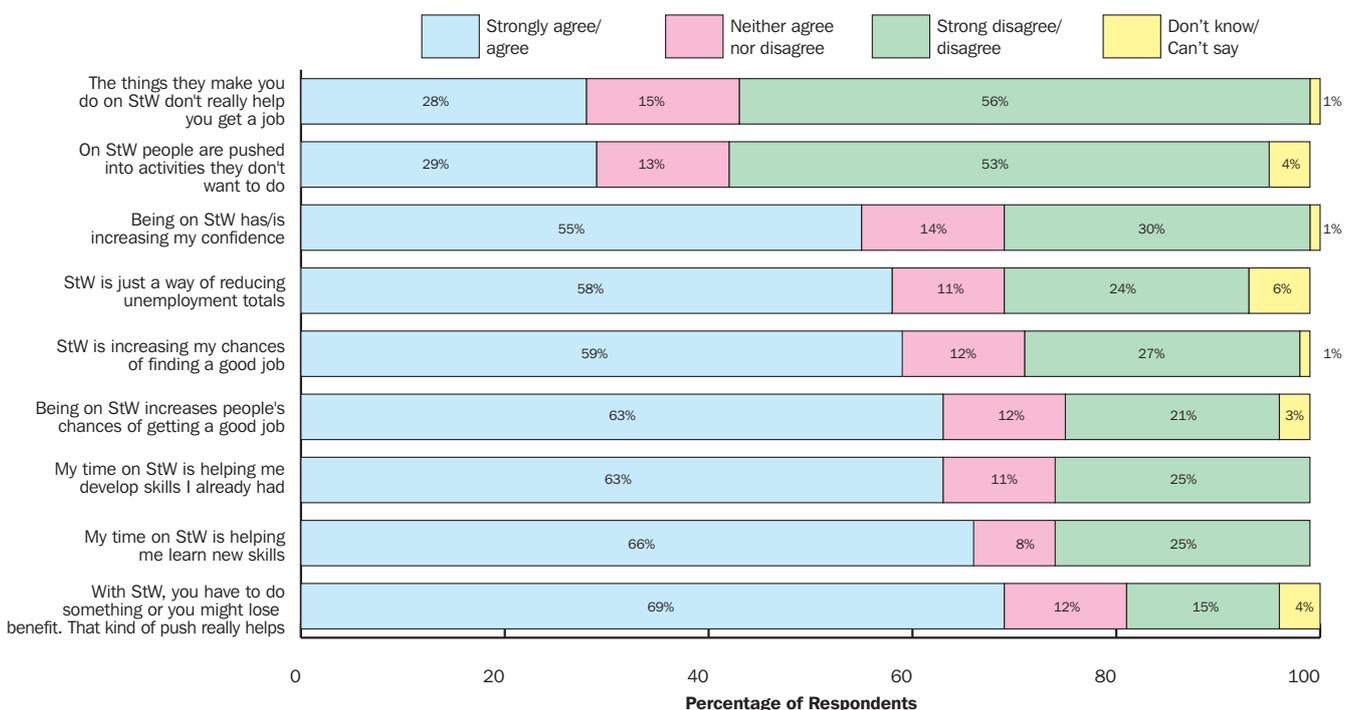
It is encouraging that the majority of respondents considered that their employability had increased across each of the six factors as a result of their participation on StW. However, it is clear that with each employability factor, there was a notable percentage of

respondents that indicated that there had been no change as a result of StW. Specifically, it is worrying that over a third (34%) of respondents indicated that their motivation to find work and the likelihood of them looking for work had not increased as a

result of their time on the programme.

Figure 10 shows the extent to which respondents agreed or disagreed with a range of statements about the StW programme.

Figure 10: Attitudes towards StW



The majority of respondents were reasonably positive about the programme. For example 66% believed StW was helping them learn new skills and 63% believed it helped them develop skills they already had. However, over half of respondents (58%) felt that StW was just a way of reducing unemployment totals, suggesting a level of cynicism. It is very likely that respondents' views on the availability of jobs may account in part for this belief.

Consultation with Employers

Consultation was undertaken with 120 employers who had offered work placements, employed an ex-StW participant with the Employer Subsidy or employed an ex-StW participant without availing of the Employer Subsidy. Employers were consulted on a range of issues including their awareness of the programme, their reasons for participation and their views on the usefulness of StW for employers and the unemployed.

Raising awareness of the StW programme among employers is important and findings suggested that JC/J&BO staff were more involved in establishing work placements than Lead Contractors (**Figure 11**).

Interestingly, more than a quarter of respondents (27%) indicated they were contacted directly by someone who was unemployed, suggesting a proactive approach on behalf of this group.

Respondents indicated a range of reasons for participating in the StW programme. Overall, findings suggest employers participated for altruistic reasons i.e. to help the unemployed retain their skills,

Figure 11: Awareness of StW

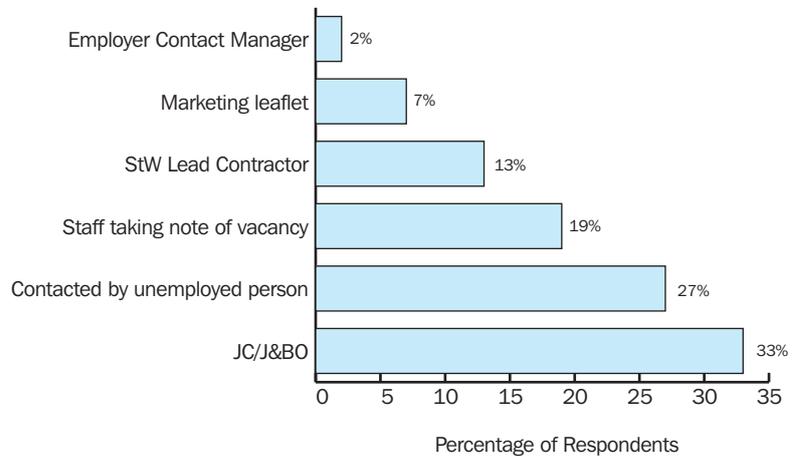
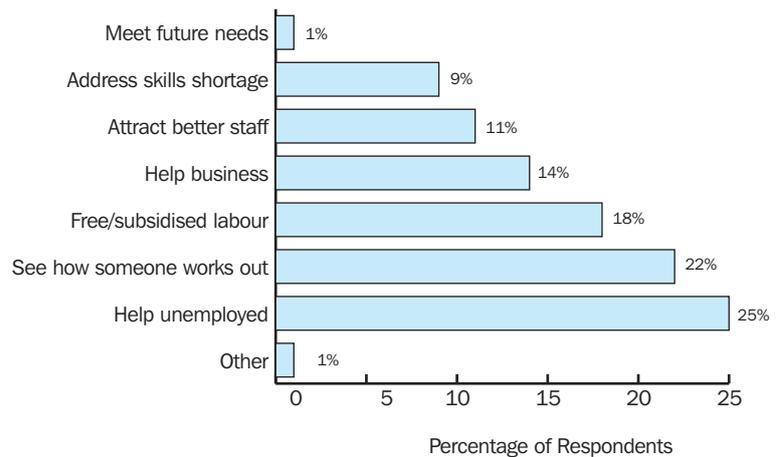


Figure 12: Reason for Participation



as well as for practical and business related reasons (**Figure 12**).

Of those respondents in receipt of the Employer Subsidy (n=40), the majority were satisfied (n=23) or very satisfied (n=12) that the subsidy met their recruitment needs. At the time of the survey, just under half (n=19) of respondents in the Employer Subsidy category were no longer availing of the subsidy. The majority of these employers (n=15) continued to employ their ex-StW participant beyond the subsidy period.

Of those respondents that had employed someone without availing of the Employer Subsidy (n=40), two-fifths indicated they had not been aware of such assistance. Of those respondents that were aware of the Employer Subsidy, the main reason for not availing was that the process was overcomplicated. The majority of respondents that did not avail of the Employer Subsidy (n=34) considered that StW had met their recruitment needs and over three-quarters (n=32) were very likely/likely to participate again in the future.





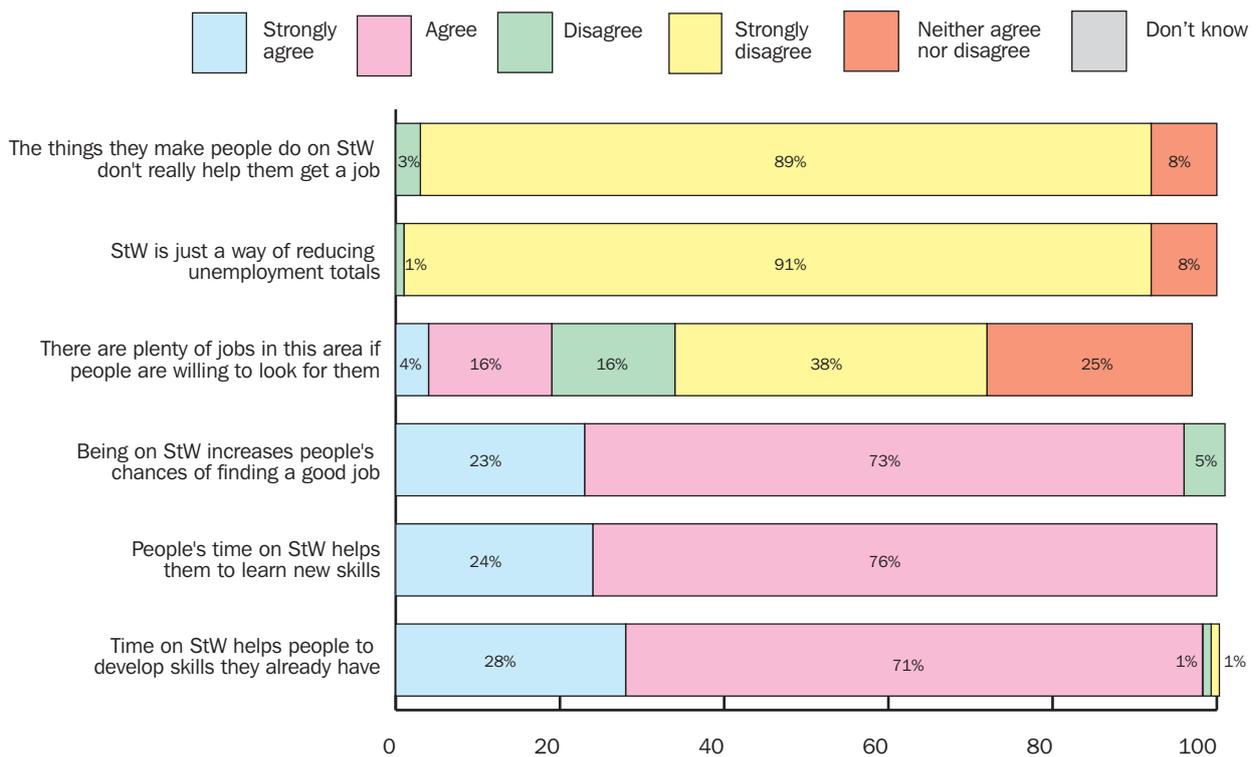
Of those respondents in the Work Placement category (n=40), over one-third (n=14) were involved in a work placement at the time of consultation. Of the remainder, the majority (n=20) had employed the participant following the work placement.

Figure 13 shows that most of these respondents were employed without the employer subsidy.

Figure 13: Staff Retention



Figure 14: Opinions on StW



This suggests that work placements are an effective mechanism to support participants into work, specifically unsubsidised work.

All 120 employers were asked to consider the usefulness of StW for the unemployed. **Figure 14** shows the extent to which respondents agreed or disagreed with a range of statements about the programme.

The majority of respondents considered that StW could help those who are unemployed. The fact that 92% disagreed that it is just a way of reducing unemployment totals suggests they consider it a genuine employment intervention. At the same time, most employers did not agree that there were many jobs available. This may explain why a small percentage (5%) did

not agree that being on StW increases people's chances of finding a good job.

Conclusions and Recommendations

Based on the findings from all aspects of the Evaluation, conclusions were made regarding the following:

Performance

The StW programme met its employment targets which indicates that StW is an effective employment intervention.

Economy and VFM

Employment outcome costs for StW have decreased when compared with costs for employment outcomes for ND25+ in Northern Ireland and, while they remain higher than the former ND25+ in Great Britain, they are significantly less than the more recent FND costs.

PAC Recommendations

The Department for Employment and Learning has implemented a range of recommendations made by the Assembly's Public Accounts Committee which have contributed to improving the programme and providing more robust data on programme outcomes.

Deadweight

It is known from the StW Leavers' Survey that over a quarter of respondents (27%) got a job immediately after they left StW. Of these, over two-fifths (44%) considered that participation in StW had increased their chances of getting their job which suggests there is value added.

The Work Programme

While StW has met its targets and performed substantially better than Flexible New Deal, the lack of performance data on the Work Programme in Great Britain at the time of writing means it is not possible to determine if greater and more cost effective outcomes can be achieved from a more radical approach to employment intervention.

StW Strands

The Employer Subsidy strand performed strongly and has been an effective means to securing sustained employment while the Step Ahead initiative was the second most successful strand. Outcomes from Back to Work placements, Essential Skills and Step 3 were low indicating all require review and revision.

Employer Awareness

It was suggested that there should and could be greater involvement from employers but that there was a need to promote the programme with employers via a cohesive marketing campaign co-ordinated by DEL.

Demand

The majority of employer respondents were satisfied that candidates met their expectations, most considered that StW met their business needs and the majority were likely or very likely to participate on StW again.

Participants' Views, Expectations and Satisfaction

Findings from a large scale participant survey indicated that the majority of respondents rated the programme positively over a range of dimensions including quality of support, advice and opportunities offered, usefulness of activities and work placement provision.

Employability

The majority of respondents thought that they would be better equipped to look for work but a smaller percentage of respondents suggested that they would actually do so.

Economically Inactive

Survey results from current participants suggest the programme has had some positive impact on the employability of the economically inactive although a notable percentage of this cohort did not consider that their employability had increased. Consultation findings suggest that not all ESAs are using the more flexible and tailored support needed by those with significant barriers to employment.

A number of recommendations for improvement were made in relation to:

- Further monitoring of performance and monitoring of employment interventions in Great Britain;
- Reviewing specific aspects of provision;
- Considering different approaches for the economically inactive and those furthest from the labour market; and
- Considering what additional ESA training is required to ensure a proactive, flexible, relationship oriented approach.

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An evaluation of the Leadership and Management programmes

Dave Roberts, ekosgen

Between April 2008 and March 2011, the Department for Employment and Learning (DEL) invested £6.4m in a broad portfolio of management and leadership development programmes aimed at Small and Medium Sized Enterprises (SMEs) and social enterprises across Northern Ireland. This article presents the key findings of the evaluation of DEL's leadership and management programmes carried out by independent evaluators ekosgen.

Background

There is a long history of Government support for management and leadership skills in Northern Ireland, reflecting the importance of management capabilities to creating a more dynamic and entrepreneurial business base. The Department's current suite of programmes had its original roots in the 2006 Skills Strategy for Northern Ireland, "Success Through Skills"¹, which identified management and leadership skills as a major priority in order to boost business competitiveness and generate wider prosperity.

Almost 1,500 organisations across Northern Ireland were supported by the Department in the three years to April 2011. With the current suite of programmes now in their fourth year, DEL identified a need to consider:

- whether the delivery model was effective and appropriate to the needs of participants;
- what influence the programmes were having on management and leadership behaviours;
- the impact of the programmes on wider economic performance including employment and business competitiveness; and
- options for future programme design and funding.

The Suite of Management and Leadership Programmes

The Department's Management and Leadership Strategy, *Leading to Success*, highlighted the importance of building management capabilities across all types and size of firm as well as encouraging organisations to invest in leadership skills. This was reflected in the broad package of leadership and management initiatives funded by the Department²:

- **Management Analysis and Planning (MAP) Programme** – an in-depth business assessment leading to the preparation of a training and development plan, with subsequent support to undertake management and leadership training. The initial diagnostic assessment and advice is provided by an external business consultant drawn from an approved panel of providers;
- **Management and Leadership Development Programme (MLDP)** – 16 bespoke training opportunities tailored to the needs of individual managers ranging from first line management through to senior executive level. Each training product is delivered by an external provider in line with agreed targets for participation;



¹ See www.delni.gov.uk/index/successthroughskills.htm
² See www.delni.gov.uk/index/successthroughskills/madenotborn



- **Intro Graduate Management Programme** – a 24 week entry-into-management initiative designed to improve the management skills of graduate level employees as well as enhance the operational performance of participating organisations. The programme combines four weeks off-the-job classroom training, with a 20 week work placement where the graduate undertakes a management-level business improvement project with their host employer. Through the Intro programme, graduates have the opportunity to complete an Advanced Diploma in Management Practice accredited by the University of Ulster;
- **Meridian Programme** – a peer support initiative where senior managers developed their skills through networking and participating in real life leadership challenges and scenarios.

Support for companies participating in the four programmes was in the form of a bursary up to an agreed ceiling per firm/individual. Between March 2009 and March 2011, assistance was provided at up to 100% of costs as part of the Government's enhanced support package to help businesses to weather the economic downturn. Prior to March 2009, DEL part-funded the training costs, with the balance being met by the participating firm.

In addition to the funding of the four programmes, a further £250,000 per annum has been spent by DEL on marketing, networking and communications activities as part of the overall aim of increasing awareness of management and leadership skills and best practice across Northern Ireland. Since 2009, this funding has met the costs of the high profile Made Not Born campaign. A separate assessment of the performance campaign is due to be undertaken in 2012.

Approach

The evaluation comprised three elements of primary research:

- a telephone survey with a sample of participating companies and graduates – 323 interviews were secured in total;
- face-to-face interviews with 20 company representatives; and
- a consultation programme with 22 delivery organisations and strategic stakeholders including Invest NI.

The companies sampled were representative of the overall population of organisations by sector and by year of assistance.

Participant Profile and Satisfaction

The four programmes have been characterised by a high level of uptake, with DEL proactively managing available resources to meet demand. Where demand for specific MLDP courses was weak, as was the case for four courses in 2010/11, resources were reallocated.

The introduction of the Made Not Born campaign in 2009 improved the promotion of DELs management and leadership programmes. Many of those consulted considered that the programmes were not well marketed in the early phases, with a number of companies only hearing about the support that was available to them by word of mouth and/or by chance.

The 1,579 organisations which participated in the programmes were spread across a wide range of sectors, albeit a high proportion being from the business services sector, whilst manufacturing firms are poorly represented. Whilst a "sector blind" approach should be retained, scope was identified to develop packages of support tailored to specific sectors. A need was also identified for DEL to examine how barriers to participation in the north and west of Northern Ireland could be addressed – this part of the Province was under-represented across the four programmes.

Almost two-thirds of organisations had not previously provided or participated in management and leadership training, with management and leadership skills not prioritised. This concurs with other research findings and reinforces the strategic rationale for DEL investment in this area.

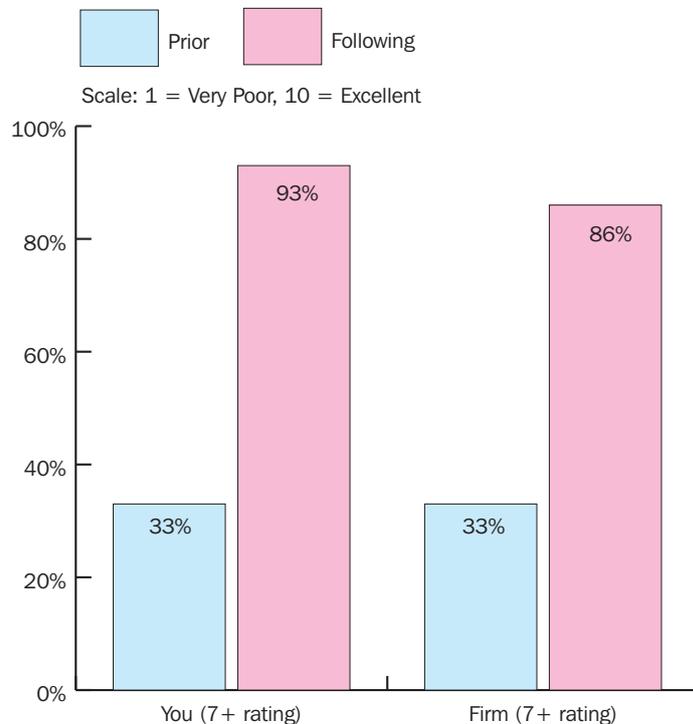
Having completed their training, participants reported a high degree of satisfaction. More than nine in ten reported that the training was tailored to their needs, a high proportion given the non-vocational nature of the courses. The highest level of satisfaction was reported by MAP participants, highlighting the value placed by firms on the diagnostic assessment and the review of skills needs.

Skills Outcomes and Influence on Company Capability

Participants not applying consistently the learning from management and leadership training in the workplace has often been found in evaluations of similar programmes, weakening the impact of the initial investment. For the DEL programmes, the results are encouraging – there has been a substantial increase in the percentage of participants rating their management and leadership skills as good or better (**Figure 1**).

The training support had two principal human resource benefits in the short term – through an improved company culture (through demonstrating a company commitment to

Figure 1: Self Assessment of Management and Leadership Skills



training); and by enabling the company to better understand the training needs of staff. Numerous examples were identified of individual organisations which had radically altered their approach to staff motivation and development. Graduates on the Intro scheme also reported significantly improved skills and capabilities as a result of their participation.

With more than two in five firms introducing a new company training plan as a result of their participation in the programmes, DELs investment is helping to secure a legacy of more effective people management practices. The expectation that companies would continue to access and deliver training over the following 12 months was one of the most positive outcomes of the research.

The learning and skills obtained by participants have also been translated into noticeable improvements in wider business practices and cultures (see **Figure 2**). Half of the organisations surveyed identified a much greater openness to change, whilst 40% said that their strategic planning and decision making capabilities were significantly improved.

At a time of economic uncertainty with many firms adopting short term horizons, the programmes were seen as playing a valued role in helping managers and business owners to be more outward-looking and develop longer-term business goals. Overall, the changes in business capabilities as a result of the programmes have been varied and widespread.

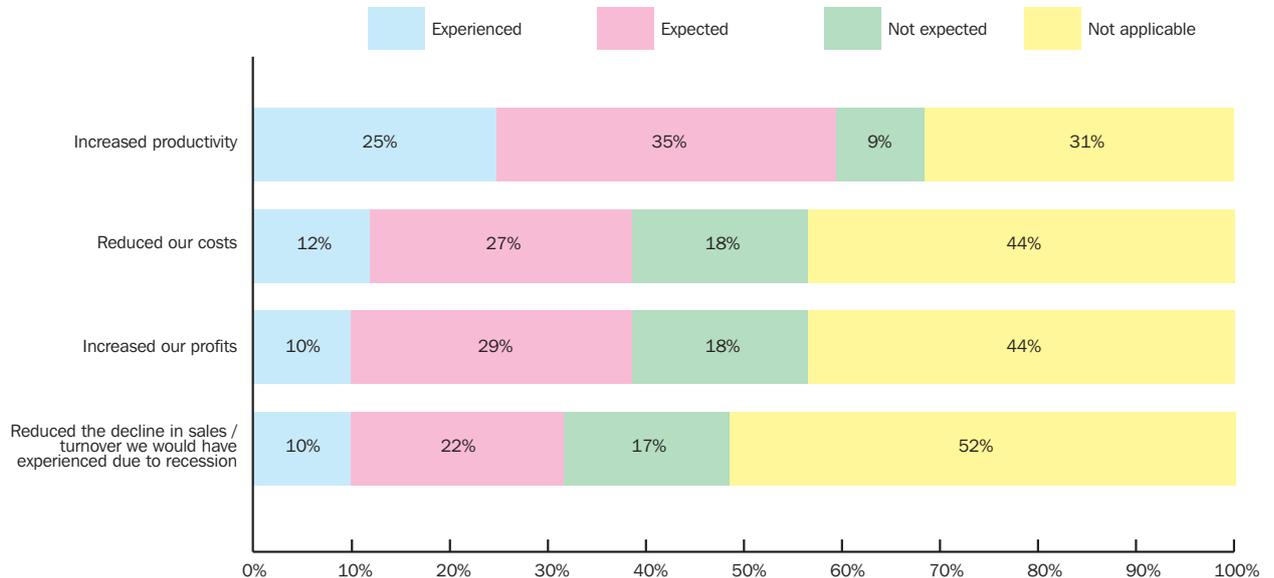




Figure 2: Changes in Business Capabilities



Figure 3: Commercial Benefits



Commercial Benefits and Wider Economic Impacts

Whilst the primary objective of the programmes is to boost management and leadership skills, DEL were also keen to understand the influence on business performance metrics and the contribution to broader economic goals. Across the four programmes, one in ten firms reported a quantified impact on sales, costs or profits, with one in four identifying productivity improvements (see **Figure 3**)

It is likely that the full set of benefits and impacts will be realised over a three to four year period – between 20% and 30% of organisations expected to achieve commercial benefits in the future. This makes a strong case for repeating the survey in future years to capture the full impact of support. Combining both actual and forecast benefits, it was estimated that the programmes will generate new sales of £12.1m and profits of £10.4m within participating organisations.

A fifth of organisations identified a gross employment impact as a result of their participation in the programmes, although the numbers of additional staff per company were small. Not surprisingly given current economic conditions, the estimates show an emphasis on safeguarding employment rather than creating new jobs. The combined employment effect of 1,043 jobs created and safeguarded was substantial, implying a gross cost per job of £6,217 based on DEL investment of £6.4m.

The highest proportion of organisations experiencing or

expecting commercial returns are Intro participants, highlighting the positive contribution which the in-company project and the work of the graduate make to improving performance. In addition, the contribution of MAP to company performance is generally stronger than MLDP, reflecting in part the focus of MAP on company-wide skills issues.

Added Value and Incentives to Participate

The provision of a 100% subsidy by DEL was a key feature of the latter phase of the programmes. As this meant there was no contribution sought from participating firms, high levels of deadweight could have been expected i.e. firms participating in training they would have undertaken anyway.

The evidence indicated, however, that levels of additionality were higher than comparable skills programmes - 76% of firms reported that the training would not have happened without support and a further 11% indicated that training had been brought forward or increased in scale. Rather than increase deadweight, the higher intervention rate has been successful in enabling more firms to undertake management and leadership training than would otherwise have been the case. The added value of DEL's investment was strong.

Although the overall level of deadweight was low, however, at the time of the evaluation study the evidence suggested that the continuation of a 100% subsidy would not maximise value for money for the Department. Firms

appeared generally reactive to the level of subsidy available, with only a small minority reporting that future participation in management and leadership training would be dependent on 100% funding. At the time of the evaluation, firms were prepared to contribute an average of £387 per day (albeit having experienced the benefits of participation) and it was therefore concluded by the study team that there was scope to lower the intervention rate without adversely impacting upon take up of support. Alongside this, it was suggested that DEL should seek to facilitate peer to peer learning and other collaborative activity on a sectoral basis to enhance management and leadership skills.

Since completion of the evaluation study, it is recognised that the ability of many companies to fund management and leadership training has reduced in light of a changing economic climate. Therefore it is recognised that the findings of the research with regards to subsidy levels and employer contributions may no longer apply.

Rationale and Future Direction

Overall, the evaluation findings reinforced the key conclusions of previous research into investment in management and leadership skills in Northern Ireland. A number of barriers and challenges (such as imperfect information on the benefits and risk aversion) mean that SMEs in particular continue to under-invest in this area. A strong rationale remains for Government intervention to address this key aspect of the skills agenda.





The research reinforced the need for greater integration between DELs programmes and other support for management and leadership in SMEs e.g. through Invest NI. The offer remained complex for firms to access, even taking account of the increased awareness generated by the Made Not Born campaign. Continuing the status quo was not considered to be appropriate by the study team.

Taken as a whole, the four management and leadership programmes provided an effective package of support to SMEs and other organisations across Northern Ireland. The performance and impact of each programme varied considerably:

- **MAP** - the highest level of satisfaction was reported by MAP participants and this programme delivered the strongest commercial benefits. The exclusion of the smallest micro firms from MAP meant, however, that some potentially appropriate beneficiaries currently miss out;
- **MLDP** - a number of the MLDP courses have experienced variable levels of participation and it appeared that the overall portfolio had become somewhat unwieldy, with some overlap and potential duplication between individual courses. An exercise to rationalise the provision would be appropriate, alongside building in an initial diagnostic/business review similar to MAP so that the benefits of participation are maximised across the business;
- **Intro** - the Intro programme was very well regarded by both participating graduates and host employers, with the mix of classroom based learning and in-company project time generating significant skills outcomes for participants as well as wider business benefits;
- **Meridian** - the evidence from participants on the extent to which the course met their needs was mixed. A degree of overlap with the aims of a number of the senior manager/director level initiatives within MLDP was also apparent.

Recommendations

The effectiveness of the current suite of programmes led to an overarching recommendation: **DEL should continue to prioritise funding for management and leadership skills in order to support firms to develop their capabilities and embed high performance working practices across the economy.**

Assuming that funding was available from the Department, the next phase of DEL support for management and leadership skills should seek to achieve a simplified and more coherent offer. The recommendations for enhancing effectiveness are listed below.

- **A subsidy for SMEs to participate in the programmes should be retained**, and supported by DEL;
- **An integrated access system should be established for all Government support in this area**, from which firms can then be directed towards the most appropriate service or product. This system should be supported by an enhanced set of skills brokers;
- **The MAP programme should continue, with Government fully funding the initial diagnostic assessment.** The scope of the programme should be expanded to include firms with fewer than 10 employees with the potential to grow, or as a discrete strand within the overall programme;
- **The portfolio of MLDP products should be reduced**, within the existing structure of First Line Management, Middle Management and Senior Management/Director Level initiatives. It is envisaged that skills needs could be addressed in a maximum of two products within each level;
- **Opportunities for sectoral packages of training/support should be examined by DEL** in conjunction with the Sector Skills Councils and other stakeholders;
- **The Intro programme should be continued**, with an increased focus on the participation of graduates seeking employment rather than existing SME employees;

- **The Meridian programme should be discontinued** given that it no longer closely fits with Department priorities and objectives to the same extent as other management and leadership training programmes.

There were also a number of operational recommendations which emerged from the evaluation findings.

- DEL and other partners need to work creatively to promote uptake of management and leadership provision in the north and west of Northern Ireland;
- Opportunities for MAP advisors and other providers to meet and share experiences should be facilitated by DEL;
- DEL should revisit the objective in the Strategy to Success to establish a number of cross sectoral and geographically spread employer forums. Ideally, these should be sectorally based with DEL acting as a facilitator.

Since the evaluation report was completed, the Department have examined how best to use the findings to inform policy and delivery. A number of the study recommendations (such as continuing the Intro programme) have already been implemented whilst other proposals are contributing to influence the future shape of the Department's support e.g. rationalising the number of MLDP products. "Success Through Skills -

Transforming Futures" has incorporated three specific projects aimed towards increasing management and leadership capability in Northern Ireland companies. The projects focus on how better skills utilisation and high performance working may be achieved; how micro-businesses may best be assisted; and steps to work closer and in synergy with Invest NI through a common on-line diagnostic tool which signposts to relevant DEL / INI support and programmes.

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Young people in the Northern Ireland labour market

Economic and Labour Market Statistics Branch, Department of Finance and Personnel

Youth unemployment and joblessness has become a major issue since the onset of the recession. This article examines recent changes to late 2011 in the employment, earnings, unemployment and economic inactivity of young people aged between 16 and 24, and also the pattern of those not in employment, full-time education, or training (NEETs).

Overview

In the period before the recent recession the economic status of young people (those aged 16-24) in Northern Ireland could be described as one in which the economic activity rates moved along with seasonal variations with minor fluctuations, both positive and negative, between years. However, the economic downturn had a particular effect on young people which resulted in higher levels of unemployment and lower rates of employment

when compared to the working-age population (those aged 16-64).

By October – December 2011, the Labour Force Survey (LFS) estimated the youth population to be 223,000. Of these 93,000 (41.7%) were in employment, 21,000 (9.3%) were unemployed and 109,000 (49.0%) were economically inactive. The youth unemployment rate, i.e. the number of unemployed as a proportion of the total number economically active, stood at 18.3%.



Table 1: Economic Status of 16-24 year olds, 2001–2011 (Northern Ireland)

Year	Employment rate	Unemployment rate	Economic activity rate	Economic inactivity rate
2001	53.4%	11.3%	60.2%	39.8%
2002	54.6%	11.0%	61.3%	38.7%
2003	53.4%	11.3%	60.2%	39.8%
2004	53.1%	11.0%	59.6%	40.4%
2005	55.1%	10.4%	61.5%	38.5%
2006	52.5%	8.8%	57.5%	42.5%
2007	53.6%	10.9%	60.1%	39.9%
2008	51.2%	13.3%	59.0%	41.0%
2009	43.9%	12.5%	50.2%	49.8%
2010	41.8%	23.7%	54.8%	45.2%
2011	41.7%	18.3%	51.0%	49.0%

Source: Labour Force Survey (October – December) (non-seasonally adjusted)

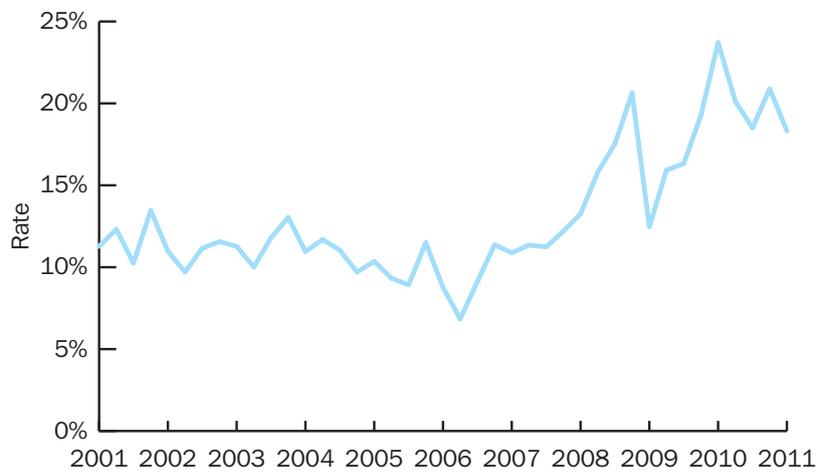
Figure 1(a): Employment rate of those aged 16-24, 2001–2011 (Northern Ireland)



Source: Labour Force Survey (non-seasonally adjusted)



Figure 1(b): Unemployment rate of those aged 16-24, 2001–2011 (Northern Ireland)



Source: Labour Force Survey (non-seasonally adjusted)

Figure 1(c): Economic activity / inactivity rates of those aged 16-24, 2001–2011 (Northern Ireland)



Source: Labour Force Survey (non-seasonally adjusted)

Employment

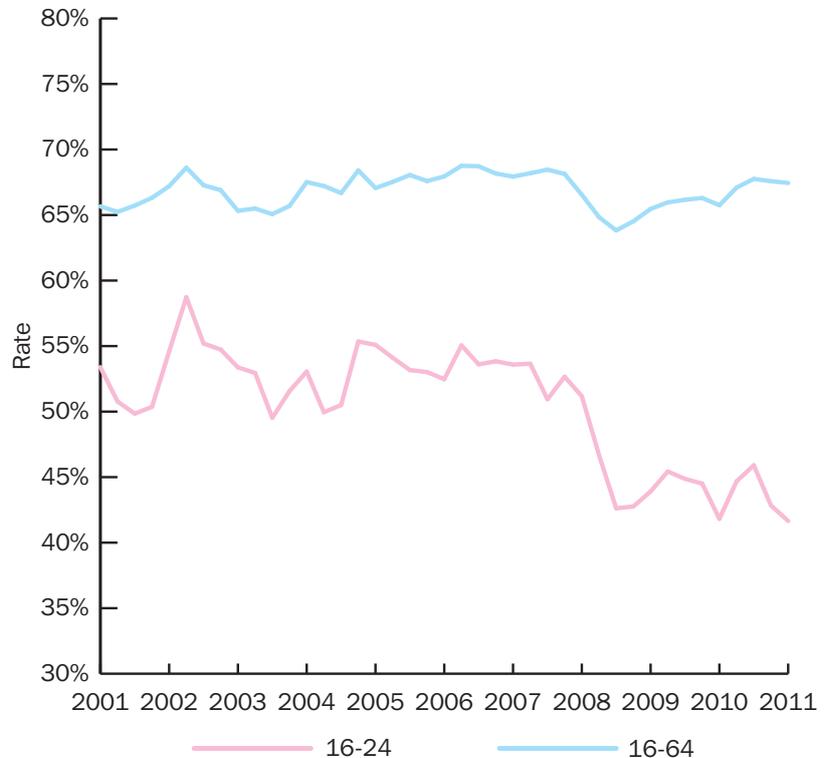
In Northern Ireland for the period October to December 2011 the number of young people aged 16 to 24 who were in employment stood at 93,000, or 41.7% of all young people. The employment rate for young people remained relatively steady between 2001 and 2006 but it has shown a marked decline from 2007 onwards (**Figure 2a**). In October – December 2007, the employment rate for young people stood at 53.6%, 11.9 percentage points higher than the rate recorded in October – December 2011 (41.7%). This fall in the employment rate for young people also occurred in the United Kingdom (**Figure 2b**) where the 2011 rate (50.2%) was 8.6 percentage points lower than the rate in the period October – December 2007 (58.8%).

Whether or not to continue in education beyond the age of 16 or 18 is a decision that is particularly pertinent to young people. Many young people in full-time education also have jobs (usually part-time), but the rate

of employment for this group has decreased in recent years. Between 2001 and 2008 the employment rate was consistently above 20 per cent (**Figure 3a**). However, by October – December 2011, the employment rate had fallen to 12.9% as it became harder for students to remain in or gain employment, coupled with a general increase in the number of full-time students.

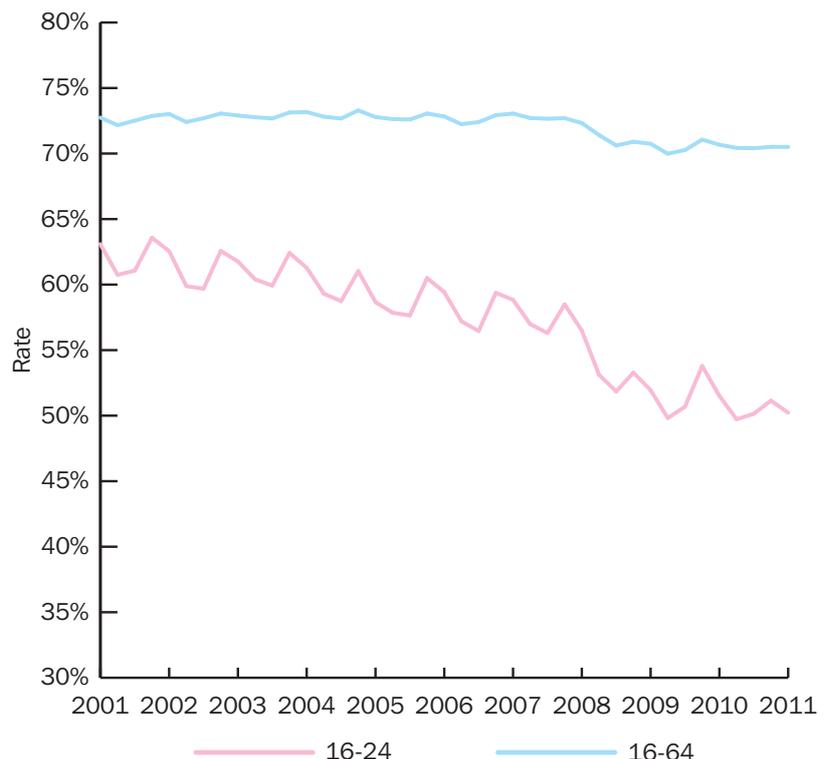
Historically, a majority of young people are not in full-time education and for the period between 2001 and 2007 the employment rate of this cohort remained above or on a par with those aged 25-64, i.e. the rest of the working-age population. However, by quarter 2 of 2008 the employment rate of those aged 16-24 and not in full-time education (70.5%) had fallen below that of those aged 25-64 (72.9%). In October – December 2011, the employment rate for young people not in full-time education fell further to 63.7% whereas the employment rate of those aged 25-64 increased to 73.6% (see **Figures 3a** and **3b**).

Figure 2(a): Northern Ireland employment rates, 2001-2011



Source: Labour Force Survey (non-seasonally adjusted)

Figure 2(b): United Kingdom employment rates, 2001-2011

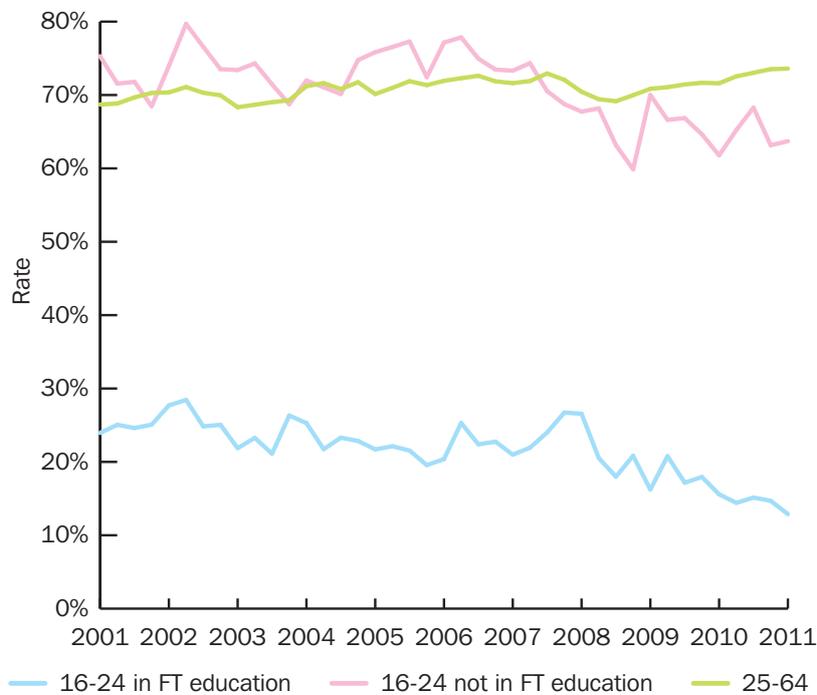


Source: Labour Force Survey (non-seasonally adjusted)



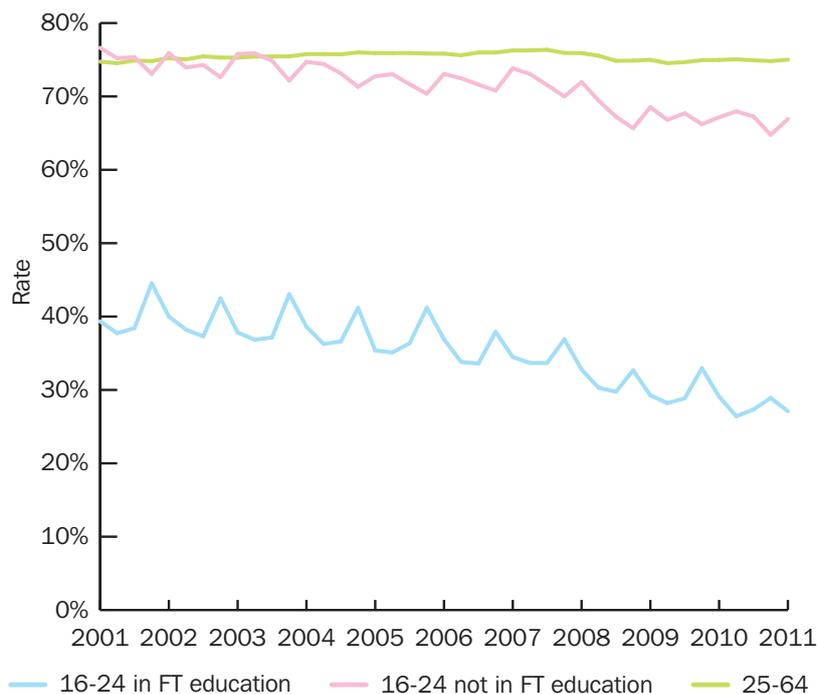


Figure 3(a): Employment rates of people aged 16-24 and 25-64, 2001-2011 (Northern Ireland)



Source: Labour Force Survey (non-seasonally adjusted)

Figure 3(b): Employment rates of people aged 16-24 and 25-64, 2001-2011 (United Kingdom)



Source: Labour Force Survey (non-seasonally adjusted)

Employment by Industry and Occupation

In the quarter October – December 2011, more than a third of young people (36.8%) who were in employment worked in the ‘Distribution, hotels and restaurants’ industry (**Table 2**). Around a fifth (18.6%) worked in ‘Public administration, education and health’ with smaller proportions working in ‘Construction’ (11.4%) and ‘Manufacturing’ (11.1%) .

The largest single classification of occupation of young people (**Table 3**) was that of ‘Sales and customer service’. This category accounted for almost one quarter (22.8%) of all young people in employment. ‘Skilled trades’ occupations accounted for one-fifth (18.6%) of all young people.

Earnings of Young People

At April 2011 the mean rate of pay for young people was £7.53 per hour, 44% lower than the rest of the workforce aged 25 and above, whose mean pay was £13.35 per hour. This is partly explained by pay tending to increase quickly for young people up to around the age of 30, some young people are paid lower because of different national minimum wage rates and also those aged 25 and over have more experience (**Table 4**).

Table 2: Young people in employment by industry, 2011 (Northern Ireland)

Industry	Total	%
Agriculture, forestry and fishing	*	*
Energy and water	*	*
Manufacturing	10,000	11.1%
Construction	10,000	11.4%
Distribution, hotels and restaurants	33,000	36.8%
Transport and communication	*	*
Banking and finance	*	*
Public admin, education and health	17,000	18.6%
Other services	*	*
Total	89,000	100%

Source: Labour Force Survey (October – December, 2011) (non-seasonally adjusted)
* - number too small for reliable reporting

Table 3: Young people in employment by occupation, 2011 (Northern Ireland)

Occupation	Total	%
Managers, Directors And Senior Officials	*	*
Professional Occupations	*	*
Associate Professional And Technical Occupations	*	*
Administrative And Secretarial Occupations	*	*
Skilled Trades Occupations	17,000	18.6%
Caring, Leisure And Other Service Occupations	13,000	14.5%
Sales And Customer Service Occupations	20,000	22.8%
Process, Plant And Machine Operatives	*	*
Elementary Occupations	16,000	17.8%
Total	89,000	100%

Source: Labour Force Survey (October – December, 2011) (non-seasonally adjusted)
* - number too small for reliable reporting

Young people earn less across all occupation groups with the largest difference for managers and senior officials, where they take home less than half their older counterparts' pay. Young people working in these occupations tend to be retail managers, whereas the older employees are managers across all industries such as financial, health, manufacturing, transport and leisure and have more experience and responsibility. Note that only around 3% of all young people work as managers compared to 13% of those aged 25 and over.

The occupation group with the smallest difference in pay was sales and customer service, where young people earned on average 8% less than those aged 25 and over, or a difference of 59 pence per hour. Around 27% of all young people work in sales and customer service jobs, while just 6% of people aged 25 and over work in the same occupational group.





Economic Inactivity

There are many young people who are economically inactive and are therefore not actively engaged in the labour market, for

example they remain in education and not looking for work. From 2001, the number of young people who are described as 'economically inactive' has been on an upward trend with a

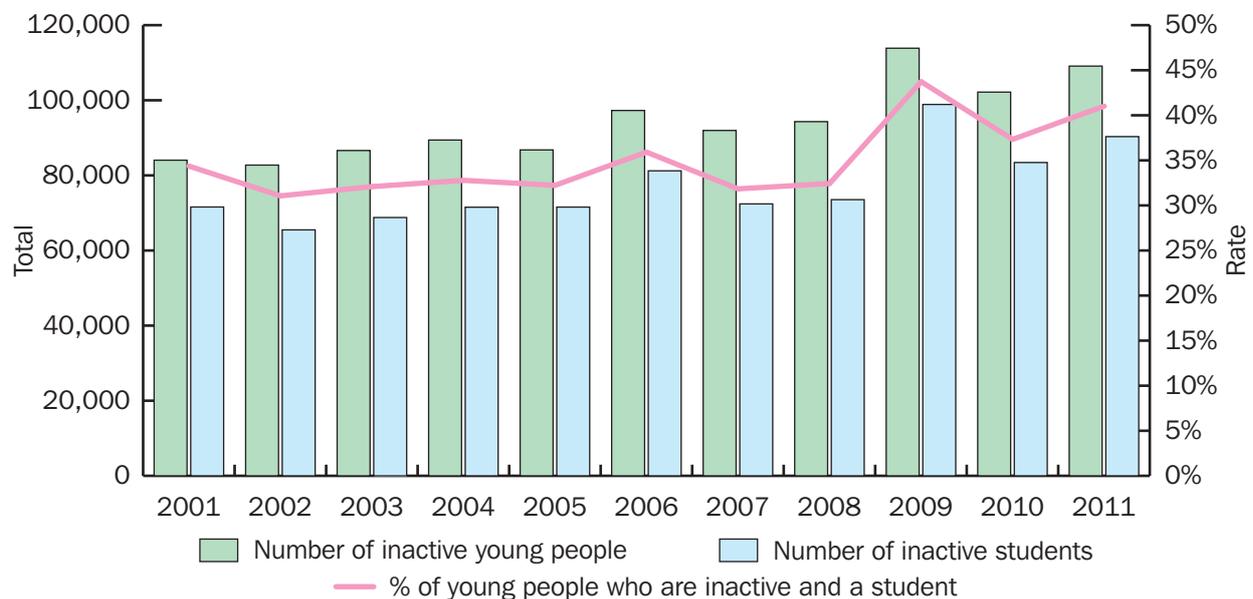
marked increase in 2009 – although numbers fell back somewhat in 2010, they did not return to pre-recession levels (**Figure 4**). In October – December 2001, a total of 84,000 young people were inactive with a corresponding inactivity rate of 39.8%. In the same quarter of 2009, the total number of young people who were economically inactive stood at 114,000 with an inactivity rate of 49.8%. By October – December 2011, the total number of young people who were inactive stood at 109,000, giving an inactivity rate for young people of 49.0%. In the United Kingdom as a whole, the inactivity rate of young people has also been on an upward trend since in 2001. In the period October – December 2001, the youth inactivity rate was 28.4%. This increased gradually to 2009 to 35.8% where it has remained relatively static to 2011 (35.7%).

Table 4: Mean pay (excluding overtime) by occupation group, April 2011 (Northern Ireland)

Occupation	16-24 (£)	25+ (£)	Percentage difference
Managers And Senior Officials	8.59	18.81	-54
Professional Occupations	11.17	20.85	-46
Associate Professional And Technical Occupations	11.27	15.17	-26
Administrative And Secretarial Occupations	7.31	9.99	-27
Skilled Trade Occupations	7.66	10.83	-29
Personal Service Occupations	6.75	8.99	-25
Sales And Customer Service Occupations	6.81	7.40	-8
Process, Plant And Machine Operatives	7.32	9.13	-20
Elementary Occupations	6.50	7.64	-15
All	7.53	13.35	-44

Source: Annual Survey of Hours and Earnings (2011)
 Note: The figures quoted are all mean earnings estimates.

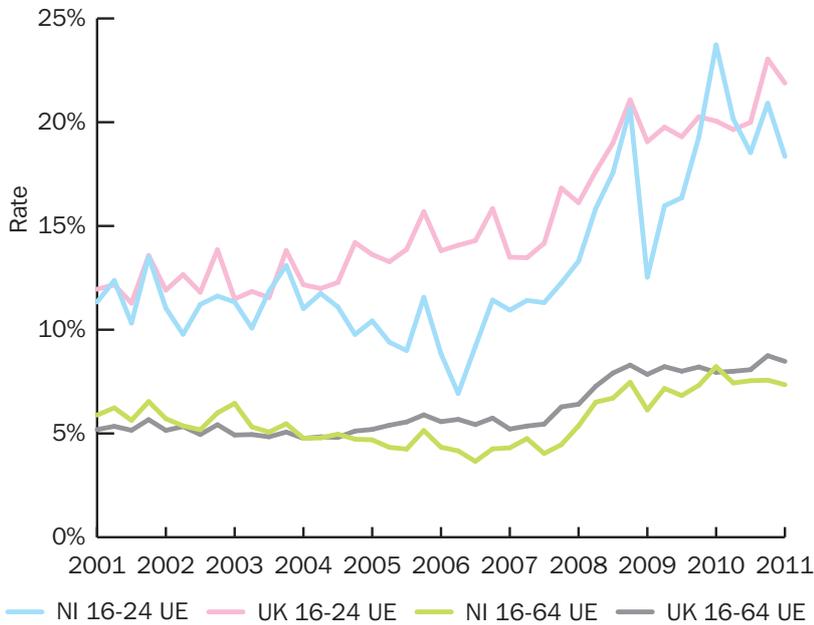
Figure 4: Number and rate of 16-24 year olds who are economically inactive, 2001 – 2011



Source: Labour Force Survey (October – December) (non-seasonally adjusted)



Figure 5: Unemployment rates, 2001-2011 (Northern Ireland)



Source: Labour Force Survey (non-seasonally adjusted)

In Northern Ireland, the main driver behind the increase in the number of economically inactive young people was the increase in the number of young people who stated the fact that they were students as the reason for being

inactive. In October – December 2001, 72,000 young people said they were inactive due to the fact that they were a student and this equated to 33.9% of all young people. In recent years the number of young people,

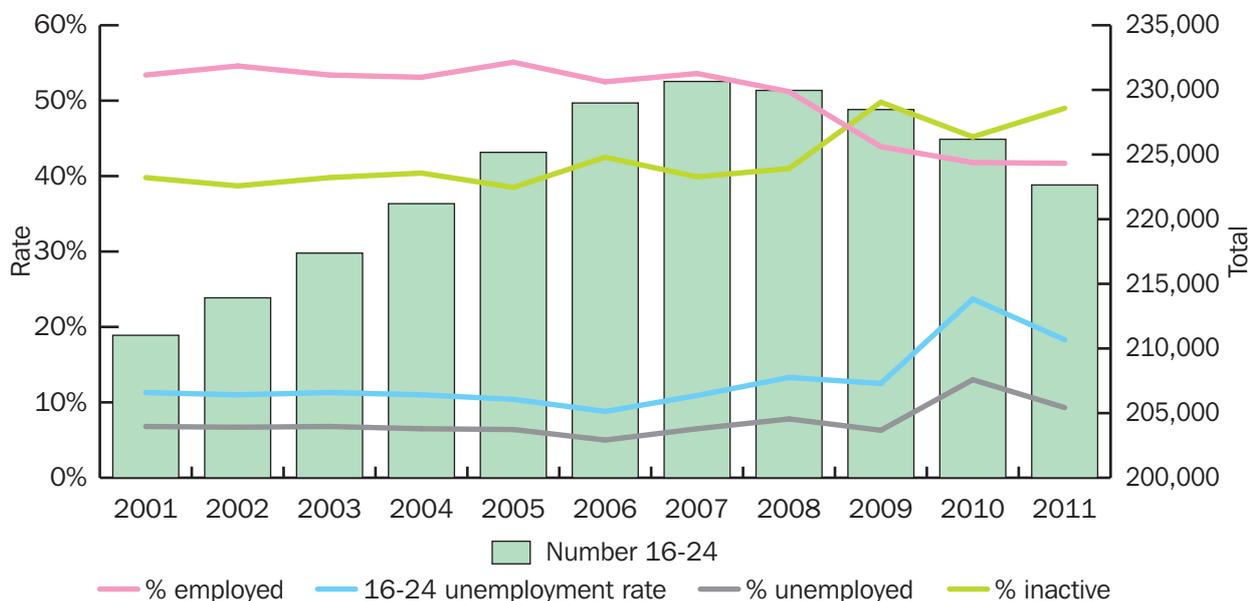
described as inactive and a student peaked in 2009 at 99,000 or 43.3% of all young people, as young people turned to education to shelter from the effects of the recession and lack of employment opportunities. By October – December 2011, the total was below this peak and was estimated at 90,000 or 40.6% of all young people (see **Figure 4**).

Unemployment

Labour Force Survey Unemployment

The youth unemployment rate in Northern Ireland as measured by the Labour Force Survey (LFS) climbed from 8.8% in 2006 to a peak of 23.7% in 2010. By 2011, the youth unemployment rate had fallen back to 18.3%, although it has risen above that figure since then. This rise in the rate of youth unemployment was mirrored in the United Kingdom where the youth

Figure 6: Total number and economic status of young people, 2001 - 2011 (Northern Ireland)



Source: Labour Force Survey (October – December) (non-seasonally adjusted)



unemployment rate has been on an upward trend since 2003 (11.4%), albeit, with a steeper rate of increase since 2007 and the onset of the recession. By 2011, the youth unemployment rate in the United Kingdom stood at 21.9%. The youth unemployment rate in Northern Ireland was below that of the United Kingdom for much of the past decade. Only in 2010 did the Northern Ireland rate exceed that recorded for the United Kingdom as a whole (see **Figure 5**).

Figure 6 shows the effects that the recent recession had on the economic status of young people in Northern Ireland as recorded by the LFS. Between 2008 and 2009, both the unemployment rate for young people and the proportion of young people unemployed fell slightly while the decrease in the downward trend of the employment rate gathered pace.

In 2009, the inactivity rate of young people peaked, and this coincided with the peak of young people in full-time education (111,000) or 48.5% of all young people. In October – December 2010, the unemployment rate for young people then increased to 23.7% (29,000). This corresponded to 13.0% of all young people. By October –December 2011, the unemployment rate had dropped back to 18.3% (21,000) and this equated to 9.3% of all young people.

Claimant Count Unemployment

Official estimates of unemployment are produced by the LFS and are based upon the ILO (International Labour Organisation) definition. A separate series - the claimant count - measures how many people are claiming

Figure 7: Youth Claimant Count, 2002-2012, (NI and UK)



Source: Claimant Count

unemployment-related benefits. There is a difference between the two series, and although they move broadly in line often one measure increases while the other falls. The reason for this is simply that they measure different things.

Unemployment as measured by the LFS, is an estimate of jobless people who want to work, are available to work, and are actively seeking employment. The ILO definition is used internationally, so comparisons between countries can be made, and it also allows for consistent comparisons over time. This measure of unemployment is calculated using survey data so it is subject to sampling differences.

The claimant count measures only those people who are claiming unemployment-related benefits (Jobseeker's Allowance - JSA). Benefits rules vary over time and between different

countries, so it is more difficult to make comparisons. The claimant count comes from the administrative system of Social Security Offices and is available earlier than the LFS-based unemployment data.

Figure 7 shows the youth claimant count rate for the last ten years for both Northern Ireland and the United Kingdom. The youth claimant count in Northern Ireland is currently 8.1% at February 2012 which is higher than the United Kingdom rate (6.8%). From 2002 to 2008 the Northern Ireland rate was decreasing with the lowest rate occurring at November and December 2007 (3.0%). From late 2008 to 2009 the rate increased quite quickly, reaching 8.0% at August 2009. Over the last two years the rate has remained high peaking in August and September 2011 (8.5%). The United Kingdom trend over the last 10 years has been similar to that in Northern Ireland,

Table 5: Youth claimant count by government region, February 2012

Government Region	February 2011		February 2012		Percentage Change Over Year
	Total	Rate	Total	Rate	
East	32,110	5.0	36,915	5.7	15.0
East Midlands	31,610	5.7	37,235	6.7	17.8
London	50,550	5.6	57,300	6.4	13.4
North East	27,135	8.0	31,560	9.3	16.3
North West	57,130	6.5	67,190	7.7	17.6
Northern Ireland	18,580	8.1	18,495	8.1	-0.5
Scotland	43,070	6.9	45,380	7.3	5.4
South East	38,445	4.0	43,335	4.5	12.7
South West	26,610	4.3	31,270	5.1	17.5
Wales	25,885	6.9	29,255	7.8	13.0
West Midlands	49,050	7.4	54,945	8.3	12.0
Yorkshire and The Humber	46,125	6.5	54,685	7.7	18.6
United Kingdom	446,300	6.0	507,565	6.8	13.7

Source: Claimant Count

however in the last 3 years, the United Kingdom rate has been consistently lower.

Northern Ireland had the third highest working age population youth rate (8.1%) of all 12

government regions at February 2012. This was higher the United Kingdom average (6.8%).

However, Northern Ireland was the only government region that showed a decrease over the year (-0.5%). The United Kingdom as

a whole, increased by 13.7% over the last 12 months (see **table 5**).

The claimant count provides information on the types of jobs that young people claiming unemployment-related benefits are seeking (see **Table 6**). This does not cover every unemployed young person as few 16 to 17 year olds are eligible to claim Jobseeker's Allowance (JSA); some young people aged 18-24 choose not to claim; and others, such as full time students, are also not eligible. In February 2012 18,495 16-24 year olds were claiming jobseekers allowance (this excludes clerical claimants who account for less than 1% of total). Of these, over 6 in every 10 were looking for a job in sales or elementary occupations, with the latter classed as the lowest skilled jobs in the economy. For those looking for a job in the sales the main occupation sought was as a sales assistant or retail cashier.

Table 6: Occupation sought by people aged 16 to 24 claiming Jobseeker's Allowance, February 2012

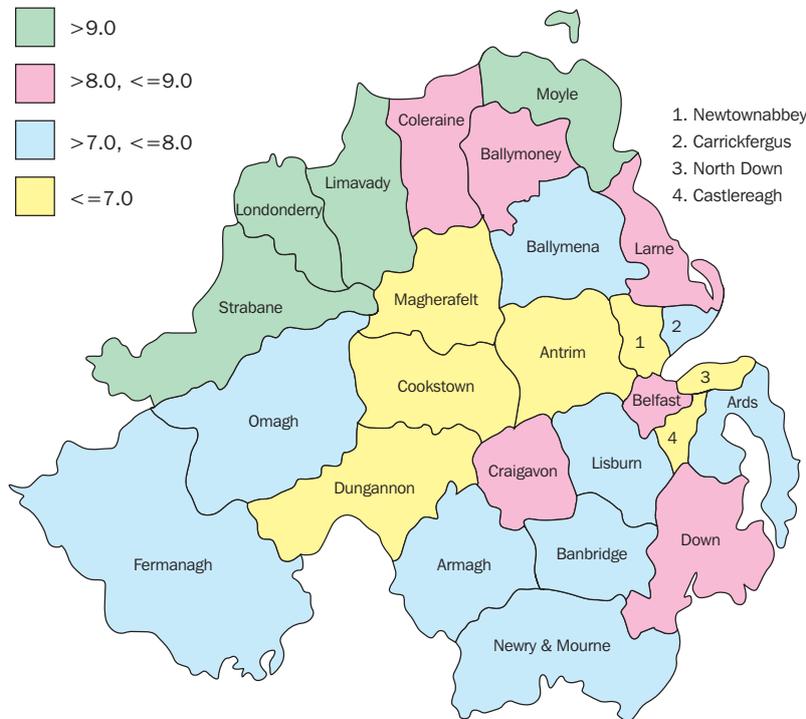
Standard Occupational Code	Youth (16-24)	Percent
Managers and Senior Officials	95	0.5
Professional Occupations	350	1.9
Associate Professional and Technical Occupations	990	5.4
Administrative and Secretarial Occupations	1,490	8.1
Skilled Trades Occupations	3,035	16.4
Personal Service Occupations	1,655	8.9
Sales and Customer Service occupations	5,085	27.5
Process, Plant and Machine Operatives	1,315	7.1
Elementary Occupations	4,475	24.2
Occupation unknown	15	0.1
Total	18,495	100

Source: Claimant Count



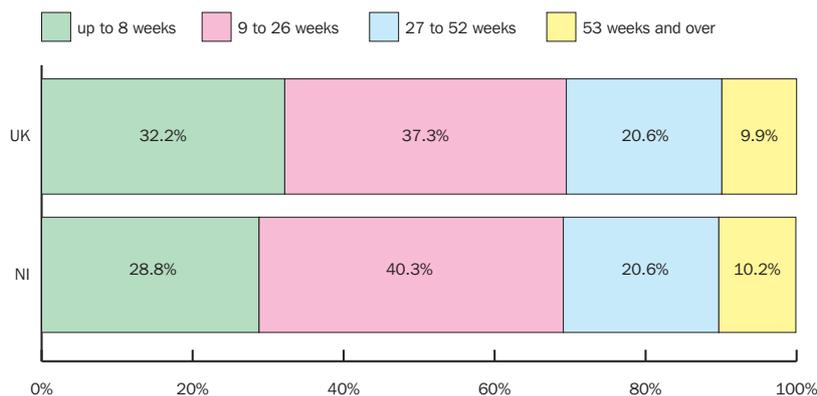


Figure 8: Working age population rate of unemployment claimants aged 16-24, February 2012



Source: Claimant Count

Figure 9: Unemployment claimants, aged 16-24, by duration, February 2012 (Northern Ireland and United Kingdom)



Source: Claimant Count

For those seeking jobs in the elementary occupations the main two areas were in goods storage and personal services which include jobs such as hairdressing.

The Northern Ireland youth claimant count working age population rates (16-24) is highest in the North West of Northern Ireland. Derry District Council Area (DCA) has the highest rate (12.2%), followed by Limavady (11.3%), Strabane (9.9%) and Moyle (9.4%). All these rates are higher than the Northern Ireland average rate (8.1%). The lowest rates occurred in Magherafelt (5.6%), followed by Antrim (6.1%), Castlereagh (6.2%) and Cookstown (6.2%).

Over ten per cent of all youth claimants at February 2012 have been claiming for greater than one year. Nearly 30% are new claimants who have been claiming up to 8 weeks. The majority of youth claimants, having been claiming between 9 and 27 weeks (40%). This pattern is very similar to the United Kingdom at February 2012 (see **Figure 9**).

Young People not in Employment, full-time Education, or Training

Analysis so far has focused on each of the individual economic states in isolation. However, it is widely documented that many young people are unemployed and are not participating in any type of educational or training activity. The common term for such individuals is NEET. The LFS in Northern Ireland provides a proxy measure of such a cohort by supplying numbers and rates of those 'not in employment, full-time education or training'.

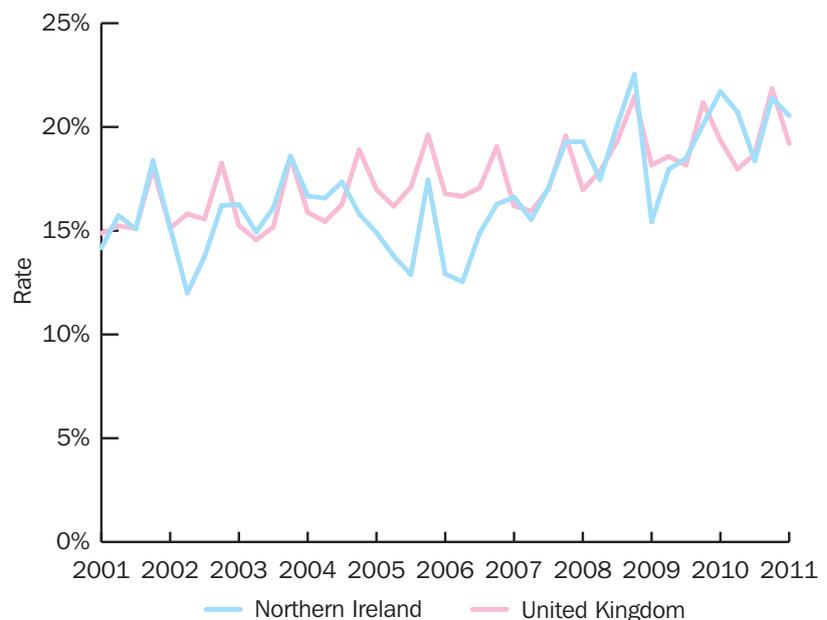
Over the ten years to late 2011, the proportion of 16-24 year olds in Northern Ireland who were not in employment, full-time education or training has been on a general upward trend (Table 7). In October – December 2001, 14.2% of all young people could be described as NEET, as estimated by the LFS. The proportion of young people described as NEET rose and fell twice in the last decade and as of October – December 2011, 20.5% of all young people could be classified as NEET. This represents an increase of 6.4 percentage points or 16,000 young people in ten years. This upward trend was also evident for the United Kingdom as a whole but with a more gradual increase from 14.9%, in October – December 2001, to 19.2% in 2011, an increase of 4.3 percentage points.

Table 7: Number and proportion of young people who are not in employment, full-time education or training, 2001 – 2011 (Northern Ireland and United Kingdom)

Year	NI		UK	
	Total	Rate	Total	Rate
2001	30,000	14.2%	958,000	14.9%
2002	32,000	15.1%	994,000	15.1%
2003	35,000	16.3%	1,027,000	15.3%
2004	37,000	16.7%	1,094,000	15.9%
2005	34,000	14.9%	1,192,000	17.0%
2006	30,000	12.9%	1,200,000	16.8%
2007	38,000	16.6%	1,177,000	16.2%
2008	44,000	19.3%	1,242,000	17.0%
2009	35,000	15.4%	1,332,000	18.2%
2010	49,000	21.7%	1,419,000	19.4%
2011	46,000	20.5%	1,402,000	19.2%

Source: Labour Force Survey (October – December) (non-seasonally adjusted)

Figure 10: Proportion of young people who are not in employment, full-time education or training, 2001 – 2011 (Northern Ireland and United Kingdom)



Source: Labour Force Survey (non-seasonally adjusted)



Older people and employment in Northern Ireland

Dave Rogers, Analytical Services, Department for Employment and Learning

This article examines how the likelihood of being in employment varies with age in Northern Ireland and compares the position here with that in the United Kingdom as a whole. It confirms the findings of the previous article – that there is an issue with young people – but it also demonstrates that the main reason Northern Ireland has a lower employment rate than the United Kingdom is due to lower employment rates amongst later middle aged and older workers – especially beyond the age of 45.

Background

The previous chapter has highlighted the fact that young people in Northern Ireland are faring poorly in the labour market. Youth unemployment and the incidence of those who could be classified as NEET (not in employment, education, or training) have both grown sharply since the onset of the recession in 2008, and the number in work has fallen. The evidence seems to show that in relative terms Northern Ireland has been more badly affected in this regard than the rest of the United Kingdom.

Rising youth unemployment here and in Great Britain has led to policy responses to mitigate the worst effects of the downturn and to improve the employment chances of young people, both now and for them in the future. This is only right as the economic, labour market and social consequences – not to mention the impact on the individuals – of extensive youth unemployment are potentially considerable and long-lasting. However there is always the risk that concentrating the gaze on one group will mean that we miss issues with other groups. Hence this brief article examines labour market profiles of different age groups in the Northern Ireland population – concentrating on the employment rate.

Employment rates are based on data from the Labour Force Survey and Annual Population Survey and relate to the calendar year 2011, the most recent whole year for which data are available.

Employment rate by age group

Figure 1 shows the employment rate of different age groups in Northern Ireland and the United Kingdom for 2011. In many ways, the two graphs are broadly the same shape. Employment rates for the youngest (16-19) age group are fairly low (below a third), mainly due to participation in education and training. Rates rise for the group in the first half of their twenties, then hit 80% (or above) for those above 25, and they remain generally high through people's thirties and even forties: however they begin to fall away in the older age groups as retirement – or at least disengagement from the labour market – kicks in.

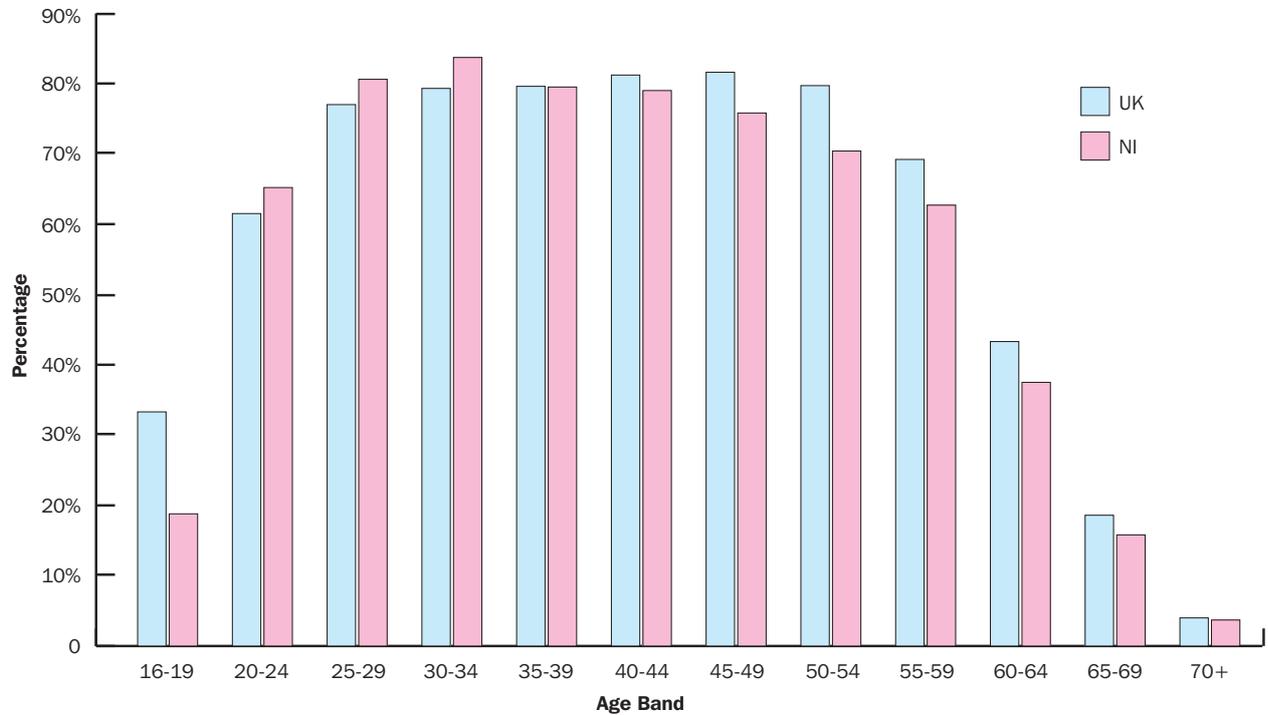
So much for the similarities. On closer inspection, however, perhaps the differences are even more striking. There seems to be three main ones:

- **Much lower employment rates for 16-19 year olds in Northern Ireland.** Whereas the employment rate in the United Kingdom as a whole for this age group is approaching a third, in Northern Ireland it is less than 20%. This links to the discussion in the last chapter and will not be developed further here. However it is worth pointing out that any young person in a part-time job will be classified as employed – even if they are in other activity (eg at school) for most of their time.





Figure 1: Employment Rates, United Kingdom and Northern Ireland by age band, 2011



Source: Labour Force Survey and Annual Population Survey, NISRA

- For the 25-44 age groups, the Northern Ireland employment rate exceeds or is similar to that in the United Kingdom.**
 For the 20-24; 25-29; and 30-24 age groups, the Northern Ireland rate exceeds that of the United Kingdom; for the 35-39 group it is similar, whilst the 40-44 rate is only slightly below.

- For older age groups, the Northern Ireland rate is below the United Kingdom rate.**
 The picture changes for those over the age of 45. In every age group the Northern Ireland rate is below the equivalent United Kingdom rate.

Figure 2 displays the data in a slightly different way – by single year of age¹. The graph covers ages from the early 20s to early 60s, as numbers in employment in the very young and old age groups are too small for publication. What the graph clearly shows is that from the early 20s to the mid 30s, proportionally more of Northern Ireland’s people are in work than are their counterparts in the United Kingdom as a whole; than from the mid 30s to the early-mid 40s there is no discernable or consistent difference; but that from mid-late 40s onwards the Northern Ireland rate is consistently below that in the United Kingdom as a whole. The gap seems to be widest for those in their late 40s and early 50s. Northern Ireland’s lower overall employment rate that the United Kingdom (see chapter 3) can be wholly attributed to lower

employment in these older age groups.

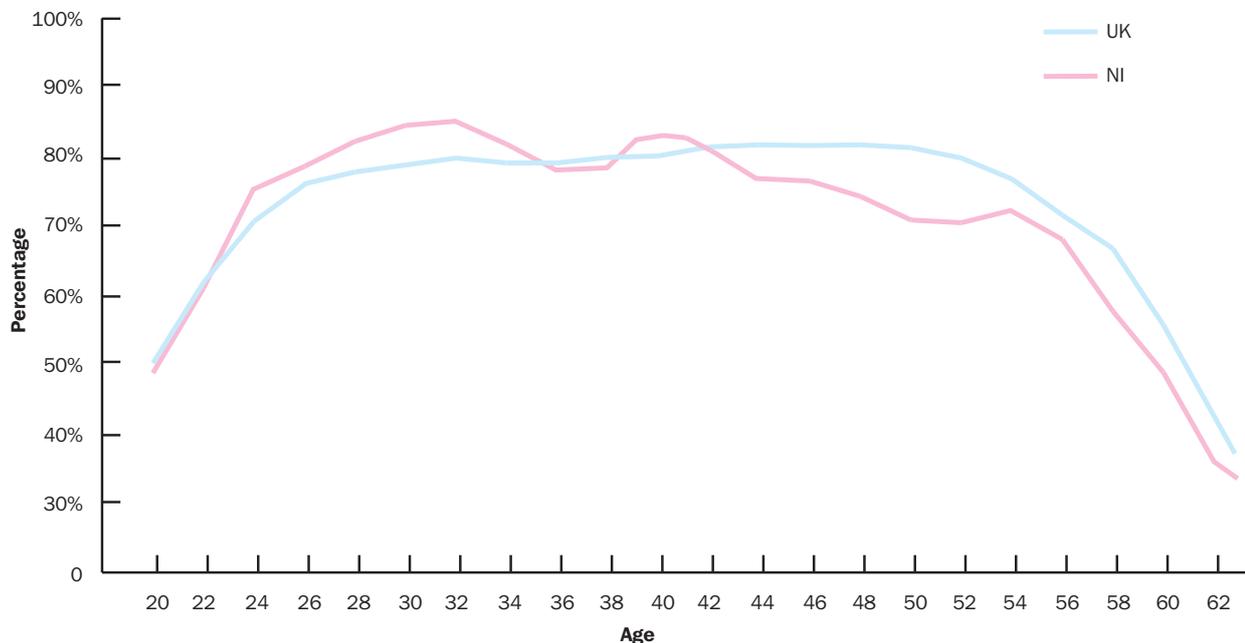
Differences by Sex

Table 1 shows the figures for males and females as well as for all persons. Caution needs to be applied as sampling error comes more into play as the data are increasingly disaggregated. Again the general pattern is the same between the two jurisdictions – males and females follow a broadly similar trajectory with female employment rates somewhat below male rates for all age groups. There seem to be two main differences.

- Young women (25-34) have higher employment rates than their United Kingdom counterparts.** For both 5-year age groups, the female employment rate in

¹ To smooth the data, 3-point averages have been calculated (ie age “23” is an average of the employment rates of 22, 23, and 24 year olds). The raw yearly data, especially for Northern Ireland, display considerable sampling variation which obscures the pattern. This method is used for illustrative purposes only and rates should not be quoted.

Figure 2: Employment Rates, United Kingdom and Northern Ireland by year of age, 2011



Source: Labour Force Survey and Annual Population Survey, NISRA

Note: see footnote 1 for explanation of calculation of employment rates for single years of age

Northern Ireland is some six or seven percentage points higher than in the United Kingdom as a whole. The same is not the case for males (rates are similar).

- **Over 55, female employment rates in Northern Ireland fall more rapidly than male rates.**

Female rates are 11.5 percentage points below the

equivalent United Kingdom rate for 55-59 year olds and 7.1 percentage points below for the 60-64 age group – a much greater differential than for males.

Table 1: Employment rates by sex and age band, UK and NI, 2011

Age-band	Male			Female			All		
	UK	NI	Diff	UK	NI	Diff	UK	NI	Diff
16-19	31.4%	18.1%	-13.3 pp	35.3%	19.4%	-15.9 pp	33.3%	18.8%	-14.5 pp
20-24	63.7%	66.3%	2.6 pp	59.3%	64.1%	4.8 pp	61.5%	65.2%	3.7 pp
25-29	83.3%	83.4%	0.1 pp	70.5%	77.8%	7.3 pp	77.0%	80.6%	3.6 pp
30-34	87.3%	90.2%	2.9 pp	71.2%	77.4%	6.2 pp	79.3%	83.7%	4.4 pp
35-39	87.4%	85.8%	-1.6 pp	71.8%	73.3%	1.5 pp	79.6%	79.5%	-0.1 pp
40-44	87.5%	83.7%	-3.8 pp	75.1%	74.4%	-0.7 pp	81.2%	79.0%	-2.2 pp
45-49	85.7%	80.1%	-5.6 pp	77.7%	71.8%	-5.9 pp	81.6%	75.8%	-5.8 pp
50-54	83.2%	72.6%	-10.6 pp	76.3%	68.3%	-8.0 pp	79.7%	70.4%	-9.3 pp
55-59	73.7%	72.0%	-1.7 pp	64.8%	53.3%	-11.5 pp	69.2%	62.7%	-6.5 pp
60-64	53.6%	49.2%	-4.4 pp	33.6%	26.5%	-7.1 pp	43.3%	37.5%	-5.8 pp
65-69	22.9%	19.2%	-3.7 pp	14.6%	*	*	18.6%	15.8%	-2.8 pp
70+	5.8%	*	*	2.6%	*	*	4.0%	3.7%	-0.3 pp

Source: Labour Force Survey and Annual Population Survey, NISRA

* data not sufficiently robust for estimate





Regional differences within the United Kingdom

Northern Ireland exhibits a different pattern to the United

Kingdom as a whole, but does it fall within the general variation of United Kingdom countries and regions or is it an outlier? **Table 2** shows the difference.

from the United Kingdom figure for each age group for the different countries and regions of the United Kingdom.

Table 2: Difference from UNITED KINGDOM employment rate by country and region, 2011

Age Band	Northern Ireland	North East	North West	York & Humb	East Midlands	West Midlands	East	London	South East	South West	Scotland	Wales
16-19	-14.5 pp	-1.8 pp	-0.1 pp	-1.3 pp	+1.8 pp	-7.2 pp	+7.2 pp	-15.3 pp	+6.4 pp	+9.3 pp	+7.9 pp	-2.5 pp
20-24	+3.7 pp	-2.0 pp	-1.3 pp	-3.5 pp	+0.7 pp	-3.8 pp	+5.6 pp	-7.8 pp	+7.0 pp	+6.2 pp	+2.8 pp	-4.5 pp
25-29	+3.6 pp	-7.3 pp	-1.6 pp	-1.4 pp	-0.4 pp	-2.7 pp	+5.4 pp	-1.7 pp	+4.0 pp	+3.5 pp	-0.4 pp	-2.7 pp
30-34	+4.4 pp	-2.5 pp	-0.9 pp	-2.3 pp	-0.6 pp	-5.6 pp	+2.7 pp	-2.9 pp	+4.3 pp	+3.3 pp	+2.2 pp	+1.4 pp
35-39	-0.1 pp	-3.5 pp	-0.4 pp	-2.6 pp	+0.7 pp	-3.5 pp	+1.9 pp	-1.5 pp	+2.8 pp	+1.5 pp	+1.7 pp	+0.1 pp
40-44	-2.2 pp	-2.5 pp	-1.5 pp	-2.3 pp	+4.2 pp	-0.2 pp	+3.0 pp	-4.9 pp	+3.1 pp	+3.0 pp	-0.3 pp	-0.6 pp
45-49	-5.8 pp	-5.6 pp	-0.6 pp	+2.2 pp	+0.3 pp	-0.7 pp	+4.4 pp	-5.9 pp	+3.6 pp	+3.9 pp	-0.6 pp	-3.0 pp
50-54	-9.3 pp	-4.3 pp	+0.2 pp	-0.6 pp	+1.8 pp	-1.3 pp	+2.6 pp	-2.3 pp	+3.9 pp	+2.7 pp	-1.8 pp	-2.7 pp
55-59	-6.5 pp	-5.4 pp	-3.4 pp	-3.8 pp	+3.2 pp	+0.9 pp	+1.5 pp	-2.6 pp	+4.3 pp	+5.0 pp	+0.7 pp	-3.7 pp
60-64	-5.8 pp	-9.5 pp	-3.2 pp	-3.4 pp	+1.1 pp	-1.6 pp	+5.3 pp	+2.1 pp	+3.9 pp	+4.5 pp	-1.8 pp	-4.7 pp
65-69	-2.8 pp	-7.2 pp	-3.4 pp	-3.8 pp	-0.5 pp	-1.6 pp	+3.9 pp	+5.0 pp	+5.2 pp	+2.1 pp	-3.8 pp	-2.3 pp
70+	-0.3 pp	-1.4 pp	-1.2 pp	-0.3 pp	+0.9 pp	-0.8 pp	+0.6 pp	+0.8 pp	+0.6 pp	+1.5 pp	-1.0 pp	-0.4 pp

Source: Labour Force Survey, Annual Population Survey, NISRA

Note: a positive number means that the regional employment rate is above the corresponding United Kingdom figure, whilst a negative number means that it is below.

It can be seen that, to a certain extent, Northern Ireland does exhibit a different pattern to the other United Kingdom regions. Some regions (eg North East, North West, West Midlands) show lower employment rates for all age of almost all age groups. Other regions (eg South East, South West, East) have higher employment rates in all age groups. In fact Northern Ireland is the only country/region which seems to have consistently higher employment rates for younger age groups (with the glaring exception of the 16-19 age group); and then consistently lower employment rates for the older age groups. The interesting analogue to Northern Ireland is London – except in reverse.

London exhibits the obverse pattern to Northern Ireland: lower employment in the younger age groups; and higher in the older groups. The exception is the 16-19 age band where London, uniquely with Northern Ireland, has employment rates substantially below the United Kingdom average.

Discussion

The data on which this article are based are derived from the Labour Force Survey (and the Annual Population Survey in GB) and are thus subject to sampling error. It is thus possible that any patterns may be attributable to chance. The author has

examined data from 2010 in addition to 2011 for Northern Ireland and the United Kingdom as a whole, and the patterns shown are similar – this reduces, but does not fully eliminate, the risks of chance variation.

Lower employment rates in older age groups in Northern Ireland are a major impediment in raising Northern Ireland's overall employment rate and reducing levels of unemployment and inactivity. In the most recent Labour Force Survey figures released by NISRA at the time of writing (relating to November 2012 – January 2013) show that around 37,000 working age people (out of a total of 321,000 working age inactive people)

describe themselves as being out of the labour market due to retirement, so early retirees do not form a large section of the inactive group. It suggests that something will need to be done to address this factor if employment rates in Northern Ireland are to converge more with those in the United Kingdom as a whole. Current (United Kingdom-wide) policies to increase the state pension age to 66 by 2020 and to accelerate the movement to higher ages in the following decades will have minimal effect if employment rates amongst older age groups do not rise. Indeed, there is a risk that an already marginalised group in the labour market (older people) will simply see numbers increased by changes in pension provision. Older people in the labour market and who wish to stay there may need to avail themselves of retraining opportunities to ensure that they have the skills to function in a changing labour market. Those who are unemployed or out of the labour market altogether – and this article shows that there are already large numbers of these once the age of 56 is surpassed² - will need encouragement and/or help to re-engage. It is salutatory to note that some of this group will have nearly 10 years left as being within the definition of “working age”: morally, socially, and economically, we simply cannot write this group off.

There is one question that the current data do not answer – are lower unemployment rates amongst older people here a legacy, or are they likely to be a persistent factor in the Northern

Ireland labour market? It might be possible that an analysis of earlier years Labour Force Survey data might shed some light on this, although the profound shifts in the labour market since the onset of the recession in 2008 might render this difficult. However even if it is a legacy and will disappear as time moves on, given likely changes in state pension age it will take a further quarter of a century to fully work its way through the system. Whichever way, it is an issue we are going to have to increasingly deal with as demographic change begins to bite and the Northern Ireland population ages.



² I have to declare an interest here as I completed this article the day before my 57th birthday

Equality monitoring update

Claire Hood, Analytical Services, Department for Employment and Learning

This article updates the results of the Department for Employment and Learning's equality monitoring for the Department's programmes and services to December 2011 by gender, community background and disability and also includes information by age and marital status. Higher Education (HE), Further Education (FE) and Essential Skills (ES) enrolments are taken over the full academic year 2010/11. Figures by gender, community background and disability have been published in the annual Labour Market Bulletins since 2001. Information has also been provided on the number of participants on Steps to Work who have moved into sustained (for 13 weeks) unsubsidised employment, by a number of the Section 75 groups between September 2008 and June 2011.

Background

Section 75 of the Northern Ireland Act (1998) places a statutory obligation on all public authorities, in carrying out their functions, to have due regard to the need to promote equality of opportunity:

- Between persons of different religious belief, political opinion, racial group, age, marital status or sexual orientation;
- Between men and women generally;
- Between persons with a disability and persons without; and
- Between persons with dependants and persons without.

As a result DEL has monitored its main programmes and services in terms of gender, disability, community background, dependants, marital status, age and ethnicity for some time. The dimensions of political opinion and sexual orientation are not currently collected. There is a need to undertake a systematic review of the equality information currently gathered with a view to addressing any gaps. The results of DEL's equality monitoring on gender, community background and disability have been published in the Labour Market

Bulletins since 2001. Monitoring is one way in which the Government can keep a check on its own performance and publication of monitoring results enables public scrutiny.

Participation by gender, community background and disability

Table 1 shows occupancy/enrolments on the Department's main programmes and services and shows the eligible groups for gender, community background and disability. The eligible group is the total number of people eligible to participate in the programme or service. The breakdown of the eligible population by gender, community background and disability was taken from the Labour Force Survey 2011 Quarter 4 (most recent data available). Not all eligible group figures are available as the data are taken from a sample survey and once the estimated number in a category drops below a certain level (6,000), data are deemed to be unreliable and are not published. Numbers exceeding 6,000 are also subject to sampling error. The figures for occupancy should broadly reflect those for the target population. If there is a large difference between the occupancy and eligible group figures then further investigation may be appropriate.





Table 1: Occupancy and eligible group figures by gender, community background and disability¹

Programme	% Female ²		% Catholic ^{3, 4}		% Disabled ⁵	
	Occupancy	Eligible	Occupancy	Eligible	Occupancy	Eligible
Services to Clients ⁶	38%	42%	58%	48%	4%	28%
Employment Support	36%	49%	45%	48%	100%	100%
IFI Wider Horizons	34%	N/A	71%	N/A	N/A	N/A
Jobskills Modern Apprenticeship	38%	46%	33%	50%	15%	25%
Bridge to Employment	22%	53%	83%	49%	0%	26%
Higher Education (HE)	59%	N/A	59%	N/A	6%	N/A
Further Education (FE) ⁷	50%	N/A	56%	N/A	5%	N/A
Training for Success	42%	33%	52%	50%	8%	10%
Intro	42%	N/A	57%	N/A	3%	N/A
Workable (NI)	36%	49%	47%	48%	91%	100%
Essential Skills (ES)	46%	N/A	55%	N/A	3%	N/A
Steps to Work (StW)	26%	19%	57%	53%	8%	29%
Study USA	61%	N/A	64%	N/A	0%	N/A

- 1 The occupancy figures are as at 31st December 2011 for all of the main training and employment programmes. HE, FE and ES enrolments are taken over the full academic year 2010/11. FE figures relate to assessed provision only. The breakdown of the eligible population was taken from the Labour Force Survey 2011 Quarter 4 (most recent data available).
- 2 Percentages given are of the total number with stated gender.
- 3 Percentages for community background exclude those not classified as either Protestant or Catholic. The accepted convention, which is followed in this table, is to give the percentage in [square brackets], except where specifically indicated. Protestant and Catholic percentages will thus sum to [100%]. Community Background information is not mandatory for training and employment programmes.
- 4 For HE and FE, information on community background is not a mandatory question and it is only collected for Northern Ireland domiciled students studying at Northern Ireland institutions which contributes to high response rates.
- 5 Disability in HE and FE is collected on the basis of self-assessment by each individual student, while those on training or employment schemes are given the DDA definition of disability and asked to determine if they are disabled under this definition. Disability information is not mandatory for training and employment programmes and is only input when the client declares a disability.
- 6 Eligible Group figures for Services to Clients include only those who are ILO unemployed or economically inactive but who would like a job. Services to Clients is also available to those who are employed but fewer will take up the service.
- 7 FE enrolments relate to professional and technical enrolments

Examples of some of the differences in the occupancy and eligible group figures regarding female participation are given below:

- The level of female participation on Employment Support (36%) is low compared to the eligible group (49%);
- The level of female participation on Bridge to Employment (22%) is very low compared to the eligible group (53%);

- The level of female participation on Training for Success (42%) is high compared to the eligible group (33%);
- The level of female participation on Workable (NI) (36%) is low compared to the eligible group (49%);
- The level of female participation on Jobskills Modern Apprenticeship (38%) is low compared to the eligible group (46%);

- The level of female participation on Steps to Work (26%) is high compared to the eligible group (19%).

Examples of some of the differences in the occupancy and eligible group figures regarding Catholic participation are given below:

- The level of Catholic participation on Services to Clients (58%) is high compared to the eligible group (48%);

- The level of Catholic participation on Jobskills Modern Apprenticeship (33%) is low compared to the eligible group (50%);
 - The level of Catholic participation on Bridge to Employment (83%) is extremely high compared to the eligible group (49%).
- Examples of some of the differences in the occupancy and eligible group figures regarding disabled participation are given below:
- The level of disabled participation on Services to Clients (4%) is very low compared to the eligible group (28%);
 - The level of disabled participation on Jobskills Modern Apprenticeship (15%) is low compared to the eligible group (25%);
 - The level of disabled participation on Bridge to Employment (0%) is extremely low compared to the eligible group (26%);
 - The level of disabled participation on Workable (NI) (91%) is low compared to the eligible group (100%);
 - The level of disabled participation on Steps to Work (8%) is very low compared to the eligible group (29%).

Participation by age

Table 2 shows occupancy/enrolments on the Department's main programmes and services and shows the eligible groups for age. The breakdown of the eligible population by age was taken from the Labour Force Survey 2011 Quarter 4 (most recent data available). The eligible group is the total number of people eligible to participate in the programme or service. Not all eligible group figures are available as the data are taken from a sample survey and once the estimated number in a category drops below a certain level (6,000), data are deemed to be unreliable and are not published. Numbers exceeding 6,000 are also subject to sampling error.



Table 2: Occupancy and eligible group figures by age¹

Programme	% 16/17		% 18-24		% 25-49		% 50+		% Other	
	Occ. ⁴	Eligible								
Services to Clients ²	0%	0%	32%	27%	54%	52%	14%	21%	0%	0%
Employment Support	0%	N/A	10%	N/A	79%	N/A	11%	N/A	0%	N/A
IFI Wider Horizons	0%	N/A	91%	N/A	9%	N/A	0%	N/A	0%	N/A
Jobskills Modern Apprenticeship	0%	N/A	92%	N/A	8%	N/A	0%	N/A	0%	N/A
Bridge to Employment	0%	0%	0%	26%	0%	48%	0%	26%	100%	0%
Higher Education (HE)	0%	N/A	65%	N/A	29%	N/A	6%	N/A	0%	N/A
Further Education (FE) ^{3, 6}	30%	N/A	29%	N/A	26%	N/A	9%	N/A	6%	N/A
Training for Success	25%	N/A	40%	N/A	31%	N/A	4%	N/A	0%	N/A
Intro	0%	N/A	47%	N/A	53%	N/A	0%	N/A	0%	N/A
Workable (NI)	0%	N/A	35%	N/A	56%	N/A	9%	N/A	0%	N/A
Essential Skills (ES) ⁵	44%	N/A	25%	N/A	24%	N/A	7%	N/A	0%	N/A
Steps to Work (StW)	0%	N/A	0%	N/A	47%	N/A	12%	N/A	41%	N/A
Study USA	0%	N/A	99%	N/A	1%	N/A	0%	N/A	0%	N/A

1 The occupancy figures are as at 31 December 2011 for all training and employment programmes. HE, FE and ES enrolments are taken over the full academic year 2010/011. FE figures relate to assessed provision only. The breakdown of the eligible population was taken from the Labour Force Survey 2011 Quarter 4 (most recent data available).

2 Eligible Group figures for Services to Clients include only those who are ILO unemployed or economically inactive but who would like a job. Services to Clients is also available to those who are employed but fewer will take up the service.

3 Age is as at 1st July 2010 for FE enrolments. Unknown age is included in 50 and over for FE enrolments.

4 Occ. Is abbreviation of Occupancy.

5 For Essential Skills (ES) age is derived from date of birth and start date for student

6 FE enrolments relate to professional and technical enrolments



The figures for occupancy should broadly reflect those for the target population. If there is a large difference between the occupancy and eligible group figures then further investigation may be appropriate. The breakdown of the eligible population by age is not possible for a large number of the programmes as they specify particular age criteria and therefore a breakdown into age bands would not be appropriate or produce reliable estimates.

Examples of some of the differences in the occupancy and eligible group figures regarding participation by age are given below:

- The level of participation of 18 to 24 year olds on Services to Clients (32%) is high compared to the eligible group (27%);

- The level of participation of those aged over 50 years old on Services to Clients (14%) is low compared to the eligible group (21%).

Participation by marital status

Table 3 shows occupancy/enrolments on the Department's main programmes and services and shows the eligible groups for marital status. The breakdown of the eligible population by marital status was taken from the Labour Force Survey 2011 Quarter 4. The eligible group is the total number of people eligible to participate in the programme or service. Not all eligible group figures are available as the data are taken from a sample survey and once the estimated number

in a category drops below a certain level (6,000), data are deemed to be unreliable and are not published. Numbers exceeding 6,000 are also subject to sampling error. The figures for occupancy should broadly reflect those for the target population. If there is a large difference between the occupancy and eligible group figures then further investigation may be appropriate. The breakdown of the eligible population by marital status is not possible for a large number of the programmes as there is a large proportion of suppressed data and therefore a breakdown into marital status bands would not be appropriate or produce reliable estimates.

Examples of some of the differences in the occupancy and eligible group figures regarding

Table 3: Occupancy and eligible group figures by marital status¹

Programme	% Single		% Married		% Other	
	Occupancy	Eligible	Occupancy	Eligible	Occupancy	Eligible
Services to Clients ²	69%	60%	13%	29%	18%	11%
Employment Support	94%	33%	6%	48%	1%	19%
IFI Wider Horizons	N/A	N/A	N/A	N/A	N/A	N/A
Jobskills Modern Apprenticeship	100%	N/A	0%	N/A	0%	N/A
Bridge to Employment	63%	51%	25%	39%	13%	10%
Higher Education (HE)	83%	N/A	13%	N/A	3%	N/A
Further Education (FE) ^{3, 4}	78%	N/A	18%	N/A	4%	N/A
Training for Success	94%	N/A	4%	N/A	3%	N/A
Intro	86%	N/A	11%	N/A	3%	N/A
Workable (NI)	87%	N/A	8%	N/A	5%	N/A
Essential Skills (ES) ³	84%	N/A	12%	N/A	4%	N/A
Steps to Work (StW) ³	78%	N/A	11%	N/A	11%	N/A
Study USA	100%	N/A	0%	N/A	0%	N/A

1 The occupancy figures are as at 31 December 2011 for all training and employment programmes. HE, FE and ES enrolments are taken over the full academic year 2010/11. FE figures relate to assessed provision only. The breakdown of the eligible population was taken from the Labour Force Survey 2011 Quarter 4 (most recent data available).

2 Eligible Group figures for Services to Clients include only those who are ILO unemployed or economically inactive but who would like a job. Services to Clients service is also available to those who are employed but fewer will take up the service.

3 Figures for '% married' of FE and ES enrolments and Steps to Work occupancy figures includes '% co-habiting'.

4 FE enrolments relate to professional and technical enrolments.

participation by marital status are given below:

- The level of single participation on Services to Clients (69%) is high compared to the eligible group (60%);
- The level of single participation on Employment Support (94%) is extremely high compared to the eligible group (33%);
- The level of single participation on Bridge to Employment (63%) is extremely high compared to the eligible group (51%);
- The level of married participation on Services to Clients (13%) is low compared to the eligible group (29%);
- The level of married participation on Employment Support (6%) is extremely low compared to the eligible group (48%);
- The level of married participation on Bridge to Employment (25%) is low compared to the eligible group (39%);
- The level of other marital status groups' participation on Services to Clients (18%) is high compared to the eligible group (11%);
- The level of other marital status groups' participation on Employment Support (1%) is very low compared to the eligible group (19%).

Participation by dependants and ethnicity

The breakdown of the eligible population by dependants is not possible for several reasons. The information on dependant children is derived from the household dataset to ensure that only the head or partner of a head of household are included as those with dependants. This avoids the problem of counting an adult sibling in a household with other younger dependant children as a person with dependants. Usage of the household dataset in this manner does not enable the required breakdown by the various eligibility criteria for the programmes.

The breakdown of the eligible population by ethnicity is not possible due to the small number of people classified as 'non-white' of the total working age. As a result any further breakdowns such as those required render this estimate unreliable.

Monitoring outcomes

From 2006 the process of examining the measurable outcomes of DEL's programmes and services began. In this year's equality article the measurable outcomes of Steps to Work will be provided.

The aim of Steps to Work is to assist people who are unemployed or economically inactive to find and sustain employment.

Participation in Steps to Work is mandatory for all those on Jobseeker's Allowance (JSA) aged between 18 and 24 who have been claiming for six months or

longer and those aged 25 and over claiming JSA for 18 months or more. Steps to Work also offers access to provision for voluntary participants aged 18 or over (16 or over for lone parents) for those on Incapacity Benefit, Employment and Support Allowance, Income Support, other benefits, and those economically inactive not in receipt of benefits.

Individuals on JSA who have not yet reached the threshold for mandatory participation may also avail of Steps to Work provision on a voluntary basis. Furthermore, access to Steps to Work provision is available to those on the Department for Employment and Learning's Pathways to Work programme and LEMIS (Local Employment Intermediary Service).

Table 4 shows the numbers of leavers and the number who have moved into sustained (for 13 weeks) unsubsidised employment for Steps to Work by a number of the Section 75 equality groups between September 2008 and June 2011.

There were a total of 45,572 leavers and of these 22% went into sustained (for 13 weeks) unsubsidised employment. Just over a fifth of males (21%) and almost a quarter of females (23%) moved into sustained (for 13 weeks) unsubsidised employment; 22% of single people and 26% of married/cohabiting people did likewise. In terms of community background, 20% of Catholics and 23% of Protestants moved into sustained (for 13 weeks) unsubsidised employment; and



Table 4: All participants who moved into sustained (for 13 weeks unsubsidised employment by equality group (September 2008 to June 2011)

Equality Group ¹	Total leaving Steps to Work	Moved to employment ²	% of Total Leaving	Sustained 13 weeks ³	% of Total Leaving
All	45,572	12,522	27%	9,856	22%
Male	34,539	9,539	28%	7,347	21%
Female	11,033	2,983	27%	2,509	23%
Single	35,373	9,903	28%	7,681	22%
Married/Cohabiting	5,539	1,698	31%	1,428	26%
Other	4,140	784	19%	635	15%
Not known	520	137	26%	112	22%
Catholic	22,640	5,973	26%	4,616	20%
Protestant	17,202	4,942	29%	3,920	23%
Other	1,938	513	26%	411	21%
Not known	3,792	1,094	29%	909	24%
Non Disabled	36,134	10,179	28%	7,830	22%
Disabled	3,557	477	13%	352	10%
Not known	5,881	1,866	32%	1,674	28%
White	44,151	12,160	28%	9,566	22%
Non White	693	179	26%	143	21%
Not known	728	183	25%	147	20%
Aged <25 ⁴	22,962	7,155	31%	5,526	24%
Aged 25 to 49	18,192	4,564	25%	3,670	20%
Aged 50+	4,418	803	18%	660	15%

1 The equality group information is as at the date of data extraction from the Client Management System.

2 Includes those recorded by the Department as having moved into employment, plus those who have recorded as having terminated their benefit claim in order to go into a job within 13 weeks of leaving Steps to Work. This will understate the total number going into a job as some participants who move into a job will not, for whatever reason, record this as the reason for termination of their benefit claim. Participants are not obliged to inform the Department of their destination.

3 A participant is considered to have sustained employment for 13 weeks if they remain in the same spell of employment for 13 weeks or more.

4 Participants age at start of Steps to Work episode.

the corresponding figures for non disabled and disabled people were 22% and 10% respectively. 22% of white people and 21% of non-white people moved into sustained (for 13 weeks) unsubsidised employment. Twenty-four percent of those aged under 25, 20% of those aged between 25 and 49 and 15% of those aged over 50 moved into sustained (for 13 weeks) unsubsidised employment.

DEL will continue to collect data on and monitor the occupancy of its main programmes and services in order to ensure that all of these are delivered on the basis of equality of opportunity and we will continue to publish the results in the Labour Market Bulletins.

For further information contact:

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Key words: equality, monitoring, DEL programmes, Section 75, occupancy, eligible groups, measurable outcomes.

Wider national and international research into skills, employment, innovation and wider labour market issues

Christine Fairfield and Dean Varley, Analytical Services, Department for Employment and Learning

The Department for Employment and Learning (DEL) monitors a number of Government organisations and research bodies to keep abreast of related research in the field skills, employment, innovation and wider labour market issues. The aim is to ensure that relevant outcomes from this wider body of research are built into the policy development cycle. Therefore, when commissioning its own research the Department avoids any unnecessary duplication and can build on the work carried out elsewhere.

Introduction

The following piece summarises a number of research articles published in the year April 2011 to March 2012, although in some cases more recent information has been included especially where reports have been updated. The articles are listed under the four areas that are seen as key in delivering the Department's strategic objectives; enhancing the provision of learning and skills, increasing the level of research and development, helping individuals acquire jobs and developing and maintaining the framework of employment rights and responsibilities. All of the research is available on the Internet and the relevant web addresses are listed at the end of the article. It should be noted that the research summarised within the article is largely focused at the national level or on other regions of the United Kingdom and with some international focus but many of the findings remain relevant to Northern Ireland.

DEL updates its research compendium on a quarterly basis. The most recent updates can be found at www.delni.gov.uk/es/quarterly-research-review.

Enhancing provision of learning and skills

(a) Skills

- **OECD: Education at a Glance 2012**

Education at a Glance 2012 provides a broad array of comparable indicators on education

systems and represents the consensus of professional thinking on how to measure the current state of education internationally. The 2012 report includes sections on the output of educational institutions and the impact of learning; financial and human resources invested in education; access to education, participation and progression; and the learning environment and organisation of schools.

www.oecd.org/edu/eag2012.htm

- **National Skills Bulletin 2012 (Forfás)**

Ireland's Expert Group on Future Skills Needs (EGFSN) published the 2012 update of the National Skills Bulletin, its annual review of employment trends and demand for skills in Ireland. The latest Bulletin shows that the labour market continues to contract in 2011. Despite the decline in employment and diminished job opportunities in most segments of the Irish labour market, vacancies, and in several areas skill shortages, continue to exist.

www.skillsireland.ie/publications/2012/title,9537,en.php

- **Business as Usual? Increasing Employer Investment in Skills (Learning and Skills Network)**

This research argues that if the United Kingdom Government is to deliver its



objectives of sustainable growth and a rebalanced economy then workbased training is likely to become more important in the future. It warns that reduced public spending will necessitate tough decisions about how much the state will support training and how much will be left to employers to pay. It identifies both short-term and long-term measures that should drive skills policy towards a new economic model that ensures effective employer contribution to skills development.

www.researchonline.org.uk/sds/search/download.do?ref=B22936

- ***Technicians and Progression (The Skills Commission)***

This paper warns that the United Kingdom science, technology, engineering and mathematic (STEM) sector is not producing enough technicians and focuses on the need for reforms to vocational and technical education and training for technicians within higher education, professional education, and lifelong learning systems. It suggests that the government should establish a single funding agency for post compulsory education.

www.policyconnect.org.uk/sites/default/files/Technicians%20and%20Progression%20-colour%20final%282%29.pdf

- ***Good Management: A New (old) Driver for Growth (CIPD)***

The United Kingdom continues to suffer from weaknesses in management capability and lack of employer investment in leadership skills development. This is despite the fact that management performance is critical for competitiveness and business growth. This is the argument of a new report from the Chartered Institute of Personnel and Development which considers how to better support employers. The report suggests that the shift in emphasis towards demand-side issues in skills supply offers an opportunity to address the issue.

www.cipd.co.uk/NR/rdonlyres/B52BD789-4A9A-4A32-AA5B-17D9B24D792B/0/5618_Work_Horizons_report.pdf

(b) Higher Education

- ***Apprenticeships and Higher Education (Learning and Skills Network)***

This paper seeks to dispel some of the myths surrounding apprenticeships and higher education, particularly the confusion between the two, by illustrating the critical differences and how the two pathways can best complement each other. It finishes with five recommendations for government policy makers.

<https://education.staffordshire.gov.uk/NR/rdonlyres/202EE393-A985-41DA-A33E-DDAAD7B5D904/160698/apprenticeshipsandHELNS201106.pdf>

- ***Degrees of doubt: Is university worth the investment? (Centre for Economics and Business Research)***

This report examines recent trends in the graduate labour market, assessing changes in the employment destination of recent university leavers. It looks at graduate underemployment and graduate unemployment, and compares the destinations of university leavers with those who choose vocational qualifications rather than higher education. It concludes that a renewed focus on high-quality vocational qualifications may be a more desirable form of education for many along with other recommendations for policy makers.

www.agcas.org.uk/assets/download?file=2424&parent=979

- ***Degree of value: how universities benefit society (New Economics Foundation)***

This report presents the findings of research which sought to quantify the monetary values of a range of societal outcomes associated with university

performance, such as greater political interest, higher interpersonal trust, and better health. The findings concern: the societal benefits that arise from individual social outcomes; the facilitation of greater social mobility; and the provision of public outreach and access to cultural resources. The report recommends that universities should seek to maximise their public value and impact, become more vocal about the public benefit that they deliver and be mindful of the impact of fee levels on the delivery of public value.

2 www.neweconomics.org/publications/entry/degrees-of-value

• *Strategically Important and Vulnerable Subjects (Higher Education Funding Council for England)*

This report sets out the advice and conclusions of the third Higher Education Funding Council for England Chief Executive's advisory group on Strategically Important and Vulnerable Subjects (SIVS). These subjects include: STEM subjects; area studies and related minority languages; quantitative social science; and modern foreign languages. This report:

- analyses the predicted future demand for all SIVS qualifications;
- notes key developments since the advisory group's first report, in 2009; and

- sets out the evidence on the current and future supply of graduates and postgraduates in SIVS subjects.

www.hefce.ac.uk/pubs/hefce/2011/11_24/11_24.pdf

• *Universities Driving Social Mobility – Beyond the Oxbridge Obsession (Million+)*

Universities Driving Social Mobility – Beyond the Oxbridge Obsession applauds the Government's commitment to promote a society in which people can improve their lot in life, including by studying at university. However, it concludes that there is a need to move beyond a narrow Oxbridge focus.

www.millionplus.ac.uk/documents/reports/Universities_Driving_Social_Mobility_FINAL.pdf

• *The impact of higher education for part-time students (UK Commission for Employment and Skills)*

This report examines the impact of higher education on the labour market experiences of graduates who studied part-time and full-time as undergraduates. It discusses the employment effects and the wage effects of part-time study. It indicates that individuals benefit financially from the skills acquired through part-time and full-time higher education study.

www.ukces.org.uk/publications/er36-impact-he-on-part-time-students

(c) Further Education & Training

• *The Economic Benefits of Vocational Education and Training for Individuals (European Centre for the Development of Vocational Training – CEDEFOP)*

This report looks at the economic returns that accrue to individuals who receive training and finds that - in terms of earnings and employment prospects – advantages are of the same magnitude as those that characterise tertiary general education. The research also focuses on the extent to which continuing training complements initial vocational education (the 'skills beget skills' hypothesis), as opposed to the conventional view of training as compensation for low levels of initial education.

www.cedefop.europa.eu/EN/publications/18070.aspx

• *Not Enough Capital? Exploring Education and Employment Progression in Further Education (Royal Society for the encouragement of Arts, Manufactures and Commerce)*

The Royal Society for the encouragement of Arts, Manufactures and Commerce has published a



study into the disadvantages endured by young people from low-income backgrounds and how it affects their progression in further education and to the workplace.

www.thersa.org/__data/assets/pdf_file/0017/410039/RSA-Education-Not-enough-capital1.pdf

- *Vocational Education and Training (VET) in Poland (European Centre for the Development of Vocational Training – CEDEFOP)*

This report summarises Poland's socioeconomic background and planned VET reforms. It explains how VET for young people and adults is currently organised and addresses topics such as teachers and trainers, guidance and counselling, and financing.

www.cedefop.europa.eu/EN/Files/4105_en.pdf

- *Rethinking Apprenticeships (Institute for Public Policy Research – IPPR)*

This volume brings together the views of international experts, industry professionals and policymakers in an attempt to set out a policy agenda that explores how to strengthen the role of apprenticeships in society and the economy, how to create more and better apprenticeships, and what an institutional framework for flourishing

apprenticeships would look like.

www.ippr.org/publications/55/8028/rethinking-apprenticeships

Helping Individuals Acquire Jobs

(a) Routes to Employment

- *Routes into Employment and Support Allowance (ESA) (Department for Work and Pensions)*

This report presents findings from a two-wave survey of people who claimed ESA between April and June 2009. It examines the social characteristics of ESA claimants and their employment trajectories over a period of approximately 18 months. The aim of the report is to provide information about who flows onto, and off ESA and the reasons for doing so.

research.dwp.gov.uk/asd/asd5/rports2011-2012/rrep774.pdf

- *The Role of Skills from Worklessness to Sustainable Employment with Progression (UK Commission for Employment and Skills)*

This study is shaped by the recognition that while there has been a great deal of policy development around the transition from unemployment and inactivity to employment over the last decade, policy can still be informed about

how best to nurture sustainable employment for those at risk of labour market exclusion.

www.ukces.org.uk/assets/bispartners/ukces/docs/publications/evidence-report-38-the-role-of-skills.pdf

- *Tax, Welfare and Work Incentives (Economic and Social Research Institute – ESRI)*

Over the last decade Irish tax policy has undergone dramatic shifts but what has been the impact of these changes on financial incentives to work? This is the issue tackled in this research report. One question of interest is how policy changed after the advent of the economic crisis in 2007-08. The report examines the impact of policy changes on two main measures of the financial incentive to work; the incentive for unemployed persons to take up employment and, for those in employment, the incentive to progress – through working longer hours, or with greater skill or effort.

www.esri.ie/UserFiles/publications/WP395/jacb201155.pdf

- *Something for Nothing: Reinstating conditionally for Jobseekers (Policy Exchange)*

Puts forward a series of proposals which would require Jobseeker's Allowance (JSA) claimants

to demonstrate higher levels of jobseeking activity in order to qualify. Sets out the theoretical and evidential case for conditionality in unemployment benefits. Provides an overview of the current JSA system.

www.policyexchange.org.uk/images/publications/pdfs/Something_for_Nothing_-_Sep_11.pdf

- ***Off the Map? The Geography of NEETs (The Work Foundation)***

Launched as part of a research partnership with the Private Equity Foundation, 'Off the map?' *The geography of NEET* examines NEET rates for 16 – 24 year olds across Great Britain. It identifies a group of blackspots for the problem and argues that without effective, targeted action from government and business, a generation of young people in these cities will face a bleak future in the labour market.

www.theworkfoundation.com/Reports/294/Off-the-Map-The-geography-of-NEETs

(b) Other Labour Market research

- ***Labour Mobility within the EU (National Institute of Economic and Social Research – NIESR)***

The main focus of this study is an assessment of the macro-economic impact on both home and host countries of the increased labour mobility that has resulted from the two recent

European Union enlargements in 2004 and 2007. The report quantifies the share of population movements that have occurred since 2004 that can be attributed to the enlargement process itself and the share that would likely have occurred even in the absence of European Union expansion before looking at the impact that transitional restrictions on the free mobility of labour have had on the distribution of EU-8 and EU-2 citizens across the EU-15 countries.

www.niesr.ac.uk/pdf/270411_143310.pdf

- ***Youth Unemployment (Centrepiece)***

This article investigates why youth unemployment in the United Kingdom started to increase in 2004, in advance of the 2008 recession looking at unemployment rates for the working age population by different age groups between 1975 and 2010. It argues that young people are much more sensitive to the state of the business cycle and that they are faring worse in the downturn than other groups, a general pattern seen in all recessions. An emphasis is placed on the importance of maintaining strong welfare-to-work policies which keep young people attached to the labour market and easing the transition from school to work with programmes targeted at low-achieving groups.

<http://cep.lse.ac.uk/pubs/download/cp338.pdf>

- ***The Hourglass and the Escalator: Labour Market Change and Mobility (The Work Foundation)***

This report investigates the evidence of a 'hollowing-out' of the labour market and assesses the implications on the United Kingdom economy

[www.theworkfoundation.com/Assets/Docs/Ideopolis/hourglass_escalator120711%20\(2\)%20\(3\).pdf](http://www.theworkfoundation.com/Assets/Docs/Ideopolis/hourglass_escalator120711%20(2)%20(3).pdf)

- ***Young People's Aspirations in Rural Areas (National Foundation for Educational Research – NFER)***

The National Foundation for Educational Research has published a report investigating the influence and impact of low aspirations on young people in rural areas. The research explored young people's aspirations in three rural local authorities: Suffolk, Lincolnshire and Cumbria. Youth unemployment in rural areas is often perceived to be caused by the low aspirations of young people themselves, their families and local communities. The research found however that the majority of the young people had realistic aspirations in relation to their predicted attainment at GCSE.

www.nfer.ac.uk/nfer/publications/LYPA01/LYPA01.pdf



- ***Rising Wage Inequality and Postgraduate Education (Centre for Economic Performance)***

This paper considers what has hitherto been a relatively neglected subject in the wage inequality literature, albeit one that has been becoming more important over time, namely the role played by increases in postgraduate education. It documents increases in the number of workers with a postgraduate qualification in the United States and Great Britain. It also shows how their relative wages have risen over time as compared to all workers and more specifically to graduates with only a college degree.

<http://cep.lse.ac.uk/pubs/download/dp1075.pdf>

- ***What can Active Labour Markets Policies do? (Economic and Social Research Institute – ESRI)***

This study looks at Ireland's growing crisis of mass unemployment, and notes that active labour market policies (ALMPs) have been held out as an essential part of the policy response. It examines a wide range of national and international research on their effectiveness to assess what they do for the unemployed; whether some programmes are more effective than others; and what ALMPs can achieve during a recession. The work finds that while

research on the impact of ALMPs is far from conclusive and faces a number of difficult methodological challenges, it does provide a basis on which to identify the types of programmes that have been found to enhance the employment prospects of their unemployed clients.

<http://esri.ie/UserFiles/publications/EC001.pdf>

- ***Regional Unemployment in the EU before and after the Global Crisis (Rimini Centre for Economic Analysis)***

This report reviews the literature on the theories and key determinants of regional unemployment, and summarises key findings concerning the labour market impact of the global economic crisis. It focuses on the regions of the European Union to highlight changes in the dispersion of regional unemployment rates after the crisis. It considers the extent to which the local industry mix may have played a crucial role in shaping labour market performance in response to the crisis.

www.rcfea.org/RePEc/pdf/wp39_11.pdf

Developing and Maintaining the Framework of Employment Rights and Responsibilities

- ***Forced Labour in Northern Ireland (Joseph Rowntree Foundation – JRF)***

This study investigates the extent of forced labour among new migrants to Northern Ireland and outlines a number of recommendations for tackling the problem. It reviews the experience of migrants working in a range of employment sectors who have experienced serious forms of exploitation, including some examples of forced labour within the mushroom and fishing industries and among the Roma community.

www.jrf.org.uk/sites/files/jrf/forced-labour-Northern-Ireland-full.pdf

- ***Individual Voice in Employment Relationships: A Comparison Under Different Forms of Workplace Representation (Centre for Economic Performance)***

This article considers the role of individual employee voice in regulating the 'zone of acceptance' within the employment relationship, and examines the extent to which different models of collective voice inhibit or foster the operation of individual voice. It focuses especially on the role of

representatives who deal with job-level grievances who operate within contrasted frameworks of collective voice. In one, representation is negotiated with the employer, and in the other, it is based on rights established in employment law.

<http://cep.lse.ac.uk/pubs/download/dp1070.pdf>

- **Workplaces and Social Networking: The Implications for Employment (Advisory, Arbitration and Conciliation Service – ACAS)**

This report sets out the results of a small-scale research project commissioned by the Advisory, Conciliation and Arbitration Service examining the implications of social networking and mobile information and communications technologies (ICT) for employment relations. Social networking involves use of an online platform or website that enables people to communicate, usually for a social purpose, through a variety of services, most of which are web-based and offer opportunities for people to interact over the internet, e.g. via e-mail and 'instant messaging'.

www.acas.org.uk/media/pdf/d/6/1111_Workplaces_and_Social_Networking.pdf

- **Flexible, Effective, Fair: Promoting Economic Growth Through a Strong and Efficient Labour Market (Department for Business, Innovation and Skills)**

BIS has published a paper outlining the principles that are informing the United Kingdom Government's approach to the labour market framework. The paper looks at progress made under the Employment Law Review to improve the labour market and discusses the enforcement of employment rules. The report highlights work which is being carried out in relation to various areas, including the launch of an Employer's Charter and a moratorium on new legislation, efforts to make the employment tribunal system more efficient, the Resolving Workplace Disputes consultation and the removal of the default retirement age.

www.bis.gov.uk/assets/biscore/employment-matters/docs/F/11-1308-flexible-effective-fair-labour-market

Increasing the Level of Research and Development

- **Science, technology and Innovation in Europe (Eurostat)**

This report draws a comprehensive picture of the Science, Technology

and Innovation activities in the European Union as carried out by its people, enterprises and governments. It provides statistical information to understand the evolution and composition of science and technology in Europe and makes comparisons to other countries, where possible. The paper is divided into seven main areas: Government budget appropriations or outlays on Research and Development (R&D), R&D Expenditure, R&D Personnel, Human Resources in Science and Technology, Innovation, Patents, and High-technology.

http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-31-11-118/EN/KS-31-11-118-EN.PDF

- **Research that Matters (Million+)**

This evaluation of university research funding in the United Kingdom recognises the importance of research undertaken by United Kingdom universities in supporting small and large businesses, developing the skills needed for a 21st century workforce, attracting international investment and improving quality of life through better public policy and services but is critical of arguments to prioritise funding for large departments. Million+ believes this will involve the transfer of research funding to the South and East of England and put at risk the





huge diversity of the United Kingdom's research base as well as smaller and very high quality departments.

www.millionplus.ac.uk/documents/reports/RESEARCH_THAT_MATTERS_FINAL.pdf

- *Higher Education Business and Community Interaction Survey 2009-10 (Higher Education Funding Council for England)*

The Higher Education – Business and Community Interaction (HE-BCI) Survey is in its tenth year and is an essential source of information on knowledge exchange (KE) in the United Kingdom.

www.hefce.ac.uk/pubs/hefce/2011/11_25/11_25.pdf

- *Northern Ireland Knowledge Economy Index Baseline Report 2011 (Northern Ireland Science Park)*

Northern Ireland Science Park (NISP) has published a benchmarking report tracking the health of the Northern Ireland knowledge economy. The report examines trends in research, technology and innovation, comparing Northern Ireland's performance with that of other United Kingdom regions. Indicators were selected that replicated those used to measure the successful CONNECT

regional innovation programme in San Diego. The report finds that Northern Ireland has one of the smallest knowledge economies in the United Kingdom, with lower than average levels of employment, businesses and start ups. However, knowledge sectors such as transport and defence, and IT play an important role in the economy due to higher productivity, wages and multiplier (indirect) effects.

www.nisp.co.uk/wp-content/uploads/2011/10/Northern-Ireland-Knowledge-Economy-Index-Baseline-Report-20113.pdf

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