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EUROPEAN SOCIAL FUND SUCCESSION LANDSCAPE PAPER

A report jointly commissioned by the Department for
the Economy and the Department for Communities

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1.0 What We Were Asked to Do

Background

The ESF Programme 2014-2020 (total value €450m with €210.5m contributed by the EU) has an overall strategic aim to combat poverty and enhance social inclusion by reducing economic inactivity and to increase the skills base of those currently in work and future potential participants in the workforce. A key element of the Programme (under Priorities 1 and 2) is delivery of a number of projects (66 projects, involving 50 organisations across NI), which support groups at a disadvantage in the labour market, in particular those who are economically inactive/unemployed, those with disabilities, young people and families. By the end of March 2022, the current programme will have supported 77,000 participants.

The Department for the Economy (DfE) is the Managing Authority for the Programme and match funds many of the projects. There are also a number of other match funders with the Department for Communities (DfC) having a particular role and keen interest due to its policy remit in relation to economic inactivity and disability. An initial exercise within DfE has identified that there is no immediate equivalent or successor to the ESF provision that participants could avail of when the ESF funded projects end and there appears to be an ongoing and significant need for some provision of this type.

DfE, in partnership with DfC, established a project to take forward the necessary work to scope and quantify the need for succession provision and to develop the options, implications and necessary arrangements. Assuming provision is required, then the Departments overarching aim is to ensure that it is 'on the ground' in April 2022 to avoid any gap in support for these vulnerable cohorts. Delivering such a complex project within such a tight timeframe is a significant challenge. That this cuts across the remit of at least two Departments (DfE and DfC) adds an additional layer of complexity.

Objective

The Departments engaged SIB to undertake a landscape paper setting out:

- An assessment of the scope and need (including priority / target groups) that is being met through Priorities 1 and 2 of the ESF Programme (Note: Priority 3 is on a different timeline and funding model so is not included in this project)
- The continued relevance of the identified areas (both scope and target groups) as key priorities going forward (i.e., the scope of the potential succession provision) or evidence and rationale for any divergence; and,
- The strategic drivers that inform the recommendations (on scope).

This landscaping paper will inform the next steps that Departments need to take in terms of the broad parameters for developing options in relation to future provision and guide the necessary programme of activity to be taken forward.

Approach

The approach adopted in the compilation of this report included:

- A Desktop Review:- involving a range of background data and studies provided by the Departments in addition to other relevant information (Appendix 1) and a short ‘horizon scanning / benchmarking’ exercise of the operation of ESF elsewhere to identify insights for planning a successor provision in NI;
- Stakeholder Engagement:- with departmental stakeholders and external/other stakeholders (Appendix 2);
- A Workshop:- with Department officials to agree the: full range of succession options; relevant selection criteria and consequent short listed options for further review; and
- The ESF Project Board: - through a presentation of our findings to the Board prior to the drafting and submission of this paper.

Paper Content

This landscaping paper addresses five broad issues:

- a) Who are the priority groups (and individual “needs”) that are being addressed by ESF and are there likely to be any material changes to these groups and needs by succession provision from April 2022 onwards;
- b) What are the key objectives and outcomes that the Departments should aim to meet for these groups (reflecting the principles & objectives of the Programme for Government, New Decade/ New Approach policy within the Brexit and Covid-19 environments);
- c) What lessons and design principles can be learnt from the operation of ESF in Northern Ireland and elsewhere to meet both the above (particularly in terms of what elements of the current Programme might be usefully “retained” and “avoided”);
- d) What implications - in terms of broad relative risks, benefits, and other agreed criteria - might be drawn in relation to reviewing (the full range of) practical options for a succession programme (which might include for example: no succession and absorb responsibilities into one or more Department; retain key aspects of current Programme operation and delivery; set up a new Programme etc.); and,
- e) What next steps – against the implied short list of options resulting from (d) - might the Departments need to consider in selecting and implementing a ‘preferred way forward’ for further development.

2.0 Strategic Context – Statistics & Policy¹

2.1 Statistics

The strategic aim of the European Social Fund Programme 2014-2020 in Northern Ireland is to combat poverty and enhance social inclusion. The programme is structured around four priority axes. The focus of this paper is Priority 1 and Priority 2:

- Priority 1 – Access to Employment
- Priority 2 – Social Inclusion

Under these priority areas, the programme offers help and support to those furthest from the labour market with significant barriers to entering employment. The main Priority 1 and 2 Groups supported with ESF funding are:

- Unemployed/Long term unemployed;
- Economically inactive;
- Not in employment, education, or training;
- People with a disability;
- Families experiencing intergenerational poverty and joblessness;

This section explores whether or not a need still exists for the sort of interventions supported by Priorities 1 and 2 of ESF alongside how this need fits with wider policy Northern Ireland agendas. The detailed statistical tables which support this Section's analysis are provided in Appendix 3.

Unemployment

The latest NI seasonally adjusted unemployment rate (the proportion of economically active people aged 16+ who were unemployed) for the period August-October 2020 was estimated from the Labour Force Survey at 3.9%. The unemployment rate increased over the quarter by 0.9 percentage points (pps) and by 1.6pps over the year. The quarterly and annual changes were statistically significant, i.e., the recorded change exceeded the variability expected from a sample survey of this size and was likely to reflect real change. (See Table 1 in Appendix 3.)

Unemployment fell from a peak of 7.5% in 2013. The unemployment rate in Northern Ireland at 3.9% (LFS NI Aug-Oct 2020) is also below that in the Eurozone (Sept 2020, 8.3%) and Ireland (Oct 2020, 7.3%)².

1 It should be noted that this section was written between October and December 2020. Statistics relate to the most recent available at that time.

2 Source: [Eurostats and Labour Force Survey NI Aug - Oct 2020](#)

However, there has been a rise in recent claimant count - 60,200 (6.5% of the workforce) in Oct 2020, figures last seen in 2012/2013^{3 4}.

Youth unemployment (16-24) for the period August-October 2020 was estimated from the Labour Force Survey at 11.7%. The unemployment rate increased over the quarter by 3.7 percentage points (pps) and by 5.2 pps over the year, the highest increase among all age groups and 3.8 pps higher than the same period in 2017. Youth unemployment (16-24) is significantly higher than any other age group, the next highest being among the 25-34 age group. In Q 3 2020, the UK youth unemployment rate was 14%, compared to 18% in Ireland and 17.9% for the European Union overall⁵.

Put into the context of the UK in September 2020⁶, NI had the joint lowest estimated unemployment rate amongst those 16 years and over (*NI 3.6%; England 4.8%, Scotland 4.5%; Wales 4.6%; London 6%; and North East 6.7%*); the lowest estimated employment rate amongst those aged 16 to 64 years (*NI 70.5%; England 75.7%; Scotland 74%; Wales 72.1%, London 75.2%; North East 71.5%*) and the highest estimated economic inactivity rate among those aged 16-64 years of all the UK regions (*NI 26.8%; England 20.4%; Scotland 22.4%; Wales 24.4%, London 20.2%; North East 23.3%*).

Unemployment and the growth in unemployment is therefore still a concern in Northern Ireland. Unemployment is likely to rise in the coming months and years given the current global pandemic and the effect on the economy and the potential impact of Brexit. This is illustrated clearly by the fact that there were 9,600 redundancies proposed in the 12 months to end Oct 20 – the highest annual figure since records began and Universal Credit caseload has doubled since March 2020. Likewise, the nature of the NI economy is changing very significantly and the jobs available will be different. A big feature of the last nine months has been the digitisation of the workplace, therefore jobs and skills in demand will be very different. There is an issue of those with lower skill sets being left behind.

3 [DfE: labour market statistics.](#)

4 Note: The explanation for the difference in the unemployment figure and the recent claimant count figure is based on recent changes to the claimant count measure. The **official measure of unemployment** is from **the Labour Force Survey**. This measure of unemployment relates to people without a job who were available for work and had either looked for work in the last four weeks or were waiting to start a job. This is the International Labour Organisation definition. Labour Force Survey estimates are subject to sampling error. This means that the exact figure is likely to be contained in a range surrounding the estimate quoted. **The claimant count** is an administrative data source derived from Jobs and Benefits Offices systems, which records the number of people claiming unemployment-related benefits. In March 2018 the NI claimant count measure changed from one based solely on Jobseekers Allowance (JSA) to an experimental measure based on JSA claimants and out-of-work Universal Credit (UC) claimants who were claiming principally for the reason of being unemployed. Those claiming unemployment-related benefits (either UC or JSA) may be wholly unemployed and seeking work or may be employed but with low income and/or low hours, that make them eligible for unemployment-related benefit support. Under UC a broader span of claimants became eligible for unemployment-related benefit than under the previous benefit regime. The recent changes in claimant count can largely be attributed to the increase in the numbers of people becoming unemployed or having their hours reduced resulting in very low earnings below the administrative earnings threshold. There may be some persons, previously not eligible for UC due to partner earnings, now eligible as a result of work allowance increases who would now be included within the count. NISRA is not able to identify the extent to which each group has contributed to the increase in claimant count.

5 Seasonally adjusted. Rate refers to the percentage of economically active young people aged 15-24 who are unemployed (16-24-year-olds in UK, Italy and Spain). Figures are published by Eurostat (the EU's statistical authority). [Ref House of Commons Library – Briefing Paper No 5871 – 26th January 2020: Youth Unemployment Statistics by Andrew Powell](#)

6 Source - [Office for National Statistics – Labour Force Survey – Labour market in the regions of the UK November 2020](#)

To demonstrate ongoing need, we also need to look at future projections of unemployment. Forecasters⁷ indicate that there could be a period of 4 to 5 years before the NI economy returns to pre- pandemic levels of output. Within this the possibility of 60,000 people moving into unemployment has been highlighted (which would increase the unemployment to rate to approximately 13%). There are particular concerns around youth unemployment and underemployment.

Economic Inactivity

The economic inactivity rate (the proportion of people aged 16 to 64 who were not working and not seeking or available to work), was 26.4% in April – June 2020 (See Table 2 in Appendix 3)⁸. Levels of economic inactivity (excluding students) in working age population (16-64) have remained consistently above 25.5% throughout this ESF period (2014-2020), with a high of 27.6% in April – June 2015. The current figure of 26.4% is the highest in the UK.

In total between April and June 2020, there were 308,000 economically inactive people between 16-64 age group. Of these a more challenging issue exists for females with 123,000, (40%) of this cohort being male while 185,000 (60%) were female, again pointing to the need for potentially gender specific interventions. (See Table 2 in Appendix 3).

There are significant sub-regional differences in economic inactivity across District Council areas demonstrating the need to ensure a bespoke approach to any future interventions. Derry and Strabane District Council has the highest economically inactive rate at 34.1%, followed closely by Belfast City Council area where the rate is 32.7%, and Newry Mourne and Down at 31%, while the economically inactive rate is lowest in Antrim and Newtownabbey Borough Council area at 19.9%. Both this and the unemployment rate are subject to fluctuations as the economic fortunes of different companies within these areas adjust to the effects of the world economic climate, the effects of the current global pandemic and indeed Brexit. (See Table 3 in Appendix 3).

Looking ahead forecasters⁹ are highlighting that the impact of COVID-19 poses a risk that economic inactivity will increase further. This is because the nature of many of the jobs impacted by COVID-19 – typically low wage and low qualifications. People with lower qualifications typically find it more difficult to find re-employment than others in the workforce and, given the length of time it can take to re-train for other opportunities, the duration of worklessness itself can lead to inactivity.

7 **Drawing on three discussion papers from the Ulster University Economic Policy Centre (UUEPC) exploring the economic impact of COVID-19 on the Northern Ireland (NI) economy – including the most recent one - Pathways to economic recovery after COVID-19 in Northern Ireland (August 2020)

[Discussion Paper 3: Pathways to economic recovery after COVID-19 in Northern Ireland](#)

[Discussion Paper 2: Revised estimates of the potential impact and a Council-level view](#)

[Discussion Paper 1: A provisional discussion paper on the potential impact of COVID-19](#)

8 Source: [NISRA Quarterly Labour Force Survey Tables – August 2020](#)

9 **Drawing on three discussion papers from the Ulster University Economic Policy Centre (UUEPC) exploring the economic impact of COVID-19 on the Northern Ireland (NI) economy – including the most recent one - Pathways to economic recovery after COVID-19 in Northern Ireland (August 2020) (See foot note 7)

Researchers state that economic inactivity is an issue that has for too long been overlooked. It is an issue which transcends Departmental boundaries and is interlinked with other issues at the heart of creating a better society in NI such as, among others, underachievement in education and tackling poverty¹⁰. The same report states that a failure to break the barriers which prevent people returning to the labour market after a period of sickness and a relatively low number of disabled people participating in the labour market has significant fiscal consequences. Spending on incapacity, disability, and injury benefits accounts for more than one quarter of NI's entire social protection budget. Spending on this category of benefits is 13 times greater than spending on unemployment assistance, one of the highest ratios in the OECD.

Qualifications by District Council area

Significant challenges exist in turning the economic inactivity curve linked to qualifications levels achieved by those of working age (16-64) across each District Council. The top five areas with the highest percentage of 16-64's with no qualifications are: Fermanagh and Omagh (18.8%); Belfast (18.2%); Causeway Coast and Glens (17.9%); Derry City and Strabane (17.6%) and Mid Ulster (17.0%). (See Table 4 in Appendix 3).

An examination of the highest level of qualifications and labour market status among the 16-64 in April – June 2020 demonstrates that of those who were economically inactive in April – June 2020, 29.5% had no qualifications but a further 37.7% have A levels or above. Of those in employment, a lesser percentage (7.6%) had no qualifications. (See Table 5 in Appendix 3).

Economic inactivity is most acute in the younger and older age groups - the 16-24 and the 50-64-year age groups, excluding the 65+ age group, where the inactivity rate is high as the majority of people in this age group will be retired. (See Table 6 in Appendix 3).

It is also important to look at the different reasons for economic inactivity as this will assist with developing appropriate and bespoke interventions for different types of people with different motivations for getting back to work. The reasons why people are economically inactive are classified as Being a Student; Looking after the Family/ Home; Being Retired; Being Sick or Disabled; or Other. The Labour Force Survey also splits these categories across those who want a job and those who do not want a job as well as comparing these figures to UK figures.

The largest group within the economically inactive stock are people classed as long-term sick/ disabled (NI 34.4%, UK 24.8% (April June 2020) ¹¹, a figure much higher in NI than in the UK. Since 2004 when the Annual Population Survey (APS) started to collect the data, NI has topped the regional rankings on this measure in 44 of the 45 quarters on record highlighting both the difficulty, and failure of policy over the past decade, to reduce the number of people on out of work incapacity related benefits¹².

10 Source [Ulster University: An Anatomy of economic inactivity in NI. Page 2](#)

11 [Labour Force Survey: April to June 2020](#)

12 [Ulster University: An Anatomy of Economic Inactivity in NI. Page 8](#)

UUEPC also state¹³ that “Long term sickness represents a ‘sticky’ labour market status in that once people start receiving sickness benefits very few people return to employment. The off-flow rates on key sickness benefits are very low which contributes to a much higher stock of sick people out of work following a downturn in the economic cycle. In times of economic difficulty disadvantaged people tend to be affected to a greater extent than the wider population. With a time-lag this tends to increase the caseload on sickness benefits. The increase tends to create a new higher structural level for the caseload, which does not return to its previous level in the subsequent recovery. This pattern leads to people spending a sustained period on sickness benefits”. UUEPC notes that this raises two research questions relating to the economically inactive stock.

- The characteristics of new or recent claimants is likely to be in contrast to people who have been inactive for a number of years. Therefore, a successful policy approach may have a strategy to minimise on-flows to economic inactivity and a separate strategy to address the barriers faced by long-term claimants.
- The ‘sticky’ nature of an economically inactive labour market status has created an eclectic mix of people within the stock who have become inactive at different points in economic cycles over the past two decades and are therefore likely have varying characteristics and thus face a different range of barriers to labour market participation. Therefore, to actively inform policy development it is important to understand the profile and needs of the different inactive groups and the specific barriers which they face.

A further point around this is the need to also understand that there are significant sub-regional differences in Northern Ireland with regards to economic inactivity. However, even at council level there are very large differences between neighbourhoods. There is a pattern whereby the highest rates of multiple disability/sickness benefit claimants are most highly concentrated in urban areas (particularly in Belfast and Derry). It is also noteworthy that the pattern of inactivity at SOA level is very different from a broader council level overview, suggesting that in some areas tackling worklessness may require localised interventions. Worklessness can become engrained within communities, which leads to difficulties in raising the aspirations of subsequent generations. Across NI the wards with the highest economic inactivity rates in at the time of the 2001 Census also recorded the highest economic inactivity rates 10 years later. This is a pattern which holds across not only at a NI level, but also across most local council areas.¹⁴

The proportion of the working age population who are economically inactive and looking after the family/home is only marginally lower in NI compared to the UK (NI 19.8%, UK 20.0%). One of the biggest issues for this group was access to affordable childcare – “the current cost of a fulltime childcare place rendering working full time unaffordable for low skilled and low wage workers.”¹⁵

NI has a slightly smaller proportion of early retirees to the UK who are economically inactive (NI 10.4%, UK 13.6%), with a limited scope to have a significant impact on reducing the overall inactivity rate.

13 [Ulster University: An Anatomy of economic inactivity in NI. Page 13](#)

14 [Ulster University: An Anatomy of economic inactivity in NI. Page 37-38](#)

15 [Ulster University: An Anatomy of economic inactivity in NI. Page 22-23](#)

NI also has a slightly lower proportion of students who are economically inactive relative to the UK (NI 23.8%, UK 25.9%). A higher participation rate in tertiary education has placed upward pressure on the headline economic inactivity rate. This is a positive investment for young people to make, gains in reducing the inactivity rate would be limited from reducing the number of students. The recent trend in NI is one of decreasing full-time students, and the recent decline in full time student enrolments has provided significant downward pressure on the local headline inactivity rate. The increase in non-student economic inactivity since 2012 should be a point of concern for policy officials in NI, particularly when benchmarked against the fall recorded in the rest of the UK over the same period¹⁶. Minimising the inflow of younger people into long-term inactivity should be an immediate priority for NI, made even more relevant as a result of the current pandemic.

There is a higher proportion of people in the UK who are economically inactive for ‘other reasons’ than in NI (NI 11.6%, UK 15.6%). In August to October 2020, this equated to the following actual numbers of economically inactive people in NI - Long-term sick/disabled – 107,000; Family and home care - 63,000; Retired- 32,000; Student- 78,000; and Other – 34,000. (See Table 9 in Appendix 3). Therefore, it is clear that the overall inactivity rate cannot be significantly reduced in a positive way without a concerted effort to increase the employment rate of people who are currently sick/disabled.¹⁷ (See Tables 7 and 8 in Appendix 3).

UUEPC in 2016 stated that “a convergence with economic inactivity in the UK would require a significant change in the NI labour market, and significant change cannot be achieved without a reduction in the number of people who are classed as being long term sick and an improvement in the disabled employment rate. The largest impact on the overall inactivity rate would be achieved from an increase in the employment rate amongst the over 50’s, single people and people with a low level of qualification. Unfortunately, these groups also represent ‘hard to reach’ groups distanced from the labour market, highlighting the significant challenge in reducing the overall rate”¹⁸. The UUEPC report also argues that if current 35-49 cohort can avoid economic inactivity rates as high as today’s over 50s, then the overall rate will reduce over time as today’s 50-64 move into 65+ category.

Underemployment

Underemployed refers to those who are employees but would like to work more hours either in their current job, a supplementary job, or in a new job. They must also be available to start working longer hours within two weeks and their current weekly hours must be below 40 hours if they are between 16 and 18 and below 48 hours if they are over 18. The Labour Force Survey notes that from 2004 to 2019, the number of employees who were underemployed rose from 5.1% to 6.2% with a high between 2012 and 2014 of between 7.9% and 8.7%. While this is falling, in 2019, this represented 43,000 people. In 2019, this was highest in Derry and Strabane (9.3%), Causeway Coast and Glens (9.1%), Belfast (8.3%) and Ards and North Down (8.2%)¹⁹.

16 [Ulster University: An Anatomy of economic inactivity in NI. Page 7](#)

17 [Ulster University: An anatomy of economic inactivity in Northern Ireland. Page 72](#)

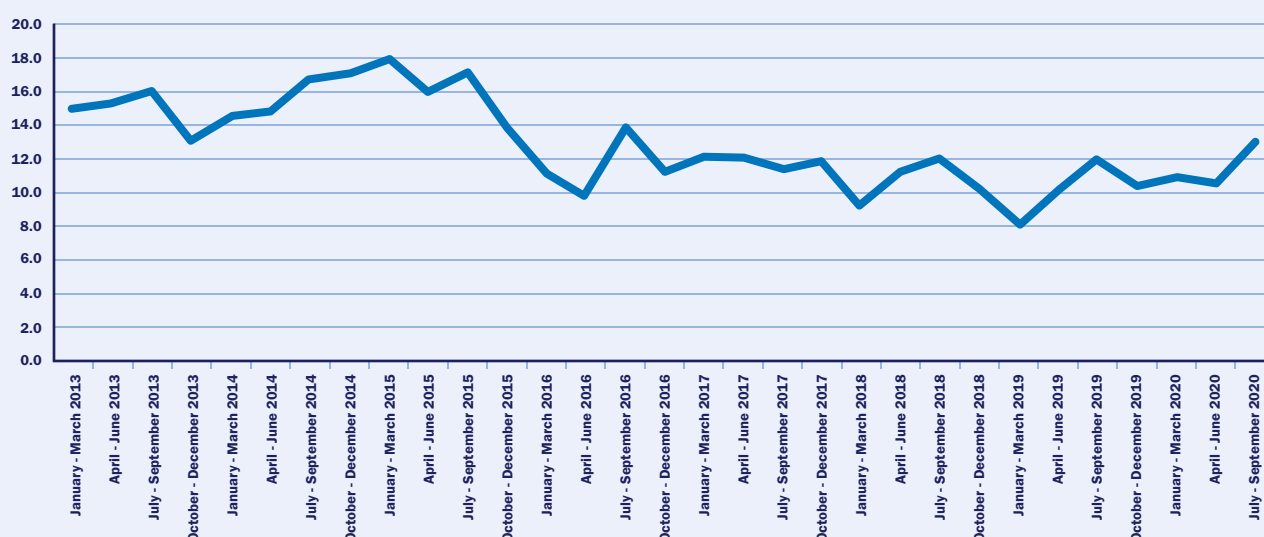
18 [An Anatomy of economic inactivity in NI. Page 71](#)

19 [NI Labour Force Survey January to December 2019](#)

Not in Education, Employment or Training (NEETs)

The proportion of young people (16-24) who are NEETs has shown some positive movement over the ESF period – with a reduction of 28% over period July -September 2014 (36,000) and July-September 2020 (26,000), benefiting males more than females. However, in July- September 2020, there were still 26,000 young people in this category (of which c. 8,000 were unemployed and 19,000 were economically inactive). Indeed, since the start of the COVID 19 Pandemic the proportion of young people (16-24) who are NEETs has risen by 18% from 22,000 in January-March 2020 to 26,000 in July-September 2020.²⁰ This is the first time the rate has been higher than 25,000 since April- June 2017. See graph below. NEET's is the sum of the Unemployed (not in education or training) and the Economically Inactive (not in education or training). (See Table 10 in Appendix 3).

Proportion of Young People (aged 16-24) who are Not in Education, Employment or Training (NEET)



Source: Labour Force Survey, July- September 2020

In comparison to the rest of the UK, Northern Ireland's NEET rate is 10.2% in comparison to a UK rate of 11.1%, Scotland 10.6%, England 11.2%, and Wales 10.7%²¹.

The labour market status of young people aged 16-24 illustrates that of the 199,000 young people aged 16-24, 102,000 are in employment; 6,000 are unemployed and of these 4,000 are unemployed and not in education or training; while the remaining 91,000 are economically inactive of which 74,000 are in education or training and 17,000 are inactive and not in education or training. (See Table 11 in Appendix 3).

²⁰ [NI Quarterly Labour Force Survey November 2020](#)

²¹ Source: [Northern Ireland Labour Force Survey April - June 2019](#)

However, there is a risk that some of the progress achieved in respect of the proportion of young people who are NEET during the ESF 2014-20 period may be at risk, with a predicted contraction of employment opportunities as a result of the COVID-19 pandemic and ²²evidence pointing to the fact that those furloughed/laid off are disproportionately weighted towards younger, lower skilled and temporary workers. Young people therefore need to remain a strong constituent focus of any new successor programme.

Disability

Individuals with a disability need to remain a strong constituent focus. 20.3% of the working age population in NI has a disability (Apr-Jun 20). More females (23.6%) are classified with a disability than men (17%). (See Table 12 in Appendix 3).

The highest qualification of persons with or without a disability²³ aged 16-64 illustrates that 26.8% of those with a disability have no qualifications while 10.1% of those without a disability have no qualifications. However, 43.4% of those with a disability have A level or equivalent, other higher or a Degree/ equivalent, 15% having a degree. This compares to 65% of those without a disability with qualifications of A level and above and 32.1% having a Degree. (See Table 13 in Appendix 3).

The labour market status of persons with or without a disability aged 16-64 illustrates that 58.9% of those with a disability are inactive, while 38.9% are in employment and a further 2.2% are unemployed. (See Table 14 in Appendix 3).

An anatomy of economic inactivity in NI suggests that the overall inactivity rate cannot be significantly reduced in a positive way without a concerted effort to increase the employment rate of people who are currently sick/disabled²⁴.

In 2016, the Joseph Rowntree foundation²⁵ noted that employment among disabled people is strikingly lower in Northern Ireland than in other parts of the UK. Only 35% of working-age disabled people in Northern Ireland are employed, compared to 42% in Scotland, 47% in Wales and 50% in England. In its 2020/21 annual report on UK poverty 2020/21, it emphasised the importance of not just work but good work.²⁶

On a positive note, the new era of mainstream remote working as a result of the COVID-19 pandemic has opened up more opportunities for individuals with a disability, many of whom had previously been excluded from the workforce by being unable to access the flexibility they need. However, it should also be noted that the sectors into which those with disabilities have previously moved have been disproportionately impacted by the COVID 19 Pandemic such as retail and hospitality.

22 **Drawing on three discussion papers from the Ulster University Economic Policy Centre (UUEPC) exploring the economic impact of COVID-19 on the Northern Ireland (NI) economy – including the most recent one - Pathways to economic recovery after COVID-19 in Northern Ireland (August 2020)

23 In the Labour Force Survey (LFS) respondents self-identify themselves as disabled or not disabled using a definition harmonised across UK surveys. The Government Statistical Service (GSS) Harmonised Standards focus on a “core” definition of people whose condition currently limits their activity in line with the 2010 UK Equality Act. In summary the core definition covers people who report:(current) physical or mental health condition(s) or illnesses lasting or expected to last 12 months or more; and the condition(s) or illness(es) reduce their ability to carry out day-to-day activities

24 [An Anatomy of economic inactivity in NI. Page 69](#)

25 [Monitoring poverty and social exclusion in Northern Ireland 2016. Joseph Rowntree Foundation](#)

26 [JRF: Annual Report - UK Poverty 2020-21](#)

Families experiencing intergenerational poverty and joblessness

A culture of worklessness can develop in some areas where large proportions of the population have never worked. At the time of the 2011 Census more than one in four of the 16-74 population had never worked before in 30 of Northern Ireland's 36 Neighbourhood Renewal areas and where the head of household is inactive, the chances of other household members working is only 31%²⁷. Intergenerational worklessness is a concern. This report states that a "one size fits all approach" to tackle worklessness is unlikely to be successful across a disparate set of neighbourhoods. Localised interventions may well require some trial and error to identify effective policy interventions, which may involve a series of pilots to test 'what works' in the most deprived communities.

Researchers state transitioning groups currently excluded from the labour market into employment is the most effective method to reduce poverty and create inclusive prosperity. Workless adults are concentrated at the bottom of the household income distribution, with the majority being classed as economically inactive. Therefore, any strategy focussed on poverty alleviation with a narrow focus on unemployment will encounter diminishing returns quickly. Worklessness should be considered in a wider context to cover *the unemployed, the economically inactive who want to work and, crucially, the economically inactive who face a barrier preventing them from participating in the labour market*.²⁸

The most recent statistics published by DfC on 14 May 2020 for the period April 2018 to March 2019 demonstrate that around 350,000 (19%) people in Northern Ireland lived in *relative income poverty* (before housing costs) including approximately 107,000 (24%) children, 210,000 working age adults and 43,000 pensioners. People are considered to be living in relative income poverty if the income of their household is less than 60% of the UK median household income²⁹. The percentage of people in Northern Ireland in *relative income poverty* (after housing costs) in this period was 20%. In the UK for the financial year 2018-19, the percentage of households in relative low income (before housing costs) was 17% (relative low income after housing costs sits at 22%).

In 2018, 16% of people (approx. 303,000) in Northern Ireland lived in absolute poverty (before housing costs). This can be further broken down to 21% of children (92,000), 12% of pensioners (34,000) and 16% of the working age population (176,000). The causes of poverty are many and varied³⁰. People are considered to be in absolute income poverty if the income of their household is less than 60% of the UK median household income for 2010-11 (adjusted year on year for inflation). The percentage of people in Northern Ireland in *absolute income poverty* (after housing costs) in this period was 18%. In the UK for the financial year 2018-19, the percentage of households in absolute low income (before housing costs) was 15% (absolute low income after housing costs sits at 20%).

Northern Ireland is a region coming out of conflict and has many issues associated with higher rates of poverty, mental ill health and suicide alongside higher economic inactivity and levels of disability in comparison to many other parts of the UK which means the intervention required to address these unique barriers is complex and challenging.

27 [An Anatomy of economic inactivity in NI. Page 38](#)

28 [An Anatomy of economic inactivity in NI. Page 3](#)

29 [Dept for Communities: NI Poverty Bulletin 2018-19. Page 3](#)

30 [Dept for Communities: NI Poverty Bulletin 2018-19. Page 3](#)

A report produced by the Joseph Rowntree Foundation on poverty in Northern Ireland in 2018³¹ found Northern Ireland has higher worklessness and lower employment than elsewhere, and the proportion of people in poverty in workless households has increased slightly over time, in contrast with the UK as a whole. The report also suggests that overall, 57% of people in workless households were in poverty in Northern Ireland, compared to 13% of people in households with at least one person in paid work. In Northern Ireland, it states that 14% of working-age households were workless in 2016. This suggests that the employment rate continues to be a major factor affecting poverty rates in Northern Ireland, and that raising the employment rate could lead to falls in poverty. The gap in educational attainment among richer and poorer children has narrowed slightly but remains very large. **There are more people with no qualifications and fewer people with higher level qualifications in Northern Ireland than in the rest of the UK.**

Employment Rate

The proportion of people aged 16 to 64 in work (the employment rate) increased over the quarter August to Oct 2020 by 0.2pps and decreased over the year by 1.8pps to 70.6%. Although recent changes were not statistically significant, the employment rate was significantly above rates in 2017 (68.4% in August- October 2017). (See Table 15 in Appendix 3). The employment rates in Northern Ireland have been consistently below the rest of the UK. The latest employment rate recorded for the whole of the UK was 75.6% (Oct 2020) showing Northern Ireland having a significant gap in comparison to the UK overall.

Conclusion

The statistics outlined above demonstrate that a need still exists and may indeed increase in scale over the forward period.

The data demonstrates that there is a risk of ESF Priority 1 and Priority 2 constituency being left further behind as more work-ready, recently employed people enter labour market, as jobs contract and as automation accelerates. The issues remain significant across all of the constituent groups of ESF.

A need for the sort of interventions supported by ESF are still required. This is further exacerbated by the likely impact of the current global pandemic on the Northern Ireland economy and the potential effects of Brexit in the short term at least.

There is a need to address poverty and worklessness as well as the low level of skills. A wide range of mainstream provision is being developed or is already in place to assist with this, such as Employability NI, Traineeships, Apprenticeships NI and Assured skills.

The statistics point to stubborn issues that would benefit from intervention earlier with a focus on prevention. This would require an interdepartmental approach and budget allocation for earlier intervention prevention-based work across all of the ESF Priority 1 and Priority 2 constituencies. Ideally this would include working with those below the age of 16 right into early years in order to prevent the inflow into economic inactivity.

31 [Poverty in Northern Ireland 2018 | JRF](#)

The UUEPC in 2016 stated “Economic inactivity is an issue that has for too long been overlooked by various NI Executive strategies. It is an issue which transcends Departmental boundaries and is interlinked with other issues at the heart of creating a better society in NI such as, among others, underachievement in education and tackling poverty” pg2, and “from the perspective of contributing towards the betterment of NI, worklessness should be considered in a wider context to cover the unemployed, the economically inactive who want to work and, crucially, the economically inactive who face a barrier preventing them from participating in the labour market” (pg3)³².

2.2 Policy Links

One of the most striking aspects of the policy analysis for the successor to the ESF Priorities 1 and 2 interventions is the multiplicity of policy agendas that it touches and the need for a multi-dimensional approach in addressing the needs associated with the target groups it aims to support. ESF Priorities 1 and 2 interventions align with the Northern Ireland social and economic policy agenda, as evidenced through references in the following key policy documents summarised below.

Policy Document	How a successor programme aligns
Draft Programme for Government Framework 2016-21 (It should be noted that a new Programme for Government is imminent. Any new initiatives should take account of these updated outcomes)	There is a clear policy link between the needs within an ESF successor programme and the principles and objectives of the PfG Outcomes 1, 3, 4, 5, 6, 7, 9 & 12 either directly or indirectly. Improving wellbeing for all - by tackling disadvantage and driving economic growth sits at the heart of what needs to be achieved for those who are still some distance from the labour market. The early engagement has found that these individuals face multiple barriers that cannot be easily addressed through mainstream provision. The PfG outcomes most relevant to addressing these multi-layered issues are outlined below. • Outcome 1: We prosper through a strong, competitive, regionally balanced economy • Outcome 3: We have a more equal society • Outcome 4: We enjoy long, healthy, active lives • Outcome 5: We are an innovative, creative society, where people can fulfil their potential • Outcome 6: We have more people working in better jobs • Outcome 7: We have a safe community where we respect the law, and each other • Outcome 9: We are a shared, welcoming, and confident society that respects diversity • Outcome 12: We give our children and young people the best start in life

32 [An Anatomy of economic inactivity in NI Pages 2 & 3](#)

Policy Document	How a successor programme aligns
New Decade New Approach 2020	• New Decade New Approach commits to moving forward on the following policy agendas, many of which are germane to helping to turn the curve on the multiple barriers for those furthest from the labour market. Some highlights are outlined below. The Deal also reinforces the ongoing imperative of building a shared and integrated society in NI, where the inclusion role that the current programme plays in society contributes strongly. • There is a commitment to establishing an external, independent review of education provision, with a focus on securing greater efficiency in delivery costs, raising standards, access to the curriculum for all and the prospects of moving to a single education system. • The Executive will establish an expert group to examine and propose an action plan to address links between persistent educational underachievement and social economic background, including the long-standing issues facing working class Protestant boys. • The Executive will deliver a new special educational needs framework to support young people with special needs to achieve their full potential. • Investing for the future - develop a regionally balanced economy with opportunities for all. • The Executive will develop an enhanced approach to careers advice, curriculum, training, and apprenticeships to enhance employability and support economic growth. • The Executive will publish a Childcare Strategy and identify resources for extended, affordable, high-quality provision of early education and care initiatives for families with children aged 3-4. • The principles and practice of citizen and community engagement and co-design • The PFG will be underpinned by new supporting strategies including strategies for Anti-Poverty, an Economic / Industrial Strategy; Investment Strategy; Disability; Gender; Active Ageing Strategy; Children and Young People's Strategy; Childcare Strategy; Child Poverty Strategy • From 2021/22 the Executive will put in place multi-year budgets (minimum 3 years)

Policy Document	How a successor programme aligns
DfC Building Inclusive Communities – Jan 2020	DfC's Building Inclusive Communities is built on the Cross-Cutting themes of Anti-Poverty, Wellbeing and Inclusion, Sustainability and Inclusive Growth and Agility and Innovation. People and communities at the heart of all it does. The causes that lead to so many people being economically inactive or removed from the labour market are multi varied. DfC is well placed to assist address the multi varied nature of these causes in a joined-up manner with other Departments and with community and voluntary sector organisations, many of whom it funds. It has prime responsibility for the development and delivery of the new Anti-Poverty Strategy which will play a key role in the policy shift needed to address the stubborn issues associated with those Priority 1 and 2 ESF groups.
DfE – Rebuilding a stronger economy - recovery plans for a 12–18-month period – June 2020	• Given the current pandemic and other economic challenges facing NI, this recovery plan recognises the potential for the number who are unemployed to increase significantly • It recognises the need to engage with those furthest from work and in areas with lowest employment rates and to close gaps • Some sectors, like hospitality, due to the current economic challenges are likely to contract, and require the development of suitable skills interventions for those who face possible redundancy or unemployment • The recovery plan focuses on addressing the key structural challenges such as: too few higher wage jobs; a skills gap; and regional imbalance. NI's relatively low productivity is clearly identified along with a requirement to restructure the economy with a focus on high productivity sectors (including Digital and Clean Energy). • In addition, there is also a recognition of the importance of sectors such as Agri-Food, Tourism and those dependent on consumer spending. These sectors were important in driving the jobs recovery last time and remain key to resolving any unemployment crisis. For example, manufacturing created significant numbers of jobs in the previous recovery and importantly offers employment opportunities across the full skills/ qualification spectrum. • It reinforces the issues & principles in the New Skills Strategy for NI: investing in Digital skills; a culture of lifelong learning - upskilling & reskilling & innovation; and, reducing skills imbalances • It recognises the need to focus on sectors where there is potential for "more and better" jobs • It also recognises the importance of keeping young people in education for longer

Policy Document	How a successor programme aligns
Industrial Strategy/ Economy 2030	• The Industrial Strategy 2030 aims to improve the competitiveness of the NI economy and deliver inclusive economic growth. It is focused on six sectors of NI economy. Proposals under the 2nd pillar - Enhancing Education, Skills and Employability focuses on 3 areas: - - improving educational outcomes from an early age; - pro-actively supporting those furthest from the workforce & removing barriers; and - ensuring we have the necessary skills pipeline to meet business needs now and in the future • There is a focus on youth who face barriers; importance of new Skills Barometer as a tool; focus on STEM skills; a more coherent education policy for 14 to 19; more economically inactive claimants taking up formal programmes of support; implementation of an “employability pipeline” model and the establishment of Employability Forums in each council area matching supply and demand for work
Department of Education 14-19 Policy	The Department of Education (DE) and the Department for the Economy (DfE) work closely together on cross-cutting issues related to the education and training provision for 14-to-19-year olds. The Transition of Young People into Careers (14-19) Project is jointly funded and led by DfE and DE. The Project aims to develop an overarching strategy to support the transition of young people into careers by enhancing the 14-19 education and training landscape, so that young people reach their potential and maximise their contribution to the economy and society. The Project will develop a suite of fully assessed and costed options for both Ministers to consider.
Tackling Paramilitary Activity, Criminality and Organised Crime – Executive Action Plan - 2016	The Tackling Paramilitarism Programme includes a series of commitments from the Northern Ireland Executive aimed at tackling paramilitarism, criminality and organised crime. The programme is the Executive’s response to the 2016 Panel Report which was set up following the Fresh Start Agreement in 2015 to make recommendations on the disbandment of paramilitary groups. A total of £50m has been pledged over five years to support delivery of the Action Plan. It involves Government Departments, law enforcement agencies, local councils and community and voluntary sector partners working together. The focus is on robust law enforcement, implementing long term prevention measures, addressing social issues that affect communities and building confidence in the justice system. One of these commitments is that The Executive should prioritise steps to significantly and measurably improve the educational and employment prospects of children and young people in deprived communities, focusing particularly on those who are at greatest risk of educational under-attainment.

Conclusion

The policy review demonstrates a recognition across a wide range of Government Departments of the need to address the interrelated issues that maintain Northern Ireland's economic inactivity rates and unemployment rates at stubbornly high levels. There is recognition that transformation of the current ways of doing things is required if the curve is to turn, and if Northern Ireland is to start taking more of its population out of poverty and onto a more sustainable and fulfilling life moving forward. This, as outlined in New Deal New Approach requires a co-design and co-production approach.

2.3 Policy Rationale for Intervention

Previous parts of this Section have shown:

- A need for the sort of interventions supported by Priorities 1 and 2 of the Northern Ireland ESF Programme still exists, is large in scale and likely to increase in scale in the coming years, and
- The ESF Priorities 1 and 2 interventions is 'on message' for the Northern Ireland social and economic policy agenda, as evidenced by references in documents such as the draft PfG, New Decade, New Approach and a range of policy documents produced by the DfC, DfE, TEO and other Departments.

However, if a government is to intervene in the functioning of markets to improve social or economic outcomes, it is important to have a clear policy rationale for that intervention. In the case of the objectives sought and the activities funded by the current Northern Ireland ESF Programme there are three identifiable and clear rationales for intervention,

1. Market failure rationale: If markets are not functioning properly the outcomes may be socially or economically sub-optimal. The labour market exhibits many market failures based on imperfect and asymmetric information and weak and perverse incentives, for example in relation to training in smaller firms,
2. Social justice rationale: particularly given the intergenerational nature of the social and economic disadvantage which the ESF Priorities seek to tackle, and
3. Financial rationale: arising from the likely savings to the public purse in the longer term if the cycle of dependency of an individual can be broken and that person can become or nearly become a net contributor to society. The savings that can be realised go well beyond the benefit savings and extend into areas such as health, education and justice.

3.0 Our Findings on the ESF (P1 & 2) – Positives and Negatives

This section summarises what we heard as a team in relation to the positive and negative attributes of the current ESF Programme (Priority 1 and 2). As noted previously the strategic aim of the ESF Programme 2014-2020 in Northern Ireland (NI) is to combat poverty and enhance social inclusion by reducing economic inactivity and to increase the skills base of those currently in work and future potential participants in the workforce. In common with ESF provision across the UK it provides dedicated funding for projects aimed at improving the employability and employment levels of vulnerable and disadvantaged people who are usually overlooked within mainstream provision. The current NI programme has a budget of c£177m under Priority 1 and 2 and supports ³³66 projects across 4 categories – unemployed and economically inactive (22), NEET (18), Disability (24) and Community Family Programme (5) within Priority 1 and 2. The participation levels and performance of each of these four categories to December 2019 is summarised in the table below and has been constructed from statistics reported the Annual Implementation Reports and information provided by DfE on the same³⁴

Table 3.1: Throughput/Participation and Programme Performance (by Target Groups for Priority 1 and 2)

Target Group	No of Participants (A)	Conversion to KPI Outturns (B)	Ratio of B: A
Unemployed	16,721	5,200 into employment	31%
Economically Inactive	11,450	2,770 into employment 2,173 engaged in education/training	24% 19%
NEET	11,652	2,056 into employment 5,146 engaged in education/training	18% 44%
Disability	7,734	862 into employment 2,945 engaged in education/training	11% 38%
Community Family Support	3,945	632 into employment 1,220 engaged in education/training	16% 31%

3.1 Positive Attributes

The main themes emerging from our engagements in terms of the positive attributes of the current ESF Programme (Priority 1 and 2) are as follows:-

- ✓ **Clear market orientation on those furthest from the labour market, with the most difficulty in availing of mainstream support services** – mainstream employment and skills services typically do not meet the needs of the target groups. The individuals and communities typically supported are among the most socially excluded in NI and face significant barriers when trying to access employment or learning. Many of the barriers faced are likely to have been intensified within the last year as a result of the COVID-19 pandemic. This creates a strong equity argument for the provision to ensure that those who are most excluded have access to training and employment opportunities in NI.

³³ [66 European Social Fund Call 2 Projects by constituency and council area](#)

³⁴ [European Social Fund Programme 2014-2020. Citizens' Summary 2019](#)

- ✓ **Integrated focus on employability and inclusion** – the current provision is much more than an employability programme. It plays a vital role in building social inclusion, and thereby helping to tackle anti-poverty, equality and shared community policy imperatives. These policy areas have a renewed focus with the commitments made in the New Decade, New Approach Deal in January 2020 that a new Programme for Government would be underpinned by an Anti-Poverty Strategy; a Disability Strategy; a Disability and Work Strategy. The Deal also reinforces the ongoing imperative of building a shared and integrated society in NI, where the inclusion role that the current programme plays in society contributes strongly.
- ✓ **Effectively combines support for personal development/ resilience building etc; with employability skills and (where relevant) technical skills.** The ³⁵case studies from the current programme bear testimony to the fact that the programme works effectively not just to support participants with core employability and (where relevant) technical skills. It also provides focused interventions where needed to build positive mental health and well-being, to improve motivation and life routine, to help participants make practical and manageable changes to their lives necessary for the world of work and to build the necessary resilience to address setbacks on their 'journey'. These supports are a key aspect of the 'added value' of the current provision necessary to deal with the market failures that exist for this constituency of need with respect to their access to mainstream provision.
- ✓ Effectively works to address barriers to employment in a **holistic and person-centred/ individualised way** (integrating wrap-around supports). A key strength of the current provision is the ethos of delivery that is respectful and responsive to individual participant's preferences/ ambitions, need and values. Similarly, in respect of the many challenges faced by those individuals currently supported by the programme it provides tailored support to address these - often working in partnership with other partners/ statutory agencies to leverage their resources. As noted in Section 2.0 Northern Ireland is a post-conflict society with high rates of poverty and greater levels of disability, economic inactivity, mental ill-health, and suicide compared to other UK regions, which can mean that the intervention required to address prevailing barriers is particularly complex.
- ✓ **Current provision independently rated as high quality.** The Education and Training Inspectorate are commissioned by the Department for the Economy to inspect, evaluate and report on the quality of provision of all of the contracted ESF project promoters. Engagement with the ETI team verified the high quality of the current providers. Specifically, they cited that 90% of providers were rated as 'high quality' compared to 66% in school system.

35 [DfE European Social Fund \(ESF\) case studies 2020](#)

- ✓ Underpinning concept of **‘employability pipeline/pathway’ model**. The model of ESF provision is centred on a concept that participants progress along a continuum of support as depicted in the adjacent schematic, which commences with informal learning and progresses right through to a job and career progression. Importantly in respect of the Priority 1 and 2 target constituency support and intervention is typically needed right along the pathway i.e. even when an individual secures employment they can require ongoing support to maintain that employment and continue to address prevailing challenges. Critically it should also be noted that a participant’s journey may not always be linear, there can be progress at one point and then setbacks at another point which may mean that an individual can ‘move backwards’ on the pathway and require support and intervention to move forward again. In this context the role that the programme plays to build resilience amongst participants is particularly important.



3.2 Negative Attributes

The main themes emerging from our engagements in terms of the negative attributes of the current ESF Programme (Priority 1 and 2) are as follows:-

- ✗ **Insufficient ‘reach’ amongst the Priority 1 and 2 constituency?** A possible question is whether the scale of reach of the current ESF provision makes sufficient ‘inroads’ into the prevailing scale of need and demand. As noted previously there are currently over 300k individuals that are economically inactive in NI and rates have remained stubbornly high/ hard to shift for most of the ESF 2014-2020 period (consistently in the 20%’s bracket and currently 26.6% against a UK average of 20.9%). Similarly, a second example is relation to individuals with a disability, where as previously noted 20.3% of the working age population in NI have a disability (Apr-Jun 20). And of these 58.9% are economically inactive and 26.8% have no qualifications. With reference to the data included previously in Table 3.1 in relation to the levels of participation by the four categories in the current ESF Programme to December 2019 it is reasonable to ask whether there is sufficient reach into prevailing need and demand. This is an area where the impending independent evaluation of the programme may provide further information, but at a headline level in this landscape review it is a point worth raising. At least to understand if the scale of resources available to date and ‘depth of needs’ prevailing within the programme are a constraint on reaching greater numbers.

- X Fairly ‘rigid’ delivery model.** The current programme has been based on 66 providers across the four category areas working on long-term contractual arrangements that align with the requirements of the EU wide-reporting and oversight arrangements. This constrains significant changes in provision, and the ability to ‘adapt with agility’ to changing labour market conditions. A related factor is the ability to flex to sub-regional dynamics, in that patterns of prevailing demand relevant to the Priority 1 and 2 constituency vary considerably across Local Government Districts (LGD) in NI (i.e. a rigid ‘one size fits all’ / NI wide approach is not optimal).

- X Perceptions of bureaucracy/ administrative requirements.** This observation is linked with the previous point above. In essence views exist that that the current ESF is overly bureaucratic, inhibiting its effectiveness and efficiency. This may in the past have deterred quality providers from coming forward / encouraging new entrants. Also, the perceived administrative overhead/ bureaucratic nature of the current programme can detract providers from being able to focus on what really matters in the programme i.e. building an understanding of ‘what works’ in employment support for the target constituency and doing this in a way that delivers optimal VFM.

- X Too output focused?** Anecdotal comments during the course of the engagements for this review suggest that the current programme may be too focused on short term outputs not opportunities to ultimately achieve meaningful and sustained employment. Again, the funding model and oversight arrangements may drive this. More scope to understand how best to deliver ‘well-carved’ work opportunities for participants aligned to their individual needs, is key, rather than the risk of matching to ‘any job’ to achieve KPIs. We would qualify this view with the fact that the impending evaluation may bring further objective evidence to this finding on the quality of employment secured for participants (where relevant).

- X Current monitoring and oversight arrangements fail to ‘do justice’ to the wide range of tangible, soft and ‘distance travelled’ outcomes.** As noted under the ‘positive attributes’ above the current programme delivers considerable ‘added value’ in areas such as motivation, resilience-building, interventions to improve ‘life-routine’ and practical interventions to improve mental health and well-being – all critical to moving participants along the ‘employability pathway’. As noted above the current monitoring regime is viewed to be overly output focused, and whilst efforts have been made to ‘do more’ (e.g. in terms of capturing soft outcomes and distance travelled measures), these have not been sustained nor have they been consistent. In turn this limits the potential to fully articulate the performance, impact and VFM of the current provision.

- X Insufficient policy alignment to support the target constituency in a truly holistic way.** As noted under ‘positive attributes’ above the current providers often work in partnership with other partners/ statutory agencies to address the many challenges faced by those individuals currently supported. This is key to being able to personalise support to the individual needs and to help address many of the barriers that prevail. However, they do this in a less than optimal backdrop of policy alignment across Government in NI. It is clear that the reach and relevance of the current programme, extends well beyond DfE and DfC, who have the remit to deliver employability support, because of the multiple and complex barriers that participants often face. The programme has reach and relevance in the DoH arena (e.g. in respect of improved mental health and well-being, family support); in the DoJ and TEO arena (e.g. in terms of working with individuals at risk of falling into criminality or wishing to move into employment from a background of having convictions); and in the DE arena (e.g. in respect of access to childcare as a potential barrier). Siloes can exist for providers in leveraging the linkages and support across Government that are necessary for the most effective wrap-around, holistic support to reach communities and individuals.

4. Opportunities for Enhancing a Successor Scheme

This section summarises the potential areas for enhancing a successor programme, building on the many positive attributes of the current provision, and inclusive of actions to address some of the perceived negative attributes/ areas for development. These opportunities for enhancement are also shaped by forward policy drivers and the forward economic/ labour market trends that may prevail as NI aims to recover from the COVID-19 pandemic.

These opportunities are grouped under three areas (1) Needs/ Target Market/ Positioning; (2) Implementation/ Delivery Considerations; and (3) Oversight/ Evidencing High Quality Performance and Impact. The main points emerging across each of these areas are discussed below.

4.1 Needs/ Target Market/ Positioning

- **Core ‘positives’ to be built upon** - as noted in Section 2, a pressing need remains for the type of provision provided by the current ESF Programme. Furthermore, based on the positive attributes described in Section 3, there is much in the current programme that works well and that provides solid foundations for a successor programme.
- **A greater focus on digital skills throughout** - the COVID-19 pandemic has reinforced the urgency with which businesses/ employers need to accelerate digitisation of their existing operations or digital transformation, to survive and thrive in the forward period. With consequent implications for digital skill development within their workforces. The Executive’s ³⁶recovery plan places a renewed focus on digital skill development aligned to all of the above. Consequently, this should be core to all successor provision / projects funded via a successor programme.
- Broadly **the same target groups**, but with a greater emphasis also on **older people of working age**. The statistics included in Section 2 indicates that needs will remain and likely increase in scale amongst all of the target groups within the current programme. An additional target group may be older people of working age, who in the forward economic environment may be at risk of falling into ‘cycles of worklessness’ as their sources of traditional employment contract and/or shift so significantly that major reskilling is required.
- **A targeted focus on prevention/ early intervention** to reduce longer term scale of need. A key positioning shift in a successor programme, could be for a much greater focus on preventing individuals entering the target constituency for Priority 1 and 2 of the current ESF Programme in the first place. Arguably this may be main mechanism to ‘turn the curve’ of the stubbornly high levels of demand that have prevailed (e.g. particularly in respect of economic activity). There is a small emphasis on Community Family Support, within the current programme that does contribute to this agenda. However, a much more explicit focus on this within a successor programme could entail geographic targeting of areas / neighbourhoods, where there has been very localised and persistent (intergenerational) worklessness. As noted previously 1 in 4 of 16-74 population have never worked before in 30 of NI’s 36 Neighbourhood Renewal Areas.

36 [NI Executive - Rebuilding a stronger economy paper \(June 2020\)](#)

A targeted focus of resources in these areas, in a successor programme may yield better returns in terms of ‘moving the needle’ on the key labour market metrics relevant to the Priority 1 and 2 constituencies. It is also clear that there are a range of interventions (beyond the remit of DfE and DfC) that could help reinforce a greater focus on this in a successor programme. For instance, the Family Support Hubs operating across the 5 HSC Trust areas in NI that provide access to early intervention family support services for vulnerable families and children aged 0-18. A second example, is the Executive’s Tackling Paramilitarism Programme, led by DoJ. One of the four strategic priorities in the programme is long-term prevention, which promotes lawfulness and preventative measures to support those on the margins of the justice system, including the most vulnerable young people. A final example relates to interventions in the education arena. For instance, greater linkages with the Education and Welfare Service operated by the Education Authority could help identify those aged 14-19 who are at risk of falling into the Priority 1 and 2 constituency of demand. The current work of the Expert Panel that was established under the ‘New Decade, New Approach’ deal to examine the links between educational underachievement and social disadvantage, will also likely yield valuable insights into actions that may help ‘turn the curve’ on the life chances of individuals most at risk of being inactive in the labour market in future years. At minimum a successor programme should have these linkages much more integrated into forward provision, to enable pro-active and effective planning to meet prevailing needs. A successor programme could also pilot fund a number of preventative interventions alongside interventions that ‘respond’ to the demand when it comes forward.

- A **greater focus on sectors** that have greater capacity to create and sustain employment. The main priority is to ensure that participants within a successor programme are supported towards a labour market that has the potential to offer them meaningful and sustained employment. As recognised in the Industrial Strategy for NI/ Economy 2030 economies cannot be expert or world class in every area and well-structured choices in order to deliver the desired economic outcomes for the economy as a whole. Therefore Economy 2030 identified six broad sectors of the economy, across both manufacturing and services, where Northern Ireland has world-class capabilities, that could help drive the desired outcomes for the economy as a whole. The Executive’s recovery plans³⁷ further reinforce a sectoral focus – specifically the need to *‘focus on key sectors where there is potential for more and better jobs’*.
- Improved links to policy and programme support in the **volunteering arena**, to open up opportunities for volunteering on the employability pathway. DfC are currently leading on a refresh/ development of volunteering policy in NI, informed by the experiences and immense momentum achieved in terms of both formal and informal volunteering during the COVID-19 pandemic in NI. The ethos of volunteering provides a supportive context for individuals distant from the labour market to upskill and progress, and arguably should be much more formally embedded within the ‘employability pipeline/ pathway’ concept referenced above that underpins the current programme.

37 [NI Executive - Rebuilding a stronger economy paper \(June 2020\)](#)

- Ability to deliver training and supports **on line**, via video including use of **assistive technology** for those with disabilities etc. building good practice and the experiences of the pandemic thus far.
- **A new name?** A successor programme is an opportunity to relaunch a new programme, which clearly explains the policy rationale and is meaningful and attractive to potential participants.

4.2 Implementation/ Delivery Considerations

- **Clarity about funding and responsibilities on a cross-Departmental basis.** As noted in Section 3.0 it is clear that the reach and relevance of the current programme, extends well beyond DfE and DfC, who have the remit to deliver employability supports, because of the multiple and complex barriers that participants often face. A successor programme should clearly identify which Department has the responsibility to hold the budget, whilst working to dovetail this budget with other existing funding streams/ resources across Government. The associated responsibilities of other Departments (beyond the budget holding Department) should be clearly defined so that future projects supported by a successor programme can work to effectively meet **all** of the participants needs in a holistic and integrated manner.
- **Sub-regional / local employment market sensitivity in delivery.** It is evident from the statistics included previously in Section 2, that patterns of prevailing demand relevant to the Priority 1 and 2 constituency vary considerably across Local Government Districts (LGD) in NI. The prevalence of economic activity is a particular case in point. Therefore, it would be desirable to have sub-regional reference structures at LGD levels not just to inform the design of a successor programme, but also to help oversee/ advise/ ‘tweak’ future delivery on an ongoing basis. The creation of employability forums at LGD levels aligned to Employability NI could be considered as one route for this to be implemented.
- **‘Lived experience’** running through all aspects of a successor programme. The ‘lived experience’ of overcoming barriers to employability should inform the programme design, piloting and ongoing delivery i.e., co-production (beyond providers to also include beneficiaries). Inclusion of peer mentoring/ peer delivery elements in ongoing programme delivery should also be considered. The power of those who have been on a similar ‘journey’ themselves in providing hope, encouragement, and practical insights into overcoming barriers to future participants will be immense. This may require some investment in developing the skills and capabilities amongst previous beneficiaries (with providers) to be able to fulfil this role. This is a practice that is well established in the mental health arena and insights from this sector may help to further shape the thinking for a successor programme in this regard.
- **Effective and mandated linkages to the skills policy agenda in NI.** A successor programme should reinforce the key issues and principles in the new Skills Strategy for NI, which as highlighted in the Executive’s recovery plans³⁸ remain fully relevant in the current context. These include investing in digital skills; creating a culture of lifelong learning to include upskilling and reskilling in addition to innovation; and reducing the skills imbalances in the workforce. Whilst the remit of this review relates only to Priority 1 and 2, greater linkage to the current Priority 3 activity in successor arrangements would be desirable.

38 [NI Executive - Rebuilding a stronger economy paper \(June 2020\)](#)

- **A more flexible and nimble funding resource.** As noted in Section 3 the current provision is based on a ‘fairly rigid’ delivery model that constrains significant changes in provision, and the ability to ‘adapt with agility’ to changing labour market conditions, including sub-regional dynamics. Looking ahead more flexibility is needed. This may also need to include the ability to change/ add providers as needs evolve and in light of performance. Consideration should be given to the optimal mechanisms to achieve all of the above. For instance, via multi-year ‘grant-in aid’ arrangements with providers to build longer term partnerships and the trust to evolve provision to changing needs. Or via implementation of dynamic purchasing models, which have become an increasingly popular element of the procurement toolkit in recent years, rising in prominence as a useful and agile addition to traditional framework agreements. On this expert procurement advice should inform the various options and optimal mechanism that may apply.
- A successor programme should clearly articulate the **required provider standards** and implement **due diligence** procedures to ensure those selected fully meet the same. Consideration could be given to preferential weighting (in any selection/ procurement exercise) to **consortia providers** and/or those who bring experience/ partners with expertise in health, education, family support that may be relevant to the multiple and complex barriers that participants face.
- **Concept of ‘progression payment’ regime.** Mechanisms to incentivise provider performance should be considered in a successor programme. However, unlike other areas of programme delivery a ‘payment by results/outcomes’ may not be desirable (which in this case would be linked to securing employment or ‘next steps’ training result for participants). This may inadvertently result in sub-optimal outcomes for the ‘hardest to help’ and constrain opportunities to help participants along a journey to ultimately achieve meaningful and sustained employment (‘well carved work’). Progression payments could, however, be linked to some of the suggestions around ‘distance travelled’ measures / soft outcomes referenced at 4.3 below.
- **A governance structure that ensures effective change control.** All of the above suggestions to implement a more flexible and agile successor programme will necessitate a governance structure and associated procedures to ensure effective change control.
- **Mainstream.** Identified as the provision of the ESF services through, and by, the existing FE and HE structures and organisations. Significant differences would result from this approach compared to multi modal and/or non-mainstream options in terms of the complexities associated with different options and consequent overall costs and quality of any new programme delivery. Further analysis and evaluation of these would be undertaken in the Options Appraisal stage.
- **Baselining.** Is where the cost of a project is included within a Departmental core budget. This is different from the alternative approach where several Departments bid for funding from different sources to support a project (with re-bidding required on a periodic basis). Consequently depending on the options considered there may be – across options – a potential trade-off between “certainty” to the funding of any future programme if “baselined” compared to less certainty but potential funding and cross-departmental working. Further analysis and evaluation of these would be undertaken in the Options Appraisal stage.

4.3 Oversight/ Evidencing High Quality Performance and Impact

- There should be **defined output and outcome performance measures** against which to monitor and evaluate programme performance. As noted in Section 3 the oversight of the current programme is overly focused on outputs rather than outcomes. The restoration of the NI Executive and associated commitments made in the ‘*New Decade, New Approach*’ Deal in January 2020 commits to an NICS Outcomes Delivery Plan, that will provide the basis for an Executive work programme of priority actions to be taken in the coming months. Therefore, an ‘outcomes focus’ in terms of assessing the performance and impact of policy in future will be further embedded into the machinery of Government in future in NI. It is also the case, as noted in Section 3, that the current oversight and monitoring arrangements fail to fully capture the positive change enabled by the programme for individuals and communities who are vulnerable and excluded. This is central to fully understanding, if ‘*anyone is better off*’ as a result of the current ESF Programme, which is a core aspect of the Outcomes Based Accountability (OBA) approach that underpins the delivery of the current draft PfG framework in NI.
- These output and outcome performance measures, referenced above, should be encapsulated in an **evaluation framework for a successor programme**, with tangible and soft outcomes and distance travelled metrics all included. The design of this should be aligned to principles & objectives of the Programme for Government and impending Anti-Poverty Strategy, Disability Strategy, Disability and Work Strategy - all commitments in the ‘*New Decade, New Approach*’ Deal.
- Procedures should be put in place to facilitate **real time data collection** against the metrics evaluation framework. This regular review is necessary for a successor programme to be able to ‘adapt with agility’. Furthermore, use of the **expertise within NISRA and DfC’s Professional Services Unit (PSU)** to track the impact of the programme on the key labour market metrics relevant to the target groups will help to add-value and bring insights into the performance and impact of the programme. Looking ahead, relative to the lifespan of the current programme, there is a wealth of data resources available to facilitate more precise targeting of very localised and persistent (intergenerational) worklessness. An example is the ³⁹Open Data portal which has been created to facilitate easy access to Northern Ireland public sector data for both reuse and redistribution.
- Finally, there should be **mechanisms put in place to facilitate sharing of best experience** and lessons learned to promote continuous improvement. These are relevant at two main levels, firstly a forum to share good practice across ESF successor programmes in the devolved nations and secondly a forum for providers to share emerging insights/ lessons learned. To underpin a new name and new brand for a successor programme, it would be useful if there was an **information portal** for the target constituencies and related stakeholder organisations and a shared MIS for providers. All of this would help to bring cohesion and a shared sense of purpose the new arrangements.

39 [About - Open Data NI](#)

5. UK Shared Prosperity Fund (UKSPF)

In 2017 the UK government announced that it would replace the EU Structural Funds with a successor arrangement called the UK Shared Prosperity Fund (“UKSPF”). In their 2019 manifesto the Conservative Party reiterated this pledge with commitments that the Fund will be: *“specifically designed to reduce inequalities between communities across our four nations”* and: *“be cheap to administer, low in bureaucracy and targeted where it is needed most.”*

While the Government committed to holding a consultation on the design of the Fund in late 2018 this has not taken place. In September 2020 the UK government introduced the [UK Internal Market Bill](#) gives ministers the power to make payments to any person across the UK for the purposes of economic development, including directly in the devolved nations, in areas of devolved competence.

In the spending review, in November 2020, the UK government set out that it will use these new powers to deliver the Shared Prosperity Fund and explained that the Fund would operate on a UK-wide framework. It committed to publish further details of the scheme in the spring.

Until this time there are only broad indications of the likely nature of the Fund including, within the 2020 Spending Review, key points such as:

- To help local areas prepare over 2021-22 (prior to introduction of the UKSPF) there will be £220m support for pilot programmes and new approaches (details of which are to be published in the “New Year” through HCLG and DWP);
- Total UKSPF funding will “at least” match receipts from EU structural funds (which average £1.5 billion annually); and,
- A second portion of the UKSPF will be targeted to people most in need through local bespoke employment and skills programmes to support improved employment outcomes for those in and out of work in specific cohorts of people who face labour market barriers.

What remains unclear is the extent to which the UKSPF will operate in a way that respects devolution settlements. As detailed, in analysis by the Institute of Government,⁴⁰ many of the devolved administrations anticipate that the UKSPF is a mechanism for centralising regional development policy (which according to Welsh First Minister Mark Drakeford, represents: *“a direct attack on devolution”*).

So, while still largely unclear in nature the design and operation of the UKSPF may have critical implications for how an ESF successor programme is funded and implemented.

Potential Opportunity

Meeting the current challenges of the day, including Covid-19 and Brexit, is drawing resources and focus from other areas including the identification of new approaches/pilot programmes. With £220m fund dedicated to innovative approaches, a time-bound opportunity exists for Northern Ireland to mould an ESF pilot replacement holistic model which can be proposed as a pilot.

40 [European Structural Funds after Brexit: the UK Shared Prosperity](#)

6. Option Appraisal

6.1 Introduction

Option appraisal is a key component of HM Treasury guidance in initiating new or revising (all forms) of existing public sector operations: *“having determined the strategic context for the project and established a robust case for change, this stage of the planning process focuses on the main choices (or options) available for delivering the required services, with a view to **formulating a preferred way forward** for the subsequent approval of management”*.⁴¹

In short, the first objective of an option appraisal is to identify, in primarily qualitative terms, a short list of preferred approaches to delivering the projected benefits of any given project or programme (i.e. in this case a successor programme). This short list is then subject to more detailed quantitative analysis to select that approach which maximises the likely benefits of use over the costs of delivery.

6.2 Key Components

As illustrated, in the table below, prior to undertaking an options appraisal three components need to be in place. Our analysis (primarily in Section 4) has set out a range of objectives for a successor programme and different approaches to meeting these objectives (recognising however that the latter are not exhaustive). Consequently, in the rest of this section we outline for consideration potential selection criteria and their use in selecting short listed options for more detailed review.

Components	Content	Current status re ESF
(1)	A description of the objectives of the successor programme or project and needs that will be fulfilled and benefits that might be generated.	Largely in place
(2)	A long list of realistic options that might be considered to fulfilling these needs (including the status quo (i.e. current ESF Programme) approach as a baseline against which to compare these other options). ⁴²	Under development
(3)	Selection criteria against which to rank each option in terms of likelihood or otherwise of meeting the programme or project objectives to aid the selection of a short list of preferred options for further quantitative review of costs and benefits.	Needs to be considered now

6.3 Selection Criteria

Once a long list is agreed each option will be subject to review across a range of selection criteria and agreed ranking process. Criteria can be project or programme specific but in the context of a successor ESF Programme we suggest – as illustrated in the table below a minimum of 11 relevant criteria.

41 [Public Sector Business Cases: Using the Five Case Model, HM Treasury, 2013](#)

42 On the grounds that any option should be discounted if, **compared** to the current business as usual approach, it (a) scores less at long listing or (b) delivers less net benefit (i.e. npv benefits over costs) at short listing.

Selection Criteria	Description	Selection Criteria	Description
Strategic Fit	To what extent is any given option consistent with the objectives and design principles of a successor ESF Programme?	Quality of service	In terms of performance, continuous improvement and innovation, flexibility and responsiveness, and accessibility and connectivity of each option?
Practical	To what extent can any option be implemented over an agreed timescale or, in simple terms, is relatively easy to set up and operate?	Net Additionality	Do options add to the current landscape or might they displace and/or compete with/replicate existing practices and other Department plans ⁴³ ?
Flexible	In the absence of perfect foresight how adaptable might a given option be to (external) market changes?	Acceptable	To what extent is there likely to be stakeholder, beneficiary and political support for a given option?
Affordability	To the extent that any given option is likely to fall within (or not) current budget projections?	Value for Money	To the extent that information is available can judgements be drawn about the likely relationship between financial costs and wider benefits
Risk profile	To examine the potential level of risks attached to each option in terms for example of “high”, “medium” and “low” terms.	Social Impacts	How do options differ in terms of their potential to deliver sustainable social impacts to individuals, their families and communities?
Co-Production	To assess the extent to which any given option accounts for and responds to individual needs.	Partnership	To what extent will each option support partnership working (or not) across all stakeholders.
Main Streaming	To determine whether options can or could be mainstreamed going forward or (continue to) require to operate on a mixed basis ⁴⁴	Baselining	To determine whether accountability and budget certainty differs across options and the consequent implications ⁴⁵

The above list is not exhaustive and will require review and enhancement by DfC and DfE. Similarly, consideration will need to be given to the ranking and weighting of criteria and the process of “shortlisting”.

43 Which also raises the question of whether other Departments can be engaged in any new approach given that they also are likely to engage with many of the current ESF themes/beneficiary groups and could consequently benefit from understanding what works well (and not so) in addressing common complex social needs/issues.

44 i.e. are there options that would only require “mainstream” FE and HE delivery and what differences would result from this approach compared to multi modal and/or non mainstream options in terms of the complexities associated with different options and consequent overall costs and quality of any new programme delivery.

45 Baselining is where the cost of a project is included within a Departmental core budget. This is different from the alternative approach where several Departments bid for funding from different sources to support a project (with re-bidding required on a periodic basis). Consequently, depending on the options considered there may be – across options – a potential trade-off between “certainty” to the funding of any future programme if “baselined” compared to less certainty but potential funding and cross-departmental working.

6.4 Ranking

Typically, the former can involve the adoption of numerical values such as +1 where an option meets criteria, -1 where it does not and 0 if unclear. Such scores can be unweighted for each value (i.e., each criteria is “equally important”) or involve weighting (e.g. if there are 10 criteria but strategic fit is regarded as more important each option score for this criteria might be “doubled” compared to other criteria and so forth).

Finally, in comparing “scores” (i.e., the sum of values for each criteria per option) some form of cut off is required to be agreed. For example: adoption of the “top three” scoring options v all options that meet 50% or more of agreed criteria. In addition, the impact on “top three” rankings (or other agreed cut off points) of changing both the numerical values and weighting can be assessed through sensitivity testing.

7.0 Conclusions

The evidence presented in previous sections of this report has shown a very strong case for a continuation of the type of intervention currently supported by Priorities 1 and 2 of the Northern Ireland ESF Programme, but with adjustments to improve the effectiveness of the Programme, to provide a clearer focus on outcomes rather than outputs and to provide a clearer evidence base in relation to the impact of the Programme on participants.

This Section sets out the high-level conclusions arising from the analysis and the recommendations to the Departments arising from this review.

7.1 Conclusions from the Analysis

The headline conclusion is that a successor Programme is needed, there is clear evidence of this in the statistics and the policy contexts detailed in Section 2. In addition, there is a sound policy rationale for intervention based on market failure, social justice and a financial rationale.

The independent assessment by the Education and Training Inspectorate that the existing ESF providers are mostly of high quality, innovative, flexible and committed to necessary change is an important part of the argument for developing a new programme from the base of the existing ESF Programme. However, while Inspectors attest to the quality of provision and the beneficial impact on programme participants, the formal reporting structures fail to capture much of this impact.

While, partly because of the independently assessed quality of ESF providers and their impacts on participants, it would appear to make sense to evolve a new programme from the existing ESF Programme, the information needed to put a new programme in place is not currently available. In particular, there is a need for additional data on the effectiveness of the programme and of its component parts, on the wider benefit streams and lifetime costings arising from the interventions and on the cost effectiveness of the programme. In addition, there is currently no existing or proposed model of the proposed 'preventative strand' of the new programme – the strand which would seek to reduce the number of people needing such specialized interventions in the future.

A further consideration is that a break in provision – for example to design, develop and deploy a new programme – would be very undesirable. Such a break would let down people who are deeply disadvantaged socially and economically, who need the service provided and who do not have access to any suitable alternative service. A break would also mean the loss of providers, their staff and the experience and expertise that they have built up. It would be difficult and costly to develop this capacity to deliver to a population with very particular needs from scratch after a break in provision.

Finally, it is clear that there is insufficient time to develop and put in place new provision before the existing provision ends on 31 March 2022. To avoid a break in provision and to retain the current high-quality delivery capacity will require the Department to seek approval and funding for an extension of the existing programme for, at the very, least one or, more probably two years to 31 March 2024.

The period of the extension programme could then be used to:

- Work in association with participants, providers, employers and other stakeholders to co-design a new programme to become operational from 1 April 2024,
- Develop a programme of work to research, pilot and analyse the information on the existing programme to inform the co-design of the new programme, and
- Develop a model for the preventative stream of the new programme.

7.2 Recommendations & Timescales

Our recommendations to the Department for the Economy are

1. It should seek approval to a 1 or 2-year extension of the existing programme
2. During the period of that extension the Department should introduce some necessary adjustments to the programme to improve its effectiveness and the quality of the information gained during the operation of the extension programme.
3. Consider a limited number of pilots and launch these to inform the new programme
4. During that period the Department and the Department for Communities should engage with providers, participants, employers and other stakeholders to develop a co-design process to agree – over time – the parameters of a new programme
5. That co-design process should include
 - a) A programme of research studies during the extended programme to provide effectiveness, benefit assessment, cost effectiveness, lifetime cost information, and
 - b) Arrangements for the development of a preventative element for a successor programme.

It will be challenging to implement these four recommendations in the time available. To achieve the timetable, we believe that the Departments, working together, will have to achieve the following milestones

- Develop and gain approval to a business case for the extension programme, the adjustments to the programme, the research studies and the co-design process by March 2021;
- Seek to develop a consensus with the stakeholder group on the design of the new programme by March 2022;
- Develop and gain approval to a business case for the new programme by June 2022;
- Contract for or develop a call for providers of the new programme by September 2022
- Launch the new programme operationally by 1 April 2023; and
- Close the extension programme (which would have to continue to serve existing participants) by 31 March 2024.

The chart below sets out the proposed timetable graphically.

TIMELINE	2011				2022				2023				2024	
ACTION	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Business Case for Extension														
Research & Co-Design process														
Business Case for New Programme														
Contact for or Procure New Programme														
New programme Launch														
Extension Programme Operational														
Extension Programme Closure														

Each element of this timetable is challenging and there are complex dependencies between the various elements.

The Department for the Economy has indicated that it would find it difficult to seek a two-year extension to the programme and that gaining approval to even a one-year extension may be challenging. While the review team acknowledge the practical difficulties which the Department would face in gaining approval to a two-year extension, it believes that such an extension is necessary given the complexity of the tasks involved in the process. Seeking to compress those complex processes into the period provided by a one-year extension would, if successful, enable the new programme to launch in April 2022 but would significantly increase the risks involved in the process and, in particular, would be likely to significantly reduce the prospect of agreeing a new programme through a consensus with stakeholders developed in a shared co-design process.

8.0 Appendix 1 Document Review

1. [European Social Fund \(ESF\) Operational Programme 2014 - 2020](#)
2. [Mid-Term Evaluation of NI ESF Programme, 2007-2013 \(PWC\)](#)
3. [Phase 1 Progress Report](#)
4. [ESF Annual Implementation Report](#)
5. [Employment and Training Act \(Northern Ireland\) 1950](#)
6. [DfE European Social Fund Home Page](#)
7. [ESF Call 1 Operational Projects](#)
8. [ESF 2014-2020 Projects Awarded in Call 1 By Constituency & Council Area](#)
9. [ESF 2017 Communication Plan Evaluation](#)
10. [ESF Call 2 Projects by Constituency & Council Area](#)
11. [ESF Call 2 Operating Manual](#)
12. [ESF Monitoring and Evaluation Plan](#)
13. [NI ESF Annual Implementation Report & Citizen Summary For The Years 2014-2020](#)
14. [ESF Information Memos Issued by The Department 2015-2020](#)
15. [ESF 2007-2013](#)
16. [OECD Skills Strategy Report Northern Ireland](#)
17. [DfE Covid-19 Response Business Plan 2020-21](#)
18. [TEO Draft PFG and Outcome Delivery Plan](#)
19. [A New Decade A New Approach](#)
20. [Evaluation of Success Through Skills Transforming Futures](#)
21. [DfE Industrial Strategy Consultation Document](#)
22. [NI Skills Barometer and Updates](#)
23. [Higher and Further Education and Training Statistics](#)
24. [Quarterly Labour Force Survey Tables August 2020](#)
25. [Rebuilding A Stronger Economy Medium Term Recovery](#)
26. [The Institute for Public Policy Research - The Skills System in Northern Ireland: Challenges and Opportunities](#)
27. [NERi - A Low Skills Equilibrium in Northern Ireland](#)
28. [House of Commons Library, Research Briefing: The UK Shared Prosperity Fund](#)
29. [Ncvo And Ersu Paper: Future Employment and Skills Training for Disadvantaged Groups - A Successor to The European Social Fund](#)

30. [Inclusive Growth in Northern Ireland | Fraser Of Allander Institute](#)
31. [The European Social Fund from an EU Perspective](#)
32. [An Anatomy of Economic Inactivity in Northern Ireland](#)
33. [The Future of Jobs Report 2020 | World Economic Forum](#)

Some Internal Documents Were Also Reviewed

34. Ex Ante Evaluation of The NI ESF Programme (DfE)
35. Terms of Reference for an Impact Evaluation of The Northern Ireland European Social Fund Programme 2014-2020. (DfE)
36. Mapping of Provision by Council Area – Employability NI Provision Matrix – July 2020 (DfC)
37. Employability NI Innovation Lab Report (DfC)
38. Follow Up Innovation Lab Report (DfC)
39. IES Report: Disability Programme Evaluation NI (DfC)
40. IES Report on Employability NI (DfC)

9.0 Appendix 2 List of Consultees

List of Consultees

DfE		
Graeme Wilkinson	DfE	Project Director. Director, Skills Strategy and Policy Division.
Claire Thompson	DfE	Project Manager. Economic Social Inclusion, Head of Branch.
Maeve Hamilton	DfE	Director, European Fund Management Division.
Gareth Dillon	DfE	Management Services and Regulation Group.
Annie McGowan	DfE	ESF Delivery, Head of Branch.
Jim Wilkinson	DfE	Director, Apprenticeships, Careers and Vocational Education Division
Lorna Warren	DfE	Director, Quality Improvement.

DfC		
Deirdre Ward	DfC	Director, Work and Wellbeing Division.

D/E		
Claire McClelland	DE	Project Manager. Transition of Young People into Careers (14-19) Project.
Dale Heaney	DE	Secretary to the Expert Panel on Tackling Education Disadvantage
Sam Dempster	DE	Curriculum & Assessment Team
Julie Plackitt	DE	Additional Educational Needs Team
Janet Heath	DE	Transition of Young People into Careers (14-19) Project

ETI		
Barry O'Rourke (ETI)	DE	Managing Inspector, Education and Training Inspectorate
Gareth Rooney (ETI)	DE	Education and Training Inspectorate
Shirley Jones (ETI)	DE	Education and Training Inspectorate

DfE/DfC Workshop		
Heather Cousins	DfE	SRO. Deputy Secretary, Skills and Education Group.
Graeme Wilkinson	DfE	Project Director. Director, Skills Strategy and Policy Division.
Maeve Hamilton	DfE	Director, European Fund Management Division.
Deirdre Ward	DfC	Director, Work and Wellbeing Division.
Chris Smart	DfC	Assistant Director, Work and Wellbeing Division.
Jamie Warnock	DfE	Strategy Portfolio Management, Skills and Education Group.
Claire Thompson	DfE	Project Manager. Economic Social Inclusion, Head of Branch.
Raymond Kelly	DfE	Skills Strategy, Head of Branch.

DfE/DfC Workshop		
Annie McGowan	DfE	ESF Delivery, Head of Branch.
Shauna Robinson	DfC	Health Work Support, Head of Branch.
Martin Boyd	DfC	Employability NI Programme Manager.
Myrtle Black	DfC	Health Work Support Branch.
Kevin McVeigh	DfE	Economic Social Inclusion Branch. Project Team
Paul Lyons	DfE	Economic Social Inclusion Branch. Project Team
Helen Gartley	DfE	Economic Social Inclusion Branch. Project Team
Paul Ross	DfE	Economic Social Inclusion Branch. Project Team

ESF Succession Project Board Membership

Graeme Wilkinson

Deirdre Ward, DfC

Maeve Hamilton

Jim Wilkinson or Clem Athanasiou

Chris Smart, DfC

Kathryn McCamley

Shauna Robinson, DfC

Lorna Warren

Jamie Warnock

Julianne Kieran

Jerome Dawson (Dept. of Health)

10. Appendix 3 Statistical Tables

Table 1: Northern Ireland Unemployment by Age (Estimated) (LMS August- October 2020)

Northern Ireland Unemployment by Age (Thousands) (Estimated) and Percentages												
	Unemployed by Age											
	Total 16+	16-24	25-34	35-49	50-64	65+	16+	16-24	25-34	35-49	50-64	65+
Aug-Oct 2017 ¹	34	8	11	11	-	-	4.0%	7.9%	5.2%	3.6%	-	-
Aug-Oct 2018	31	7	8	10	7	-	3.6%	6.7%	3.9%	3.2%	3.0%	-
Aug-Oct 2019	21	7	4	5	5	-	2.3%	6.5%	1.8%	1.6%	1.9%	-
Nov-Jan 2020	21	6	6	6	4	-	2.4%	5.0%	2.7%	1.9%	1.7%	-
Feb-Apr 2020 r	21	6	5	5	4	-	2.3%	5.6%	2.7%	1.6%	1.7%	-
May-Jul 2020 r	26	9	8	5	5	-	3.0%	8.0%	3.8%	1.6%	2.1%	-
Aug-Oct 2020	35	12	10	8	5	-	3.9%	11.7%	4.8%	2.6%	2.0%	-
Change on Year	14	5	6	3	0	-	1.6	5.2	3.0	1.0	0.1	-

Source: Labour Market Survey – August – October 2020

Table 2: Economic Inactivity by Sex, 16-64, Northern Ireland (LFS, April - June 2020)

Economic inactivity by sex, 16-64, Northern Ireland						
	Numbers			Rates (%)		
	Male	Female	All Persons	Male (%)	Female (%)	All Persons (%)
Apr-Jun 2010	124,000	211,000	336,000	21.8	36.1	29.0
Apr-Jun 2011	119,000	193,000	312,000	20.8	32.8	26.9
Apr-Jun 2012	121,000	196,000	317,000	21.1	33.5	27.4
Apr-Jun 2013	123,000	206,000	329,000	21.5	35.1	28.4
Apr-Jun 2014	118,000	195,000	312,000	20.5	33.1	26.9
Apr-Jun 2015	122,000	198,000	321,000	21.3	33.7	27.6
Apr-Jun 2016	119,000	191,000	310,000	20.5	32.4	26.5
Apr-Jun 2017	127,000	188,000	315,000	22.0	31.9	27.0
Apr-Jun 2018	139,000	186,000	325,000	24.0	31.6	27.8
Apr-Jun 2019	124,000	174,000	298,000	21.4	29.5	25.5
Apr-Jun 2020	123,000	185,000	308,000	21.3	31.3	26.4

Source: Labour Force Survey, April-June 2020

Table 3: Economic Inactivity by Local Government District, 16-64

Economic Inactivity by Local Government District, 16-64 (Source - LFS – Jan- Dec 2018)		
	Numbers	Rate (%)
Antrim and Newtownabbey	18,000	19.9
Ards and North Down	25,000	25.5
Armagh City, Banbridge and Craigavon	31,000	22.9
Belfast	72,000	32.7
Causeway Coast and Glens	24,000	29.3
Derry City and Strabane	33,000	34.1
Fermanagh and Omagh	20,000	27.0
Lisburn and Castlereagh	18,000	21.1
Mid and East Antrim	21,000	25.5
Mid Ulster	22,000	23.5
Newry Mourne and Down	34,000	31.0
Northern Ireland	318,000	27.2

Source Labour Force Survey – January – December 2018

Table 4: Qualifications by District Council Area 2019

2019 District Council Labour Market Structure	Total 16 – 64 population	Achieved NVQ level 4 and above	Achieved below NVQ level 4	No qualifications
District Council	(‘000s)	(16 - 64)	(16 - 64)	(16 - 64)
Antrim and Newtownabbey	91	37.5%	52.9%	9.6%
Ards and North Down	98	40.6%	51.0%	8.4%
Armagh City, Banbridge and Craigavon	132	33.4%	54.6%	12.1%
Belfast	220	35.6%	46.2%	18.2%
Causeway Coast and Glens	82	35.1%	47.0%	17.9%
Derry City and Strabane	95	34.0%	48.4%	17.6%
Fermanagh and Omagh	72	29.8%	51.4%	18.8%
Lisburn and Castlereagh	90	51.4%	43.5%	5.2%
Mid and East Antrim	83	41.0%	49.2%	9.8%
Mid Ulster	94	34.1%	48.9%	17.0%
Newry, Mourne and Down	109	34.0%	53.0%	13.0%
NI	1,168	36.7%	49.5%	13.8%

Source Labour Force Survey 2019 – District Council Labour Market Structure

Table 5: Highest Qualification by Labour Market Status 16-64, April – June 2020

Highest Qualification by Labour Market Status, 16-64				
	In employment (%)	Econ. Active (%)	Econ inactive (%)	All (%)
Degree or higher	35.3	34.9	10.7	28.7
Other higher below degree	10.5	10.4	5.9	9.2
A level or equivalent	23.7	23.6	21.1	22.9
GCSE A-C or equivalent	18.8	19.2	26.8	21.2
Other qualifications	4.0	4.0	6.0	4.5
No Qualifications	7.6	7.9	29.5	13.4
All 16-64 ¹	827,000	848,000	294,000	1,142,000

Source: Labour Force Survey, April - June 2020

Table 6: Economic Inactivity by Age, 16-64, Aug- Oct 2020

Economic Inactivity by Age including Rates (Thousands)														
# people in thousands	Total aged 16+	Total persons 16-64	16-24	25-34	35-49	50-64	65+	Total aged 16+	Total persons 16-64	16-24	25-34	35-49	50-64	65+
	Thousands							%						
Aug-Oct 2017	602	337	100	45	62	129	265	41.3%	28.9%	49.1%	18.4%	16.9%	36.9%	91.0%
Aug-Oct 2018	597	328	98	44	61	125	269	40.8%	28.1%	48.5%	18.0%	16.7%	35.1%	90.4%
Aug-Oct 2019	576	307	89	39	56	123	269	39.2%	26.3%	44.7%	15.9%	15.4%	34.1%	88.9%
Nov-Jan 2020	573	299	81	38	55	125	273	38.9%	25.6%	40.7%	15.4%	15.3%	34.5%	89.6%
Feb-Apr 2020	593	317	88	39	59	131	275	40.2%	27.2%	44.4%	15.9%	16.2%	36.1%	89.9%
May-Jul 2020	594	319	91	40	59	130	275	40.3%	27.3%	45.7%	16.5%	16.2%	35.5%	89.5%
Aug-Oct 2020	590	313	96	39	55	124	277	39.9%	26.8%	48.2%	15.9%	15.2%	33.8%	89.5%
Change on Year	13	6	6	0	-1	0	7	0.7	0.5	3.6	0.0	-0.2	-0.3	0.6

Source: Labour Force Survey, August - October 2020

Table 7: Economic Inactivity by Reason, 16-64, Northern Ireland

Economic Inactivity by reason, 16-64, Northern Ireland April – June 2020			
	Wants a job (%)	Does not want a job (%)	All persons (%)
Student	16.9	25.5	23.8
Family/Home	22.5	19.1	19.8
Retired	1.7	12.6	10.4
Sick/Disabled	41.7	32.5	34.4
Other	17.1	10.3	11.6

Source: Labour Force Survey, April - June 2020

Table 8: Economic Inactivity by Reason, 16-64, UK

Economic Inactivity by reason, 16-64, UK – April – June 2020			
	Wants a job (%)	Does not want a job (%)	All persons (%)
Student	21.5	27.3	25.9
Family/Home	21.7	19.5	20.0
Retired	**	17.6	13.6
Sick/Disabled	28.0	23.8	24.8
Other	28.8	11.8	15.6

Source: Labour Force Survey, April - June 2020

** - Inactive, retired and wants a job included in 'other'

Table 9: Economic Inactivity by Reason, 16-64, NI – Aug – Oct 2020

ECONOMICALLY INACTIVE REASONS 16-64 – NI-											
	Total persons (16-64)	Long-term sick	Family and home care	Retired	Student	Other	Long-term sick	Family and home care	Retired	Student	Other
# in thousands	#	#	#	#	#	#	%	%	%	%	%
	A	B	C	D	E	F	G	H	I	J	K
ALL PERSONS											
Aug-Oct 2017 ¹	337	99	80	36	92	29	29.4%	23.9%	10.6%	27.4%	8.7%
Aug-Oct 2018	328	93	72	40	86	38	28.4%	21.9%	12.1%	26.1%	11.5%
Aug-Oct 2019	307	103	65	33	74	33	33.5%	21.0%	10.8%	24.0%	10.6%
Nov-Jan 2020	299	103	65	32	68	32	34.3%	21.6%	10.8%	22.6%	10.8%
Feb-Apr 2020	317	105	64	34	70	44	33.2%	20.1%	10.6%	22.1%	14.0%
May-Jul 2020	319	111	62	32	74	39	34.9%	19.5%	10.1%	23.3%	12.3%
Aug-Oct 2020	313	107	63	32	78	34	34.1%	20.0%	10.1%	24.8%	10.9%
Change on Year	6	4	-2	-2	4	2	0.6	-1.0	-0.7	0.8	0.3
MALES											
Aug-Oct 2017 ¹	141	51	13	12	51	15	35.9%	9.1%	8.5%	35.9%	10.5%
Aug-Oct 2018	136	51	7	16	41	22	37.3%	5.2%	11.8%	29.9%	15.8%
Aug-Oct 2019	127	53	7	14	38	14	42.1%	5.8%	11.0%	30.2%	10.9%
Nov-Jan 2020	124	53	7	14	36	14	42.5%	5.9%	11.5%	28.6%	11.5%
Feb-Apr 2020	130	50	7	14	36	24	38.3%	5.3%	10.4%	27.5%	18.4%
May-Jul 2020	129	51	7	13	38	20	39.8%	5.5%	9.8%	29.6%	15.3%
Aug-Oct 2020	133	51	9	11	45	18	38.5%	6.4%	8.3%	33.6%	13.3%
FEMALES											
Aug-Oct 2017 ¹	196	48	67	24	42	15	24.7%	34.5%	12.2%	21.3%	7.4%
Aug-Oct 2018	192	42	65	24	45	16	22.1%	33.7%	12.4%	23.5%	8.4%
Aug-Oct 2019	180	50	57	19	35	19	27.5%	31.8%	10.8%	19.6%	10.3%
Nov-Jan 2020	175	50	57	18	32	18	28.5%	32.7%	10.3%	18.3%	10.2%
Feb-Apr 2020	187	55	57	20	34	20	29.6%	30.3%	10.8%	18.4%	10.9%
May-Jul 2020	190	60	55	20	36	19	31.5%	29.0%	10.3%	19.0%	10.2%
Aug-Oct 2020	180	55	54	21	33	16	30.9%	30.2%	11.5%	18.3%	9.2%

Source: Labour Force Survey, Aug Oct 2020

Table 10: Number of 16-24 Not in Education, Employment or Training (LFS April - June 2019)

Timeline	Not in Education, Employment or Training -16-24							
	Male		Female		All persons		Confidence Intervals	
	Total	Rate (%)	Total	Rate (%)	Total	Rate (%)	Total (±)	Rate (±)
January - March 2013	18,000	16.6	14,000	13.5	33,000	15.0	7,000	3.3
April - June 2013	17,000	15.3	16,000	15.3	33,000	15.3	7,000	3.3
July - September 2013	14,000	13.1	20,000	18.9	34,000	16.0	7,000	3.4
October - December 2013	16,000	14.5	12,000	11.8	28,000	13.2	7,000	3.1
January - March 2014	18,000	16.9	13,000	12.3	31,000	14.6	7,000	3.3
April - June 2014	19,000	17.7	12,000	11.9	32,000	14.8	7,000	3.3
July - September 2014	22,000	20.2	14,000	13.2	36,000	16.8	8,000	3.5
October - December 2014	19,000	17.6	17,000	16.5	37,000	17.1	8,000	3.6
January - March 2015	20,000	18.6	18,000	17.4	39,000	18.0	8,000	3.9
April - June 2015	18,000	16.8	16,000	15.1	34,000	16.0	8,000	3.6
July - September 2015	18,000	16.5	19,000	18.0	37,000	17.2	8,000	3.8
October - December 2015	14,000	12.9	15,000	14.6	29,000	13.8	7,000	3.3
January - March 2016	12,000	11.2	11,000	11.0	23,000	11.1	6,000	3.1
April - June 2016	11,000	9.9	10,000	9.8	21,000	9.8	6,000	2.8
July - September 2016	14,000	13.4	14,000	13.9	29,000	13.7	7,000	3.3
October - December 2016	13,000	12.4	10,000	9.9	23,000	11.2	6,000	3.0
January - March 2017	14,000	13.2	11,000	11.0	25,000	12.1	6,000	3.1
April - June 2017	13,000	12.7	11,000	11.2	25,000	12.0	6,000	3.2
July - September 2017	14,000	13.4	9,000	9.3	23,000	11.4	6,000	3.1
October - December 2017	15,000	14.3	9,000	9.1	24,000	11.8	7,000	3.2
January-March 2018	11,000	10.2	8,000	8.0	19,000	9.1	6,000	2.8
April-June 2018	13,000	12.6	10,000	9.9	23,000	11.3	6,000	3.0
July - September 2018	15,000	13.9	10,000	10.0	24,000	12.0	6,000	3.0
October - December 2018	11,000	10.8	9,000	9.5	21,000	10.2	5,000	2.6
January - March 2019	8,000	7.3	9,000	8.9	16,000	8.1	4,000	2.2
April - June 2019	9,000	8.4	12,000	12.1	20,000	10.2	5,000	2.3
July - September 2019	11,000	11.1	13,000	13.0	24,000	12.0	5,000	2.6
October - December 2019	9,000	8.9	12,000	12.0	21,000	10.4	5,000	2.3
January - March 2020'	10,000	9.8	12,000	12.1	22,000	10.9	5,000	2.5
April - June 2020'	8,000	7.7	13,000	13.7	21,000	10.6	5,000	2.6
July - September 2020	13,000	12.5	13,000	14.0	26,000	13.2	7,000	3.3

Source – Labour Force Survey, July – September 2020

Table 11: Labour Market Status of Young People aged 16-24

Labour Market Status of young people aged 16-24 (NI)	
	All
In employment	102,000
All Unemployed	6,000
Unemployed (in education or training)	2,000
Unemployed (not in education or training)	4,000
All Economically Inactive	91,000
Economically inactive (in education or training)	74,000
Economically inactive (not in education or training)	17,000
Total aged 16-24	199,000

Source: Labour Force Survey, April-June 2020

Table 12: Disability by age and sex of the working age population

Disability by age and sex NI			
	Males (%)	Females (%)	All persons (%)
16-24	10.8	12.5	11.6
25-34	11.5	16.7	14.1
35-49	15.8	21.6	18.8
50-64	25.5	35.7	30.7
All	17.0	23.6	20.3

Source: Labour Force Survey, Apr - June 2019

Table 13: Highest Qualification of people with or without a disability - 16-64

Highest qualification of persons with or without a disability, 16-64		
	Without a disability (%)	With a disability (%)
Degree/Equivalent	32.1	15.0
Other Higher	9.2	9.5
A Level/equiv	24.1	18.9
GCSE equiv	20.9	22.3
Other	3.7	7.5
No Qualification	10.1	26.8

Source: Labour Force Survey, April - June 2019

Table 14: Labour Market Status of person with or without a disability, 16-64

Labour market status of persons with or without a disability, 16-64		
	Without a disability (%)	With a disability (%)
In employment	81.0	38.9
ILO unemployed	1.7	2.2
Inactive	17.3	58.9

Source: Labour Force Survey, April- June 2019

Table 15: Employment Rate 16-64 – Seasonally Adjusted Estimated

Employment Rate 16-64 - Seasonally Adjusted- Estimated			
	16-64, Thousands		%
	16-64* Population	Total in employment	Employment rate
Aug-Oct 2017 ¹	1,168	799	68.4%
Aug-Oct 2018	1,168	811	69.5%
Aug-Oct 2019	1,168	845	72.4%
Nov-Jan 2020	1,168	844	72.3%
Feb-Apr 2020	1,168	831	71.2%
May-Jul 2020	1,168	823	70.4%
Aug-Oct 2020	1,168	825	70.6%
Change on Quarter	0	2	0.2
Change on Year	0	-21	-1.8

Source: Labour Force Survey, August- October 2020

