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Department for
**Employment
and Learning**
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Success through Skills - Transforming Futures

Employer Engagement Plan

Phase One - March 2012

**SUCCESS
THROUGH SKILLS**
SKILLS STRATEGY FOR NORTHERN IRELAND

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FOREWORD

The draft Programme for Government was launched in November 2011. It sets out our plans and priorities for the coming years and clearly places the economy at the forefront of our work. The draft Programme for Government and the draft Northern Ireland Economic Strategy identify ‘skills’ as a crucial ingredient in both rebalancing and rebuilding our economy.

This focus on ‘skills’ is at the heart of my Department’s work.

One of my first tasks as Minister for Employment and Learning was to launch a new Skills Strategy for Northern Ireland, known as ‘Success through Skills – Transforming Futures’, on 25th May 2011. The Strategy examined our current skills base, considered the skills we will need in the future to grow the Northern Ireland economy and highlighted a number of areas for action. In particular there will be an increased need:

- for people with higher level skills;
- for people with science, technology, engineering and mathematics (STEM) skills;
- for people with management and leadership skills;
- to up-skill those people already in work; and
- to attract certain skills into the workforce.

To achieve the workforce Northern Ireland requires to prosper it is clear that a change is required in the way in which we all view and invest in our skills. This is where we all must play our part – individuals and employers alike.

In the coming months, I will be launching an overarching plan which will set out how my Department, together with our local colleges, universities and training organisations, will help to address the skill needs of the Northern Ireland population, as outlined within ‘Transforming Futures’.

However, our businesses and the people within them also have an important role to play. This document, which will form part of the overarching plan, focuses particularly on how my Department will engage with businesses over the coming years to help deliver aspects of the Skills Strategy. It highlights a number of initiatives which will be of particular interest to employers, together with a selection of related projects. In particular, we are keen to encourage more of our employers to become involved with the skills agenda and see merit in raising the skill levels of their employees. Northern Ireland companies should be committed to training and up-skilling their staff for the benefit of their business, their workforce and Northern Ireland plc.

We wish to work with companies to realise the vision where excellent leadership from well qualified managers is supported by a highly skilled workforce. This means up-skilling the existing workforce but we also must ensure that those entering the workforce for the first time from further education, higher education and through our training system are well prepared with the occupational skills, the essential skills and the employability skills that are needed for work today and in the future. Equally, if we want a shared and better future for all, those currently excluded from the labour force have to be provided with the skills to compete for jobs, retain those jobs and progress up the skills ladder.

However, we must also recognise the challenges we face in the coming years. In particular, the reduction in public expenditure available to the Executive will mean that tough choices will inevitably have to be made. For this reason, I have prioritised aspects of the strategy and put in place a ‘rolling’ implementation plan so that it remains flexible and adaptable to both the challenges and opportunities that lie ahead.

I look forward to working with you. To see real change we require a concerted effort on all our parts. Only together do we have the potential to transform futures; the futures of individuals, the futures of our local companies and the future of our economy.



DR STEPHEN FARRY MLA

Minister for Employment and Learning

WHY SKILLS MATTER

A high and appropriately skilled workforce has a crucial role to play in a modern, knowledge intensive, export driven economy. Skills and employability support the exploitation of other key drivers of economic success. They help economies make the most of new opportunities in high value-added activities, they encourage greater investment (including inward investment) and innovation, they help firms compete successfully in export markets and, ultimately they support economic growth and enhanced productivity.

Skills contribute to innovation. It is skills that provide the means to exploit outputs from the innovation process. Skilled workers have a greater capacity for transferring knowledge between firms, sectors and countries. Research shows that higher level workforce skills help firms absorb knowledge and become more effective at making use of new ideas and technologies¹. Education and training providers can play a particularly important role in linking with employers to ensure they have the right stock of skilled, talented and flexibly-minded people to innovate and compete in a rapidly changing global economy. The recent 'Independent Review of Economic Policy'² emphasised further the importance of science, technology, engineering and mathematics (STEM) skills which build the foundation for an innovative economy. It pointed to the need to have a supply of STEM skills in Northern Ireland so that the region's innovative capacity can be enhanced.

Skills and employment capacity encourage business investment. The decisions that firms make about where to locate new investments are governed largely by their desire to maximise rates of return and profitability. The availability of an appropriately skilled workforce is becoming increasingly influential as firms seek to make investment decisions. Human capital attracts, embeds and nurtures business investments over the long term.

Skills promote export growth. Having access to an appropriately skilled and productive workforce gives employers the confidence to expand into new export markets. By ensuring that we can meet the skills requirements that underpin such investment, we can give Northern Ireland a competitive advantage on an international level.

Skills facilitate business growth. The up-skilling of staff has a positive impact on product quality, product development, the acquisition of market share, profitability and sales growth³. It is clear also that investment in training by firms is associated with greater employee commitment and lower staff turnover. Firms that invest in the skills of their workforce are shown to be more likely to survive the onset of challenging economic conditions and have higher added value product strategies⁴.

Skills contribute to infrastructure development. Economic infrastructure, including transport, information and communication technology (ICT) and energy networks, is a driver of future economic growth. Nevertheless, in order to realise the full value of infrastructure investment, it must be accompanied by the availability of a range of complementary skills. For example, the development of ICT skills, at a range of levels, has been found to be critical if the full potential of investments in ICT broadband infrastructure are to be driven out⁵.

Skills and employability contribute to productivity and economic growth. A nation's prosperity is determined by employment and productivity, that is, the number of people in work and how productive they are when they are working. It is well recognised that skill levels are a key driver of both employment and productivity. For example, it has been estimated that increasing the average level of education in the labour force by one year is associated, over time, with a substantial increase in labour productivity of between 11-15%⁶.

Skills improve levels of social inclusion. For most people the best route out of poverty and welfare dependency is through work. It is vital that those who find themselves unemployed have the skills employers require and are given support to re-enter work. Employment and skills are therefore not just good for the economy, they are good for individuals, often providing a route off benefits and a means to alleviate poverty.

1 The Value of Skills. An Evidence Review, UKCES, 2010

2 Independent Review of Economic Policy (IREP), 2009

3 Commonalities and Contradictions in research on Human Resource Management, Boserlie et al, 2005

4 Ambition 2020, UKCES 2009

5 Unlocking ICTs Potential to Unlock Scotland's Economic Growth, ICT Forum For Scotland, 2008

6 Social Returns to Education – Macro-evidence, Canton, 2008

WHY WE NEED TO WORK WITH EMPLOYERS TO DELIVER THE SKILLS STRATEGY

As outlined within the draft Programme for Government, in order to achieve long term economic growth by improving our competitiveness and building a larger and more export-driven private sector, we must both rebuild the labour market in the wake of the global economic downturn and rebalance the economy to improve the wealth and living standards of everyone.

The Department for Employment and Learning's main contribution to this economic priority is to facilitate a better educated and more highly skilled workforce that meets the needs of the economy.

While the Department already works closely with local further education colleges and our universities to ensure that there is a steady flow of skilled people into the labour market, this in-flow is not enough to bring about the changes likely to be required.

At present, 80% of the current workforce will still be in work in 2020. Therefore, it is the current workforce, rather than those who will enter it in the coming years, who will need to transform their skills to ensure that they continue to meet the needs of the economy.

Engaging with companies to facilitate appropriate training, that meets the needs of the workforce, while minimising the level of disruption to the workplace, is a priority for the Department. Only by engaging effectively with employers can we meet both their short term requirements and the longer terms needs of the economy.

KEY COMMITMENTS

Through this delivery plan, the Department will work with employers to make it easier for them to:

- articulate their skill needs to Government and local colleges, universities and training providers;
- up-skill their existing workforce;
- have the training they offer in-house accredited;
- benefit from high performance working;
- have the existing skills of staff recognised; and
- have access to people with qualifications that are based on the National Occupational Standards set by employers.

In doing so, the strategy will help to rebalance and rebuild the economy aspiring to increasing levels of productivity and social inclusion. The projects contained in the plan will contribute to the following Programme for Government targets:

- up-skill the working age population by delivering over 200,000 qualifications; and
- increase the uptake of students undertaking courses in economically relevant STEM subjects at college and university.

The Delivery Plan will also underpin the draft Northern Ireland Economic Strategy by improving workplace productivity and providing those preparing for work and those furthest from the labour market with the skills to reach their full potential.

REBALANCING THE ECONOMY

If Northern Ireland is to compete in the global economic arena, there must be a concerted, joined-up effort to drive up skills and to encourage employers to use these improved skills to best effect. At the same time we need to rebalance the economy with higher value jobs.

The draft Northern Ireland Economic Strategy identifies 'skills' as one of five themes that will contribute to this rebalancing of the economy.

A high and appropriately skilled workforce has a crucial role to play in a modern, knowledge intensive, export driven economy. Skills and employability also support the exploitation of other key drivers of economic success. They help economies make the most of new opportunities in high value-added activities, they encourage greater investment (including both inward investment and indigenous growth) and innovation, they help firms compete successfully in export markets and, ultimately they support economic growth and enhanced productivity.

Yet, compared to many other developed economies, Northern Ireland continues to have proportionately more people with low or no qualifications, and too few with high level qualifications. It is also likely that as we move towards a more knowledge based economy, employers will increasingly require people with science, technology, engineering and mathematics or STEM skills.

Adjusting the skills profile of the workforce so that it meets the needs of the economy is the main focus of the 'Transforming Futures' Strategy. There has been significant progress in this area, however much more needs to be done if we are to achieve the targets in the Strategy. The following new projects being taken forward are a direct response to the areas for action which are highlighted in the 'Transforming Futures' Strategy. These projects will contribute to the rebalancing of the economy and include:

Articulating skill needs

- simplifying the demand side advisory infrastructure;
- harnessing labour market information; and
- benchmarking skills outcomes.

Up-skilling the existing workforce

- enhancing management and leadership training;
- expanding the Skills Solutions service;
- undertaking a review of adult training with a view to establish an appropriate adult training system;
- introducing a higher level apprenticeship pilot;
- expanding foundation degrees;
- recognising company training;
- recognising prior learning;
- expanding Assured Skills;
- introducing a Skills Collaboration Fund;
- expanding placements and scholarships; and
- developing a skills delivery model for emerging sectors.

The following section provides further information on the above projects.

ACTION 1: Articulating and Disseminating Skill Needs

Why is this important?

The Skills Strategy, 'Success through Skills-Transforming Futures', advocates a 'demand-led' skills system where the skills that are **demand**ed by business are **supplied** by schools, colleges, universities and training organisations. To achieve this there must be an in-depth understanding of business' current and future skill needs to enable government and the supply side to inform skills provision and delivery.

What is the Department going to do?

1. SIMPLIFYING THE DEMAND SIDE ADVISORY INFRASTRUCTURE

In conjunction with the recommendations made in the 'Improving the Effectiveness of the Employment and Skills Advisory Infrastructure'⁷, and taking account of likely changes to the UK Commission for Employment and Skills, the Department will make it easier for employers to articulate their skill needs to Government, improving the quantity and quality of 'demand' information received from the local employer base. This will, in turn, provide a better link between qualifications and skills and the needs of the economy.

In the past, the Department has used information arising from published Labour Market Information and forecasting reports, together with information garnered from employers, in part via the existing advisory infrastructure to shape training provision.

However, much has changed in the intervening years. This includes, nationally, the advent of Sector Skills Councils and the UK Commission on Employment and Skills and, locally, the appointment of the Northern Ireland Adviser on Employment and Skills. This has led to an increasingly complex advisory infrastructure which some employers find cluttered and confusing.

In deciding how the Department should simplify the demand side advisory infrastructure to address the concerns of employers, it is important to determine what specific information the Department needs from employers. This information can be seen broadly to fall into three different categories. These are to enable employers to:

- articulate their skill needs to the supply side;
- input to curriculum development, standards and qualifications and provide feedback on improvements to the delivery system; and
- advise on government spend and policy in relation to longer term skill needs.

With the introduction of the Skills Solutions service, employers can now engage directly with the Department with a view to addressing their current skill needs. Therefore, this project will specifically examine how the employers can feed into the development of the Department's policies, the development of the curriculum and qualifications and provide feedback on the delivery system.

By the end of September 2012, the Department will develop a streamlined and accessible demand side infrastructure.

2. HARNESSING LABOUR MARKET INFORMATION

In order to encourage a better match between the supply of skills and the future demand from employers, the Department for Employment and Learning operates 'Careers Service Northern Ireland'. Consisting of a dedicated website, supported by fully trained careers advisers, the service works with schools and colleges to offer young people impartial careers advice. Together with careers advisers at the network of Jobs & Benefits Offices, there is a number of high street 'drop in' zones that help to make this service available to people of all ages.

However, issues relating to how information is made available have become apparent. While there is a large amount of labour market information currently available to help inform career choices, it is not always presented in a way that is easily understood by many of the Department's customers.

7 Improving the Effectiveness of the Employment and Skills Advisory Infrastructure, the Office of the Northern Ireland Adviser on Employment and Skills, 2011

Building on what has already been achieved, the Careers Service will examine ways by which high quality labour market information (including current and forecasted future employer demands and future trends) is clear, accessible and useful to all, including:

- careers advisers;
- careers teachers;
- parents;
- the unemployed;
- job changers; and
- school leavers.

This project will help to provide a better link between qualifications and skills and the needs of the economy. It will enable people to make career decisions based on informed choice, leading to a better match between the supply of, and demand for, skills needed by employers.

By the end of September 2012, the Department will provide improved access to clear and up to date current and future trends, in a way that is meaningful for each specific group of end users.

3. BENCHMARKING SKILLS OUTCOMES

It is not only important for the demand side information to influence policy, it is also important that in Northern Ireland we stay ahead of the game. In order to do this we must benchmark our skills levels against our past performance and against other small, open and knowledge led economies. In this way we can judge our performance against previous years' efforts and also ensure that we remain competitive internationally. As the Skills Strategy delivers in terms of increasing numbers of qualifications in the workforce at Levels 2, 3, 4 and above, it will be ever more important to monitor our performance as a regional economy against our past performance, other small, open and developed economies. The purpose of this project is to conduct a scoping study which will identify best practice in international skills benchmarking, what indicators could be usefully benchmarked, which regions and/or countries would act as meaningful comparators for Northern Ireland and how the information required for benchmarking could be best captured. Subject to the outcomes of this scoping study, the project will seek to establish, maintain and publish regularly a set of skills data which make comparisons between Northern Ireland performance and a number of other small, open and developed economies.

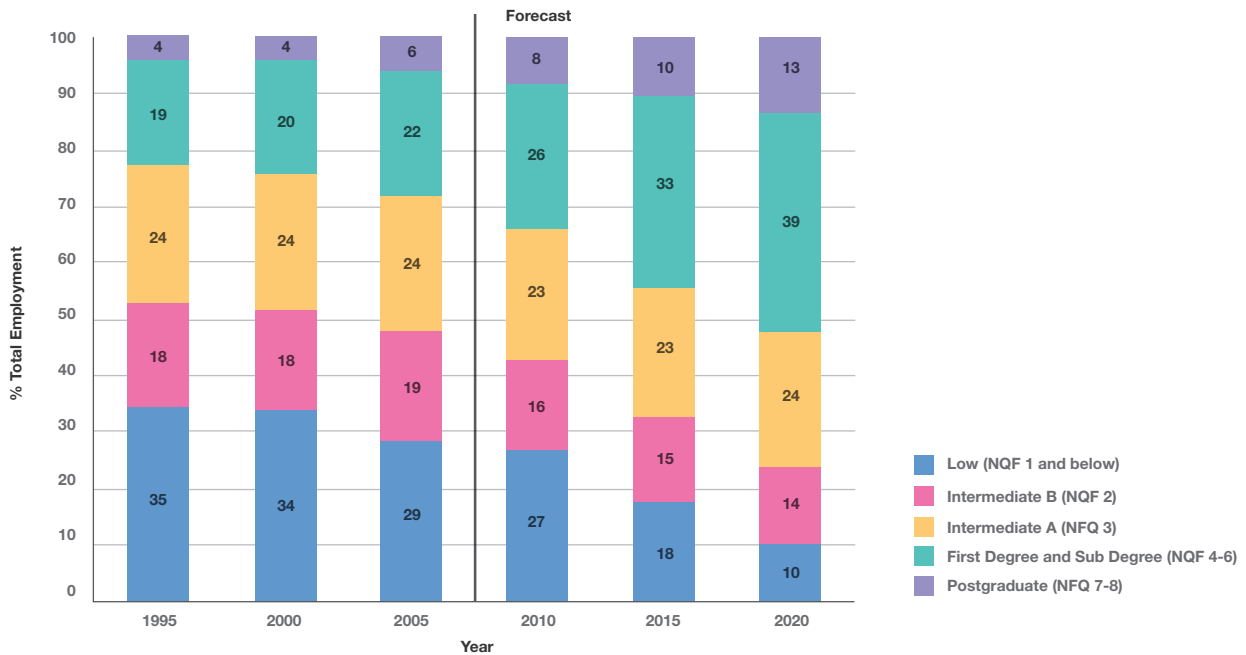
By the end of March 2013 the Department will establish, maintain and publish a set of skills performance data making a comparison between the Northern Ireland performance and a selection of other small, open and developed economies. The data will be produced on a regular basis (this will be determined as either annually or every two years).

ACTION 2: Up-Skilling the Existing Workforce⁸

Why is this important?

Up-skilling supports the rebalancing of the economy: As we increasingly move to a more knowledge driven economy, the skills we need within our workforce will change dramatically. As figure 1 demonstrates, there will be an increasing need for people with **higher level skills** and a much lesser demand for people with low or no skills.

Figure 1: Qualifications of persons in employment – aspirational scenario

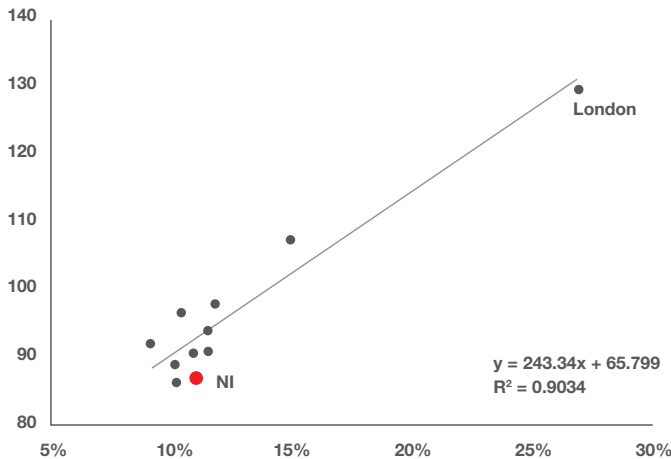


Higher skills, utilised effectively, can also contribute to increased productivity. Figure 2 shows the relationship between private sector graduates in employment and productivity across UK regions.

Figure 2: Relationship between private sector graduates in employment and productivity across UK regions

UK regions: Private sector graduates and productivity

Productivity
(UK = 100, 2007)



Private sector graduates % total employment (2001)

Source: Census, Regional Accounts, DETI, ONS, Oxford Economics

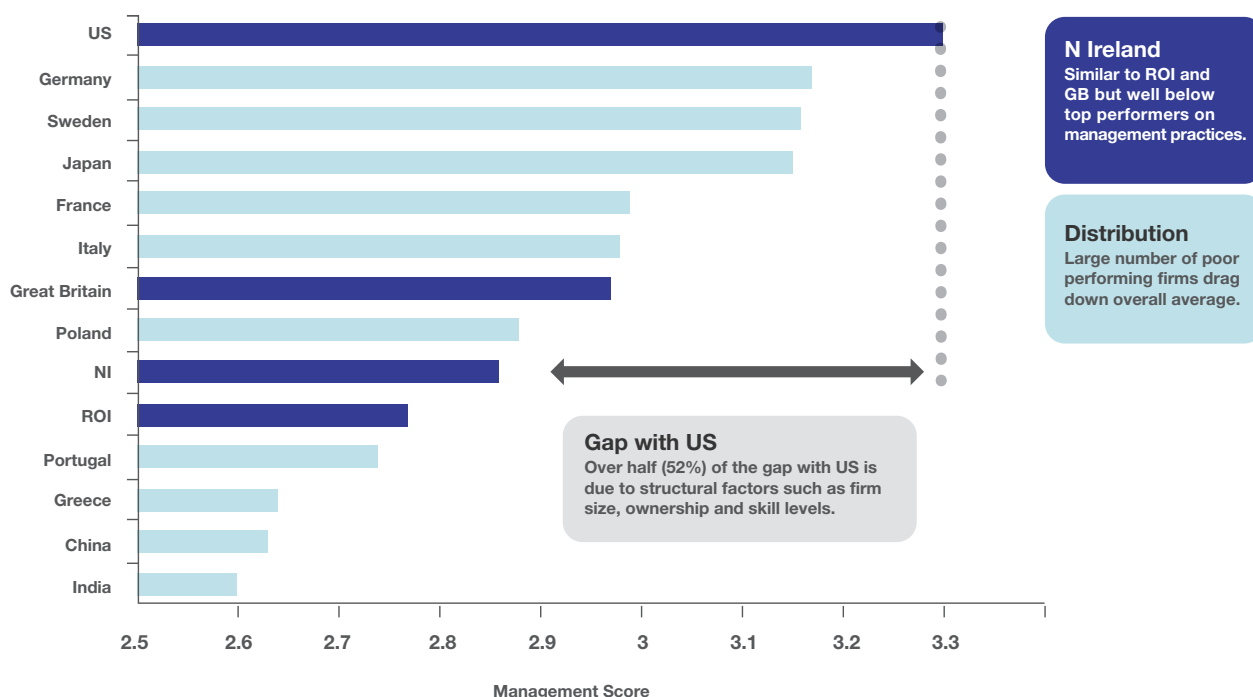
Note: Productivity is not based on new / revised Regional Accounts

⁸ The term 'up-skilling' refers to increasing the skills of those people already in work.

In order to keep ahead, it is important that companies continuously look to develop their workforce in line with the needs of their company. However, the rate of change is such that the inflow of skills from school, training, further and higher education will not be enough to meet potential skills gaps. As such, the need for employers actively to up-skill their existing workforce will become increasingly necessary.

Figure 3 illustrates the level of management and leadership skills within our workforce compared to the UK and other countries. Globally, research has found that firms that are good at deploying accepted best-practice management techniques perform significantly better, in economic terms, than those that are not. When management practices are rated on a scale from 1 to 5, a one point increase in management practices is associated with an increase in industrial output equivalent to that produced by a 25% increase in labour or a 65% increase in capital.

Figure 3: Level of management and leadership skills in Northern Ireland



In order to rebalance our economy, as advocated within the draft Northern Ireland Economic Strategy, the Department will **identify the sectors which are of greatest importance to the local economy** and are either currently or likely in the future to suffer skills shortages. In this way the Department will be able to focus its skills work in these areas. This project is linked to both the **‘Review of Vocational Training’** and the **‘Review of Adult Training’**. Together, these projects will provide a better link between the funding of qualifications and the needs of the economy.

Up-skilling benefits the individual. The impact on the individual from up-skilling cannot be underestimated. Up-skilling can improve an individual’s confidence and work satisfaction as well as improving workplace flexibility and productivity.

What is the Department going to do?

1. ENHANCING MANAGEMENT AND LEADERSHIP TRAINING

Flowing from the recommendation “to significantly develop management and leadership skills in Northern Ireland” within the ‘Independent Review of Economic Policy’, the Department will continue to develop its suite of management and leadership training.

The Department provides support to private sector and social economy enterprises through three approved management and leadership programmes:

- The Management Analysis and Planning Programme offers a business diagnostic programme, which involves an analysis of employees’ management and leadership skills by an independent business consultant appointed by the Department. The business consultant will provide a report outlining the management and leadership strengths and areas for development of the organisation’s employees, as well as a training and development plan which will outline recommended training to help address the identified needs.
- The Management and Leadership Development Programme comprises 15 endorsed management and leadership programmes aimed at first-line, middle and senior management level. They cover a broad range of themes including; Sales and Account Management; Management Skills for Technical Professionals; Project Management; First-line Manager’s Survival Kit; Developing Managers; Business Leadership; Export Skills; Mentoring Programme and Director Development.
- The INTRO Programme is a graduate entry to management programme which combines 4 weeks off-the-job training in essential management skills (leadership and team building, managing people, finance, marketing, business excellence, and strategic planning) with a 20-week placement where participants complete a measurable work-based Business Improvement Project with a host employer. Funding is available from the Department to assist employers with the associated costs of this training.

Whilst accepting that it is difficult for micro-businesses to invest in management and leadership development there is evidence which indicates that those who do will be more likely to survive the effects of the current difficult financial climate. Building on the experience of the Management Analysis and Planning programme, the Department will develop new delivery models for management and leadership development in micro-businesses, i.e. those employing fewer than nine employees.

By the end of September 2012, the Department will have designed and piloted two management and leadership development intervention models for micro-business, across a range of sectors with a view to offering this provision to all micro-businesses.

In order to **improve Government’s management and leadership provision** the Department, in collaboration with the Department of Enterprise, Trade and Investment, Invest NI and other stakeholders, is developing an **integrated framework for management and leadership** with the aim of providing a more holistic, customer focused service in the delivery of advice and support. Significant progress has been made already on the development of a key self-assessment diagnostic tool, in the form of a short questionnaire, which will produce a tailored report at company and individual level that details current performance against seven key business areas, and importantly signposts companies to relevant Department for Employment and Learning and Invest NI leadership and management development programmes, resources and events.

By the end of September 2012, the Department with Invest NI will have in place an integrated framework for management and leadership to improve advice, support and provision for companies.

2. IMPROVING SKILLS UTILISATION

Although progress has been made in terms of raising the level of qualifications across the UK, this progress has so far yielded little in the way of improvements to productivity in comparison with other countries.

Whilst there is evidence of a relationship between skills (as measured through qualifications) and productivity, higher skills do not necessarily equate to increased productivity levels. Skills utilisation forms the link between skills acquisition and productivity. It is not simply the skills that firms have which makes them competitive, but rather the ways in which they use the skills of their employees.

Therefore the Department is looking at ways in which it can encourage companies to utilise the skills within their workforce more effectively to bring about higher levels of business performance. As part of the skills strategy the Department will carry out initial desk research and work with the UK Commission for Employment and Skills and other devolved administrations to identify what is best practice on the integration of skills utilisation and **high performance working** into business practices.

By September 2012, the Department will have identified best practice in high performance working and have begun to implement a policy which helps businesses apply best practice in the utilisation of the skills of their workforce.

3. EXPANDING THE SKILLS SOLUTIONS SERVICE

In 2010, the Department launched a pilot of the Skills Solutions service. Consisting of a team of trained 'skills advisers', this service works with Small and Medium Sized Enterprises (SMEs) to provide them with advice on existing skills provision from the Department. It will also assist in the design and brokering of customised solutions for skills problems faced by employers, both in terms of up-skilling their current workforce and for unemployed people whom they wish to hire.

Building on the pilot phase, and ultimately, the outcome of the **review of training of adults in the workplace**, the Department will expand the skills brokerage provision to provide a regionally based service.

In doing so, the Department will engage with employers to make them aware of what is available to help staff develop their skills portfolio and help them be more productive. This will involve a particular focus on listening to the needs of each individual company and aligning the Department's provision with identified needs.

By the end of September 2012, the Department will make contact with 600 employers through its Skills Solutions service and respond to their training needs.

4. UNDERTAKING A REVIEW OF ADULT TRAINING

In the current economic climate it is important to ensure that the supply of skills is aligned better with the changing needs of the labour market and that Government engage with employers to ensure that Northern Ireland has a flexible and responsive training and education system to respond to changing market needs.

This project will review the provision and funding arrangements for adult training in the workplace, including apprenticeships, to ensure resources are targeted more effectively on the priority skill needs of the local economy and the specific training needs of adults are addressed. Given the constraints on public expenditure it will also ensure a proportionate balance in the contributions to training by Government, employers and the individual.

The project will take the views of a range of stakeholders including representatives of industry and education and skills providers and will draw on national and international expertise. It will:

- examine the current policy and funding provision for adult training in the workplace, including apprenticeships;
- examine national and international best practice in the training of adults in the workplace, including apprenticeships;
- take account of the findings emerging from work on the identification of priority sectors and priority qualifications and the potential for greater usage of recognition of prior learning; and
- use the above information to consider options for different models of adult training and the balance of contributions to training in different sectors, including that for adult apprenticeships.

(a) By April 2012, the Department will set out proposals for revised policy and funding arrangements to ensure the best model for adult training and a proportionate balance in the contributions to training by Government, employers and the individual.

(b) By September 2012, the Department will have established a policy and funding position for the training of adults in the workplace.

5. INTRODUCING A HIGHER LEVEL APPRENTICESHIP PILOT

ApprenticeshipsNI is a Northern Ireland Government funded, work-based Level 2 and 3 training programme, designed to meet the needs of employers. Business representatives from the relevant industry sector work to develop the training content within each occupational area. There are a number of different frameworks available.

The benefits are significant not just for the apprentice but also for the employer. Funding is available from the Department to assist employers with the associated costs of this training.

In order to help raise the skills levels of those people in the workplace and establish clear progression routes, the Department is currently working with a number of leading companies, training organisations and Sector Skills Councils to develop and pilot a **higher level apprenticeship programme** in the ICT and engineering sectors.

By autumn 2012, the Department will have identified employers and launched a pilot initiative, with a view to wider roll out of best practice in 2013

6. EXPANSION OF FOUNDATION DEGREES

The Department will also work with employers, employer organisations, the further education colleges and the higher education institutions to develop relevant, high quality **foundation degrees**, in particular, the development of employer, demand-led foundation degrees, i.e. two year intensive part-time courses targeted at existing employees and intended to provide opportunities for up-skilling.

In conjunction with the universities and colleges, the Department will implement a streamlined framework/process which will speed up the validation of foundation degrees.

A publicity and promotion strategy aimed at raising the awareness and recognition of foundation degree qualifications among employers and their employees and also among other potential students will be delivered.

The Department will work with the local universities, colleges and other stakeholders to implement an effective process for the accreditation of prior learning to facilitate entry to foundation degrees for students with non-traditional or no qualifications.

By the end of March 2013, the Department will increase the number of learners studying full-time or part-time for a foundation degree by 25% from a baseline of 1,132 in 2010 to 1,415.

7. RECOGNISING COMPANY TRAINING

Many companies already train their employees using 'in house' training. This is often not accredited and so does not lead to a recognised qualification. Training that leads to regulated qualifications has numerous advantages to employers. They include:

- a reduced need for employers to spend time and money developing totally new courses as there is likely to be a unit or a full qualification that already meets their needs;
- the opportunity to shape the development of qualifications (from Entry Level up to Level 8 - including Apprenticeships) that are relevant to their sector;
- the confidence that the qualifications are relevant and up to date; and
- qualifications can be mapped to the European Qualifications Framework, making it easier for employers to compare the level of qualifications from different European countries' educational systems.

It also benefits the individual by:

- giving them the opportunity to have a nationally recognised qualification;
- having the ability to gain a qualification during work hours with little or no financial cost; and
- enhancing the appetite to progress further up the skills ladder.

The Department will bring together a number of strands of existing activity to provide a coordinated system for the provision of support to employers increasingly to use National Occupational Standards and regulated qualifications as part of their employee training programmes. This will include advice on the existing qualifications and units on the qualifications and credit framework, as well as support and advice on the development of units or qualifications that meet employers' needs where they are not yet available. The project will help employers to identify their skill needs and ultimately up-skill their workforce.

By the end of September 2012, the Department will develop and put in place a mechanism to assist employers to get their in-house training recognised. This will lead to more individuals with no or low qualifications attaining nationally recognised qualifications, which in turn leads to them being more productive and motivated in the workplace. The Department will monitor the number of employers assisted to do this in 2012/13 to inform target setting in subsequent years.

8. RECOGNISING PRIOR LEARNING

The existing workforce has much to offer in terms of skills gained through their work experience but many lack recognition of this through formal qualifications. According to the Labour Force Survey⁹ 13.7% of the Northern Ireland workforce lack any qualifications, which is considerably higher than the 9% of the workforce lacking any qualifications found across the UK as a whole.

Recognition of Prior Learning (RPL) is a term used to describe the process of recognising the skills and knowledge gained from work experience, life experience and formal training.

In a review by the Organisation for Economic Co-operation and Development (OECD) of RPL policies and practices in 16 member countries, it was found that RPL has significant potential benefits for individuals, employers, education and training providers and governments.

By March 2013, the Department will establish an appropriate mechanism by which experienced workers can be fast tracked through Departmental programmes. This will benefit employers by reducing the time required to achieve a better qualified workforce, encourage better labour market mobility, increase capacity and flexibility for education and training providers, and contribute to lifelong learning policies.

9. EXPANDING ASSURED SKILLS

Assured Skills, which is a joint pilot project between the Department and Invest NI, seeks to ensure the delivery of a range of activities and interventions guaranteeing potential inward investment companies, or existing investment companies wishing to expand, that Northern Ireland has the ability to satisfy their future skills and training needs.

In the first phase of the pilot in the 2010/11 financial year, there were a total of 17 projects under the Assured Skills programme, supporting the training of over 400 newly recruited staff at a cost of just over £1 million.

Future work will build on the initial pilot phase and continue to provide a better link between qualifications and skills and the needs of the economy.

The Department will liaise with Invest NI and negotiate with potential inward investors and existing investment companies wishing to expand to create and implement training projects to meet their needs. As the programme progresses, it will also increase the capacity of Northern Ireland to attract new inward investment in the future by increasing the number of industry-relevant skills and qualifications available in NI.

By the end of September 2012, the Department will, subject to the demands of foreign direct investment clients and expanding Northern Ireland businesses, deliver up to six projects under the Assured Skills programme, helping to create in excess of 600 jobs.

⁹ Northern Ireland Labour Force Survey Quarterly Supplement, Department of Finance and Personnel, April-June 2011

10. INTRODUCING A SKILLS COLLABORATION FUND

The project will encourage employers to work in collaboration with other employers, the relevant Sector Skills Councils or other appropriate bodies, to co-invest and put in place sustainable interventions which meet skills shortages within their sectors and contribute to the strategic goals outlined within the Skills Strategy. The interventions will have to demonstrate that they will be self sustaining after the collaboration funding period has been completed.

Levels of funding will reflect the quality, priority value and sustainability of the projects and the contribution to be made by the employers.

By the end of September 2013, the Department will, subject to demand, have co-funded focused interventions led by employers that will help them to overcome skills shortages and gaps within their sectors and industries. A £1m fund will be made available which will be increased through co-funding by employers.

11. EXPANDING PLACEMENTS AND SCHOLARSHIPS

Working with employer representatives and employer groups such as the business sub group taking forward the strategy for STEM, the Department will work with local employers to increase the number of placements and scholarships, particularly in economically relevant subjects, for people studying in further education and higher education. In addition, it will develop suitable mechanisms to engage business to demonstrate the value of placements and scholarships in line with demand. This will help to provide a useful insight into these sectors and help prepare people for the world of work.

In order to do this, the Department will investigate existing practice in Northern Ireland and other UK regions in relation to placements and scholarships.

By the end of September 2012, the Department will set out how it, together with other key players such as the business sub group on STEM, will work with employers to increase the number of placements and scholarships available.

12. DEVELOPING A SKILLS DELIVERY MODEL FOR EMERGING SECTORS

Working with advisory bodies such as the MATRIX Science and Industry Panel, the Department will identify a mechanism to identify critical skill needs for emerging sectors and niche markets. It will also ensure that appropriate training is provided to address these critical needs in order to exploit innovations which lead to wealth creation in the economy. This project will help to provide a better link between qualifications and skills and the needs of the economy.

Working with MATRIX, Invest NI and further education colleges the Department will:

- scope the current mechanisms for relaying information on skill needs for the emerging sectors and the current delivery mechanisms;
- establish best practice in other relevant regions/countries;
- produce an options paper with costed recommendations; and
- disseminate the information to the stakeholders and establish the necessary interventions.

By the end of March 2013, the Department will identify a mechanism to capture advice on the critical skills needs of the emerging sectors and, if necessary, will put in place interventions by the further and higher education sectors to address these critical skill needs.

HOW CAN I UP-SKILL MY EXISTING WORKFORCE?

If you are interested in finding out more about how the Department can help you train, retrain and up-skill your company's workforce, please contact the Skills Solutions team directly on 028 9090 5251. Each member of the team has information about all the Department's products and the funding available for employers.

REBUILDING THE ECONOMY

Together with re-balancing the economy so that it can make the most of current and future opportunities, the draft Programme for Government highlights the need to re-build the Northern Ireland labour market following the impact of the global economic downturn. This is illustrated by the impact of the downturn on two key sectors. In the last 3 years (2008/09 to 2010/11) the construction industry in Northern Ireland has contracted by 20%. In the same period, manufacturing contracted by 9%. It is unlikely that either will recover to pre-recession levels in the short to medium term. There is therefore a pressing need for rebuilding measures.

Over the last number of years the levels of unemployment, particularly youth unemployment, have risen dramatically. Providing training and re-skilling to the unemployed or economically inactive to help them address the skills barriers they face is vital if we are to stop these people from being detached from the labour market with the added risk of become permanently dependent on welfare benefits. The weakness of the labour market will remain a key challenge for the Executive in the short to medium term, particularly in terms of vulnerable groups such as women, young people, older people and people with disabilities. Labour market detachment is a significant danger in times of economic crisis. Research suggests that policymakers should continue employing various labour market policy measures that mitigate the impact of the crisis on workers.

As with the section on the rebalancing of the economy the following new projects contribute to the Skills Strategy:

1. Improving the skills offering to the unemployed.
2. Embedding employer engagement in provision for those going back to work.
3. Focussing on employability skills.
4. Alternative Dispute Resolution.

More detail about these projects is contained overleaf.

ACTION 1: Overcoming Skills Barriers to Work

Why is this important?

Our level of economic inactivity has been persistently higher than any other region of the United Kingdom, both pre and post-recession. The ongoing impact of the recession is giving rise to increased youth unemployment with around a third of people aged between 18 and 24 out of work. Also, the numbers of young people not in employment, education or training (NEET) has been steadily rising over the last decade. The number of young people in Northern Ireland in the NEET category and aged between 16 and 19 has shown a steady increase (from 9,000 to 15,000) between 2000 and 2010. We have the lowest employment rate for people with disabilities of all the UK regions: at 31% it is a full 10 percentage points lower than Great Britain as a whole. Furthermore, unemployment and, in particular, youth unemployment, have risen dramatically. Forthcoming Welfare Reform initiatives will seek to remove the financial barriers that many people face when trying to make the move from welfare to work, they will also place an increased emphasis on skills provision. Ensuring that skills do not remain a barrier for those people out of work, the Department for Employment and Learning will continue to equip those people who are not in work with the skills necessary to enable them to get a job, stay in work and progress in the labour market.

1. IMPROVING THE SKILLS OFFERING TO THE UNEMPLOYED

Building on the recently revised skills offering within the Steps to Work Programme, the Department is developing, in conjunction with key stakeholders, a new and enhanced programme to support the unemployed back to work. This will include enabling clients to participate in work experience and volunteering and provide enhanced benefits for employers who recruit those who are unemployed.

By October 2013 the Department will introduce a new employment programme to replace the current Steps to Work Programme.

2. EMBEDDING EMPLOYER ENGAGEMENT IN PROVISION FOR THOSE GOING BACK TO WORK

The Employment Service is currently developing its offering to employers. It is already working closely with Invest NI on the Northern Ireland Jobs Fund initiative which will create 4,000 jobs by March 2015. Invest NI is providing financial incentives for companies to encourage them to create jobs. The Employment Service offer a full recruitment service plus financial incentives to recruit from the ranks of the long term unemployed.

The Employment Service will establish a dedicated Employer Engagement Unit to work with employers at a strategic level as well as support Employment Service staff in the network of 35 Jobs & Benefits Offices and JobCentres to engage effectively with employers at local level to meet better the needs of both employers and the unemployed.

By March 2015, the Department will work with Invest NI through the Jobs Fund initiative in support of their target to create 4,000 jobs.

By March 2012 the Department will establish a dedicated Employer Engagement Unit within the Employment Service.

3. FOCUSING ON EMPLOYABILITY SKILLS

The Skills Strategy outlines the importance of employability skills, the essential skills of literacy, numeracy and ICT and occupational skills. Responding to employers' concerns in relation to the employability skills of those people wishing to enter the workforce from colleges and universities, the Department will examine the current provision for the development of employability skills and make recommendations for improvements in the provision.

The Department will:

- examine the current level of activity in this area within the further education colleges and universities and other funded provision and its impact;
- undertake a gap analysis; and
- make recommendations.

By the end of September 2012, outline detailed proposals on how any gaps in the provision of employability skills in education will be addressed.

4. ALTERNATIVE DISPUTE RESOLUTION

The Department's recent review of systems for resolving workplace disputes has identified that many employers do not have sufficient knowledge and understanding of employment rights issues, as well as the requisite management skills, to meet their responsibilities under the current employment law framework. This leads to poor decision-making when a workplace dispute occurs often resulting in the unnecessary breakdown of the employment relationship, lost productivity, and, in many cases, costly and time consuming tribunal proceedings.

The clear consensus from employers and other key stakeholders is that the vast majority of employment disputes should be resolved early, preferably within the workplace, thus avoiding protracted formal litigation. The Department's review recognised that employers and employees may require independent support to sort out their differences and has encouraged the Labour Relations Agency to further develop and promote its pre-claim conciliation services.

The Department's review also identified that SMEs have very particular difficulties as, in the majority of cases, they do not have a dedicated human resources specialist to deal with the complexities of the current employment law framework and the range of good practice advice.

The Department has recently commissioned research to investigate the specific challenges that SMEs face in meeting their employer responsibilities, and to identify the types of support that the SME sector would value. The research will include quantitative and qualitative research as well as an audit of the existing government/non government support. The outcome from the research will be a series of proposals for the development of an SME employment relations pilot support scheme that builds on existing good practice.

The Department has also recognised that the skills gap, in respect of employment relations, is as relevant to the public sector. The Department, in partnership with the full-time trade union representatives, has established an employee relations pilot to develop an early resolution scheme. It is the Department's intention to promote the findings of the pilot across the wider public sector.

By the end of December 2012, the Department will issue a report on the outcome of the SME-focused research, and will commence work with the Department of Enterprise, Trade and Investment and Invest NI to determine the steps that can be taken to address identified skills gaps. By the same date, the Department will produce an initial evaluation of the success of the employee relations pilot and explore the possibility of a wider rollout.

ANNEX A - TIMELINE

Rebalancing the Economy		2012	2013	2014
Understanding the Demand for Skills	Simplifying the Demand Side Advisory Infrastructure	The Department will develop a streamlined and accessible demand side infrastructure.	Implementation of new demand side infrastructure.	
	Harnessing Labour Market Information	The Department will provide improved access to clear and up to date current and future trends in a way that is meaningful for each specific group of end users.	Dissemination and use of new labour market information.	
	Benchmarking Skills Outcomes	The Department will establish, maintain and publish a set of skills performance data making a comparison between the Northern Ireland performance and a selection of other small, open and developed economies. The data will be produced on a regular basis (this will be determined as either annually or every two years).	Regular publication of performance data.	
Improving Productivity by increasing skills levels of the workforce	Management and Leadership development opportunities for small companies	The Department will have designed and piloted two management and leadership development intervention models for micro-businesses, across a range of sectors with a view to offering this provision to all micro-businesses.	Full rollout of new interventions for micro businesses in Northern Ireland	
	Integrated framework for Management and Leadership Provision	The Department with Invest NI will have in place an integrated framework for management and leadership to improve advice, support and provision for companies.	Use of management and leadership framework with 'client' companies. Framework with diagnostic tools is available to all companies.	
	Improving Skills Utilisation	The Department will have identified best practice in high performance working and have begun to implement a policy which helps businesses apply best practice in the utilisation of the skills of their workforce.	Full roll out of best practice in high performance working practices across Northern Ireland.	
	The Skills Solutions service	The Department will make contact with 600 employers through the Skills Solutions Service and respond to their training needs.	Expansion of Skills Solution Service across Northern Ireland.	

Rebalancing the Economy		2012	2013	2014
	Review of Adult Training within the workplace	The Department will set out proposals for revised policy and funding arrangements to ensure the best model for adult training and a proportionate balance in the contributions to training by Government, employers and individual. A policy and funding position for the training of adults in the workplace will be established.	Implementation of new policy and funding position for training of adults in the workplace.	
	Higher Level Apprenticeships Pilot	The Department will have identified employers and launched a pilot initiative with a view to wider roll out of best practice in 2013.	Development and adaption of higher level apprenticeships in ICT and Engineering sectors.	
	Expansion of Foundation Degrees	There will be an increase in the number of learners studying full-time or part-time for a Foundation Degree from a baseline of 1,132 in 2010 to 1,415.		
	Recognition of Company Training	The Department will develop and put in place a mechanism to assist employers to get their in-house training recognised. This will lead to more individuals with no or low qualifications attaining nationally recognised qualifications, which in turn leads to them being more productive and motivated in the workplace. The Department will monitor the number of employers assisted to do this in 2012/13 to inform target setting in subsequent years.		
	Recognition of Prior Learning	The Department will establish an appropriate mechanism by which experienced workers can be fast tracked through Departmental programmes. This will benefit employers by reducing the time required to achieve a better qualified workforce, encourage better labour market mobility, increase capacity and flexibility for education and training providers, and contribute to lifelong learning policies.	Developing and piloting of 'Skills Health Check'.	
Improving the quality and relevance of Education and Training	Expanding Assured Skills	The Department will, subject to the demands of foreign direct investment clients and expanding Northern Ireland businesses, deliver up to six projects under the Assured Skills programme helping to create in excess of 600 jobs.	Continuation of the delivery of Assured Skills programme learning from first phase.	

Rebalancing the Economy		2012	2013	2014
	Skills Collaboration Fund	The Department will, subject to demand, have co-funded focused interventions led by employers that will help them to overcome skills shortages and gaps within their sectors and industries. A £1m fund will be made available which will be increased through co-funding by employers.		
	Placements and Scholarships	The Department will set out how it, together with other key players such as the business sub group on STEM, will work with employers to increase the number of placements and scholarships available.	Ongoing development to increase uptake of placements in industry for undergraduates.	
	Skills Delivery model for emerging sectors	The Department will identify a mechanism to capture advice on the critical skill needs of the emerging sectors and, if necessary, will put in place interventions by the further and higher education sectors to address these critical skills needs.		
Tackling the Skills Barriers to Employment and Employability	Improving the skills offering to the unemployed	By October 2013 the Department will introduce a new employment programme to replace the current Steps to Work Programme.		
	Embedding Employer Engagement in provision for those going back to work	The Department will establish a dedicated Employer Engagement Unit within the Employment Service.		Development of the Employer Engagement Unit.
	Employability Skills	The Department will work with Invest NI through the Jobs fund initiative in support of their target to create 4,000 jobs.		
	Alternative Dispute Resolution	The Department will outline detailed proposals on how any gaps in the provision of employability skills in education will be addressed.		Ongoing implementation of measures to address employability skills gaps.
		The Department will issue a report on the outcome of the SME-focused research, and will commence work with DETI and Invest NI to determine the steps that can be taken to address identified skills gaps. By the same date, the Department will produce an initial evaluation of the success of the employee relations pilot and explore the possibility of a wider rollout.		

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**Employment
and Learning**
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INVESTOR IN PEOPLE

THE DEPARTMENT:

Our aim is to promote learning and skills, to prepare people for work and to support the economy.

This document is available in other formats upon request.

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