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Department for
**Employment
and Learning**
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DELIVERING SUCCESS THROUGH EXCELLENCE

An Analysis of the Performance of DEL Programmes and Provision

(The 6th Annual Report)



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Chapter 1: Introduction

1.1. The Department for Employment and Learning (DEL) is at the centre of the transformation of the economic and social landscape in Northern Ireland. The aim of the Department is “to promote learning and skills, to prepare people for work and to support the economy” with two supporting objectives:

- to promote economic, social and personal development through high quality learning, research and skills training; and
- to help people into employment and promote good employment practices.

1.2. The Northern Ireland Executive’s top priority is the economy. Central to the delivery of economic change are our people and their skills, qualifications, talents, leadership and their level of economic participation. DEL is responsible for further and higher education, training and skills, employment programmes and employment law. The majority of the Department’s work (with the exception of employment relations) is connected by one theme - equipping people with the qualifications or skills that they need to achieve their full potential and support businesses to grow our economy. This vision is articulated within the Skills Strategy for Northern Ireland, known as ‘*Success through Skills - Transforming Futures*’¹, which is viewed as the overarching strategy for the development of skills in Northern Ireland.

1.3. The Department’s skills, employment and innovation programmes are delivered through a diverse network of providers ranging from colleges

¹ <https://www.delni.gov.uk/articles/success-through-skills>

and universities to the Employment Service, training organisations and community and voluntary groups.

- 1.4. The Department is committed to ensuring that the employment, education, training and skills provision it funds is of a high quality, and that those who provide these services on its behalf commit to suitably high performance standards. The Department's quality improvement strategy, 'Success through Excellence'², underscores its commitment to raising standards.
- 1.5. Measuring and benchmarking performance is an essential step towards improving quality. This report is the sixth in a series of detailed quantitative analyses of DEL's programmes and provision. It adds to the evidence presented in the previous DEL 'Delivering Success through Excellence' reports published in each of the last five years³. The report has been completed by the Department's Analytical Services group and forms an important part of the Department's assessment of the quality and performance of its programmes and sponsored provision. It adds and gives context to the work of the DEL Quality Improvement Advisor and independent assessments of quality, such as those conducted by the Education and Training Inspectorate (ETI) and the Quality Assurance Agency (QAA).
- 1.6. The report provides an update on performance right across the Department's key programmes and provision, structured around quality and performance in the key areas of skills, innovation and employment/employability that are central to the Department's strategic focus, and Northern Ireland's economic and social prosperity.

² Success Through Excellence – A Quality Improvement Strategy for the Further Education and Training System in Northern Ireland January 2007

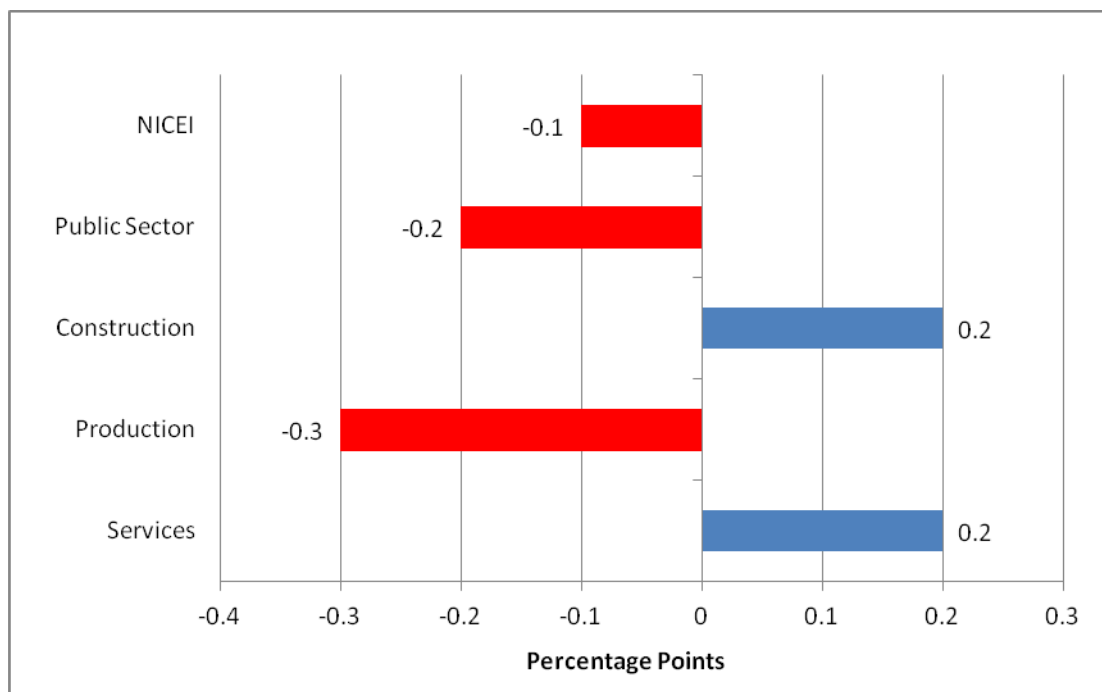
³ Previous editions of the Departments 'Delivering Success through Excellence' Performance reports can be found at: <https://www.delni.gov.uk/articles/del-quality-and-performance-analysis>.

1.7. An Action Plan has been developed to respond to the specific issues raised in this report and to enhance further the quality and performance of DEL sponsored programmes. It is published separately can be found at <https://www.delni.gov.uk/articles/del-quality-and-performance-analysis>.

Chapter 2: Economic and Labour Market Context for Analysis

- 2.1. There is a range of recent evidence which shows that the Northern Ireland economy has performed well over the last year, with positive signs across a number of major economic indicators indicating that economic growth is firmly taking hold. **Figure 2.1** demonstrates that economic activity, as recorded by the Northern Ireland Composite Economic Index (NICEI), has decreased marginally by 0.1% over the latest Quarter (Quarter 1 2015 to Quarter 2 2015), however economic output is up 1.3% over the year (Quarter 2 2014 to Quarter 2 2015) and up 3.5% since the minimum reached in Quarter 4 2012.
- 2.2. Over the latest quarter, the marginal decrease was driven jointly by decreases in the production sector (-0.3) and public sector jobs (-0.2). These decreases were offset by increases in services and construction (a contribution of 0.2 percentage points each).
- 2.3. Despite our improvements in the economy over the year (up 1.3% to Quarter 2 2015), our growth performance is still trailing the performance of the UK economy which grew at 2.4% over the same time period. Output in manufacturing in NI was up 1% over the last year which was below the UK growth of 1.5% to Quarter 2 2015. Construction output was up 20.7% over the last year to Quarter 2 2015, which was significantly higher than the UK output of 2.4%. However, NI Services sector output was up 0.7% to Quarter 2 2015, which was lower than the UK growth rate of 2.8% over the same corresponding period, slowing overall growth. Employee jobs grew by 8,680 (1.2%) persons over the year to Quarter 1 2015 (latest available), which was slower than the jobs growth rate in the UK (1.7%).

Figure 2.1: Contributions of component indices to quarterly change in the NICEI Q2 2015



(Source: NICEI)

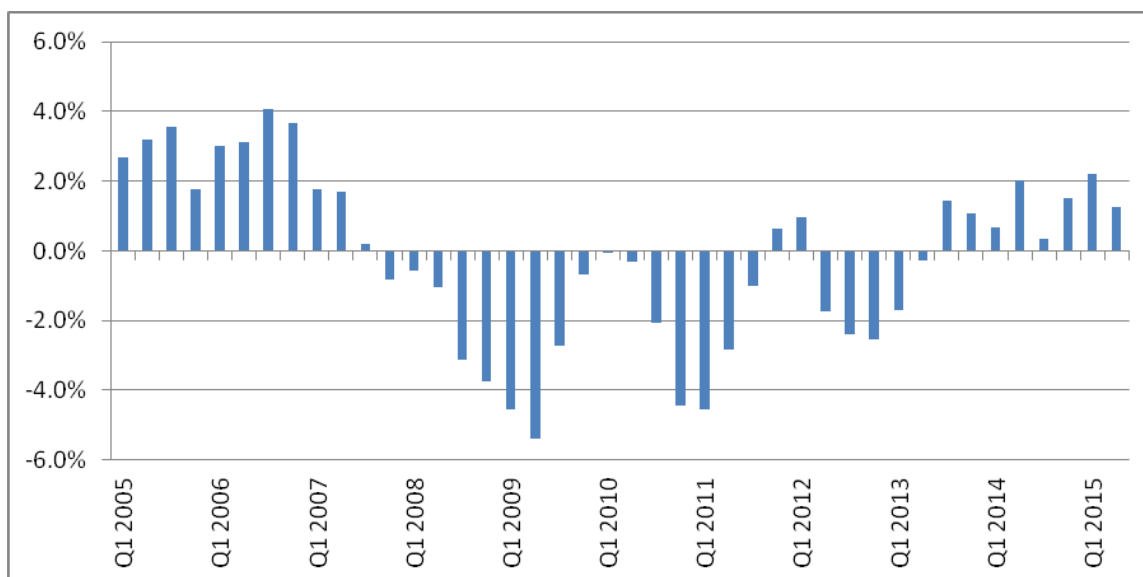
2.4. In terms of the global economy, the International Monetary Fund (IMF) has downgraded its forecast for global growth in 2015 to 3.1%, 0.3 percentage points lower than in 2014. However, they forecast a more optimistic scenario for 2016 where they anticipate a gradual acceleration in economic activity which they expect will lead to a global growth rate of 3.6%. The OECD in November 2015 has also downgraded its forecast for global GDP growth from 3% to 2.9% in 2015 due to slowing world trade growth (forecast for 2% in 2015 compared to 3.4% in 2014). The OECD said trade had dropped to levels perilously close to those associated with global recession. However the OECD said stimulus measures in China and other countries would help the world economy to accelerate next year (2016) with growth of 3.3% then growing faster by 3.6% in 2017. The Economist (November 2015) recently pointed to slower growth for next year resulting from excessive debt taken on by business in the emerging

economies which could slow global growth next year and possibly also in 2017.

- 2.5. Similar trends are also evident at UK level, with the latest evidence from the Office for Budget Responsibility (OBR), showing that UK growth is forecast to grow by 2.4% in 2015. It is clear that the UK economy is continuing its economic recovery and Northern Ireland is sharing in that, albeit at a much slower pace, with the Ulster University Economic Policy Centre (UUEPC) and PWC forecasting growth of 1.9% and 1.8% respectively for Northern Ireland in 2015.

- 2.6. While the UK economy has recovered the capacity it lost during the downturn, the severity of the downturn in Northern Ireland (and the slow pace of recovery) means it will take much longer for our economy to fully recover and shake off the remaining effects of the recession. **Figure 2.2** highlights evidence of this from the NICEI which shows the challenges the Northern Ireland economy has faced over the last 8 years in terms of growth.

Figure 2.2: NI Composite Economic Index growth, year on year Q2 2015



(Source: NICEI)

2.7. During the recession total output in NI fell by 12.5% from the peak in 2007 and has only grown by 3.5% since then (to Quarter 2 2015). The UK over the same period since Quarter 4 of 2012 has grown by 7.1%, double our rate of expansion since 2012. Since 2012 services growth has been slow (3.6%), however the production (9.2%) and construction industries have grown strongly (15.7%). The Public sector is the only area where output fell (down 3%).

2.8. The outlook published by the Ulster University Economic Policy Centre (UUEPC) in Spring 2015 does not appear overly optimistic. Northern Ireland is forecast to grow by 1.9% this year but the rate of growth is predicted to slow to 1.1%, 1.0% and 1.3% in 2016, 2017 and 2018 respectively. The UK is forecast to grow faster than Northern Ireland in both 2015 and 2016, but its growth rate is forecast to slow in 2017 and 2018.

- 2.9. The NI economy appears to be starting its recovery from a weaker position than the UK as a whole. While growth is forecast for production, construction and private services, the NI economy may be pulled down by contraction in the public sector and the fall in income from these jobs may impact on consumer spending and on small businesses particularly.
- 2.10. In its Spring Outlook the UUEPC estimates that NI lost around 60,000 jobs in the recession between 2008 and 2012 (the employee jobs estimates show job loss was around 40k for employees with the self employed estimates accounting for most of the rest). Growth in employee jobs and self employment since 2012 indicate that the jobs market has improved but we still remain around 12k jobs below peak employment. The UK at Quarter 2 2015 was around 1 million jobs above peak employment reached in 2008.
- 2.11. UUEPC forecasts suggest only 12,400 new jobs will be created between 2014 and 2018, that is, 3,000 per year. This is low compared to even this year where 8,680 jobs were created over the last year to Quarter 1 2015. This lower growth compared to pre crisis levels is largely explained by a forecast contraction in public services. Fast growth is forecast for professional and scientific services, manufacturing, ICT and administration services.
- 2.12. Our unemployment rate has been falling and is currently 5.9% at July - September 2015, it is still however above the UK rate of 5.3% and not falling as fast as the UK rate. The NI unemployment rate was below the UK rate up to 2012, however the NI rate is now above the UK. The NI inactivity rate (27.7%) for the period July - September 2015 continues to remain significantly above the UK rate (22%). Our youth unemployment rate is the highest in the UK at 18.1%, which is higher than the UK rate at 13.3% at July - September 2015. Long term unemployment is higher at

60.8% unemployed for over one year compared to 27.9% in the UK at July - September 2015.

- 2.13. The NI employment rate while improving now appears to have stalled somewhat. It stands at 67.9% of the population of working age (July - September 2015) below the UK at 73.7% and up 0.1 percentage points over the quarter and down 0.6 percentage points over the year.
- 2.14. Employee jobs have been growing with services expanding by 5,640 jobs, construction by 1,070 jobs and manufacturing by 1,870 over the last year to Quarter 1 2015. This is a good performance but still below some of the increases in the past, for example between 2003 and 2008, increases averaged around 10k to 12k per annum.

2.15. The latest statistics suggest that labour market activity continues to improve.

Figure 2.3: Northern Ireland Labour market statistics

	Reference period	Persons/ Jobs	Rates (%)	Change on quarter		Change on year	
				Persons / Jobs	Rates (pps)	Persons/ Jobs	Rates (pps)
Unemployment ¹	July-Sep 2015	51,000	5.9%	-5,000	-0.6	-1,000	-0.1
Employment ²	July-Sep 2015	816,000	67.9%	2,000	0.1	-5,000	-0.6
Economically Active ²	July-Sep 2015	867,000	72.3%	-4,000	-0.3	-7,000	-0.7
Economically Inactive ²	July-Sep 2015	580,000	27.7%	6,000	0.3	14,000	0.7
				Change on month			
Claimant Count	October-15	39,700	4.4%	-1000	0.1	-11,900	-23.1

LFS and claimant count data are seasonally adjusted.

¹ People aged 16 and over. Unemployment rate = total unemployed as a proportion of the economically active.

² Levels for all persons aged 16 and over, rates for working age (16-64).

2.16. Seasonally adjusted LFS estimates for Northern Ireland for the period July - September 2015 show that over the quarter:

- the unemployment rate (5.9%) decreased by 0.6 percentage points (pps);
- the employment rate (67.9%) increased by 0.1 pps; and
- the economic inactivity rate increased by 0.3 pps to 27.7%.

2.17. The most recent measure of claimant count showed that in October 2015, there was a decrease of 1,000 in the seasonally adjusted claimant count to 39,700. Over the year, LFS estimates and claimant count data show:

- the unemployment rate (5.9%) decreased by 0.1 pps;
- the employment rate (67.9%) decreased by 0.6 pps;
- the economic inactivity rate increased by 0.7 pps to 27.7%; and
- a decrease in the seasonally adjusted claimant count of 11,900 to 39,700.

2.18. The economic forecasts from the OBR suggest that UK labour market conditions will continue to improve with employment growing and unemployment continuing its downward trend. Local evidence from the UUEPC forecasts that the Northern Ireland labour market will broadly mirror the UK economy with employment growth, however they forecast a slight increase in Northern Ireland's unemployment rate from 4.3% in 2015 to 4.9% in 2018. In terms of employment, UUEPC forecast employment growth of 12,400 net new jobs over the period 2014-2018, which contrasts with the 27,000 jobs created between 2012 and 2014. However, despite this slowdown the forecast rate of job creation is still significantly above that during the recessionary period (2008-12) where the Northern Ireland economy lost approximately 60,000 jobs.

2.19. Despite the positive trends, significant challenges remain as our labour market remains some 12k jobs below its peak in 2008 and the latest forecasts suggest it will a number of years before employment will significantly exceed its 2008 pre crisis level with the private sector economy struggling to offset the forecast jobs reduction within the public sector. It is clear that the global economic downturn has impacted significantly on the Northern Ireland economy. The region's heavy reliance on the public sector during a period of government austerity, its proximity to the Republic of Ireland, which has been facing its own profound economic challenges (although growth in ROI is starting to accelerate significantly), and adjustments to the local property and construction sectors, have weighed down on growth.

Chapter 3: Performance Statistics – Educational and Employment Outcomes

Introduction

- 3.1. This section describes the overall performance of the department in terms of educational outcomes at further and higher education level and in terms of employment and training outcomes. It considers the broad themes and trends and sets performance in the context of the recession and the recovery. This is a different approach to previous performance reports with a greater emphasis on the inter-connectedness of DEL policy and operations as reflected in the statistical and research evidence available to the department.

Independence of the statistics

- 3.2. The statistics in this report are a mixture of official and national statistics. Both are under the management of statisticians and economists who are subject to the Official Statistics Code of Practice. The Code was established in 2009 under statistics legislation introduced in 2007 and requires staff to report any concerns they have about data independence or inappropriate presentation of the figures to the UK Statistics Authority. The Code is intended to remove the risk of political interference in the definition, collection, analysis or presentation and publication of statistics.

Areas of performance

- 3.3. The two main areas of performance covered are post-secondary education and work. Each of these areas will be described in different

ways, for example some areas will focus on the 'stock' of young people in training etc. and others will focus on the outcomes for those who have left programmes.

A complex situation

3.4. The volume of information that is relevant to the performance of the department is large. Interpreting the findings in a comprehensive and fair manner is a difficult task. 'Sound Bite' descriptions can cover a lot of ground but lose important detail. This section will attempt to present both the breadth and depth of material available. Both approaches are imperfect but taken together the limitations of each may be minimised.

Overview of some recent findings

- Employer satisfaction with students from NI Further and Higher Education institutions is amongst the highest in the UK.
- Northern Ireland performs well in terms of attracting young people into tertiary education.
- The achievement rate of FE college students increased from 80% to 87% between 2010/11 and 2013/14.
- Progress is being made in increasing the skills of those in employment with almost 300,000 qualifications at level 2+ achieved between 2010 and 2013/14.
- Growth in 'Narrow' STEM qualifiers from NI universities increased to almost 21% in 2012/13 against a 2020 skills strategy target minimum

of 22.5% but the target is influenced by the popularity of non-STEM subjects and does not capture the whole picture.

- Those from more affluent backgrounds are much more likely to attend university.
- NI university graduates migrating and working in Great Britain (GB) will earn more on average than their peers who attended GB universities and found work in GB.
- ‘Narrow’ STEM (Science, Technology, Engineering and Maths) qualifications are up by just over 8% over the decade (2003/04 – 2013/14).
- Skills among those of working age in NI still don’t match those of the best performers internationally such as Japan and Finland.
- Many skills shortages are reported by employers as ‘transient’.
- The need for labour force geographical mobility is likely to increase in the future as most job creation will occur in Belfast and Derry/Londonderry.
- Childcare can be a barrier to employment, but people without children are more likely to be long term unemployed.
- On average women do better at university than men, although proportionately fewer women study ‘Narrow’ STEM subjects. On the other hand there is no difference between young girls and boys’ performance in maths/science when the student is self-confident about their maths/science ability (OECD, 2015).

- DEL clients from the most deprived areas are concentrated in Essential Skills and Training for Success (TfS) provision whereas those from the least deprived areas are concentrated in Higher Education (HE) provision. In general, students from across the deprivation spectrum are proportionately represented in Further Education (FE) provision.

Labour and Demographic Context

- 3.5. The above comments illustrate the diverse nature of the education, training and work-related services provided by or through the department. There are important economic and demographic 'currents' facing the department. A slow-down in job creation is expected over the next few years (perhaps to 2020) along with a slow-down in the number of people entering the labour market. There will be falling numbers of young people aged 18-29 over the medium term, and increasing numbers over 55 in the long term will change the client base of the department. Changing living conditions will also impact as the number of persons living alone is set to increase. These trends will help inform future strategy refresh documents.
- 3.6. As job creation slows down there will be increased competition for jobs. However, there will also be a slowdown in the growth of the working age population. Net job growth is expected to exceed working age population growth but not by much and therefore the competition faced by the unemployed and the inactive will still be considerable.
- 3.7. Migration has not been considered here in detail. Net inward migration grew during the economic upturn between around 2004-2008 but since then has fallen. The net outflow trends of the recent past 3-4 years are

quite modest at around -1,000 to -2,000 annually although in 2013/14 it was actually +1,500.

3.8. A key factor to consider is the different employment rates of young and older people. There is a drop off in the employment rate for people aged over 40 which is likely to be related to sickness, disability and caring responsibilities as well as the types of job available and the skills base of the over 40s. But it will also be influenced by geography, family size and education. Geography is particularly important given the distribution of jobs. For example, Lisburn District Council (DC) has a vibrant commuter belt which, even though there are more jobs per 100 residents of working age in the Derry City and Strabane DC, the unemployment levels there are two to three times higher.

3.9. The Derry City and Strabane DC however differs from Lisburn in respects other than a much restricted commuter belt, the area has about half the proportion of highly qualified people and nearly twice the proportion of people with no qualifications compared to Lisburn. The challenge for DEL's Employment Service is therefore very different in each area.

Work and the Labour Market

3.10. Employability is central to the work of the department and has been promoted through various initiatives including Steps to Work which was introduced in 2008 and designed to help people find and sustain employment. It has since been replaced by Steps to Success in late 2014. The performance of both of these programmes is reported here.

3.11. The impact of the recession on unemployment was swift and sustained. There are different ways of illustrating this – the claimant count is one

measure but the internationally accepted definition (from the Labour Force Survey) is based on asking people: do you want a job; are you looking for a job and if offered a job are you able to take it up. This is a different measure of the demand for work compared to the claimant count which measures only the number of people who are signing on.

3.12. **Figure 3.1** below shows how the LFS measure of unemployment has varied since the early 1990s when the rate was around 12%. The rate has fallen markedly over the past two years and at the time of writing is around 5.9% which represents 51,000 people.

Figure 3.1: Unemployment rates, NI and UK (Seasonally adjusted)



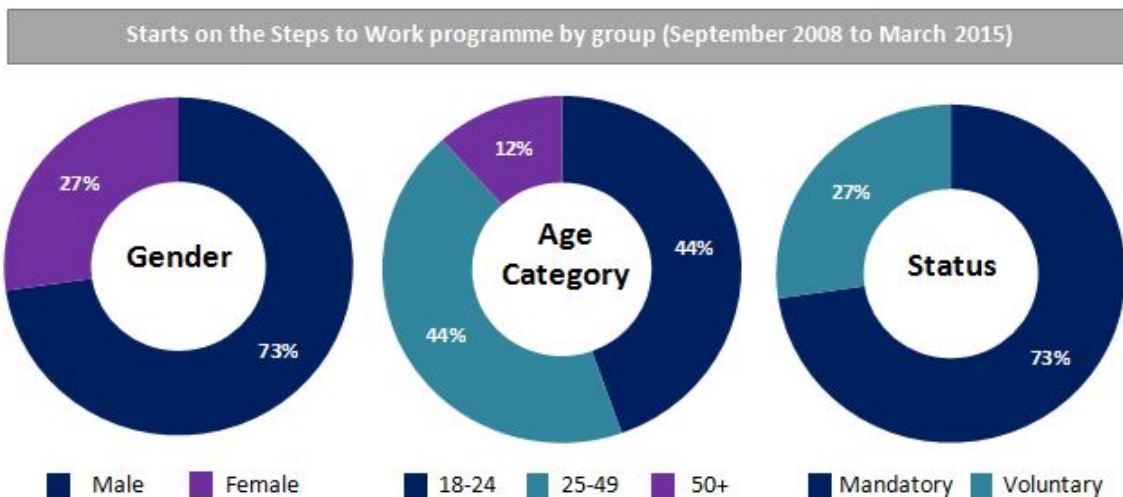
(Source: LFS)

3.13. The department introduced a number of programmes over the 2015 period.

Steps to Work and Steps to Success

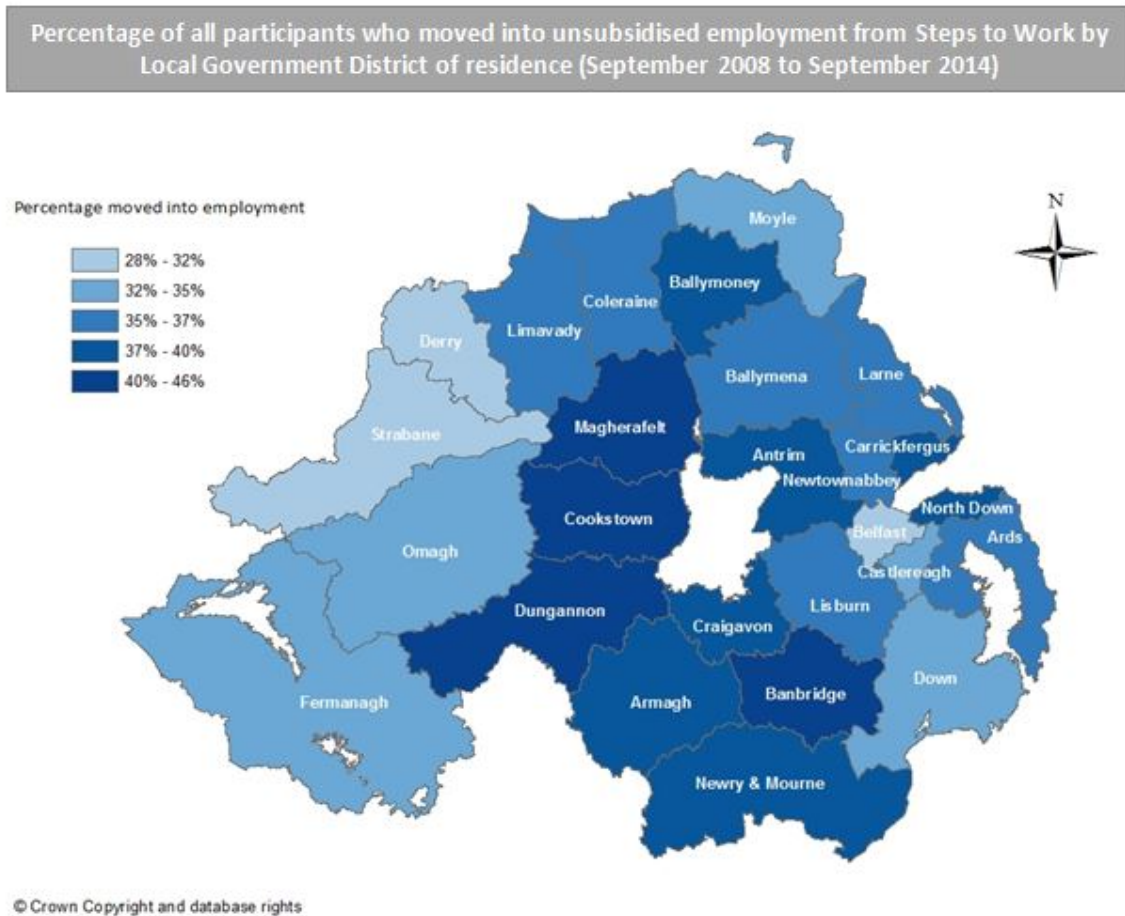
3.14. Nearly 152,000 participants started Steps to Work between September 2008 and March 2015. Over one third moved into employment. Interestingly, mid-Ulster had the highest proportion of leavers finding employment at 43%. In its peak years (2010 to 2014) between 25,000 and 30,000 participants started the programme annually.

Figure 3.2: Starts on the Steps to Work programme by group



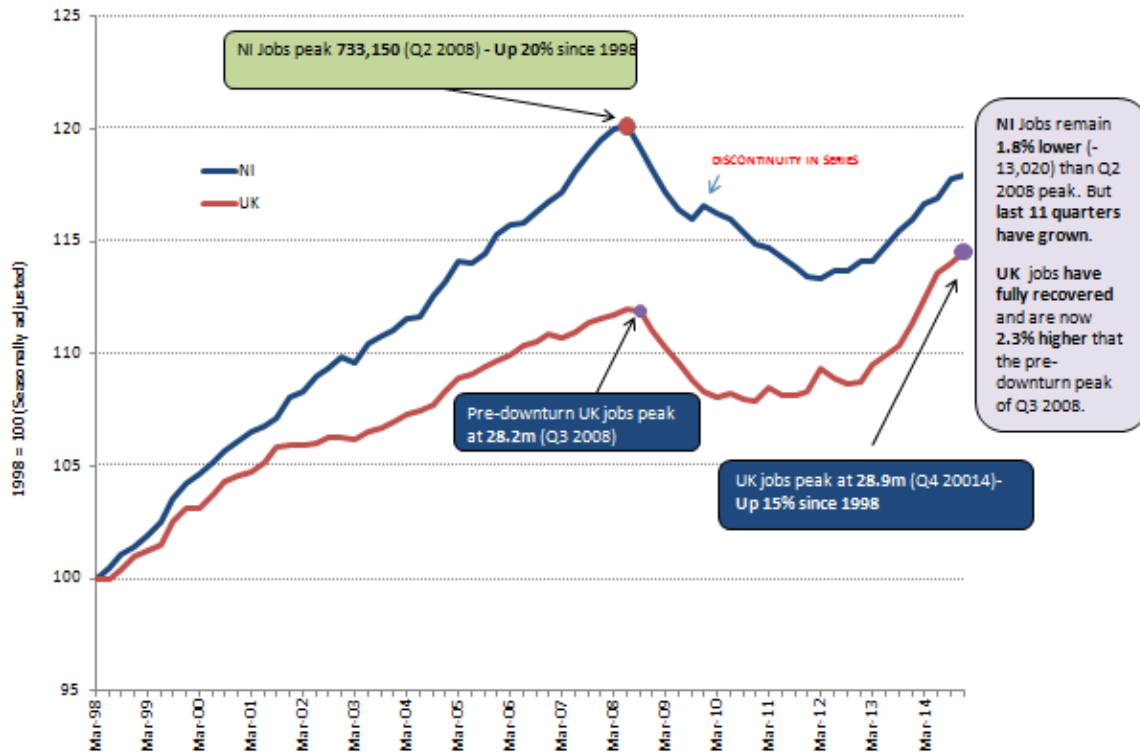
3.15. While most participants (65%-70%) return to benefits there was still a one in three chance of participants finding unsubsidised employment. Perhaps contrary to common belief it was the younger participants who had the greatest job success with 42% of 18-24 year olds moving into employment compared to 32% of those aged 25-39. This may be related to the trend towards an increasing proportion of young people obtaining qualifications. It will also be influenced by other policy and operational programmes such as Training for Success (which was designed for young people) and various apprenticeships programmes some of which were introduced in response to the downturn.

Figure 3.3: Percentage of all participants who moved into unsubsidised employment from Steps to Work by LGD of residence



3.16. In terms of monitoring the employment success of Steps to Work, the employment status of participants entering employment is tracked at 13 and 26 weeks. Since the start of the programme 86% of people sustaining employment for 13 weeks remained in employment for a further 13 weeks i.e. 26 weeks. This performance occurred against a backdrop of rising unemployment and loss of thousands of jobs, illustrated in the graph below. Note that the graph depicts the situation in respect of the 700,000+ employees in NI and as such excludes the self-employed.

Figure 3.4: NI & UK employee jobs index (1998 – 2014)

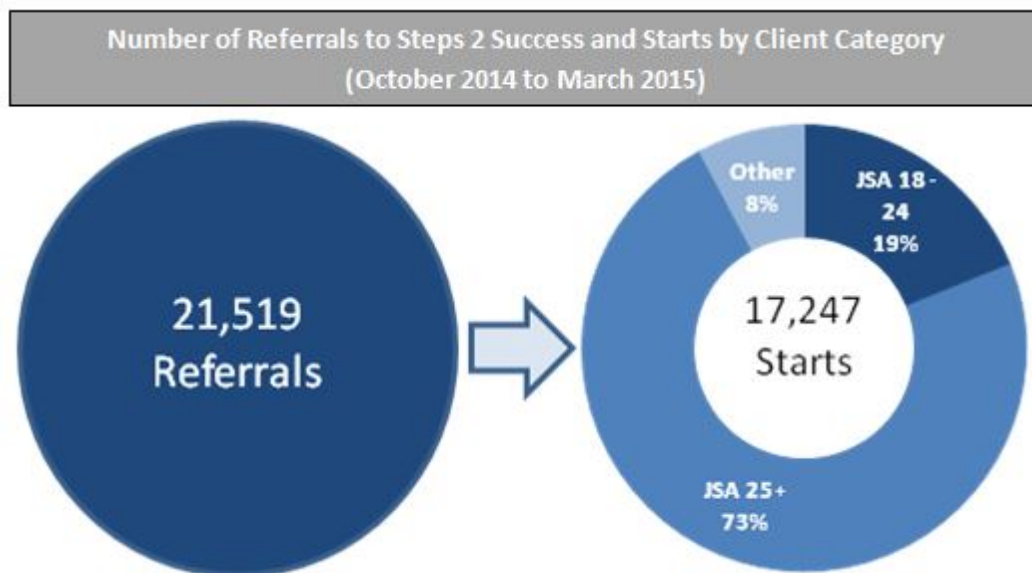


(Source: Quarterly Employment Survey)

Steps to Success

3.17. The Department's new employment programme, Steps 2 Success (S2S), commenced on October 2014. S2S replaced the Steps to Work (StW) programme. The aim of the programme is to assist people, who are unemployed or economically inactive, to find and sustain employment. Participation on S2S is mandatory for all long-term Jobseeker's Allowance (JSA) claimants. Access is also available for certain Employment and Support Allowance (ESA) claimants and to claimants of a number of other benefits.

Figure 3.5: Number of Referrals to Steps 2 Success and Starts by Client Category



3.18. From the inception of S2S to 31st March 2015 there have been 21,519 referrals made to the programme; four fifths (17,247) of which started the programme within the same period. Almost three quarters (73%) of all those clients who started S2S fell into the JSA 25+ category, another 19% fell into the JSA 18-24 category and the remaining 8% of clients were from the JSA Early Entry, ESA and Voluntary categories. It is too early to

determine the employment outcomes for this programme and it is intended to publish employment outcomes for S2S in February 2016.

Figure 3.6: Number of Starts on Steps 2 Success by Equality Grouping



Training for Success and Programme Led Apprenticeships

3.19. At any one time over recent years, TfS and Programme Led Apprenticeships (PLA) supported between 4,000 and 7,000 people. Many of these people achieved a qualification. Because of the time lag between joining a programme and gaining a qualification, the proportion gaining a qualification will gradually increase over time. There are various separate elements of training provision within TfS, such as Skills for Work and Skills for Life. The percentage of leavers from these forms of provision (2008-2015) who gain a qualification tends to be in the range 60% to 70%. The most recent figure is lower at 59% but this will increase over the academic year as more participants complete the programme. The types of qualification gained are mainly essential skills related but also include Level 1 VRQ and Level 2 Technical certificates.

3.20. As regards PLA, there were almost 15,000 leavers over the 2009 - 2015 (April) period of which about 6,000 achieved at Essential Skills Level 1 and 6,000 at Level 2. In addition 5,800 achieved an NVQ Level 2 and 5,000 achieved a full framework Level 2 apprenticeship. Therefore around 75% to 85% of leavers (depending on the type of qualification measured) improve their educational and vocational skills.

ApprenticeshipsNI

3.21. In addition to PLA there are courses leading to Level 2 and 3 apprenticeships for people (mainly aged 16-24) who are currently in employment and wish to work towards achieving an industry-approved apprenticeship. ApprenticeshipsNI aims to support apprentices to work at a higher skill level in their chosen occupation; train towards achieving an Apprenticeship Framework qualification; provide opportunities for progression to further and higher education and encourage employers in the training of key personnel.

Participants starting ApprenticeshipsNI

3.22. Between the academic years 2008 and 2014/15 (April) just over 48,000 participants started ApprenticeshipsNI. Most (63%, 30,000) were at Level 2, 9% at Level 2/3 and 27% (13,000) at Level 3.

3.23. Over this time period the proportion starting at Level 3 has increased from around 10% to just over 40%. The number of starts over this period has decreased from a peak of 9,000 (2010/11) to almost 4,500 in 2014/15 (April). While the programme was originally aimed at 16-24 year olds after one year it was opened to all ages.

- 3.24. From September 2011, following a review of the provision and funding arrangements for adult training and adult apprenticeships, funding for adult apprentices was set at 50% of that payable for 16-24 year olds and from August 2012 funding for adult apprentices was focused on the priority economic sectors needed to rebalance the economy.
- 3.25. In making his decisions on the future funding of adult apprenticeships the Minister took into account the findings of the recent PAC Report into apprenticeships in England. This cited the need to improve value for money significantly by targeting resources on areas where the greatest economic returns can be achieved.
- 3.26. This prioritisation of funding led to a reduced proportion of older males and females joining the scheme. Older males now make up around 8% of male starters and older females make up around 13% of female starters – down from peaks of 48% and 65% respectively.
- 3.27. However, from August 2012 adult apprentices were restricted to the priority economic sectors needed to rebalance the economy and further restricted again in 2013/14. This led to a reduced proportion of older males and females joining the scheme.

Occupancy

- 3.28. Apprenticeships can take up to four years to complete. The occupancy of the programme increased from just over 2,000 to over 6,000 over the first year of the programme. It peaked at just over 12,000 in 2011 and is currently running at an average of 7,000 over the last three years. Just over one third are female.

3.29. Provision of the programme is employer/demand led and this has resulted in a particular occupational structure within the programme that shapes the male/female ratio. For example, there are high proportions of males in the engineering sectors and high proportions of females in child care, hairdressing and pharmacy services.

Leavers and outcomes

3.30. Over 47,000 participants have left the programme since it began, with almost 60% achieving their targeted full apprenticeship framework. Achievement rates have been higher in the latter years of the programme and are now around 60% for Level 2 and 61% for Level 3. The cohort of apprentices that started during 2013/14 still have until March 2016 to achieve their qualification. Not everyone achieves their targeted full framework but may achieve an NVQ. In the most recent academic year around 72% of participants achieve an NVQ Level 2 and 66% an NVQ Level 3.

Skills strategic goals

3.31. The 'Success through Skills – Transforming Futures' strategy outlines four strategic goals to increase the proportion of people attaining skills at all levels. For timeliness these are summarised below based on quarterly figures. They will be updated when the annual figures become available as quarterly figures tend to slightly underestimate performance but are available at a much earlier stage in the year.

3.32. The strategy has been effective in increasing the percentage of people in employment with skills. As such this should increase the effectiveness of

people in work. A majority of people in employment who complete courses at colleges report that the course was worthwhile and useful in their job – although it is difficult to disentangle the independent impact of improved education as this occurs in parallel with increasing work experience.

- 3.33. The 2020 goals are challenging, particularly the Level 2 goal. It may take a decade to reach the Level 2 goal and between 5 and 7 years to achieve the other goals. However, with an ageing workforce the currently high proportion with no qualifications will be retiring and this will help to accelerate the trend because of continued educational improvement among the younger age groups.
- 3.34. At current rates of improvement the Level 2 goal may be missed, the Level 3 goal almost achieved and the Level 4-8 goal achieved. In other words the skills strategy will have been more successful at meeting higher level skills goals than lower level skills. However, this does not take into account the reducing pool of people in jobs who have no qualifications, who tend to be older and therefore closer to retirement. By 2020 around 50,000 people in employment with no qualifications at the time of the 2011 census will have left the labour market. Nor does it take into consideration the continued improvements by the further and higher education sectors in producing better qualified people. This means the above scenario may be too pessimistic. More work needs to be done to clarify the position but it appears that, at least for Level 3 and Level 4-8, current trends are likely to make reasonable progress towards achieving the strategic goals.
- 3.35. In terms of the proportion of 'Narrow' STEM HEI qualifiers, this has varied over the past decade between 18% and 21%. This measure reflects the relative popularity of STEM subjects to other non-STEM subjects.

However, if for example there is a fall in the number of people studying social studies, business studies or law (as has happened recently) this will influence the target. For this reason it is prudent to also report the long term trend in the numbers studying 'Narrow' STEM subjects, and this has increased by over 8% over the decade.

Table 3.1: Skills Strategic Goals

Jan – March Quarters for Persons aged 16 and over

% of people in employment with:	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2020 Target Minimum
Level 2 skills and above	72.4%	70.9%	75.2%	74.1%	76.1%	75.0%	84%
Level 3 skills and above	55.8%	52.9%	59.0%	57.2%	59.0%	60.5%	68%
Level 4 - 8 skills and above	33.3%	31.6%	34.4%	36.3%	36.5%	38.2%	44%
% Narrow STEM HEI Qualifiers	18%	18%	18%	18%	2013/14 21%		22.5%

Summary

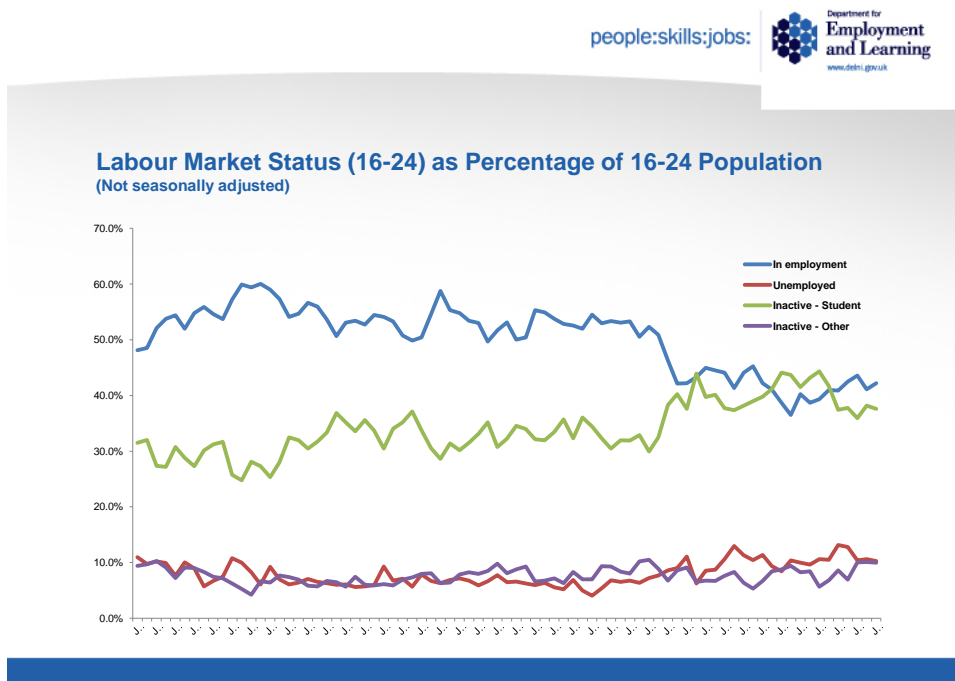
3.36. Very large numbers of people have participated in DEL programmes, indeed well over 200,000 since 2008. The achievements for those on employment-related provision have been positive at all levels with improvements among elementary educational skills and advanced work-related skills apparent. Positive employment outcomes within a range of 30% to 45% are common and educational improvements for between 75% and 85% of people have been demonstrated.

- 3.37. Substantial numbers of participants improved their skills as a result of apprenticeship programmes. These improvements were driven by the demand from employers. Numerically the biggest sectors since 2008 were Engineering; Electrotechnical; Health and Social Care; Vehicle Maintenance; Hospitality; Retail; Food Manufacture; Plumbing and Catering.
- 3.38. At any one time there are around 6,000 participants on ApprenticeshipsNI and a large majority either met their targeted full framework aims or achieve an NVQ qualification. In addition there were around 6,000 to 8,000 on the TfS and PLA programmes making a total of 12,000 to 14,000. Without these apprenticeship jobs and training opportunities the unemployment and Not in Employment, Education or Training (NEET) populations would have grown considerably.
- 3.39. There have been long term improvements in skills, literacy, and educational outcomes within NI. Unemployment remains low by international standards but in terms of skills and competences, literacy and numeracy we often perform at below average compared to OECD countries. While ahead of France, Italy, Spain and the USA on various educational and skills measures we lag most OECD regions on these measures and in particular countries such as Japan, Finland, the Netherlands and Korea.
- 3.40. Youth unemployment (claimant count) has been running at close to 20% for some considerable time, partly because the production of more highly qualified young people increases competition with the more poorly qualified, and employers seek to retain more experienced workers in anticipation of improving economic prospects.

Young People Not in Employment, Education or Training

3.41. The recession saw young people move out of employment and into one of three destinations: education – which was the largest destination; unemployment and inactivity, both of which are about the same size numerically. There are currently around 34,000 young people classified as NEET and the long term trend has averaged around 35,000. This is 16% of the 16-24 year old population. The number of NEETs will vary depending on the destination of young people. The graph below illustrates how, as the recession pushed young people out of work, they moved to education, unemployment and inactivity.

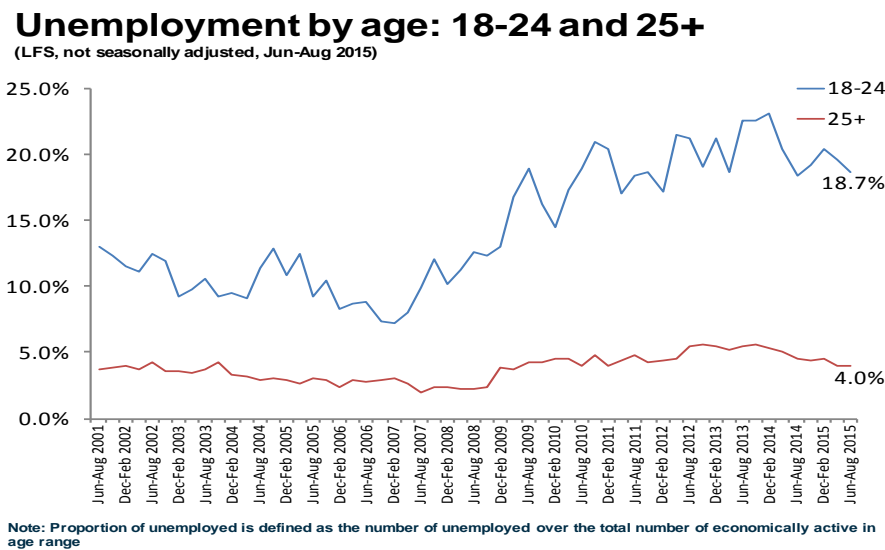
Figure 3.7: Labour market status



(Source: LFS)

3.42. The latter two groups of unemployed and inactive young people make up what is commonly referred to as NEET (not in employment, education or training). The number of unemployed NEETs (18-24) claiming jobseekers allowance has declined steadily for the last two years or so. This decline has occurred across all district councils.

Figure 3.8: Unemployment by age



(Source: LFS)

3.43. Despite the declining percentage of 18-24 year olds unemployed this has not translated into falling numbers of young people classified as NEET. This could happen for various reasons including fewer 16-17 year olds entering education or employment.

3.44. It is not totally clear how many young economically inactive people are sustaining themselves financially but from census 2011 data it is known that many NEETs live with their parents (around one third) and about one quarter live in lone parent households with a further 15% living alone independently. Therefore most young people classed as NEET live in homes where there is some form of family support. There is also

considerable number who have qualifications above level 2 (GCSE), see below.

Figure 3.9: Qualifications of NEETs



Data linkage and NEET destinations

3.45. Discussions are taking place to consider the feasibility of linking information on benefits and tax, or benefits and Further/Higher education to determine the destinations of young people. However, both technical barriers and the establishment of legal gateways securing personal information will be needed.

3.46. The NEET strategy 'Pathways to Success' is being developed in the knowledge that NEETs are a very diverse group in terms of age, family type and qualifications, and may be moving in and out of education, unemployment, work and inactivity on a regular basis.

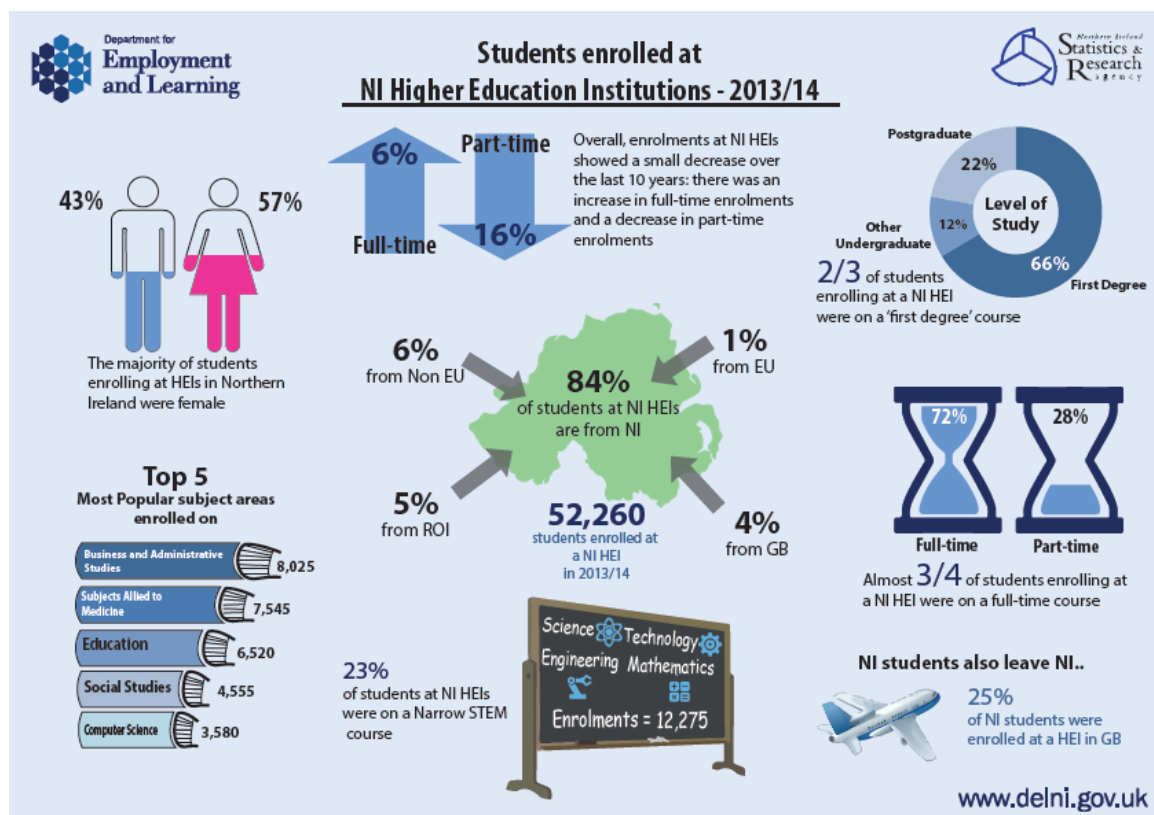
- 3.47. The department is operating a range of interventions, many of which support the NEET population including community family support programme (CFSP).
- 3.48. The CFSP was a 'Pathways to Success' initiative designed to focus on the needs of disadvantaged families and young people not in education, employment and training, and was designated as a signature project (Pathways to Employment for Young People) for Delivering Social Change in October 2012.
- 3.49. Following an initial pilot programme the CFSP was up-scaled. The 26 week programme commenced in November 2013 and finished in March 2015, providing support to 720 families with a budget allocation of £3.4m, which included contributions from DEL and OFMdfM. It was delivered in 5 contract areas that mirrored the Health and Social Care Trust Areas. The programme also aimed to prevent young people falling into the NEET category and help other young people in this situation to re-engage. Professional support workers engaged and consulted with parents to promote early intervention and high quality parenting and to identify solutions to address their specific needs. A total of 720 families completed participation on the CFSP. A total number of 2,694 family members including 795 aged over 25, 527 young people aged 16-24 years and 1,372 children under 15 years received help and support on the programme.

Higher Education

Introduction

- 3.50. Over the last 10 years about 14,000 full-time undergraduate NI domiciled students were accepted to UK universities each year. This is against a level of applications since 2010 approaching 20,000 – therefore over the last 5 years or so 6,000 applicants annually do not get accepted.
- 3.51. This 14,000 only reflects the demand from local students for places in UK universities. NI universities receive around 24,000 applicants through UCAS each year, of which just over 11,000 were accepted in 2014/15.
- 3.52. The long term context of HE participation in NI is that in 1990 about one quarter of 18 year olds entered full-time HE. By 1999 this figure was 45% and has remained in the 45% - 50% range for the past 15 years.
- 3.53. The 14,000 accepted NI domiciled students will typically take a course lasting three years at least, so at any one time they will number at least 3 x 14,000 i.e. 42,000 students. NI universities also have around 8,000 students from outside Northern Ireland. In addition to this there will be post-graduate enrolments and some 4,000 students attending the Open University.
- 3.54. Over the period 2009 – 2013/14 in any one year there were between 51,000 and 52,000 students enrolled at NI institutions. 84% come from NI, around 6% from non-EU countries, 5% from the Republic of Ireland, and 4% from GB. Almost none come from other EU countries.
- 3.55. Of the 64,570 NI students enrolled across the UK, 25% or 16,000 were enrolled in GB.

Figure 3.10: Students enrolled at NI HEIs 2013/14



3.56. While enrolments since 2004 increased by nearly 3% for 'First Degree' and 13% for Postgraduates, it fell from 9,000 to 6,000 for 'Other Undergraduate' studies resulting in an overall decrease of just over 1%.

- **Mode of study:** there is an approximate 70/30 split in the number studying full-time and part-time respectively.
- **Level of study:** there is an approximate 75/20/5 percentage split in the number studying for a first degree course, the number studying post-graduate and the number studying 'other undergraduate' courses respectively.

- **Subject of study:** subjects allied to medicine (Nursing, Pharmacy, Occupational Therapy and Physiotherapy), subjects allied to 'Education' and subjects allied to business and administration are the most common with between 7,500 and 8,000 enrolments of NI students across the UK in each of these three groups.

'Narrow' STEM and 'Broad' STEM subjects

3.57. This is a key priority area within the Programme for Government designed to grow a sustainable economy and invest in the future. 'Narrow' STEM is a subset of 'Broad' STEM and includes the following subject areas: Biological Sciences, Physical Sciences, Mathematical Sciences, Computer Science, Engineering & Technology.

3.58. Males and full-time students in NI are more likely to be studying 'Narrow' STEM subjects. Over one third (35%) of males were studying a 'Narrow' STEM subject compared to just over one sixth (15%) of females. There is less of a gender differential in the 'Broad' STEM subject areas where 51% of males and 43% of females are studying. The number of 'Narrow' STEM qualifiers has increased over the decade by just over 8% from around 2,900 to 3,200.

Summary

3.59. Locally we have around 44,000 NI students and 8,000 non-NI students most of whom come from non-EU countries. An additional 16,000 of our students are studying in GB. The number of NI domiciled students studying at UK HEIs has varied between 66,000 and 62,000 over the past 10 years and currently stands at 64,570 of which 60% are female. The number of enrolments (from NI and other places) in local universities

currently stands at just over 52,000 (57% of which are female) and has changed little in the last 5 years.

Qualifications gained

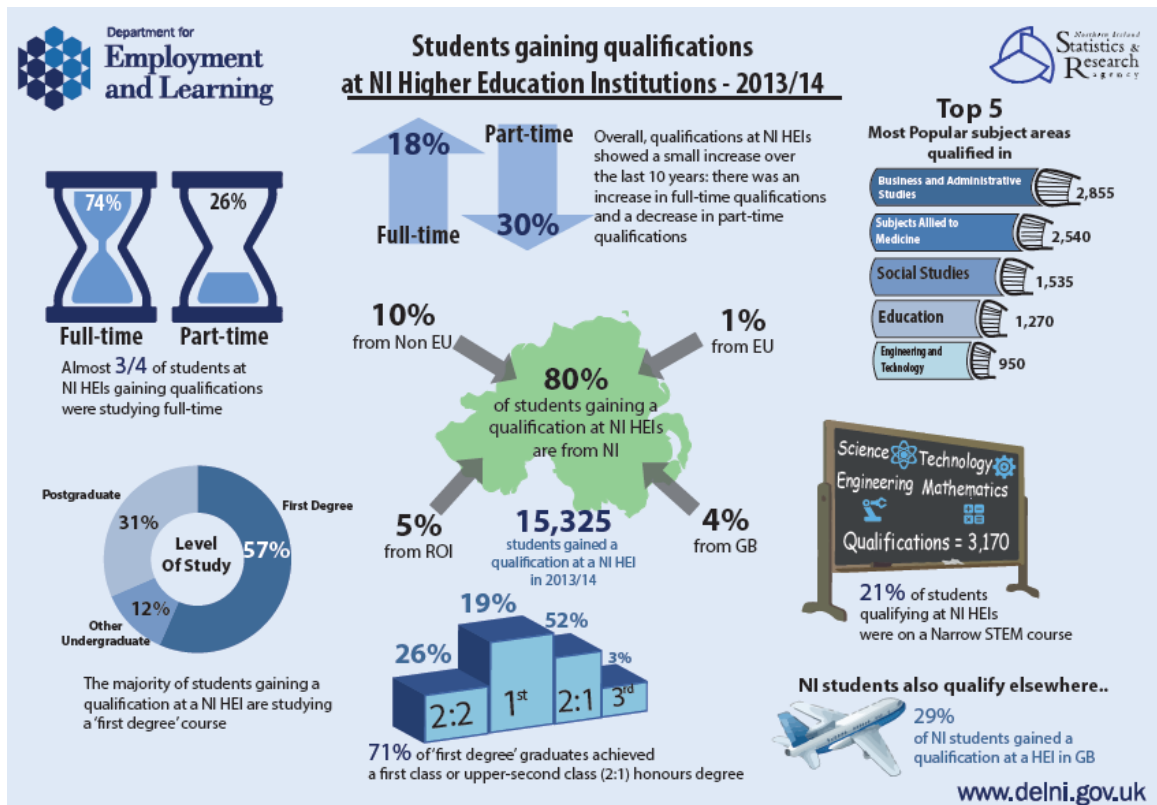
3.60. We have had a similar number of qualifiers (NI and GB) over the past 10 years – about 15,000 per year but in terms of NI students gaining qualifications at NI universities the number has decreased from about 13,200 in 2004/2005 to 12,200 in 2013/2014.

Qualifications and Gender

3.61. Females dominate in qualifications such as ‘subjects allied to medicine’, ‘languages’ and ‘education’ where they make up 71% to 86%. Males’ qualifications dominate in engineering (80%), computer science (74%) and architecture, building and planning (72%).

3.62. Just over one fifth (21%) of qualifications gained by students at NI HEIs were in a ‘Narrow’ STEM subject. More males (31%) gained a ‘Narrow’ STEM qualification than females (14%). There has been very little change and no discernible trend in the proportion of women enrolments in ‘Narrow’ STEM subjects over the past decade.

Figure 3.10: Students gaining qualifications at NI HEIs 2013/14



Socio-economic status

3.63. Northern Ireland attracts more first time degree entrants (almost 40%) from the lower socio-economic groups than the UK average of around 33%. The Ulster University (UU) does particularly well at 46% compared to Queen's (32%). This socio-economic difference in student intake may be partly reflective of non-continuation rates with 4% of Queen's full-time first degree young entrants failing to continue study in the following year compared to 8% of UU young entrants. That said both universities are performing above their 'benchmark' set by the Higher Education Statistics Agency (HESA). The Agency sets these benchmarks relative to the characteristics of the student intake and on this basis NI HEIs tend to perform favourably.

Mature entrants

- 3.64. The percentage of mature entrants failing to continue to year 2 is higher at around 8-9% for both UU and Queen's but much better than the UK average where almost 12% fail to continue to year 2.

Part-time study

- 3.65. Non-continuation rates are much higher for part-time first degree entrants at almost 24% for NI compared to 34% for the UK. In terms of resumption of study following a year away from university the majority of NI students do not return the following year (almost 80%).

- 3.66. Detailed results can be found at: <http://www.delni.gov.uk/higher-education-stats>

Students from Areas of Deprivation

- 3.67. There are different ways of illustrating the representation of people from deprived areas in higher education institutions. For example, enrolments are one such measure, but there are others such as qualifiers from such institutions. Examples of both are presented below. Many young people from the most deprived areas succeed at the highest educational levels but their drop-out rates from education are a continuing problem. The statistics in this area are incomplete and a number of research projects are in development in an attempt to improve the evidence base. But the HESA does provide some insight into the long term non-completion rate, which in NI is around one person in ten from higher education. This may be an unavoidable loss as some people will change their career plans or suffer setbacks due to illness or changing family commitments.

- 3.68. Widening participation in higher education is a key aim of the department and while performing relatively well in attracting students (full-time first degree entrants) from families classified as 'lower supervisory, semi-routine and routine' occupations, the non-continuation rates for these groups are higher than those from managerial and professional occupation backgrounds. NI has almost 40% of these entrants (full-time undergraduates) compared to 33% for the UK.
- 3.69. This finding is confirmed further by the lower proportion of students coming from the most deprived compared to the least deprived areas who gain a qualification.
- 3.70. In 2013/14 less than 3% (2,250) of young people aged 21-35 from the most deprived areas gain a university qualification compared to almost 8% (4,585) from the least deprived areas. The department is working with the universities to increase the proportion of applicants from deprived areas and to provide support for those who are successful in applying to university. The evidence shows that young people from the most deprived areas are capable of succeeding in higher education but that for a variety of reasons may choose other options or become discouraged.

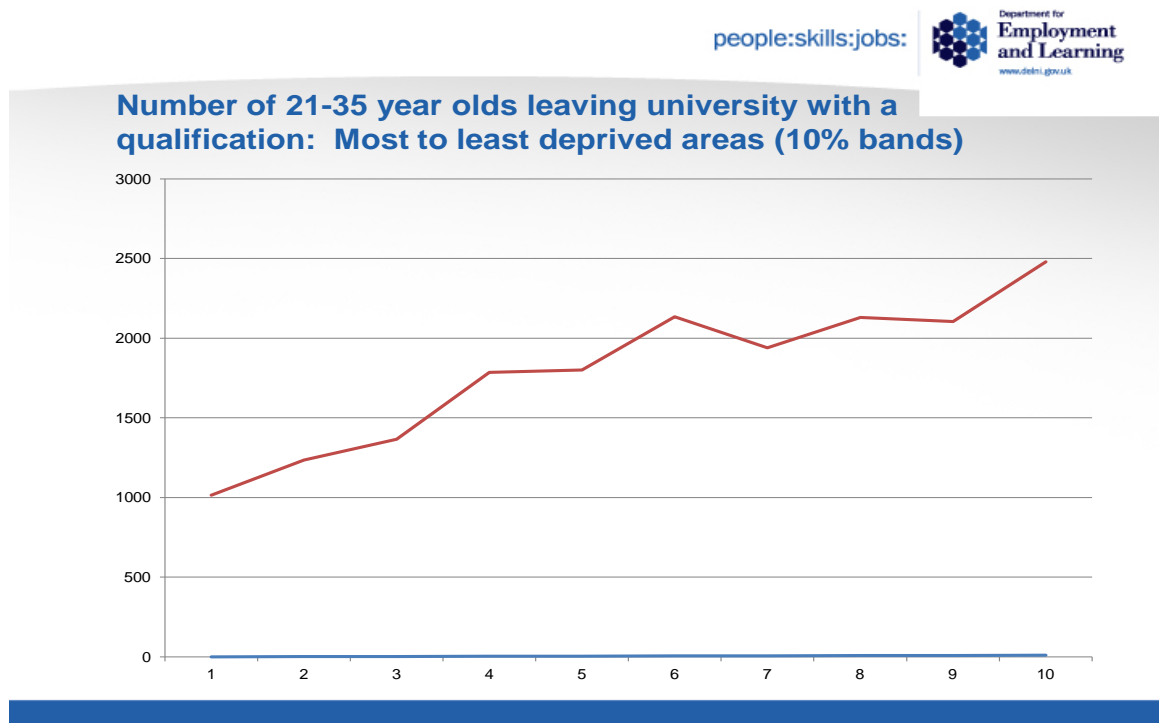
Table 3.2: NI domiciled students gaining qualifications at UK HEIs by deprivation 2013/14 (students aged 21-35)

Multiple Deprivation Measure	No. gaining a qualification	No. in population	Proportion gaining a qualification
Most Deprived 1	2,250	79,195	2.8%
2	3,150	78,100	4.0%
3	3,935	79,645	4.9%
4	4,070	73,045	5.6%
Least Deprived 5	4,585	58,380	7.9%
Total	17,990	368,365	4.9%

(Source: HESA, 2013/14; 2011 Census)

3.71. A more detailed categorisation of deprived areas into ten equal sized units shows that there is a steady improvement in HE educational outcomes as the deprivation level reduces. Clearly, if the chances of gaining a qualification were equally distributed this deprivation gradient should disappear.

Figure 3.11: Number of 21-25 year olds leaving university with a qualification



The ‘social gradient’ and enrolments in Higher Education Institutions – a note of caution

3.72. It has long been known that there is a social gradient in access to universities. The extent of this gradient for HEI enrolments in Northern Ireland is illustrated in the table below. This is not a perfect measure because these data are based on geographic areas which may contain small pockets of affluence within deprivation or vice versa. Each geographic area contains roughly 20% of the population, therefore the most deprived area, with 13.6% of HE enrolments is falling short of the 20% that would be expected in an ‘all things being equal’ scenario. That said, Northern Ireland attracts a greater proportion of students from the lower socio-economic groups than the UK average but clearly this situation could be improved.

Table 3.3: 2013/14 HE enrolments

Multiple Deprivation Measure in five equal sized bands of 20%	
Quintile 1 - Most Deprived	13.6%
Quintile 2	17.5%
Quintile 3	21.3%
Quintile 4	22.4%
Quintile 5 - Least Deprived	24.3%
Unknown Postcode	0.8%

Destinations of leavers from university

3.73. The destinations of leavers from university are tracked using a survey conducted by the HESA. The survey is carried out six months after graduation from a UK higher education institution. The survey can examine all students from NI regardless of where they studied in the UK or just those students who qualified from an NI institution. For the purposes of this paper the focus will be on outcomes for students qualifying from an NI higher education institute.

Students graduating from NI universities

3.74. Six months after graduating:

- 77% were in some form of employment;
- 59% of full-time leavers were in full-time work;
- 11% were in part-time work;
- 4% were primarily in work but also studying; and

- 3% were primarily studying but also engaged in some work.
- 3.75. Most of the remainder were in full-time study (12%) and 5% were unemployed. A small number were waiting to start a job or engaged in 'other' activities.
- 3.76. There is a 'hierarchy' of employment with post-graduates having the highest employment levels at 83% and graduates at 76%. 'Other undergraduates' cover a wide range of courses including HNC, HND and graduate diplomas/certificates. The employment rate for this group is lowest at 53%.
- 3.77. The employment (and unemployment) outcomes for full-time leavers in NI are very similar to the outcomes found in England, Scotland and Wales. Part-time leavers have very high employment rates, approximately 85%-90% and again, these outcomes are quite similar to other parts of the UK.
- 3.78. Surprisingly, computer science graduates have among the highest unemployment rates at 9%, similar to Creative Arts and Design. The average unemployment rate of full-time leavers was 5%.
- 3.79. Overall, these results demonstrate some improvement from the previous year.

Student and Graduate migration

- 3.80. There has been a lot of media attention given to the 'brain drain' issue but the evidence is not as clear cut as sometimes presented. It is true that around one quarter of NI students go to GB to study. The percentage, 35%-40%, who return within six months of graduation to work in NI will most likely increase over time as some will return but not have found work

- or return to do post-graduate work. Further work is needed to quantify this additional return rate.
- 3.81. On the other hand, graduates are mobile and following graduation there is a lot of movement of students within the UK. But Queen’s and UU graduates tend to stay (around 80%) whereas in other GB regions the figure is, apart from London, typically much lower.
- 3.82. It is also true that ‘our’ graduates, who get work in GB will, on average, earn more than the NI students who go to GB, remain there and get work in GB. These graduates may be earning more because of the subjects they studied or because they are migrating to London. As such they may not be ‘typical’ graduates. Nevertheless NI domiciled graduates are clearly valued and our universities clearly attract talent but graduates have portable skills and across the UK can be expected to be mobile.
- 3.83. So the story is rather complex – the student brain drain issue may have been over-stated when graduate mobility is taken into consideration but it is not actually known what the sum of all the movements adds up to. In over-simplistic terms we lose a quarter of our students to GB, around a third of these return and our own graduates tend to be less mobile than those in GB. The possibility of tracking students through linking administrative datasets is being investigated but this will require legal gateways to be established enabling data from the universities to be linked with HMRC information.
- 3.84. For full details see: <https://www.delni.gov.uk/publications/destinations-leavers-uk-higher-education-institutions-northern-ireland-analysis-201314>.

Further Education

Introduction

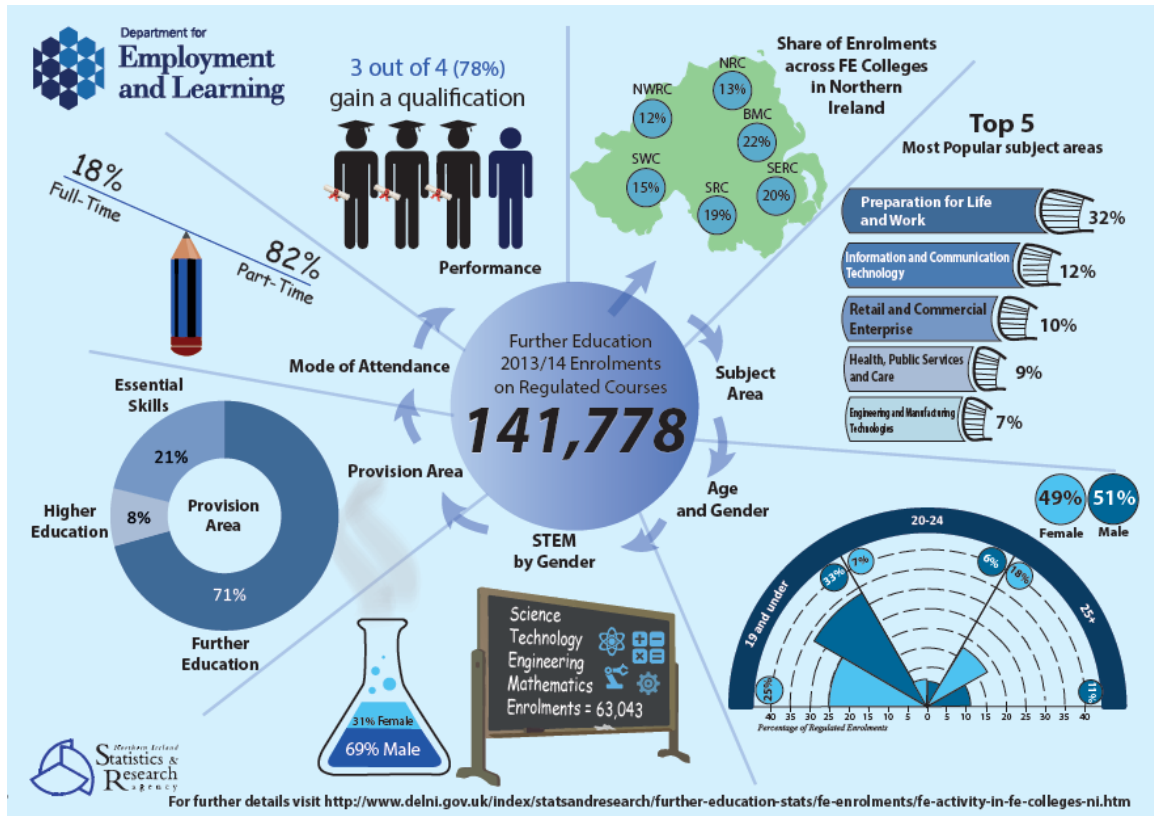
- 3.85. Further Education colleges are the main providers of further education and training. The sector plays a central role in raising literacy and numeracy levels and in up-skilling and re-skilling the population through a broad range of courses leading to qualifications at NQF (National Qualifications Framework), QCF (National Credit Framework) levels 2 and 3 and equivalents, and Higher Education at level 4 and above.
- 3.86. The current strategy for FE is 'Further Education Means Business' was introduced in 2004 and its primary aim is to support economic development. Quality improvement is a key strategic priority, an important of which is monitoring performance in terms of learner retention and achievement.
- 3.87. The department publishes a very wide range of official statistics on Further Education Activity the detail of which can be found in the April 2015 publication 'Further Education Activity in Northern Ireland: 2009/10 to 2013/14'. The report can be found at <http://www.delni.gov.uk/statistics>.

The key points to note in respect of FE activity are as follows:

- Performance is continually improving: increasing proportions are completing their course and both achievement and success rates are increasing.

- Enrolments have fallen since 2009/10 – this will be due to demographics and economic recovery, a focus on economically relevant courses and decreases in recreational courses.
- There were just over 180,000 enrolments in 2013/14.
- The student population is getting younger.
- Since 2009/10 most courses, around 85%, have been part-time.
- Just over three-quarters of *regulated provision* is at Level 2 or above.
- Females dominate in the ‘Health, Public Services and Care’ courses and males in ‘Construction, Planning and Built Environment’.
- Of the 180,000 enrolments almost 70% were funded through the Funded Learning Unit, as opposed to, for example, government training or cost recovery funded.
- The colleges produced almost 91,000 qualifications in 2013/14 of which just over 36,000 were in STEM subjects.

Figure 3.12: Summary of activity in the FE sector



Detailed findings

Performance

3.88. The retention rate has increased slightly from 88% to 89% since 2010/11 and the achievement rate from 80% to 87%. In broad terms, the achievement rate is the proportion who gain a qualification. However, the success rate will always be lower than the achievement because it is calculated as a proportion of all final year enrolments – some of whom will not complete their course. The success rate also increased from 70% to 78% over the same period.

Funding

3.89. Most of the funding of FE colleges comes from the department via the Funded Learning Unit (FLU) (almost 70%). The remainder comes from various sources relating to government training programmes within the colleges (13%) or cost recovery (11%) or through the Department of Education through the Entitlement Framework programme (6%).

Regulated enrolments

3.90. The department's aim to deliver a more economically focussed provision of FE states that this should be delivered through 'regulated provision'. In 2013/14 there were just over 140,000 enrolments on regulated courses attended by 78,000 students i.e. many students were enrolled on more than one course. In *very* broad terms, 20% were at 1 or below, 50% at Level 2, 20% at Level 3 and 10% at Level 4 and above.

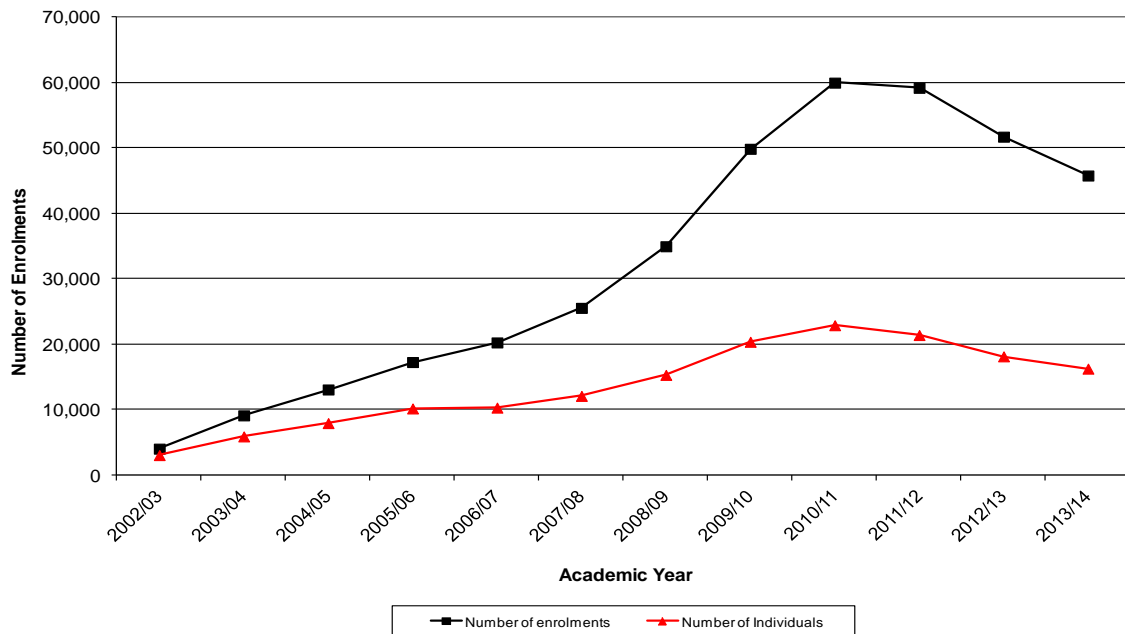
Essential Skills

3.91. The Essential Skills for Living Strategy was launched in April 2002. It aims to improve adult literacy, numeracy and information and communication technology in Northern Ireland. The courses are DEL funded, free to participants and delivered by accredited tutors in FE colleges, private training providers and community organisations.

3.92. From 2002 to 2010 the number of individuals on essential skills courses climbed from zero to over 20,000. Each individual can be enrolled in more than one course therefore the number of enrolments is much higher at 60,000. Since 2010 the number of individuals has fallen to around 16,000 and enrolments to almost 46,000. But since the operational start of the

strategy in October 2002 there have been over 390,000 enrolments by 163,000 individuals.

Figure 3.13: Number of Essential Skills enrolments and individuals by academic year



3.93. From the beginning of the strategy the highest proportion of essential skills enrolments were at 'Level 1'. However, the proportion of enrolments at 'Level 2' has increased from 7% to almost 42%. Over the 12 year period over 70% of participants were aged between 16 and 25 years.

Subject studied

3.94. In 2013/14 Numeracy accounted for 37% of enrolments; Literacy for 35% and ICT for 28%. In that year, about 45% were at 'Level 1' and 42% at 'Level 2'.

Figure 3.14: Essential Skills enrolments by subject and age since 2002/03

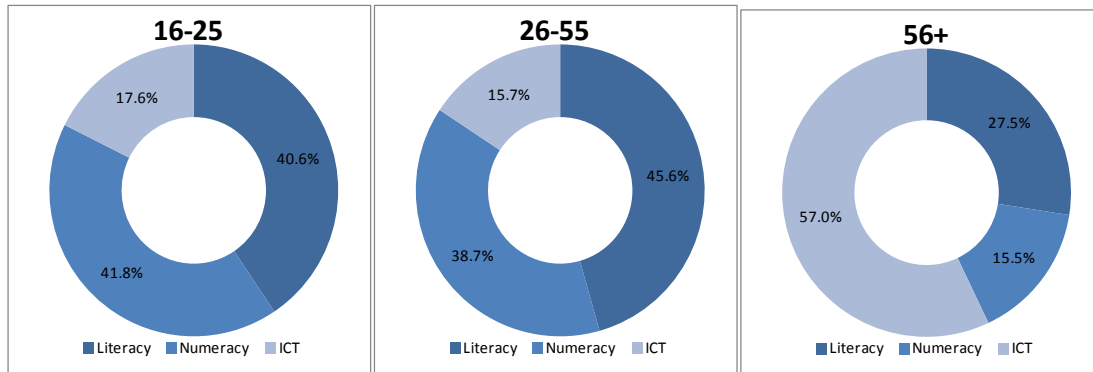
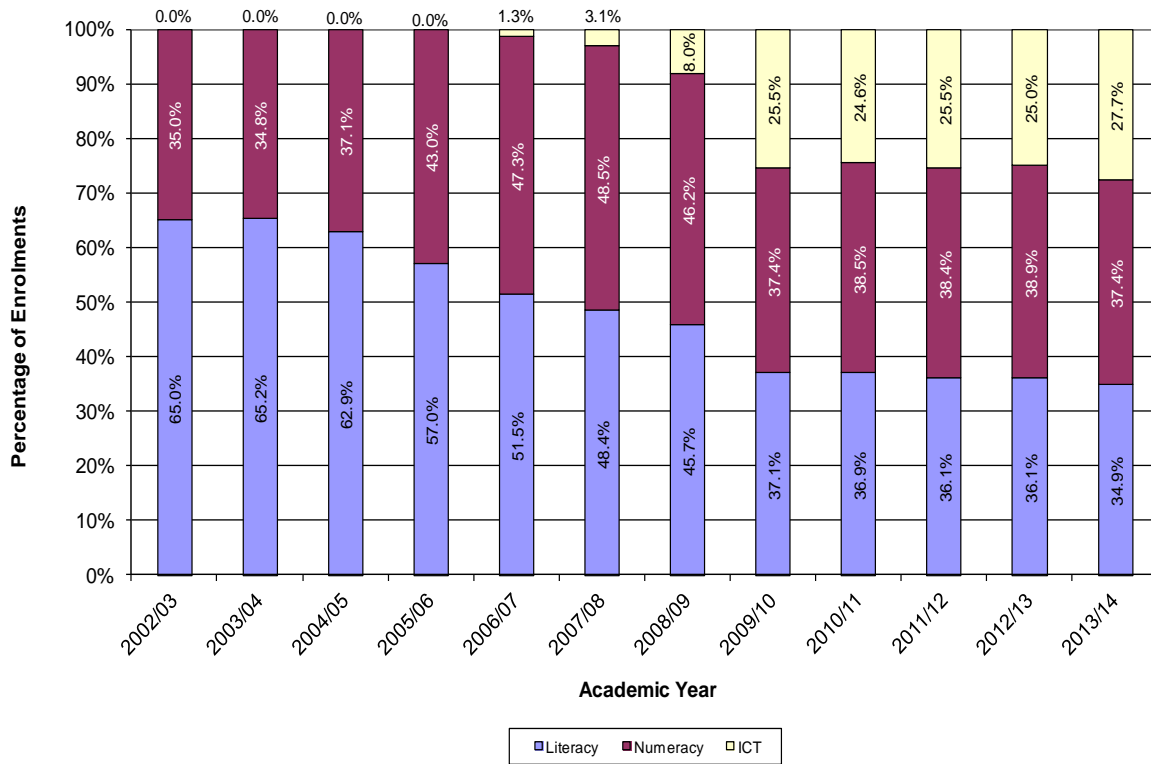


Figure 3.15: Essential Skills enrolments by subject and academic year



Qualifiers

3.95. There have been over 240,000 qualifications issued since the strategy began in 2002 and in each of the last three years it has been around 40,000.

Performance

3.96. The *retention rate* is the proportion of enrolments who complete the course (courses are typically no longer than one year).

3.97. The *achievement rate* is the percentage of enrolments who complete the course and who achieve a qualification.

3.98. The *success rate* is the number who complete and achieve – as a percentage of all enrolments. Note that this denominator includes enrolments who do not complete and have dropped out. This means that the success rate will always be lower than the achievement rate.

Performance Indicators

3.99. The retention rate over the course of the strategy has been 89%. The achievement rate has been 70% and the success rate 62%. Retention rates are high for all subjects (approaching 89%) whereas the achievement rate while across all subjects is averaging 70%, has been 60% for ICT. The success rates for Literacy and Numeracy are 65%, whereas for ICT has been 52%. Therefore for those who stay the course, 70% leave with an essential skills qualification. However, around 11% will not complete the course.

Table 3.4: Essential Skills performance indicators by subject since 2002/03

Subject	Performance Indicator		
	Retention rate	Achievement rate	Success rate
Literacy	88.8%	73.0%	64.8%
Numeracy	89.6%	72.6%	65.1%
ICT	86.5%	59.9%	51.8%
All Subjects	88.7%	70.5%	62.5%

3.100. Nearly one third of regulated enrolments are for 'Preparation for Life and Work' almost half of these in respect of Essential Skills courses in literacy and numeracy.

Science, Technology, Engineering and Maths (STEM)

3.101. In the future it is expected that there will be some decline in demand for elementary skills and an increase in demand for higher level qualifications. The 'Success through Skills – transforming futures' publication and the joint DEL, DE 'Report of the STEM review' address the issue of increasing the number of people with STEM qualifications entering the workplace.

3.102. The colleges produced almost 91,000 qualifications in 2013/14 of which just over 36,000 were in STEM subjects. Of these 36,000 STEM qualifications, 14,538 were 'Narrow' STEM, that is, biological and physical sciences; mathematics and IT; and engineering and technology.

Higher Education in FE Enrolments

Overview

3.103. Higher Education is regarded as enrolments at 'Level 4 or above' such as Certificate of Higher Education; Diplomas of Higher Education; Foundations degrees; Higher National Certificates (HNCs); Higher National Diplomas (HNDs); Bachelor Degrees; Masters degrees; Postgraduate certificates and Doctorates.

3.104. Over the past four academic years, the number of HE enrolments at FE colleges increased from 11,004 in 2010/11 to 11,576 in 2013/14. There has been an increase in HE in FE in each year over the period.

Table 3.5: Higher Education enrolments by FE college and academic year

FE College	Academic Year			
	2010/11	2011/12	2012/13	2013/14
BMC	3,771	3,513	3,324	3,285
NRC	1,173	1,388	1,548	1,511
NWRC	1,537	1,628	1,560	1,682
SERC	1,364	1,469	1,588	1,498
SRC	1,860	1,901	1,857	1,905
SWC	1,299	1,417	1,576	1,695
FE Sector Total	11,004	11,316	11,453	11,576

Level of study

3.105. Each enrolment on a Higher Education course is assigned a level between 'Level 4' and 'Level 8'. Qualifications at the same level have a similar level of demand or difficulty. For example some of the qualifications at:

- 'Level 4' are, Vocational Qualifications Level 4, Higher National certificate (HNC); qualifications are at a level equivalent to Certificates of Higher Education.
- 'Level 5' are Vocational Qualifications Level 5 and qualifications at a level equivalent to intermediate Higher Education qualifications such as Higher National Diplomas (HND), Foundation and other degrees that do not typically provide access to postgraduate programmes.
- 'Level 6' are Vocational Qualifications Level 6 and qualifications at a level equivalent to Bachelor's degrees with honours, graduate certificates and graduate diplomas.

- 'Level 7' are Vocational Qualifications Levels 7 and qualifications at a level equivalent to Master's degrees, postgraduate certificates and postgraduate diplomas.

3.106. On average HE enrolments at 'Level 4' accounted for about one third, around 60% at 'Level 5', and the remainder at levels 6 and 7. This indicates that over 90% of HE enrolments are at level 4 or 5.

Subject area

3.107. Typically for higher education enrolments the subject areas 'Health, Public Services & Care' and 'Business, Administration & Law' have the largest shares of around one quarter each. This is followed by 'Engineering & Manufacturing Technologies' at around 10%.

Subject area and gender

3.108. Although the overall gender profile is fairly evenly split for all higher education enrolments, there was wide variation between males and females across the subject areas. Females accounted for the vast majority in 'Health, Public Services and Care' and in 'Retail and Commercial Enterprise' enrolments. Male-dominated subject areas included 'Engineering & Manufacturing Technologies' and 'Construction, Planning & the Built Environment'.

Science, Technology, Engineering and Mathematics

3.109. STEM or 'Broad' STEM provision is identified by the type of subject the course has been categorised as. 'Broad' STEM enrolments are regarded as those on courses of 'Medicine, Dentistry and Allied Subjects';

'Biological and Physical Sciences'; 'Agriculture; Mathematics and IT'; 'Engineering and Technology; Architecture', 'Building and Planning'.

3.110. A subset of this cohort is termed 'Narrow' STEM and is identified as those enrolment records within courses classed as 'Biological and Physical Sciences'; 'Mathematics and IT' and 'Engineering and Technology'.

3.111. On average, 'Broad' STEM enrolments accounted for about one third, while 'Narrow' STEM enrolments accounted for just over one quarter of all Higher Education enrolments in the FE sector.

Deprivation and performance

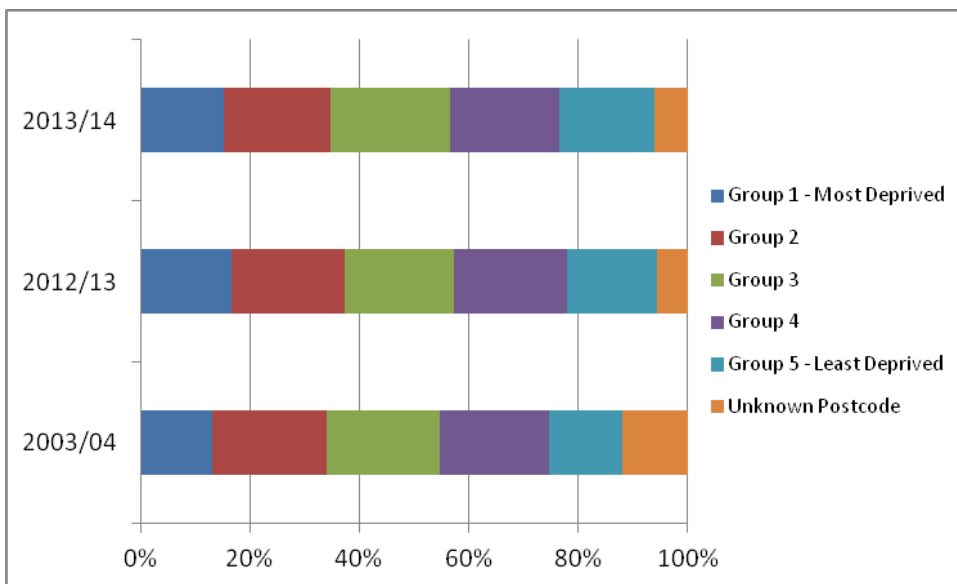
3.112. The retention, achievement and success rates of students from the most deprived 20% of areas are remarkably similar, although in all cases a few percentage points below, those from less deprived areas. This is difficult to explain without detailed research but it may be partly due to the ability level of the student – it is not unusual for able students from deprived backgrounds, once they meet college entry criteria, to perform at similar standards to more affluent students; and performance may also be related to the pastoral or other support provided by the college. Parental support, student motivation and aspirations will also play a part.

Chapter 4: Deprivation and Widening Access

DEL Provision and areas of multiple deprivation

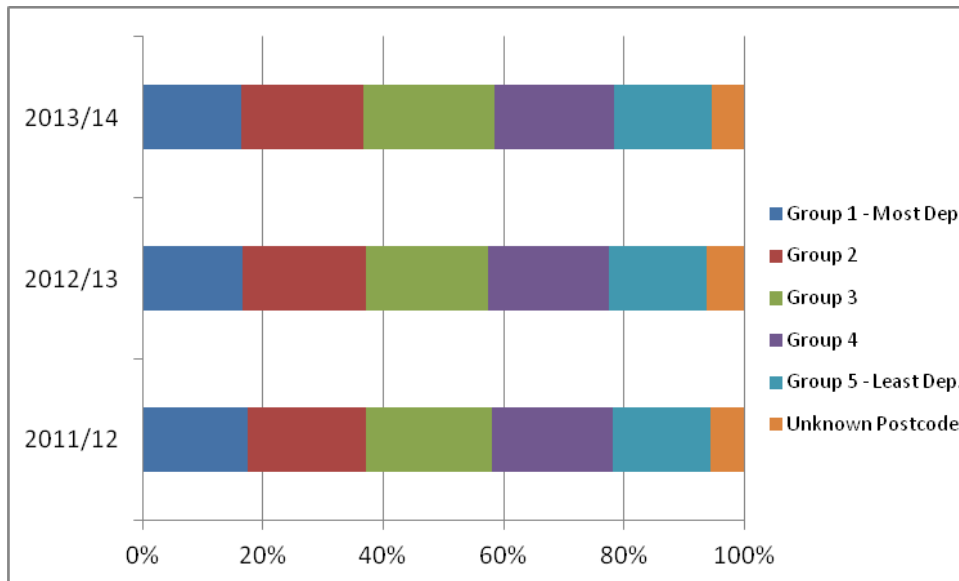
4.1. **Figures 4.1 and 4.2** below show whether the department is attracting a proportionate share of clients from deprived areas. Areas have been banded into five groups each representing 20% of deprived areas, that is, the 20% of super output areas across NI each ranked in terms of multiple deprivation level. In many cases there is an approximate equal proportion of people from the most to the least deprived areas availing of DEL related provision. However, in work-related provision there tends to be an over-representation of people from the more deprived areas; in FE provision there tends to be an equal representation and in HE provision there tends to be an over-representation of people from the least deprived areas.

Figure 4.1: HE in FE full achievements at NI FE Colleges by Deprivation Quintiles



(Source: Further Education Leavers Survey 03/04 to 12/13 and Consolidated Data Return 13/14)

Figure 4.2: HE in FE enrolments at NI FE Colleges by Deprivation Quintile



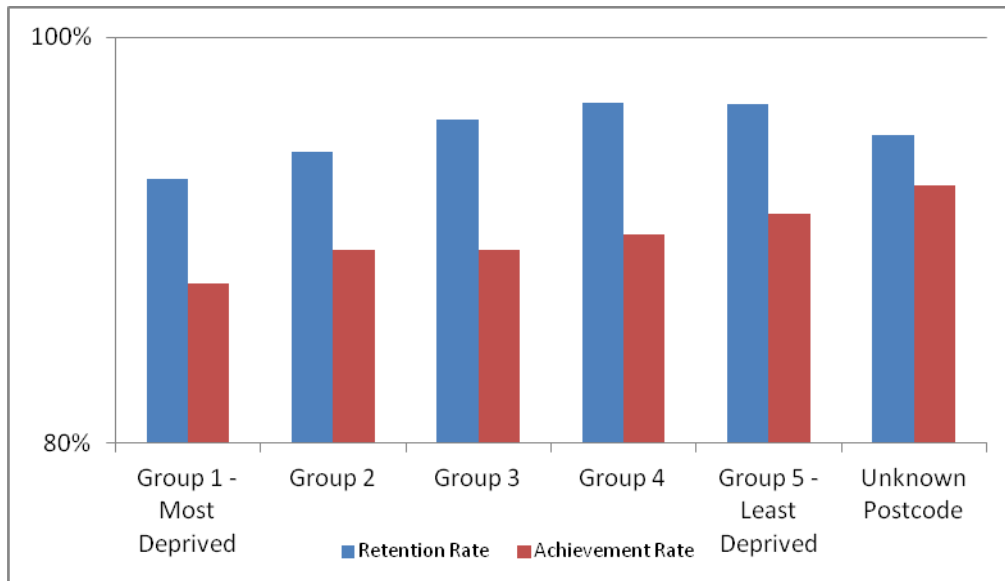
(Source: Further Education Statistical Return 03/04 to 12/13 and Consolidated Data Return 13/14)

- 4.2. Retention rates are generally very high across all areas as are achievement rates i.e. the proportion of final year completers gaining a qualification. The variation between retention and achievement rates within areas will be driven by subject chosen, and satisfaction with that choice, as well as other factors relating to motivation, parental support and quality of teaching.
- 4.3. People from the most deprived areas tend to have lower retention and achievement rates but given that these figures are 'raw' in the sense that no consideration has been given to material differences between the groups, e.g. distance travelled, satisfaction with subject chosen, literacy and numeracy level of students etc., the performance between groups is remarkably similar. However there is a tendency for the most deprived clients to lag behind the more affluent and the extent of this lag can be quantified.

- 4.4. A logistic regression analysis⁴ of the performance of students from different social backgrounds shows that compared to those from the most deprived areas, other students can be expected to perform better. For example, the more affluent the areas in which an individual lives, the better their chances of success, after taking into consideration other student and college characteristics. The chances of an individual from the most deprived area succeeding is between 2 and 5 percentage points below that of enrolments (who have similar characteristics) from more affluent areas.
- 4.5. This difference is perhaps less than many would expect but this is perhaps due to the fact that those who go to an FE college may not necessarily be representative of the area and may be 'atypical' in the sense that they succeeded in gaining entry to the college.

⁴ 'What Factors Contribute to Successful (NI) Student Outcomes in Further Education? An Econometric Analysis'

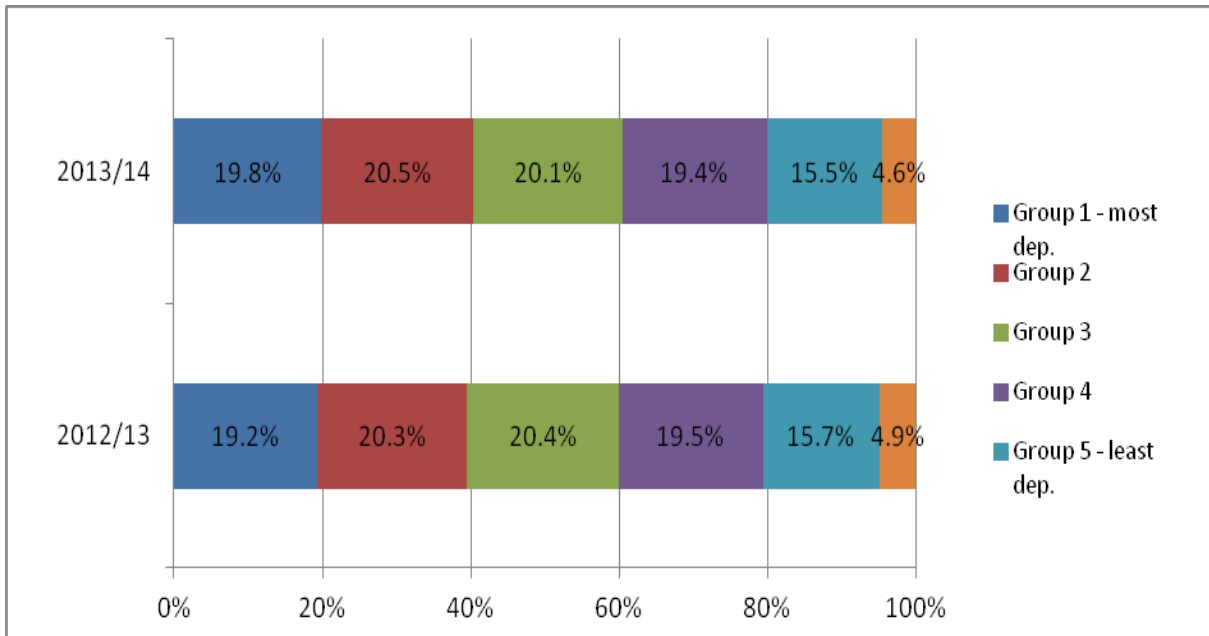
Figure 4.3: HE in FE retention and achievement at NI FE Colleges by Deprivation Quintile (2013/14)



(Source: Further Education Leavers Survey 03/04 to 12/13 and Consolidated Data Return 13/14)

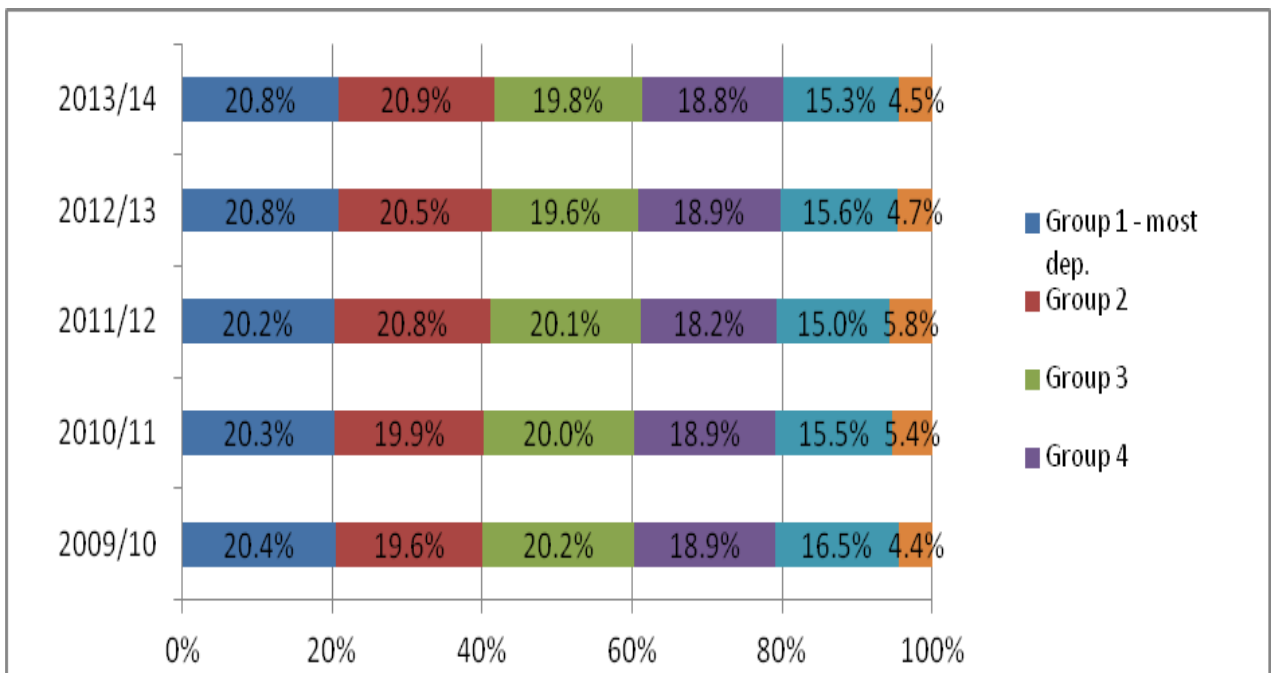
4.6. **Figures 4.4 and 4.5** below refer to FLU funded provision and show that those who enrol in FE and achieve regulated qualifications (Level 2 and 3) are proportionately represented across the deprivation spectrum apart from the 20% least deprived areas – where there are fewer than expected. This is because young people from the least deprived areas are more likely to enter university. The 5% or so unknown postcodes are equally spread across all areas and as such have little impact on these findings.

Figure 4.4: Mainstream L2 and L3 FE qualifications by Deprivation Quintiles



(Source: Further Education Leavers Survey 03/04 to 12/13 and Consolidated Data Return 13/14)

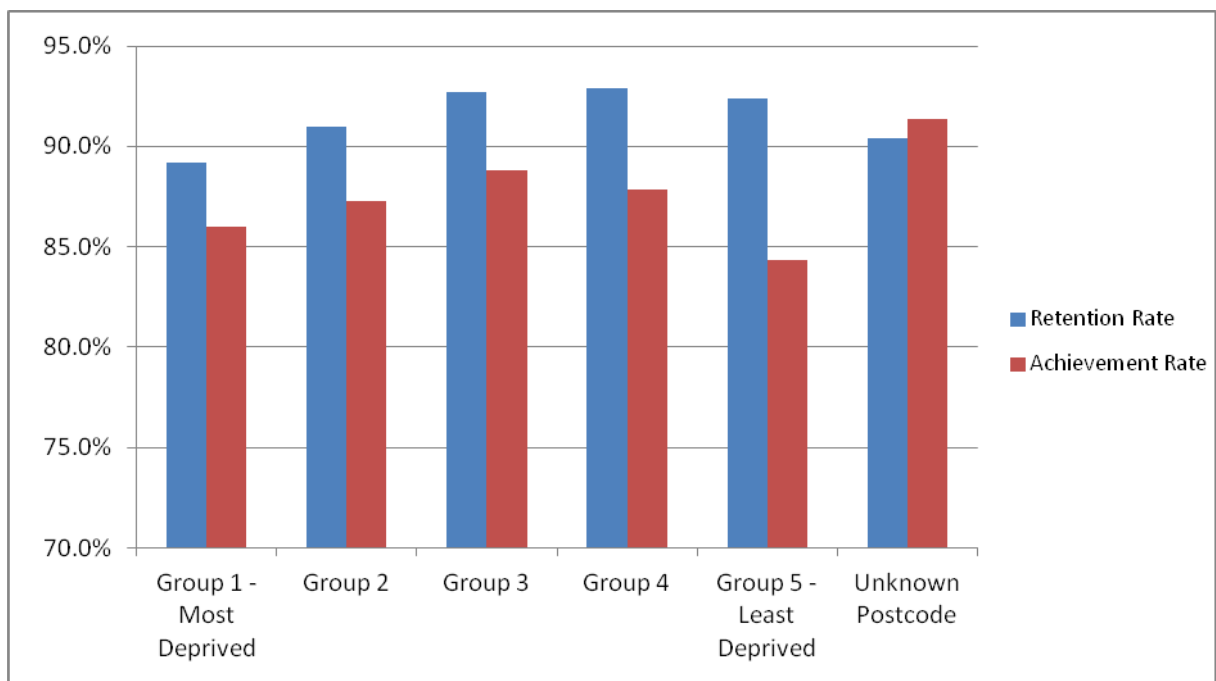
Figure 4.5: Mainstream FE L2 and L3 enrolments by Deprivation Quintile



(Source: Further Education Leavers Survey 03/04 to 12/13 and Consolidated Data Return 13/14)

4.7. Ordering areas from the most deprived to the least deprived shows that retention and achievement rates are high across all areas. There is some annual variation in these figures but the stable feature is that regardless of the deprivation level of the area the vast majority of students are retained and achieve qualifications.

Figure 4.6: Mainstream FE L2 and L3 retention and achievement rates by Deprivation Quintile (2013/14)

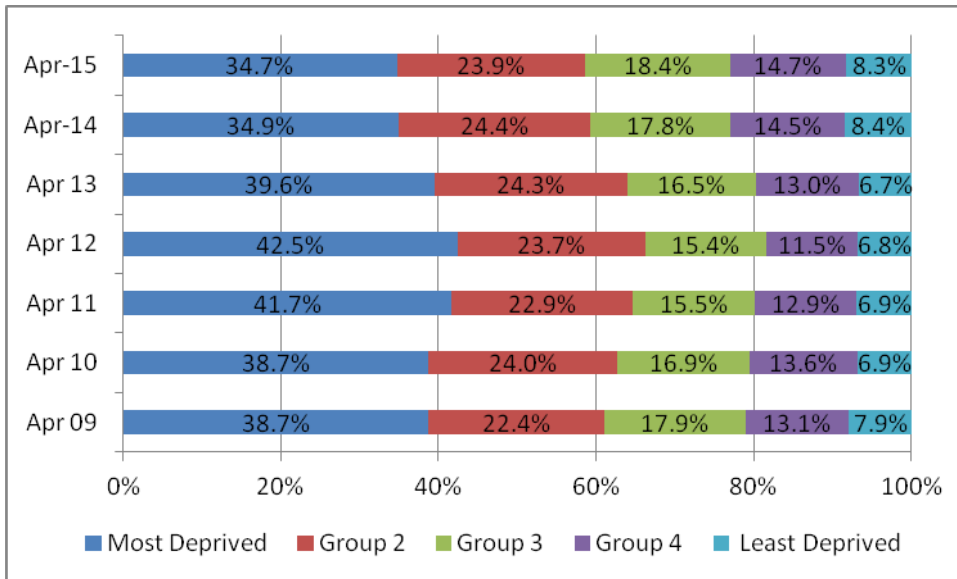


(Source: Further Education Leavers Survey 03/04 to 12/13 and Consolidated Data Return 13/14)

Employment related provision and deprivation

4.8. Ordering areas from the most deprived fifth to the least deprived fifth suggests that TfS participants come disproportionately from the most deprived areas.

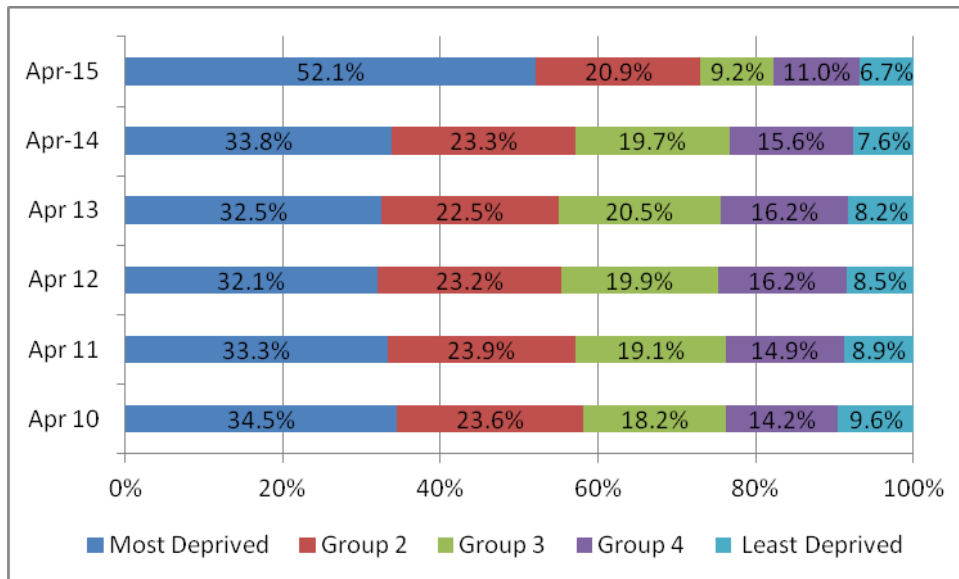
Figure 4.7: TFS occupancy by deprivation quintile



(Source: DEL Client Management System)

4.9. Ordering areas from the most deprived fifth to the least deprived fifth suggests that Programme-Led Apprenticeships participants come disproportionately from the most deprived areas.

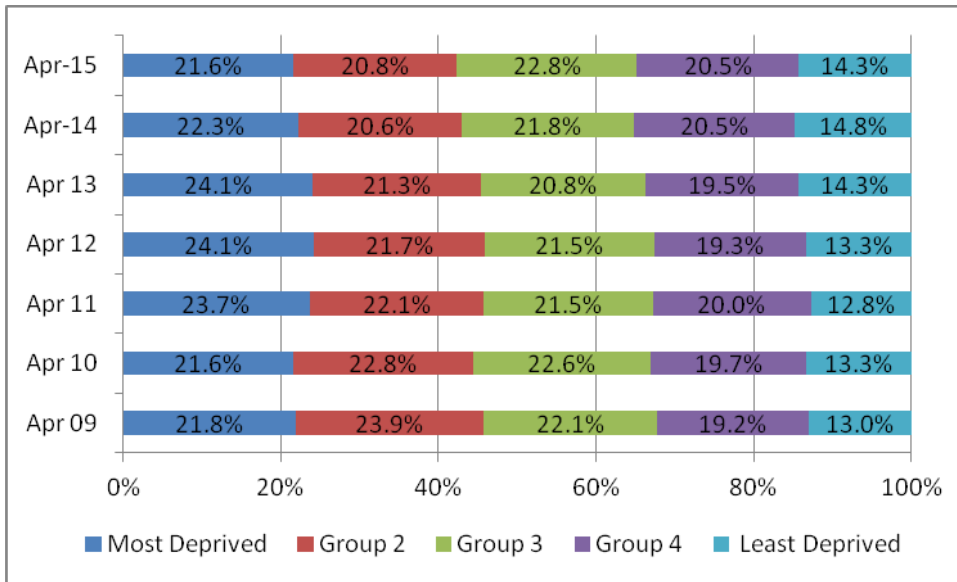
Figure 4.8: PLA occupancy by deprivation quintile



(Source: DEL Client Management System)

4.10. Ordering areas from the most deprived fifth to the least deprived fifth suggests that ApprenticeshipsNI places are distributed in proportion to their population share – apart from the highest fifth where the shortfall will be due to the tendency for those young people to enter Higher Education.

Figure 4.9: ApprenticeshipsNI occupancy by deprivation quintile



(Source: DEL Client Management System)

Disability

4.11. Students in receipt of Disabled Students' Allowance (DSA) are less prevalent in NI universities with 4.7% of all full-time undergraduates in receipt of DSA compared to a UK average of 6.5% (2012/13). Self-assessed disability (excluding Open University students) is a different type of measure and on this basis there has been an increase from around 2,600 enrolments in 2009/10 to 3,500 in 2013/14. This represents 6.7% of students enrolled at NI higher education institutions. The importance of the DSA definition is that universities have their own support procedures for DSA students whereas some of the self-assessed disability students may not seek support until a problem emerges. However, all universities have policies in place to support disabled students

Summary

- 4.12. The DEL client base is over-represented by disadvantaged students in the areas of TfS, PLA and ApprenticeshipsNI. TfS has around 40% of its clients from the most deprived areas, PLA around 36% and ApprenticeshipsNI around 23%.
- 4.13. DEL clients from deprived areas are over-represented in work related provision and proportionately represented in FE provision. In HE provision students from the most disadvantaged areas are under-represented.
- 4.14. There is good evidence of targeting of DEL provision on the most educationally disadvantaged who tend to be within TfS and essential skills type provision. There is proportionate representation of FE students across the deprivation spectrum, although this is less apparent within HE provision.

Poverty and the outcomes based accountability approach

Examples of DEL poverty-related actions and impact

- 4.15. The Executive has promoted the reduction of child poverty through the Delivering Social Change programme and an outcome based accountability approach. In terms of much of the activities conducted by DEL it would be expected that they would have a positive contribution to make in reducing child poverty. The information provided below is not a full review of the impact the department has on child poverty but does illustrate some of the ways in which the department makes a contribution.

- 4.16. The department has a good track record of attracting a proportionate share of clients from deprived areas into Further Education provision. The department makes a significant contribution to the employment and educational outcomes of many disadvantaged students.
- 4.17. The department also makes a significant financial contribution to the income of low income households through allowances and grants on a means tested basis. Around £100 million is paid through Education Maintenance Allowance (EMA) and Maintenance Grants. The department can demonstrate that £54 million was directed to low income households from its £68 million grants budget.
- 4.18. More is being done to attract and retain students from low income households through providing Higher Education in FE and through the Widening Participation initiative. The provision of essential skills and Further Education training and education is making a significant contribution to the future life chances of many students.

Eligibility

- Students with a household income up to £19,203 were eligible for a full grant of £3,475.
- Students with a household between £19,204 and £29,019 were eligible for a grant of between £3,475 and £1,318 (using a taper).
- Students with a household between £29,020 and £41,065 were eligible for a grant of between £1,318 and £50 (using a taper).

Recipients

- £68.1 million was paid out in the academic year to 24,700 eligible students.
 - Of this £53.9m (79% of total paid) was paid to 15,500 students (38% of 41,300 applicants) whose household income was below the £19,203 income threshold and who received the maximum £3,475 each.
 - Therefore nearly £54 million was paid to approximately 15,000 low income households – this would have significantly reduced hardship and indeed poverty levels in these households.
- 4.19. The Outcomes Based Approach (OBA) promoted by OFMDFM asks departments to use a template based approach to presenting their case for child poverty reduction. The child poverty outcomes framework report cites NEETs, Community Family Support and Children in Workless Households as three areas where DEL has a role to play in reducing child poverty.
- 4.20. The Framework is structured into four elements: the outcome measure or indicator of success; the baseline information and the story behind any trends; the partners needed to improve the situation and actions being taken to improve things.

Outcome-based accountability

4.21. OBA approaches succinctly link the rationale for an initiative with a measure of impact, typically this measure is an indicator which one should reasonably expect should change in response to the strategy or programme.

4.22. Two examples of the OBA approach are outlined below.

1. NEETS
2. Level 2 and Level 3 qualifications

4.23. The OBA model summarises the department's contribution to a policy issue in terms of the outcome measures, the trend and wider context in which change is occurring.

Figure 4.10: NEETs OBA approach

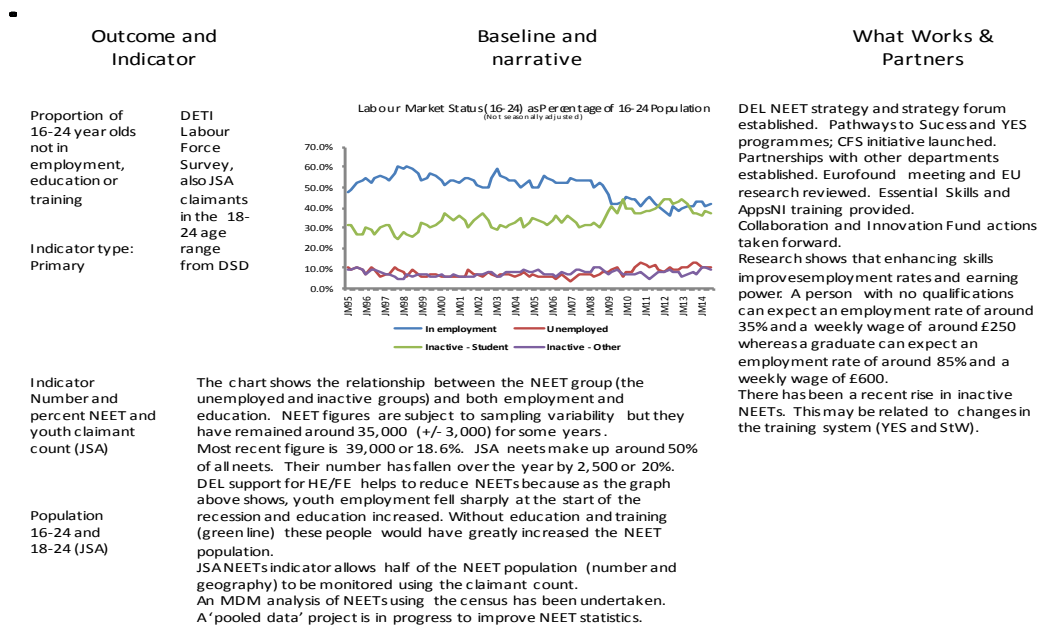
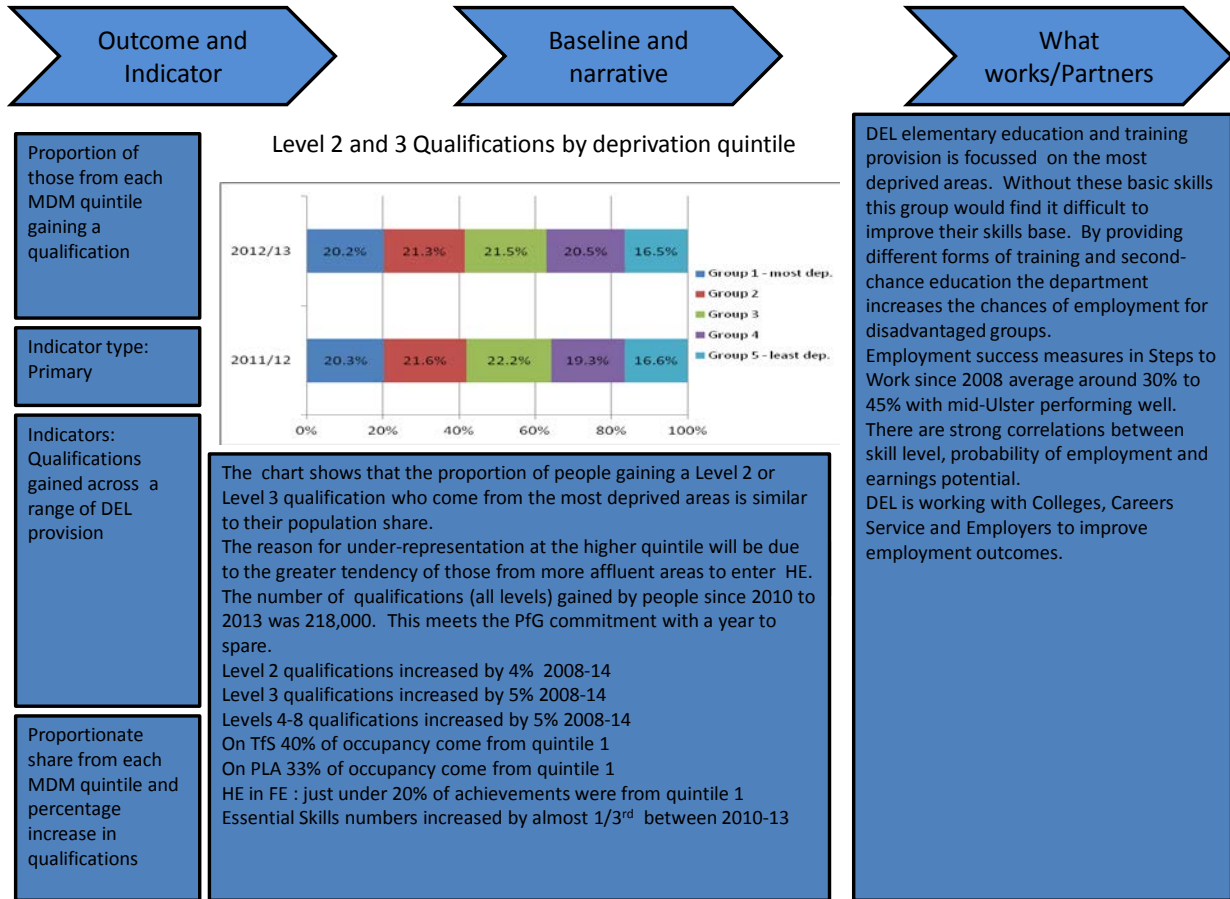


Figure 4.11: Level 2 and Level qualifications OBA approach



A comment on DELs skills targets

4.24. In terms of the highest levels of skills, the 2020 target (to have at least 44% of people in employment with such skills) is on track. For Level 3 skills the target is in danger of some slippage and for the lower Level 2 skills the target is unlikely to be met.

4.25. However, Level 2 and Level 3 qualifications increases occurred during a period when the recession was at its height. As jobs were lost young people were adversely affected. Because young people tend to have more qualifications (and increasingly so), this will tend to reduce the

- proportion of people in employment with level 2 and 3 qualifications - making it more challenging for the department to meet its 2020 skills targets. Employment rates for the best qualified young people tend to be very high as these people are sought after by employers.
- 4.26. Allied to the impact of the recession there will be a continual decline in the number of young people entering the labour market due to demographic trends. And in addition to this the ageing population will have two counteracting impacts: older people tend, on average, to be less well qualified, therefore the skills targets will be increasingly difficult to achieve. But older people also have lower employment rates and will, as they approach retirement age, leave the labour market thereby leaving behind better qualified people (on average).
- 4.27. The overall impact of these factors will be mediated by employers, who will increasingly need higher skilled people. Given that the timeframe for the 'lower' skills targets appears to be over-optimistic it appears that the economy is not improving at a fast enough pace to absorb young, reasonably well qualified people.
- 4.28. Therefore while the skills strategy has made progress during a deep recession, it is swimming against economic and demographic currents, and the rate of progress may be expected to slow as austerity continues.
- 4.29. More recent economic forecasts, for example by UUEPC, are much more circumspect and any revision to DEL skills forecasts should take into consideration the limitations expected on job creation in the short to medium term. However, on some international measures our skills, literacy and numeracy abilities are keeping pace with the competition. Therefore in anticipation of improved economic performance it will still be

necessary to improve the skills base of the population regardless of current difficulties in the full utilisation of these mid-level skills.

- 4.30. In terms of the target to increase the proportion of 'Narrow' stem qualifiers the measure only reflects the relative popularity of stem and non-stem subjects. On this measure there does not appear to have been any great shift in the popularity of either subject group. However, the number of narrow stem qualifiers has increased over the decade although the relative proportions of males and females remains quite stable.

Improvements to data sources

- 4.31. A number of improvements to data quality were put in place during the year. A project was completed that brought together key government surveys. Similar questions on each of these surveys were combined thus allowing greater precision of measures such as youth unemployment. The value of this source will continue to be explored in the coming year.

- 4.32. A second development supported by DEL was the linking of census information with the Higher Education Statistics Agency database. Northern Ireland was the first region of the UK to begin a project of this nature which was part of a programme of research being taken forward by the ESRC's Administrative Data Research Centre in conjunction with NISRA, QUB and the UU. The project allows a student's educational outcomes to be related to their parental and family circumstances. This work will inform the 'widening participation' strategy and will be developed further during 2016/17.

- 4.33. A third development was the establishment of legal gateways to enable data linkage between HMRC, Higher Education, Further Education, DEL and DSD sources. Agreement has been reached across each

organisation and this establishes the potential to track the employment outcomes and educational outcomes of students and those participating in employment related forms of DEL provision. Following advice from DSO and the Information Commissioner's Office it is hoped that this work will progress during 2016.

- 4.34. A fourth development was the production of the first Further Education Leavers Survey for Northern Ireland. This survey tracks the original status (employed, unemployed, etc.) of FE students and destination of FE leavers in terms of employment outcomes, unemployment, further study, subject studied, earnings and a range of attitudinal information.
- 4.35. It is known that jobs and benefit offices are only informed of a fraction of the job vacancies available in Northern Ireland – perhaps only 40%. A fifth development on improving the statistics available on job vacancies is still a work in progress and the methodology required is being discussed with DETI/DFP NISRA.

Chapter 5: Wider Skills Programmes

- 5.1. Over and above the Department's core programmes, it also has developed a number of more specialised skills initiatives. These include, for example, the provision of a general service to existing employers to identify and fulfil skills needs, to more targeted projects aimed at specific priority economic sectors. They also cover meeting the skills needs of potential foreign direct investment companies and encouraging the provision of a supply chain for the future, by working with young people.
- 5.2. These programmes are critical in ensuring that the Department can respond swiftly to meet employer needs and to deliver the skills needed to support economic growth and include:
- Assured Skills;
 - Careers Service;
 - Management Development; and
 - Bridge to Employment.

Assured Skills

- 5.3. Working with Invest NI, the Assured Skills programme is designed to help attract new foreign direct investment companies to Northern Ireland by assuring them that the skills they need to be successful are available in Northern Ireland. Assured Skills support is also available to encourage existing companies who are considering expansion. Assured Skills also manages a number of capacity building projects which includes sector specific academies.

- 5.4. In 2014/15 Assured Skills supported eight company projects to promote 2,073 foreign direct investment jobs, at a total financial commitment of £3.6m. This support has grown from 2013/14 levels whereby, Assured Skills supported four company projects to promote 1,460 foreign direct investment jobs, at a total financial commitment of £960k.

- 5.5. In addition during 2014/15, Assured Skills supported a further five capacity building projects as follows:

- Deloitte Data Analytics (cohort 2) 12 HND and above unemployed graduates trained over 9 weeks as data analysts to meet a skills gap identified by Deloitte;
- PwC Data Analytics Academy (cohort 1) 16 HND and above unemployed graduates trained over eight weeks as data analysts to meet a skills gap identified by PWC;
- Software Testers Academy (cohort 4) – 27 HND and above unemployed graduates trained to meet a skills gap identified by a cluster of software testing companies;
- Graduate Sales and Marketing Academy – nine HND and above graduates trained over eight weeks then spending nine months on a paid work placement; and
- Professional Software Development Course – increasing the pool of talent, 63 HND and above graduates trained over 17 weeks to meet a need identified by local ICT companies for IT professionals.

Careers Service

5.6. The Careers Service provides an impartial careers information, advice and guidance service to clients of all ages and abilities throughout Northern Ireland. It is an integral part of the Department for Employment and Learning. Careers services are available to everyone whether they are employed, unemployed, in training or in education, including students in schools and further and higher education. Careers advice and guidance is delivered by professionally qualified careers advisers based in Careers Resource Centres, Jobs & Benefits offices and Job Centres throughout Northern Ireland.

5.7. During 2014/15, the Careers Service delivered individual careers guidance interviews to approximately 34,000 pupils and interviewed 95% of all year 12 pupils (against a published target of 85%). 16,608 adult interviews were carried out with both unemployed and employed clients (see **Table 5.1**). Careers advisers attended 1,058 Transition Plan Meetings supporting pupils with a statement of educational need (learning or physical disability). The Careers Service landing page www.nidirect.gov.uk/careers is one of the most popular areas on the NI Direct platform, receiving over 400,000 visits during 2014/15.

Table 5.1: Trends in Careers Service – Careers Guidance Interviews

Indicator	Recent Change	Long-Term Trend
Young People	In 2014/15, the Careers Service provided 95% of Year 12 student's with face to face impartial and professional careers guidance, an increase from 94% in 2013/14 (against a target of 85%).	In 2014/15, the Careers Service provided 95% of Year 12 student's with face to face impartial and professional Careers guidance, an increase of 6 pps since 2011/12 (against a target of 85%).
Adults	Between 2013/14 and 2014/15 the Careers Service increased the number of individual career guidance interviews with adults by 2.3% to 16,608 interviews.	Over the last 5 years (since 2009/10) the Careers Service increased the number of individual career guidance interviews with adults substantially, from 3,506 interviews in 2009/10 to 16,608 interviews in 2014/15.
Total	Between 2013/14 and 2014/15 the number of individual career guidance interviews decreased by 3.4% to around 50,500 interviews.	Over the last 5 years (since 2009/10) the Careers Service increased the number of individual career guidance interviews by 34%, from 37,702 to around 50,500 interviews.

- 5.8. The **'Preparing for Success'** strategy for Careers Education and Guidance has been refreshed to cover the period 2015-2020, taking into account the recommendations arising from the Independent Careers Review (2014), the Assembly Committee Inquiry into Careers in Northern Ireland (2013) and other recent publications. The refreshed strategy restates the key aspects of the strategy for 2009-2014, and sets out the refreshed vision, aims and policy commitment for 2015-2020.

Management Development

- 5.9. Leadership and Management is recognised as a key driver in terms of increased performance and business success in Northern Ireland organisation. The Department offers a leadership and management suite which currently comprises the Management and Leadership Development Programme (MLDP), the Management Analysis and Planning (MAP) Programme, and the INTRO Graduate Programme. Programme descriptions are included below:

- **MLDP** is a portfolio of 29 management development interventions, which range from first line and middle management skills through to strategic leadership. Each carries a qualification or part-qualification at level 4 or above, and programme delivery is via a number of professional training providers at locations throughout Northern Ireland. An update to MLDP in January 2014 resulted in the addition of two 'Leaders in Industry' programmes to the portfolio. The programmes, aimed specifically at managers within the ICT and Food & Drinks Manufacturing Sectors, will be delivered by the William J Clinton Leadership Institute;
- the **MAP** Programme uses the services of a professional consultant to help organisations better understand what they are doing well, as well as identifying areas for improvement in terms of their current Management and Leadership practices. Targeted exclusively at Northern Ireland Small to Medium-sized Enterprises and Social Economy Enterprises in the 10 to 250 staff bracket, this programme provides a series of customised business reports designed to encourage organisations to commit to the process of continued development through improved management standards. Support is provided to address an agreed training plan. The Department no longer has access to the panel of LiP specialists, and as a result no new MAP cases have been taken on since April 2015; and
- **INTRO** is an Entry to Management initiative, designed to improve the key management and leadership skills of young graduate managers. The Programme combines 3 weeks off-the-job classroom training, with a 21 week work placement where the graduates, from whatever discipline they come, have the opportunity to work on a business improvement project with an employer, and to complete a professional Advanced Management Diploma.

MLDP / MAP / INTRO Performance

- The introduction of a 100% funding arrangement across the MAP, MLDP and INTRO programmes from April 2013, saw a significant increase in participation levels during the 2013/14 financial year, however, in October 2014 financial support reduced to 50% on Management and Leadership programmes and as a result participation levels have since decreased.
 - In 2013/14, 1,570 individual managers from NI Micro Businesses, Small to Medium-sized Enterprises, and Social Economy Enterprises received accredited training at Level 4 and above through the various MLDP programmes; MAP diagnostic reports were completed for 145 companies, and training was provided to an additional 1,317 individual managers within those companies; and 160 graduates participated on the INTRO Programme, with around 90% going on to secure permanent, management-level, employment upon completion.
- 5.10. The Department is now in the process of reviewing management and leadership provision in Northern Ireland. The overarching aim of the review is to examine existing management and leadership policy and provision in Northern Ireland and its current context, to identify the actions needed to improve management and leadership skills within the Northern Ireland economy.

Bridge to Employment

- 5.11. The Bridge to Employment (BTE) programme aims to provide assistance to inward investment and local companies who are recruiting people who are currently unemployed.
- 5.12. The programme includes bespoke training courses which are developed in conjunction with the participating company and training provider to enable trainees to acquire the skills needed to meet the recruitment profile of the business. Up to 2014/15 the proportion of trainees' successfully completing training and achieving employment remained high. In 2014/15, 53 Bridge to Employment programmes were delivered and 393 Bridge trainees obtained employment.

Table 5.2: Trends in Bridge to Employment

Indicator	Recent Change	Long-Term Trend
Successful completion of training on Bridge to Employment programmes (i.e. achieving employment following training).	Between 2013/14 and 2014/15 there has been a small increase in the number of Bridge to Employment programmes delivered (50 to 53). There was also an increase in the number of 'Bridge' trainees who obtained employment from 302 in 2013/14 to 393 in 2014/15.	Since 2010 Bridge has obtained employment for 1,767 people. The training completion rate has also remained at a high level of 94% in 2014/15.

Chapter 6: Innovation and Knowledge Transfer

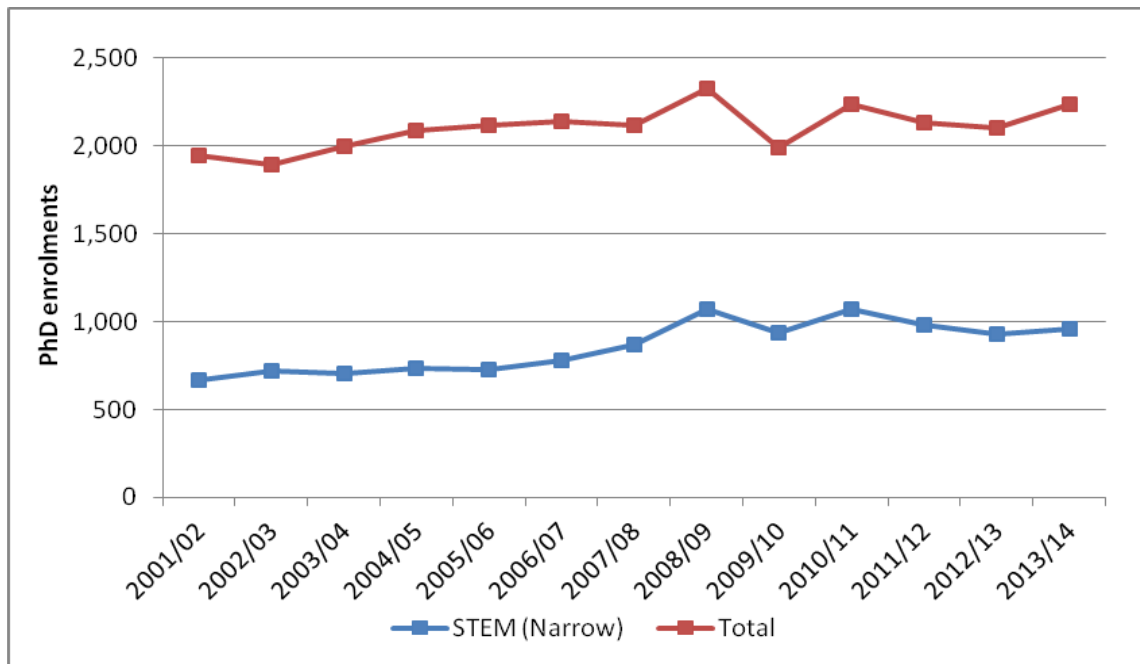
- 6.1. Encouraging research and development, creativity and innovation in the Northern Ireland economy is one of the Department's key areas of activity. The Department seeks to enhance innovation capacity by supporting the local universities' research capabilities and research quality; exploiting fully the contribution that the local universities and further education colleges can make to the economy and, in particular, increase their responsiveness to the needs of business and the community.

- 6.2. Graduate skills, with an emphasis on STEM and other economically-relevant skills, will drive the innovation agenda. The Department achieved its previous Programme for Government target of increasing by 300 the number of PhD research students at local universities. Between 2012/13 and 2013/14, overall PhD enrolments have increased by 6.3% and PhD enrolments in 'Narrow'⁵ STEM subjects have increased by 3.2% .

- 6.3. Between 2003/04 and 2013/14 the number of PhD enrolments at NI HEIs has grown by 11.9% (from 2,000 to 2,235). Over the same period, the number of 'Narrow' STEM PhD enrolments increased by 36.8% (to 960) (**Figure 6.1**). The Department's active intervention in this area has been a contributory factor in the growth in economically-focused 'Narrow' STEM PhD enrolments.

⁵ 'Narrow' STEM includes Biological Sciences, Physical Sciences, Mathematical sciences, Computer Science and Engineering & technology.

Figure 6.1: PhD enrolments in Northern Ireland over time



(Source: HESA)

6.4. The Research Excellence Framework (REF) is the new system for assessing the quality of research in UK higher education institutions. It replaced the Research Assessment Exercise, last conducted in 2008. The 2014 REF was conducted by the four UK higher education funding bodies⁶, which includes the Department. The assessment outcomes provide benchmarking information and establish reputational yardsticks, for use within the higher education sector and for public information. Over 70% of Queen’s and Ulster’s research was judged to be internationally excellent or world leading by the 2014 REF. Furthermore, Queen’s was one of the top 10 universities in the UK based on research intensity.

⁶ The other UK funding bodies are the Higher Education Funding Council for England (HEFCE), the Scottish Funding Council (SFC) and the Higher Education Funding Council for Wales (HEFCW).

Higher Education - Business and Community Interaction Survey (HE-BCI)

- 6.5. The annual HE-BCI survey focuses exclusively on output data covering a range of activities, from the commercialisation of new knowledge, through the delivery of professional training, consultancy and services, to activities intended to have direct social benefits. The Department publishes Northern Ireland summary reports of the key findings.⁷
- 6.6. Northern Ireland compares favourably with the rest of the UK in key measures from the 2015 HE-BCI Survey – relating to the 2013/14 academic year. The latest HE-BCI data show a marginal increase (0.5%) in the income Northern Ireland HEIs received from business and community interaction in 2013/14.
- 6.7. Northern Ireland universities also continue to outstrip their UK counterparts with income from business and community interaction representing 2.4% of the UK total. This is favourable considering the Northern Ireland economy currently represents 2.2% of UK Gross Value Added (GVA) and accounts for 2.0% of FTE academics in the UK.
- 6.8. It should also be noted that HEI income from business and community interaction has more than doubled (+212%) since 2003/04. Local HEIs continue to outperform their UK counterparts across many key HE-BCI metrics (on a UK GVA share basis), including collaborative income, intellectual property income and the number of sustainable spin-off companies, for example.

⁷ <https://www.delni.gov.uk/publications/higher-education-business-and-community-interaction-surveys-northern-ireland-analysis>

- 6.9. One key indicator of HEI / business and community interaction is the extent to which local HEIs generate income from collaborative research. This includes research that is taken forward jointly by a HEI, a public funder and a third party. Data for the latest year (2013/14) show that income from this source had decreased by 1.3% to £29.7 million in 2013/14. With a share of about 2.2% of UK GVA in Northern Ireland, NI HEIs' income from collaborative research represents 2.6% of the UK total in 2013/14.
- 6.10. In terms of commercialisation activities, the number of spin-off companies originating from a Northern Ireland HEI (still active after 3 years) has increased from 45 companies in 2012/13 to 51 companies in 2013/14. There has been an overall increase of 37.8% since 2003/04. The number of spin-off companies originating from a Northern Ireland HEI represented 5.3% of the UK total in 2013/14. Again higher than the Northern Ireland share of UK GVA (2.2%).
- 6.11. Consultancy contracts are a more direct form of knowledge exchange between Higher Education and the economy. Income from consultancy contracts grew by 13.3% to £9 million in 2013/14, up from around £8 million in 2012/13. Income from this source has increased threefold since 2003/04. Income from consultancy Contracts of £9 million in Northern Ireland represented 2.1% of the UK total in 2013/14.
- 6.12. Looking specifically at the Further Education sector, the latest data show that there was a 40% decrease in the proportion of full cost recovery regulated provision at Further Education colleges in Northern Ireland (an indicator of community and business interaction) over the last year (2013/14). Looking at this picture over the longer term (from 2003/04) full cost recovery regulated provision in Further Education has decreased by 39.2%.

6.13. A summary of the trends in a range of innovation indicators is set out in Table 6.1 below.

Table 6.1: Trends in Key Innovation Indicators

Indicator	Recent change	Long-Term Trend
STEM PhD enrolments at NI HEIs	Between 2012/13 and 2013/14 STEM enrolments in PhDs at NI HEIs have increased by 3.2%.	Between 2003/04 and 2013/14 STEM enrolments in PhDs at NI HEIs have increased by 36.8%.
Income from Collaborative Research at NI HEIs	Between 2012/13 and 2013/14 income from Collaborative Research has decreased slightly by 1.3%. However, In relative terms, the performance of local HEIs in gaining income from collaborative research remains strong at £29.7 million in 2013/14, representing 2.6% of the UK total (where the Northern Ireland economy represents 2.2% of GVA).	Income from Collaborative Research has increased by 203.4% between 2003/04 and 2013/14.
Number of Spin-off Companies	Between 2012/13 and 2013/14 the number of spin-off companies increased by	Between 2003/04 and 2013/14 the number of spin-off companies has increased by

originating from NI HEIs ⁸	6 (from 45 companies to 51). In relative terms, this represented 5.3% of the UK total in 2013/14, indicating that local HEIs are outperforming their UK counterparts.	37.8%.
FE Cost Recovery Provision	Between 2012/13 and 2013/14, full cost recovery regulated provision in FE (which provides an indicator of FE interaction with business and the community) decreased by 40%.	Between 2003/04 and 2013/14, full cost recovery regulated provision in FE has decreased by 39.2%, on aggregate.

⁸ Relates to those spin-off companies still active after 3 years.

Chapter 7: Spatial Labour Market Analysis

- 7.1. This section of the report presents an overview of the key labour market statistics within Northern Ireland available at District Council area. Where possible data has been presented over time to show shifts in the labour market indicators at District Council level. However it should be noted that due to the move to the new Super Councils in April 2015, time series data are limited.
- 7.2. This will give the sub regional context behind DEL interventions in the economy and highlight the differences faced by the Department in one geographical area compared to another when supporting skills and employment initiatives across Northern Ireland and how it should tailor its support.

Employee jobs⁹

- 7.3. The number of employee jobs has grown by almost 9,900 in Northern Ireland from 2011 to 2013 or by 1.4%. This growth however has not been consistent across the region when District Council area data are analysed (see **Table 7.1**).

Table 7.1: Employee jobs by District Council area

	2011	2013	% change	Change in number of jobs
Antrim and Newtownabbey	54,387	55,079	1.3%	692
Ards and North Down	37,166	37,044	-0.3%	-122
Armagh, Banbridge and Craigavon	66,476	68,004	2.3%	1,528
Belfast	206,696	210,424	1.8%	3,728
Causeway Coast and Glens	38,381	39,333	2.5%	952

⁹ Note: data by the new District Council areas were only available for 2011 and 2013.

Derry and Strabane	50,469	50,253	-0.4%	-216
Fermanagh and Omagh	38,147	38,444	0.8%	297
Lisburn and Castlereagh	51,924	51,483	-0.8%	-441
Mid and East Antrim	42,246	42,402	0.4%	156
Mid Ulster	45,599	47,858	5.0%	2,259
Newry, Mourne and Down	50,150	51,178	2.0%	1,028
North Down and Ards	37,166	37,044	-0.3%	-122
Northern Ireland	681,641	691,501	1.4%	9,860

(Source: NI Census of Employment¹⁰)

7.4. Lisburn and Castlereagh show a reduction of 0.8% with around 440 fewer employee jobs – the highest reduction in both quantum and percentage change. Mid Ulster stands out at having almost 2,260 additional employee jobs at a rate of 5% growth.

¹⁰ Note: the Census of Employment counts the number of jobs rather than the number of persons with jobs.

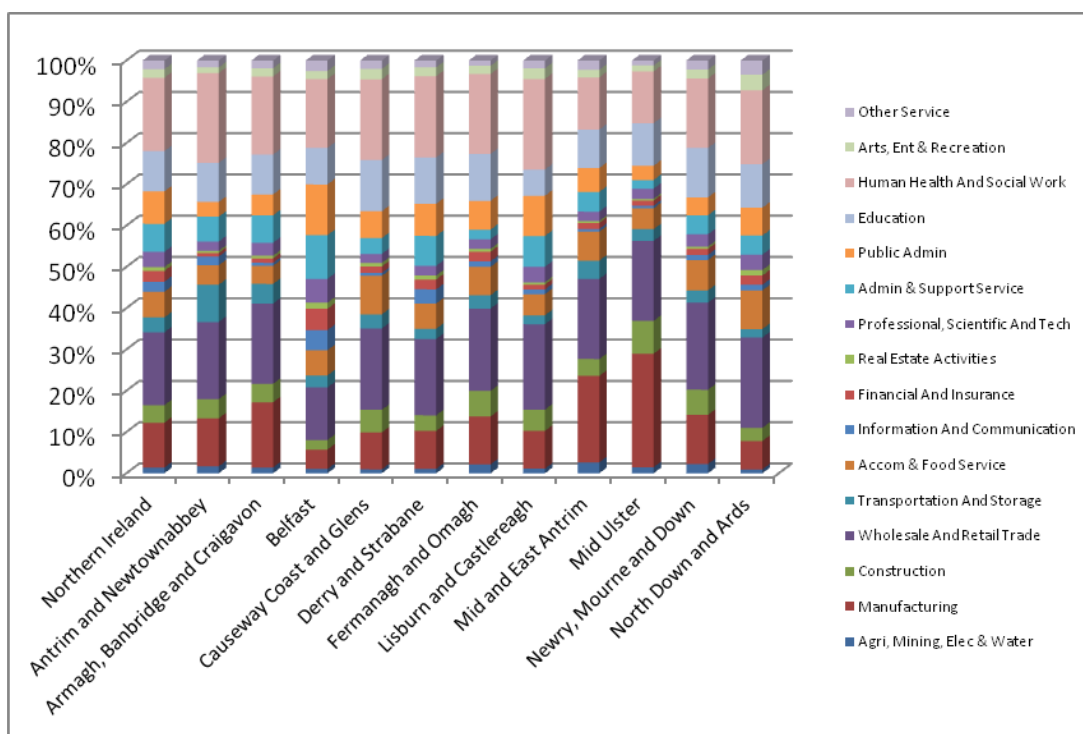
Employee jobs by sector

7.5. **Figure 7.1** sets out employee jobs by industry for each District Council area. A few observations are noted:

- Manufacturing and construction employee jobs are very prominent in Mid Ulster and represents only a small proportion in comparison to other areas in Belfast and North Down and Ards;
- Wholesale and retail has a lower proportion in Belfast (13%) compared to the NI average (18%) and is highest in North Down and Ards (22%).
- Transport and storage is highly represented in Antrim and Newtownabbey (9%) whilst all other areas are broadly in line with the NI average of 4%;
- Accommodation And Food Service Activities is most prominent in Causeway Coast and Glens and North Down and Ards; Five per cent of the Belfast District Council area's employee jobs are in Information and Communication – the NI average is 2% and all other areas, apart from Derry and Strabane (3%), stand at 1 or 2 per cent;
- Financial And Insurance Activities again is well represented in Belfast at 5% of overall employee jobs in that area – the overall NI proportion being 3% and all other areas less than that;
- Professional, Scientific and Technical Activities representation in each area ranges from 2% to 6% (Belfast) in each area;
- Administrative And Support Service Activities is quite significant in Belfast Council Area (11%) with both Fermanagh and Omagh and Mid Ulster havin a very small proportion (2%) in this industry;

- Public Administration and Defence is largest proportionately in Belfast (12%) and lowest in Mid Ulster (3%), Antrim and Newtownabbey and Newry, Mourne and Down (both 4%);
 - The proportion of employee jobs in Education in each area is broadly representative of the NI average (10%) with the exception of Castlereagh and Lisburn (6%); and
 - In terms of employee jobs Human Health And Social Work Activities are highest proportionately in Antrim and Newtownabbey and Castlereagh and Lisburn (both 22%), whilst lowest in Mid and East Antrim and Mid Ulster (both 13%).
 - Arts, entertainment and recreation are more proportionately represented in North Down and Ards.
- 7.6. Consequently the skills needs and employment profiles differ quite significantly across Northern Ireland (NI) with manufacturing and construction dominating in mid Ulster; ICT, finance and professional services dominating a services led economy in Belfast; and the human health and social work sector dominating in Antrim and Newtownabbey, and Castlereagh and Lisburn. DEL's interventions as well as addressing whole economy demands, need to take account of regional variations eg at FE colleges.

Figure 7.1: Employee Jobs by District Council Area and Industry - 2014



(Source: NI Census of Employment)

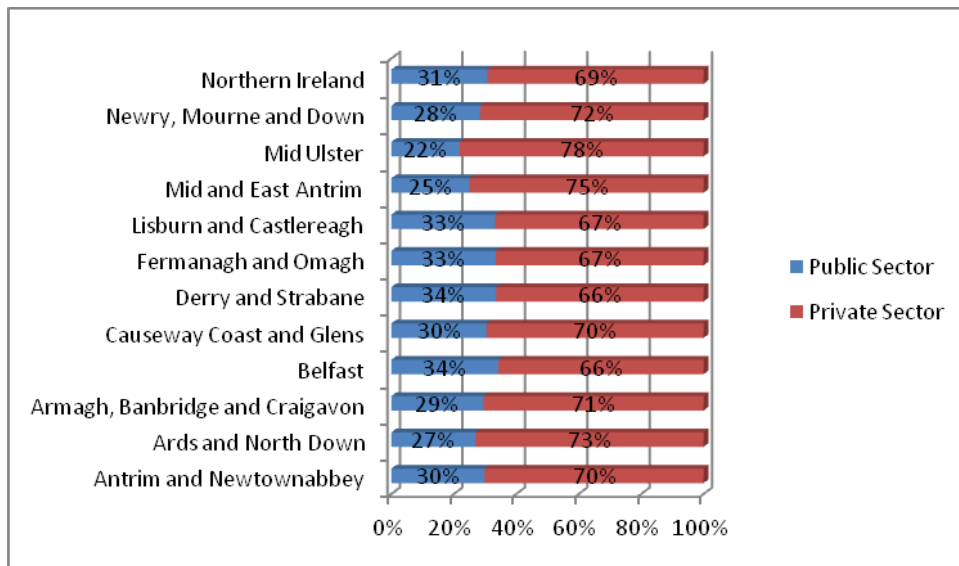
Employee jobs by public / private split

7.7. Around 7 in 10 employee jobs in Northern Ireland were in the private sector as at 2013, with just under one third located in the public sector. This was a similar position in 2011. Over this time period the public sector has remained fairly stagnant with employee jobs having decreased by 0.2%. On the other hand and encouragingly it has been the private sector that had been driving employee job growth between 2011-2013 across Northern Ireland, albeit at a modest increase of 2.2%.

7.8. In terms of analysis by District Council area (see **Figure 7.2**), proportionately Belfast and Derry and Strabane have the highest public sector representation at 34% each of overall employee jobs – not surprising given the strong presence of Government Departments and their associated bodies in these districts. Mid Ulster has proportionately

more private sector jobs in terms of the public/private split compared to any other District Council area at 78% followed by Mid and East Antrim at 75%.

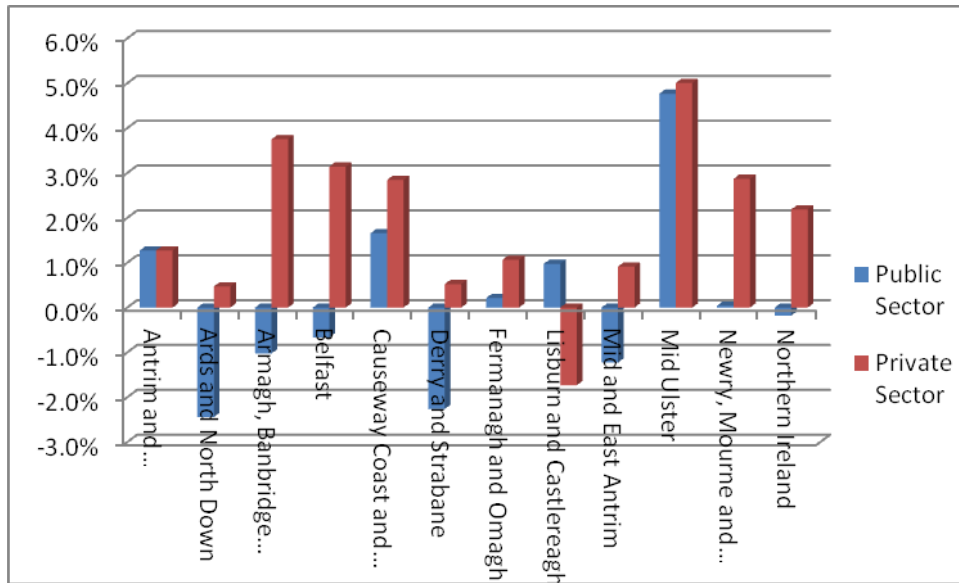
Figure 7.2: Employee Jobs - Public/Private Split by Super District Council Area - 2013



(Source: NI Census of Employment)

7.9. **Figure 7.3** sets out the percentage change in both public and private sector employee jobs over the period 2011 to 2013. Similar to the overall employee job analysis above, Mid Ulster shows the largest increase and this is consistent across both the public and private sectors. As would be expected (from the overall regional results) the private sector growth generally dominates in the chart. Private sector growth is reflected across all the District Council areas with the exception of Lisburn and Castlereagh - a reduction in jobs of 1.7%. The picture is more mixed in terms of public sector change over this time period.

Figure 7.3: Employee Jobs - Public/Private % change by Super District Council Area – 2011 to 2013

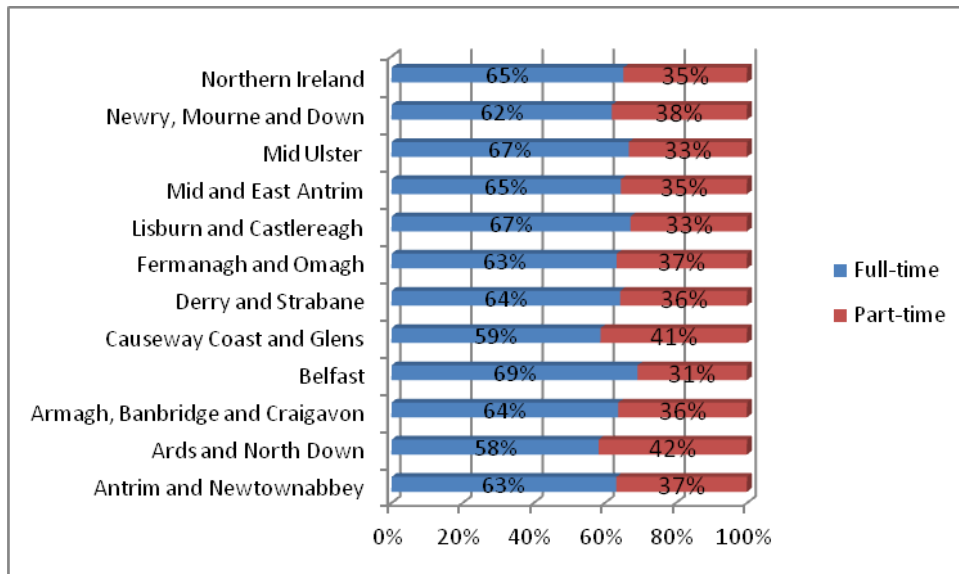


(Source: NI Census of Employment)

Employee jobs by full-time and part-time

7.10. Full-time employee jobs are most prominent in Belfast District Council area and least likely in the Causeway Coast and Glens area (see **Figure 7.4**). This may reflect the sectoral mix of both areas where the Hospitality sector dominates more in the Causeway Coast and Glens area and in Belfast, the public sector, finance and professional services dominate. The ratios were very similar in 2011 compared to the 2013 picture below.

Figure 7.4: Employee Jobs - Full-time/Part-time by Super District Council Area 2013

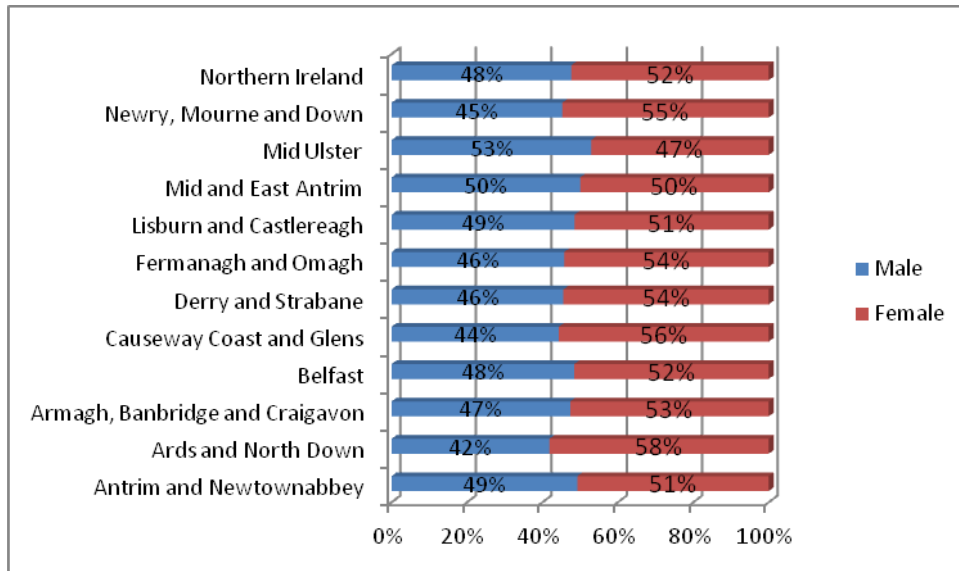


(Source: NI Census of Employment)

Employee jobs by gender

7.11. Proportionately there is a dominance by females in terms of employee jobs across Northern Ireland – 52% female and 48% male (see **Figure 7.5**). It is important to note however that the Census of Employment counts the number of jobs rather than the number of persons with jobs so females may be more likely to hold more than one part-time job in comparison to their male counterparts. In terms of District Council analysis, Ards and North Down (58%), Causeway Coast and Glens (56%) and Newry, Mourne and Down (55%) have the largest weight of females proportionately in employee jobs.

Figure 7.5: Employee Jobs - Gender by Super District Council Area 2013

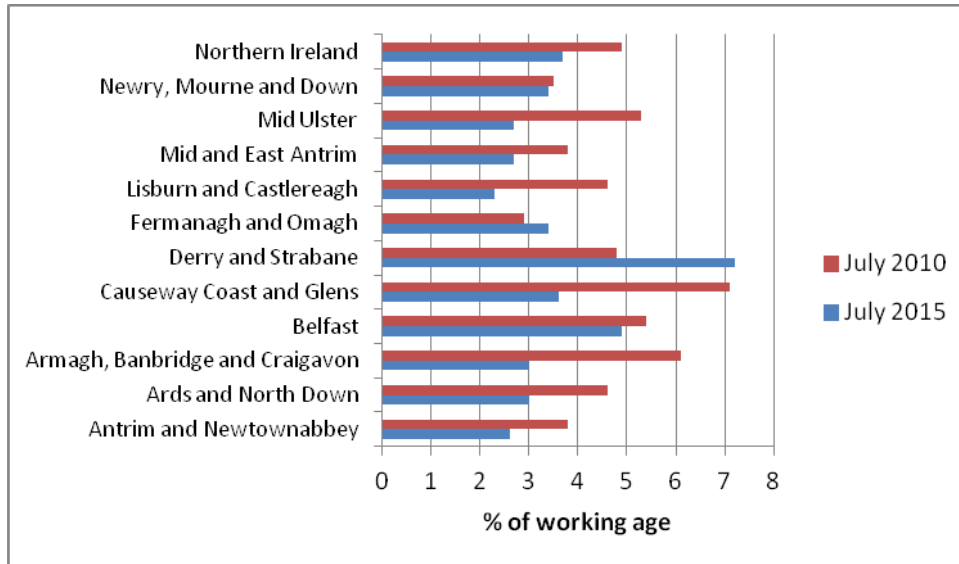


(Source: NI Census of Employment)

Claimant Count

7.12. The percentage of people of working age claiming unemployment benefits has fallen in Northern Ireland between July 2010 to July 2015, from 4.9% to 3.7%. This is a positive step for the region as a whole and the majority of Super District Council areas have followed suit in this regard (see **Figure 7.6**).

Figure 7.6: Claimant Count by Super District Council Area



(Source: DETI)

- 7.13. There are however two exceptions, with both Fermanagh and Omagh and Derry and Strabane showing increases in the claimant count percentage over this five year period. Derry and Strabane in particular has experienced a 2.4 percentage points increase, with a claimant count rate of 7.2% in July 2015, sitting at almost twice the rate for Northern Ireland as a whole.
- 7.14. On the other hand, Armagh, Banbridge and Craigavon, Causeway Coast and Glens and Mid Ulster have demonstrated the most significant decreases in the rate over this time period, each rate reducing by around half.
- 7.15. In terms of ranking Derry and Strabane now ranks as the District Council with the highest rate (7.2%) and Lisburn and Castlereagh the lowest (2.3%). This compares to Causeway Coast and Glens ranking highest (7.1%) in July 2010 with the lowest rate in Fermanagh and Omagh (2.9%) at that time.

7.16. Clearly in terms of unemployment impact, the benefits of recovery have not been entirely evenly distributed and job creation and skills formation in areas of high unemployment should remain a priority.

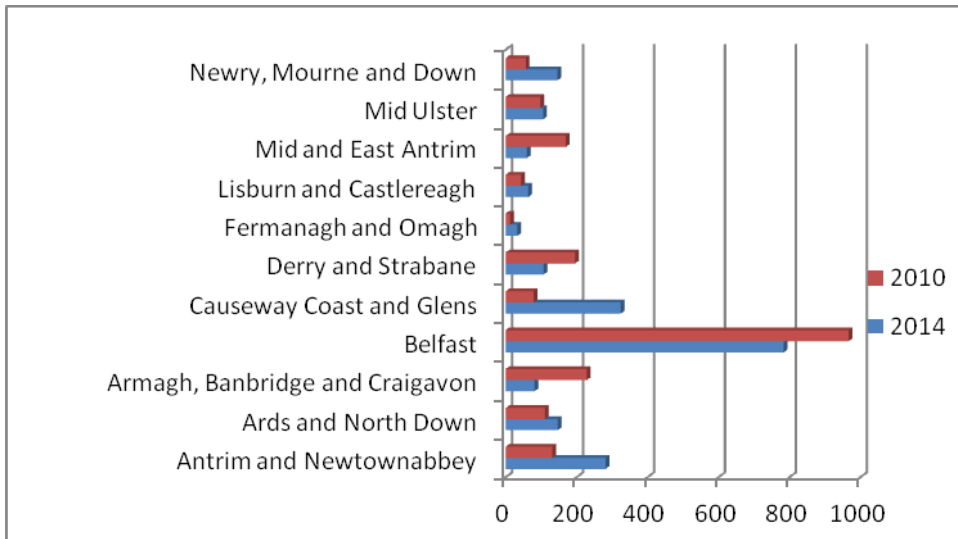
Redundancies

7.17. In 2014 there were 2,136 confirmed redundancies throughout Northern Ireland. This compares to 2,129 in 2013 and 2,096 in 2010 and thus a slight increase upon previous years. However during the first nine months of 2015 there have been 1,300 confirmed redundancies to date and therefore 2015 is likely to show a drop from the 2014 level.

7.18. In terms of analysis by District Council area, there has been some variation in terms of redundancy trends over the period from 2010 to 2014 (see **Figure 7.7**). Causeway Coast and Glens has experienced the largest increase – more than 3 times the level of redundancies recorded in 2010. Large increases have also been recorded in Down, Fermanagh and Omagh and Antrim and Newtownabbey. On the other hand decreases in redundancies have been seen in a number of District Council areas – Mid and East Antrim, Derry and Strabane, Armagh, Banbridge and Craigavon as well as Belfast.

7.19. Despite increases in redundancy in Down, Newtownabbey, mid Ulster and Causeway Coast claimant unemployment fell in these areas (see **Figure 7.6**) as jobs grew (see **Table 7.1**). However, redundancy and claimant unemployment rose in Fermanagh. Job growth has been less marked in this Super District Council. (SDC) – see **Table 7.1**. Redundancy fell in Mid and East Antrim, Belfast, and Armagh, as did the claimant unemployment rate, as jobs grew (**Figures 7.6, 7.7** and **Table 7.1**). Despite a decrease in redundancy in Derry and Strabane, claimant unemployment rose in this SDC, and as **Table 7.1** shows job creation was low in this SDC over the period (jobs fell by 0.4% from 2011 to 2013).

Figure 7.7: Confirmed redundancies by Super District Council Area



(Source: DFP Economic and Labour Market Statistics)

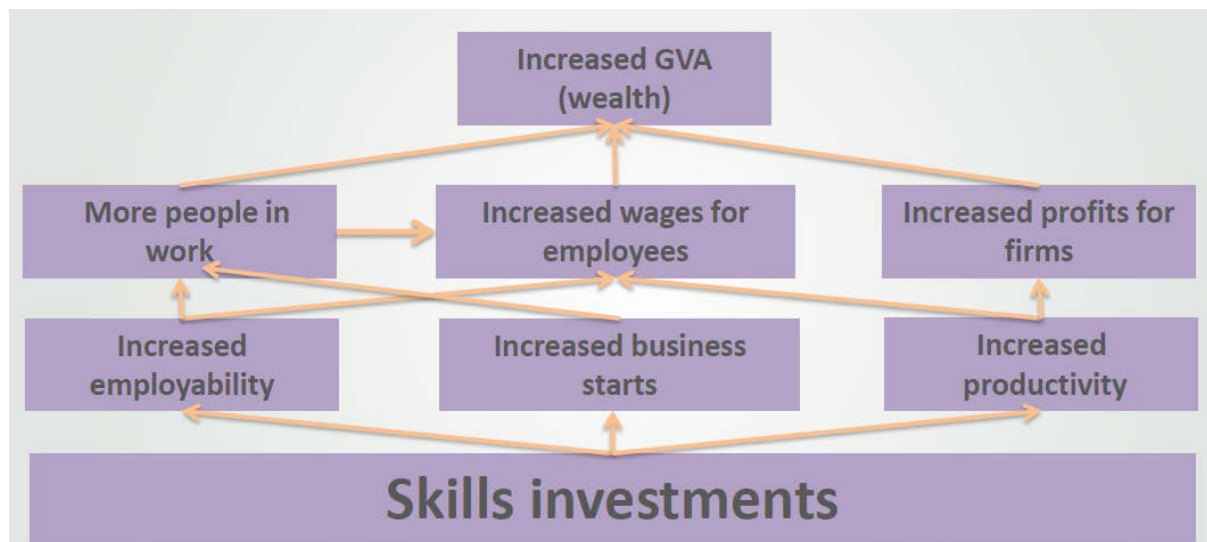
Chapter 8: Impact of DEL policy on the Economy

Importance of Skills

8.1. Skills matter for economies, business and individuals. Research shows that skills: drive an economy's productivity growth and competitiveness; are critical (and increasingly so) to a business decision about where to locate and when to investment; to ensure business can absorb more fully the benefits associated with innovation and R&D; to support export success and profitability; and for individuals, to enhance earnings and employment potential.

8.2. The following schematic summarises the impact of skills investment.

Figure 8.1: Impact of skills investment



8.3. Skills investment is also a key driver within the Executive's economic strategy under the theme of improving employability and the level,

relevance and use of skills to increase private sector productivity, promote export led growth and lead to wealth and employment creation.

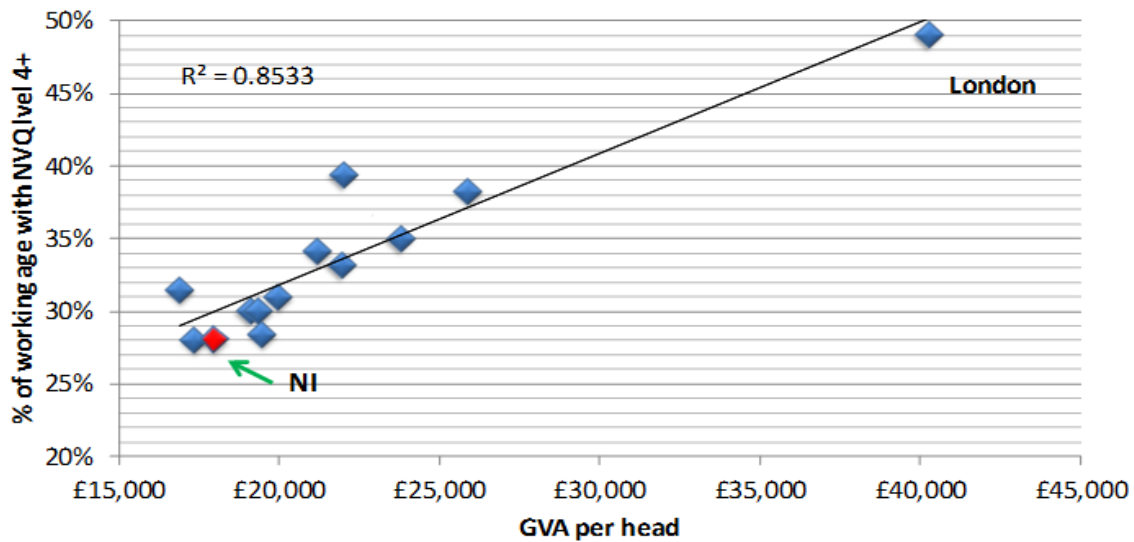
DEL Policy

8.4. DEL's responsibilities include policy, funding and service delivery across a wide ranging spectrum of employment and skills activity which includes: helping unemployed people back to work; promotion of skills for individuals and companies (including customised and management and leadership training); provision of an all-age, all-ability careers guidance service; apprenticeships; further education; higher education; assisting young people and NEETs; and employment rights and relations. The Department's budget to meet this activity, is around £700 million in resource funding and £30 million in capital funding.

Skills Impact

8.5. The benefits of the Department's investment include improved skill levels of the Northern Ireland workforce; increased employment and reduced unemployment; higher productivity and competitiveness. It helps stimulate the development of higher value added sectors with higher wages and higher value added jobs. DEL's interventions assist attracting Foreign Direct Investment. Skills formation assists businesses to innovate, undertake R&D, increase their export potential and improve management and leadership skills. Above all DEL's interventions help individuals by enhancing earnings and employment potential. Research recognises that skills formation and increasing human capital promotes economic growth and is a key driver to improved productivity and hence increased wealth creation. The following chart illustrates this:

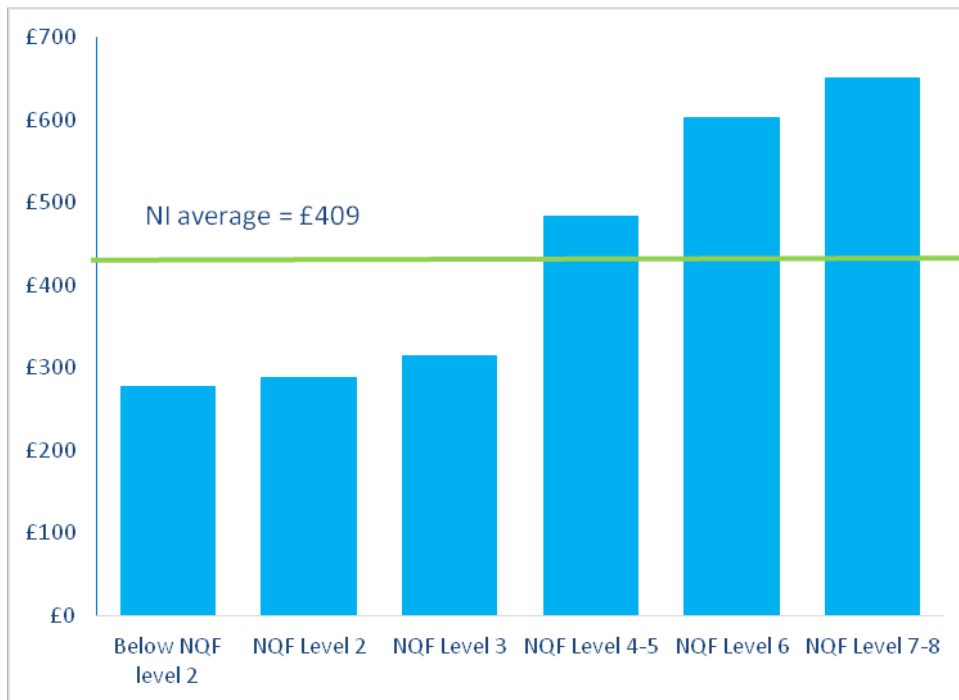
Figure 8.2: Workforce qualifications (2013) and regional wealth (2013), UK regions



(Source: UUEPC, ONS)

8.6. There are also strong benefits for the individual with higher skill levels leading to higher wages. For example someone with a degree level qualification can earn close to 50% more than NI average wage. Raising skills should consequently lead to a higher wage conditional on the job opportunities being available. The following chart illustrates this:

Figure 8.3: Gross pay per week by skill level (2014)

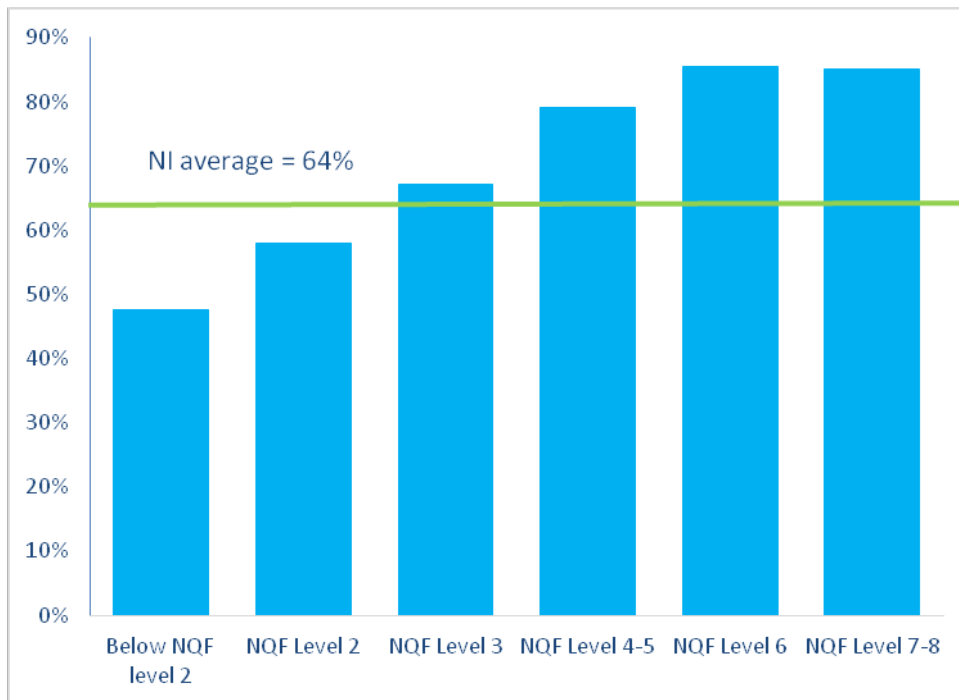


(Source: LFS)

Employment Impact

8.7. The Department's interventions also improve employment prospects in the NI Economy by raising the skills levels of leavers from DEL schemes. This raises productivity and improving job prospects of DEL scheme leavers. The Department's activity also assists strongly with the social inclusion agenda by enhancing the employability of those currently excluded from the labour market. This all helps secure Northern Ireland's future in a global marketplace. Without skills formation, labour market participants are less suited for employment in a modern competitive economy. Skills are strongly associated with employment, with an 85% employment rate for those with a degree, a higher rate than those with lower levels of skills. This is all illustrated in the following chart.

Figure 8.4: Employment rate by skill level (2014)

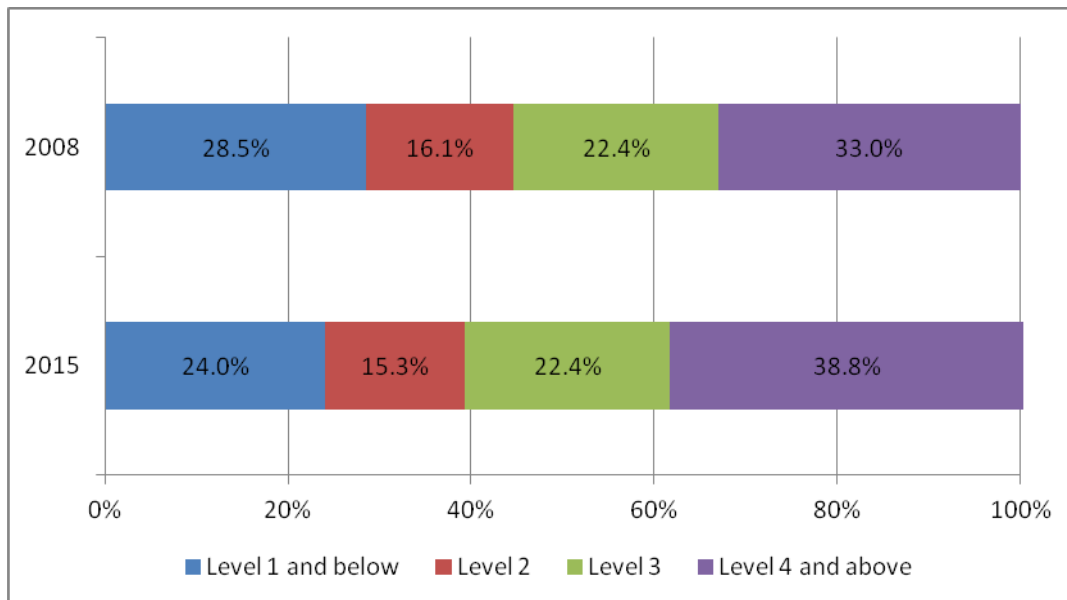


(Source: LFS)

Progress

8.8. The Department is making progress raising skills and qualifications. Since 2008, while those in the workforce employed at NQF Level 2 and 3 is relatively unchanged compared to the 2008 baseline, those with Level 1 and below qualifications have fallen and those with Level 4 and above have risen, see chart.

Figure 8.5: Persons in Employment – Highest Level of Qualification

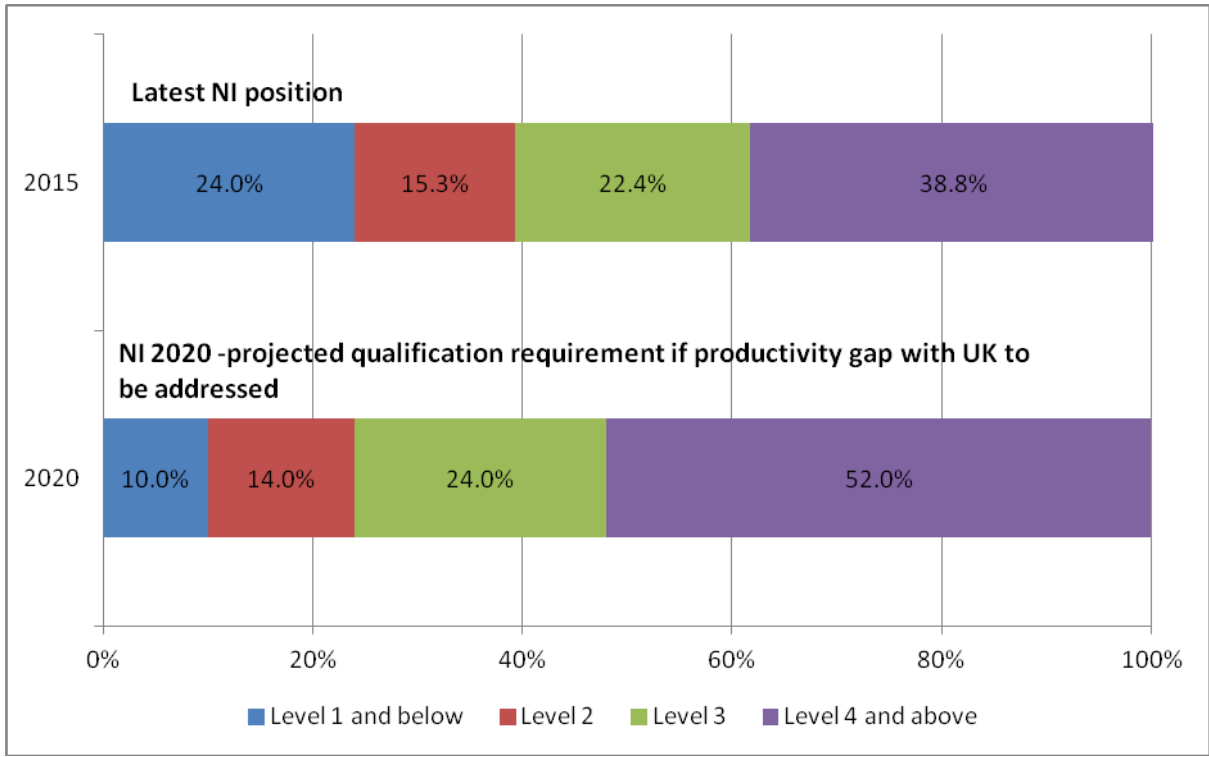


Data is for Q2 2008 and Q2 2015

(Source: LFS)

8.9. The Department is making progress and delivered almost 300,000 qualifications (level 2 and above) between 2010/11 and 2013/14 in excess of the target of 210,000 qualifications. However research shows that progress needs to continue if NI is to meet a high growth scenario where the productivity gap with the UK is addressed and where both Level 3 and Level 4 qualifications levels would increase by more, see chart.

Figure 8.6: Persons in Employment: Highest Qualifications (NQF)



Data is for Q2 2015

(Source: Oxford Economics, LFS)

Quantifying Impact

8.10. To quantify the Department’s total impact on the economy precisely appears very difficult. Our economy is the sum total of impacts from all areas of production, consumption and trade. The drivers of productivity and growth are skills, innovation, enterprise, competition and investment. So it does not look feasible to put a single figure on DEL’s contribution in the skills and employment area. But we can look at key impacts of individual DEL service provision and look at quantifying these.

Upskilling our economy

- 8.11. The Department's key contribution is to raise skill levels. Other key benefits include upskilling, higher productivity and higher wages. This improves the economy as it supports higher value added sectors and higher wage jobs. The Department helps develop the economy away from lower skilled and lower wage value jobs. Without the Department's contribution it is possible that we would not raise skill levels much above level 2. We would be a very low skill and low wage economy.
- 8.12. Looking at the skill distribution in 2008 versus 2014 (see earlier Chart), this suggests that the earnings potential of around 35,000 persons may have been raised by upskilling over this period. Looking at the wage differential between Level 4 and above, and lower Level qualifications levels, suggests DEL's intervention between 2008 and 2014 may have raised that the earning potential of the economy in the longer term by £0.5 billion per annum. The Department's investment in skills between 2008 and 2015 looks to have increased the potential to raise output in whole economy in the longer term by maybe close to 2%. The qualification to this being and whether this occurs or not, depends on quality of jobs being made available to fully utilise higher skills and is dependent on there being no significant skills under utilisation present in the economy.
- 8.13. The Department intervenes on the supply side of the economy increasing the productive potential of local businesses to raise output through an increasingly skilled workforce. However, this is a necessary but not sufficient condition for increased income in NI. Whether the NI economy is able to realise this benefit also depends on the demand side and the quality of jobs created to match skills. Clearly the recession may have

hampered job creation in the short term as the economy lost jobs and so lessened utilisation of skills. Looking ahead though the NI workforce with higher skills should be in a good position in the upturn, and in the medium to longer term, to assist the economy to grow and move to higher productivity.

- 8.14. Whether we realise this is an analysis of future forecast skills utilisation and this is the subject of the Skills Barometer research commissioned by the Department from the Ulster University Economic Policy Centre. Forecasting future skills needs is not dealt with in this report.

Increased expenditure from higher education

- 8.15. In other areas, DEL's expenditure contributes directly to income in the economy. For example, DEL Higher Education HE expenditure creates jobs and income in the economy. HEIs are funded by grants and student fees. Our HEIs then spend this on teaching activities and this generates jobs and value added in the economy. For example our universities employ staff and pay wages and purchase goods and services (such as legal services and equipment). The university staff spend their salaries on housing, food and other consumer goods. Students spend their loans off campus on for example food and accommodation.
- 8.16. Viewforth Consulting Ltd (in January 2015) estimated the economic impact of HEIs in NI. For example the total output measured from revenue of NI HEIs (QUB, Ulster University, St Mary's, Stranmillis) was £503 million for the 2012/13 academic year. Through spending, these funds and linkages, created total spending in the economy of £943 million. Student off campus expenditure adds an extra £681million of spending in the local economy.

The total NI impact then was estimated to be £1.6 billion and the increase in Gross Value Added was estimated to be £889 million added to the NI economy.

- 8.17. The study also looked at the jobs impact of Higher Education. The Northern Ireland HEIs employed 6,170 Full Time Equivalents in 2012/13 academic year. HE spending in the economy increased jobs supported to 11,219 persons. Student spending it was found supported another 6,917 jobs. The total jobs supported by HE amounted to 18,136.

Further Education spending

- 8.18. The current consultation on the development of a Further Education Strategy for Northern Ireland has highlighted the further education sector as a 'key economic driver for Northern Ireland' and that the sector is essential to the delivery of many education and training initiatives including the new apprenticeships and Youth Training systems as well as expansion of access to higher level education. The Colleges are central to raising overall skills and attainment levels, which is important for the future in the attraction of new businesses to Northern Ireland as well as in supporting existing businesses to develop and grow.
- 8.19. Whilst the sector has this strategic contribution to make it is important to note that colleges also make a direct contribution to the economy in that they are significant employers and relatively large enterprises in and of themselves. With this in mind and following the publication of the Higher Education work noted above, the Department commissioned Viewforth Consulting Ltd to undertake a study to estimate the economic impact of Northern Ireland's Further Education sector on the Northern Ireland economy. This study used data from the Colleges for the year 2013/14.

8.20. This report which was published in October 2015 found that total revenue for the sector (comprising the 6 regional FE Colleges) was £254m in the study period through spending, and knock on effects in other areas of the economy; this created an impact on the region of £495m. The total NI impact was then estimated to be £524m, when including the impact of spending of FE students from outside NI, and the increase in GVA was estimated to be £299m.

8.21. In keeping with the methodology of the HE study this report also examined the jobs impact of the six regional Further Educational colleges. The Colleges employ a total of 4,074 full time equivalents with direct and indirect knock on effects this created a total combined impact of 7,139 jobs in NI and a further 942 in the rest of the UK.

Assured Skills

8.22. The Assured Skills programme attracts new Foreign Direct Investment companies by assuring them that the skills they need to be successful are available in NI. In the absence of assistance from the Assured Skills programme, the jobs are unlikely to arrive. The Programme has generated 4,255 jobs for the NI economy since 2010/11. The total wage contribution of these jobs may be around £85m to the economy (assuming an average wage of around £20k). This looks good value for money based on expenditure of £3m.

Academy Model

8.23. The Academy model is a short term intervention to help companies meet specific needs. The model has up-skilled unemployed graduates in

software testing; cloud computing, data analytics, sales and marketing, manufacturing and professional software skills. This has helped 169 graduates into employment resulting in around £3m in value added to the economy. There is also the potential for another 256 graduates to benefit from the model (value added of up to £5 million extra to the economy per year).

Impact of wider DEL programmes - examples

8.24. The impact of wider programmes can also be highlighted from the results of recent policy evaluations. The recent evaluation of Pathways to Success shows that it has generated £61 million of additional GVA for NI between 2011 and 2015 from the employment generated for young people who are NEETs. BTE has helped between 300 to 400 unemployed persons into work each year. BTE results in an estimated £6 million to £8 million of extra GVA in the NI economy (based on an average wage of £20k per annum). Steps to Work evaluation showed that 27% of leavers got a job immediately with 86% of those who got an NVQ qualification thought it useful in helping them get a job. Learner Access and Engagement evaluation highlighted that very few learners who participated would have in its absence. Connected 2 evaluation identified a range of impacts for employers such as: an increase in innovation and R&D capability; new business generated; and an increase in productivity due to upskilling.

Conclusion

8.25. It does not look possible to calculate a precise benefit to cost ratio for the Departments programme of support and in the end this may not make a great deal of sense given the different ways in which outputs and benefits of different outcomes and schemes are measured. Even so, as the analysis above suggests the benefits potentially exceed the cost by at least a factor of two, although it is not possible to say much more than this. A key conclusion though is that the Department can provide the skills for a modern economy and assist upskilling; but there needs to be action elsewhere to ensure that the demand side of the economy responds to skills supply and that skills are fully utilised. This would appear to require an NI Executive wide effort.

Chapter 9: Policy Implications

9.1. On the whole this report is a favourable one in terms of the Department's impact with areas of good performance highlighted in Chapter 3. Skill levels and employment in the economy are rising. A snapshot of the positive findings is outlined below:

- employer satisfaction with students from NI Further and Higher Education institutions is amongst the highest in the UK;
- Northern Ireland performs well in terms of attracting young people into tertiary education;
- the achievement rate of FE college students increased from 80% to 87% between 2010/11 and 2013/14;
- over the long term NI is improving adult literacy performance and reducing the gap with OECD countries;
- progress is being made in increasing the skills of those in employment with almost 300,000 qualifications at level 2+ achieved between 2010 and 2013/14;
- growth in 'Narrow' STEM qualifiers from NI universities increased to almost 21% in 2012/13 against a 2020 skills strategy target minimum of 22.5% (but note that the target is influenced by the popularity of non-STEM subjects and does not capture the whole picture);
- NI university graduates migrating and working in GB will earn more on average than their peers who attended GB universities and found work in GB;

- ‘Narrow’ STEM (Science, Technology, Engineering and Maths) qualifications are up by just over 8% over the decade (2003/04 – 2013/14);
- many skills shortages are reported by employers as ‘transient’; and
- in general, students from across the deprivation spectrum are proportionately represented in FE provision.

9.2. However the report also raises some issues where performance is less favourable and areas where further policy attention may be needed as we move into a new Department for the Economy. These are as follows:

- The success rate for Steps to Work looks low at a 1 in 3 chance of finding employment but this level of performance has been maintained during a deep recession;
- Attainment levels for Training for Success look lower than in other areas (historically 60% to 70%) and is currently 59%; but this should improve as the end of the academic year approaches;
- Occupancy on ApprenticeshipsNI has fallen but only slightly and there are gender imbalances in some subjects studied;
- ApprenticeshipsNI achievement rates at 72% (level 2) and 66% (level 3) look lower than other areas (e.g. HE in FE and FE);

- The “Success through Skills” strategic targets are unlikely to be met;
- Literacy and numeracy in NI often performs below average compared to OECD countries;
- Youth unemployment remains a problem for NI as a whole;
- The number of NI students gaining qualifications at NI universities has decreased since 2004/05;
- There is a gender imbalance in ‘Narrow’ STEM subjects which tend to be more male dominated with no discernible trend in the proportion of women enrolments in ‘Narrow’ STEM over the last decade in HE. The gender imbalance is also apparent in FE;
- There looks to be a gender imbalance across subjects chosen by students enrolled in HE in FE colleges (females accounted for the vast majority in ‘Health, Public Services and Care’ and in ‘Retail and Commercial Enterprise’ enrolments; male-dominated subject areas included ‘Engineering & Manufacturing Technologies and ‘Construction, Planning & the Built Environment’);
- For Essentials Skills, the achievement rate across all subjects is averaging 70%, lower than other areas but has been lower at 60% for ICT;
- HE enrolment rates are less for those from most deprived areas;
- FE enrolments have fallen since 2009/10;
- DEL clients from deprived areas are more represented in work related provision and underrepresented in HE provision;

- Participation levels in Management and Leadership programmes have fallen and the MAP scheme has not taken on cases since April 2015. Funding has been reduced.
- Full cost recovery regulated provision has fallen at FE colleges;
- Not all Super District Council areas may have benefited from recovery to the same degree so job creation and skills formation remains a priority in areas of high unemployment;
- The targets for skill levels consistent with NI closing the productivity gap will most likely not be met.

9.3. In summary, the areas which may need further attention cover; attainment in training, ApprenticeshipsNI and work related provision; falling participation in apprenticeships; youth unemployment; literacy and numeracy; gender imbalance in STEM and ApprenticeshipsNI; over representation of those from deprived backgrounds in work related provision and under representation in HE; falling participation in management and leadership programmes; falling student qualifiers from NI universities; FE interaction with business and the community; tackling regional unemployment; and achievement of skills targets.