

Just labour markets and inclusive work



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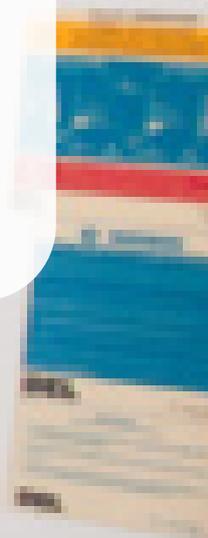


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Key messages

- Wages that are secure and meet the national Living Wage minimum are a critical means of addressing poverty, and building a broad-based community wealth framework. Here, the Department for Communities's (DfC) role in the UK Shared Prosperity Fund will be pivotal, particularly with the new Labour Market Partnerships (LMP) across local authorities. There is an opportunity to better integrate labour market interventions into CWB by connecting with social enterprises, area-based programmes, and community development.
- The Department's decision to pay full economic costs and living wage standards in its own grant programmes, with an uplift for local authorities, demonstrates leadership that needs to be communicated to other grant makers, charities, and donors.
- The drivers of worklessness are cross-cutting, and some have more impact on certain groups such as lone mothers and the working poor: inflexible working hours and non-complying employers; inadequate access to childcare; lack of tailored employability support; being financially worse off in work than on benefits; and functionality of the benefit system.
- The geography of worklessness across the UK is spatially uneven, and there are certain places where deprivation and in-work poverty are more concentrated. In Northern Ireland, this includes inner-city areas of Belfast and Derry, as well as emerging hotspots clustered in more rural towns where the agri-foods sector is significant, such as Dungannon.
- Addressing worklessness in the context of community anchor social enterprises can create progressive employment opportunities for hard-to-reach groups, but can also create community wealth, and support the growth of the local economy.
- Skills are undoubtedly the most important driver to increase employability and to create pathways out of worklessness. Educational and training provisions, including lifelong learning programmes, work-readiness initiatives, and technical apprenticeships in the social enterprise sector, are needed to address local skills mismatches, but also to strengthen the knowledge economy workforce.
- Social enterprises with well-integrated intermediary labour markets, and youth (and family) intervention provide a more holistic approach to tackling barriers to people furthest from the labour market.
- Action is also required from employers to develop progressive labour market practices, including compliance with the living wage, employment protection, and enhancing employee benefits such as pension schemes and maternity pay.
- An integrated pathway approach focused on key transition points can help link youth work to the most hard-to-reach young people, e.g., formal training, and the social enterprise labour market, especially in the most socially deprived neighbourhoods.
- The analysis suggests a distinct role for development trusts in reaching people furthest from the labour market, for example by engaging in more focused support for young people before training, applying a mix of pedagogic interventions, employing trainees, and working with partners to complement mainstream employment services.

Introduction

The strength of a Community Wealth Building (CWB) approach is that it takes a holistic approach to tackling poverty through building just and inclusive economies in which decent work and rewards are central. Developing locally owned and controlled social economies is important, but so too is connectivity to areas where the growth economy is concentrated into labour markets that offer better rewards. The ending of European Social Fund funding, and the shift to the UK Shared Prosperity Fund has placed DfC in a more pivotal role in employment and training policy, especially via Labour Market Partnerships (LMP) across local authorities. Here, there is an opportunity to better integrate support for local economies, social enterprises, and area interventions with employment training and work-readiness.

Community planning partnerships should, in practice, facilitate integration at the point of delivery in each case. In Belfast, for example, the emerging LMP strategy proposes a number of integrated programmes, including Quickly Back to Work, for those affected by the Covid-19 pandemic; Increasing Opportunities, empowering those furthest from the labour market; No-one Left Behind, targeting disadvantaged groups through the delivery of a comprehensive employability approach; and Catching Up, supporting access to careers pathways via re-skilling and upskilling the unemployed, as well as those on low incomes.

In 2021, the Department for Communities introduced a 'fair funding' approach to voluntary and community sector posts directly supported through the Department's programmes. In line with the just and fair labour market pillar of Community Wealth Building, funding was allocated at a level that allowed employer organisations in the sector to offer fair pay and associated conditions. Measures included allocation of funding to allow employing organisations to meet the Real Living Wage, an increase in support for pension contributions, and sick pay. The aim was to not only enable lower paid individuals to have an improved standard of living, but also build an enabling environment to support the sector in attracting and retaining a workforce that can achieve the best outcomes for the communities they work in. Such leadership, demonstrating what is possible and advocating with other donors and grant makers, is a practical way of spreading the living wage concept inside and outside government.

This advisory paper examines the need for just and inclusive labour markets, as well as the drivers of worklessness, and barriers to accessing employment. There is a particular focus on the geography of worklessness and poverty, which highlights the need to better integrate labour market policy with area-based regeneration, support for social enterprises, and community development more broadly. The skills gap in the future structure of the labour market, and the need to align programmes to growth sectors is highlighted, which re-emphasises the need to reposition social enterprises into high-value-added sectors.

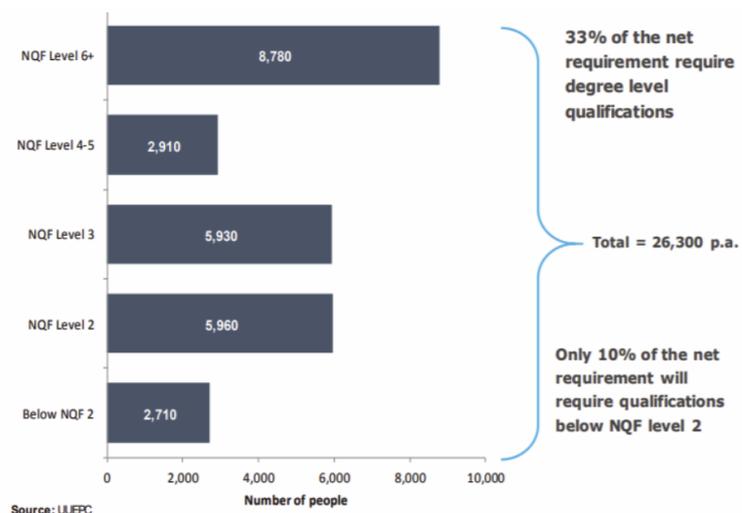
The case for just and inclusive labour markets

Building the local economies of deprived areas is an important element of CWB, but connecting to the mainstream economy is also critical. This means physically getting to new sites of employment, but also developing the skills to access such jobs. In short, a just and inclusive labour market facilitates individuals of working age to participate in paid employment, while supporting them with their short- and long-term development. Currently, underrepresented groups such as women, young people, older workers, and low-skilled employees remain underemployed across industrial sectors (OECD 2021). The Covid pandemic also emphasised the insecurities facing workers in low-paid sectors such as social care, retail, and warehousing. It was not necessarily those on welfare support who suffered most economically during the pandemic, but those on low pay, short-term contracts, and working in precarious sectors. For example, at the outset of the pandemic, Schmuecker et al (2021) showed that 2.8 million employees were affected by varying hours, two-thirds of whom also reported lower pay, and the vast majority of which were on insecure contracts.

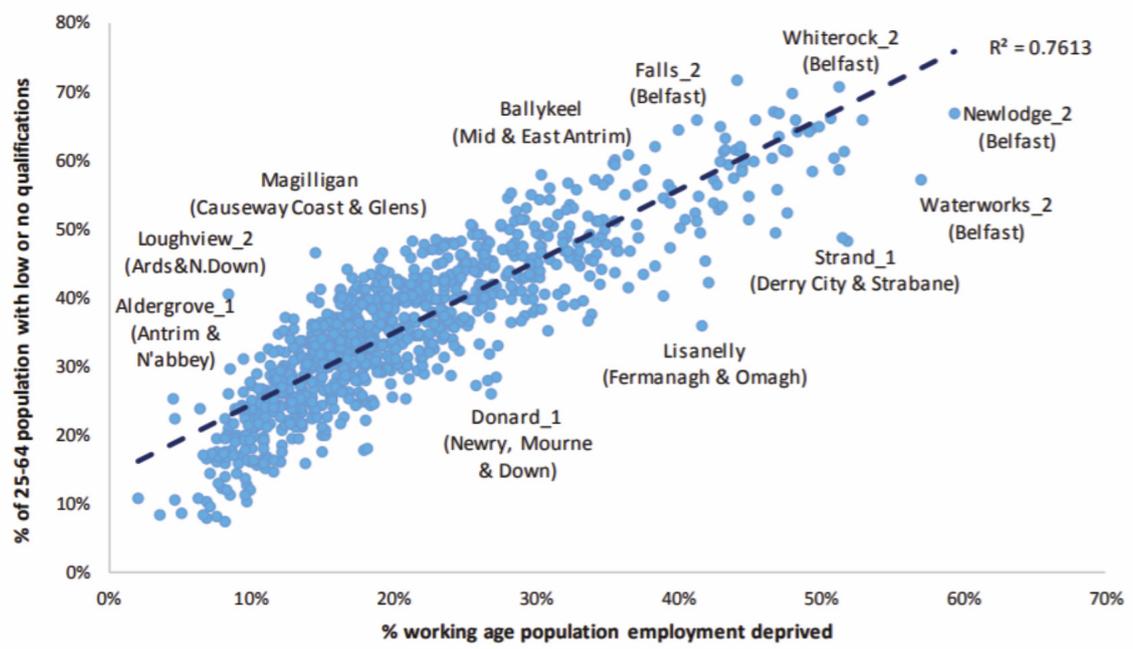
Clearly, difficult challenges remain, but there is also an opportunity to rebuild more resilient labour markets and create an inclusive economic recovery with more equitable benefits. Notably, the Organisation for Economic Co-operation and Development (OECD) (2021) shows how, unlike previous crises, the early signs are promising, and countries around the globe are committing an unprecedented level of resources to aid recovery of labour markets over the next five to ten years. In 2021, 53% of OECD countries increased their support for jobseekers, whilst 52% provided additional support for matching skill needs and developing talent.

Increasing access to fair employment with support from social enterprises is shown to help address local patterns of poverty and deprivation, but issues remain around the skills base of the future workforce. Barnard (2018) shows how one in six adults across Northern Ireland have no qualifications (16%), compared to less than one in ten working-age adults in England, Wales, and Scotland. The Northern Ireland Skills Barometer (Ulster University Economic Policy Centre, 2019) shows that labour market restructuring is likely to further exclude people and places characterised by low educational attainment, stating that 'there is a noticeable squeeze in the expansion demand within occupations which have traditionally been low skilled with regard to formal qualification (e.g. sales occupations, secretarial and related occupations, elementary trades etc.). Part of the reason for this is slowing labour demand for these occupations alongside advances in labour-saving technology' (EEPC, 2019, p.9). This is reflected in the diagram below that emphasises the point that knowledge-intensive and high-growth sectors will have little traction within the poorest neighbourhoods and people.

The UUEPC Skills Barometer shows the average annual net requirement for skills between 2018-28 (right). Science and technology professionals will provide the most job opportunities over the coming decade, requiring 2,070 people from outside the existing labour market. This represents 8% of the overall net requirement from education and migration. The next largest 'high demand' occupations are elementary administration and service occupations (8%); business and public service professionals (7%); corporate managers (7%); and health professionals (7%).



The barometer predicts that 33% of the total demand will require at least an undergraduate degree, and the 'implication is that the future skill needs of the economy look very different to the current stock of skills' across the workforce, where 23% of people employed currently have at least an undergraduate degree (UUEPC, 2019, p.19). Only 10% of job opportunities will be available to individuals with a qualification level equivalent to NQF level 2 or below, which underscores the need to minimise the number of school children entering the labour market with qualification levels below the minimum level expected for most modern forms of employment. Thus, the supply gap is characterised by an oversupply of low-level qualifications (NQF L2 and below) and a shortage of mid-tier skills (NQF L3 and L4-5). Moreover, for DfC and social enterprises, these have important spatial effects. Over 92% of the working age population in NI with a NQF 4+ level qualification are in employment, compared to 64% amongst working age people with a highest level of qualification below NQF level 3. Social deprivation is, as we know, clustered, but it is reproduced by weak skills as shown in the diagram below. The proportion of people with low or no qualifications is correlated with the most deprived Super Output Areas (SOA), leading UUEPC (2019, p.24) to conclude that skills, 'are undoubtedly the most important driver to increase employability, and this is a key factor in explaining sub-regional economic disparities.'

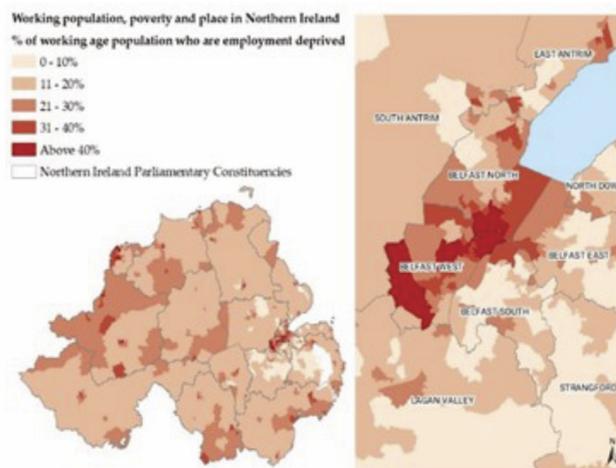


Source: UUEPC, 2019, p.28.

As noted, one approach to developing skills in the long term is to restrict or delay the number of individuals with low qualifications entering the labour market, especially for secondary school leavers aged 16. Northern Ireland Neighbourhood Information Service data shows that in Northern Ireland, 70% of school leavers achieved at least five GCSE's A*-C (including English and Maths). However, less than half (48%) of students entitled to free school meals achieve these grades compared to more than three-quarters (77%) of non-free school meal pupils.

Moreover, Barnard (2018) showed how over the last 20 years, employment rates in Northern Ireland have been consistently below the rest of the UK and around 5-7% less than in England. After reaching 70% in 2016, the figure for the second quarter of 2021 indicated a slight increase to 71%. Scotland (74%) and Wales (74.6%) have closed the gap on England (75.5%), but Northern Ireland is still behind both. Employment (and employability) continues to be a major factor affecting poverty levels in Northern Ireland, as nearly one in three adults remain out of work. The use of zero-hour contracts (largely through agency work), and the rising discrepancy between income and outgoings, is contributing to the growth in people experiencing in-work poverty (JRF, 2022). There is a concern that inflation, at its highest in 30 years, and the rise in domestic energy costs, will only compound these circumstances for many working families. The proportion of individuals living in poverty and working households in Northern Ireland has increased slightly over time, in comparison to other parts of the UK. The Northern Ireland Statistics and Research Agency has published a dataset that explores this relationship between the Northern Ireland working population, poverty levels, and place (below).

The highest proportion (>40%) of working people living in deprivation are generally clustered in inner parts of North Belfast (New Lodge and Ardoyne); West Belfast (Greater Shankill and Falls); as well as Derry (Brandywell and Ebrington). There are also rural hotspots in Mid Ulster, South Down, and Tyrone, such as in Dungannon, that have a large number of food processing units and rely heavily on migrant labour.



Drivers of worklessness and barriers to accessing employment

Previous research by Citizen's Advice Bureau (2008) and Centre for Local Economic Strategies (2009) has sought to better understand the challenges and barriers facing individuals and groups trying to access employment. Some challenges are cross-cutting, but others relate specifically to groups such as lone mothers (Leanord and Kelly 2021) or low-income working families, and can be summarised across five main areas:

1. **Inflexible working hours and non-complying employers.** Understanding whether an employer might be flexible or sensitive to their domestic circumstances is a significant concern for many individuals in search of work, particularly with caring responsibilities for either young children or older dependents. Low-paid jobs in sectors such as health and social care often offer the least flexible working arrangements, and research by Citizen's Advice Bureau (2008) highlights how some employers set unreasonable expectations in variable shift patterns or inflexible rotas. This study also identified a relationship between the quality of low-paid jobs and the failure of employers to meet their statutory obligations, specifically in their provision of sick or holiday pay. Other employers were shown to be overtly exclusionary to certain employment groups, like lone parents whose capacity to attend work might be restricted by childcare availability.
2. **Inadequate access to childcare.** Thus, caring responsibilities and a lack of appropriate childcare has often been cited as a barrier to the labour market for women and low-income groups. But Bashir et al (2011) show that childcare barriers do not always relate to cost or affordability and instead are often restricted by geographical proximity, especially for people without private transport; restricted opening hours, which is problematic for shift workers; a lack of adequate childcare services, especially in poorer or disadvantaged neighbourhoods; competitive demand for places resulting in long waiting lists; the inability of childcare providers to offer services outside term time; and complexities linked to the application of tax credits or other benefits, as well as the difficulties engaging with HMRC for support and advice. The latter has certainly been compounded during the Covid-19 pandemic when some HMRC services were transitioned online to remote working staff that are not always on hand to manage individual queries. This does suggest that affordable childcare (facilities, peripatetic care and services) is a sector further prioritise that community development, the voluntary sector, volunteering, and social enterprise strategies might further prioritise.
3. **Lack of tailored employability support.** Leonard and Kelly (2021) argue how the right support for workless populations is crucial for enabling an effective move into paid employment. The provision of individually tailored services is crucial, not just for developing the right job skills but also for enabling behaviours that support a sustainable work-based transition in the long term. Areas of support include CV preparation, activating an effective job search, completing job applications, financial advice, and signposting to additional welfare entitlements or specific forms of income-based tax relief (e.g., Tax Free Childcare or Working Tax Credits). Bellis et al (2011) show how the role of employability mentors (such as those working as advisors in Jobcentre Plus) is critical here. This is not just through their tacit knowledge of tax or welfare entitlements but also through their understanding of individual circumstances, capabilities, and ultimately their appropriateness to certain job roles or employment sectors. Intermediaries in welfare advice, and support with tax entitlements and basic preparation for work are supported by DfC, and there have been significant increases in benefit take-up in response to such initiatives.

GEMS is an intermediate labour market that focuses on those at the margins of the labour market or who are often overlooked in mainstream programmes. Their KESTREL programme aimed to increase the economic security of older workers aged 50+, promote age-positive employment practices, challenge stereotypical perceptions, and provide alternative supportive services to individuals approaching retirement. A total of 246 people registered with KESTREL, and 107 completed formal training, 94 (38% of participants) have been placed into employment, and 33 have become formal volunteers. The programme's exit survey showed that 78% (of registered participants) rated their self-esteem as excellent or good, and the figures for confidence and quality of life were 75% and 65% respectively. The analysis also showed that the programme achieved definable financial impacts, including a reduction in welfare benefits of £1.1m, a new full-time waged income of £6.1m, and a part-time wage of £0.9m. In real terms, every £1.00 invested in the programme created a social value of £2.75.

4. **Being financially worse off in work.** The circumstances of some individuals means that they might be financially better off in receipt of benefits rather than in paid work. Income benefits are offset by, for example, childcare costs, commuting, and other caring responsibilities. Horgan and Monteith (2009) also argue that there are income disincentives in the benefit system to taking mini-jobs or part time work under 16 hours per week. Human resource representatives from development trusts (especially those supporting adults with disabilities) in Northern Ireland have worked closely with their employees and families to better understand how their household income can be maximised through a blend of paid employment, part-time work and welfare benefits. Again, social enterprise, intermediary labour markets and the targeting of the most vulnerable sectors are areas where the Department is now active, but this shows the need to integrate support for the social economy, training organisations, and intermediaries in capacity building, finance, and procurement.
5. **Functionality of the benefit system.** Welfare benefits such as Universal Credit (UC) are intended to support people to access paid work or supplement salaried income. However, Patrick and Simpson (2020) show that since its inception, there have been notable difficulties regarding the functionality and administration of the benefit for some recipients, particularly in Northern Ireland. For example, UC payments have lagged considerably behind other paid earnings, so recipients experienced prolonged periods with reduced income, meaning that the risk of personal debt was far greater. Some recipients also reported difficulties related to the retrospective repayment of childcare costs, whilst for others the consolidated welfare package offered is not sufficient (even when considering their paid income) to meet their monthly living costs, notably housing rent. There were also a range of access issues, as many applicants noted that the application system was not user-friendly and relied too heavily on online access. The Department has maintained the UC uplift and now introduced public sector rent controls for two years, which shows that despite national policy, there is considerable agency in engaging a range of fiscal and financial instruments to tackle poverty at a regional level.

These welfare benefit challenges and barriers to paid work are compounded by the rise of in-work poverty, zero-hour contracts and the erosion of job security, meaning that for many, the reality of employment is increasingly precarious. For some individuals, such challenges and insecurities have accelerated during the pandemic, and research by Joseph Rowntree Foundation (2022) shows that regional inequalities in worklessness persist. For example, in England, the North-East (25%), and West Yorkshire and the Humber (24%) have comparatively high poverty rates, which is being driven by higher rates of worklessness and more adults in lower-paid routine occupations.

This especially affects the most vulnerable, including people with a disability who want to work and gain multiple financial, personal, and psychosocial benefits from paid employment. Employment among people with a disability is lower in Northern Ireland than in other parts of the UK, and only 35% of working-age disabled people in Northern Ireland are employed, compared to 42% in Scotland, 47% in Wales, and 50% in England. Access Employment Ltd (AEL) is a social enterprise based in Larne that is working to address this trend by delivering a suite of tailored employability initiatives that includes the Hands-on Training (HOT) programme. Funded by the European Social Fund and the Department for Economy (DfE), the HOT programme provides upskilling and work experience for adults aged 16-60 with a learning difficulty or disability.

In 2018, the HOT programme recruited 46 trainees and supported ten into paid employment, five into long term volunteering and six into other DfE employability programmes. Other measurable benefits were realised in terms of personal development, with 67 relevant qualifications (at OCN and NVQ level) in health and social care, safeguarding, mental health first aid, and food hygiene. Engagement with 20 local employers also created 40 work placements in areas such as warehousing, catering, online retail, and horticulture. On completion, some participants secured part- or full-time employment with AEL which allowed them to transition or reduce their reliance on Jobseekers Allowance, creating a combined annual employment benefits savings of £171,401. Additional monetary savings because of the HOT programme were realised in terms of health, housing, and social care. For example, one HOT graduate and new AEL employee was able to move out of a full-time residential care facility and into unsupported Housing Executive accommodation.

Strengthening access to fair employment through social enterprise

The Centre for Social Impact (2019) shows how employment opportunities created by social enterprises, specifically those anchored in deprived communities, have the strongest effect on labour market integration because of their local networks, types of employment, and ability to deliver wraparound support (mentoring, family support, bursaries, and so on). Evidence from research completed by the Ethical Development Trust showed how community-based social enterprises, such as Ashton, are delivering on their mission to provide full- or part-time salaried employment for local people. The table below demonstrates how 68% of its employees are resident in the top 20% most deprived areas (using NISRA's multiple deprivation measure), which equated to a net salary expenditure of just over £1.5 million during the 2018 financial year. Also, 109 employees (69%) lived in north Belfast, a statistic that positions social enterprises like Ashton as a strong community anchor capable of creating a significant multiplier effect through its salaries, supply chains and investments.

Target Area	Total employees	%	Net salary expenditure (£)	%
Top 20% most deprived	108	68	1,519,397.52	64
North Belfast	109	69	1,508,225.64	63

Despite the operational and financial challenges of the pandemic, survey work by SEUK (2021) also shows how social enterprises have grown their staff teams over the last year. Nearly two in five organisations that have been trading for at least a year (37%) reported that the number of employees in their organisation has increased in the last twelve months, a significant increase on the 31% in 2019. Fourteen per cent of social enterprises reported a decrease in employee numbers, which is closely in line with 12% in 2019. Nearly half (48%) reported that their workforce size has not changed compared with a year ago, which is a lower proportion than in 2019 (57%).

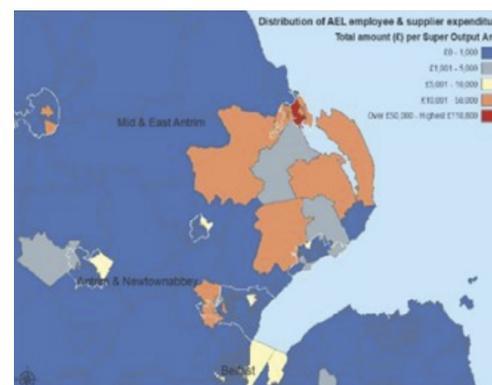
In Northern Ireland, figures published by Social Enterprise NI show how between 2013 – 2018 the number of social enterprises increased from 473 to 843 while employee numbers nearly doubled from 12,200 to 24,860. However, SENI (2019) also shows how over two-thirds (68%) of NI social enterprises are micro-scale (under ten employees), and only 5% have 250 employees or more. Clearly, social enterprises working at scale are providing direct employment from the delivery of their own services, which, for leading organisations, includes childcare and family support, mental health and counselling services, digital fabrication, community development, and youthwork. However, social enterprises across Northern Ireland also provide job opportunities through the management of work-based initiatives such as Belfast Works, which is a city-wide programme offering employability services that target long-term unemployed and economically inactive people, as well as young people 'not in education, employment or training' (NEETs). Again, this was implemented under the previous (ESF) policy, but illustrates the importance of locally embedded programmes within areas of high social deprivation.

Belfast Works offered support and one-to-one mentoring with job applications, CV development, interview preparation, and confidence-building, to help participants transition into work. The programme was part-funded by the Department for Economy and the European Social Fund, and is promoted through Belfast City Council and the Executive Office Urban Villages programme. The model includes an effective outreach function that engaged directly with local industry employers via regular job fair events organised across Belfast. In 2021, Belfast Works supported 1,400 people who had not worked in over twelve months into a job, and provided 400 with relevant qualifications.



Belfast Works is spatially connected with the most deprived parts of Belfast by operating in consortia with several social enterprises that include Ashton Community Trust, GEMS NI, East Belfast Mission, and the Upper Springvale and Greater Shankill Job Assist Centres. Addressing worklessness in areas of concentrated poverty is effective where there is a social enterprise infrastructure and a network of strong community anchors who can deliver programmes that connect with the mainstream labour market. The importance of labour market interventions to area-based regeneration, creating local circuits of wealth and integrating work with core service delivery is illustrated by one of the DTNI survey respondents, Access Employment Ltd in Larne.

A financial GIS analysis, completed during 2018 using payroll, showed that Access Employment Ltd in east Antrim recycled just over one-third of their annual expenditure directly within the town of Larne (£344,972), and nearly 60% across the wider Mid & East Antrim area. This equated to £529,875 per annum or just over £10,000 per week in salaries and supplier spend. Strong social enterprises can offer access to appropriately skilled work, wraparound support, local services, and integration with the mainstream labour market.



In addition to creating progressive pathways into employment, Thorp (2020) shows how social enterprises can equally demonstrate a strong commitment to fair working conditions. This is not just represented by job security and stability, but also by employers being flexible around caring responsibilities and health needs, as well as treating employees fairly and with dignity and respect. The DTNI survey of development trusts showed a mixed profile in terms of fair and inclusive labour markets across the sector:

- Sixty-nine per cent of social enterprises pay the living wage to all staff, although not all of them were formally registered as living wage providers. Those that did not pay the living wage claimed that a lack of financial capacity was a barrier, as many of their employment contracts, usually with government departments, were funded by grant aid. The inflexibility of this funding model also made it difficult for social enterprises to make pension contributions or commit to permanent and longer-term contracts (although as noted, DfC is one department that has changed this approach).
- Despite these constraints, 85% of development trusts had adopted secure contracts, and 96% either offer or are in the process of providing additional contractual benefits, such as sick and maternity pay. Eighty-seven per cent now provide, or are working towards providing, flexible working packages, and 72% now offer mental health support.
- Barriers to implementing additional employee benefits are practical rather than ideological. For example, in service delivery, childcare demands or 8am to 6pm working hours would make it impractical for some social enterprises to support flexible arrangements (such as remote working).
- Less than half (37%) were shown to provide employees with trade union rights. Reasons include a lack of employee interest combined with small staff teams, but most social enterprises said they would be willing to respond to trade union membership requests from their workers.

Employability, skills, and future work

It was noted earlier that the policy and funding environment for labour market support in Northern Ireland is changing but there are an extensive range of initiatives, gateway services, and wraparound support services in essential skills, apprenticeships, work experience, basic application guidance, and so on. The new approach and, in particular, the LMPs, will take time to roll out, but offer an opportunity to build in a more integrated approach, especially in areas of disadvantage where backbone social enterprises (and clusters) as noted in TAP 1 could play a more central role in service delivery. The Department's role in community planning again provides some policy leverage to establish a more co-ordinated approach to labour market integration, social enterprise support, and youth programmes that are an important gateway into work for those furthest from the labour market.

It is also important to evaluate delivery in the context of complex problems faced by this cohort. For example, we know that educational performance is influenced by other economic and social factors outside school, including the extent of independent home learning, family structures, mental health, and poverty. To encourage the retention of young people in education, and develop the local skills base in Northern Ireland, the Department for Economy has worked through the now extant Training for Success programme (TFS), but it shows the value of such programmes at a mainstream level.

Training for Success (TFS) changed in July 2021 but indicates the type of intervention attempted to create pathways into work. This was an employability programme designed for young people aged 16-17 (or under 22/24 years for those with learning difficulties or disabilities), which provides training to develop the skills they need to find work. The training provides young people with relevant qualifications, as well as the required personal and behavioural development, and guarantees 104 weeks of training (156 weeks for those with a disability). It is delivered across four tiered strands, and as of May 2021 there were 4,102 trainees enrolled, of which 73% were male aged 16. Since its inception, on average, 62% of the Skills for Your Life strand and 64% of Skills for Work strand leavers achieved a qualification.

Interventions such as TFS were important as they target particular client groups such as NEETs so they can make a more effective transition into the labour market. However, as we know, not all young people are necessarily ready to make this shift, and dedicated programmes that focus on supporting young people at key transitions points have been important as gateways into work, often for those with complex personal needs. Evidence from local programmes, such as Breakthrough (targeted at 14-to-24-year-olds), demonstrates that some young people require more intensive support to manage multifaceted issues linked to their lack of engagement with mainstream education, for example, poor mental health, alcohol and substance abuse, or family breakdown. Although employment effects are not always immediate, such staircasing interventions can help reduce the likelihood of a young person dropping into NEET status, whilst at the same time developing their readiness to engage more productively with more focused training programmes.

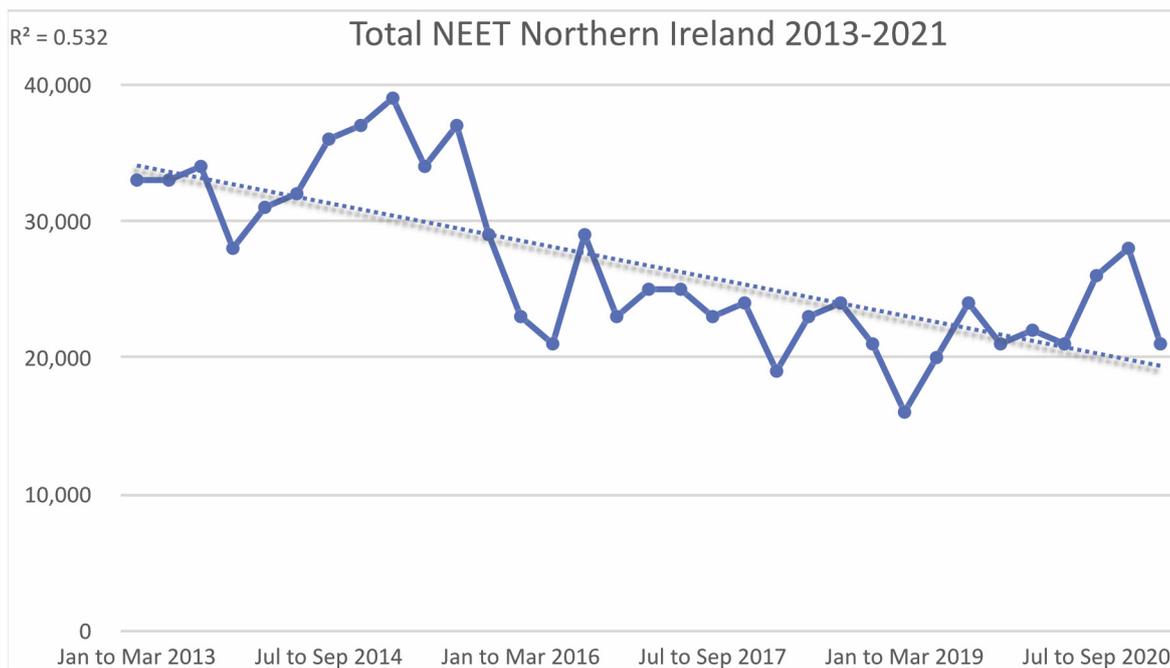
For the local training provision to be most effective, it must also be responsive to wider technological trends and shifts in the global labour market. Foster and Wilson (2019) argue that rapid advancements in artificial intelligence, robotics, and other forms of digital automation have created 'automation anxiety' and rising concerns about the future of work. The joint KPMG Academy in Artificial Intelligence shows the strategic potential in this area but also raises challenges for social enterprises and labour market intermediaries to access such markets. Based on a review of Northern Ireland businesses, Foster and Wilson estimate that around 7% of jobs are at high risk from automation and a further 58% will experience a substantial change over the medium term. Although automation may displace some jobs, it will also create a distinct labour market in a high-value-added sector. Larger private companies like Deloitte have responded and have worked with the Department for Economy and Belfast Metropolitan College to deliver a Robotics Training Academy, which since its inception in 2019 has created 37 jobs within the company.

Managed on behalf of Belfast City Council, local **employment training academies** provide bespoke employment support to help individuals secure part- or full-time work. The academy model is a short, intensive programme of activities for up to 15 participants who must be from Belfast, and is targeted on specific employment areas such as transport and logistics, hospitality, retail, construction, or health and social care. The academy model is structured around technical modules but also offers participants pre-interview experience, peer learning from academy graduates, and a guaranteed interview for a post in the relevant sector on completion.



Flexible and short-term academy models are helping to bridge the digital skills gap, and in 2022, the Department for Economy launched the Assured Skills Academy in partnership with FinTru which will allow successful applicants, most of whom are aged between 16-24, to receive practice-based training for roles as cloud or DevOps engineers, software developers, and test automation engineers during an eight-week training course hosted and delivered by Belfast Metropolitan College. In 2021, social enterprise the NOW Group also launched a 12-week digital academy that will deliver qualifications in data analytics and provide participants with relevant work placements across IT companies. Sponsored by Leaf IT and Danske Bank, the academy will help bridge not only the skills gap but also the diversity gap within the digital sector, as the course has been designed to promote the inclusion of adults with learning difficulties. This innovation has not reached the necessary scale within the social economy, and stronger links with private schemes (especially supplying training-ready candidates), extending dedicated client programmes (such as NOW in the disability sector), and a more co-ordinated area-based approach would be important for the sector more broadly.

It is therefore critical to understand the way in which labour markets interact with place to marginalise people without the education and skills to benefit from economic growth. A spatial policy that builds a stronger local economy is important, but it also needs to connect neighbourhoods with the wider urban economy and how they have restructured in the last three decades. For example, the number of NEETs has been declining in Northern Ireland over the last decade, as indicated in the diagram below, which shows a steady reduction ($r^2=0.5$) despite the effects of Covid. However, this is residualizing the NEET cohort, with those most in need of support increasingly concentrated in the poorest areas, which in turn places more emphasis on intensive support (including, as we have seen, with families, drug and alcohol misuse, mental health, and so on). Here, conventional labour market approaches to training, education, skills development, and work experience will, on its own, increasingly not be sufficient to support those who are NEET. DfC funding has supported interventions at key transition points for children, young people, and families, and it is this integrated ecosystem that will have most impact on those furthest from the labour market. But these interventions need to be better integrated, especially spatially, to ensure that there are sustainable pathways for those with such complex needs.



Employment-readiness practice across the UK

Job-readiness practice across the UK is varied, and each devolved region has launched different schemes to help individuals access training or further education and transition more effectively into paid work. Turn2us is a social enterprise that helps individuals in financial need to secure better access to welfare benefits, charitable grants, and other forms of economic support. In addition to face-to-face advice delivered through its local partners, they have developed an online support platform aimed at the economically inactive. The platform provides practical tools such as a benefits entitlement calculator, a redundancy advice team, and referrals to specialist employment support services. The focus of these services varies in terms of target client group (e.g., older people, the self-employed, adults with learning disabilities) or type (training, further education or work placements).

England

In England, there are a range of government schemes to reduce worklessness as well as provide incentives to help individuals transition back into employment. Schemes within the social enterprise sector include, for instance, the Sector Based Work Academy Programme (SWAP), which engages employers to provide work experience, placements, and a job interview on successful completion. Programmes like Kickstart are focused specifically on young people aged 16-24, whilst the Plan for Jobs initiative offers free access to qualifications where the participant is aged 19 and over and does not already have a level 3 qualification (equivalent to an advanced technical certificate or diploma, or A levels). Other initiatives aim to address specific barriers to work; for example, the National Transport Scheme, and regional offerings such as the Job Track Scheme in Greater Anglia, which offers free public transport tickets to interviews and two months free travel if the participant is successful in securing a job.

Wales

Careers Wales (Gryfa Cymru) is the Welsh Government's career service, which provides independent careers advice and guidance for all age groups. Their online portal provides further information for jobseekers but also signposts them to specific programmes including ReAct, which is specifically tailored for individuals that are within 12 months of being made redundant, unemployed, or are currently serving a redundancy notice period. ReAct provides funding for an employee to retrain or update their current skills, and if a new employer has been found, the programme can provide transitional funding towards their interim salary or training costs. Wales also has a growing provision to support those in self-employment through Business Wales, which is a free service that offers advice for individuals interested in starting or relocating a business. The programme is delivered in regional centres through a mix of online and face-to-face sessions, as well as designated training workshops. A similar programme for young people aged 25 and under, called Big Ideas Wales, is also available to help develop enterprise skills and inspire the next generation of entrepreneurs.

Wales has an extended provision of work support initiatives for individuals with poor mental health, or with alcohol and addiction issues. The Out of Work Service programme offers free confidential employment support, delivered by a team of peer mentors that have been affected by these issues, to help people make an effective transition into further training, education or paid employment.

Scotland

Jobseekers in Scotland can avail of employability support from Fair Start Scotland, as well as the Individual Training Accounts scheme (ITA), which provides up to £200 per year towards skills-based courses or other relevant learning experiences. There are also several initiatives like Inclusion Scotland, Remploy Scotland, and the Glasgow Centre for Inclusive Living, that provide tailored employability services and support for individuals with disabilities. To help develop social entrepreneurship, Firstport is a charity that supports individuals across Scotland to start, develop, and grow their ideas into businesses with social impact at their core. This includes £5,000 of start-up funding through its Social Entrepreneurs Fund for individuals with a business idea that addresses a social, environmental or community issue.

Priorities for development trusts in just labour markets

The OECD argues that bridging employment gaps in the future will require both institutional reform and targeted social investment in order to reach key groups often left out by mainstream services and training programmes. From the perspective of development trusts, there are significant opportunities to embed social enterprises (especially on an area basis) into the supply of more suitable, durable, and rewarding forms of work.

The Real Living Wage

The Centre for Local Economic Strategies (CLES) shows how earnings have not risen in real terms since 2010, and the effects of this will be compounded by the recent rise in inflation and energy costs. The adoption of the real Living Wage seeks to address this, based on the cost of living set to meet an individual's daily needs. According to the Living Wage Foundation, it is voluntarily paid by nearly 7,000 UK employers who follow the basic principle that 'a hard day's work deserves a fair day's pay'. Local councils and other community anchor institutions (especially social enterprises) can commit to becoming real Living Wage employers, as well as by ensuring that suppliers pay a Living Wage. DfC has already led in its grant programmes and through local authority funding; but it can also work across its own functions, including agencies such as the Housing Executive, use its directive influence with community planning partnerships (and plan content), and act as a champion to create Living Wage places across Northern Ireland, as illustrated by Salford below.

Salford City Council is part of the campaign to make Salford a Living Wage City. It began to pay the real living wage in 2013 and is now encouraging employers across the city to do the same. Currently there are 9,500 active businesses in the city and the number of jobs paying below the living wage is increasing by around 2,000 per year. The Council aims to counter this by increasing the number of residents being paid at or above the real Living Wage from 59.1% to 65% by the end of 2022. To deliver this target, the campaign has formed an action group which includes membership from a range of key stakeholders made up from public, community, and social enterprise sectors, as well as local businesses.

A pathway approach and transition points

Community anchors, principally social enterprises, have a pivotal role in building realistic pathways for those furthest from the labour market. Pre-development work needs to focus on young people with complex needs but who often have capabilities and resources to succeed in work, and this needs to link with mainstream training and education, including NEETs interventions. This in turn should provide realistic routes into work in the social economy, which requires a stronger, more diverse labour market. These pathways and key transition points need to be more effectively managed especially, in the most socially deprived neighbourhoods, where worklessness, NEETS, and income poverty are increasingly concentrated.

Employment charters

The Centre for Local Economic Strategies (CLES) shows that adopting Good Employment Charters can help local employers create better quality jobs. Co-produced by different stakeholders in the community, they can be tailored to promote specific requirements that include secure contracts; a flexible working provision; payment of the real Living Wage; more effective workplace engagement or progressive recruitment practices; an emphasis on reskilling or internal progression opportunities; promoting a better people-management culture; and support for initiatives that foster a healthier workplace. Institutional anchors such as local authorities can also support the rollout of local employment charters by incorporating them into their procurement processes. Again, there is a leadership, champion and advocacy role for the Department to strengthen practices that will create better paid, more secure, and higher quality work, which has worked effectively in Manchester.



Employers across Greater Manchester have worked collaboratively to create a **Good Employment Charter**. Membership of the charter is voluntary, and it has been designed to encourage and support employers to provide good jobs, deliver opportunities for people to progress, and help the city region become more economically active. The employment charter and its implementation framework encourages participating businesses to pay the Living Wage, upskill their workforce, and deliver social value through their procurement and social enterprise supply chains.

Making skills training opportunities accessible for all

The OECD (2021) shows how employment training has been more flexible and adaptable in response to the Covid pandemic, with 76% of countries moving training online, and 70% introducing new online courses. This shows that digitalisation can increase resilience, despite the constraints on face-to-face engagement; but, clearly, costs, and access to technology and a place to learn has created an uneven geography of supply. Programmes that address the skills gap and the successful use of technology, and provide learners with a different pedagogic model (in pre-formal training) highlight the potential for a wider digital learning strategy in areas of disadvantage. The social enterprise, Skills Enterprise shows that young people who lack formal qualifications can be highly functional with technology and digital applications. They are different types of learners, face social and economic rather than capability barriers, and often experience personal and health problems that have held back their education. The Nerve Centre in Derry has produced remarkable outcomes in technology via its FabLab by engaging learners in a different way that addresses their holistic needs, style of learning, and capabilities.

Understanding the changing nature of work

More research is needed to appreciate and better understand the labour market experiences of those seeking opportunities from self-employment, the gig economy, temporary work, or other types of part-time employment, and how these can positively impact on employment rates and work-life balance, or build pathways out of worklessness. The changing landscape of employment is relevant, particularly as we continue to respond to the challenges created by the Covid-19 pandemic and the emergence of remote and flexible forms of working that are not confined to traditional work settings or shift patterns. How social enterprises relate to such models is a particular market opportunity that needs to be better understood and supported. This is especially the case in providing more flexible models of childcare that support other parts of the labour market to function in more inclusive ways. Understanding and providing such connecting services is a key gap in the development trust sector and how it relates to the labour market more broadly.

Young people after Covid

The survey of development trusts shows that they played a key role in partnering with schools to reach the most vulnerable pupils: they provided equipment such as laptops and iPads, enabled access to safe learning spaces, and helped to support children at risk of poverty with services, financial support, and basic food. A number felt that it was important to capture the learning from such experiences and build a partnership approach (schools, youth clubs, statutory services, and social enterprises) to formalise such interventions, especially for those young people most at risk.

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Queen's Communities and Place | QCAP uses research and teaching to help tackle the complex challenges of socio-spatial deprivation. Our social economy strand works with people, NGOs and government to build a more inclusive approach to area-based regeneration.



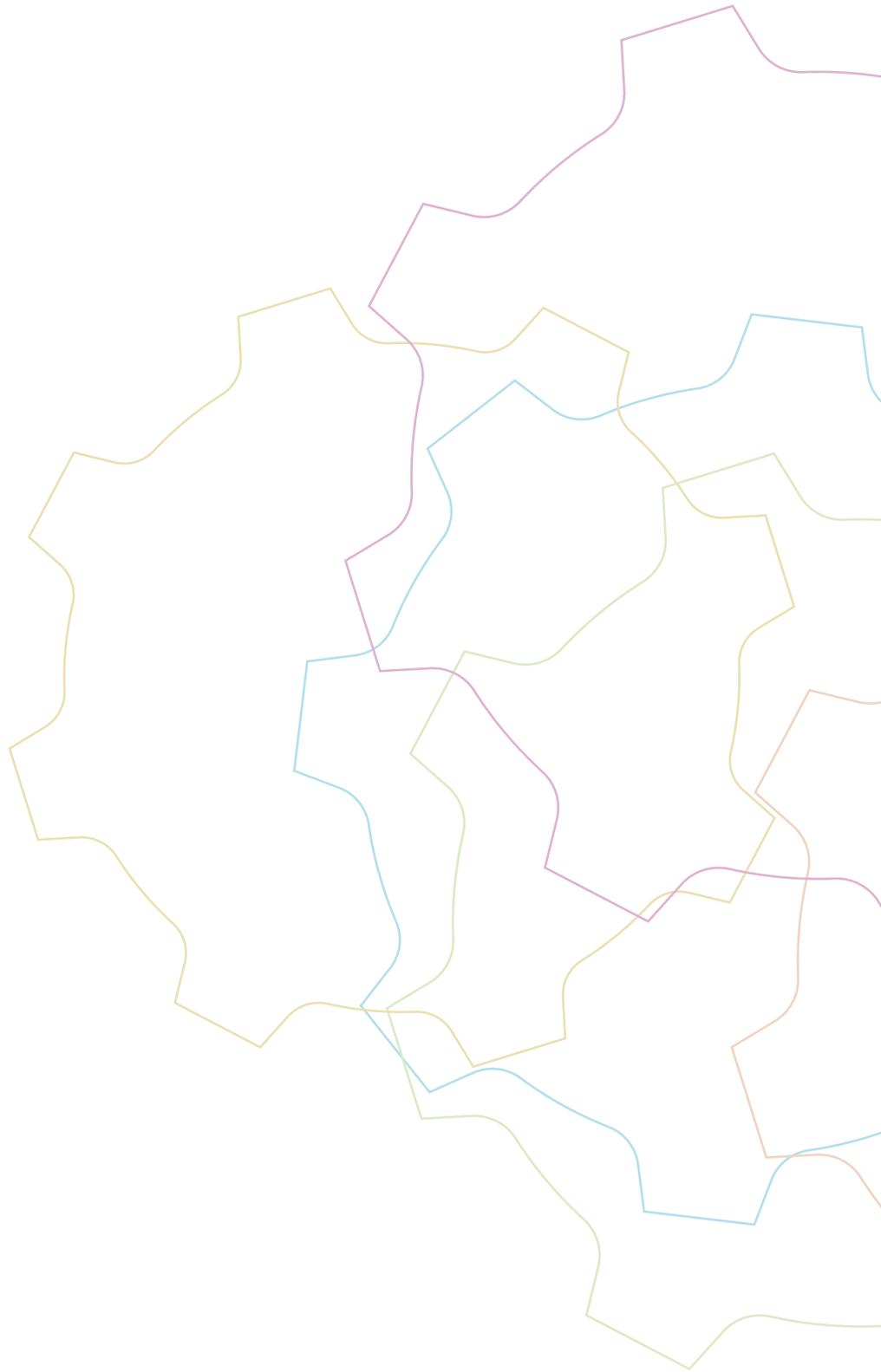
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