This report looks at how to better engage employers in apprenticeship and other work-based skills development opportunities that support local economic development objectives. It also sheds light on a number of key lessons and policy principles for improving business-education partnerships in emerging sectors of the Northern Ireland economy.

In-depth fieldwork has also been undertaken to identify successful implementation practices at the local level. The aim was to understand the interaction between national and local programmes and policies, while offering practical advice to improve co-ordination and the participation of employers based on international best practices. A key part of the project is the implementation of an employer-based survey in Northern Ireland, which gathers information from employers about their skills needs and barriers to apprenticeship participation.
About the OECD

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About the Centre for Entrepreneurship, SMEs, Regions and Cities

The Centre helps local, regional and national governments unleash the potential of entrepreneurs and small and medium-sized enterprises, promote inclusive and sustainable regions and cities, boost local job creation and implement sound tourism policies.

About this booklet

This booklet reproduces highlights from the 2019 report on Engaging Employers and Developing Skills at the Local Level in Northern Ireland, United Kingdom. The report looks at how to better engage employers in apprenticeship and other work-based skills development opportunities which support local economic development objectives. It also sheds light on a number of key lessons and policy principles for improving business-education partnerships. In-depth fieldwork helped understand the interaction between national and local policies while offering practical advice to improve the participation of employers based on international best practices. A key part of the project is the implementation of an employer-based survey in Northern Ireland, which gathered information from employers about their skills needs and barriers to apprenticeship participation.

The full book is accessible at

Engaging Employers and Developing Skills at the Local Level in Northern Ireland, United Kingdom

OECD Publishing, Paris,
https://doi.org/10.1787/9789264311626-en.

Find out more about the OECD work on Local Economic and Employment Development

www.oecd.org/cfe/leed/

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The NI economy has improved but challenges still exist

While the 2008 economic crisis hit Northern Ireland particularly hard, since 2015 the economy has seen improvements on a number of indicators. At 4.7% in 2017, unemployment rate was in line with the United Kingdom (UK) rate of 4.5%, and slightly above the pre-crisis level.

The youth unemployment rate, which was around 20% between 2010-15, dropped to 10% in 2017. Education levels have also improved, with the share of the labour force with tertiary education reaching 38%, an increase of 26% over the last ten years.

Northern Ireland will need to continue focusing on ways of reducing long-term unemployment and economic inactivity which represent a drag on future economic growth and prosperity.
Regional differences exist within Northern Ireland, with Belfast and surrounding districts driving economic growth thanks to the higher share of skilled workers and a dynamic financial services sector. The city is also actively engaged in a number of initiatives to further improve skills and employability through the City Council’s Community Plan.

<table>
<thead>
<tr>
<th>Regional Variation</th>
<th>Lowest value</th>
<th>Highest value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment rate population 16-64</td>
<td>57% Derry City and Strabane</td>
<td>76% Antrim and Newtownabbey</td>
</tr>
<tr>
<td>Share of people 16-64 having achieved NVQ level 4 and above</td>
<td>27% Derry City and Strabane</td>
<td>41% Lisburn and Castlereagh</td>
</tr>
<tr>
<td>Job density per 100 people aged 16-64</td>
<td>48% Ards and North Down</td>
<td>115% Belfast</td>
</tr>
<tr>
<td>GVA per head</td>
<td>£14,481 Causeway Coast and Glens</td>
<td>£31,999 Belfast</td>
</tr>
</tbody>
</table>

**Why apprenticeship is important?**

Local vocational education and training (VET) programmes serve as a valuable skills development pathway to improve the transition from school to work. Within the VET system, apprenticeship programmes mix on-the-job training with classroom-based learning. The work-based training component of apprenticeships provides people with the chance to develop job-ready “soft” or generic skills that are as relevant as technical vocational competences. Skills like problem solving, conflict management and entrepreneurship are more effectively developed in workplaces than in off-the-job situations like classrooms or simulated work environments.

Quality apprenticeship programmes can provide employers with a skilled workforce that is more agile in a rapidly evolving global economy while also supporting new employment opportunities for disadvantaged groups. At the local level, apprenticeship programmes can contribute to regional development objectives by supplying a pipeline of productive talent within key growth sectors of the economy.

*Employers should play a significant role in shaping the demand for training courses. However, this requires VET organisations to proactively engage them while offering more flexible and modular training options.*
Apprenticeship participation has increased in Northern Ireland

The skills system in Northern Ireland has been through a number of significant changes with the merger and expansion of local colleges as well as the merger of government departments. The Skills Strategy for NI, *Success through Skills - Transforming Futures*, launched in 2011, highlighted the importance of up-skilling the existing workforce, enhancing the employability of those currently excluded from the labour market, and looking at how companies are managing human capital.

The incentives to invest in work-based training opportunities were also altered by the introduction of the National Apprenticeship Levy in the UK. In Northern Ireland, the strategy on apprenticeships released in 2014, *Securing our Success*, focuses on transforming the skills landscape to ensure the Northern Ireland economy has the skills needed to grow and compete globally.

ApprenticeshipsNI 2017 is an apprenticeship model designed to engage with businesses and respond directly to their needs in terms of ease of access to relevant training, incentives and support. Progress has been made in participation rates, with 6,499 ApprenticeshipsNI starts in 2016/2017, an increase of 25% since 2013/2014. The vast majority of apprentices are aged 16-24 and, even if the share of apprentices aged 25 and above has increased in recent years, it represented 16.2% of total apprentices in 2016/2017.
New programmes such as Assured Skills and Higher Level Apprenticeships also aim to build higher-level skills opportunities. The Higher Level Apprenticeship (HLA) concept has involved over 600 participants across 40 occupational areas including ICT, engineering, accounting and digital marketing. HLAs currently offer qualifications from Level 4 to Level 6 (Honours degree). The majority are at Level 5 (Foundation degree). They enable employers to train staff to the level required as well as assuring that there are people available with strong technical and employability skills. The Metropolitan and Regional Colleges, Open University and University of Ulster can respond rapidly to employer requests in terms of HLAs.

**Small and micro firms have particular challenges in taking part in training opportunities**

The vast majority of firms in Northern Ireland are SMEs, and among them 88% have fewer than 10 employees. Less than half of the firms surveyed in this OECD study offered apprenticeships in the last 12 months. Around 30% of employers surveyed cited a lack of administrative capacity as the main reason for not taking part in an apprenticeship programme.

About 80% of employers who offered apprenticeships noted that they have maintained their apprentices as full-time employees in the company following training. This demonstrates the value of apprenticeships in increasing employability and leading to a lasting and stable job.

To increase SME take-up, Northern Ireland could look to lessons from other regions of the UK that have established local apprenticeship hubs, which market apprenticeship programmes to employers, while also serving as a key coordination interface between public services and employers.

*Firms, and in particular SMEs, would like to have more support and engagement from both colleges and government bodies in promoting apprenticeships that better respond to their needs*
INTERNATIONAL BEST PRACTICES

In Australia and Norway, group training organisations are used as intermediary bodies to manage the apprenticeship contract directly with the government. This shifts the legal obligation and administrative burden to these collective organisations, who are able to use economies of scale to offer a full suite of training services and supports to SMEs. It also enables flexible apprenticeship frameworks, where an individual apprentice can work across firms within a sector or place, gaining several different workplace experiences.

LOCAL BEST PRACTICES FROM NORTHERN IRELAND

Armagh City, Banbridge and Craigavon (ABC) Borough Council have developed an Employability and Skills Strategy, which has a strong employer engagement focus in the identification of local skills needs. The Council also includes membership from government, the private sector, training and education providers. ABC’s Skills Strategy has a sectoral focus, including the introduction of a competitive bursary scheme for SMEs which focuses on re-skilling and up-skilling the existing workforce within the ABC Borough Council area. The scheme is focused on the Council area’s 5 priority sectors: Digital and Creative Technologies; Advanced Manufacturing, Materials and Engineering; Life and Health Sciences; Agri-Food; and Tourism.

Mid Ulster Council has established a Mid Ulster Skills Forum charged with understanding and communicating the skills gaps of employers and investors which impact on the economic wellbeing of the District. Representatives from a wide range of local employers, further education colleges and business organisations have been involved in devising the terms of reference and programme of work for the Forum. The Forum is chaired by a Director from one of the region’s largest employers, Dunbia, which is a meat processing plant.
Opportunities to better engage employers in skills in Northern Ireland, UK

➢ Improving the quality and effectiveness of apprenticeships

* Ensure a flexible training system with a focus on quality to increase the participation rate.
* Increase female participation in the apprenticeship system through targeted outreach and marketing programmes.
* Set clear targets and provide additional counselling, and information about career choices to apprentices to improve completion rates.
* Strengthen support for young people moving from secondary school into the labour market by creating a robust career guidance system that provides quality information on the jobs available through apprenticeship training.

➢ Enhancing collaboration with employers

* Strengthen local networks among employers on a regional or sector basis to encourage firms to collaboratively identify training needs while also ensuring there is enough demand to offer training.
* Explore more innovative ways to support SMEs or “harder to reach” employers by introducing direct marketing campaigns and outreach to build public awareness among SMEs about apprenticeship training.
* Build evidence about the benefits of skills use policies while also identifying and sharing existing best practices among firms to promote more management and leadership training.

➢ Strengthening the role of local government

* Establish a Local Council Employer Engagement Group to identify how to improve the overall local coordination of public services and identify best practices among Local Councils in engaging employers.
* Foster local skills ecosystems, which is a cluster of firms working horizontally across a value chain, with the education and training system to foster knowledge exchange and coordination.
* Develop more relevant and timely local labour market information on jobs, skills, and economic development trends to inform individuals, firms, and governments on future skills development opportunities in Northern Ireland.
ENGAGING EMPLOYERS AND DEVELOPING SKILLS AT THE LOCAL LEVEL IN NORTHERN IRELAND, UNITED KINGDOM

Highlights

The success of skills development activities through both on- and off-the job training often depends on the participation of employers. This OECD report on Northern Ireland, United Kingdom identifies a number of innovative programmes that aim to better engage employers in the design and delivery of training. It also looks at the role of local district councils in working closer with employers to better understand and address their skills challenges.

A key part of the project was the implementation of a survey to gather information from Northern Irish employers about their skills needs and barriers to apprenticeship participation. The report offers a number of recommendations for improving business-education partnerships in emerging sectors of the Northern Ireland economy.

More information: www.oecd.org/cfe/leed

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