

ECONOMY  
SKILLS  
QUALIFICATIONS

SUPPORT

CONFIDENCE

INCENTIVES  
INNOVATION

HELPING  
EDUCATION

INDIVIDUALS TRANSITION  
COMPETITIVENESS

# 'Enabling Success'

Supporting the transition from  
economic inactivity to employment:

A strategy to tackle economic  
inactivity in Northern Ireland

April 2015

Version 1.0



Department for  
Employment  
and Learning  
[www.delni.gov.uk](http://www.delni.gov.uk)



Department of  
Enterprise, Trade  
and Investment  
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## JOINT MINISTERIAL FOREWORD

On behalf of the Northern Ireland Executive, we are delighted to present ‘Enabling Success’, the new strategy for reducing economic inactivity in Northern Ireland. This has been developed by the Department for Employment and Learning and the Department of Enterprise, Trade and Investment, in partnership with others, including the Department for Social Development, Invest NI and the Department of Health, Social Services and Public Safety.

For many decades, Northern Ireland has experienced a consistently high rate of economic inactivity in comparison to other regions of the United Kingdom, currently 27% of the working age population, compared to the United Kingdom average of 22.2%.<sup>1</sup>

This strategy recognises however that some forms of economic inactivity are not problematic. Northern Ireland, for example, has a higher proportion of students contributing to our inactive total than any other region of the United Kingdom. This can be viewed as a benign form of inactivity where the investment in education and skills is highly likely to repay dividends to the individuals and wider economy in the future.

This strategy focuses therefore on the forms of economic inactivity which are caused when an individual’s particular personal circumstances, often combined with various structural issues, geographical nuances and economic conditions, restrict their access to the labour market. For this reason, the strategy specifically seeks to help the following target groups:

- individuals with work-limiting health conditions or disabilities;
- lone parents; and
- individuals with caring commitments.

The strategy commits to help people in these target groups to overcome their personal labour market barriers, on a purely voluntary basis, by providing the tailored solutions required to move into employment. In so doing, the strategy also seeks to increase the overall level of employment in Northern Ireland. At a macro level, this will have the potential to increase Northern Ireland’s economic competitiveness in the global market.

The negative aspects of economic inactivity deprive many people of the positive opportunities working life provides. Work can provide a sense of identity, self-respect, as well as providing opportunities to develop our personal potential, better provide for our families and make a fuller contribution to society. The intergenerational worklessness and poverty that is the legacy of this disengagement has hampered Northern Ireland’s social and economic development for decades. The Northern Ireland Executive is therefore fully committed to addressing this longstanding problem to ensure that those individuals - so often deemed to be furthest from the labour market - are enabled and supported to take full advantage of new opportunities and to share in Northern Ireland’s future prosperity.

Government alone, however, cannot provide all of the solutions. These longstanding issues can only be addressed through a combined effort with all key stakeholders, including employers and a wide range of sectors and, most importantly, by the individuals themselves.

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<sup>1</sup> Northern Ireland Statistics and Research Agency, Labour Market Report: November 2014, Department of Finance and Personnel, November 2014

This is critical to the success of the strategy and it is our responsibility to create an environment where the target groups are both enabled, through better information and support, and willing, on a purely voluntary basis, to make the transition towards the labour market and into sustained employment. For that very reason, partnership working is a key theme of the strategy.

**The strategy's overarching goal is to contribute towards a stable and competitive employment rate in Northern Ireland which exceeds the United Kingdom average by 2030, through a reduction in the proportion of the working age population (16-64) classified as economically inactive.**

Achieving this goal will be hugely challenging and it will require a concerted effort over a sustained period of time. 'Enabling Success' therefore aims to put in place the foundations on which to build upon throughout the lifecycle of the strategy. The projects outlined in the implementation plan will help inform this thinking and create the building blocks which will ultimately ensure that the strategic goal and objectives are achieved.

For this reason, an interim strategic target of achieving an employment rate of more than 70% by 2020 has also been included to assess the effectiveness of the strategy at a mid-point in the implementation process.

The strategy should be viewed as an organic document which will be reviewed and updated on a regular basis in light of the learning from the full range of projects. This approach will ensure that it is fully reflective and responsive to the evolving economic climate in Northern Ireland. We firmly believe that this evidence-based and incremental approach will be conducive to reducing economic inactivity in a progressive and sustainable way.

We are very grateful for the invaluable contributions gathered from extensive stakeholder engagement during the public consultation. The strategic proposals were rigorously tested during the consultation period by a wide range of stakeholders and we are delighted that a number of new and innovative ideas and approaches which were identified through this consultation have been incorporated into the strategy.

'Enabling Success' has unlimited potential to make a huge difference, both economically and socially in Northern Ireland, and to the lives of those individuals who wish to overcome their personal barriers and to make the journey towards the labour market.

The challenge now is one of delivery and through collaboration and partnership, we are confident that sustainable change can be achieved.



A handwritten signature in black ink that reads "Stephen Farry".

**DR STEPHEN FARRY MLA**  
**Minister for Employment and Learning**



A handwritten signature in black ink that reads "Arlene Foster".

**ARLENE FOSTER MLA**  
**Minister of Enterprise,  
Trade and Investment**

# EXECUTIVE SUMMARY

## EXECUTIVE SUMMARY

### Introduction

Economic inactivity is an employment status that refers to individuals who are neither in work, nor are actively seeking work and are available to start immediately. This is the critical factor which sets inactivity apart from the other key labour market classifications of employment and unemployment. This feature of our labour market has persisted irrespective of the positive and negative fluctuations in the economic cycle over the past number of decades with inactivity rates remaining within a stable range of 26% and 32% of the working adult population in Northern Ireland since the mid-1980s. High levels of inactivity reflect a greater proportion of our population being disengaged from working life, which can have detrimental impacts on social inclusion, skills development, wellbeing and the overall productivity of the local economy.

### Context

The Northern Ireland Executive's Programme for Government 2011 – 2015 includes a commitment for the Department for Employment and Learning and the Department of Enterprise, Trade and Investment to develop a strategy to tackle economic inactivity through targeted incentives, skills and training programmes and job creation. In recognition of the magnitude and scope of the issues associated with economic inactivity in Northern Ireland, and the cross-government approach required to successfully address these issues, this strategy has been developed in partnership with the Department for Social Development, Invest NI and the Department of Health, Social Services and Public Safety.

'Enabling Success' sets out the Northern Ireland Executive's long-term approach to tackling economic inactivity in a progressive and sustainable way, and builds on a robust research base and a strategic framework approach which has been rigorously tested through an extensive public consultation process, including engagement with people in the target groups and the local business sector. A number of new ideas and fresh thinking were identified during the consultation process and these have been included in the strategy.

### Target Groups

The strategy outlines a range of measures, based on voluntary participation, which are designed to help individuals in the following economically inactive groups to make the transition towards, and into, work:

- **Long-Term Sick and Disabled** – the key target group within this category is **people with work-limiting health conditions or disabilities** who, with the right level of support and reasonable accommodations from an employer, should be able to work; and
- **Family Commitments** – the key target groups within this category are **lone parents and carers who are currently in receipt of out-of-work benefits** and would be better off in work but are unable to make the transition due to a lack of appropriate support and/or opportunities.

For these groups, disengagement from working life can restrict the development and potential of the individual and their families, wider society and the economy as a whole.

The labour market barriers faced by these groups are varied and complex, ranging from a lack of skills and qualifications to low levels of self-confidence and motivation and negative perceptions of, and attitudes towards, work.

This strategy will seek to address these issues by recognising the heterogeneous nature of these groups and ensuring that interventions designed to help them towards the labour market will be person-focused and based upon voluntary participation. The strategy will also seek to ensure that wider issues, such as societal attitudes towards older workers or individuals with mental health conditions, do not impede their progress towards work.

## Strategic Goal

**Strategic Goal: By 2030, to contribute towards a stable and competitive employment rate in Northern Ireland which exceeds the United Kingdom average, through a reduction in the proportion of the working age population (16-64) classified as economically inactive.**

**Interim Target: By 2020, to contribute towards an employment rate in Northern Ireland of over 70%, through a reduction in the proportion of the working age population (16-64) classified as economically inactive.**

The strategic goal reflects both the generational nature of the problem of economic inactivity in Northern Ireland and the long-term evidence-based approach proposed to address it. The goal takes account of the economic, social and policy context in which it will operate and recognises that the ultimate measurement of success will be the number of individuals from the target groups who can gain and sustain work. This will ensure that the focus remains on progressing individuals into work, avoiding transitions between inactivity and unemployment that fail to achieve this outcome.

Achieving this goal will increase the competitiveness and productivity of the Northern Ireland economy and will contribute to the aspirational economic scenario of high rates of employment in a buoyant labour market, complemented by a natural rate of unemployment and low levels of economic inactivity.

The interim target will provide an accurate assessment of the strategy's effectiveness at a mid-point in the implementation process.

## Strategic Objectives

Successfully achieving the strategic goal will require the fulfilment of three strategic objectives:

**Strategic Objective 1: By 2030, to reduce, through transitions into employment, the levels of economic inactivity due to work-limiting health conditions or disabilities by a 25% reduction in the number of people claiming Employment and Support Allowance (Work Related Activity Group) against the 2015 baseline position.**

**Strategic Objective 2: By 2030, to reduce, through transitions into employment, the levels of economic inactivity due to family commitments by a 25% reduction in the number of lone parents and carers claiming Income Support against the 2015 baseline position.**

**Strategic Objective 3: (i) By March 2017 to establish a robust baseline for the numbers of people moving from work into economic inactivity due to health related issues; and (ii) by 2030 to reduce the baseline figure by 20% through a reduction in the number of new claims to relevant health related social security benefits.**

Achievement of these strategic objectives will contribute towards a stable and competitive employment rate in Northern Ireland which exceeds the United Kingdom average by 2030. This aspiration aligns closely with the Northern Ireland Executive's key economic priority of rebuilding and rebalancing the economy and will complement the work being taken forward through the Economic Strategy.

## Themes for Action

The strategy's development has drawn from international best practice to inform a holistic approach that is based on a model of intervention centred around six key themes:

**Theme 1: Improving engagement and support**

**Theme 2: Increasing employment opportunities**

**Theme 3: Addressing wider barriers**

**Theme 4: Breaking the cycle of inactivity**

**Theme 5: Partnership – Strategic Management**

**Theme 6: Improving information**

These six themes provide a comprehensive approach to reducing economic inactivity in a progressive, responsive and sustainable way. The themes will provide a platform to connect a diverse range of interventions across a number of sectors, from improving engagement with the target groups and supporting them to make the transition towards the labour market through innovative and geographically-focused approaches tested through a competitive pilot project process, to increasing employment opportunities through increased support and incentives for employers and addressing wider labour market barriers, such as societal attitudes towards older workers and individuals with mental health conditions.

This thematic approach also recognises the importance of early preventative interventions to break the cycle of inactivity, such as improving health and work outcomes to reduce further inflows into the inactive categories.

The strategy will also ensure that appropriate leadership and oversight mechanisms are put in place to provide strategic management and to co-ordinate and drive forward the delivery and implementation process to ensure that the strategic objectives are achieved.

This approach will be complemented by a series of research projects to identify new sources of data and improve information systems to share data across government and to accurately monitor the progress of the target groups towards and into work. One of the key initial research projects to be taken forward will be a comprehensive mapping exercise of existing service provision for the target groups. This will map the current service provision landscape in Northern Ireland and provide a baseline position which will help inform the competitive pilot project testing process.

## Projects

Each theme will be delivered through a series of cross-cutting projects:

**Project A: Outcomes Framework**

**Project B: Pilots**

**Project C: Controls**

**Project D: Incentives**

**Project E: Protection**

**Project F: Promotion**

**Project G: Awareness**

**Project H: Health and Work**

**Project I: Advocates**

**Project J: Oversight**

**Project K: Information**

Details for each project are set out in the implementation plan at Annex A.

## Funding

The strategy outlines a diverse range of initiatives which will be delivered by a number of government departments through the projects outlined above.

The strategy fully recognises the public spending constraints going forward and for this reason, a number of projects will initially be piloted to ensure that effective solutions are identified prior to any upscaling of investment. A number of other projects will initially focus on feasibility and scoping exercises to provide modelling to inform the viability, cost and benefits of implementation. As projects are developed, specific targets will be established to allow accurate measurement of progress.

Projects will be initiated on a priority basis when adequate resources have been identified on a cross-departmental basis.



**INTRODUCTION**

# 1. INTRODUCTION

**This chapter outlines the background and rationale for the strategy and the underpinning strategic development process. It sets out a clear need for the strategy to focus on three key economically inactive groups and profiles each of the groups.**

## Background

Economic inactivity is an internationally recognised labour market classification used to describe those individuals of working age (16-64) who are neither in work, nor are actively seeking work and available to start immediately. This is the critical factor which sets inactivity apart from the other key labour market classifications of employment and unemployment.

High rates of economic inactivity have been engrained into the Northern Ireland economy for decades. Furthermore, Northern Ireland has consistently had the highest rate of economic inactivity of the 12 regions in the United Kingdom. This facet of our local economy reflects lower regional productivity and employment levels and higher levels of benefit reliance and economic disengagement in the working age population.

The current rate of inactivity in Northern Ireland for those aged 16-64 is 27%. This is significantly higher than the United Kingdom average of 22.2% and equates to approximately 314,000 adults of working age in Northern Ireland who are neither in work, nor are actively seeking work<sup>2</sup>. This is a stark situation - more than one in four adults of working age in Northern Ireland are disengaged from the labour market.

The Northern Ireland Executive is committed to reducing economic inactivity through the development and implementation of this strategy.

**Figure (i) – Regional Comparison of Economic Inactivity Rates**  
(Labour Force Survey, July – September 2014)

<b>Economically Inactive</b>	<b>Northern Ireland</b>	<b>England</b>	<b>Scotland</b>	<b>Wales</b>	<b>UK</b>
(%) of working age population (16-64)	27%	21.9%	21.4%	25.8%	22.2%
<b>Total</b>	<b>314,000</b>	<b>7,490,000</b>	<b>732,000</b>	<b>493,000</b>	<b>9,030,000</b>

<sup>2</sup> Northern Ireland Statistics and Research Agency, Labour Force Survey: July – September 2014, Department of Finance and Personnel, November 2014

## Development Process

This cross-departmental strategy has been informed by an extensive development process including:

- a baseline study of the profile of economic inactivity in Northern Ireland;  
<http://www.delni.gov.uk/economic-inactivity-strategy-baseline-study.pdf>
- an independent literature review (Edinburgh Napier University);  
<http://www.delni.gov.uk/delni-economic-inactivity-edinburgh-napier-eri-literature-review-final-v2-050313a.pdf>
- a strategic framework to tackle economic inactivity in Northern Ireland;  
<http://www.delni.gov.uk/economic-inactivity-strategic-framework.pdf>
- a 12 week public consultation exercise, including a series of public road shows;  
<http://www.delni.gov.uk/economic-inactivity-roadshow-consultation-document-february-2014.pdf>
- engagement with the local business sector; and
- a series of independent focus groups with the target groups across Northern Ireland.  
<http://www.delni.gov.uk/rcn-economic-inactivity-consultation-focus-groups-final-report-june-2014.pdf>

The baseline study of economic inactivity in Northern Ireland provided an analytical comparison with other parts of the United Kingdom and the Republic of Ireland, as well as internationally across the Eurozone. The baseline study assessed policy interventions aimed at reducing inactivity and made a series of recommendations to inform the strategy going forward.

The subsequent literature review undertaken by the Edinburgh Napier Employment Research Institute provided an evidence-based depiction and understanding of the multiple labour market barriers faced by the target groups, as well as identifying international best practice in policy interventions aimed at helping these groups in the labour market.

The extensive research base and learning from these research projects was used to develop a comprehensive evidence-based strategic framework document. This outlined a framework to reduce economic inactivity by increasing engagement and support of the target groups, increasing employment opportunities, addressing wider labour market barriers and breaking the cycle of inactivity.

The strategic framework was rigorously tested during the consultation period by a wide range of stakeholders, including individuals from the target groups and the business sector. The consultation welcomed the development of a strategy to tackle economic inactivity and broadly endorsed the proposals in the strategic framework, as well as identifying some innovative and fresh thinking which has been incorporated into the strategy. The full summary of consultation responses is available at <http://www.delni.gov.uk/economic-inactivity-report-responses.pdf>.

## Target Groups of the Strategy

The International Labour Organisation (ILO) classifies five main economically inactive categories:

- students;
- long-term Sick and Disabled;
- family Commitments;
- early Retirees; and
- other

The baseline study of economic inactivity in Northern Ireland identified two main economically inactive categories for the strategy to focus upon. Within these two main categories, the strategy will seek to assist three specific groups:

- **Long-Term Sick and Disabled** – the key target group within this category is **people with work-limiting health conditions or disabilities** who, with the right level of support and reasonable accommodations from an employer, should be able to work; and
- **Family Commitments** – the key target groups within this category are **lone parents and carers who are currently in receipt of out-of-work benefits** and would be better off in work but are unable to make the transition due to a lack of appropriate support and opportunities.

The strategy will focus on these three target groups as they are comprised of individuals who would benefit from entry into the labour market, but are unable to do so at the current time, due to wide range of issues. For people in these groups, disengagement from working life can limit opportunities for them to develop their personal potential and it also has wider impacts on the productivity and inclusiveness of the Northern Ireland economy. The barriers these groups face are varied and complex, ranging from a lack of skills or qualifications to low levels of confidence and motivation.

For people in these three target groups, a combination of personal circumstances and structural barriers have combined to restrict both work opportunities and the support the individual needs to make a successful transition into employment. This results in long periods of disengagement from the world of work and represents a vast waste of human potential that, if not addressed, will continue to hinder Northern Ireland's economic development for years to come.

**This strategy commits to help and support people in these three target groups to overcome their personal circumstances and to make the transition towards, and into, employment.**

**The strategy recognises the heterogeneous nature of these groups and commits that interventions designed to help the groups to make the transition towards the labour market will be person-focused and based upon voluntary participation.**

As Figure (i) above demonstrates, Northern Ireland currently has the highest rate of economic inactivity in the United Kingdom. It must be acknowledged, however, that not all inactivity is problematic. Within the overall rate of 27%, unadjusted figures estimate that 27% of the economically inactive of working age in Northern Ireland are students (the highest proportion of any United Kingdom region) and 11% are early retirees. These can be considered as benign forms of inactivity and can represent a net benefit to society over the medium to long-term. An additional 8% are categorised as economically inactive due to 'Other' reasons, ranging from disengagement from the labour market due to a short-term injury or illness, to discouraged workers who are able to work but choose not to actively seek employment at the current time<sup>3</sup>. Whilst this group is negatively disengaged from the labour market, there is insufficient critical mass in terms of numbers to warrant 'Other' being a key target group of this strategy.

The three target groups are profiled in more detail below.

## Profile of Target Groups

The 'long-term sick and disabled' and 'family commitments' categories account in their totality for approximately 53% of the inactivity total in Northern Ireland (28% and 25% respectively).<sup>4</sup>

Within these two main economically inactive categories, further analysis of the three target groups, using benefit claimant statistics from August 2014, shows that:

- 27,000 individuals with **work-limiting health conditions or disabilities** are currently in receipt of Employment and Support Allowance under the Work Related Activity Group classification;
- 22,000 individuals are currently claiming Income Support as **lone parents**. This equates to 13.5% lone parent households in Northern Ireland, compared with a United Kingdom average of 10.6%;<sup>5</sup> and
- 15,000 individuals are also currently claiming Income Support as **carers**.

**The total for the three target groups of the strategy is approximately 64,000 which equates to approximately 40% of all benefit claimants in the economically inactive groups and approximately 20% of the total working age economic inactivity figure in Northern Ireland.**

## Gender

Men form the majority of the work-limiting health conditions or disabilities group whilst women form the vast majority of the lone parents and carers groups.

## Age

The majority of individuals who are inactive due to a long-term illness or disability are aged between 45-64. Individuals in the 'family commitments' category have a more balanced age range, with lone parents generally having a younger age profile.

<sup>3</sup> Northern Ireland Statistics and Research Agency, Labour Market Report: December 2014, Department of Finance and Personnel, December 2014

<sup>4</sup> Northern Ireland Statistics and Research Agency, Labour Market Report: November 2014, Department of Finance and Personnel, November 2014

<sup>5</sup> Northern Ireland Statistics and Research Agency, Labour Force Survey: July - September 2014, Department of Finance and Personnel, November 2014

## Qualifications

The majority of individuals in the 'long-term sick and disabled' category have no qualifications. This contrasts with the profile of the 'family commitments' category where the majority of individuals have gained qualifications at GCSE level and above. In 2013, Northern Ireland had the highest proportion of individuals of working age with no qualifications (17.4%), and also a higher proportion of low-skilled individuals (31.8%) compared to any other region of the United Kingdom.<sup>6</sup>

## Geographical Profile

The strategy recognises that there are significant regional variances in terms of the profile of economic inactivity in Northern Ireland. For this reason, the strategy will adopt a geographical approach to interventions aimed at helping the target groups make the transition into employment. **Annex B** outlines a geographical profile of the target groups across Northern Ireland.

## Strategic Approach

The strategy outlines a systematic and progressive approach to tackle inactivity in a sustainable and responsive way through the following six themes:

**Theme 1: Improving engagement and support**

**Theme 2: Increasing employment opportunities**

**Theme 3: Addressing wider barriers**

**Theme 4: Breaking the cycle of inactivity**

**Theme 5: Partnership – Strategic Management**

**Theme 6: Improving information**

Themes will be delivered through a series of cross-departmental projects.

Details for each project are set out in the implementation plan at Annex A.

Each theme is outlined in detail in chapters 5 – 10.

<sup>6</sup> Labour Force Survey, January – March 2013. Levels used are from the National Qualifications Framework, which adopts the same approach to qualification levels as the Qualifications and Credit Framework (QCF)

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## 2. ECONOMIC, SOCIAL AND STRATEGIC CONTEXT

**This chapter outlines the economic and social context and rationale for the development of 'Enabling Success'. It sets out linkages with key existing Northern Ireland Executive priorities and commitments and highlights significant future policy developments.**

### Economic Context

The economy is the number one priority for the Executive. The overarching aim of the Economic Strategy is to improve the competitiveness of the Northern Ireland economy and it is recognised that a key contributory component to this success will be to attempt to re-engage a previously excluded cohort of the working age population with the labour market – those individuals classified as economically inactive.

The level of economic inactivity in Northern Ireland is a major economic problem which, if left unaddressed, has the potential to both hinder Northern Ireland's economic growth and to contribute to increased economic strain on finite public resources.

The Northern Ireland Executive has therefore committed, through its Programme for Government 2011-2015, to strategically tackle economic inactivity through a multi-partnership approach focusing on initiatives designed to help inactive individuals to move towards and into work, and through preventative measures to reduce further inflows into inactivity.

Skills are a primary driver for the Northern Ireland economy and through ensuring the provision of a highly-skilled, diverse and responsive workforce, its overall competitiveness will be improved. Viewed in an aspirational context, there is significant potential to transform a much underutilised labour market resource into a skilled workforce that can help to meet current and future labour market demand.

It must be recognised however that Northern Ireland's longstanding problems of worklessness and economic dependency are deeply engrained and are non-cyclical in nature. Irrespective of economic periods, the rate of inactivity in Northern Ireland has remained stubbornly high and it has long been recognised that this is a key structural problem, both economically and socially.

It is therefore important to consider the difficulties faced in reducing economic inactivity against the potential long-term economic benefits, at both a societal and individual level, that successful interventions would bring. At a societal level, successfully reducing inactivity would contribute to a more productive, buoyant and inclusive labour market. The cost to the public purse would also be reduced through reduced levels of social security spending. At an individual level, engaging positively with the labour market, and ultimately gaining and sustaining work, can provide people with a sense of identity, increased confidence, motivation, self-respect and improved health and wellbeing, as well as the wider personal and family benefits that financial independence brings.

Taking into consideration the wider demographics in Northern Ireland, and an older population that is living for longer, ensuring maximum labour market participation amongst the working age population is an economic imperative to ensure that the proportion of the population that is economically active is of a sufficient critical mass to ensure that adequate resources and public services can be maintained across society. This is of huge significance in the current context of constrained public expenditure in Northern Ireland.

## Social Context

In addition to the economic impact associated with the high levels of inactivity in Northern Ireland, the social cost of labour market exclusion is high. Worklessness and poverty are well documented, particularly for the target groups of the strategy.<sup>7</sup> This has been recognised by the Northern Ireland Executive's Delivering Social Change framework which is seeking, through signature initiatives, to address the negative consequences of poverty and social exclusion on individuals and families.

The Delivering Social Change framework sits alongside the Northern Ireland Economic Strategy in providing the social policy blueprint to tackle a broad range of societal issues and to complement and feed into the wider economic vision for Northern Ireland. 'Enabling Success' will be the interlinking strategy between these two visions, seeking to increase Northern Ireland's economic competitiveness through a process of labour market diversification and inclusion, whilst also seeking to address the root causes of a number of difficult and generational societal problems.

There is also a stark correlation between worklessness and health, particularly in terms of the long-term impact on children who grow up in workless households. Research from the Department for Work and Pensions shows that the incidence of mental health conditions for children aged 5-15, whose parents have never worked, is almost double that of same-aged children whose parents are in low-skilled work.<sup>8</sup>

At a regional level, the negative effects of deprivation and social security support are also clearly evident. The baseline analysis of economic inactivity in Northern Ireland highlighted the high levels of inactivity in the major urban centres of Belfast and Derry/Londonderry, with the latter's Local Government District having the highest percentage of households in receipt of Disability Living Allowance care (22%) and mobility (22%). This compares with a Northern Ireland average of 12% and 13% respectively.

To further put this into context, in 2012/2013 social security benefits and tax credits accounted for 22% of household income in Northern Ireland, an increase from 19% in 2008/2009. In 2012/13 this compared with a United Kingdom average of 16%.<sup>9</sup>

Urban areas with high levels of inactivity and unemployment are more likely to encounter other forms of social deprivation, including higher crime and disorder rates, poorer health outcomes and lower levels of education and training.<sup>10</sup>

7 Households Below Average Income – Northern Ireland 2012-13, Department for Social Development, November 2014

8 Gregg, P, "Realising Potential: A vision for personalised conditionality and support", Department for Work and Pensions, 2008.

9 Family Resources Survey – Northern Ireland 2012/13 – Department for Social Development, September 2014

10 Northern Ireland Statistics and Research Agency, "Northern Ireland Multiple Deprivation Measure 2010", Department of Finance and Personnel, 2010

The history of the conflict is also recognised as a factor contributing to Northern Ireland's high rate of economic inactivity due to ill health when compared with the rest of the UK. In particular, the high prevalence of mental health issues is often in part attributed to the legacy of the conflict.<sup>11</sup> Whilst this may partly explain the scale of inactivity in Northern Ireland and exacerbate its negative impacts, the problems of social deprivation and worklessness are not confined to Northern Ireland.

## Strategic Context

This strategy will be delivered and supported within the context of a range of connected government strategies and policy initiatives. The Economic Inactivity Strategic Framework (<http://www.delni.gov.uk/economic-inactivity-strategic-framework.pdf>) highlighted the key strategic and policy drivers that will inform the delivery of this strategy going forward.

These include:

- Programme for Government 2011-2015  
<http://www.northernireland.gov.uk/pfg-2011-2015-final-report.pdf>
- Economic Strategy  
<http://www.northernireland.gov.uk/ni-economic-strategy-revised-130312.pdf>
- Skills Strategy  
<http://www.delni.gov.uk/success-through-skills-transforming-futures.pdf>
- Delivering Social Change  
<http://www.ofmdfmni.gov.uk/delivering-social-change>
- Making Life Better – Strategic Framework for Public Health 2013 – 2023  
<http://www.dhsspsni.gov.uk/mlb-strategic-framework-2013-2023.pdf>
- Child Poverty Strategy  
<http://www.ofmdfmni.gov.uk/child-poverty-strategy-2011-14.pdf>
- Employment programme for Northern Ireland - Steps 2 Success  
<http://www.delni.gov.uk/index/finding-employment-finding-staff/fe-fs-help-to-find-employment/steps2success.htm>
- 'Brightstart' – Strategic Framework for Affordable and Integrated Childcare  
<http://www.northernireland.gov.uk/bright-start-strategic-framework-key-actions.pdf>
- Urban Regeneration and Community Development Framework  
<http://www.dsdni.gov.uk/urcd-policy-framework.pdf>
- Strategic Investment Fund  
<http://www.ofmdfmni.gov.uk/strategic-paper-on-the-social-investment-fund.pdf>

The strategy will also be fully cognisant of, and responsive to, emerging policy developments, such as the forthcoming Disability Employment and Skills Strategy for Northern Ireland which will focus on young people with more significant disabilities who wish to make the transition into work.

11 Baseline Study of Economic Inactivity in Northern Ireland, Department for Employment and Learning, 2013

The strategy will also closely monitor other potential labour market reforms, including the reconfiguration of the social security system in Northern Ireland to eliminate current disincentives and instead encourage, support and reward work whilst ensuring that the most vulnerable in society are protected.

Strategic monitoring of such policy developments will be a key function of the Strategic Forum to ensure that appropriate linkages across government are made and acted upon, where appropriate.



**GOALS  
OBJECTIVES  
AND  
STRATEGIC**

### 3. STRATEGIC GOAL AND OBJECTIVES

**This chapter outlines the rationale and context for the strategic goal and the challenges of achieving this over the medium to long-term. It sets out the key strategic objectives that will contribute to the strategic goal and a range of anticipated economic and social outcomes.**

**Strategic Goal: By 2030, to contribute towards a stable and competitive employment rate in Northern Ireland which exceeds the United Kingdom average, through a reduction in the proportion of the working age population (16-64) classified as economically inactive.**

**Interim Target: By 2020, to contribute towards an employment rate in Northern Ireland of over 70%, through a reduction in the proportion of the working age population (16-64) classified as economically inactive.**

Northern Ireland's employment rate currently stands at 68.5% which equates to approximately 821,000 adults of working age (16-64, as defined by the International Labour Organisation) in employment. This is the lowest employment rate of the 12 UK regions and compares with a UK average of 73%. Northern Ireland's employment rate contrasts with an unemployment rate of 6% and an economic inactivity rate of 27%.<sup>12</sup>

**Figure (ii) - Employment rates - Comparison by UK Region**  
(Labour Force Survey, July - September 2014)

Employment Rate	Northern Ireland	England	Scotland	Wales	UK
	68.5%	73.3%	73.8%	69.1%	73%

Northern Ireland's employment rate has fluctuated between 59% in 1984 when the unemployment rate stood at 17%, to 69% at the height of the economic boom in 2008 when the unemployment rate was at a historic low of 4%.

The long-term goal of the strategy is to increase the employment rate in Northern Ireland to exceed the United Kingdom average by 2030 through interventions that will reduce the proportion of the working age population (16-64) classified as economically inactive.

<sup>12</sup> Northern Ireland Statistics and Research Agency, Labour Market Report: November 2014, Department of Finance and Personnel, November 2014

This strategic goal has been set in the context of both the UK landscape and in Europe, with the European Commission's target of increasing the EU employment rate to 75% by 2020. The goal is closely aligned with the Northern Ireland Economic Strategy, which also seeks to ensure that the proportion of the working age population in employment in Northern Ireland exceeds the United Kingdom average by 2030.

The strategy is centred around improving the employment rate to avoid a situation where economically inactive individuals are simply shifted from the various inactive categories into the unemployment category. Whilst moves from inactivity into active participation in work-focused interventions are positive, these will be secondary to work outcomes, as lowering the economic inactivity rate whilst pushing up the unemployment rate would deliver sub-optimal outcomes. The strategy therefore recognises that the ultimate measurement of success will be the number of individuals from the target groups who can gain and sustain employment.

Whilst achieving an employment rate of over 73% by 2030 (baselined against the United Kingdom average for November 2014)<sup>13</sup> is hugely ambitious in a Northern Ireland context, it is recognised that wider factors could impact both positively and negatively on the achievement of this goal. These include economic conditions, increasing recovery in the labour market, the potential devolution of new fiscal powers to the Northern Ireland Executive, how those conditions and economic stimuli translate into jobs growth and the rate at which spare capacity<sup>14</sup> in the labour market can be absorbed as the economy grows.

Research undertaken by Oxford Economics into the impact of a lower rate of corporation tax in Northern Ireland, projected that if the current rate of corporate tax (21%) was assumed as the baseline scenario, there would be a net increase of 57,000 additional jobs in the Northern Ireland economy by 2030. If, however, corporate taxation powers were devolved to Northern Ireland, and a lower rate of 12.5% was adopted, this would translate into an additional 58,000 jobs above the baseline position by 2030. This would equate to an overall increase in jobs in the Northern Ireland labour market of 115,000 by 2030.<sup>15</sup>

To illustrate the scale of the challenge, to achieve the strategic goal from the current Northern Ireland employment rate of approximately 821,000 (68.5%), and based upon the current UK average of 73%, would require the transition of more than 55,000 additional people into employment. However, viewed in the context, for example, of the potential net economic impact of a devolved and lower rate of corporation tax, this target, whilst challenging, is achievable.

This strategy seeks to contribute to this goal through a number of strategic objectives which are aimed both at reducing levels of inactivity through transitions into employment and at reducing inflows into activity through interventions aimed at keeping people in employment.

<sup>13</sup> Northern Ireland Statistics and Research Agency, Labour Market Report: November 2014, Department of Finance and Personnel, November 2014

<sup>14</sup> Spare capacity in this context includes those people who are currently employed part-time but would wish to work more hours

<sup>15</sup> Oxford Economics, 'Preparing for a lower corporation tax environment', on behalf of the Department for Employment and Learning, June 2012

## Strategic Objectives

**Strategic Objective 1: By 2030, to reduce, through transitions into employment, the levels of economic inactivity due to work-limiting health conditions or disabilities by a 25% reduction in the number of people claiming Employment and Support Allowance (Work Related Activity Group) against the 2015 baseline position.**

**Strategic Objective 2: By 2030, to reduce, through transitions into employment, the levels of economic inactivity due to family commitments by a 25% reduction in the number of lone parents and carers claiming Income Support against the 2015 baseline position.**

**Strategic Objective 3: (i) By March 2017 to establish a robust baseline for the numbers of people moving from work into economic inactivity due to health related issues; and (ii) by 2030 to reduce the baseline figure by 20% through a reduction in the number of new claims to relevant health related social security benefits.**

Northern Ireland's economic inactivity rate has proved stubbornly resistant to the effects of normal economic cycles and has fluctuated within a range of 27.4% to 31.5% over the past thirty years. This strategy therefore seeks to implement a range of specific labour market interventions designed to reduce economic inactivity amongst the target groups which will, if successful over the long-term, contribute to increased economic competitiveness in the Northern Ireland labour market. It is envisaged that this increased economic competitiveness will have the potential to encourage both a higher employment rate and subsequently, a lower unemployment rate. This is the aspirational labour market scenario and as such, achieving a lower unemployment rate should be viewed as a potential indirect benefit of the strategy as opposed to a specific strategic objective.

To put this into context, successful achievement of strategic objectives 1 and 2, based upon 2014 data, would require the transition of approximately 16,000 individuals from the target groups into employment. This would have the potential to increase the employment rate by approximately 1.5%. It is anticipated that this increase in the employment rate could be further supplemented by the successful achievement of strategic objective 3 which seeks to reduce inflows into inactivity from employment.

## Outcomes

Successful achievement of the strategic goals can be expected to result in a number of positive outcomes, including:

- increased levels of economic participation;
- reduced levels of economic inactivity;
- reduced levels of long-term unemployment;
- a more diverse, skilled and active working age population;
- increased economic competitiveness due to a more buoyant labour market;
- a lower labour market dependency ratio; and
- reduced levels of poverty.



**APPROACH STRATEGIC**

## 4. STRATEGIC APPROACH

**The strategy is based upon an inclusive, integrated and collaborative framework approach. This chapter outlines the strategic approach and how the themes interlink and complement each other in seeking to effectively tackle economic inactivity in a sustainable and progressive way.**

### Framework for Action

The strategy's development has drawn from international best practice to inform a holistic approach that is based on a model of intervention centred around six key themes:

**Theme 1: Improving engagement and support** – encouraging and facilitating labour market transitions and improving employment outcomes through an innovative outcomes focused competitive pilot-testing model.

**Theme 2: Increasing employment opportunities** – stimulating job creation through targeted incentives and support for people in the target groups to make the transition towards, and into, the labour market.

**Theme 3: Addressing wider barriers** – challenging and changing societal attitudes towards disadvantaged groups in the labour market and helping to improve employment outcomes for older workers and people with mental health issues.

**Theme 4: Breaking the cycle of inactivity** – reducing future inflows to economic inactivity through preventative interventions aimed at improving health and work outcomes and promoting positive life choices amongst young people who are at risk of becoming NEET (not in education, employment or training) and economically inactive in the future.

**Theme 5: Partnership – Strategic Management** – creating effective management structures to deliver, co-ordinate and monitor the strategy's implementation.

**Theme 6: Improving information** – developing a robust information base and effective data management systems to inform the effective delivery and monitoring of the strategy's implementation and management.

Adopting this strategic framework-based approach to reducing economic inactivity is crucial to ensuring improved and sustainable health outcomes, social cohesion and economic prosperity.

The diagram below provides a graphical depiction of the holistic strategic approach and illustrates how the themes interlink and complement each other in seeking to reduce economic inactivity in a sustainable and progressive way.

The following chapters outline each of the themes and their supporting actions in more detail.

**Economic Inactivity  
Strategic Forum**



**Improving Information  
Partnership**



**Breaking the Cycle**  
Reducing inflows into economic inactivity through better integration of health and work services and promoting positive life choices amongst young people

**Increasing Engagement and Support**  
Voluntarily engaging and supporting individuals through innovative pilot projects



**Increasing Opportunities**  
Increasing employment through new support and incentives for employers to hire economically inactive individuals and invest in their development



**Addressing Wider Barriers**  
Ensuring barriers affecting specific disadvantaged groups are alleviated or removed through new public awareness measures



**Outcomes**  
**Increased levels of economic participation**  
**Reduced levels of economic inactivity and long-term unemployment**  
**A more diverse, skilled and active working age population**



**IMPROVING  
ENGAGEMENT  
SUPPORTMENT**  
**AND**  
**THEME 1!**

## 5. THEME 1: IMPROVING ENGAGEMENT AND SUPPORT

This chapter outlines how the strategy will put in place innovative new procurement mechanisms to identify, develop and test a broad range of approaches to sustainably tackle economic inactivity across the target groups. This procurement approach will be collaborative, outcomes focused and based upon a range of guiding principles. This will be delivered through the three projects outlined below.

**Project A:** An outcomes framework, based on a co-design approach with key stakeholders and the target groups, will be developed to inform and guide the pilot testing process.

This project is aimed at all of the target groups.

**Project B:** An innovative regime of competitive pilot project testing, using a pre-commercial procurement model, and driven by an outcomes framework (Project A), will be developed to allow a number of innovative, small-scale initiatives to be tested for their potential to improve outcomes for the target groups. Successful approaches will be developed further and potentially upscaled.

This project is aimed at all of the target groups.

**Project C:** A geographically focused control group project will be developed, delivered and evaluated to provide benchmarking data for the competitive pilot testing phase (Project B).

This project is aimed at people with a work-limiting health condition or disability.

This strategy recognises the diverse, complex and deep-rooted nature of economic inactivity in Northern Ireland. Academic and field research undertaken during the development of the strategy identified a multitude of diverse barriers, from an individual level through to an employer and regional level, that prevent engagement of the target groups with the labour market.<sup>16 17</sup>

When these barriers are combined with individuals' personal circumstances, complex situations are created that cannot be adequately addressed by a 'one-size fits all' approach.

One of the major underpinning labour market barriers faced by the target groups is a lack of skills. Skills are the key driver for positive economic change and are a powerful tool to promote individual opportunity and to achieve greater social inclusion.

The Northern Ireland Skills Strategy, 'Success through Skills – Transforming Futures', outlines how the skills landscape in Northern Ireland is evolving and highlights the increasing need for higher level skills and upskilling of the workforce to support the needs of the local economy and to increase Northern Ireland's competitiveness in the global marketplace.<sup>18</sup>

Research shows that a lack of skills (measured by qualifications) is a significant barrier for people in the target groups in terms of their disengagement with the labour market. For example, the total number of people claiming benefits within the 'long-term sick and disabled' and 'family commitments' categories who hold no qualifications, totals 60,000. This equates to 43,000 in the 'long-term sick and disabled' category and 17,000 in the 'family commitments' category. Whilst the majority of those in the 'family commitment' category have gained qualifications at GCSE level and above, over half of those in the 'long-term sick and disabled' category have no qualifications.<sup>19</sup>

Analysis also shows further disparity in the skills profile across the target groups, with lone parents tending to have higher level qualifications, such as degrees or equivalent qualifications. This would suggest that skills are not the primary labour market barrier for some lone parents. In these instances, structural barriers such as affordable childcare or accessible transport are more likely to be the main barriers to labour market participation. Conversely, other individuals in this target group may possess skills that may not be up to date or qualifications that do not meet current labour market demands. For these individuals, a refresh of skills or gaining alternative qualifications may be required.

Given that the Northern Ireland Skills Strategy highlights that the proportion of those in employment with low qualifications is forecast to fall to 10% by 2020 as the labour market demands progressively higher skills, these findings clearly indicate an imperative need for upskilling and reskilling amongst the target groups.<sup>20</sup>

16 McQuaid et al, 'Economic Inactivity Literature Review Project', Employment Research Institute, Edinburgh Napier University, 2013

17 Clifford. K, 'DEL Economic Inactivity Strategy – Focus Group Findings – Final Report', Rural Community Network, 2014

18 Northern Ireland Skills Strategy, 'Success through Skills – Transforming Futures', Department for Employment and Learning, 2011

19 Northern Ireland Statistics and Research Agency, 'Labour Force Survey: April to June 2013', Department of Finance and Personnel, 2013

20 Northern Ireland Skills Strategy, 'Success through Skills – Transforming Futures', Department for Employment and Learning, 2011

For this reason, skills development will be one of the key guiding principles for the competitive pilot testing process to help individuals to progress along the skills escalator and to make the transition towards, and into, the labour market.

The strategy fully recognises the heterogeneous profile of the target groups and that individuals will require bespoke skills interventions to help them on their personal journey towards employment, including pre-employment / intrinsic skills as well as qualifications and other extrinsic skills. Given the disparity in the skills profile across each of the target groups, assessment and analysis of individual need will also be a key guiding principle of the competitive pilot testing process.

The strategy will therefore seek to ensure, through the competitive pilot testing process, that a full suite of flexible skills interventions is identified and developed to enable labour market transitions based upon individual need.

For these reasons, this strategy is committed to identify and develop innovative solutions that tackle the root causes of worklessness and provide bespoke support to individuals to overcome both their personal and structural barriers to employment.

The first key step in this process is to **improve engagement** with the target groups at an early stage and on a voluntary basis. This is critical to the success of the strategy. When voluntary engagement has been secured, the second key step will be to **refine and enhance the package of support mechanisms** to assist individuals towards and into sustainable employment.

## Existing Provision

There are a range of existing government initiatives which are targeted at addressing some of the challenges faced by the target groups. Many of these are delivered in partnership across a number of sectors.

Key provision includes:

- Steps 2 Success - the new employment programme for Northern Ireland is aimed at assisting unemployed and economically inactive people to find and keep work.
- European Social Fund (2014 – 2020) – aimed at combating poverty and enhancing social inclusion by reducing economic inactivity and increasing the skills base of those currently in work and future potential participants in the workforce. The Programme will fund activity to enhance and extend employment opportunities, in particular, for those groups at a disadvantage in the labour market. Social innovation will be encouraged in an approach to helping those experiencing significant barriers to employment.

A range of provision aimed at economically inactive individuals with health issues or disabilities that limit their ability to work is also available, including, for example:

- Work Connect – a programme of specialist pre-employment support, leading to employment opportunities and in-work support.

- Workable – offers a tailored support package, including training for the employee and employer, and a dedicated Job Coach to enable the individual with a disability to sustain employment and progress within their job role.
- Condition Management Programme – support from a healthcare professional to help clients to manage their health condition in order to improve their employability and to increase their job prospects.

This snapshot of current provision demonstrates the variety and range of support currently available to economically inactive individuals. The third key step, following on from above, will be focused on **linking existing provision** more effectively, assisting individuals to **navigate the system** and generally **improving communication** to promote the services and provision available to help them move towards employment.

The initiatives highlighted above each cater for the specific needs of a client group, and as such have a different weighting of the various incentives, training and work experience opportunities that can be used to help an individual's transition into employment.

Equally, measures that seek to address the structural barriers that prevent people from seeking work also prioritise one kind of intervention over another. This variety in approach is not in itself a problem but the complexity of the issue demands a range of responses. What is lacking, however, is a clear comparative analysis of how effective these interventions are in reducing inactivity by ensuring real progression for people in the target groups. This includes an assessment of how easily the individual can identify, understand and access services in an easy and co-ordinated way.

In seeking to promote new and innovative solutions to the complex problems associated with economic inactivity in Northern Ireland, a recent evaluation of approaches in tackling worklessness by the National Endowment for Science, Technology and the Arts (NESTA) highlighted several factors that can constrain Government interventions:

- large, centrally designed programmes;
- political capital resting on high profile initiatives;
- policy moving on before evidence has been gathered; and
- a lack of evaluation to identify what works.

To ensure these issues are avoided, the strategy will establish a regime of competitive pilot project testing, using a pre-commercial procurement model, and based upon an outcomes framework, which will allow a number of innovative, small-scale initiatives to be developed and tested for their potential to improve outcomes for the target groups.

**Project A: An outcomes framework, based on a co-design approach with key stakeholders and the target groups, will be developed to inform and guide the pilot testing process.**

**This project is aimed at all of the target groups.**

A critical initial feature of the competitive pilot testing framework will be the development of a robust outcomes specification. Outcomes can be thought of as the intended impact or consequence of a service on the lives of individuals or communities. They are the answer to the 'so what difference does it all make' questions.

The strategy will therefore commit to develop an outcomes framework which is both based on a co-design approach with people in the target groups and key stakeholders, and informed by the extensive research work already undertaken during the development of the strategy on the labour market barriers faced by the target groups.

The agreed outcomes specification will:

- reflect the views of people in the target groups, providers and stakeholders;
- detail the impact, outcomes and outputs to be achieved for each of the target groups;
- identify the responsibilities of both the commissioning agent and any organisations seeking to develop projects; and
- clearly set out how performance and quality will be assessed. It will therefore be important to also consider innovative ways to measure the baseline position and change against the desired outcomes at a project level.

A co-design approach will be adopted to develop the outcomes specification. An initial outcomes specification will be developed by an expert Design Team. This will be followed by a number of workshops / focus groups with key stakeholders and the target groups to test, refine and agree a final outcomes specification.

**Project B: An innovative regime of competitive pilot project testing, using a pre-commercial procurement model, and driven by an outcomes framework (Project A), will be developed to allow a number of innovative, small-scale initiatives to be tested for their potential to improve outcomes for the target groups. Successful approaches will be developed further and potentially upscaled.**

**This project is aimed at all of the target groups.**

When a final outcomes specification has been agreed, a call for potential proposals will be launched. This call will be time-bound and individual proposals will be assessed by an independent panel based upon a demonstration of their ability to deliver against the outcomes specification. Proposals will also be assessed against existing provision to ensure that duplication and potential over provision of services is avoided.

For those proposals which are considered to best demonstrate the possibility of meeting the outcome specification for each of the target groups, seed funding will be made available to prospective bidders to further develop their ideas to 'proof of concept' stage. Expert support will also be made available to prospective bidders to support them at this stage.

Following assessment of the ‘proof of concept’ proposals, a number of successful proposals for each of the target groups will be funded to allow for further development into pilot projects and additional mentoring support will be provided to refine any issues identified at the ‘proof of concept’ stage.

This approach is based closely upon a pre-commercial procurement model which seeks to identify a specific challenge and a desired outcome, followed by an open competition seeking new ideas and solutions to the challenge. In implementing the pilot testing model, a specified fund will be established to enable the testing of new approaches and to facilitate the eventual upscaling of successful initiatives.

Adopting this approach avoids prescriptive and often costly solutions and encourages new ideas, with the strategic aim of assisting the economically inactive as follows:

- **Testing new approaches:** to voluntarily engaging people in the target groups and addressing their barriers to gaining and sustaining employment in new, innovative and effective ways; and
- **Improving navigation and communication:** by voluntarily engaging people in the target groups and assisting them to navigate and engage with services in new, innovative and effective ways.

## Guiding Principles

The competitive pilot testing framework will be guided by the following principles:

- **Effectiveness** - proposals must demonstrate how the approach successfully transitions people in the target groups into work;
- **Efficiency** - proposals must demonstrate good value for money;
- **Locally-based approach** – proposals must demonstrate how they will effectively tackle economic inactivity in specific geographical areas based on local demographics, need and opportunities;
- **Need** – proposals must demonstrate how they will assess need and tailor intervention(s) based upon individual requirements;
- **Scalability** - proposals must be designed in such a way that a wider adoption of the model could be achieved;
- **Skills** – proposals must demonstrate how they will improve skills development for people in the target groups; and
- **Sustainability** - proposals must demonstrate their viability in terms of management and leadership, personnel and commercial potential.

Through this process, models of best practice and those that are ineffective can be identified, the former can be scaled up and the latter avoided, at relatively little cost. In this way public confidence and value for money in any wider policy implementation can be ensured. The process will also help to identify the key success factors for different circumstances by providing evidence on how to approach different forms of disengagement, such as the urban and rural aspects of inactivity. Based upon the outcomes of this approach, a geographical action plan may be developed.

Examples of approaches that may warrant further exploration through the pilot testing model may include:

- innovative ways to sustainably engage with people from the target groups at an early stage and on a voluntary basis;
- engaging and supporting people from the target groups to improve their pre-employment and job skills in non-traditional settings;
- providing bespoke and holistic mentoring support to people from the target groups to motivate and support them towards and into employment;
- providing specialist pre-employment support, leading to employment opportunities and in-work support;
- linking and improving services through a key worker model;
- encouraging and enabling people from the target groups to increase their qualifications and skills;
- engaging and supporting people from the target groups through dedicated adviser services combined with pre-employment / employment provision to promote sustained progression;
- removing structural barriers to employment through increasing access to childcare and other care facilities;
- improving employment outcomes through the promotion of self-employment and entrepreneurship;
- addressing issues of transport deprivation, isolation and accessibility;
- lifting job-search horizons and improving labour mobility in urban and rural settings; and
- increasing uptake and recognition of volunteering and other constructive activities as pathways towards employment.

**Project C: A geographically focused control group project will be developed, delivered and evaluated to provide benchmarking data for the competitive pilot testing phase (Project B).**

**This project is aimed at people with a work-limiting health condition or disability.**

Successful pilot projects will be evaluated against a common framework which will form part of the outcomes specification. A key aspect of the monitoring and evaluation process will be the identification of a control group to benchmark progress against and to avoid any deadweight loss. This will be facilitated by developing and delivering a control group project in parallel with the competitive pilot project process as outlined above. The control group project will have a specific geographical focus and will provide accurate and relevant data to benchmark the effectiveness of the competitive pilot projects against.

Key to evaluating the pilot projects will also be the need to understand the reasons for success and non-success as this will help identify improvements, not just to the pilot projects, but for the wider suite of interventions which are collectively being pursued.

Figure (iii) below provides an overview of the competitive pilot project process and indicative timescales.

**Figure (iii) – Framework for Competitive Pilot Testing Regime**

Action	Action
• Development of outcomes framework	3 months
• Call for proposals and advanced publicity	3 months
• Assessment of initial proposals	1 - 2 months
• Award Phase 1 contracts – development of proof of concept proposals	4 months
• Assessment and identification of viable pilot initiatives	2 months
• Award Phase 2 contracts – upscaling and delivery of successful proof of concept proposals to initial pilot stage & evaluation	6 – 12 months
• Award Phase 3 contracts – upscaling of successful Phase 2 projects to advance pilot stage & evaluation	18 - 24 months
<b>Successful projects upscaled and integrated into current service landscape and outcomes monitored and evaluated</b>	

As the indicative timescale suggests, it is not anticipated that any upscaled project will be integrated into current services until pilots have been fully and independently evaluated for their performance against other schemes and appropriate control groups.

This process will highlight any issues with the design or implementation of individual pilots, which can then be adjusted if the initiatives warrant upscaling. As part of the design and delivery of the process, external and independent expertise will be drawn upon as appropriate.

Access to funding through this competitive pilot testing framework will be open to proposals from a range of sectors and organisations, including the private sector, voluntary and community sector, universities/colleges and public sector (or a collaborative approach across a number of sectors / organisations).

## Baseline Position

To establish an accurate baseline position, a mapping exercise of existing service provision for the economically inactive in Northern Ireland will be undertaken (see Theme 6: Project K). The mapping exercise will identify the current service provision landscape using a number of common indicators of activity for comparative purposes. Relevant service provision may include initiatives that address the different barriers faced by the target groups to help them engage with the labour market. The mapping exercise will identify potential gaps in provision, duplication and/or over provision of particular services or initiatives and levels of investment in service provision. The outcomes from this exercise, including how to effectively address gaps in provision, will be integral to informing the competitive pilot testing process.

## Way Forward

By adopting the approach outlined above, Theme 1: Improving engagement and support will interlink closely and complement Theme 2: Increasing employment opportunities, by making the initial engagement with those people in the target groups who voluntarily wish to participate and by helping them to develop the necessary pre-employment skills and qualifications required to take the next step along the skills escalator and to move towards the labour market.

In doing this, Theme 1: Improving engagement and support will provide a supply pipeline of people to be matched with the employment opportunities that will be created through the targeted incentives and support model outlined in Theme 2: Increasing employment opportunities.

**The next chapter explains Theme 2 in more detail and outlines a range of interventions to encourage job creation and labour market participation by people in the target groups.**

# 6

INCREASING  
EMPLOYMENT  
OPPORTUNITIES  
THEME 2?

## 6. THEME 2: INCREASING EMPLOYMENT OPPORTUNITIES

**Stimulating job creation and ensuring that adequately skilled people are available to meet this demand is critical to the success of the strategy.**

**This chapter outlines how this will be achieved both in terms of increasing employment opportunities for people in the target groups, and ensuring that these individuals are fully supported to make the transition towards, and into, the labour market. This will be delivered by the two projects outlined below.**

**Project D: Targeted support and incentives will be put in place to encourage employers to hire and upskill individuals from the target groups and to promote sustainable employment.**

**This project is aimed at all of the target groups.**

**Project E: New and improved measures will be put in place to promote the financial advantages of employment, raise awareness levels of transitional benefits protections and better communicate the linking rules to reclaim benefits to encourage labour market transitions amongst the target groups.**

**This project is aimed at all of the target groups.**

One of the crucial aspects of successfully reducing economic inactivity in Northern Ireland is ensuring that overall jobs growth is strong enough to provide adequate employment opportunities for the target groups. Another critical aspect is ensuring that people in the target groups are provided with the opportunities to develop their skills to increase their labour market competitiveness and to avail of the employment opportunities when they become available.

To successfully achieve this, a balanced approach is required:

- demand – employers must be encouraged to fully engage in the process and to provide employment opportunities for people in the target groups; and
- supply – people in the target groups must be encouraged to fully engage and supported to invest in their personal skills development to ensure that they can avail of the employment opportunities.

The Northern Ireland Executive is fully committed, through the full range of actions outlined within the Economic Strategy to create the conditions by which the local economy can grow and prosper. Delivery of this economic vision will result in more Northern Ireland firms competing in global export markets and subsequently expanding production and growth locally.

There are a range of existing government initiatives which contribute towards increased employment opportunities for economically inactive individuals.

These include:

- Jobs Fund – a £225m investment initiative delivered by Invest NI and designed to promote 6,300 new jobs by 2015;
- Going for Growth – the strategic action plan of the Agri-Food Strategy Board which aims to create 15,000 new jobs in the agri-food sector by 2020;
- Community Asset Transfer – a policy framework which will facilitate the transfer of public sector assets to voluntary and community sector organisations to promote investment in social enterprise growth and to increase sustainability in the local voluntary and community sector;
- Urban Regeneration and Community Development Framework – to establish the overarching structure for future urban regeneration and community development initiatives, including the promotion of social economy enterprises, in preparation for local government reform; and
- Social Economy Incubation Hubs – boosting jobs growth through social enterprises.
- **Project D** below seeks to further complement this provision by encouraging jobs creation for people in the target groups.

**Project D: Targeted support and incentives will be put in place to encourage employers to hire and upskill people from the target groups and to promote sustainable employment.**

**This project is aimed at all of the target groups.**

Research has shown how sustained, paid employment is the most effective method of instilling confidence and changing engrained and often negative habits amongst the long-term unemployed and economically inactive.

Social-psychological analyses<sup>21</sup> of employment have found that work achieves these outcomes by imposing five key disciplines on the individual:

- participation in a collective purpose of effort;
- the imposition of a time structure;
- assignment of status and identity;
- the enlargement of social experience beyond family life; and
- required regular activity.

This strategy recognises the importance of direct intervention in terms of addressing the disadvantages the target groups face in the labour market. Labour market interventions to assist the long-term unemployed and economically inactive range from government-backed temporary supported employment, such as Intermediate Labour Markets, to Transitional Employment initiatives which offer subsidies to employers to hire from stipulated groups.

21 Jahoda. M, 'Employment and Unemployment: A Social-Psychological Analysis', Cambridge University Press, 1982

Research has shown that greater success has been achieved when the range of opportunities have been expanded beyond an Intermediate Labour Market approach. In the case of StepUP<sup>22</sup>, local small and medium-sized enterprises were specifically targeted using a Transitional Employment approach as employers who could both benefit from subsidised employment and provide a suitable environment for an effective transition into the world of full-time work.

The strategy will therefore design, pilot and implement a range of targeted incentives and support to increase and sustain employment opportunities for the target groups. It will be imperative to identify the most effective incentives and support through robust evaluation both in terms of optimising outcomes for the target groups and maximising return on government investment. The project will take account of lessons learnt from previous government incentive and support schemes as well as being fully cognisant of existing interventions to ensure a consistency of approach.

This approach will be guided by the following principles:

- innovation – a range of innovative incentives will be tested, including financial and non-financial incentives;
- sustainability – incentives will be structured to ensure that sustainable employment outcomes are optimised following the completion of any incentive or support initiatives;
- weighting – incentives and support will be weighted for each of the target groups;
- support – a range of comprehensive pre-employment and in-work support mechanisms for both the target groups and employers will be put in place. This will include mentoring and specialist support to help the target groups find suitable employment and to assist employers with the recruitment and upskilling process;
- calibration – incentives will be set to minimise negative effects on the labour market, such as the potential for substitution (whereby the person receiving support gets a job that would otherwise have gone to another applicant) or displacement (where an intervention to subsidise employment impacts negatively on the growth of a competitor);<sup>23</sup>
- consistency – incentives will be set in the context of existing government labour market interventions and programmes to avoid the creation of an internal market;
- affordability – financial incentives must be viable and sustainable within budgetary constraints;
- skills development – incentives will be linked to in-work skills progression, including accredited training and qualifications to ensure upskilling and labour market mobility;
- flexibility – incentives will ensure that employers provide adequate flexibility and support depending on the circumstances of the employee eg. making adjustments to take account of a health condition or permitting flexible working hours to take account of a caring commitment;
- integration – employers will have to demonstrate how the employment role will be fully integrated into the work of the organisation; and
- simplification – the administration of the scheme will be centralised and simplified to reduce the administrative burden on employers.

<sup>22</sup> Bivand, P, Brooke, B, Jenkins, S and Simmonds, D, 'Evaluation of StepUP Pilot: Final Report', Department for Work and Pensions, 2005

<sup>23</sup> Shuttleworth, I, Tyler, P and McKinstry, D, 'Redundancy, readjustment and employability: What can we learn from the 2000 Harland & Wolff redundancy?', Environment and Planning A, 2005

## Skills

The strategy recognises that overall job creation is a critical factor in reducing economic inactivity in Northern Ireland. The incentive-based approach will therefore be driven by employer needs and must link closely with the demands of the Northern Ireland economy. Employers will ultimately require a workforce with the right skill sets to deliver their business objectives. As outlined in Theme 1: Improving engagement and support, one of major labour market barriers faced by people in the target groups is a general lack of skills, both in terms of qualifications levels and employability skills.<sup>24 25</sup>

This finding underlines the need both for pre-employment skills development amongst the target groups and for the provision of a range of jobs to provide an entry point for these individuals to move into employment and to develop their skills and qualifications once in work. Upskilling, both through pre-employment skills development and support, and in-work skills development and support, is essential to sustain this integration with the labour market. It is imperative that progression into entry level employment for people in the target groups is not seen as the end point of any interventions, but as a key step on the skills escalator which can be further advanced through in-work skills development and career progression. Enabling labour mobility through increased skills development will encourage a positive churn in the labour market as individuals move to higher skilled jobs and subsequently create employment opportunities at lower skilled positions.

The strategy will seek to address the skills gap across the target groups using the twin-track approach outlined below:

Theme 1: Improving engagement and support – focusing on pre-employment skills development and support, tailored according to individual need, to equip people in the target groups with the appropriate skills to make the transition towards, and into, the labour market.

Theme 2: Increasing employment opportunities – encouraging job creation to create opportunities for people in the target groups to make the transition into the labour market through a new support and incentives model. In-work skills investment, development and progression will be a core principle of the new model. Increased skills development amongst the target groups will lead to improved labour mobility and employment outcomes.

This approach will be informed by the current development of a skills barometer mechanism which will identify growth sectors, skills shortages and future skills needs in the local economy.<sup>26</sup>

The incentive-based approach to increase employment opportunities for the target groups will also be set in the context of international best practice. This includes the 'Flexjob' programme in Denmark which is a wage subsidy scheme for people with disabilities. Under this programme, jobs are both subsidised and associated with special working conditions such as reduced working hours, adapted working conditions, and restricted job demands. This is complemented by work-based mentoring and training. An evaluation of the programme found a substantial and positive employment effect on the target group compared to a control group.<sup>27</sup>

24 McQuaid et al, 'Economic Inactivity Literature Review Project', Employment Research Institute, Edinburgh Napier University, 2013

25 Clifford. K, 'DEL Economic Inactivity Strategy – Focus Group Findings – Final Report', Rural Community Network, 2014

26 Research project being undertaken by the Northern Ireland Centre for Economic Policy on behalf of the Department for Employment and Learning, September 2014 (ongoing)

27 Datta Gupta. N and Larsen. M, 'Evaluating labour market effects of wage subsidies for the disabled – the Danish Flexjob scheme', SFI, 2010

Another successful international approach is the '50+ Premium Scheme' in Belgium, which offered a flexible one year subsidy of between €1200 and €3000 to employers who hire workers over the age of 50. An evaluation in 2010 found a positive effect on the employment prospects for those who availed of the subsidy, in comparison to both the employment levels for their age group before the introduction of the subsidy and against a control group.

## Social Clauses in Public Sector Procurement

The Northern Ireland Executive recognises that the way it spends public money has major potential to support employment and that there is significant scope to use its public procurement programme to achieve social and economic objectives.

In recognition of this, the Northern Ireland Executive's Programme for Government 2011-2015 includes a commitment to 'include social clauses in all public procurement contracts for supplies, services and construction'.

Social clauses have a number of potential benefits:

- providing workplace opportunities for the long-term unemployed and economically inactive, including people with disabilities;
- providing on-the-job opportunities for training and skills development;
- promoting equality in the workplace; and
- encouraging Corporate Social Responsibility.

The importance of social clauses has also been reflected in the Northern Ireland Investment Strategy 2011-2021 where they are defined as 'essential for maximising the social benefits of investment...to ensure that as many people as possible benefit across the region.'

**This strategy commits to maximise the use of social clauses in public sector procurement contracts to secure suitable employment opportunities for the target groups and to promote on-the-job skills development.**

To complement the interventions aimed at stimulating job creation, **Project E** below seeks to help people in the target groups to make the transition from the social security system to the labour market.

**Project E: New and improved measures will be put in place to promote the financial advantages of employment, raise awareness levels of transitional benefits protections and better communicate the linking rules to reclaim benefits to encourage labour market transitions amongst the target groups.**

**This project is aimed at all of the target groups.**

Whilst increased employment opportunities will be integral to helping people from the target groups to move into the labour market, these efforts will also need to be complemented by other supporting measures to help them to make this transition.

This strategy recognises that there are a range of financial issues and real or perceived risks associated with making the transition from social security to work. These include moving from the relative financial ‘safety net’ of social security payments into employment and earning a wage and the associated impact of earnings levels on passported benefits, such as Housing Benefit. There are also associated issues relating to social security entitlements whilst working part-time.

Field research undertaken during the development of this strategy highlighted the fear amongst the target groups of ‘being taken out of the benefits system’ and losing their entitlement to benefits, particularly if they were to secure, and then subsequently lose, employment.<sup>28</sup>

In recognition of this, there are a number of existing protections and incentives within the social security system in Northern Ireland to encourage the transition from social security to work.

These include;

- Job Grant – a grant payment of between £100 - £250 for people who move from benefits to employment. This is intended to bridge the gap between a customer’s final payment of benefit and first receipt of wages. Customers who remain on benefit after starting work are not eligible for Job Grant;
- Housing Benefit Extended Payment – an extension of Housing Benefit for the first four weeks of employment, irrespective of earnings; and
- Mortgage Interest Run-On – an extension of mortgage interest payments for the first four weeks of employment.

## Permitted Work

Employment and Support Allowance (ESA) recipients are encouraged to voluntarily participate in forms of ‘Permitted Work’ which is an agreement that allows individuals to work part-time and to earn a wage whilst still retaining their entitlement to ESA. This is intended to enable individuals to test their capacity for doing certain types of work, to gain experience of the world of work and to gain new skills whilst still retaining the financial security of ESA. This approach is designed to encourage ESA recipients to make a gradual transition from social security to full-time employment.

Under the current ‘Permitted Work’ rules, eligible individuals can work for up to 16 hours per week and earn up to £101 and retain their entitlement to ESA for up to one year although numbers for this are low.

## Making Work Pay

The concept of making work pay, through better incentives and flexibilities, and simplifying the social security and tax credits system for claimants has also been integral to recent significant changes to the social security system in Great Britain.

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28 Clifford. K, ‘DEL Economic Inactivity Strategy – Focus Group Findings – Final Report’, Rural Community Network, 2014

The new social security system in Great Britain is intended to simplify structures for customers and, combined with new work allowances and a taper effect as an individual's earnings increase, is intended to provide much greater clarity for people and to make their transition from social security to employment more streamlined and less daunting financially.

One of the key reforms is the introduction of Universal Credit which is designed to create a single income-replacement benefit for adults of working age and combines the current system of means-tested out-of-work benefits, tax credits and housing support. This is based on the principle that it should be financially beneficial for someone to move from unemployment to employment or if already employed part-time, to increase the hours they work.

Universal Credit seeks to incentivise work by ensuring that support is reduced at a consistent and predictable rate through the single benefit taper and by allowing claimants to generally keep a higher proportion of their earnings when compared to the current system of benefits through the increased work allowances. This approach is intended to ensure that an individual is supported throughout their transition into sustained employment. Universal Credit is designed to ensure that work pays, particularly in low hours work.

For claimants, Universal Credit aims to abolish the distinction between “active” and “inactive” benefits by creating a streamlined social security system for those currently in work and unemployed, removing the current “cliff edges”<sup>29</sup> in the system, such as the 16 hour working rule for reimbursement of childcare costs, which can create disincentives to taking up employment.

**This strategy commits to closely monitor ongoing developments in the social security system in Great Britain, as well as future changes to the social security system in Northern Ireland, and will ensure that the strategy is fully cognisant of, and responsive to, such changes.**

**The next chapter outlines interventions aimed at challenging and changing societal attitudes towards disadvantaged groups in the labour market and helping to improve employment outcomes for older workers and people with mental health issues.**

<sup>29</sup> Department of Work and Pensions (DWP) term used to refer to the negative effect on income faced by people moving from benefits into work at minimum wage levels. One of the key objectives of UC is to eliminate these cliff-edges so the financial benefit of work is preserved at all levels of earnings. (Social Security Advisory Committee, “Universal Credit: The Impact on Passported Benefits”, Department for Work and Pensions, 2012)

# ADDRESSING WIDER BARRIERS

## 7. THEME 3: ADDRESSING WIDER BARRIERS

**Challenging and changing societal perceptions towards disadvantaged groups in the labour market is key to improving labour market outcomes for people in the target groups. This chapter outlines a range of interventions aimed at addressing labour market barriers faced by older workers and people with mental health issues. This will be delivered through the two projects outlined below.**

**Project F: New measures will be put in place to address wider labour barriers faced by older workers. These will include an age-positive public awareness campaign to highlight the benefits of employing older workers and to promote age-positive recruitment practices.**

**This project is aimed at people with a work-limiting health condition or disability and people with caring commitments.**

**Project G: New measures will be put in place to tackle mental health stigma in the workplace. These will include collaboration on a new Mental Health Promotion Strategy aimed at encouraging positive mental health through work and in the workplace, as well as initiatives to support employers to foster 'mental health friendly' workplaces.**

**This project is aimed at people with a work-limiting health condition or disability.**

There are wider societal factors beyond an individual's particular circumstances that can limit their engagement in the labour market. Negative societal perceptions are particularly acute for two key inactive groups – older workers and individuals with mental health conditions.

This strategy is committed to tackle the societal issues which disadvantage these groups and limit their engagement with the labour market. The strategy will therefore put in place a range of initiatives to highlight and reward positive practices in the workplace and to increase public awareness levels of the positive contribution older workers and individuals with mental health conditions can have in the labour market.

### Older Workers

The baseline analysis of economic inactivity highlighted that the age profile of certain inactive groups can put them at a disadvantage when seeking employment. A study of age-related employer bias in the UK submitted curriculum vitae (CVs) that were consistent for all employability characteristics other than age for a range of vacancies.<sup>30</sup> Whilst there was some variation in terms of the sector applied for, in some cases the CV of the 51 year-old was less than half as successful

30 Tinsley, M., "Too Much To Lose: Understanding and Supporting Britain's Older Workers", Policy Exchange, 2012

as the 21 year old in gaining a positive response. Evidence from the Office for National Statistics also suggests that older workers are at a particular disadvantage in Northern Ireland, as Northern Ireland has the second lowest proportion of older workers in employment of any region in the United Kingdom (9.5% as opposed to the current UK average of 12%).<sup>31</sup>

**Project F: New measures will be put in place to address wider labour barriers faced by older workers. These will include an age-positive public awareness campaign to highlight the benefits of employing older workers and to promote age-positive recruitment practices.**

**This project is aimed at people with a work-limiting health condition or disability and people with caring commitments.**

Positive measures towards older workers in other regions have benefited many businesses through increased staff retention, greater ability to adjust to seasonal shifts in productivity and enhanced profile and reputation for the businesses in the wider community.

An age-positive campaign will therefore be introduced to highlight the benefits of employing older workers and to promote age-positive recruitment practices. The campaign will be developed in conjunction with key partners and will highlight how more active measures can be achieved in the context of current equality legalisation. Such initiatives, defined as “outreach positive action” by the Equality Commission, allow for targeting of people in certain age groups for specific opportunities where an employer can objectively justify such an action as a proportionate means of achieving a legitimate aim.<sup>32</sup>

In a wider public policy context, the strategy recognises the importance of ensuring that future policy development is reflective of the changing demographics in Northern Ireland and the economic and social need for increased employment rates amongst older workers.

## **Mental Health**

Positive mental health is a pivotal issue for every person, family and community in Northern Ireland. It has been shown to have an impact on improving physical health and reducing mortality. It is also fundamental to achieving improved educational attainment, increased employment opportunities and productivity, better parenting relationships, greater social inclusion and reduced health inequalities.

Issues of workplace stigma against individuals with a mental health condition in Northern Ireland have a direct impact on the large proportion of those who have work-limiting mild to moderate health conditions such as stress, anxiety and depression.

<sup>31</sup> “Older Workers in the Labour Market - 2012”, Office for National Statistics, 2012

<sup>32</sup> “Outreach Positive Action: A Guide to the Law and Good Practice for Employers”, Equality Commission for Northern Ireland, 2011

The subsequent impact on the economy in terms of business, productivity and competitiveness is considerable:

- Mental illness is estimated to cost UK employers almost £26 billion per year.
- The cost of lost output due to mental illness problems in Northern Ireland was estimated at £790m in 2003/4.
- Stress and mental health problems are two of the most common causes of long-term sickness absence amongst the UK workforce, accounting for 27% of working days lost in Northern Ireland in 2008/9.

**Project G: New measures will be put in place to tackle mental health stigma in the workplace. These will include collaboration on a new Mental Health Promotion Strategy aimed at encouraging positive mental health through work and in the workplace, as well as initiatives to support employers to foster 'mental health friendly' workplaces.**

**This project is aimed at people with a work-limiting health condition or disability.**

Present trends point towards increasing levels of stress, anxiety and depression within the population. These trends can be attributed to a range of socio-economic issues from the recent economic downturn to increasing levels of household debt, and they present a very significant challenge to promoting positive mental health at population level.

Emotional wellbeing underpins an individual's ability to prosper and thrive and is essential at a societal and economic level. The positive correlation between work and health and wellbeing is well documented, particularly in relation to the positive impact that suitable employment has on individuals with mild to moderate mental health conditions.

This strategy recognises that wider societal attitudes towards mental health issues can be detrimental to optimising labour market engagement for this target group. The strategy therefore commits to promote greater public awareness and acceptance of the issues surrounding mental health to help alleviate these wider labour market barriers and to break the societal taboo often associated with mental health.

The current development of a Mental Health Promotion Strategy is aimed at creating a more mentally healthy society and improved emotional resilience, especially among those population groups more at risk of poor mental health. This new strategy will also aim to improve outcomes for people with mental health conditions, including improving working lives by developing mentally healthy workplaces and helping those with mental illness into work.

Measures to improve the mental health and wellbeing of the working age population are likely to include:

- ensuring good mental health promotion activities in the workplace;
- improved access to work for those with mental health needs;
- reducing sources of stress in the workplace;
- treatment and rehabilitation for those suffering effects of stress or have other mental health needs;
- prompt access to psychological help and counselling services;
- action to address negative impact of unemployment on mental health; and
- programmes to support retention at work and return to work.

**The next chapter outlines how the strategy seeks to reduce future inflows to economic inactivity through preventative interventions aimed at improving health and work outcomes and inspiring and supporting young people to make positive life choices.**

# 8

**BREAKING THE  
CYCLE OF  
INACTIVITY**

**THEME 4:  
BREAKING THE  
CYCLE OF  
INACTIVITY**

## 8. THEME 4: BREAKING THE CYCLE OF INACTIVITY

**Reducing future inflows to inactivity is imperative to ensuring that economic inactivity is addressed on a sustainable basis. This chapter outlines a range of measures aimed both at helping people who develop health conditions to remain in employment, and inspiring and supporting positive life choices amongst young people. This will be delivered through the two projects outlined below.**

**Project H: An Expert Panel will be appointed to undertake a Northern Ireland scoping study of the health and work recommendations from ‘Working for a Healthier Tomorrow’ (Dame Carol Black, 2008, Department for Work and Pensions) and to identify and explore the feasibility of other options to better integrate health and work services in Northern Ireland.**

**This project is aimed at people with a work-limiting health condition or disability. It also seeks to reduce future inflows into this target group.**

**Project I: A series of regional ‘Younger People’s Advocates’ will be appointed to engage with young people who are at risk of becoming NEET (not in education, employment or training) and economically inactive in the future. The Advocates will inspire and support positive life choices amongst the young people.**

**This project seeks to reduce future inflows into all of the target groups.**

As the introduction highlighted, the overall rate of economic inactivity has remained at a stable level in Northern Ireland for decades. This stability, however, masks the inflows and outflows into the target groups, in particular with respect to those with work-limiting health conditions. Figures for the UK estimate around 600,000 people move onto incapacity benefits each year, with around a third of these moving from Jobseeker’s Allowance or Income Support prior to claiming for a health condition.<sup>33</sup>

This strategy will therefore put in place a number of specific approaches which are aimed both at tackling the symptoms and causes of economic inactivity. This holistic and long-term approach is intended to both reduce the proportion of the working age population classified as economically inactive and to reduce the inflows into the target groups.

<sup>33</sup> Black, C., “Working For a Healthier Tomorrow: A Review of the Health of Britain’s Working Age Population”, Department for Work and Pensions, 2008

**Project H: An Expert Panel will be appointed to undertake a Northern Ireland scoping study of the health and work recommendations from ‘Working for a Healthier Tomorrow’ (Dame Carol Black, 2008, Department for Work and Pensions) and to identify and explore the feasibility of other options to better integrate health and work services in Northern Ireland.**

**This project is aimed at people with a work-limiting health condition or disability. It also seeks to reduce future inflows into this target group.**

This strategy recognises that a better integration of health and work services is the key preventative measure to reduce economic inactivity.

Central to the recommendations in Dame Carol Black’s ‘Working for a Healthier Tomorrow’ Report<sup>34</sup> on improving the health of the working age population, was a recognition of the emerging consensus<sup>35</sup> on the health benefits work in a suitable environment can have for those with health conditions, particularly in relation to mental health. Sustained engagement in a positive and productive working environment has positive impacts on health and wellbeing, whereas research by the National Mental Health Development Unit in 2010 found that unemployment, on the other hand, is ‘detrimental to mental health - the longer someone is unemployed, the more vulnerable they are to depression, anxiety and suicide.’<sup>36</sup>

The Black Report highlights, however, that significant effort is still needed to educate medical professionals on the benefits of work for health. Surveys have found as many as two thirds of doctors are unaware of recent evidence showing that work is good for health. Almost 90% said that this evidence could change their approach.<sup>37</sup>

The strategy therefore commits to identify how to optimise health and work services in Northern Ireland.

An Expert Panel will be appointed, working in conjunction with key departments, to undertake a Northern Ireland scoping study of ‘Working for a Healthier Tomorrow’, the supplementary report ‘Mental Health and Work’ (commissioned by the Review Team because mental health problems have a greater impact on people’s ability to work than any other group of disorders) and ‘Improving Health and Work: Changing Lives’ (the UK Government’s response to the Black Report).

In terms of preventative measures to reduce inflows to economic inactivity, the key recommendation from the Black Report is the establishment of a Health and Work Assessment and Advisory Service, which would provide healthcare professionals, employers and employees with an independent assessment of an individual’s occupational health needs.

34 Black, C., “Working For a Healthier Tomorrow: A Review of the Health of Britain’s Working Age Population”, Department for Work and Pensions, 2008

35 Waddell, G. and Burton, A.K., “Is Work Good For Your Health and Well-Being?”, Department for Work and Pensions, 2006

36 “Factfile 1: Mental Health and Employment”, National Mental Health Development Unit, 2010

37 Health, Work and Well-Being Programme, “Working for a Healthier Tomorrow”, Department for Work and Pensions, 2008

Within the current service structure in Northern Ireland, the main collaboration between health and work services is the Condition Management Programme which provides work-related advice and support and is delivered by Health Trust professionals. This programme is primarily aimed at individuals who are already out of work due to ill health, however, and as such does not have the potential for preventative action that wider access to occupational health services would provide.

The scoping study will review the potential costs and benefits of implementing this recommendation, and other key aspects of the report, in Northern Ireland and make recommendations on the way forward.

The strategy also recognises that there are wider health and work issues beyond the Black Report recommendations that will require consideration. The Expert Panel will therefore also identify and explore the feasibility of other options, such as earlier intervention of the Condition Management Programme, to better integrate health and work services in Northern Ireland and make recommendations on the way forward.

**Project I: A series of regional ‘Younger People’s Advocates’ will be appointed to engage with young people who are at risk of becoming NEET (not in education, employment or training) and economically inactive in the future. The Advocates will inspire and support positive life choices amongst the young people.**

**This project seeks to reduce future inflows into all of the target groups.**

Work and unemployment have different financial, social and health consequences for school leavers and young adults<sup>38</sup>. Research has shown that unemployment and inactivity can have a number of significant impacts on young people:

- the mortality rate of unemployed young people is significantly higher (compared with employed young people), mainly due to accidents and suicide;
- unemployment is harmful to the physical health of young people;
- young unemployed people suffer adverse social consequences including social exclusion and alienation, financial deprivation, criminality and longer-lasting effects on employment patterns (including higher risk of further spells of unemployment) and health into adult life;<sup>39</sup>
- unemployment has adverse effects on the mental health of young people (poor mental health and psychological wellbeing, more psychological distress, minor psychological/psychiatric morbidity);<sup>40</sup> and
- young people from disadvantaged backgrounds, those with lower levels of education, or those who lack social support (characteristics which cluster together) are more vulnerable to the adverse health effects of unemployment.<sup>41</sup>

38 Waddell, G. and , A.K, ‘Is Work Good For Your Health and Well-Being?’, Department for Work and Pensions, 2006

39 Hammarström 1994b; Morrell et al. 1998; Lakey 2001

40 Warr 1987; Hammarström 1994b; Morrell et al. 1998; Lakey 2001

41 Hammarström 1994b; Lakey 2001

In addition, a research study on the intermediate impacts of advice and guidance for young people found that ‘there is a reasonably strong case to be made that careers education, information, advice and guidance-related interventions can and do make a difference in terms of increased levels of personal confidence and self-esteem’. The report also highlighted the positive correlation between information, advice and guidance and increased participation in employment, with many young people reporting that the information, advice and guidance they received was a significant factor in improving their employment situation.<sup>42</sup>

Further key research which informed the development of ‘Pathways to Success’, the Executive’s strategy to address the issue of young people who are not in education, employment or training (NEET), defines the characteristics of those young people who are most at risk of disengaging with education, employment and training and potentially becoming economically inactive in the future:

The young people most at risk:

- have had a negative experience of education;
- have suffered bullying at school;
- have problems with literacy and numeracy;
- are in care;
- have left care;
- are on the edge of care;
- have experienced drug and alcohol abuse;
- have a physical or learning disability;
- have committed a crime;
- have a mental illness;
- are economically disadvantaged;
- are homeless;
- are carers;
- are parents.<sup>43</sup>

When this research is considered in the context of the range of labour market barriers faced by the target groups of the strategy, including low skills levels, lack of confidence and a negative attitude towards work,<sup>44</sup> there is a strong case for early interventions aimed at young people to attempt to create and foster an attitudinal shift towards making positive life choices.

This strategy will therefore appoint a series of ‘Younger People’s Advocates’ on a regional basis to engage with young people who are at risk of becoming NEET (not in education, employment or training) and economically inactive in the future.

42 D. Hughes & G. Gration, ‘Literature review of research on the impact of careers and guidance-related interventions’, CfBT Education Trust, 2009

43 Department for Employment and Learning, ‘A scoping study of those young people not in education, employment or training (NEET)’, 2010

44 McQuaid et al, ‘Economic Inactivity Literature Review Project’, Employment Research Institute, Edinburgh Napier University, 2013

The Advocates will be inspirational role models for young people and will have a proven track record of success in their chosen field. Advocates will represent a wide range of backgrounds and disciplines for example, industry, sport, music, academia and entrepreneurship. All of the Advocates will share a passion for working with young people and will use their enthusiasm, commitment and experience to encourage, inspire and inform young people to make positive life choices.

Advocates' roles will include:

- motivational speaking;
- sharing personal experiences and information about their chosen field;
- developing the knowledge and understanding of young people on a range of topics;
- engaging with parents and role models as key influencers in young people's lives;
- challenging and changing perceptions about work;
- signposting young people to appropriate advice, guidance and services; and
- helping to make a difference in their local communities.

There are a range of related cross-departmental initiatives aimed at equipping young people with the information, skills and opportunities to make positive life choices.

This work will therefore be taken forward in conjunction with the existing 'Pathways to Success' infrastructure, including the independent NEET Strategy Forum which was established to engage and link up organisations in the voluntary and community sector to address NEETs related issues.

The NEET Strategy Forum acts as a source of best practice advice on community initiatives and provides for better engagement and involvement of young people in the development of public policy and initiatives.

This project will also be taken forward with key delivery partners and in close conjunction with the United Youth programme and the recent reviews of apprenticeships, youth training and careers education and guidance.

**The next chapter outlines how the strategy will put in place effective management structures to deliver, co-ordinate and monitor the strategy's implementation.**

9

**PARTNERSHIP 5:  
STRATEGIC  
MANAGEMENT**

## 9. THEME 5: PARTNERSHIP - STRATEGIC MANAGEMENT

**Ensuring that effective management structures are in place is key to the successful co-ordination, delivery and monitoring of the strategy. This chapter outlines how this work will be taken forward with a wide range of stakeholders through the project outlined below.**

**Project J: A Strategic Forum, based on a partnership comprising employers, the voluntary and community sector, central and local government, the healthcare sector, relevant statutory and non-departmental public bodies and expert advisers, will be established to provide strategic oversight, leadership and guidance.**

Partnership working and sustained engagement of stakeholders will be critical to the successful delivery of the strategy, both at a strategic level and an operational level. It is therefore important to ensure that effective structures are put in place to secure the ongoing engagement of all key stakeholders and sectors to effectively deliver the outworkings of the strategy in a co-ordinated, progressive and responsive way.

### Ministerial Oversight

Given the cross-cutting nature of the strategy, political leadership will be integral to drive forward the implementation of the strategy at an Executive level.

The strategy will therefore be taken forward under the auspices of the Executive Sub-Committee on the Economy which was set up by the Northern Ireland Executive to provide strategic oversight of key economic issues. The Executive Sub-Committee is chaired by the Minister of Enterprise, Trade and Investment and comprises the Ministers for Regional Development, Education, Employment and Learning, Finance and Personnel and the two Junior Ministers from the Office of the First Minister and deputy First Minister. Other Executive Ministers are invited to contribute to the Sub-Committee on specific issues as and when required.

The Executive Sub-Committee on the Economy will provide political oversight of the strategy's implementation and will monitor progress against targets on a regular basis.

This will provide the necessary political leadership, commitment and strategic oversight to ensure that strategic objectives are achieved across government in a concerted and co-ordinated manner.

**Project J: A Strategic Forum, based on a partnership comprising employers, the voluntary and community sector, central and local government, the healthcare sector, relevant statutory and non-departmental public bodies and expert advisers, will be established to provide strategic oversight, leadership and guidance.**

The spectrum of issues associated with economic inactivity are significantly cross-cutting in nature and require close co-operation at a strategic level across a number of key sectors and government departments. Efficient alignment of effort and resources is also required.

A new Strategic Forum comprising employers, the voluntary and community sector, central and local government, the healthcare sector, relevant statutory and non-departmental public bodies and expert advisers will therefore be established. The membership will be carefully balanced to ensure that clear strategic oversight is maintained whilst also allowing a local strategic partnership approach to addressing inactivity at a regional level.

The Strategic Forum will provide critical and independent advice and analysis to government on all aspects of economic inactivity in Northern Ireland throughout the lifecycle of the strategy and on new and emerging evidence and thinking. The Strategic Forum will ensure that relevant expertise is engaged on an ongoing basis to effectively facilitate this.

The Strategic Forum will provide the key delivery role in the implementation and co-ordination of the strategy and it will be responsible for driving outcomes across government departments and for securing buy-in at both a sectoral and community level. The Strategic Forum will also have responsibility for monitoring the progress of the strategy to ensure that strategic objectives are achieved.

The Strategic Forum will report to the Executive Sub-Committee on the Economy.

Other roles will include:

- improving communication across sectors and increasing wider public awareness of the issues surrounding economic inactivity in Northern Ireland;
- providing an important consultative forum to advise on new and emerging thinking or measures proposed;
- identifying and making linkages with other initiatives that will contribute to improved economic and social conditions;
- regularly reviewing and evaluating the outworkings of the strategy to ensure that the strategy remains fit-for-purpose and responsive to any changing economic and social conditions;
- developing and driving forward the research agenda to inform the outworkings of the strategy; and
- informing and encouraging more effective gathering and sharing of data across government and key sectors to monitor the progress of the strategy's implementation.

## Programme Board

To ensure that effective co-ordination is provided at an operational level, a Programme Board will be established comprising senior officials from all relevant Executive departments and agencies.

The Programme Board will have responsibility for ensuring that individual departments deliver against relevant projects in the implementation plan. The Programme Board will act as a conduit between the Executive Sub-Committee on the Economy and the Strategic Forum.

Relevant departments will establish Project Boards for individual projects and these will report to the Programme Board.

**The next chapter outlines how the strategy will develop a robust information base and effective data management systems to inform the effective delivery and monitoring of the strategy's implementation and management.**

## **Strategic Management - Delivery Structures**

**Executive Sub-Committee on the Economy**



**Programme Board**



**Strategic Forum**

# 110

IMPROVING THEME 6:  
INFORMATION

## 10. THEME 6: IMPROVING INFORMATION

**This chapter sets out the need for a robust information base and effective data management systems to inform the successful delivery and monitoring of the strategy and outlines a number of research projects to take this work forward initially.**

**Project K: A series of research projects will be undertaken to identify new sources of data to inform the implementation process and to accurately monitor the progress of the target groups towards and into employment, in line with the strategic objectives.**

This strategy recognises the imperative need for a sound data and information base which will not only provide for the measurement of outcomes, but will provide a sufficient breadth of relevant information to allow interventions to be targeted properly.

As well as drawing extensively on existing sources of information, the strategy identifies several key areas for further research and improved information gathering. This is not intended to be a definitive list or research agenda, but rather the initial ‘research bedrock’ to facilitate the early stages of implementation. It is intended that this research work will be taken forward under the auspices of the Strategic Forum. One of the key roles of the Strategic Forum will be to develop, in conjunction with key departments and NISRA, and drive forward a new research agenda to ensure that interventions and outcomes are responsive to changing economic and social needs throughout the lifecycle of the strategy.

One of the initial areas for further research will be to map the current range and quantity of low-skilled jobs in Northern Ireland and to forecast future demand for low-skilled workers. This will be highly informative in assessing the extent of present and future low-skilled opportunities in the Northern Ireland labour market, identifying the skills that employers require for these jobs to match demand with supply, as well as highlighting other relevant factors, such as geographical location, wage levels and potential for low-skilled jobs growth in particular sectors.

Another key consideration to inform the research agenda will be the impact of future changes to the social security system in Northern Ireland. For example, the introduction of Universal Credit in Northern Ireland could potentially cause a shift for some benefits claimants from economic inactivity towards employment or unemployment due to the new process of reassessment. In this instance, it will be crucial to accurately quantify the forecast baseline shift caused by the implementation of Universal Credit to ensure that the strategy is fully responsive to the changing profile of the labour market.

**The next chapter outlines how the strategy will be implemented and delivered.**



**FORWARD THE WAY**

## 11. THE WAY FORWARD

### Projects

Implementing and delivering the strategy will be a significant task that will require co-ordination and co-operation across a number of government departments, local government, the voluntary and community, private and healthcare sectors and relevant statutory and non-departmental public bodies.

To ensure that this work is taken forward effectively, 11 projects will be established to undertake a range of initiatives which will all contribute to the achievement of the strategic objectives and, ultimately, the strategic goal.

The projects are intended to provide a holistic and long-term approach to tackling economic inactivity in Northern Ireland based on a twin-track methodology:

- **tackling the symptoms of economic inactivity through interventions aimed at addressing the labour market barriers faced by people in the target groups and helping them to gain and sustain employment; and**
- **tackling the root causes of economic inactivity through preventative interventions aimed at reducing future inflows to inactivity through improved health and work outcomes and early years intervention.**

### Ownership

Appropriate government departments will take the lead responsibility for individual projects and will ensure that other contributing departments and key stakeholders are involved and consulted as appropriate (see Annex A).

The strategy recognises that the number of government departments will be rationalised and restructured in the near future and will ensure that the implementation plan accurately reflects any new ownership of projects when the strategy is reviewed and refreshed.

The 11 project areas are outlined below:

**Project A: Outcomes Framework**

**Project B: Pilots**

**Project C: Controls**

**Project D: Incentives**

**Project E: Protection**

**Project F: Promotion**

**Project G: Awareness**

**Project H: Health and Work**

**Project I: Advocates**

**Project J: Oversight**

**Project K: Information**

These projects are summarised in the implementation plan at Annex A and the indicative delivery timeframe for each of the projects is outlined in the diagram below.

## **Funding**

The strategy fully recognises the public spending constraints going forward and for this reason, a number of projects will initially be piloted to ensure that effective solutions are identified prior to any upscaling of investment. A number of other projects will initially focus on feasibility and scoping exercises to provide modelling to inform the viability, cost and benefits of implementation. As projects are developed, specific targets will be established to allow accurate measurement of progress.

Projects will be initiated on a priority basis when adequate resources have been identified on a cross-departmental basis.

2015	2016	2017	2018	2019	2020 - 2024	2025 - 2030
PROJECT A (DEL)						
	PROJECT B (DEL / DETI)					
	PROJECT C (DSD)					
			PROJECT D (DEL)			
			PROJECT E (DSD)			
				PROJECT F (DEL)		
		PROJECT G (DHSSPS)				
			PROJECT H (DHSSPS)			
				PROJECT I (DEL)		
			PROJECT J (DETI)			
				PROJECT K (DEL / DSD)		

## Annex A: Implementation Plan

PROJECT A	Apr 2015	May 2015	June 2015
<b>Theme 1: Improving engagement and support</b>			
<b>OUTCOMES</b>	<b>Objective: This project will develop an outcomes focused framework through a co-design approach with stakeholders.</b>		
<b>MILESTONES</b>	<b>Establish Design Team to develop a draft outcomes framework.</b>	<b>Test and refine draft outcomes framework through co-design process.</b>	<b>Agree final outcomes framework.</b>
<b>ANTICIPATED OUTCOMES</b>	<b>Draft outcomes framework developed and informed by research and experts.</b>	<b>Inclusive and informed codesign engagement with key stakeholders.</b>	<b>End-user focused outcomes framework.</b>
<b>LEAD DEPARTMENT</b>	<b>DEL</b>		

PROJECT B	Apr 2015 - Mar 2016	Apr 2016 – Sep 2018	Oct 2018- Mar 2019
<b>Theme 1: Improving engagement and support</b>			
<b>PILOTS</b>	<b>Objective: This project will undertake a competitive pilot testing process to test innovative ways to reduce inactivity in line with the outcomes framework.</b>		
<b>MILESTONES</b>	<b>Call for proposals, advanced publicity and identification of proof of concept proposals.</b>	<b>Extensive development phases - from initial pilot phase through to testing and monitoring of advanced pilot projects.</b>	<b>Evaluation of pilot projects.</b>
<b>ANTICIPATED OUTCOMES</b>	<b>Market participation optimised in submitting proposals in line with outcomes framework.</b>	<b>Accurate performance data gathered on a range of different approaches to inform evaluation.</b>	<b>Identification of most effective and viable projects for mainstream consideration.</b>
<b>LEAD DEPARTMENT</b>	<b>DEL / DETI</b>		

PROJECT C	Apr – Jun 2015	Jul – Dec 2015	Jan – Mar 2016
<b>Theme 1: Improving engagement and support</b>			
<b>CONTROLS</b>	<b>Objective: This project will undertake a geographically-focused control group project to provide benchmarking data for the competitive pilot testing phase.</b>		
<b>MILESTONES</b>	<b>Project specification developed and project initiated.</b>	<b>Successful delivery of project in line with specification.</b>	<b>Evaluation of control group project.</b>
<b>ANTICIPATED OUTCOMES</b>	<b>Control group project initiated in specific area of geographical need to test interventions for people with work-limiting health conditions or disabilities.</b>	<b>Accurate performance data gathered for geographically-based interventions for this target group.</b>	<b>Identification of accurate and relevant evidence based performance data for benchmarking purposes.</b>
<b>LEAD DEPARTMENT</b>	<b>DSD</b>		

PROJECT D	Apr 2016 – Sep 2017	Oct 2017 – Sep 2019	Oct 2019 +
<b>Theme 2: Increasing employment opportunities</b>			
<b>INCENTIVES</b>	<b>Objective: This project will develop a support and incentives model to create employment opportunities for the target groups, including the testing of incentives and support measures for the employer and the employee.</b>		
<b>MILESTONES</b>	<b>Support and incentives mechanisms developed.</b>	<b>Support and incentives mechanisms tested and evaluated.</b>	<b>Support and incentives package established and implemented.</b>
<b>ANTICIPATED OUTCOMES</b>	<b>Range of end-user focused and market reflective support and incentive mechanisms identified for testing.</b>	<b>Effective support and incentives mechanisms identified based on evaluation of performance data.</b>	<b>New support and incentives package effective in creating and sustaining new employment opportunities for target groups.</b>
<b>LEAD DEPARTMENT</b>	<b>DEL</b>		

PROJECT E	Apr 2016 – Sep 2017	Oct 2017 – Sep 2019	Oct 2020 +
<b>Theme 2: Increasing employment opportunities</b>			
<b>PROTECTION</b>	<b>Objective: This project will put in place new/improved measures to promote the financial advantages of employment, raise awareness levels of transitional benefits protections and better communicate the linking rules to reclaim benefits to encourage labour market transitions amongst the target groups.</b>		
<b>MILESTONES</b>	<b>Current measures, identified and evaluated for effectiveness.</b>	<b>Additional measures identified, piloted and evaluated.</b>	<b>Improved measures established and implemented.</b>
<b>ANTICIPATED OUTCOMES</b>	<b>Effective measures and gaps in provision identified based on performance data.</b>	<b>Identification of effective additional measures based on performance data.</b>	<b>Improved measures effective in helping the target groups to move into employment.</b>
<b>LEAD DEPARTMENT</b>	<b>DSD</b>		

PROJECT F	Apr 2017 – Mar 2019	Apr 2019 – Mar 2022
<b>Theme 3: Addressing wider barriers</b>		
<b>PROMOTION</b>	<b>Objective: This project will undertake an age-positive public awareness campaign to highlight the benefits of employing older workers and to promote age-positive recruitment practices.</b>	
<b>MILESTONES</b>	<b>Specification developed in conjunction with key partners and procurement process undertaken.</b>	<b>Public awareness campaign rolled out. Full impact assessment evaluation undertaken.</b>
<b>ANTICIPATED OUTCOMES</b>	<b>Comprehensive specification developed to ensure that awareness campaign has maximum impact and delivers value for money.</b>	<b>Greater public awareness levels of the benefits of employing older workers and an increased employment rate for older workers (45+).</b>
<b>LEAD DEPARTMENT</b>	<b>DEL</b>	

<b>PROJECT G</b>	<b>Apr 2015 – Mar 2016</b>	<b>Apr 2016+</b>	<b>Apr 2016+</b>
<b>Theme 3: Addressing wider barriers</b>			
<b>AWARENESS</b>	<b>Objective: This project will undertake the collaborative development of a new Mental Health Promotion Strategy aimed at encouraging positive mental health through work and in the workplace, as well as initiatives to support employers to foster 'mental health friendly' work environments.</b>		
<b>MILESTONES</b>	<b>Development of a new Mental Health Promotion Strategy.</b>	<b>Promote mental health and wellbeing programmes and training.</b>	<b>Workplace anti-stigma campaign.</b>
<b>ANTICIPATED OUTCOMES</b>	<b>New strategy with actions to improve mental health in the workplace and for those of working age.</b>	<b>Employers are supported to foster work environments that are conducive to good mental health/wellbeing.</b>	<b>Reduced mental health stigma and discrimination in the workplace.</b>
<b>LEAD DEPARTMENT</b>	<b>DHSSPS</b>		

<b>PROJECT H</b>	<b>Apr 2015 – Sep 2016</b>	<b>Oct 2016 – Sep 2018</b>	<b>Oct 2019 +</b>
<b>Theme 4: Breaking the cycle of inactivity</b>			
<b>HEALTH &amp; WORK</b>	<b>Objective: This project will establish an Expert Panel to undertake a Northern Ireland scoping study of the health and work recommendations from 'Working for a Healthier Tomorrow' (Dame Carol Black, 2008, Department for Work and Pensions) and to identify and explore the feasibility of other options to better integrate health and work services in Northern Ireland.</b>		
<b>MILESTONES</b>	<b>Terms of reference and membership established.</b>	<b>Scoping and feasibility study successfully undertaken within timeframe.</b>	<b>Final report, recommendations and implementation.</b>
<b>ANTICIPATED OUTCOMES</b>	<b>Key experts engaged and effective terms of reference agreed.</b>	<b>Modelling of options and costings to optimise health and work services in Northern Ireland completed.</b>	<b>Better integration of health and work services, improved health levels amongst working population and reduced costs relating to ill health, injury and sickness absence.</b>
<b>LEAD DEPARTMENT</b>	<b>DHSSPS</b>		

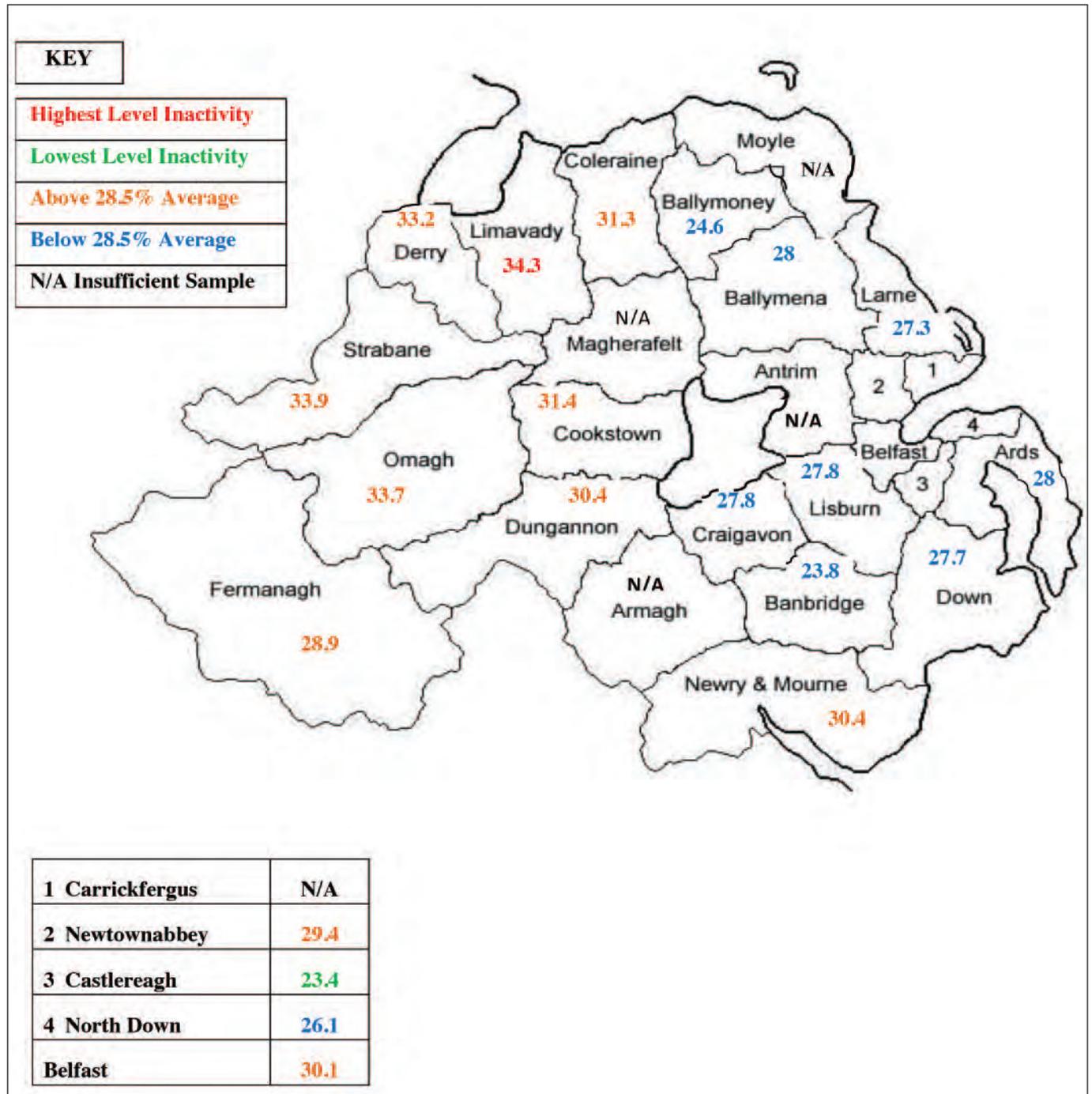
PROJECT I	Apr 2017 – Sep 2017	Oct 2017 – Sep 2019	Oct 2019 +
<b>Theme 4: Breaking the cycle of inactivity</b>			
<b>ADVOCATES</b>	<b>Objective: A series of regional ‘Younger People’s Advocates’ will be appointed to engage with young people who are at risk of becoming NEET (not in education, employment or training) and economically inactive in the future and to inspire and support positive life choices amongst the young people.</b>		
<b>MILESTONES</b>	<b>Develop specification guidelines and recruitment process.</b>	<b>Pilot in specific areas of need and evaluate.</b>	<b>Roll out on regional basis across Northern Ireland.</b>
<b>ANTICIPATED OUTCOMES</b>	<b>Successful appointment of regional Advocates on pilot basis.</b>	<b>Best practice identified in terms of engaging and inspiring young people to make positive life choices.</b>	<b>Improved life outcomes for young people and reduced inflows into NEETs and target groups.</b>
<b>LEAD DEPARTMENT</b>	<b>DEL</b>		

PROJECT J	Apr 2015 – Mar 2016	Apr 2016 +
<b>Theme 5: Partnership</b>		
<b>ADVISORY</b>	<b>Objective: This project will establish and facilitate the Strategic Forum.</b>	
<b>MILESTONES</b>	<b>Terms of reference and membership established.</b>	<b>Continued operation of the Strategic Forum, with interim evaluation.</b>
<b>ANTICIPATED OUTCOMES</b>	<b>Key stakeholders engaged and effective management, ownership and leadership of strategic delivery issues established.</b>	<b>Improved co-ordination between stakeholders and sectors, increased public awareness levels of economic inactivity issues and outcomes delivered in line with strategic goal and objectives.</b>
<b>LEAD DEPARTMENT</b>	<b>DETI</b>	

PROJECT K	Apr 2015 – Mar 2018	Apr 2019 – Mar 2021	Apr 2022+
<b>Theme 6: Improving Information</b>			
<b>INFORMATION</b>	<p><b>Objective 1:</b> This project will undertake a comprehensive mapping exercise of existing service provision for the target groups in Northern Ireland to identify duplication and gaps in provision.</p> <p><b>Objective 2:</b> This project will undertake an analysis of labour market dynamics in Northern Ireland to quantify the shifts and relationships between employment, unemployment and inactivity.</p> <p><b>Objective 3:</b> This project will establish an evidence base around the characteristics of those who are inactive in the labour market due to health related issues in order to determine needs and to inform the design of future interventions to improve work/return to work outcomes.</p> <p><b>Objective 4:</b> This project will undertake research to map the current range and quantity of low-skilled jobs in Northern Ireland and to forecast future demand for low-skilled workers.</p>		
<b>MILESTONES</b>	Terms of reference established and projects initiated.	Projects successfully undertaken within budget and timescales.	Final report, recommendations and implementation.
<b>ANTICIPATED OUTCOMES</b>	1. Gaps in provision, duplicative services and areas of service deprivation identified.	2 & 3. Systems established to accurately baseline and track flows into and out of economic inactivity.	4. Sectors for low skilled jobs growth and development identified to link in with strategic aim of increasing job opportunities for target groups.
<b>LEAD DEPARTMENT</b>	DEL / DSD		

## Annex B: Geographical Profile of Economic Inactivity

**Figure 1** – Average Economic Inactivity Rates (% 16-64) by Council District  
(Labour Force Survey 2008 - 2013)



## Geographical Profile

The following maps and tables depict the geographical profile of the target groups in Northern Ireland by benefit type.<sup>45</sup> As the introduction highlighted, approximately 160,000 people in the ‘family commitments’ and ‘long-term sick and disabled’ categories currently claim one or more state benefits.

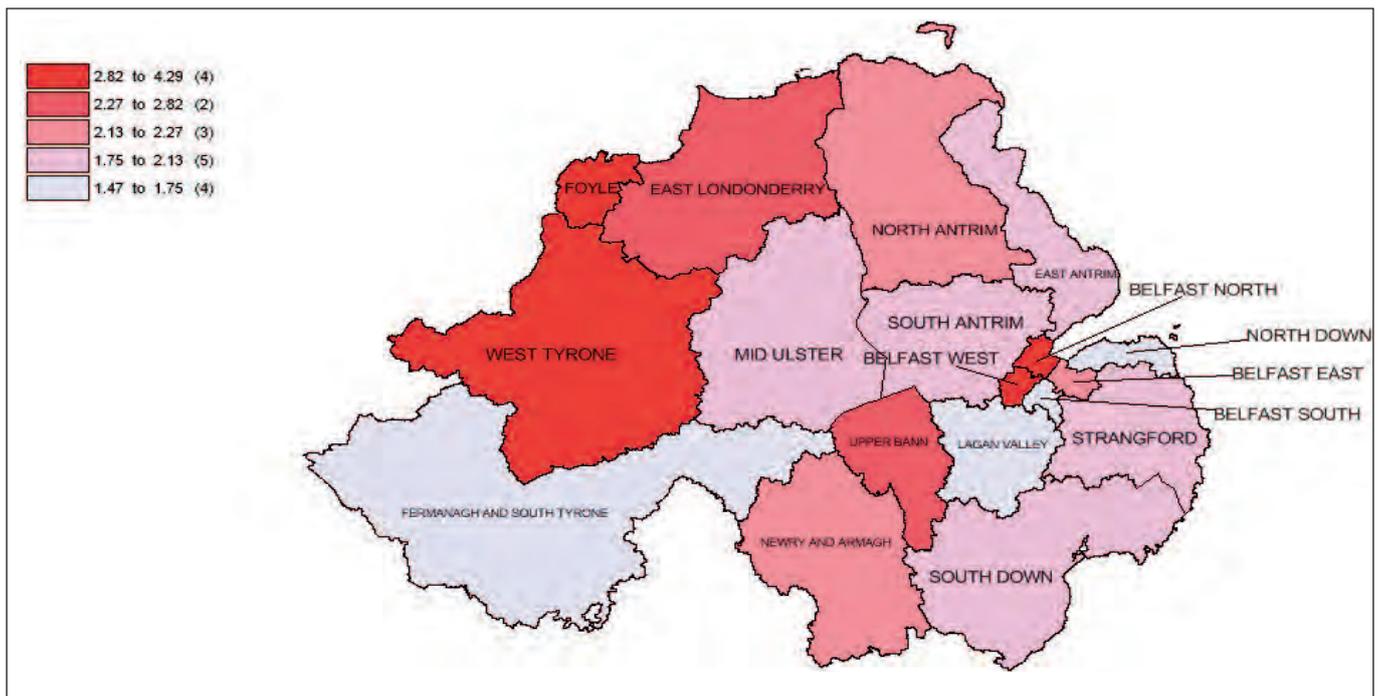
## Employment and Support Allowance

Employment and Support Allowance (ESA) is the main incapacity benefit available in Northern Ireland. ESA provides financial help to those individuals who are unable to work due to illness or disability. ESA also provides financial help and personalised advice to those individuals who are capable of certain work if provided with the right support.

In the case of those with long-term illnesses or disabilities, ESA eligibility is determined by a Work Capability Assessment which assesses an individual’s ability to undertake work.

One of the key target groups of the strategy are those individuals who are assessed as having a work-limiting health condition or disability and form part of the Employment Support Allowance Work Related Activity Group (WRAG). 24.4% (27,250) of all ESA recipients are in the WRAG group.<sup>46</sup> Individuals in this group receive access to a specially trained Employment Service Adviser and a wide range of support services, including employment, training and condition management support to help them to manage their illness or disability in the workplace.

**Figure 2 – Employment Support Allowance (Work Related Activity Group) as % of Eligible Population, by Assembly Area**



45 Data from Midas Scan, Analytical Services Unit, Department for Social Development, 5 September 2014

46 Employment and Support Allowance statistics, Analytical Services Unit, Department for Social Development, September 2014

**Figure 3 – Employment Support Allowance (Work Related Activity Group) as % of Eligible Population, Top 10 Wards<sup>47</sup>**

Ward (LGD)	NIMDM Ranking (2010) <sup>48</sup>	% of Eligible Population
Coolessan (Limavady)	26	8.8%
East (Strabane)	5	7.7%
Greystone (Limavady)	15	7.3%
New Lodge (Belfast)	3	7.2%
Falls (Belfast)	2	7.1%
Shankill (Belfast)	4	6.7%
Ardoyne (Belfast)	9	6.7%
Crumlin (Belfast)	6	6.6%
Brandywell (L/Derry)	20	6.4%
Creggan South (L/Derry)	17	6.3%

The map and table above illustrate concentrations of ESA recipients in North and West Belfast, Foyle and West Tyrone. These constituencies are also reflected in the top 10 wards (Figure 3), which are all within the 10% most deprived in Northern Ireland, as measured by the Northern Ireland Multiple Deprivation Measure (NIMDM) 2010 index. It is evident that there is a correlation between high concentrations of ESA (WRAG) customers and high levels of deprivation. In comparison, the wards with the lowest number of ESA (WRAG) recipients, such as Stranmillis, Jordanstown, Lisbane, are much less deprived. This would indicate the need for a focused intervention approach that is area based (ie. at ward or Super Output Area level). For example, Dunanney, Coole and Glebe are neighbouring wards in the same local council area (Newtownabbey) but are at opposite ends of the scale for deprivation and ESA (WRAG) recipients.<sup>49</sup>

When disaggregated by age group, the results are similar (see Figure 4 below). This would suggest that higher concentrations of ESA (WRAG) recipients are more associated with levels of deprivation than certain age groups.

<sup>47</sup> "Top 10 wards refers to the 10 wards with the highest percentage of the eligible population (i.e. Working age population aged 16 – 64) that receive ESA (WRAG)

<sup>48</sup> Where 1 represents the most deprived out of 582 wards in Northern Ireland

<sup>49</sup> When ranked by ESA WRAG recipients as a percentage of the eligible population, Dunanney, Coole and Glebe rank 16th, 17th and 443rd respectively.

**Figure 4** – Employment Support Allowance (Work Related Activity Group) Customers by Age Group, Top 10 Wards

Age: 16-44		Age: 45 and over	
Ward (LGD)	% of total Eligible Population	Ward (LGD)	% of total Eligible Population
Coolessan (Limavady)	3.3%	New Lodge (Belfast)	4.9%
Northland (Carrickfergus)	3.3%	Greystone (Limavady)	4.9%
East (Strabane)	2.9%	Creggan South (L/Derry)	4.9%
Falls (Belfast)	2.7%	East (Strabane)	4.8%
Ballee (Ballymena)	2.6%	Falls (Belfast)	4.7%
Shankill (Belfast)	2.5%	Shankill (Belfast)	4.6%
Greystone (Limavady)	2.4%	Brandywell (L/Derry)	4.5%
Love Lane (Carrickfergus)	2.4%	Ardoyne (Belfast)	4.4%
Water Works (Belfast)	2.3%	Coolessan (Limavady)	4.4%
Antville (Larne)	2.3%	Whiterock (Belfast)	4.2%

A similar picture also emerges when looking at ESA (WRAG) recipients with the primary health diagnosis of ‘psychiatric disorder’ (Figure 5). Seven of the wards appearing in the top 10 for all ESA (WRAG) customers (Figure 4) also appear in the top 10 wards with the primary diagnosis of ‘psychiatric disorder’. The Diamond, Water Works and Westland all have relatively high proportions of ESA (WRAG) recipients, of whom more than 60% have a primary health diagnosis of ‘psychiatric disorder’ (Figure 5).

**Figure 5** – Employment Support Allowance (Work Related Activity Group) Recipients with Primary Health Diagnosis of ‘Psychiatric Disorder’, Top 10 Wards

Ward (LGD)	NIMDM Ranking (2010)	% of Eligible Population
New Lodge (Belfast)	3	4.1%
Coolessan (Limavady)	26	4.1%
East (Strabane)	5	4.1%
Brandywell (L/Derry)	20	4.0%
Water Works (Belfast)	16	4.0%
Greystone (Limavady)	15	3.9%
Westland (L/Derry)	23	3.9%
Shankill (Belfast)	4	3.8%
Falls (Belfast)	2	3.8%
The Diamond (L/Derry)	12	3.6%

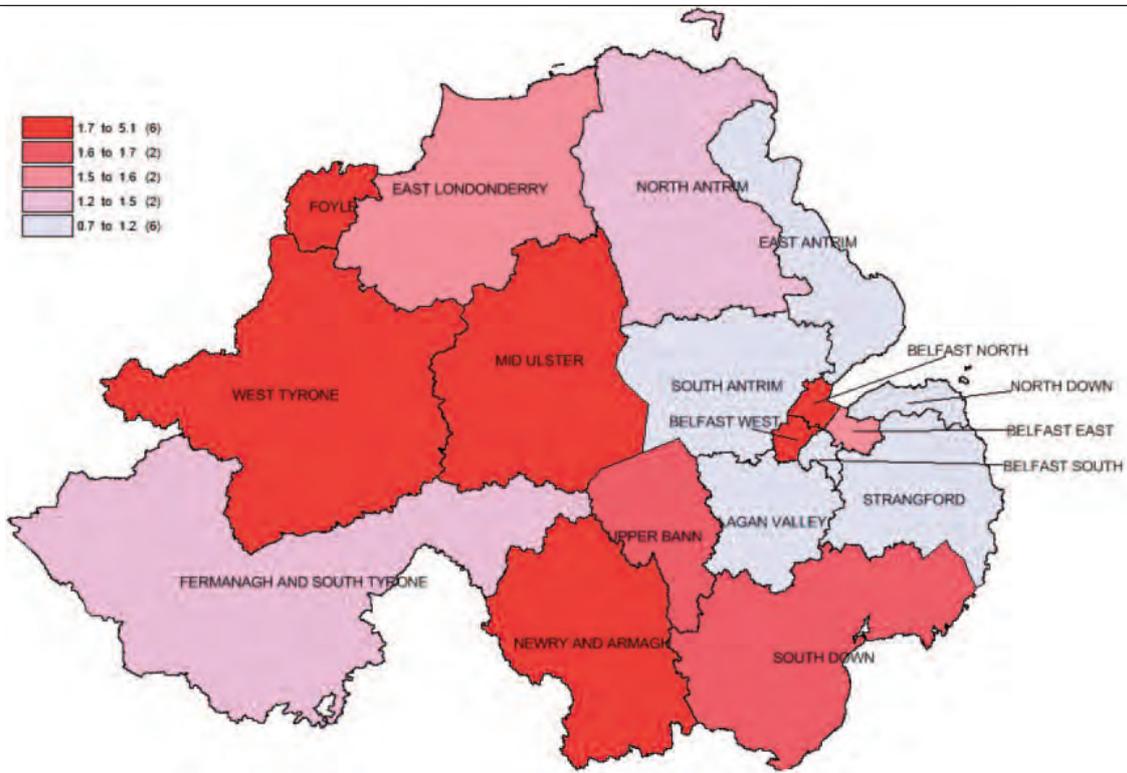
## Income Support

Income Support (IS) is the means-tested benefit for certain groups who are not in full-time paid employment. IS is targeted at lone parents, individuals on parental or paternity leave, carers and refugees who have been living in Northern Ireland for less than one year and are learning English.

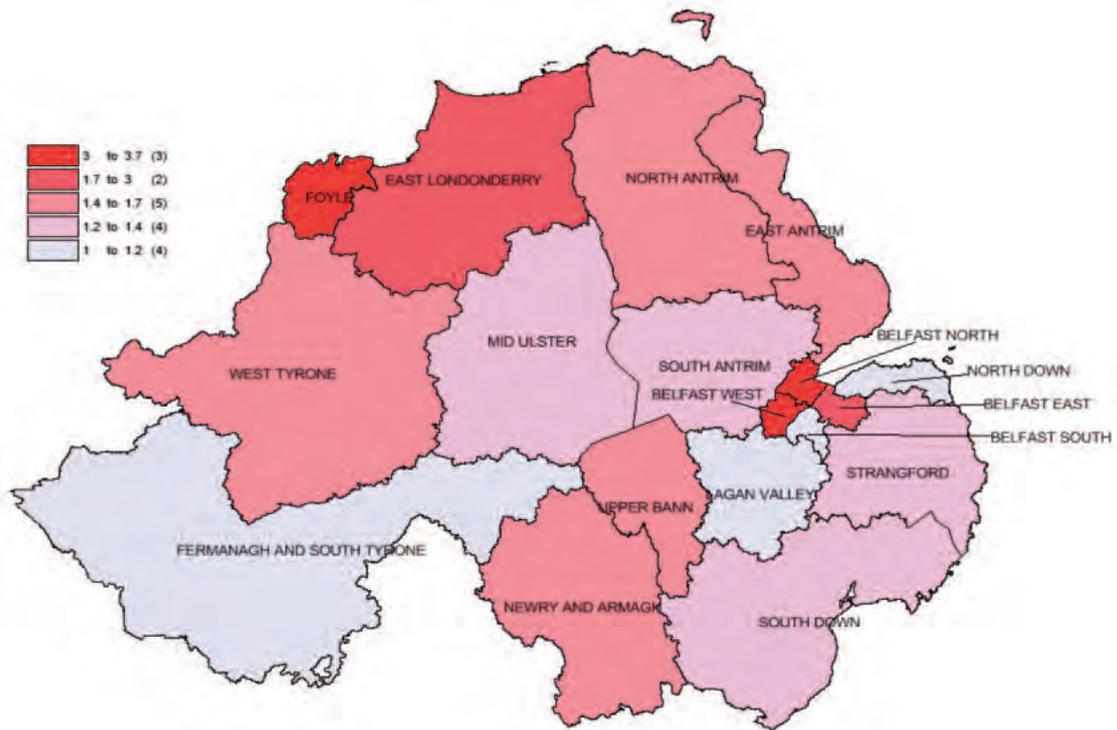
Recipients can claim IS if they work less than 16 hours per week and their partner works no more than 24 hours a week. Both earnings are taken into account when assessing the claim for benefit.

The other key target groups of the strategy are lone parents and individuals with caring responsibilities.

**Figure 6 – Income Support recipients as % of Eligible Population, by Assembly Area**



(In receipt of Carer's Allowance)



(Not in receipt of Carer's Allowance)

The two maps in Figure 6 provide a comparison of the percentage of the population receiving IS who also receive Carer's Allowance versus those who do not. IS recipients also receiving Carer's Allowance are highly concentrated not only in Belfast, but also across the west and south of the province. In comparison, recipients who are not in receipt of Carer's Allowance are more concentrated in the urban constituencies of North Belfast, West Belfast and Foyle (as they are for ESA (WRAG) recipients).

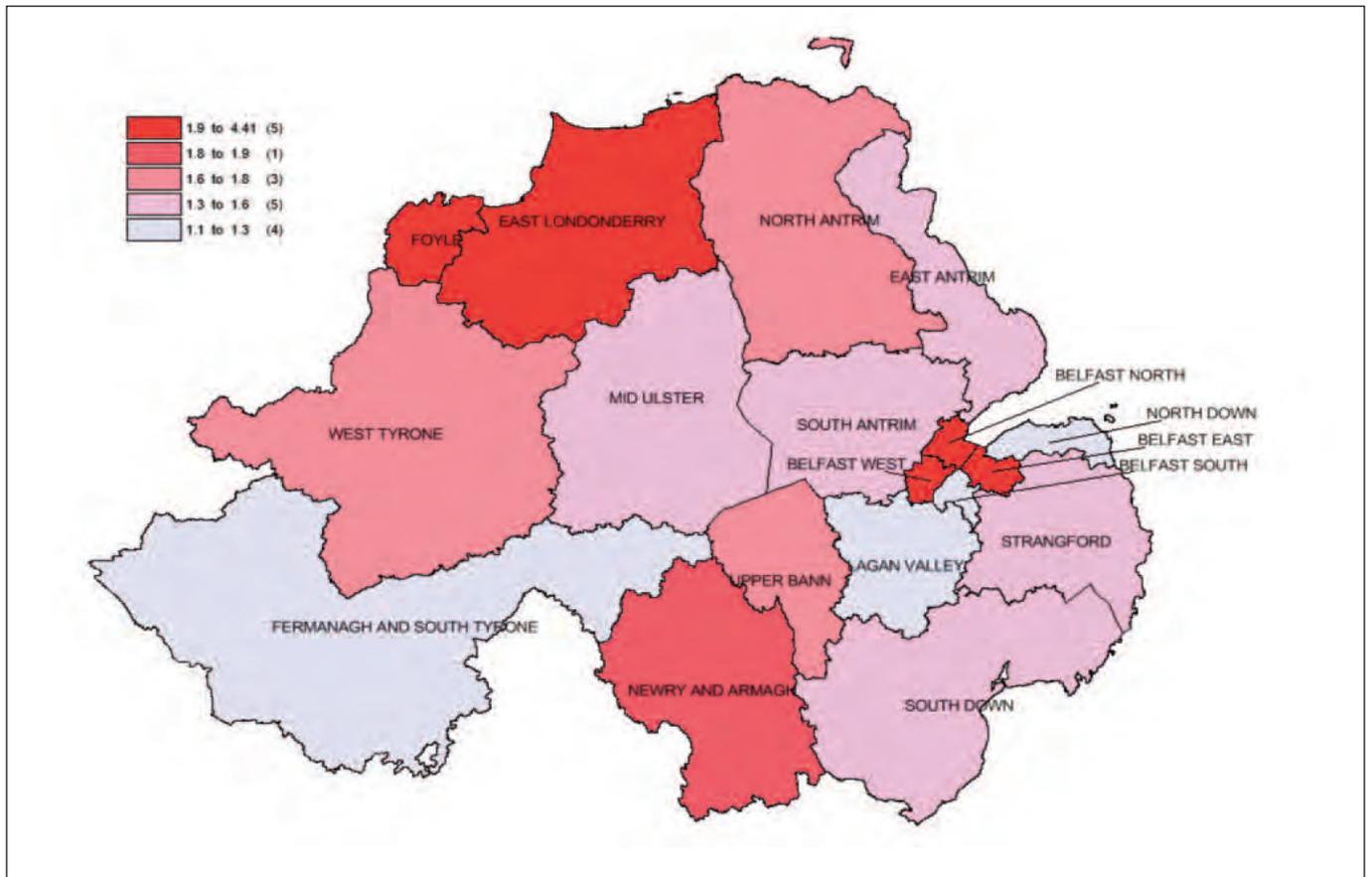
A number of wards appear in the top 10 for both IS and ESA (WRAG) recipients. All of these are urban areas and are located within the 10% most deprived wards (Figure 7). However there are some wards that feature more prominently for IS recipients than for ESA (WRAG), such as Colin Glen. When the results are disaggregated for different age groups, the same wards emerge in the top 10 'hotspots'.

**Figure 7 – Income Support Recipients as % of Eligible Population, Top 10 Wards**

With Carer's Allowance		Without Carer's Allowance	
Ward (LGD)	% of total Eligible Population	Ward (LGD)	% of total Eligible Population
Whiterock (Belfast)	9.3%	Creggan South (L/Derry)	7.0%
Colin Glen (Lisburn)	8.3%	Northland (Carrickfergus)	6.6%
Upper Springfield (Belfast)	8.2%	Colin Glen (Lisburn)	6.5%
Falls (Belfast)	7.7%	Ardoyne (Belfast)	6.4%
Creggan South (L/Derry)	7.7%	Greystone (Limavady)	6.1%
Twinbrook (Lisburn)	7.6%	Clonard (Belfast)	6.0%
New Lodge (Belfast)	7.5%	Shankill (Belfast)	5.9%
Ardoyne (Belfast)	7.5%	Shantallow West (L/Derry)	5.9%
Clonard (Belfast)	6.9%	Old Warren (Lisburn)	5.6%
Shantallow East (L/Derry)	6.5%	Carn Hill (L/Derry)	5.5%

As highlighted above, lone parents are a key target group of the strategy. Similar to previous findings, lone parents receiving IS are typically concentrated in highly deprived, urban wards across Belfast (except South Belfast) and Foyle (Figures 8 and 9 below).

**Figure 8 – Income Support recipients - Lone Parents as % of Eligible Population, by Assembly Area**



**Figure 9** – Income Support recipients - Lone Parents as % of Eligible Population, Top 10 Wards

Ward (LGD)	NIMDM Ranking (2010)	% of eligible population
Creggan South (L/Derry)	17	9.1%
Colin Glen (Lisburn)	13	8.3%
Ardoyne (Belfast)	9	7.8%
Creggan Central (L/Derry)	8	7.1%
Carn Hill (L/Derry)	48	6.8%
Shankill (Belfast)	4	6.7%
Crumlin (Belfast)	6	6.6%
Clonard (Belfast)	7	6.6%
Northland (Carrickfergus)	37	6.6%
Shantallow (West)	57	6.6%

Generally, the results reflect the patterns of economic inactivity illustrated in Figure 2. Across the various types of benefit claimed, age group, health condition etc, the same ‘hotspots’ are emerging, particularly Coolessan and Greystone in Limavady (which has the highest rate of economic inactivity), and Shankill and Falls in Belfast.

In general, areas with a high proportion of the population claiming IS will also have a high proportion of the population claiming ESA.

Additionally, these are more likely to be located in major urban areas such as Greater Belfast and Derry/Londonderry (with the exception of IS recipients receiving Carer’s Allowance) and, unsurprisingly, are in the 10% most deprived wards in Northern Ireland.

This again highlights that economic inactivity is linked to deprivation, supporting the need for focused intervention using an area-based approach.