

REVIEW OF LABOUR MARKET PROGRAMMES

February 2010



an roinn fiontar, trádála agus fostaíochta
department of enterprise, trade and employment



Foreword

I am pleased to introduce this review of labour market programmes, managed and undertaken by Forfás on behalf of the Department of Enterprise Trade and Employment.

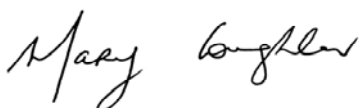
The analysis focused on the efficiency and effectiveness of FÁS and Skillnets programmes in 2007/2008, in light of current and future labour market policy challenges. The total cost of the programmes under review was €939m in 2007 and €966m in 2008, and the key performance metrics considered were: people obtaining employment, people progressing to further education and training and qualification awards received by individuals

This review makes several recommendations aimed at ensuring that our labour market programmes will better deliver on labour market objectives and achieve improved outcomes for clients. Never was this as important as it is now. The challenge now is to prepare those that have become unemployed to avail of opportunities when they arise, through training and education.

For the first time, a substantial amount of data is drawn together on the performance of individual labour market programmes including cost, activity, participant profiles and outcomes. A comprehensive multi-metric analysis ensures that outcomes are compared in a balanced way - taking into account differing client profiles. The National Employment Service, training and employment programmes for the unemployed, apprenticeship and training for the employed are analysed for effectiveness and efficiency in the 2007/8 period. Programmes are then considered in terms of how well aligned they are to the needs of the new labour market context, and proposals made on how they might be improved, to address our current labour market challenges.

This review, together with other initiatives, provides us with a realistic road-map for addressing current and future labour market challenges. It puts us in an excellent position for developing our strategy on unemployment, a priority for this Government. I am confident that FÁS and Skillnets will find it extremely valuable as they seek to maximise their use of resources and deal effectively with those challenges.

I would like to thank Forfás for their help and support in managing and undertaking the Review on behalf of the Department. I would also like to thank the Steering Group responsible for overseeing the review for their commitment and contribution.



Mary Coughlan T.D.

Tánaiste and Minister for Enterprise Trade and Employment

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Executive Summary

E.1 Introduction

This Review was commissioned by the Department of Enterprise Trade and Employment and managed and undertaken by Forfás on behalf of the Department. The Terms of Reference for the Review (Appendix A) were agreed by the Department of Enterprise, Trade and Employment and the Department of Finance. A Steering Group was established to guide the Review comprising representatives from both of these Departments as well as the Department of Social & Family Affairs, Department of Education & Science, FÁS and Skillnets. The Steering Group was chaired by the Department of Enterprise, Trade and Employment.

The Review focuses on FÁS and Skillnets labour market programmes, funded by the Department of Enterprise, Trade and Employment, in terms of their efficiency and effectiveness to draw conclusions about where the balance of resources should be allocated in the context of current and future labour market challenges including the implementation of the National Skills Strategy. The specific programmes reviewed are those with a budget of more than €10 m per annum (excluding programmes aimed at persons with a disability) as follows:

- FÁS National Employment Service including FÁS Employment Services, Local Employment Services and the interaction with the Department of Social and Family Affairs.
- Training and Integration programmes for the Unemployed including FÁS Specific Skills Training, FÁS Traineeship, FÁS Bridging Foundation Programme, FÁS Local Training Initiative Programme and FÁS Community Training Centres.
- Employment programmes including FÁS Community Employment and FÁS Job Initiative.
- Training for those in Employment including FÁS Apprenticeship, FÁS Competency Development Programme and Skillnets Training Networks Programme.

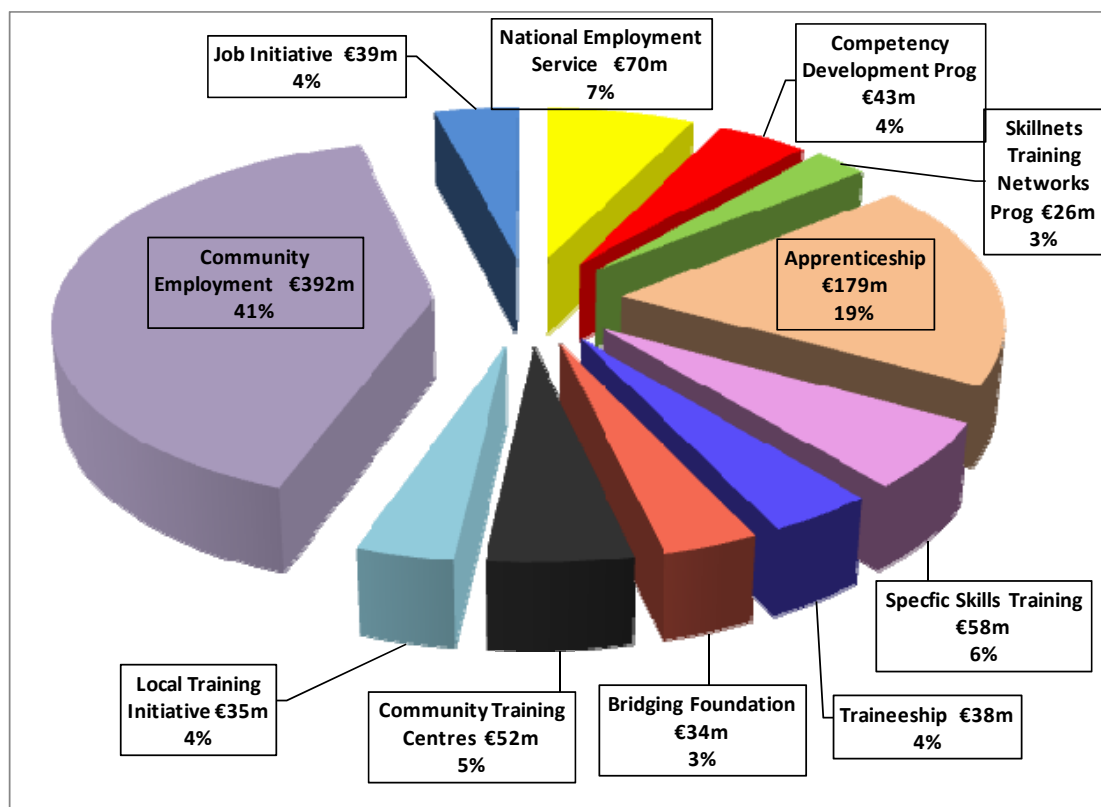
It was agreed that the key performance metrics which would form the focus of this review would comprise Government, individual and enterprise benefits arising from:

- People obtaining employment on completion of a programme;
- People progressing to further training/education; and
- Qualifications Awards received by Individuals.

The Review draws a substantial amount of data together (for the first time) on the performance of labour market programmes, including cost, activity and outcomes of programmes as well as participant profiles. This allows for a multi metric analysis of individual programmes to be conducted to ensure that outcomes of programmes are compared in a balanced way - taking account of different client profiles. There was a significant information deficit in relation to the availability of some key programme data. The Review makes proposals around how this information deficit can be addressed to enable an improved monitoring of programmes performance. The Review also draws upon relevant Irish and international analysis. Current and emerging labour market trends are analysed.

The analysis in the report is based upon 2007 and 2008 data. The total cost of the programmes being reviewed was €939m in 2007 and €966m in 2008. Figure E.1 provides an overview of the cost of specific labour market programmes in 2008. As can be seen, the greatest cost is for Community Employment at €392m. This comprises 41 percent of the combined cost of all labour market programmes reviewed. Apprenticeship which costs €179m has the second highest total cost comprising 19 percent of the total budget. (It should be noted that there is also an additional cost of circa €57 m per annum to Institutes of Technology incurred for apprenticeship activity).

Figure E.1: Cost of Labour Market Programmes (2008)



Source: FÁS and Skillnets

E.2 New Policy Challenges for Ireland in Changed Labour Market Context

The decade up to 2007 was a period of high economic growth which led to a reduction in unemployment and dramatic increase in employment to over two million by 2007. Over that period there was an increase in labour force participation rates and significant inward migration. The focus of labour market policies was on helping fill the recruitment needs of firms in a tight labour market with labour shortages. Migration policy was framed around helping firms fill high skilled positions that could not be filled domestically. Certain labour market problems persisted such as for early school leaving and higher unemployment rates in a number of urban and rural areas.

The labour market context has changed significantly over the last two years. Unemployment has risen sharply from 4.5 % in 2007 to 12% by mid 2009 and is forecast to reach close to

14%¹ in latter half of 2010. Young people under 25 years, lower skilled workers and craftpersons have been particularly affected by unemployment. An anticipated fall in unemployment thereafter is dependent on the timing of international recovery and improvement in domestic competitiveness. Compared to other EU countries it is forecast that Ireland could have relatively high labour force and working age population growth over the next ten years due to favourable demographics. Potentially this could increase the level of labour supply over a period when labour demand is likely to recover only slowly. However, the economic downturn is likely to have a negative effect on labour supply projections for Ireland - as more young people may decide to remain in full time education, 'discouraged' workers leave the labour force, older workers retire earlier and more people may emigrate. Positively, by 2020, Ireland is expected to have a greater proportion of the labour force with high level qualifications compared to most other EU countries. Ireland is expected to remain around the EU average for the proportion of the labour force at the low skills level.

This much changed labour market context requires a reshaping and mobilisation of labour market programmes and services to meet the needs of enterprises and individuals. Main challenges for Ireland over the period up to 2015 will be to:

- Raise the skills levels of the labour force (both employed and unemployed) to improve employability and maintain / secure employment - in line with the objectives of the National Skills Strategy and Building Ireland's Smart Economy: A Framework for Sustainable Economic Renewal (2009).
- Avoid potential skills mismatch by ensuring that unemployed persons receive training in skills relevant to the needs of enterprises for jobs opportunities that will arise from replacement needs / start ups / expansions.
- Provide work experience placements / learning opportunities with certification for young people leaving education who become unemployed - as new recruitment by employers is much reduced. The level of early school leaving will need to be addressed.
- Facilitate improved access to training, education and employment service provision for groups most affected by unemployment - and those in communities experiencing higher unemployment. Growth in long term unemployment should be minimised through active measures providing progression onto relevant training and education opportunities.
- Ensure that any disincentives in the interaction between the social welfare payment system and moving into employment are removed. Also that the mutual obligations and responsibilities of unemployed persons who are able to take up relevant training / education and employment opportunities are made clear and that necessary sanctions are in place to enhance activation.

E.3 Strategic Policy Objectives for Consideration

To meet these challenges there will need to be a focus on the efficiency, quality and effectiveness of programmes for the unemployed and those at work to ensure the best use of the education and training budgets. This will require collaboration and co-ordination between training and education providers and enterprise. Working from a shared view of the future skills needs of the economy, an innovative and integrated approach can be followed to determine agreed education and training priorities.

¹ ESRI Quarterly Economic Commentary Winter 2010

The focus of labour market programmes should be on three main areas:

- **Activation** - Activation measures aimed at improving the employability of unemployed persons by providing 'progression pathways' of relevant job search, training, education and employment opportunities for different target groups. This includes the need to ensure that the responsibilities and mutual obligations of individuals able to take up opportunities are made clear and that any disincentives to participation are minimised.
- **Upskilling** - boosting our human capital by enhancing education and skills levels in line with the National Skills Strategy and the needs of the 'Smart Economy'. Notwithstanding our current economic difficulties, other countries are also upskilling and we must do so to compete - and take advantage of the economic upswing when it comes.
- **Participation** - ensuring that the training and education needs of target groups such as young unemployed, those previously employed in sectors most affected by restructuring, long term unemployed, older workers and women returners are provided for on the most relevant programmes and that the objectives and practice of programmes reflect this.

E.4 Key Findings

In the first instance, labour market programmes are examined in terms of how well they performed in the period 2007 and 2008. Programmes are then considered in terms of how well aligned they are to the needs of the new labour market context. Findings are presented by main programme measure for (a) Training Programmes for Unemployed (b) Employment Programmes (c) Apprenticeship and Training for Employed (d) National Employment Service. Findings on the adequacy and availability of data to measure the efficiency and effectiveness of programmes are then outlined.

E.4.1 Training Programmes for the Unemployed

It was considered that the most effective programmes for the unemployed were those training programmes closest to the labour market and with employer involvement, including the Specific Skills Training and Traineeship programmes. These had the best employment outcomes of all the programmes reviewed. The Local Training Initiative, Community Training Centres and Bridging Training Programme had progression as a main objective given that their target cohorts were low-skilled and distant from the labour market. However, it was found that the participant profile did not fully match those criteria. Instead, participants were relatively better educated and shorter-term unemployed than might have been expected. There were low levels of participants receiving qualification awards on these programmes. Dropout rates² from the Community Training Centres and Local Training Initiatives (both geared at young people) are high - at 31 percent and 18 percent respectively of those who left the programmes in 2007.

Specific Skills Training Programme

The objective of the Specific Skills Training programme is to provide job seekers with employment-led training opportunities that lead to recognised certification, thus providing a pool of skilled labour that is close to labour market needs. The outcomes of the programme are among the best of all the FÁS programmes, with 58 percent of participants going into

² The dropout rate refers to the number of non-completers as a percentage of those that left the programme (completers and non-completers) in that year.

employment and ten percent progressing on to education/training. This partly reflects participants' higher skill levels and ability. The programme has been less successful in delivering certification to participants, with just 28 percent of completers receiving certification in 2007. However, that figure rose to 47 percent in 2008, suggesting that this is being addressed.

Participants are generally well educated, short-term unemployed and younger than those on employment programmes. As with other training programmes, there are a relatively high number of participants with no social welfare status (31 percent). The 2006/7 FÁS Follow-Up Survey shows that a high percentage of these were working prior to joining the programme. In the new labour market context, with rising unemployment and given available capacity, priority will need to be given to those that are unemployed.

The Specific Skills Training Programme is generally well-aligned with the labour market and has kept abreast of current and future trends. Nonetheless, it would benefit from greater employer participation. There will need to be a continuing emphasis on ensuring that the programme is aligned with labour market demand.

Proposals: Greater employer involvement would help in ensuring continued alignment with labour market demand and avoiding skills mismatching. Replacement demand, emerging skills requirements and programme outcomes should be closely monitored and adjustments made if necessary. Consideration should be given to having a higher proportion of older, long term unemployed, lower educational attainment participants. The high percentage of participants with no social welfare status could be examined.

Traineeship Programme

Traineeships are occupational specific and industry endorsed training programmes that contain FÁS and on-the-job components. There is a high level of involvement with employers and programmes are well aligned with labour market trends. The core objective is to help jobseekers to acquire specific skills relevant to particular occupations in the labour market. Outcomes are the highest of all the programmes reviewed, with 72 percent of participants entering employment after the programme and nine percent progressing onto training/education. Sixty-seven percent of those that complete the programme are certified. Traineeships provide a good alternative to apprenticeships, having on-the-job training for specialist skills but over a less lengthy period of time, and in a cost-effective manner. The participant profile is mainly short-term unemployed with 70 percent having Leaving Certificate or higher. There is scope to increase the male intake. In 2008, forty-two percent of participants had no social welfare status. The 2006/7 FÁS Follow-Up Survey shows that a high percentage of these were working prior to joining the Programme. As with the Specific Skills Training Programme, in the current labour market environment, with rising unemployment and given available capacity, priority will need to be given to those that are the unemployed.

Proposals: Consideration should be given to widening the scope of occupations covered under the programme, informed by enterprise skills demand. Replacement demand, emerging skills requirements and programme outcomes should be closely monitored and adjustments made if necessary. A higher proportion of older, long term unemployed, lower educational attainment participants could be considered. More male participation could be encouraged. The high percentage of participants with no social welfare status could be examined.

Community Training Centres

Community Training Centres are part of the national YOUTHREACH programme - an interdepartmental initiative between the Department of Enterprise, Trade and Employment and Department of Education and Science. The programme is aimed at early school leavers who have left school with no formal or incomplete qualifications. However, the participant profile shows that a relatively high number of participants are classified at Leaving Certificate level - 25% in 2008.

An estimate of the labour market status of comparable school leaver profile (to those participating on Community Training Centres) was derived from the ESRI 2007 School Leaver Survey. There were no estimated additional progression outcomes from participation on Community Training Centres (at least in the short term). A main concern is the high number of those who drop out of the programme before completion- at 31 percent of those who left the programme in 2008. A relatively high proportion of participants had never/only a little used the skills acquired on the programme in their first job after training.

Proposals: There should be a greater focus on the target group for the programme. There needs to be a greater focus on the training and development relevant to the skills required in the labour market. There should be an improved system of notification of early school leavers to FÁS. The reasons for the high level of dropout from the programme should be examined and addressed. Training Costs should be reviewed.

Local Training Initiative

While the Local Training Initiative programme was established to focus on the training needs of socially excluded, marginalised clients, primarily aged between 16 and 25 years, the participant profile shows that the majority had been unemployed for less than one year. Only 39 percent were in the target age cohort, and educational attainment levels were relatively high. Forty-seven percent of participants are classified as having Leaving Certificate or higher in 2008. In the case of the target age cohort, this appears to be due to local demand with greater demand for those with an older age profile. Thirty-two percent of participants had no social welfare status prior to the programme. The rate of non-completion is relatively high - representing 18% of those who left the programme in 2008 and needs to be examined. Progression outcomes are higher for this programme than would be expected from the Live Register. This may be due to local links with employers and educational/training institutions. In particular, there is a 30 percent progression to further training /education with participants across a wide range of providers, including VEC's and Institutes of Technology. Consideration could be given to availing of appropriate existing courses in communities, rather than devising new courses in the Local Training Initiative Programme that may already be available in the wider community. This would allow even greater flexibility with learners availing of education or training suitable to their needs across a wider range of providers.

Proposals: There should be improved focus on the target group as well as a focus on the skills needs of the labour market. The high level of dropout from the programme should be reduced. Training Costs should be reviewed.

Bridging Foundation Programme

Despite being geared at clients who are most disadvantaged in terms of accessing employment, the participant profile shows that 96 percent of participants had been unemployed for less than one year, with a medium educational attainment level. Thirty percent of participants were not in receipt of social welfare payments prior to the

programme. Overall, progression outcomes are similar to that expected when compared to the Live Register estimated comparator. While a key objective for participants is progression to further training/education, only 16 percent went onto further training/education. Certification of competencies gained on the programme is another key objective. Yet, only ten percent of completers received Major Awards. Participants also received 5,000 Minor Awards that are building blocks for Major Awards. The objectives of this programme will need to be reviewed to ensure that outcomes and participant profiles are aligned with those objectives. Rigorous evaluation will need to be conducted on an annual basis, similar to the FÁS follow-up survey that is usually conducted biannually. The current system of evaluating outcomes which contains a category of 'placed/type unknown' should be discontinued.

Proposals: There should be a focus on the target cohort. Certification and progression levels should be improved. Ensure that training is relevant to the skills needs of the labour market. Indirect costs should be reviewed.

E.4.2 Employment Programmes

Community Employment

Community Employment (CE) comprises 41 percent of the combined budget for all labour market programmes and has more participants than any other programme. Because participants spend three years on average on the programme it represents only 30 percent of the total numbers completing programmes for the unemployed.

Community Employment activity provides economic and social benefits to communities around the country in terms of providing services that would otherwise be lacking - especially those in disadvantaged areas. It provides support for several hundred community organisations, local councils, VEC's, Drug Task Forces, the HSE, Semi-State bodies and national charitable organisations. The measurement of the output of these services were not however the subject of this Review.

Comparing the actual outcomes of CE to Live Register comparator estimates there is a three percent improvement in employment outcomes. Combined with exit rates onto further education/training this gives an estimated one percent improvement in progression outcomes from participation on CE. The unemployment outcome figure from CE at 42 percent in 2007 is relatively higher (compared to estimated Live Register outcomes) than might be expected.

The number of persons on Disability related payments and One Parent Family Payment have increased significantly over the decade. Individuals from both these groups receive income from participation on CE and may retain all or a proportion of their social welfare payment. This may have the effect of reducing the incentive to enter lower wage full-time work. Compared to other labour market programmes CE has an older, less well educated, long term unemployed profile. Despite improvements in personal development supports it remains mainly a work experience programme with a small development element. However, it is recognised that there has been a significant increase in the number of certification awards in 2008 - albeit from a low base. Given the lower educational profile of participants, literacy/numeracy is a key issue which should continue to be addressed. A greater number of long-term unemployed people need to be accommodated on mainline training programmes with closer links to the labour market.

Proposals: Consideration should be given to determining whether CE is primarily a labour market activation programme or a programme providing mainly social and community benefits. The scale of Community Employment needs to be examined versus other relevant provision, particularly training programmes, to meet participants' needs. There could be a one year participation norm for the majority of places - versus the three years average period as at present. Enhancement of the training/education element of the programme could be considered to make it more relevant to labour market needs and improve participant outcomes. This could also include an increased focus on certification with training supports tied to achievement of NFQ awards. The payment levels for participants could be examined to ensure that they do not act as a disincentive to taking jobs on the open market.

Job Initiative Programme

Job Initiative has an older, less qualified and long term unemployed participant profile. It is not currently operating as an effective active labour market programme. There are relatively few people completing the programme and no recruitment. The programme is more costly than mainline training programmes. There were no records for certification made available for the programme. It is not clear therefore the extent to which participants may be benefiting from the programme in terms of improving their qualifications.

Proposals: Consideration should be given to concluding Job Initiative as an active labour market programme as soon as possible

E.4.3 Apprenticeship and Training for the Employed

Apprenticeship Programme

Apprenticeship training is provided in close collaboration between FÁS and the Institutes of Technology. In the decade up to 2007 the apprenticeship system worked well in terms of developing the skills of apprentices for the twenty-six designated trades, although the length of apprenticeship is relatively long and the cost is high. The most recent survey (2007) indicated that a majority of companies (82%) that had used apprenticeship were either very or fairly satisfied. 100 percent of apprentices receive a Level 6 Advanced Certificate Craft Qualification Award. Since 2007 the Apprenticeship system has run into difficulties particularly reflecting the greatly reduced level of activity in the construction sector. The numbers of new apprenticeship registrations has fallen to a low of 3,760 - representing a 55 percent drop over the period 2006-2008. Construction sector trades have experienced a 73 percent drop. There are currently 5,800 redundant apprentices (Sept 2009) with measures introduced to help redundant apprentices progress within the system. The cyclical nature of apprenticeship registration needs to be addressed especially for construction trades. One option could be to apply a lower and higher limit for apprenticeship registration- including through an external assessment of future supply and demand. At the lower limit the State could ensure an ongoing stock of craftspersons to meet the future needs of the economy. At the higher limit the State could moderate the number of apprentices being registered.

Proposals: The current average duration of an apprenticeship which is a minimum of four years (except for print media which is three years) could be examined. The length could be based upon when apprentices attain the competency level required, so that some individuals could complete their training faster if they reached the required skill level as in other countries, such as Australia and the UK. The programme should continue to be demand led but a moderating mechanism should be considered to avoid under and over supply.

Training for the Employed

On training programmes for the employed, it was considered that there is a need for rigorous evaluation of these programmes to quantify the benefits to enterprise, individuals and Government. In particular, there is a need to focus on training for results, in terms of applicability of skills learned, increased productivity and performance for enterprise or career progression for individuals. A high level of employer involvement is also required, to ensure that provision is demand-led. Skillnets Training Networks Programme uses the Kirkpatrick/Philips model of evaluation and it was considered that this would be advantageous for all in-employment programmes.

FÁS Competency Development Programme

The objective of the programme is to increase the number of employed persons acquiring certified training qualifications, increasing their employability and companies' productivity and competitiveness. The emphasis of the programme is on the 'one-step-up' approach, in keeping with the National Skills Strategy, and in upskilling low-skilled workers. As there is no evaluation of the programme, it is difficult to comment on its effectiveness or efficiency. The only means of tracking the effectiveness of the programme is through the number of activity days and levels of certification. While certification appears to be high (88 percent), it refers to participants attending certified courses, rather than certification outcomes which are not recorded. International best practice favours evaluating training for results as opposed to training for activity, with many organisations using the Kirkpatrick and Philips models of evaluation that have a stepped approach to evaluation. This approach should be considered for the programme.

While there is industry involvement through the Strategic Alliance approach, and local involvement of FÁS staff with Chambers of Commerce and regional development groups, there does not appear to be an emphasis on increasing industry's competitiveness and productivity. This is a part of the core objectives of the Programme. Regular surveys of participating companies would help to ascertain if these issues are being addressed.

Proposals: A greater focus on demand led provision is required. There is a need to evaluate training for results as opposed to activity with more emphasis on measuring benefits to firms in terms of productivity and performance. Individual certification awards should be recorded. Emphasis of focus to continue to be on the lower skilled.

Skillnets Training Networks Programme

The objective of the Skillnets Training Networks Programme is to support private sector companies and their employees with the provision of tailored training and upskilling programmes, particularly for the lower-skilled. This Review found that it is demand-led training, with groups of companies coming together based on an identified common need. There is a high degree of evaluation with each network having an external evaluator and an annual Member Company Satisfaction Survey. Overall, the Skillnets Training Networks Programme is highly rated by participant companies and delivers training at a relatively low cost, according to 92 percent of companies surveyed. This Review found that there is some measurement of benefits to enterprise, with 21% of networks measuring those outcomes, but that this could be improved.

Proposals: Certification for individuals should be recorded as opposed to the numbers of awards as at present. There should be increased measurement of benefits to firms in terms of productivity and performance, and to employees, particularly lower skilled workers. Member Company Satisfaction Survey conducted annually could include questions to be answered by employees - particularly with regard to certification, use of skills, and career progression. Direct input from trainees on outcomes for employees such as promotion or increased pay would benefit the evaluation system. Emphasis of focus to continue to be on the lower skilled.

The National Employment Service

The National Employment Service (comprising FÁS Employment Services and the Local Employment Service) is playing a key role as the 'gateway' to services for unemployed persons seeking to return to work and in helping fill employer job vacancies. There have been significant improvements over recent years in the range of services and supports for job seekers and employers. Employment Services are currently provided across three Departments (Department of Enterprise, Trade and Employment, Department of Social and Family Affairs and Department of Community, Rural and Gaeltacht Affairs). There appears to be scope for further integration to ensure a more efficient and effective service.

Given the rapid increase in the level of unemployment there is a need to intensify activation measures for the unemployed. Also, for DSFA to ensure a stronger connection between receipt of social welfare benefits and mutual obligations and responsibilities for job search and development. More systematic follow-up is required by Employment Services and DSFA of those who do not present themselves for interview when requested. Consideration should be given to the linking of engagement with the 'profiling' of newly registered clients - as a means of identifying those at risk of becoming long term unemployed and the training and education supports that would best support them.

Careers and progression opportunity information on all relevant job search, training, education and employment opportunities needs to be provided - from all providers including FÁS, Skillnets, VEC's, Institutes of Technology and Universities.

Proposals: Public Employment Services which are currently provided across three Departments, could be further integrated to ensure a more efficient and effective service. There needs to be an increase in the frequency of face-to-face contact interviews between those on unemployment payments with employment counsellors. This engagement could be linked with the profiling of clients to identify those at risk of becoming long term unemployed and to refer them to the most appropriate supports. More systematic follow up is required by Employment Services and DSFA of those who do not present themselves for interview when requested. The National Employment Service should avail of all job search, education, training and employment supports from whatever provider, including VEC's, and Institutes of Technology - to provide the best 'progression pathway' of supports to help unemployed people get back to work. There needs to be greater investment in the IT system to improve the exchange of data between the National Employment Service and DSFA particularly in relation to providing up to date information on client status and the follow up. Consideration could be given to outsourcing additional capacity where required.

Summary of Key Performance Metrics across Labour Market Programmes

Table E.1 below provides a comparison of key performance metrics for the programmes under review (excepting the National Employment Service which had a budget of €70 m in 2008). The figures for budgets, numbers completing; percentage of participant's long term unemployed; and cost per day for a participant on the programme are for 2008.

The figures for the percentage of participants progressing onto training, education and employment programmes, cost per participant progressing, and estimated additional progression outcomes - compared to Live Register estimates and ESRI School Leaver Survey in 2007 (the latter in relation to Community Training Centres) are based on both 2007 and 2008 material - dependent upon the availability of data per programme.

The figure in the 'Cost per participant progressing /completing' column for Community Employment, Job Initiative, Specific Skills Training, Traineeship, Bridging Foundation, Local Training Initiative and Community Training Centres is the cost per participant progressing onto employment /training/education in 2007.

The figure in the 'Cost per participant progressing /completing' column for (i) Apprenticeship, (ii) FÁS Competency Development Programme and (iii) Skillnets Training Networks Programme is the cost per participant completing the programme in 2008.

Table E1: Labour Market Programmes Performance Metrics

Programme	Annual Budget 2008	Numbers completing 2008	% LTU 2008	Cost per Day 2008	% Progressing onto Employment, Training & Education	Cost per participant progressing /completing	Estimated additional Progression outcomes
Community Employment	€392m	7,736	92%	€132	44%	€126,938	+1%
Job Initiative	€39m	46	100%	€97	-	€889,000	0
Specific Skills Training	€58m	5,700	3%	€88	68%	€13,640	+5%
Traineeship	€38m	2,235	5%	€88	81%	€20,630	+18%
Bridging Foundation	€34m	6,050	4%	€85	54%	€10,408	0
Local Training Initiative	€35m	2,511	0%	€60	69%	€17,621	+13%
Community Training Centres	€52m	1,510	2%	€91	59%	€53,271	0
Apprenticeship	€179m ³	5,057	0%	€142	employee	€35,396 ⁴	employee
FÁS Competency Development Programme	€43m	32,390	0%	€174	employee	€1,315	employee
Skillnets Training Networks	€26m	53,317	0%	€130	employee	€487	employee

³ Combined FÁS and Education Costs for Apprenticeship in 2008 comes to €236 m

⁴ Combined FÁS and Education Cost Per day in 2008 comes to €46,667

Certification award outcomes information was also examined. The proportion of participants who received a major award was highest for Apprenticeship (100 percent), Traineeship (67 percent), and Specific Skills Training (28 percent). It was low and / or not available for other programmes.

E.5 Information Deficit

There is currently a significant information deficit in terms of being able to measure the efficiency and effectiveness of labour market programmes. Main improvements suggested are as follows:

(a) Need for national longitudinal data on labour market activity

National longitudinal data is required to identify unemployed individuals and their participation (or non-participation) over time in active labour market programmes, and their interactions with public employment services as well as transitions from unemployment into employment. It is proposed that a question be inserted in a special module of QNHS survey - perhaps on a two year cycle to collect information on unemployed individual's job search activities and their transitions.

(b) Improvements in FÁS Internal Management Information Systems

Alot of information on different FÁS programmes is not integrated. Some, including for certification, is mainly done manually. Collection of information should be computerised. FÁS management information systems should be improved including integration, standardisation and automation. This would improve the comprehensiveness of data available and also enhance the efficient and effective management and use of resources.

Registration of incoming participants' educational attainment levels should be recorded by NFQ level. Information on certification should also be recorded by NFQ Award type by individual on completion of training so as to be able to measure the level of upskilling.

An outcomes category of 'placed - type unknown' is used to monitor employment outcomes. It is not clear what this category means and it is not informative in terms of measuring the results of outcomes from programmes. This approach should be discontinued and consideration be given to replacing it with an annual external survey showing progression to (i) employment, (ii) education/training, (iii) unemployment, (iv) Other/Inactivity. Data from the Department of Social and Family Affairs and the Revenue Commissioners may also assist in establishing outcomes.

(c) Need for Follow - Up on Outcomes from labour market programmes

Follow-up Surveys on programmes for the unemployed are currently conducted biannually. The survey should be conducted annually by an external evaluator. Data from the Department of Social and Family Affairs and the Revenue Commissioners may also assist. Information on individual earnings before participation (for those that had a job) is required to determine whether participants benefited in terms of improved earnings. Revenue Commissioners data may also assist in this. Participant outcomes should be broken down by their Social Welfare status to allow analysis of outcomes for different social welfare payment groups.

Case studies should be conducted to inform on the benefits of training to enterprises. As with the programmes for the unemployed, an annual follow-up survey of the FÁS Competency Development Programme should be conducted. An annual employers' satisfaction survey tailored to programmes used by companies surveyed should be introduced.

E.6 Conclusion

In a climate of tighter resources, priority will need to be given to those programmes that are capable of delivering on labour market objectives. An efficient and effective use of resources is required to ensure the achievement of programme objectives and improved outcomes for clients of services. The outcomes of labour market programmes should be fully evaluated and monitored to ensure they are delivering value for money.

There has been an increased demand for employment services as unemployment has risen. It is suggested that resources be redirected towards the delivery of front-line employment services. There may be efficiencies in integrating the Public Employment Services, currently provided across three Departments to help offset the need for additional resource requirements.

In terms of efficiency and effectiveness, the Traineeship and Specific Skills programmes were the best performing labour market programmes. It is suggested that resources continue to be allocated to those programmes and consideration be given to increasing the number of Traineeships to cover a wider range of occupations.

Activation specifically geared towards young people will be particularly important as there will be significantly fewer job opportunities compared to recent years. Participation of young people should be encouraged across all suitable training and education programmes, dependent on individual need. The number of Traineeship places for young unemployed people could be increased.

It is suggested that the Community Training Centres and the Local Training Initiative be re-modelled to bring them closer to the labour market and improve their focus on the target cohort. The high dropout level should also be addressed. Bridging training programmes will continue to be required to help persons to progress to mainline training and education. It is suggested that resources could continue to be allocated, but that the current programme be re-modelled to reflect labour market demand and with more emphasis on progression and certification.

It is considered that the employment programmes - Job Initiative and Community Employment are not well aligned to deliver the strategic policy response required for the new labour market environment. Consideration should be given to concluding Job Initiative as soon as is possible. The scale of Community Employment needs to be examined versus other relevant provision, particularly training programmes, to meet participants' needs. Consideration should be given to determining whether CE is primarily a labour market activation programme or a programme mainly providing social and community benefits. If CE is to continue to function as an activation programme, enhancement of the training/education element could be considered to improve its alignment with labour market demand and improve participant outcomes. Participant payment levels should be examined to ensure they do not act as a disincentive to taking jobs on the open market.

The Apprenticeship programme is valuable but is lengthy, costly and cyclical. Consideration should be given to other means of developing training programmes with employers' involvement that are more flexible, less expensive and of a shorter time duration.

The allocation of resources to workplace training will continue to be important in the challenges ahead to ensure that the labour force is continually upskilled, thereby ensuring employment retention. Optimal programmes are those that are demand led, based on employer and employee identified training needs and aligned with national labour market policy objectives, with a focus on training for results.

Chapter 1: Introduction

1.1 Introduction

This Review was commissioned by the Department of Enterprise, Trade and Employment (DETE), and examines labour market programmes funded by the DETE, from the Exchequer, the National Training Fund and European Social Fund. The Terms of Reference for the Review were agreed by the Department of Enterprise, Trade & Employment and the Department of Finance. A Steering Group, chaired by DETE, and including representatives of the Departments of Finance, Social and Family Affairs, and Education and Science, FÁS and Skillnets, guided the Review. A list of Steering Group members is contained in Annex 1. Those programmes with a budget of over €10m per year were reviewed, excluding programmes aimed at persons with a disability. The Review covered the following programmes run by FÁS and Skillnets:

- FÁS National Employment Service including FÁS Employment Services, Local Employment Services and the interaction with the Department of Social and Family Affairs.
- Training for those in Employment including FÁS Apprenticeship, FÁS Competency Development Programme and Skillnets Training Networks Programme.
- Training and Integration for the unemployed including FÁS Specific Skills Training, FÁS Traineeship, FÁS Bridging Foundation Programme, FÁS Local Training Initiative Programme and FÁS Community Training Centres.
- Employment programmes including FÁS Community Employment and FÁS Job Initiative.

The Review focuses on the efficiency and effectiveness of the above programmes to draw conclusions about the balance of resources in the context of current and future labour market policy challenges, including the implementation of the National Skills Strategy.

1.2 Objectives

The scope of the Review was two-fold:

1. To identify current labour market policy challenges including:
 - Implementation of the National Skills Strategy
 - Ensuring that the labour and skill needs of enterprise are met
 - Increased labour market participation of older workers and women
 - Clarifying the 'market failure' rationale for government investment in labour market programmes.
2. To evaluate performance outcomes, efficiency and effectiveness of the programmes, and to draw conclusions in relation to the balance of resources and the rationale for the allocation of public funding, in the context of current and future labour market policy challenges.

1.3 Methodology

The Review consisted primarily of secondary research, including consideration of relevant published Irish and international analysis. A substantial amount of quantitative and qualitative data was drawn together (for the first time) on the performance of labour market programmes (FÁS and Skillnets), including objectives and descriptions of programmes, cost, activity and performance outcomes of programmes as well as participant profiles.

National labour market policy objectives were reviewed.

The current and historical labour market performance was analysed and emerging trends identified.

The extent to which current labour market programmes align with national policy objectives and the emerging challenges of the labour market was considered.

The relative benefits of individual programmes were measured in terms of: (a) participants obtaining employment on completion of programme, (b) participants progressing to further education/training, and (c) qualifications awards received by individuals.

A comprehensive comparative multi metric analysis of individual programmes was conducted to ensure that outcomes of programmes were compared in a balanced way - taking account of different client profiles.

1.4 Report Structure

This introduction is the first of eight chapters in the report. An overview of the seven remaining chapters is provided below:

Chapter 2 examines current and historical labour market performance, providing a contextual background to the study. It describes the labour market, including analysis of labour force supply trends, employment and unemployment trends, and sectoral and occupational patterns. It also provides a profile of the labour force.

Chapter 3 examines supply and demand in the labour market in the immediate and medium term. It explores the macro-economic context and examines the labour and skill requirements of enterprise.

Chapter 4 considers national labour market policy objectives. It examines all relevant national labour market policy objectives, including the Department of Enterprise Trade and Employment's (DETE) Statement of Strategy 2005-2007, DETE Annual Output Statement 2008, the National Development Plan 2007-2013, National Skills Strategy, Building Ireland's Smart Economy (2008), the National Action Plan for Social Inclusion 2007-2016 and Department of

Education and Science Statement of Strategy 2008-2010. This chapter also examines the market failure rationale for Government investment in labour market programmes.

Chapter 5 outlines the approach used to undertake an analysis of the relative costs and benefits of labour market programmes for Government, enterprises and individuals in terms of (a) numbers of participants obtaining employment on completion of programmes (b) numbers of participants progressing to further education / training and (c) qualifications received by individuals.

Chapter 6 examines the relative impact of individual labour market programmes. It analyses programmes in terms of their objectives, inputs and outputs, participant profiles, activity, labour market outcomes and certification awarded. It uses a multi metric approach to analyse the costs of individual programmes and the benefits for Government, individuals and enterprise in terms of (a) numbers of participants obtaining employment on completion of programmes (b) numbers of participants progressing to further education/ training, and (c) qualification awards received by individuals. Consideration is given to the actual participant profile of programmes to allow for a comparative analysis of individual programmes to be conducted. Where information is not available from FÁS or Skillnets, proposals are made to ensure its availability in the future.

Chapter 7 explores the alignment of individual labour market programmes with national labour market objectives and the challenges of the labour market, both current and emerging. Labour Market Programmes are reviewed under three main areas of (a) Activation (b) Upskilling the Workforce and (c) Participation.

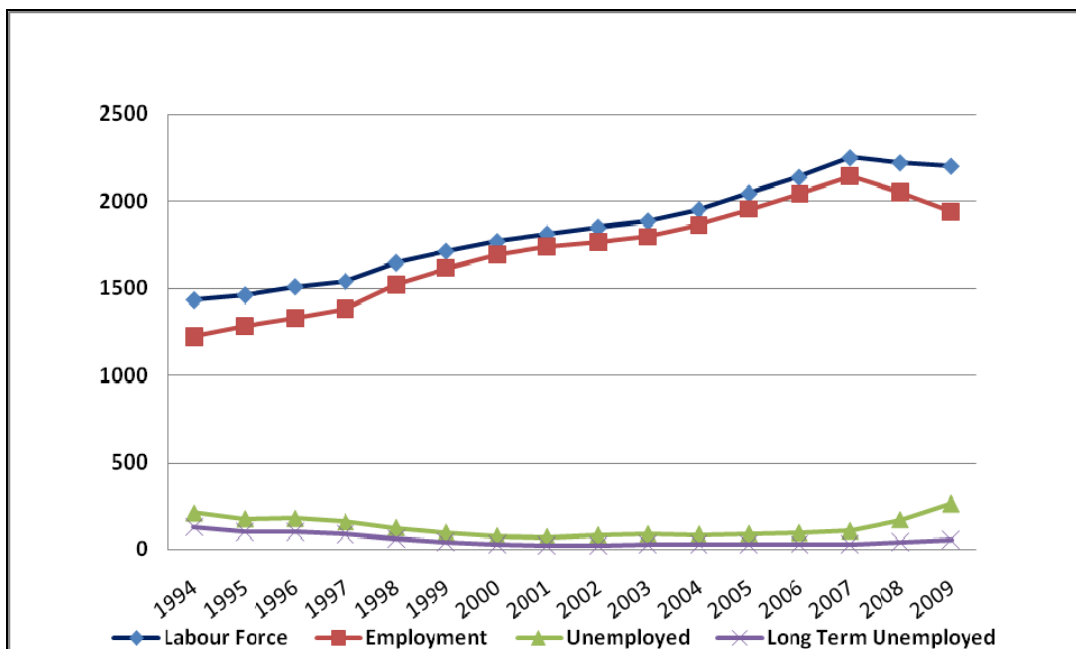
Chapter 8 sets out the main findings and conclusions of the Review. A number of policy options are proposed for consideration.

Chapter 2: Current and Historical Labour Market Performance

2.1 Labour Market Trends

There were 1,922,400 persons in employment in the third quarter of 2009 - an annual decrease of 184,700 (-8.8%) in the level of employment. However employment remains 306,000 higher than it was a decade earlier. There was an annual decrease of 142,400 (-12%) in the numbers of men employed, while female employment decreased by 42,300 (-4.6%). Fifty-five percent of the reduction in male employment was due to a decline of 77,900 in the numbers of males employed in the construction sector. The total number of persons in the labour force was 2,202,300 representing a 64,300 decrease (-2.8 %) over the year⁵.

Figure 2.1 Labour Market Trends 1993 - 2009



CSO: CSO Quarterly National Household Surveys

Full-time employment fell by 202,400 (-11.8%) on an annual basis with declines in both male (-162,000) and female (-40,300) full-time employment. There was an increase of 17,700 in the numbers of persons employed part-time - most of which can be attributed to males and was spread across a number of sectors. However, proportionately more women at work are employed in part-time employment (33%) compared to males (10%).

There were 279,800 persons unemployed in the 3rd Quarter of 2009 (QNHS basis) representing an increase of 120,400 (+76 %) over the year. The unemployment rate rose to 12.4% (15.6 % for males and nine percent for females). The long term unemployment rate was 3.2%.

⁵ CSO Quarterly Household Survey, Quarter 3, 2009, December 2009

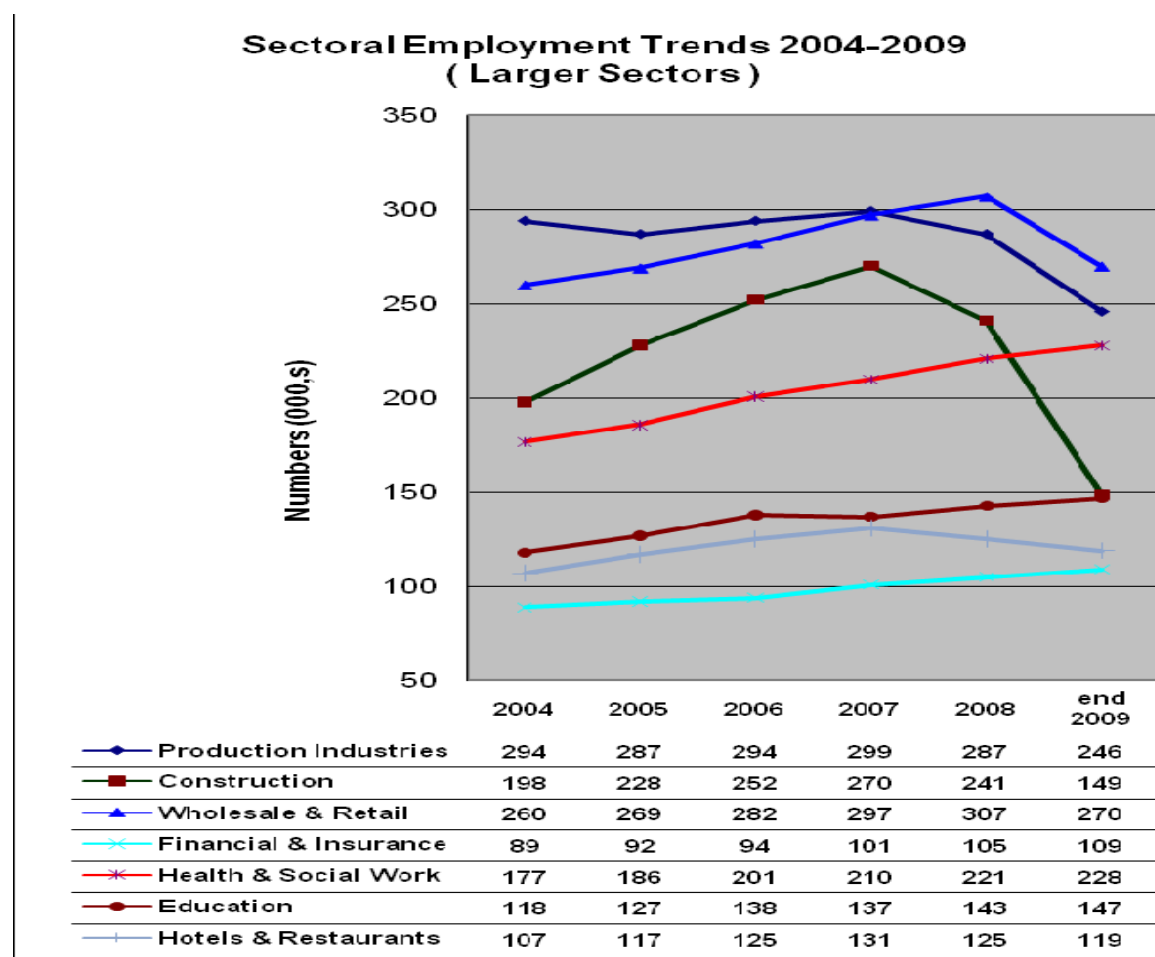
The unemployment rate had fallen from 16% in 1993 to a low of 3.9 % in 2001. It then averaged around 4.3 % for the next five years before increasing to 4.5 % at end of 2007 before rising sharply to 12.4% by end 2009. The long term unemployed rate had fallen from 8.9 % in 1993 to 1.2 % in 2001. It averaged around 1.4 % over the next five years before increasing to 3.2 % by end 2009.

2.2 Trends in Sectoral Employment

Between Quarter 2 of 2007 to Quarter 3 of 2009, sectors experiencing the biggest reductions in employment were Construction (-121,000), Industry (-53,000), Wholesale and Retail Trade (-27,000), Agriculture Forestry and Fishing (-14,000), Hotels and Restaurants (-12,000), and Administrative and Support services activities (-12,000).

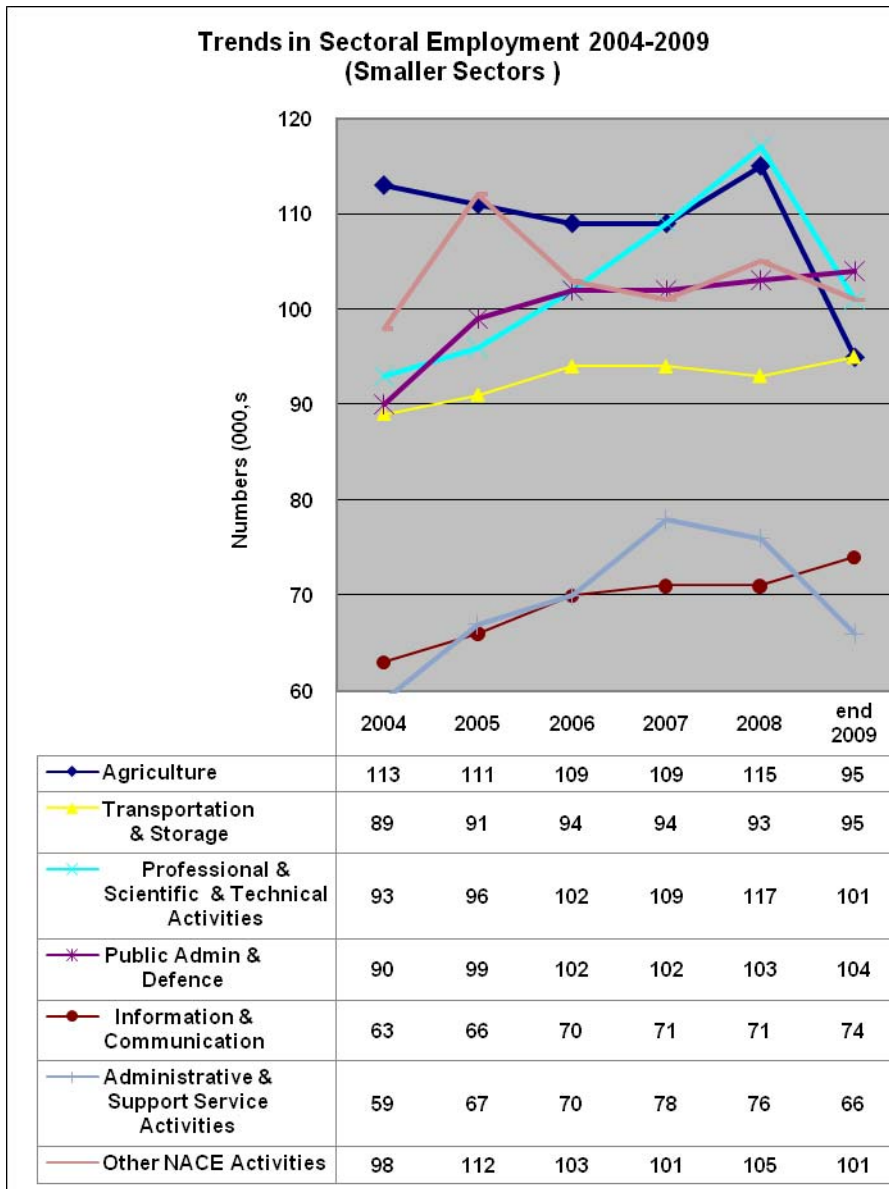
However , a number of sectors experienced an increase of employment over this period - Health and Social Work activities (+18,000), Education (+ 10,000), Financial & Insurance activities (+8,000), Public Administration & Defence (+2,000), Information and Communication (+3,000) and Transportation & Storage (+1,000).

Figure 2.2 Sectoral Employment Trends 2004- 2009



Source: CSO QNHS Quarterly Adjusted Figures - Second Quarter for years 2004 - 2008 and the third quarter for 2009. The sectoral employment figures are based on the EU NACE Rev 2 classification - adopted from Quarter 1 2009 as the primary classification of industrial sectors for use in QNHS outputs. The CSO have backdated the NACE Rev 2 series analysis to 2004.

Figure 2.3 Trends in Sectoral Employment 2004 - 2009



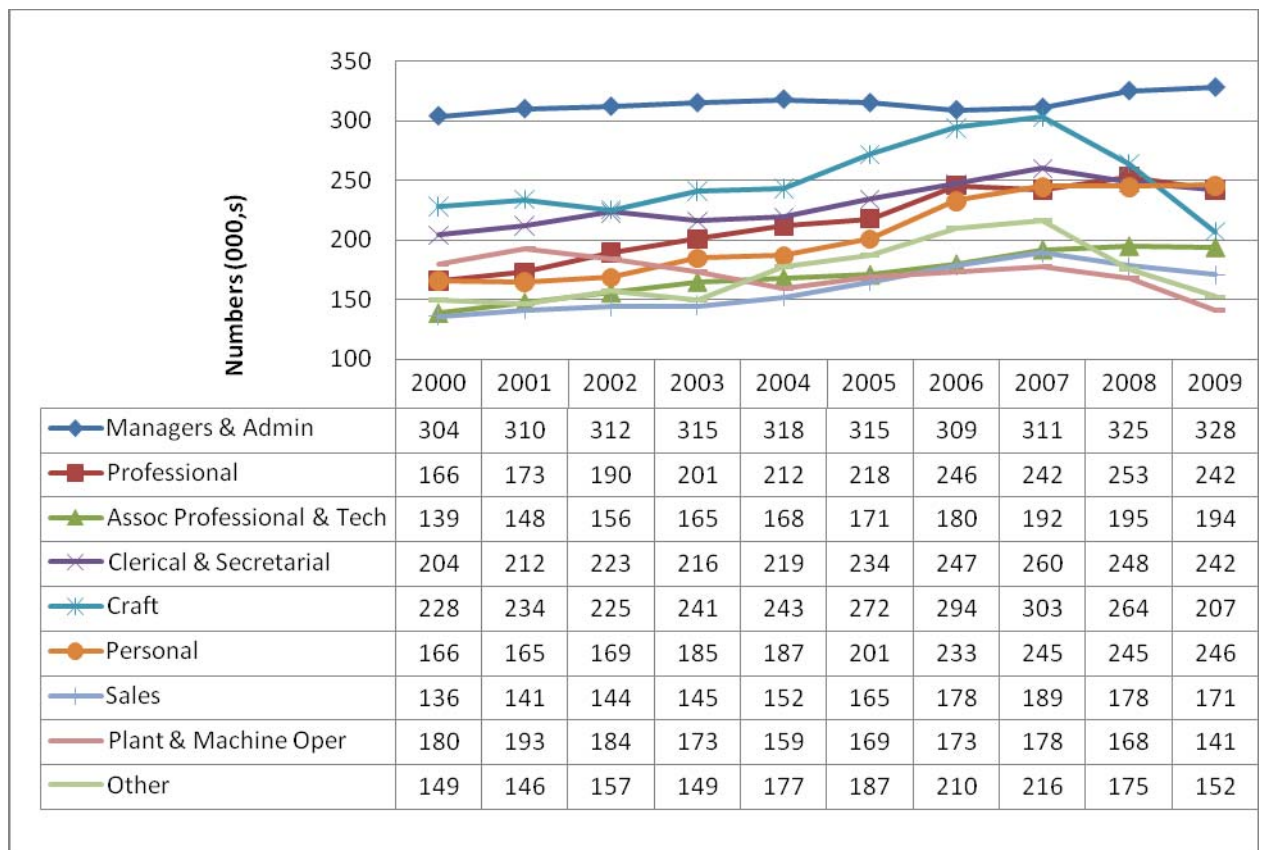
Source: CSO QNHS Quarterly Adjusted Figures - Second Quarter for years 2004 - 2008 and the third quarter for 2009. The sectoral employment figures are based on the EU NACE Rev 2 classification - adopted from Quarter 1 2009 as the primary classification of industrial sectors for use in QNHS outputs. The CSO have backdated the NACE Rev 2 series analysis to 2004.

2.3 Trends in Occupational Employment 2000-2009

Table 2.4 below provides an overview of occupational trends over the period 2000-2009. The craft occupational category increased rapidly from 228,000 in 2000 to a peak of 303,000 in 2007 before falling sharply by 96,000 to 207,000 as at Sept 2009. Clerical and secretarial rose from 204,000 in 2000 to a peak of 260,000 in 2007 - then fell by 18,000 to 242,00 by Sept 2009. Sales occupational employment rose from 136,000 in 2000 to 189,000 in 2007 - then fell by 18,000 to 171,000 as at Sept 2009. Another occupational category affected by job losses was Plant and Machine operatives where employment fell by 37,000 over the period 2007-09.

On the other hand, employment in the manager and administrators; professional; associate professional & technical; and personal and protective services occupational categories have held up relatively well.

Figure 2.4 Occupational Trends 2000 - 2009(Sep)

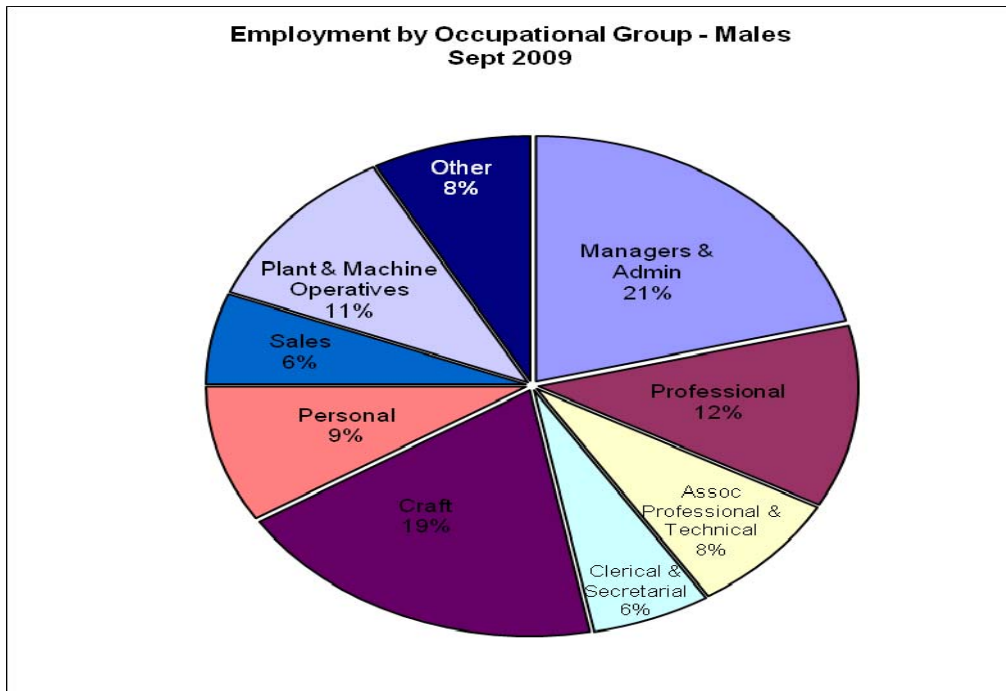


Source: CSO

As can be seen from Figures 2.5 and 2.6 below, the occupational profile of male employment is different to that for females. Nineteen percent of male employment falls within the craft category compared to one percent for females. The craft category has been most affected by job losses, with a reduction of 39,000 in 2008 and 57,000 in 2009. A high proportion of females work in the clerical and secretarial category compared to males - twenty-one

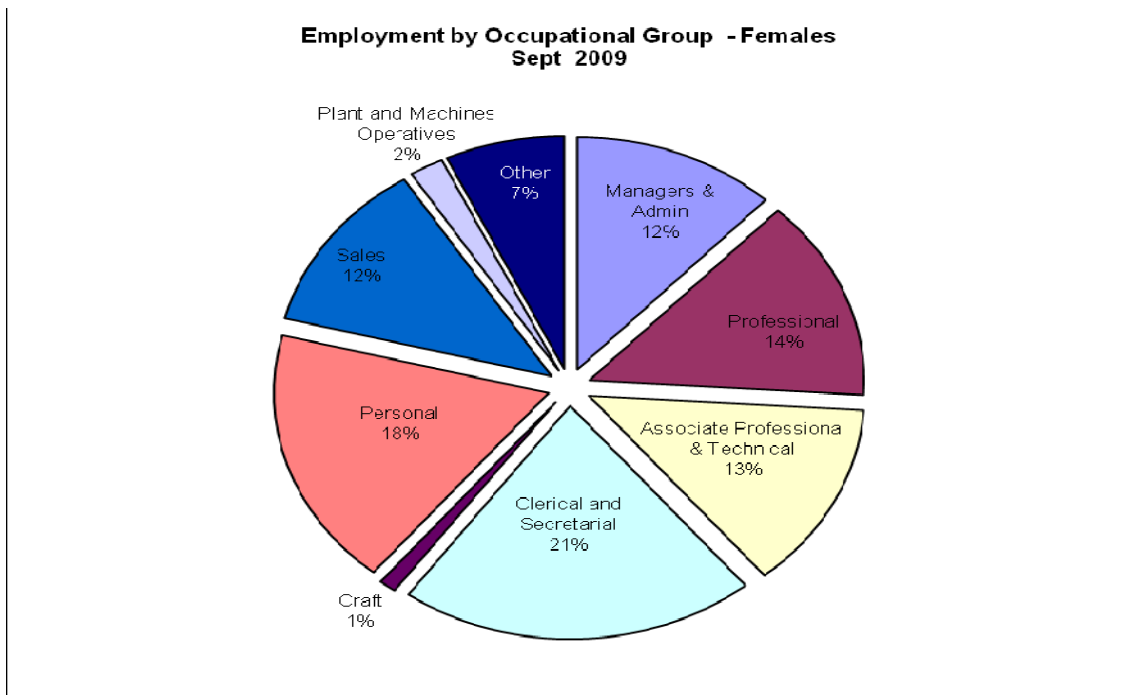
percent versus six percent - and there were 18,000 jobs lost in this occupational category over the last two years.

Figure 2.5 Employment by Occupational Group 2009- Males



Source CSO - Seasonally Adjusted

Figure 2.6 Employment by Occupational Group 2009 - Females

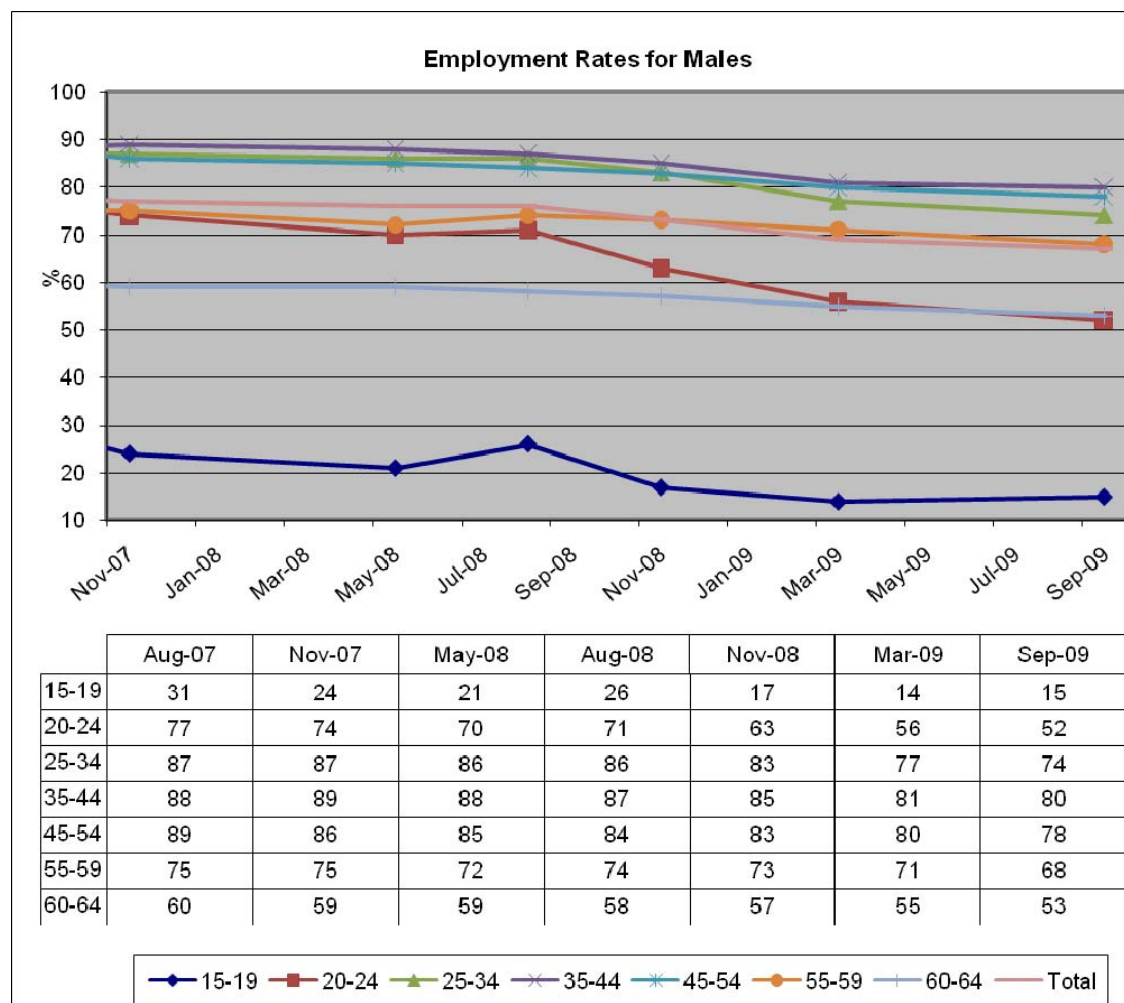


Source: CSO Seasonally Adjusted

2.4 Employment Rates

The employment rate⁶ for males peaked at 78% in 2007 and then fell to 73% at end 2008. By September 2009 it had fallen further to 66.5%. The largest reduction was for males in the 20 to 24 year age group who experienced a reduction of 25% (from 77% to 52%) over the last three years and for males aged 15 to 19 years of age who experienced a 16% drop (from 31% to 15%). Males 25-34 years experienced a 13% reduction (from 87% to 74%) over this period.

Figure 2.7 Male Employment Rates - 2007 - 2009

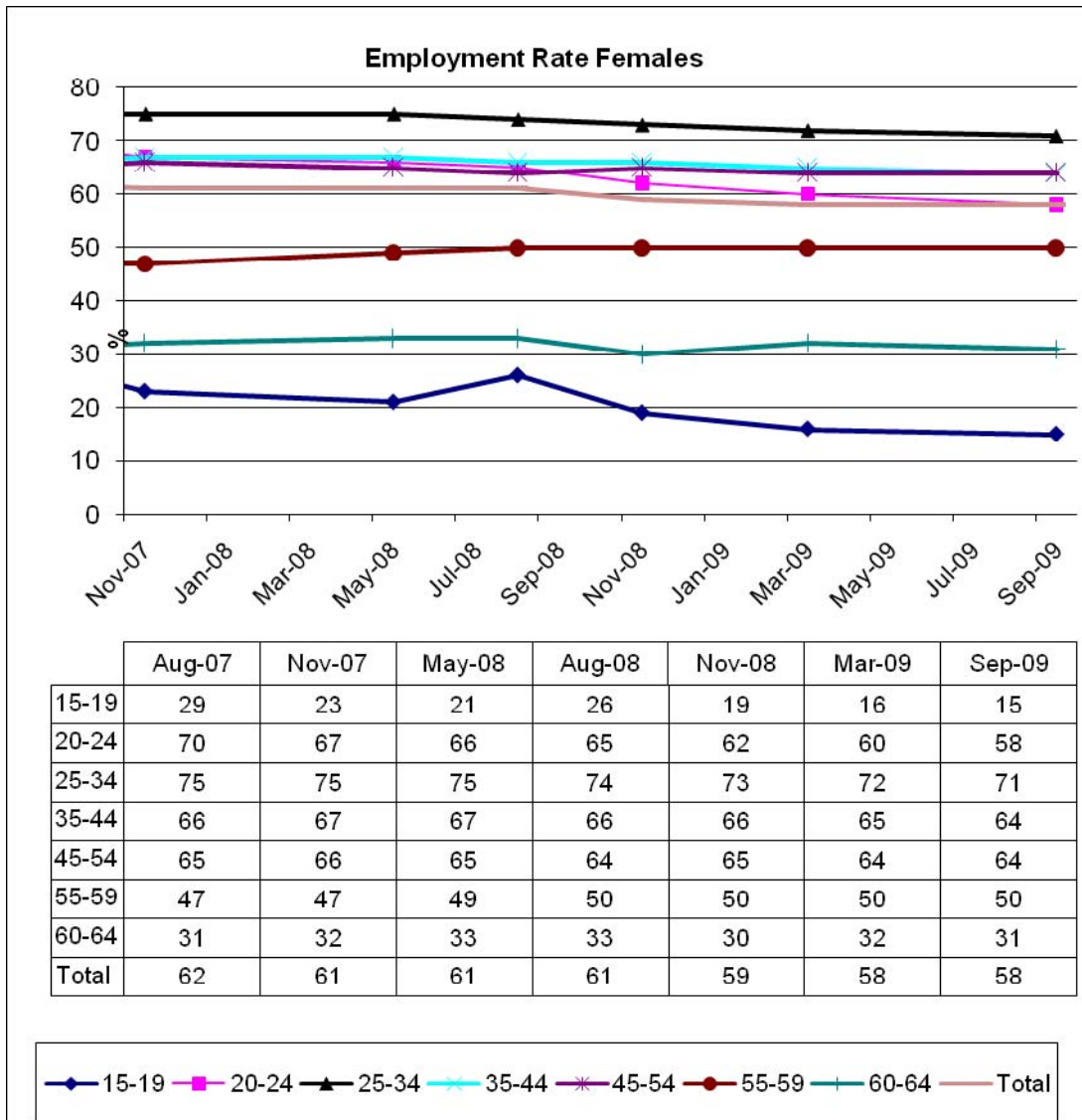


Source: CSO QNHS

⁶ The employment rate represents the percentage of the population aged 15-64, that is in employment.

The employment rate for females peaked at 62 % in 2007 but then fell to 59% at end 2008. By September 2009 it had fallen further to 58%. This is a smaller reduction than that for males. The biggest fall over the last three years, was for females in the 15 to 19 years of age category whose employment rate fell by 14% percent. For those in the 20-24 years of age category the employment rate fell from 70% to 58 % over this period.

Figure 2.8 Female Employment Rates - 2007-2009

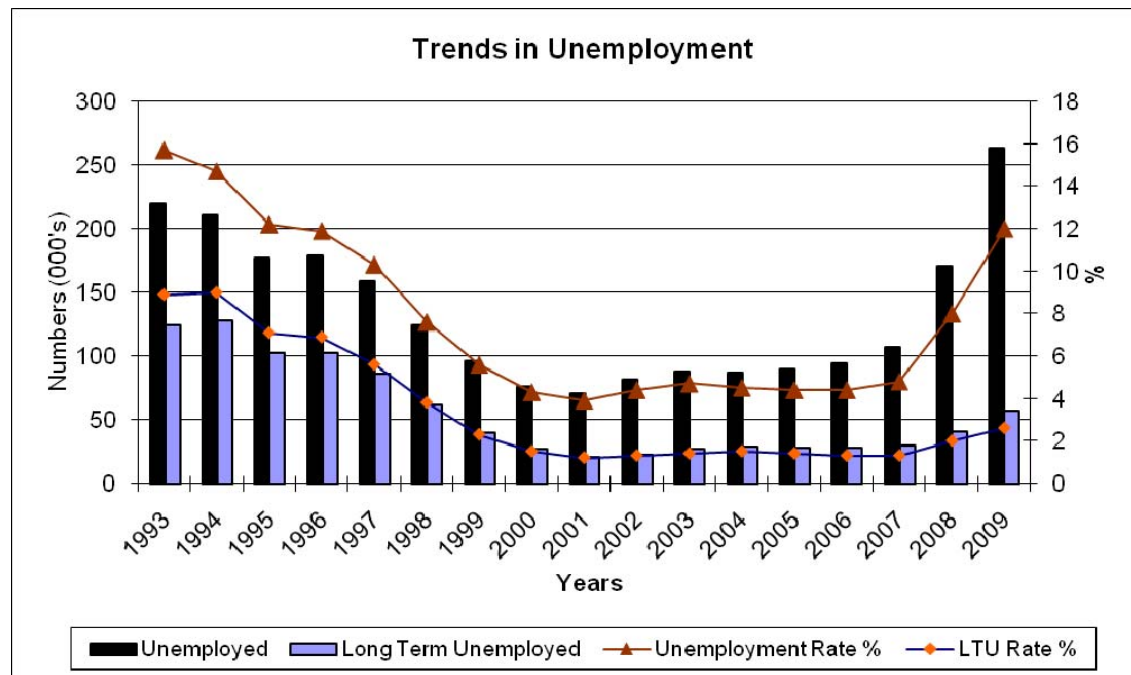


Source: CSO QNHS

2.5 Trends in Unemployment

The numbers unemployed fell over the period 1993 to 2001 - then slowly increased from 2002 to 2006 - before rising sharply during 2008. At the end of the 3rd Quarter 2009 there were 279,400 people unemployed (QNHS ILO basis) comprising 191,600 males and 87,800 females. Total unemployment increased by 120,400 in the year. The overall unemployment rate (seasonally adjusted) was 12.4 % - up from 5.7% a year earlier. The male unemployment rate was 16% and the female unemployment rate was nine percent.

Figure 2.9 Trends in Unemployment 1993-2009



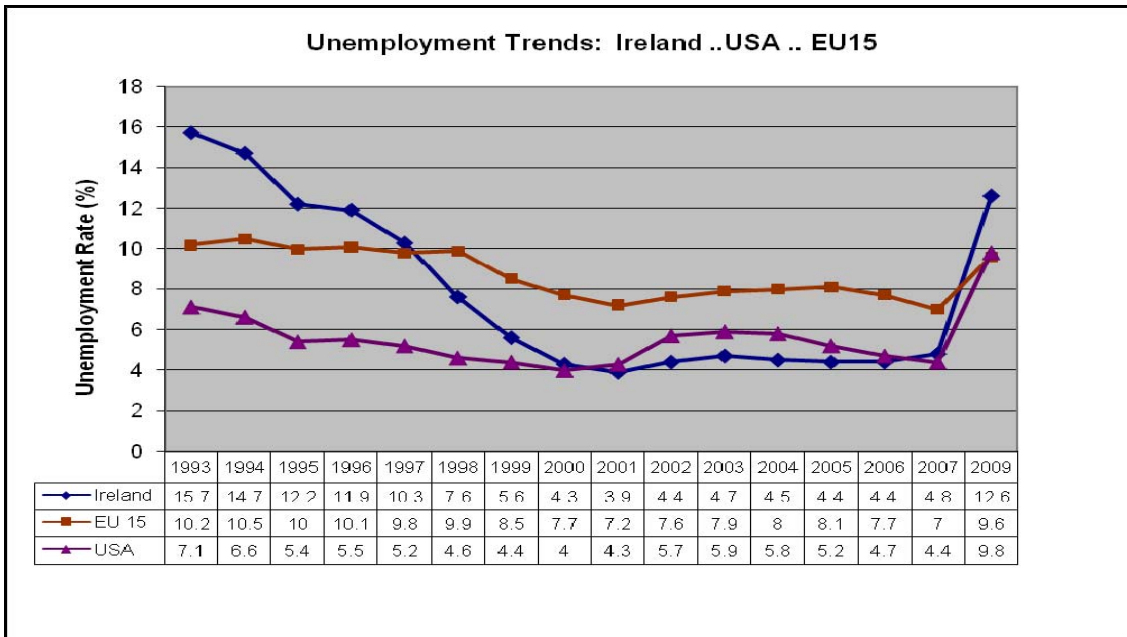
Source: CSO Quarterly National Household Survey

Table 2.1 Trends in Unemployment (1998 - 2009)

Year	1998	2000	2002	2003	2004	2005	2006	2007	2008	2009
Unemployed (000,s)	125	76	82	88	87	90	95	107	171	279
Long-Term Unemployed (000,s)	62	27	23	27	29	28	28	30	41	71
Unemployment Rate %	7.6%	4.3%	4.4%	4.7%	4.5%	4.4%	4.4%	4.8%	7.7%	12.4%
LTU Rate %	3.8%	1.5%	1.3%	1.4%	1.5%	1.4%	1.3%	1.3%	1.8%	3.4%

Source: CSO Quarterly National Household Surveys

Figure 2.10 Trends in Unemployment 1993-2009 - Ireland...US... EU15

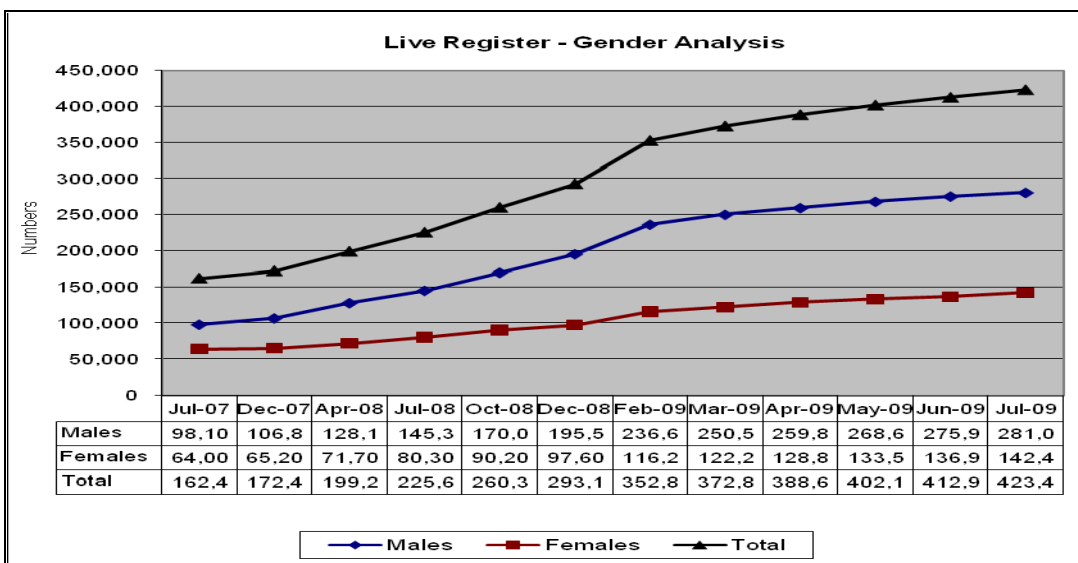


Source : EU 15 - EU Employment in Europe Reports and Eurostat. For USA - United States Bureau of Labour Statistics, Oct 2009). Ireland - CSO (Live Register, Sept 2009).

2.6 Unemployment by Gender and Age-Group

As at July 2009, the numbers on the Live Register (seasonally adjusted) had increased by 197,500 over the previous year to reach a total 423,400 (seasonally adjusted). Some 69,553 (16% of total) comprised casual and part-time workers (37,415 males and 32,138 females). The standardised unemployment rate in July 2009 was 12.2 %. Over the last two years the number of males on the Live Register increased by 186% and the number of females by 122%.

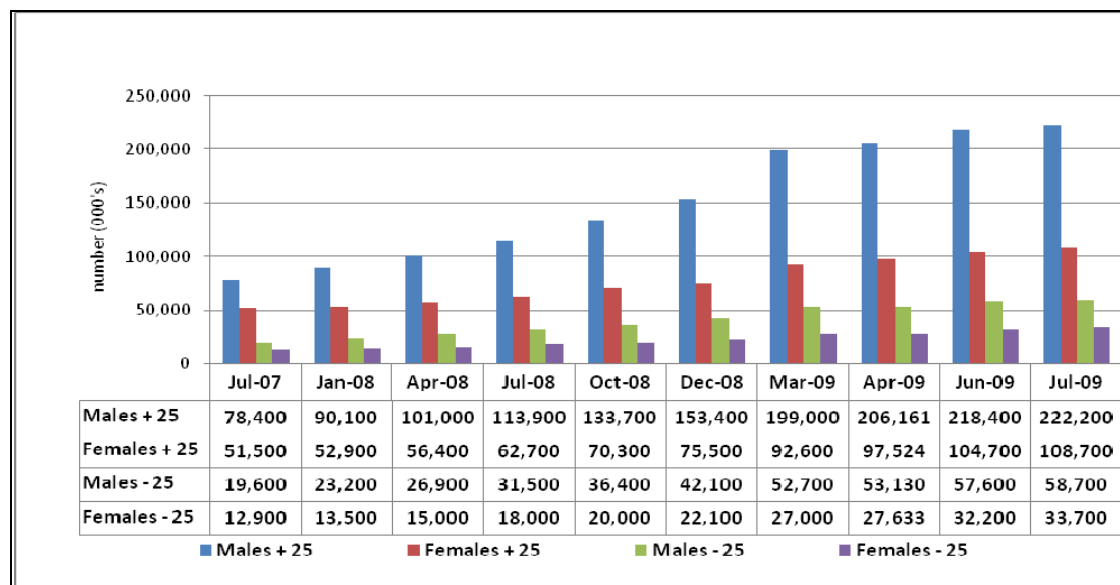
Figure 2.11 Live Register - Gender Analysis July 2007 - July 2009



Source: CSO Live Register July 2009 - (the Live Register is not designed to measure unemployment . It includes part-time workers ; seasonal workers and casual workers entitled to Job Seeker Benefit or Allowance . Unemployment numbers are measured by the Quarterly National Household Survey.

Over the last two years all age-groups on the Live Register experienced a significant increase in unemployment. Males under 25 years experienced the biggest percentage increase at 199%. This was followed by males over 25 years (183%), then by Females under 25 years (161%) and finally Females over 25 years (111%) - all figures seasonally adjusted.

Figure 2.12 Live Register - Gender by Age Analysis (July 2007 - July 2009)

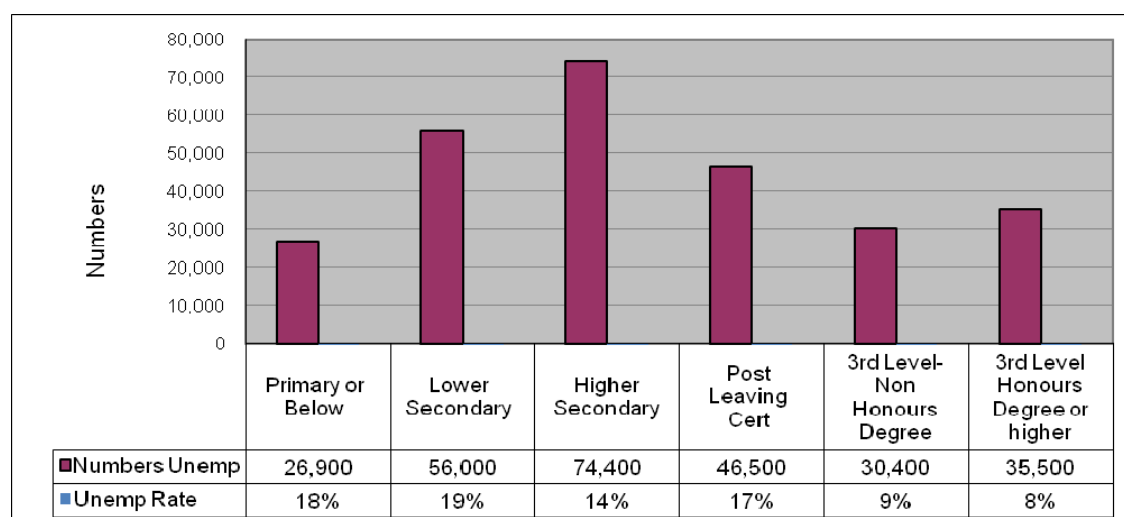


Source: CSO May 2009

2.7 Unemployment by Educational Attainment

Figure 2.13 below provides an outline of the highest level of education attained by unemployed persons as at Sept 2009. As can be seen, the unemployment rate is highest for those with lower levels of educational attainment. Males with either primary level or a lower educational level are particularly affected with 22% of males in this cohort unemployed.

Figure 2.13 Unemployed Persons - Highest level of Education Attained - Sept 2009



Source: CSO QNHS July-Sept 2009. A break in continuity has occurred in the education attainment series. Data from Q2 2009 onwards is not directly comparable with previous quarters. The classification of educational level has been revised in order to facilitate the linking of education categories to the National Framework of Qualifications while also retaining links with the international education classification ISCED 97.

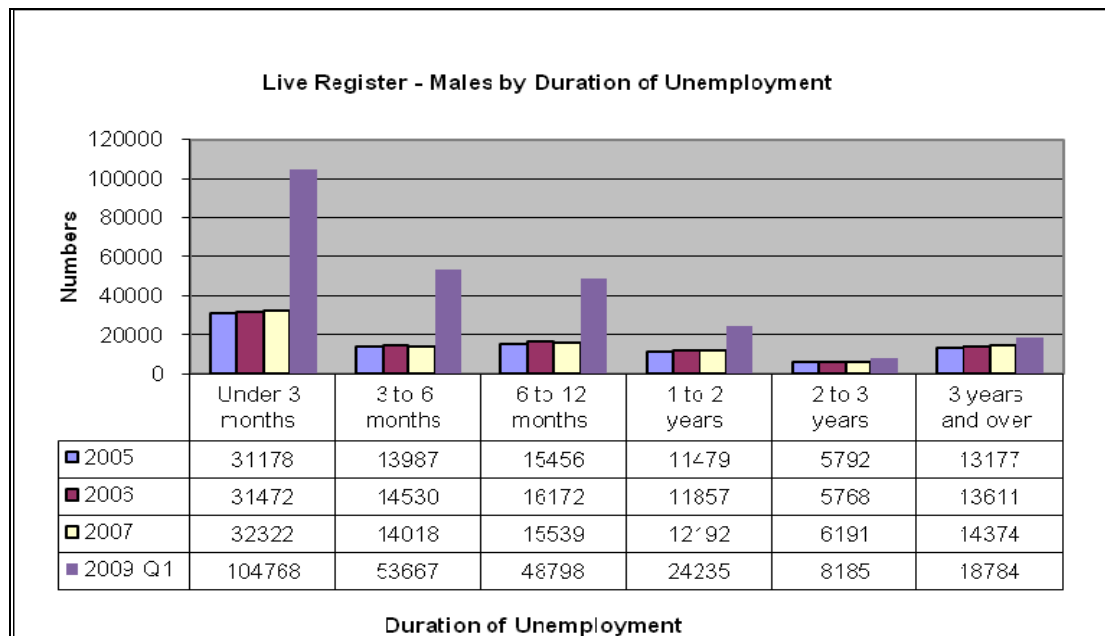
2.8 Live Register by Duration of Unemployment

The Live Register Age by Duration Analysis (October 2009) indicates that 79% of all claimants on the Live Register were short term unemployed and 21% long term unemployed. There was an increase of 134,600 (+71%) in the number of short term claimants (under one year unemployed) over the previous year. The number of long term claimants (over one year unemployed) increased by 31,280 (+56%) in the year to Oct 2009. All age groups showed an increase in long term claimants over the previous six month period. The largest percentage increase was among the under 20 years age group (+ 53%) , while those in the 45-54 year age group showed the lowest percentage change (+12%) .

Figures 2.14, 2.15 and 2.16 below provide an analysis of Live Register Duration of Unemployment by gender for the years 2005 to Quarter 1 2009. Of the total Live Register, at the end of Quarter 1 2009, 44% were unemployed less than three months. Indeed, 82% were unemployed for less than one year. Twenty percent of males were unemployed for more than one year compared to 16% of females. The corresponding figures for Oct 2008 were 24 % for males and 19% for females (the reduction being a result of the increased numbers - both male and female entering the Live Register between Oct 2008 and April 2009).

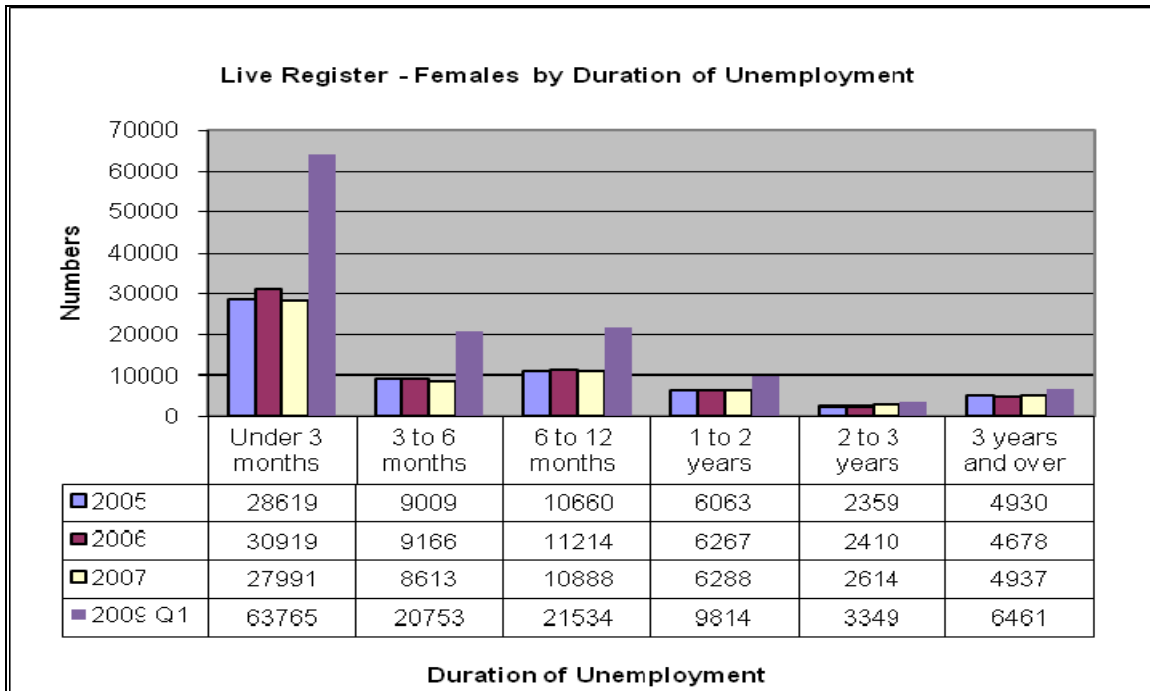
Young people experienced a shorter duration of unemployment. For April 2009, persons under 25 years of age comprised 22 % of those unemployed for less than one year compared to 17% of those unemployed for more than one year.

Figure 2.14 Live Register - Males by Duration of Unemployment



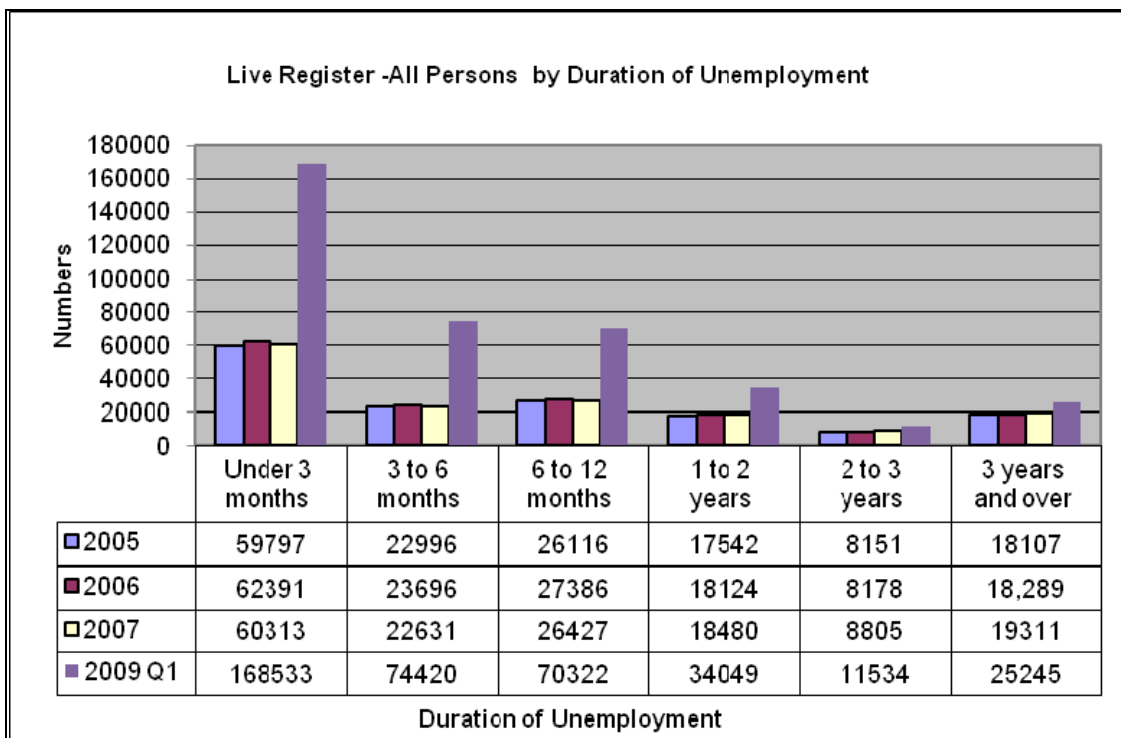
Source: CSO

Figure 2.15 Live Register - Females by Duration of Unemployment



Source: CSO

Figure 2.16 Live Register - All Persons by Duration of Unemployment



Source: CSO

2.9 Unemployment by Region - 2009

In the year to January 2010 all regions experienced an increase in unemployment with the biggest percentage increase in the Mid-East region⁷ (+117%). The South-East region⁸ experienced the smallest percentage increase (+83%). The highest proportion of total unemployed were in the Dublin region (25%) and the smallest proportion in the Midlands (7%).

Figure 2.17 Live Register - Regional Increase in Unemployment Jan 2009 - Jan 2010

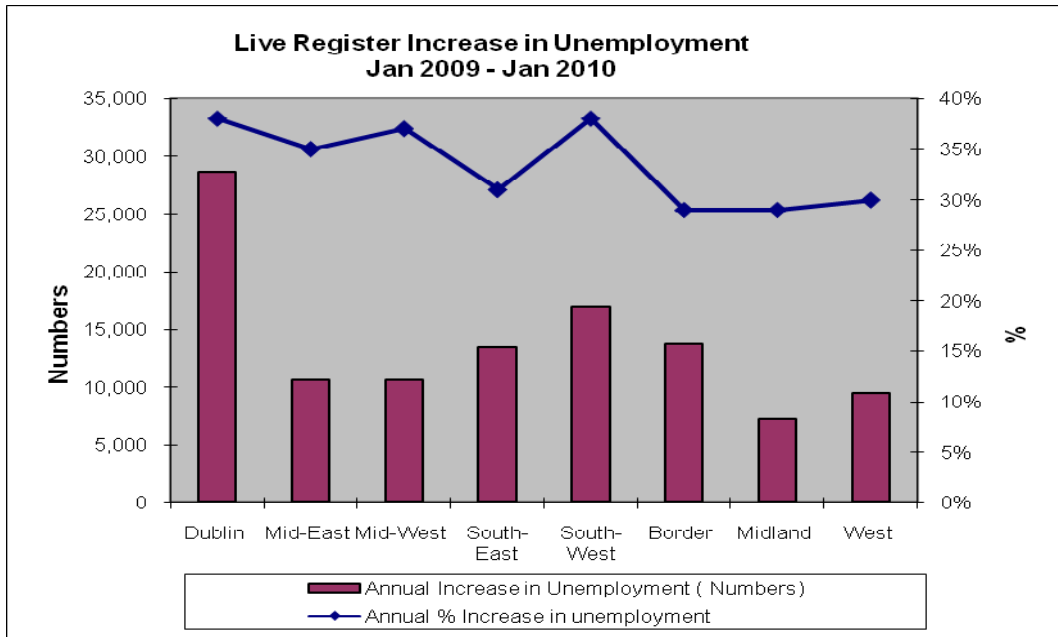
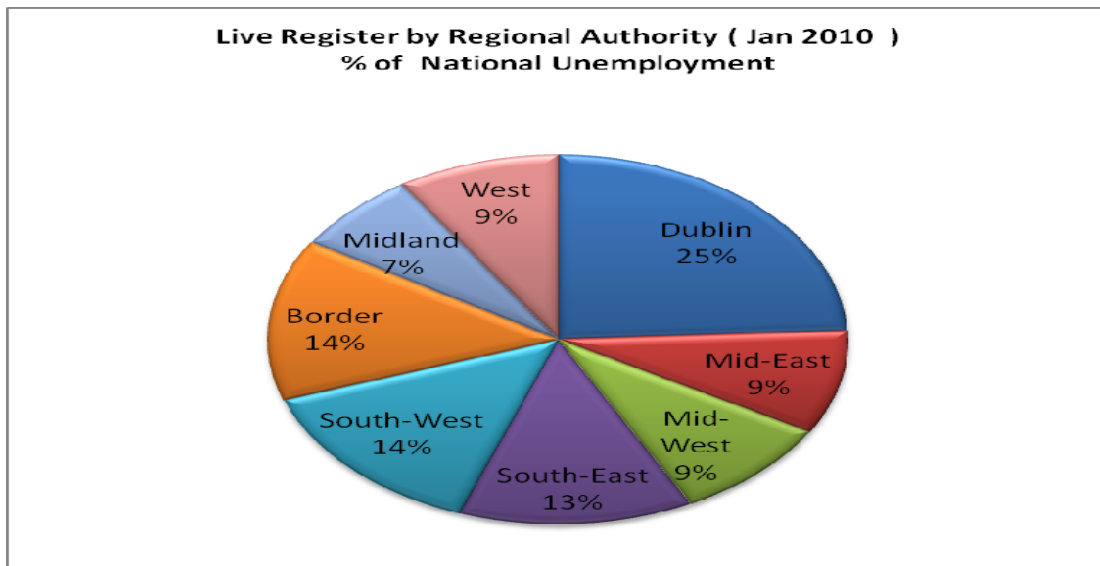


Figure 2.18 Live Register by Regional Authority (January 2010)



Source: CSO Live Register Additional Tables February 2010. Total of 434,700 on Live Register seasonally adusted Jan 2010.

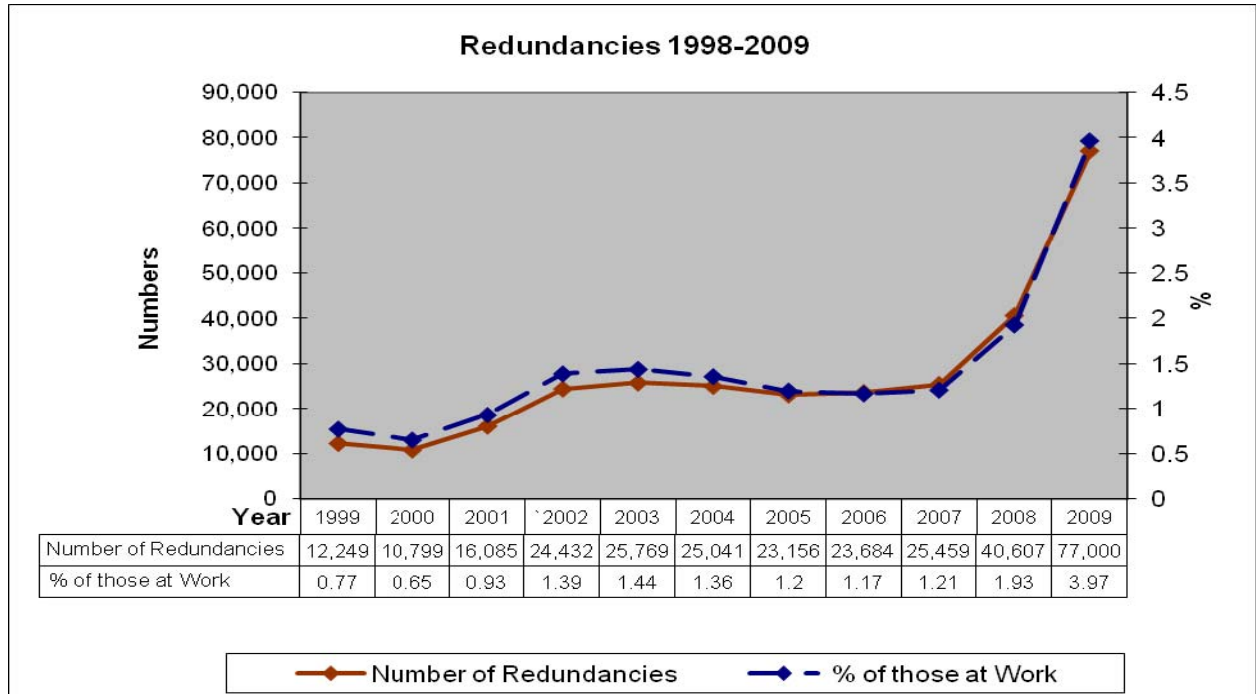
⁷ Kildare, Meath and Wicklow

⁸ Carlow, Kilkenny, South Tipperary, Waterford City, Waterford County and Wexford

2.10 Redundancies

The annual number of redundancies under the Redundancy Scheme increased from 25,459 in 2007 to 40,607 in 2008 and further to 77,000 in 2009.

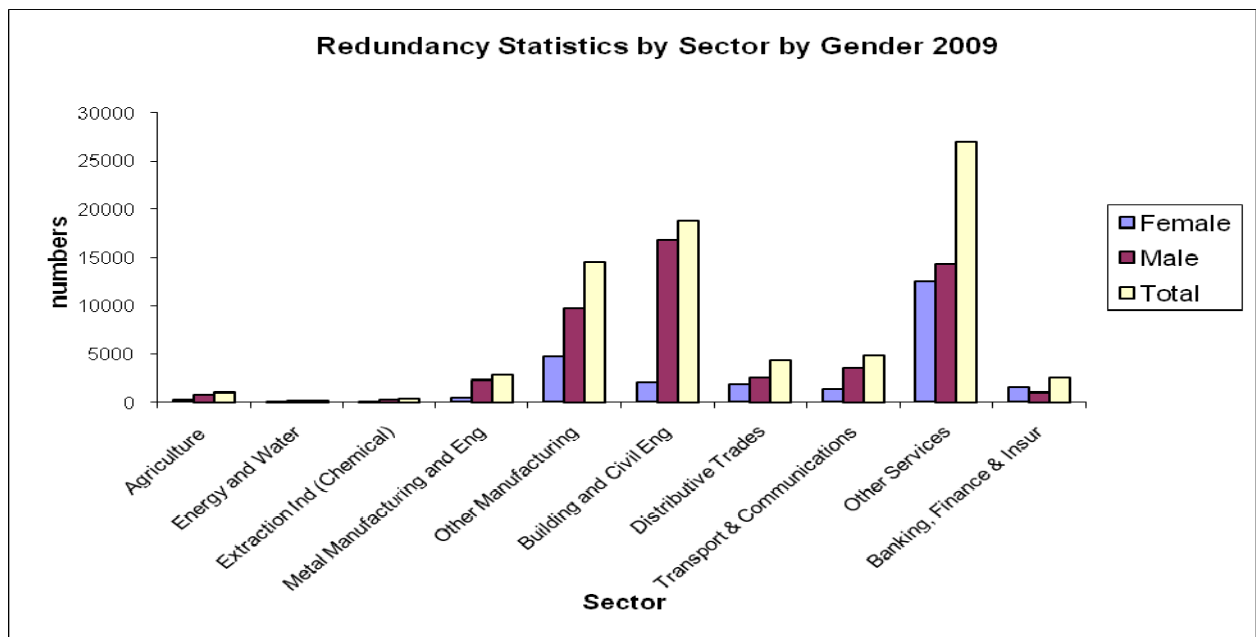
Figure 2.19 Redundancies 1998 - 2009- (Redundancy Scheme)



Source: Department of Enterprise Trade & Employment, December 2009

In the construction sector redundancies have predominately affected males whereas in the services sector it has equally affected males and females.

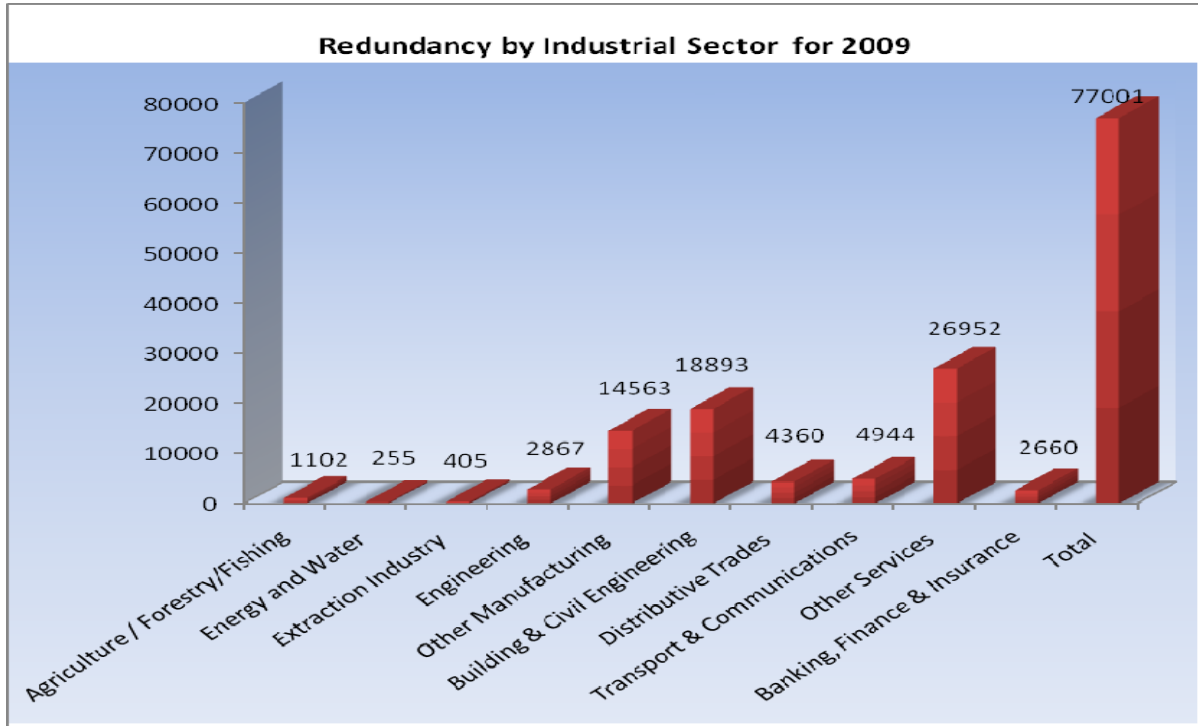
Figure 2.20 Redundancies Statistics by Sector by Gender - 2009 (Redundancy Scheme)



Source: Department of Enterprise Trade & Employment, December 2009.

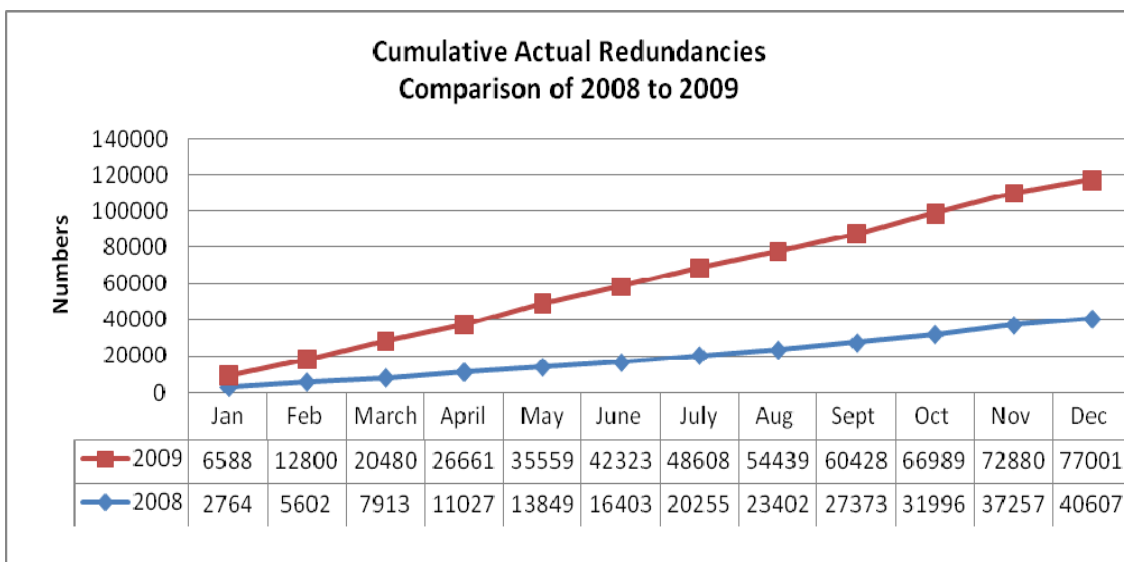
The Services Sector and Building and Civil Engineering sector were the sectors most affected by redundancies, followed by manufacturing. Of the total number of 77,000 redundancies during 2009, 52,031 (68 %) were male and 24,970 (32%) were female.

Figure 2.21 Redundancies by Industrial Sector for 2009



Source: Department of Enterprise, Trade & Employment- Redundancy Scheme, Dec 2009

Figure 2.22 Cumulative Actual Redundancies: 2008 compared to 2009

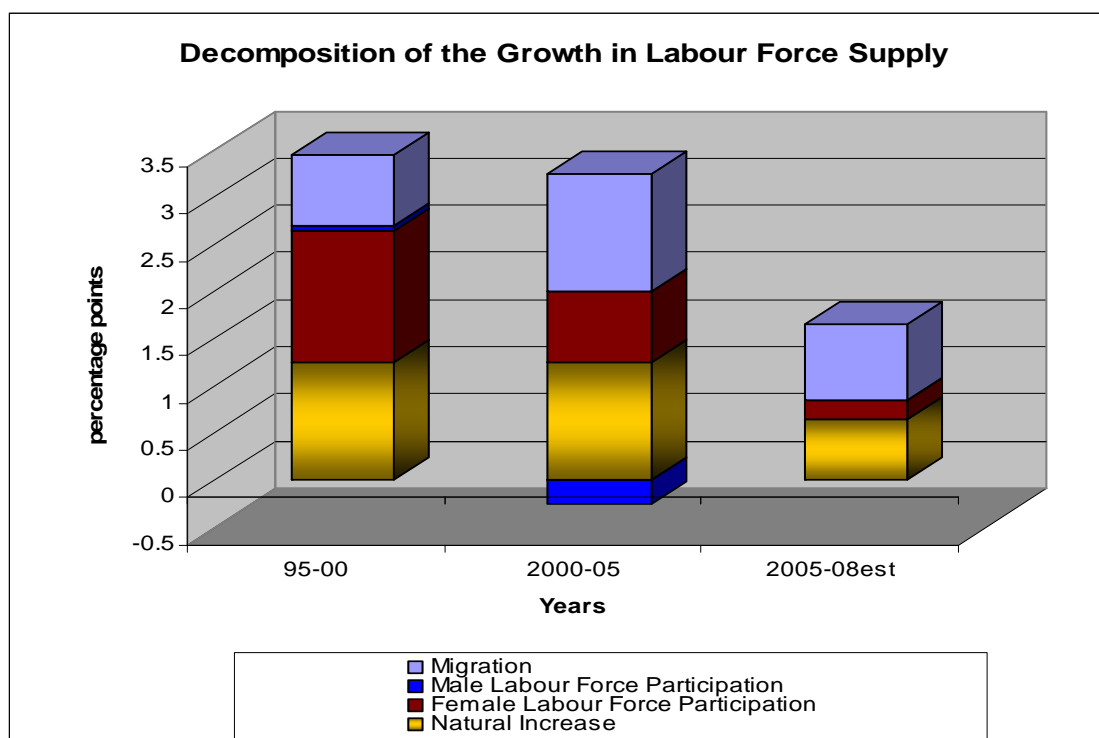


Source: Department of Enterprise Trade & Employment- Redundancy Scheme, December 2009

2.11 Labour Force Supply

Over the period 1995 to 2000 there was a strong growth in labour supply of around an average 3.3 % per annum. This growth came from three main sources - increase in female labour force participation, natural increase and inward migration. Labour Force Supply growth fell slightly between 2000-2005 caused by a lower rate of increase of female labour force participation and a net decrease in male labour force participation. Migration performed strongly. For the period 2005 to 2008 there is an estimated average 1.5 % annual growth in labour force supply - although this figure masks an actual 0.8% decline for 2008 - the first annual decline in the size of the labour force since 1989.

Figure 2.23 Decomposition of the Growth in Labour Force Supply



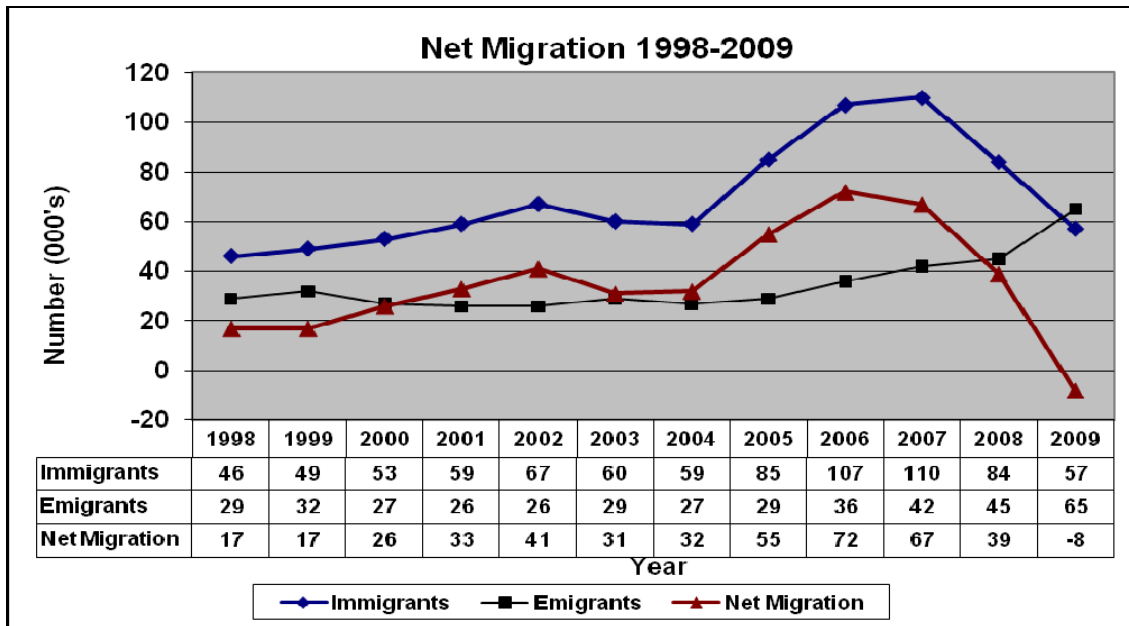
Source: ESRI Medium-Term Review 2008 for years 1995-2000 and 2000-05. 2005 -2008 estimate based on analysis of CSO QHNS Feb 2009.

2.12 Migration

The level of immigration rose sharply in the period between 2004 to 2007 when it reached a peak of 110,000 per annum. Emigration over this period averaged around 35,000 per annum. Immigration fell in 2008 to 84,000 while emigration rose to over 45,000 giving net migration of 39,000 for 2008. In the year to April 2009, the number of emigrants is estimated to have increased by over 40% from 45,300 to 65,100, while the number of immigrants continued to decline over the same period, from 83,800 to 57,300. These combined changes have resulted in a return to net outward migration (-7,800) for the first time since 1995. EU 12 nationals accounted for nearly half of those that emigrated during the year⁹. Table 2.24 below outlines trends in net migration over the period 1998 to 2009.

⁹ CSO Population and Migration Estimates April 2009 - published Sept 2009.

Figure 2.24 Net Migration 1998 - 2009



Source: CSO

From the Quarterly National Household Survey, third Quarter 2009, there were 317,000 non-Irish nationals in the labour force (14.7 % of total) - a decrease of 40,500 (-11%) over the previous year. Some 262,800 non-Irish nationals were in employment - a decrease of 61,600 (-19%) over the year. (This may be compared to a reduction of 1.2% in the numbers of Irish Nationals in the labour force over this period). A further 54,000 non -Irish nationals were unemployed- an increase of 21,000 in the yearly period. Non-Irish nationals accounted for 13.7% of all those in employment, compared to 15.4% a year earlier. Around one third of workers in Hotels and Restaurants, 23% in administrative and support service activities and 17% in the Information and Communications sector were non-nationals. The largest decreases in employment for non-Irish nationals in 2009 occurred in Construction (- 19,100), Industry (-14,300) and Accomodation and Food Services sector (-6,900).

In January 2010, there were 355,541 Irish nationals and 81,541 non-Irish nationals on the Live Register (noting that the Live Register is not designed to measure unemployment). Over the previous year, the number of Irish nationals on the Live Register increased by 93,270 while the corresponding increase for non Irish nationals was 17,394. Non Irish nationals represented 18.6 % of all persons on the Live Register in Jan 2010, (compared to 14.7% of all those in the labour force aged between 17 and 64 years).

2.13 Level of Educational Attainment

The level of educational attainment of both males and females in the Labour Force is given in Tables 2.25 and 2.26 below. Educational attainment is gradually improving. Three main trends are at work here. Firstly, the cohort of young people entering the labour force has a higher level of educational attainment. Secondly, those workers retiring generally have a lower level of educational attainment. Thirdly, more people are availing of lifelong learning opportunities to improve their qualifications. It can also be seen that females in the labour force have a higher level of educational attainment than males.

OECD data shows that across countries there is a strong positive relationship between educational attainment and average earnings. Rewards are typically higher for those attaining tertiary education.¹⁰

Figure 2.25 Highest Level of Educational Attainment - Females in Labour Force 2009

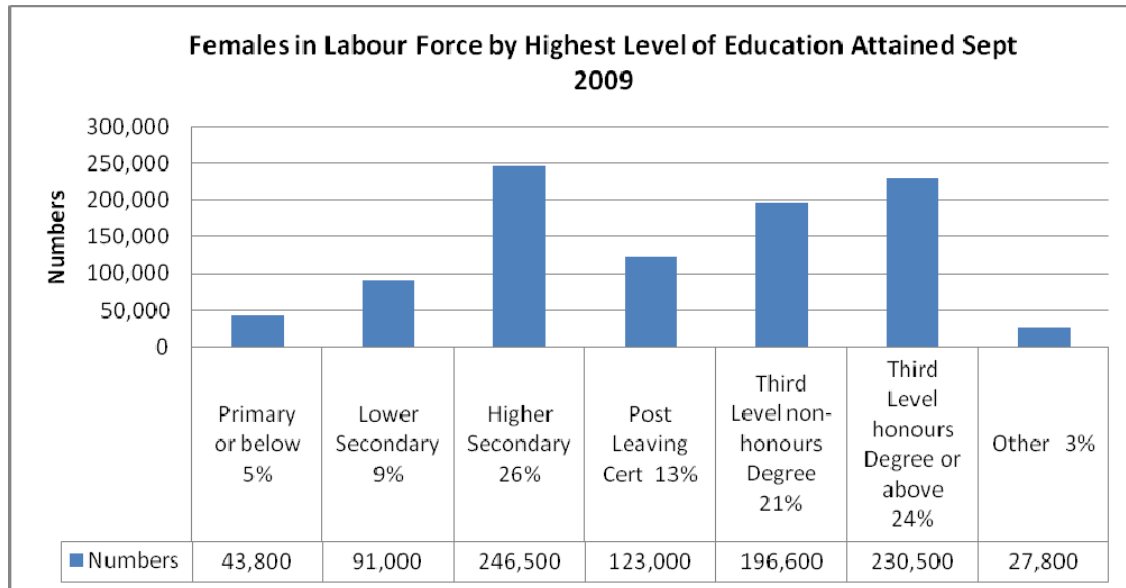
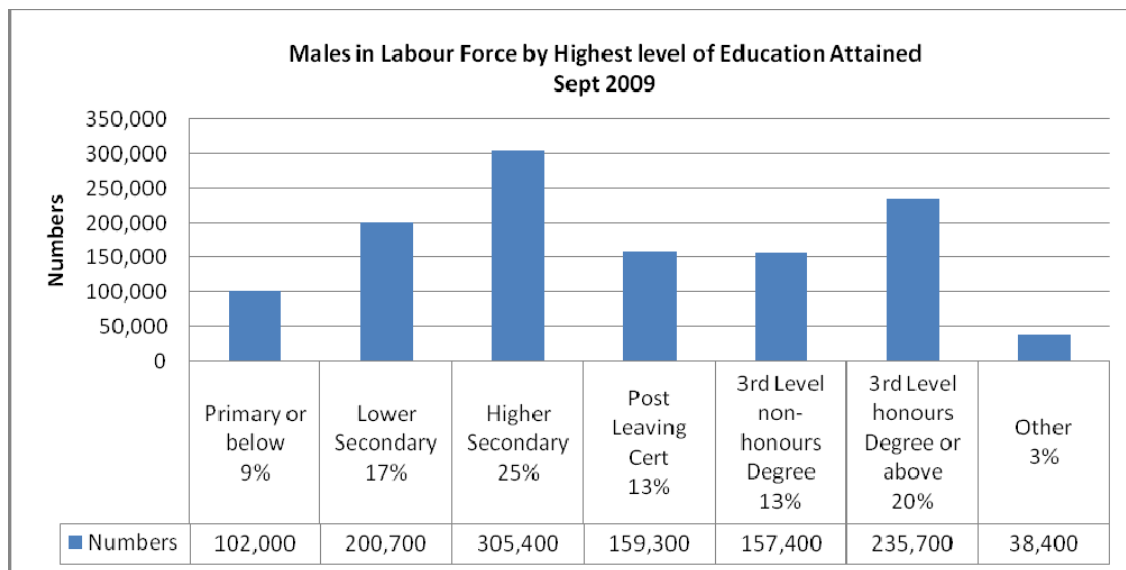


Figure 2.26 Highest Level of Educational Attainment - Males in Labour Force 2009



Source: CSO QNHS Sept 2009. As mentioned earlier a break in continuity has occurred in the CSO education attainment series. Data from Q2 2009 onwards is not directly comparable with previous quarters. The classification of educational level has been revised in order to facilitate the linking of education categories to the National Framework of Qualifications while also retaining links with the international education classification ISCED 97.

10 OECD, (2009), Education at a Glance, Page 38, OECD: Paris.

Chapter 3: Emerging Labour Market Challenges

3.1 Economic Context

Chapter 2 has shown the changing face of the Irish labour market, with unemployment reaching a low of 3.9% in 2001 and then increasing to an average 4.3% over the next five years. By the end of 2007, unemployment had risen to 4.5%, then rose sharply to reach 12% by mid 2009, and is forecast to reach close to 14%¹¹ in the latter half of 2010.

As a small open economy, Ireland's economic performance is heavily influenced by the global economy that has been in crisis since mid-2007. International financial markets have been in turmoil, driven mainly by a meltdown in the US subprime mortgage market that left major investment banks laden with bad debts. The collapse of Lehman Brothers in September 2008 exacerbated the crises causing a loss of confidence between financial institutions. Spreads in credit and bond markets surged causing paralysis in the money markets. Central Banks around the world put huge cash injections in to the financial markets in an effort to increase liquidity which, coupled with the introduction of national bank guarantee schemes, seems to have stemmed a systematic international meltdown, although uncertainty still remains.

The financial crisis has spread to the non-financial sector or 'real economy', with the credit squeeze affecting behaviour and sentiment in personal consumption, business investment and export demand, in turn leading to increased unemployment across developed economies. Many developed economies, including the US and the Eurozone, moved into recession. Activity also declined in emerging market economies, with China, India, Russia and Brazil all recording declines in GDP growth over the past year, primarily driven by weakening external demand and investment.

The outlook for the global economy depends significantly on if, and how quickly, financial institutions can repair their balance sheets and continue to survive and operate with much less leverage. However, this is reliant on recovery in the non-financial sector which heavily depends itself on the availability of capital, resulting in a 'negative feedback loop' between the real economy and financial markets. A protracted decline in the real economy could exacerbate uncertainties in financial markets and delay a return to stability in bank lending. There are other downside risks, for example, volatile exchange rate movements or introduction of protectionist policies which could distort capital flows and prolong the credit squeeze.

The European Commission's autumn 2009 economic forecast (November 2009) projects that the EU economy will emerge from recession in the second half of 2009, with a gradual return to global economic growth in 2010 and 2011 on the basis of successful interventions by Central Banks, National Authorities and improvements in the external environment and financial conditions. The Commission forecasts GDP to grow by 0.75% in 2010 and around 1.5% in 2011. Labour market conditions are predicted to remain weak, with the unemployment rate projected to reach 10.25% in the EU in 2010.¹²

¹¹ ESRI Quarterly Economic Commentary Winter 2010

¹² European Commission Economic Forecast November 2009

3.2 Economic outlook for Ireland

As advised by the European Commission, the ESRI also cautions that most recent international forecasts are a 'best case scenario' and that a great degree of uncertainty still remains. The international economic context presents particular challenges for Ireland, with major trading partners such as the US, UK and Euro area in recession. This is exacerbated by the relative strength of the euro against sterling, making trading conditions especially tough for indigenous exporters that rely heavily on the UK market.

The deterioration in the Irish economy as affected by external factors in the global market is compounded by a decline in the domestic economy, particularly in the residential construction sector and in personal consumption, two primary drivers of growth in the economy that had become increasingly interdependent in recent years.¹³ Housing output declined from a peak of 94,000 in 2006 to 55,000 in 2008 and is expected to decline further to 22,000 in 2009. Households have increased their savings rate from three percent of GDP in 2007 to nine percent in 2008 as consumers become more cautious with disposable incomes against the backdrop of rising unemployment. The Central Bank highlights that this decline in consumption has affected sectors in a broad sense but is particularly acute for those directly linked in to the housing market. The CSO Retail Sales Index (July 2009) shows a decline in volume (excluding motor sales) of 9.2% in the 12 months to May 2009, and a decline in value of 13.6% over the same period. When motor sales are included, the respective declines in volume and value in the 12 months to May 2009 are 15.4% and 19.4%.

The combined effect of recent international and domestic adjustments for the Irish economy is that Ireland is facing severe difficulties and challenges on several fronts - declining global activity, uncertainty in international financial markets, shrinking export markets, declining property market and weakened consumer demand and business investment. The extent of the decline and how long it will take to recover differs markedly among commentators, as do forecasts about employment and unemployment (See Table 3.1). The ESRI and Central Bank both advise in recent quarterly economic commentaries that the only way Ireland will recover is when the global upturn begins and whether or not at that point Ireland has restored its competitiveness through reduced prices and nominal wage rates to compete in global markets. Only then, can consumer and business confidence lift. The ESRI advise that the current focus of government fiscal policy should be on correcting the structural deficit in the public finances.¹⁴

13 The Central Bank estimates that approximately one quarter of total consumption was directly related to housing in 2007. Central Bank *Quarterly Economic Commentary* January 2009

14 ESRI, *Macroeconomic Context for a Sustainable Recovery*, March 2009

Table 3.1 Range of Economic and Labour Market Forecasts for Ireland

	2009 Estimates			2010 Forecasts	
	Central Bank	ESRI	D/Finance	Central Bank	ESRI
GDP growth (%)	-7.0	-7.3	-7.7	-1.0	-0.3
GNP growth (%)	-11.3	-10.0	-8.0	-2.0	-1.5
Employment (000's)	1,933	1,930	*	1,860	1,854
Unemployment (000's)	261	258	*	290	298
Unemployment Rate (%)	11.9	11.8	*	13.5	13.8

Sources: ESRI Quarterly Economic Commentary, Quarter 4 2009
 Central Bank Quarterly Bulletin January 2010
 Department of Finance Monthly Economic Bulletin, November 2009

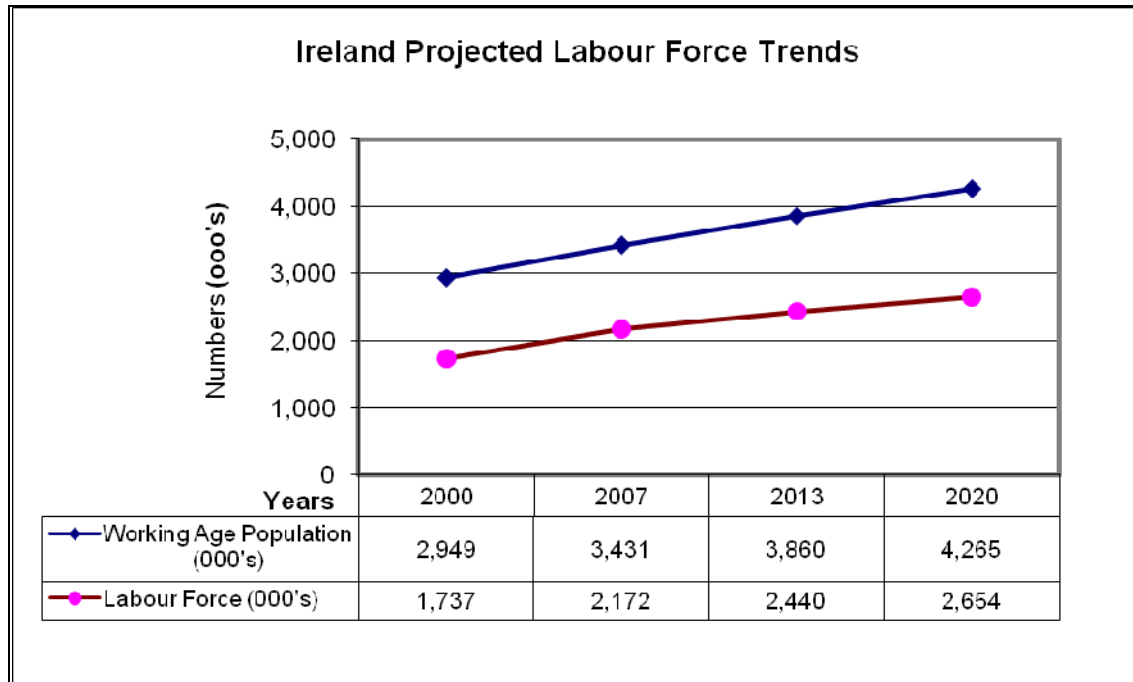
3.3 Irish Labour Market Forecasts

3.3.1 Labour Force Trends: EU and Ireland

Figure 3.1 provides CEDEFOP projections of Ireland's labour force and working-age population up to 2020. As with other country projections, they are based on data as per September 2008. The uncertainty of the continuing economic recession may therefore have a negative effect on projections. For example more young people may decide to stay in full time education, labour force participation rates may fall as 'discouraged workers' leave the labour force or those hoping to return to employment find it less easy to secure a job; people may work less hours; older workers retire early, and more people emigrate.

However, these figures indicate a period of potential high working age population and labour force growth for Ireland over the period up to 2020. Indeed, Ireland has the highest projected percentage growth among all 25 EU countries. For example over the period up to 2020 Ireland is projected to have an increase of 834,000 in the working- age population representing a 24 % increase. The projected average for the EU 25 is 5.4%. Ireland is projected to have a 482,000 increase in the size of the labour force over the period 2007-2020 representing a 22% increase. The projected increase for the EU 25 is 2.2%

Figure 3.1 Ireland - Projected Labour Force Trends- 2007- 2020



Source: Cedefop (June 2007) Future Skill Supply in Europe

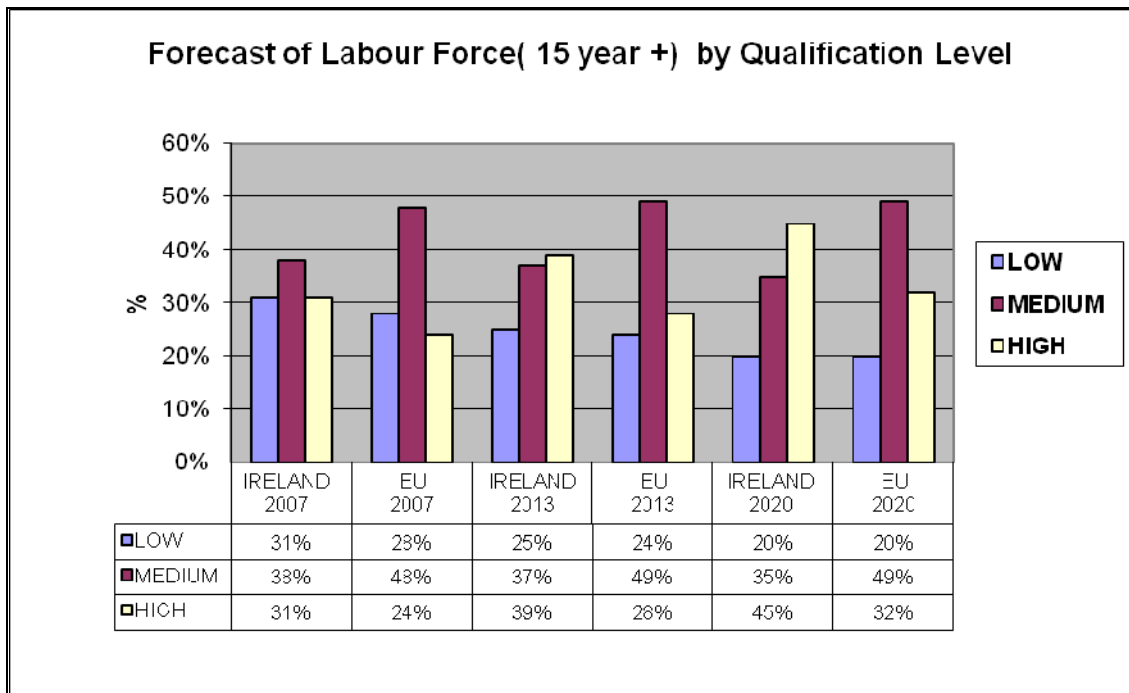
3.3.2 Trends in Qualifications: EU and Ireland

CEDEFOP’s Medium Term Skills Forecast for Europe up to 2020 (published June 2009)¹⁵ suggests a substantial further increase in the proportion of the adult labour force with high and medium level qualifications. They also indicate that the rates of increase in qualifications are higher for women than for men - implying that women will generally have higher level formal qualifications than men in the future. Figure 3.2 presents forecasts of Labour Force (15 years +) by qualification level for Ireland and the EU 25. It is presented for years 2007, 2013 and 2020.¹⁶

15 This publication provides pan-European Skills supply projections using existing data. Skills supply is measured as qualification levels of the population and labour force. It utilises Eurostat Labour Force Survey data and UNESCO/OECD/Eurostat educational participation and achievements database.

16 The focus is on three broad levels of qualifications: (a) Low - ISCED 0-2,3c Short . (b) Medium ISCED 3- 4 excluding 3c short (c) High ISCED 5 - 6. (ISCED is the International Standard Classification of Education).

Figure 3.2 Forecast of Labour Force (15 year+) by Qualification Level -2007-2020



Source: CEDEFOP (June 2009), Future Skill Supply in Europe

It is projected that the proportion of EU labour force (aged 15 years +) with a high level of education will increase from 24% in 2007 to 32% in 2020. For Ireland, the corresponding projections are from 31 % in 2007 to 45% in 2020 (which would represent an increase of 534,000 more people in this category). Indeed Ireland is second highest (Denmark highest) in the 2020 forecast of the proportion of the labour force with high qualification level out of 25 countries.

The proportion of the EU labour force (aged 15 years +) with medium level qualifications is projected to be almost unchanged - 48% in 2007 compared to 49 % in 2020. For Ireland, the corresponding figures are for 38 % in 2007 compared to 35% in 2020 (given the projected increase in the Irish labour force there would be around 100,000 more persons with medium level qualifications compared to 2007).

The numbers of people with low level qualifications across Europe is falling and is projected to decrease from 28% in 2007 to 20 % in 2020. The corresponding reduction for Ireland is from 31 % of the labour force in 2007 to 20 % in 2020 - representing a reduction of some 155,000 people in this category.

Overall, therefore the projections for Ireland would represent a significant up skilling in the numbers and proportion of the labour force at the high skilled levels compared in relative terms to all other EU countries bar one (Denmark) and in numbers terms at the medium qualifications level. Ireland would remain around the average EU level for the proportion of the labour force at the low skills level.

Regardless of the economic situation, Cedefop forecast that there will be the same general trends across qualifications - while the numbers would differ there still would be an increase in the proportions of the labour force with higher qualifications and a decline in the proportion of those with lower qualifications at all levels.

One short term impact of the current economic crisis may be increasing participation in education and qualification acquisition as individuals delay their entry into a depressed labour market expecting that their higher level qualifications may provide them with better prospects after the recovery.

It is also important to look at the disciplines people are taking underlying these figures, as the qualifications gained must be relevant to job openings in the labour market. In this regard, the example of Spain is interesting in that a high number of young people have been gaining third level qualifications but many are viewed as being of little value as they bore no relation to the jobs market. This has led to high youth unemployment.

The relevance of the skills and competences acquired underlying these qualifications are therefore critical. This means bringing education closer to the labour market, recognising prior learning, reducing drop-out rates, and more programme and career guidance. This needs the co-operation of many different stakeholders and partners.

3.3.3 ESRI Irish Economy Forecasts to 2015

In May 2009, the ESRI published a paper entitled ‘Recovery Scenarios for Ireland’¹⁷ which sets out forecasts for the Irish economy to 2015. Two possible scenarios are presented, the first foreseeing an international recovery in 2011 and the second a more prolonged recession that foresees international recovery in 2012.

Table 3.2 Real GDP Growth: World Recovery in ESRI baseline forecast

	2007	2008	2009	2010	2011-2015
USA	2.0 %	1.3 %	-4.0%	0.0 %	3.0 %
UK	3.0 %	0.7 %	-3.7%	-0.2%	2.6 %
Euro Area	2.6%	0.9 %	-4.1 %	-0.3%	2.1 %
World	5.0 %	3.5 %	-4.3 %	-0.1%	4.2%

Source: ESRI: Recovery Scenarios for Ireland, 2009

Assuming that the international economy recovers in 2011, the ESRI forecasts that Ireland’s GDP will average 6.5% over the period 2011-2015. This will also depend on the economy regaining competitiveness and the structural deficit being addressed. Table 3.3 overleaf shows the recession in the international economy during 2009/10 and falling domestic demand resulting in a substantial decline in output in the manufacturing and services sectors. Nonetheless, from 2010-2015, growth is expected to resume with a strong recovery in both

¹⁷ ESRI Recovery Scenarios for Ireland, May 2009

sectors. GDP growth would average 5-6% in the 2010-15 period, moderating to an annual growth rate of 3.3% over the period 2015-2020.

Overall, it is expected that while some of the losses sustained during the recession would be recovered, the long-term loss of output would be in the order of 10%.

Table 3.3 World Recovery Scenario: Major Aggregates for Ireland

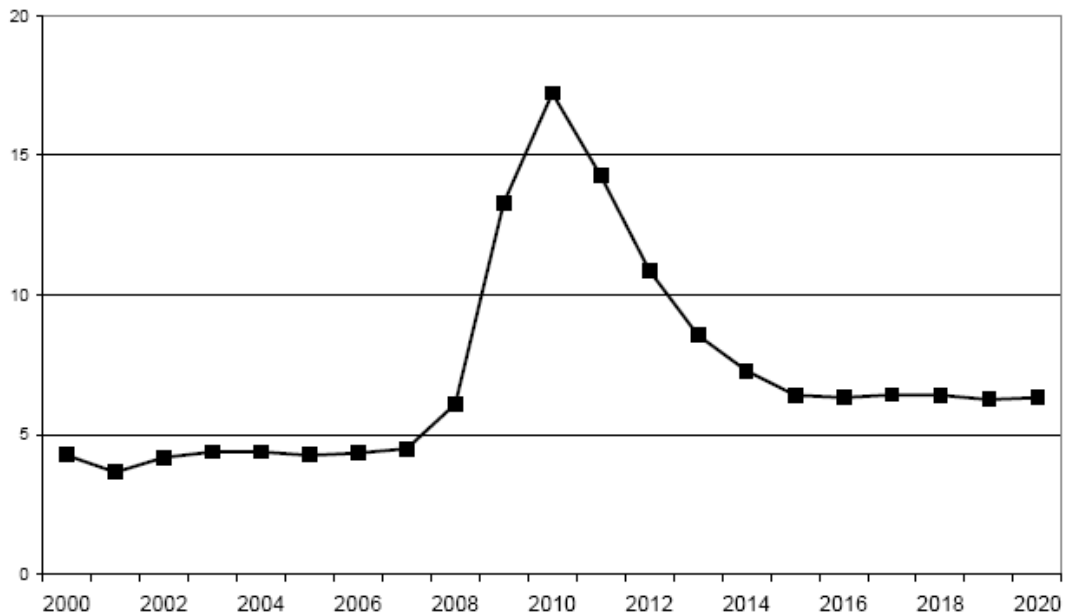
	2009 Annual % Growth Rate	2010 Annual % Growth Rate	2010-15 Average Annual % Growth	2015-20 Average Annual % Growth
GDP	-8.2	-1.0	5.6	3.3
GNP	-9.4	-0.8	5.4	3.2
Total Employment	-9.4	-6.1	3.0	1.1
Output, Industry	-9.7	-2.1	8.4	3.8
Output, Market Services	-7.6	-0.1	5.8	3.2
Consumer Prices	-1.0	-0.2	2.6	2.6
Non-Agricultural Wage Rates	-2.5	-1.4	3.2	4.2
Year End:	2009	2010	2015	2020
Personal Savings Ratio	11.7	13.3	8.5	7.1
General Government Balance, % of GDP	-11.8	-11.2	-3.3	-2.4
Net Government Debt, % of GDP	34.2	46.2	71.4	71.6
General Government Debt, % of GDP	57.5	70.3	81.8	81.3
Balance of Payments, % of GNP	-0.8	2.6	3.5	4.0
Unemployment Rate, % of labour force	13.3	17.2	6.4	6.3
Net Migration, 000's	30	30	-13	-20

Source: ESRI Recovery Scenarios for Ireland, 2009

The sharp slowdown in the economy in the years 2008 to 2010 is expected to result in a dramatic rise in unemployment and the unemployment rate, as illustrated in Figure 3.3. As a result of lower levels of activity in the building, manufacturing and market services sectors, total employment is expected to fall by 9.4 per cent in 2009 and by a further 6.1 per cent in 2010. The unemployment rate is expected to exceed 13% in 2009 before peaking at around 17 per cent in 2010 (revised to close to 14% in ESRI Quarterly Economic Review Winter 2009). In

line with the anticipated recovery in economic activity from 2011 onwards, employment growth is expected to resume and average 3.0 % over the period 2010 to 2015. As a result, the unemployment rate is expected to fall to 6.4 % by 2015 and 6.3 per cent by 2020.

Figure 3.3 Unemployment Rate Scenario



Source: ESRI Databank and results of model simulations.

Significantly, the economy is not expected to return to full employment in this scenario. This mirrors the experience of the Finnish economy in the 1990s where the unemployment rate still stood at 11 per cent in 1999, five years after the revival of economic growth began. The persistence of a high unemployment rate in Ireland long after the economy has recovered would reflect a legacy of a structural unemployment problem left behind by the current severe recession and in particular the re-adjustment of the construction sector of the economy back to a more sustainable scale. To minimise the risk of such an outcome, the ESRI advise that action should be taken in the next few years to provide adequate training to equip the unemployed for the jobs of the future.

The forecast assumes migration to be driven by movements in after-tax wage rates and the unemployment rate in Ireland relative to alternative EU labour markets. However, it is pointed out that with a world-wide recession the propensity to migrate for a given wage differential may well fall. If migration were not to resume, the ESRI considers that this would lead to a higher unemployment rate and a slower decline in the unemployment rate during the recovery period. In this scenario, emigration is assumed to reach a peak in 2012 at over 40,000 before reverting to limited net immigration in the second half of the next decade. The cumulative net emigration of almost 116,000 over the period 2009 to 2015 assumed in this scenario represents a significant reduction in the labour force as a result of the current severe recession.

3.3.4 Prolonged Recession Scenario

While the World Recovery scenario is based on the assumption of a world recovery in 2010, currently the view of the main international forecasting institutions, such as the OECD, NIESR and the IMF, the second scenario explored by the ESRI examines the impact of a more prolonged recession.

Table 3.4 below summarises the impact of a world recovery in 2012 on the key economic indicators. Essentially, for Ireland this would mean a significant reduction in external demand for Irish output and exports in 2011, leading to lower output and employment. This scenario shows output in the industrial sector growing by 7.2% a year between 2010 and 2015, compared to 8.4% in the World Recovery scenario. The increase in market services output is estimated at 5% compared to 5.8% in the World Recovery scenario.

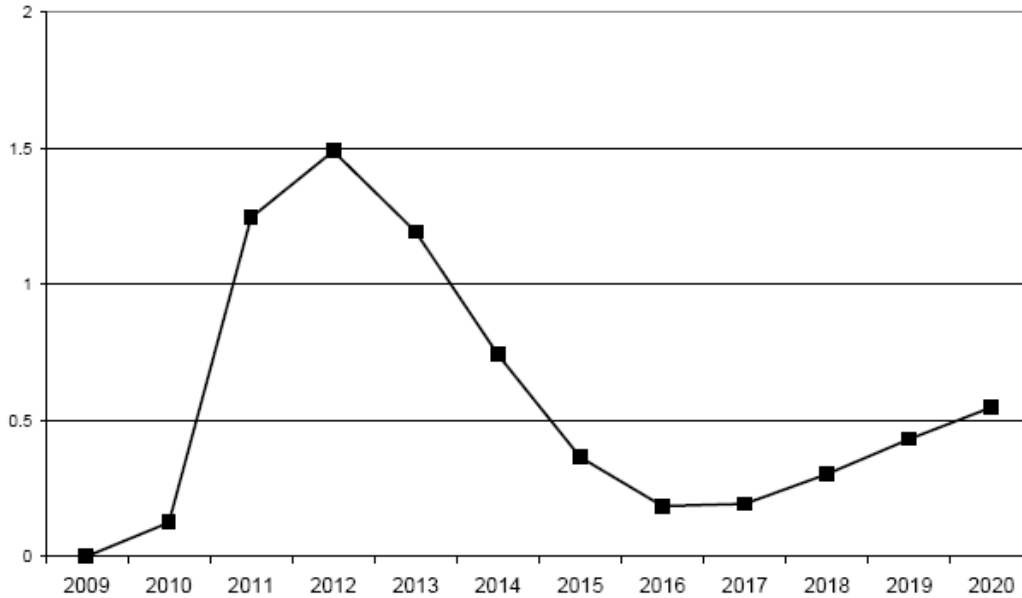
Table 3.4 Prolonged Recession Simulation Results: Major Aggregates for Ireland

	2009	2010	2010-15	2015-20
	Annual % Growth Rate		Average Annual % Growth Av	
GDP	-8.2	-1.3	4.8	3.2
GNP	-9.4	-1.0	4.7	3.2
Total Employment	-9.4	-6.2	2.8	1.1
Output, industry	-9.7	-2.5	7.2	3.7
Output, market services	-7.6	-0.3	5.0	3.1
Consumer Prices	-1.0	-0.4	2.4	2.6
Non-agricultural Wage Rates	-2.5	-1.7	2.4	4.4
Year End:	2009	2010	2015	2020
Personal Savings Ratio	11.7	13.3	8.3	7.0
General Government Balance, % GDP	-11.8	-11.3	-4.9	-4.2
Net Government Debt, % of GDP	34.2	46.5	79.2	82.6
General Government Debt, % GDP	57.5	70.6	89.5	92.2
Balance of Payments, % GNP	-0.8	2.4	1.2	1.2
Unemployment Rate	13.3	17.4	6.8	6.9
Net Migration, 000s	30	30	-11	-22

Source: ESRI Recovery Scenarios for Ireland, 2009

Despite emigration, the ESRI consider that the additional decline in activity would mean that the unemployment rate would remain higher for significantly longer under the Prolonged Recession scenario compared with the World Recovery scenario. Figure 3.4 shows the additional percentage change in unemployment with this scenario. The addition to the unemployment rate would be at its greatest in 2012 at an additional 1.5 percentage points. However, the higher unemployment would induce increased emigration, as shown in Figure 3. By 2015, cumulative net emigration would be around 23,000 higher than in the World Recovery scenario. This increase in net emigration together with the reduced levels of output and employment would represent permanent losses to the economy.

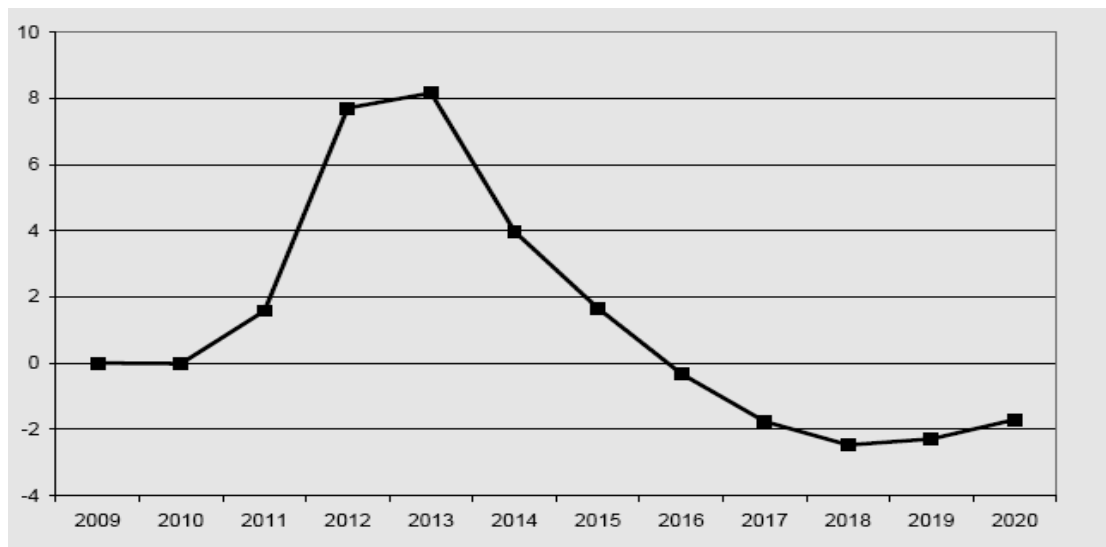
Figure 3.4 Prolonged Recession and Unemployment: Effect of 1 Year Delay in International Recovery on Unemployment Compared to World Recovery



Source: ESRI: Recovery Scenarios for Ireland, 2009

According to the ESRI, higher unemployment would also result in a decline in wage rates over the period 2010-2015, being 2.4 percent a year compared to 3.2 percent a year in the World Recovery scenario. The higher emigration and the lower wage rates would see the differential between the unemployment rate in the Prolonged Recession and the World Recovery scenarios falling over time so that the unemployment rate in 2015 under this scenario would be back down to 6.8 percent of the labour force compared to 6.4 percent in the World Recovery scenario.

Figure 3.5 Prolonged Recession and Emigration: Effect of One Year Delay in International Recovery on Net Emigration Compared to World Recovery Scenario



Source: ESRI: Recovery Scenarios for Ireland, 2009

The ESRI also examines a number of risks to their baseline (World Recovery) scenario. They highlight the sensitivity of Irish economic variables to changes in world output, domestic competitiveness and Irish labour costs. They emphasise that it assumes the Supplementary Budget measures announced for 2009 and 2010 are implemented in full and that nominal wage rates will fall by a cumulative six percent over the 2009-11 period. They acknowledge that such a fall in nominal wage rates has not been seen before, and that there is some uncertainty as to whether the labour market will prove 'normal' in this way. Table 3.5 below examines the results of a one percent increase in certain key variables (a) World Output, (b) Irish Competitiveness and (c) Irish Labour Costs.

Table 3.5 Long-Run Impact of 1% Increase in Variables in HERMES

	World Output	Irish Competitiveness	Irish Labour Costs
GDP, % Change	1.1	0.5	-0.3
GNP, % Change	1.1	0.1	-0.1
Labour force, % Change	0.4	0.1	0.2
Unemployment, % labour force	-0.1	-0.2	0.6
General government balance, % of GDP	1.4	0.3	-0.1
Balance of Payments % of GDP	0.4	0.5	-0.2

Source: ESRI: Recovery Scenarios for Ireland, 2009- derived from HERMES macro-economic model of the Irish economy.

Another uncertainty concerns the behaviour of the labour market. The ESRI model of migration behaviour is based on past experience. It assumes an anticipated cumulative net emigration of 150,000 over the period 2009 to 2015. However, this forecast could be affected by the very adverse circumstances in other labour markets. If emigration were to be lower than anticipated, this would raise unemployment in the period 2011-15 above the level anticipated. It would also put some limited downward pressure on wage rates and domestic costs. If the world recovery were to prove more robust, falling unemployment in competing labour markets could even increase the numbers leaving Ireland.

As well as uncertainty about the possible response of migration, there must be concerns that the expected very high level of unemployment in 2010-11 could lead to a permanent increase in the numbers of long-term unemployed. The ESRI scenarios have assumed that this does not happen. However, the Finnish experience was that after the major shock to its economy in the early 1990s the rate of unemployment never returned to its pre-existing very low level. To ensure that an economic recovery does see a return to full employment it will be important to adopt suitable labour market policies. The ESRI suggests that a critical factor will be early intervention so that the recently unemployed do not become long-term unemployed. Those with relatively low levels of education and skills are particularly highlighted and it is suggested that priority be given to labour market initiatives that will effectively tackle the skills deficit among the unemployed.¹⁸

In July 2009, the ESRI revised their forecast for unemployment downwards to 16.1% from 16.8% in the spring. They emphasise that this downward revision is not due to a more

¹⁸ ESRI: Recovery Scenarios for Ireland, May 2009; O'Connell P What Works? Applying lessons from the 1990s, ESRI, 2009

favourable view on possible employment losses but an expected faster fall in participation and a higher rate of outward migration. The ESRI now forecasts a net outflow of 40,000 in 2010, partly as a result of a sharp increase in unemployment among non-nationals¹⁹.

3.4 Labour and Skills Demand in the Irish Labour Market

From a labour market and skills point of view, the main issue for the Irish workforce deriving from the decline of global economic activity is that many industries are consolidating and repositioning. Mergers and acquisitions and the resulting shakedowns by parent companies may result in reviews of their operations in Ireland and decisions on which competencies located here remain viable. In 2009 to date, there have been a number of high profile and large scale closures and redundancies announced by multinationals located in Ireland across a range of sectors. On the domestic front, the sectors expected to suffer most as a result of the housing and personal consumption decline are the construction and related sub-services, and the wholesale and retail sectors. The employment outlook in the financial services sector is dependent on both international and domestic factors. Actual employment and unemployment rates will depend greatly on the migratory response to the downturn.

The available labour market data shows there has been a marked deterioration in the labour market in 2009, with employment decreasing by 7.5% (185,000) in the first quarter of the year compared to the first quarter of 2008, to 1.96 million. The numbers signing on the Live Register rose by 92% (198,000) in the 12 months to June 2009, reaching 414,000. The unemployment rate doubled from 5.9% to 11.9% over the same period. While the jobs downturn has been severe, the rate of increase in the Live Register slowed considerably in the second quarter of 2009, at 11,400 for June. The average monthly increase in unemployment claimants in the second quarter fell back to 13,600, just over half the average rise of 26,600 in the first quarter. Nonetheless, redundancies have continued apace during the second quarter of 2009.

While initially, the rise in unemployment was concentrated on the construction and related sub-services and the wholesale and retail sectors, this has now broadened out to a more generalised fall in labour demand. In addition to the Live Register, information on the occupational profile of recent jobseekers is available from FÁS client registration data. In the first four months of 2009, new jobseeker registrants increased by 41% compared to the previous year. While most of the increase was accounted for by manual and clerical workers, the increase was more rapid for managers and professional workers, albeit from a low base. 26% of new registrants now have some third level education compared with 23% in 2008.

However, there remains a lack of up-to-date detailed sectoral and occupational data and therefore certain caution is required in making assertions about the current labour market. The following section draws from consultations by Forfás with the IDA and Enterprise Ireland and analysis by FÁS on job opportunities in the down-turn.²⁰

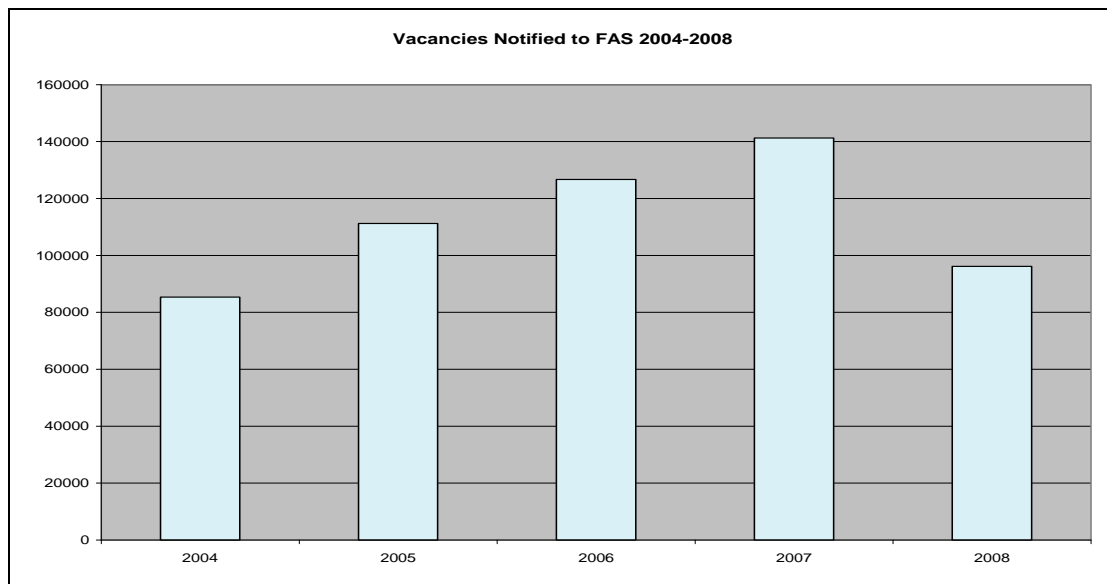
¹⁹ ESRI: *Quarterly Economic Commentary: Summer 2009*

²⁰ FÁS: *Job Opportunities in the Down-Turn, 2009*

3.4.1 Indicators of Skills Demand

A number of indicators highlight that labour demand weakened considerably in 2008. First, the number of vacancies notified to FÁS decreased by 32% to 96,000 in 2008 from a record of 141,000 in 2007. The most pronounced year-on-year decrease was recorded in the final quarter of 2008 – a decrease of approximately 57%.²¹ Annual declines in vacancies were recorded across all occupations.

Figure 3.6 Vacancies Notified to FÁS, 2004-2008



Source: FÁS

The FÁS Skills and Labour Market Research Unit (SLMRU) regularly monitor vacancy data not only from its own information but from the Irish Jobs.ie web-site and The Irish Times. Table 3.6 shows the most commonly-notified vacancies in the period July 2008-January 2009. The table also indicates the total number of persons employed in these occupations at the end of 2008.

²¹ Annual data for FÁS notified vacancies may be affected by variations in our market share and consequently should not be taken as a definitive guide to overall vacancy trends.

Table 3.6 Principal Occupations Cited in Vacancy Surveys

	Q4 2008 Employment	FÁS	Irish Jobs.ie	Irish Times
Production and works managers,	18,000		✓	✓
Company financial managers,	3,000			✓
Marketing etc. managers,	21,000	✓	✓	✓
Other financial managers	23,000			✓
Software engineers	9,000		✓	
Computer analyst/programmers	18,000	✓	✓	
Planning and quality control engineers	2,000			✓
Taxation experts	-			✓
Accountants	43,000			✓
Accounts and wages clerks, Other financial clerks	27,000		✓	✓
Other clerks	66,000	✓	✓	
Security guards and related	14,000	✓		
Chefs, cooks	23,000	✓		
Waiters, waitresses	21,000	✓		
Caretakers	8,000	✓		
Technical and wholesale sales representatives	23,000	✓	✓	✓
Sales assistants	123,000	✓		
Door to door salespersons and credit agents	-	✓		
Mechanical plant drivers/operatives	10,000	✓		
Counterhands, catering assistants	14,000	✓		
Notes:		<i>Data for July 2008 to Jan 2009</i>	<i>Data for Aug – Dec 2008. Excludes agency adverts</i>	<i>Note: Data for July 2008 – January 2009.</i>

Source: SLMRU Skills Database

In broad terms, the most commonly advertised vacancies relate to the occupations listed below:

Marketing/Sales managers
Computer analyst/programmers
Other clerks (no's.)
Security guards and related occupations
Chefs, cooks
Waiters, waitresses
Caretakers
Technical and wholesale sales representatives
Sales assistants
Collector salespersons and credit agents
Mechanical plant drivers/operatives
Counter-hands, catering assistants

A further indication of labour market demand can be drawn from examining the extent to which vacancy notifications have fallen in certain occupations. Table 3.7 below examines those occupations for which vacancy notifications fell by more than 50% over the 12 months and those that fell by less than 50%:

Table 3.7 Change in Vacancy Notifications to FÁS, Nov-Jan 2007/8 and 2008/9

More than 50% fall in Notifications	Less than 50% fall in Notifications
Merchandisers	Mechanical plant drivers/operatives
All other labourers and related workers	Technical and wholesale sales representatives
Marketing etc. managers	Other childcare and related occupations
Childcare and related	Hairdressers, barbers
Accounts and wages clerks, other financial clerks	Nurses
Drivers of road goods vehicles	Welding trades
Care assistants and attendants	Electricians, electrical maintenance fitters
Chefs, cooks	Collector salespersons and credit agents
Bar staff	Butchers, meat cutters
Other clerks	Authors, technical writers, journalists
Computer analyst/programmers	Other teaching professionals (e.g. TEFL, fitness instructors, crèche managers)
Security guards and related occupations	
Waiters, waitresses	
Caretakers	
Sales assistants	
Counterhands, catering assistants	

Source: SLMRU Skills Database

3.4.2 Work Permits

Another indication of labour market demand can be derived from looking at recent Work Permit data. Table 3.8 presents information on the number of Work Permits issued as Employment Permits or Green Cards. A total of 568 permits were issued in Jan-Feb 2009, a considerable decline compared to the same period in 2008. All occupations for which more than ten permits were issued over the Jan-Feb periods of both years are included. Seventy percent of the Work Permits were Employment Permits. These are issued either in cases where employers have been unable to source suitable labour within the EEA or where an existing Work Permit holder changes employer. Green card permits (170) are issued in areas of skills shortage or high pay levels.

As Table 3.8 indicates, in January/February of this year there were relatively large numbers of new work Permits/ green cards issued for medical practitioners (144), nurses (45), chefs/cooks (51) and software engineers/computer analysts (68). There were smaller

numbers for carers, managers (marketing and production), accountants, air traffic controllers and management consultants as well as meat factory and farm workers.

Table 3.8 New Work Permits Issued in January 2009

Occupations	Employment Permit		Green Card		Total
	Jan-Feb 2008	Jan-Feb 2009	Jan-Feb 2008	Jan-Feb 2009	Jan-Feb '09
Medical practitioners	85	143	6	1	144
Chefs, cooks	94	51	1	0	51
Nurses	17	3	169	42	45
Software engineers	24	18	52	25	43
Computer analyst/programmers	15	10	49	15	25
Care assistants and attendants	29	15	-	1	16
Other associate professional & technical occs.	11	7	8	7	14
Other farming occupations	26	9	-	0	9
Occupational and other therapists	7	8	4	1	9
Marketing etc. managers	7	4	8	5	9
Management consultants and business analysts	6	3	14	6	9
Accounts and wages clerks, other financial clerks	6	4	11	5	9
Butchers, meat cutters	32	8	-	0	8
Air traffic planners and controllers	0	0	2	8	8
Professional athletes, sports officials	9	7	-	0	7
Chartered and certified accountants	14	1	25	6	7
Welfare, community and youth workers	6	6	2	0	6
Scaffolders, riggers, steeplejacks	10	6	-	0	6
Other managers	9	3	6	3	6
Production and works managers	7	2	11	3	5
Sales assistants	7	4	-	0	4
Other financial managers	4	1	10	3	4
Electronic engineers	1		14	4	4
Computer systems managers	1	1	7	3	4
Underwriters, claims assessors and analysts	3	2	6	1	3
Production engineers	2	1	5	2	3
Medical radiographers	4	1	6	2	3
Other engineers and technologists	18	2	5	0	2
Other scientific technicians	9	0	1	1	1
Drivers of road goods vehicles	19	1	-	0	1
Civil/mining engineers	1	1	10	0	1
Design and development engineers	13	0	10	0	0
Other	189	76	94	26	102
Total	685	398	536	170	568

Source: SLMRU analysis of DETE data.

3.4.3 NCB Purchasing Managers Index

Other recent indicators signify that employment declines are affecting the services sector. The NCB Services Purchasing Managers index for January fell to 33.9 from 34.1 in December to record its second fastest rate of contraction in the history of the series. Forty percent of survey participants indicated reduced staffing levels in January, while just under three percent reported any increases.

3.4.4 Labour Turnover

Nonetheless, even in a down-turn, labour turnover continues meaning that there is always a demand for staff in labour-intensive occupations. FÁS point to six main areas in Ireland where this is common:

- Sales assistants
- Clerical (office work, accounts)
- Caring (health care, child care, elder care)
- Catering (chefs, waiters, Fast food)
- Hairdressing
- Security (shops, office, factories)

Precise information on labour turnover in Ireland is not available but FÁS has estimated that the rate is likely to be in the order of 10%, per annum taking account of the fact that people will be less likely to leave jobs in a recession, and job creation will also be reduced. The table below examines likely turnover for main occupations:

Table 3.9 Estimates of Labour Turnover for Larger Occupations (thousands)

Occupation	Employed 2007	Wastage P.A.
Sales assistants	131.8	13.2
Farm owners and managers	90.8	9.1
Teaching professionals	87.3	8.7
Other occupations in sales and services	75.4	7.5
Road transport operatives	73.9	7.4
Numerical clerks & cashiers	67.5	6.8
Other clerks	64.7	6.5
Nurses and midwives	55.9	5.6
Electrical/ electronic trades	46.2	4.6
Care assistants etc.	44.6	4.5
Carpenters & joiners	43.4	4.3
Other occupations in construction	41.3	4.1
Sales representatives	40.1	4.0
Secretaries, personal assistants etc.	39.4	3.9
Accountants & tax experts	38.7	3.9
Bank, finance and office managers	35.7	3.6
Civil Servants, Admin Grades	33.4	3.3
Literary, artistic and sports professionals	31.7	3.2
Metal and Fitting Trades	28.3	2.8
Production managers in industry	27.2	2.7
Chefs, cooks	24.9	2.5
Waiters, waitresses	24.2	2.4
Bar staff	23.4	2.3
Builders, building contractors	23	2.3
Other transport and machinery operatives	21.7	2.2
Warehousemen/women	21.6	2.2
Scientific technicians	21.4	2.1
General managers and administrators	20.6	2.1
Hairdressers, beauticians etc.	20.6	2.1
Marketing etc. managers	20.2	2.0
Vehicle trades	19.7	2.0

Source: FÁS

3.5 Challenges and Outlook for Indigenous and FDI Enterprise

This section presents an analysis of the main enterprise sectors in the short and medium term, in the context of skills and labour requirements.

For indigenous companies, the most pressing challenges at present are to do with cost competitiveness, particularly in relation to the euro-sterling exchange rate, and others such as energy or labour costs, especially for manufacturing companies. The global downturn may lead to an increased interest in start-ups and general entrepreneurship, as has been experienced in previous recessions. The survival of many indigenous companies through the downturn will depend on their strategic management capabilities. Indeed, for many companies, experience of the recession during the 1980s may be essential to surviving the current downturn.

The most recent UN World Investment Report estimates global FDI flows to have declined by approximately ten percent in 2008 and will continue to decline further in 2009. One of the major differences between challenges facing foreign direct investment (FDI) at present compared to the dotcom bubble of 2001 is that risks to employment levels are not confined to certain sectors but are more widespread. Most sectors are undergoing consolidation and many multinationals are reviewing costs in their worldwide operations, including their global workforces. For Ireland, relative success in FDI markets in the short-term will not only be measured in terms of new employment created, but also in terms of employment retained.

3.5.1 Life Sciences Sector

The Life Sciences sector is one of the sectors expected to be least affected by the global downturn at present, especially in healthcare related sectors such as Medical Devices and Pharmaceuticals, due to factors such as continuing demand from ageing populations in the US and Europe. There has been a decline in new projects recently but it is expected to pick up once global economy starts to recover. A range of investment projects have been announced in recent months notwithstanding the current downturn - for example:

- Merck, Sharpe and Dohme €200 million vaccine facility in Carlow (170 R&D, Manufacturing and Marketing Jobs, 300 Construction Jobs)
- Eli Lilly - €400 million R&D collaboration centre with The National Institute for Bioprocessing Research and Training (NIBRT) (200 jobs over 5 years)
- Genzyme - €130 million expansion of manufacturing (170 jobs)

There are significant future commercialisation and investment opportunities in areas such as molecular dynamics, personalised medicine, stem cells, immunology, oncology, central nervous system and hypertension. There is consolidation happening within the industry at present. For example, in January 2009 Pfizer bought Wyeth for \$68 billion dollars, and is now looking for a reduction of 15% (19,000) in its global workforce. This could lead to job losses in Ireland but, in general, rationalisation can also present opportunities to compete and attract new higher value-added functions from within a multinational company's global operations.

Skills shortages continue to persist within the sector in areas such as translational medicine and certain aspects of healthcare manufacturing. There is also an emerging demand for blended engineering and science expertise, for example chemists with chemical engineering skills, which is important to the biotech industry at present and molecular processing. Soft skills, people skills and innovation skills are all highly relevant.

Enterprise, Intellectual Property (IP), Regulatory Affairs skills continue to be required in Science, Engineering and Technology (SET) graduates. These skills areas are crucial to future investment and especially important to the indigenous base, in particular, Medical Devices companies. Business skills need to be integrated in to SET curricula at an early stage in the curriculum. The growth in converging technologies will also place demands in the education system to respond in course curricula design. Many Irish enterprises are involved in sub-supply operations to multinationals, particularly in Medical Devices.

3.5.2 ICT Sector

The 2008 EGFSN report *The Future Requirement for High Level ICT Skills in the ICT Sector* shows that the ICT sector in Ireland has moved to higher value activities in recent years and demand for skills has remained strong. Over the period 2003-2008, employment in IT professional occupations grew by 4.8% on average annually. Even in 2008, an additional 4,000 jobs were created in IT professional occupations, almost three quarters of which were for computer systems managers.

Online sales, marketing, entertainment and social networking are expected to continue to grow strongly in the coming years and drive the demand for creative and highly skilled web developers. An increase in the demand for hybrid technologists is likely in the future as interdisciplinary activities expand in importance; ICT skills feature in most interdisciplinary convergence processes (e.g. business and IT; finance and IT; biotechnology, nanotechnology and IT). The Internet is providing opportunities for new business models and new delivery channels such as Software as a Service (rather than software through license). This shift is enabled by new technologies such as Open Source, Services Oriented Architecture (SOA), Cloud Computing, Semantic Web and Web 2.0.

There is a strong demand for high-skilled computing and electronic engineering graduates especially those with a combination of both technical and business skills. People with this mix of skills are required for roles in areas such as business analysis, product management, product development, sales and provision of services to companies. While a broad knowledge of business is useful, what companies want most are people who have deep knowledge of sectors in which their products and services are used. High level mathematical and technical skills are still required. Given Ireland's importance as an attractive location for European Headquarter operations, foreign language skills are increasingly required in many IT service roles. It is also notable that other sectors have strong demand for IT graduates. The 2008 EGFSN report on High Level ICT skills showed that at this time 24 percent of Computing Graduates entered the Banking, Finance and Insurance Industry. In this sense, IT skills demands are not limited to specific sectors.

There is potential for Ireland to take advantage of new opportunities arising from the convergence of technologies and business practices. Previously distinct and separate sectors such as ICT, biotechnology and nanotechnology are beginning to come together. The areas of overlap between technologies have been growing. The increased pace of advances in science and technology is giving rise to greater technological and business synergies in key sectors such as ICT; biotechnology; sensor technology; robotics; integrated electronics; telecommunications and Internet; financial engineering; imaging; genetic technology and nanotechnology. This has the potential to create new business opportunities. As technological convergence progresses, there will be an opportunity to position Ireland as a location that is well equipped to undertake R& D and production operations in bio-convergent products and services such as web services, enterprise software, personalised medicine, smart materials and medical devices.

3.5.3 Manufacturing and Other Industry

Table 3.10 Employment in Agency Supported Manufacturing and Industry Firms 2004-2008 (survey conducted in October 2008)

	2004	2005	2006	2007	2008	% Change 2007-2008	% Change 2004-2008
Agriculture, Fishing & Forestry	1,425	1,485	1,475	1,559	1,583	1.5%	11.1%
Mining & Quarrying	1,121	1,165	1,213	1,200	1,100	-8.3%	-1.9%
Food	43,055	42,935	42,569	41,542	39,574	-4.7%	-8.1%
Drink & Tobacco	5,648	5,457	5,362	5,210	5,165	-0.9%	-8.6%
Textiles	2,213	2,259	2,191	2,174	1,993	-8.3%	-9.9%
Clothing, Footwear and Leather	2,976	2,511	2,071	1,667	1,492	-10.5%	-49.9%
Wood and Wood Products	6,873	7,170	7,374	7,036	5,678	-19.3%	-17.4%
Paper and Printing	7,765	7,565	7,272	7,156	6,717	-6.1%	-13.5%
Chemicals	24,639	25,026	25,146	25,070	24,765	-1.2%	0.5%
Rubber and Plastics	8,143	8,063	8,221	8,135	7,661	-5.8%	-5.9%
Non-Metallic Minerals	11,939	11,182	10,838	11,255	10,016	-11.0%	-16.1%
Basic and Fabricated Metal Products	15,114	15,408	15,564	15,305	13,774	-10.0%	-8.9%
Computer, electronic, Optical, products	25,909	25,744	26,870	26,863	25,563	-4.8%	-1.3%
Electrical equipment	7,706	7,415	7,548	7,099	6,507	-8.3%	-15.6%
Machinery and Equipment	12,249	12,087	11,895	11,389	10,975	-3.6%	-10.4%
Transport Equipment	6,807	6,631	6,664	6,562	5,893	-10.2%	-13.4%
Medical Devices	16,763	18,376	18,782	19,382	19,587	1.1%	16.8%
Miscellaneous Manufacturing	9,232	9,361	9,179	8,850	7,968	-10.0%	-13.7%
Energy, Water, Waste & Construction	3,229	3,666	3,863	4,003	3,837	-4.1%	18.8%
Total	212,806	213,506	214,097	211,457	199,848	-5.5%	-6.1

Source: Forfás Annual Employment Survey

The above table shows employment levels in Enterprise Agency supported companies from 2004 to 2008. In 2008, the greatest relative declines were in sectors such as Wood and Wood Products, Clothing, Textiles, Non-metallic Minerals, Basic and Fabricated Metals, Mining and Quarrying, Miscellaneous Manufacturing and Electrical Equipment. It is notable that many of these sectors are closely linked in with the construction sector. Declines in employment in other sectors such as Electrical Equipment and Computer, Electronic and Optical Products largely relate to global FDI declines in demand and consolidation within these sectors. By contrast, employment levels have held relatively steady over the past year in Medical Devices and in Chemicals.

3.5.4 International Financial Services

The extent to which employment in Financial Services will be affected over the coming year is difficult to assess, although there are certainly huge pressures on the industry from both domestic and international factors. Further job losses can be expected as consolidation and uncertainty persists across the domestic sector and international sector. Mergers and Acquisitions could affect reviews of operations in Ireland, depending on whether activities located here are complementary or duplicated within companies that merge. There may be investment opportunities in emerging financial markets, for example, in Islamic banking.

To date, the Insurance sector seems to be holding up well despite persistent uncertainties in financial markets, particularly a continued demand in areas such as life assurance and re-insurance. Other sectors such as Asset Management, Leasing and Hedge Funds are also holding up in terms of employment levels. Within International Financial Services, the main skills shortages continue to be for actuaries, risk management, corporate compliance, soft skills, language skills, IT skills (especially for Research, Development and Innovation functions), sales and marketing.

3.5.5 Construction

Overall, the employment outlook for the construction sector is quite bleak. The contraction in the industry will be felt in all sub-sectors.

New residential: The number of new house/apartments built in 2009 is expected to be virtually confined to the self-build market and consequently it could be as low as 15,000.

Residential repair and maintenance: despite the overall contraction of the construction sector, there continued to be a significant level of activity in the house repair and maintenance market in 2008 - much of it driven by the sustainability agenda and, in particular, the extension of energy rating to the existing housing stock at the point of sale or rent and the introduction of subsidies for installation of energy efficient technologies. However, currently observed low level of transactions in the housing market reduces the potential positive impact of these measures on employment. In addition, this sub-sector has been negatively affected by the decline in household incomes. Therefore, this sub-sector is expected to contract in the short term.

Commercial: There is very little activity in the retail, office or industry sectors.

Civil engineering: The level of civil engineering activity is critically dependant on the Public Capital Programme. The programme was reduced by 900 million in the April 2009 budget - a 19% decline on budget estimate for 2009. It is difficult to predict the level of private expenditure on capital programmes but it seems unlikely that it will rise above current level for the foreseeable future.

Overseas opportunities: There will be some opportunities for Irish contractors to successfully tender for projects overseas. This is particularly the case in the United Kingdom market. There are a number of very significant projects in England, Scotland and Northern Ireland, such as for example the London Cross-Rail projects, which are about to commence, and which offer the prospect of substantial employment opportunities for Irish workers.

3.5.6 Other sectors

Globally Traded Services such as Business Process Outsourcing (BPO) are expected to continue to hold up in the current downturn. Increasingly, companies are moving towards blended cost structures, where they will have operations such as payments or fund administration located in different countries, which requires BPO services. There are some particularly successful indigenous BPO companies that are still in high demand.

Indigenous Call Centre operations operate flexible working arrangements with many call centres opening 16 hours per day, 6 days per week. In response to reduced demand, many employers are reducing working hours rather than laying off employees.

The Print and Packaging industry is under considerable pressure at present, and is highly dependent on the UK market. A protracted strong euro-sterling exchange rate could lead to considerable unemployment in this sector over the coming year.

Environmental industries and technologies have significant opportunities now and in to the future. The US renewable energy programme could have opportunities for indigenous Irish companies in terms of exports.

Within indigenous manufacturing, the Fashion sector is under considerable pressure at present. While many of the manufacturing operations have moved, functions such as design, IP and logistics are retained in Ireland. Skills issues have been identified in areas such as negotiation skills, branding skills, and group purchasing and product sourcing skills. The furniture sector is also under pressure as much of its business in recent years relied on the construction sector, supplying new hotels, pubs and restaurants.

The food sector is one of the few labour intensive export focused sectors. It experienced particular difficulties around negative perceptions by graduates of careers due to irregular and long hours during the boom. With the downturn it may now be perceived as a more attractive sector. There is a lack of experienced sales and marketing managers in the sector and cost accountants that have experience in working within manufacturing firms. Competitiveness and the impact of the sterling exchange rate is a key issue particularly for the prepared consumer foods segment where future growth prospects will centre.

Many professional services closely linked with the construction sector such as architecture, real estate, and conveyance are susceptible to significant employment losses.

The latest available CSO Retail Sales Index (July 2009) shows a decline in volume (excluding motor sales) of 9.2% in the 12 months to May 2009, and a decline in value of 13.6% over the same period. When motor sales are included, the respective declines in volume and value in the 12 months to May 2009 are 15.4% and 19.4%. The reduction in consumer demand is likely to lead to further job losses in this sector although the extent of job losses is difficult to predict.

The tourism and leisure sector is also reporting declining activity. The number of overseas visitors to Ireland between January and June 2009 fell by 10.7 percent compared with the same period last year - thus having a significant impact on employment in the Hotels and Restaurant sector.

3.6 Conclusion

In overall terms, it is clear that the Irish economy is facing a challenging period. Unemployment is likely to reach almost 14% in 2010, and a growth in employment will depend on the timing of the international recovery and an improvement in Irish competitiveness.

Over the period up to 2020 Ireland is projected to have an increase of 834,000 in the working-age population representing a 24 % increase. The projected average for the EU 25 is 5.4%. Ireland is projected to have a 482,000 increase in the size of the labour force over the period 2007-2020 representing a 22% increase. The projected increase for the EU 25 is 2.2%. The uncertainty of the continuing economic recession seems likely to have a negative impact on working - age population and labour force supply projections for Ireland.

Cedefop projections for Ireland would represent a significant up skilling in the numbers and proportion of the labour force at the high skilled levels compared in relative terms to all other EU countries bar one (Denmark) and in numbers terms at the medium qualifications level. Ireland would remain around the average EU level for the proportion of the labour force at the low skills level.

By the end of 2008, skills and labour shortages were confined to areas of specific expertise and experience (typically for graduates) and a small number of lower-skilled jobs where employers have difficulty recruiting. Occupations in the medical devices and pharmaceutical sectors have remained relatively steady, with employment opportunities in the ICT sector focusing largely on value-added activities. A demand for accountants (with expertise in compliance, regulation, and risk), experienced sales and marketing managers, chefs, and people with foreign language skills continues to feature. Likewise, sales representatives with particular technical skills or experience are also in demand.

Even during the downturn, there will also be a continued demand for persons in occupations employing large numbers of people where labour turnover is a continued feature. These include sales assistants, clerical, caring, hairdressing, security and catering occupations.

Nonetheless, in 2008, employment declined by 86,900, concentrated mainly in the construction, manufacturing, hospitality and transport sectors. While 28,000 jobs were created in other sectors, the net result was 13,000 fewer jobs in 2008 than in 2007.

Labour market interventions will need to be prompt and aimed at preventing the newly unemployed from becoming long-term unemployed. The relevance of the skills and competences acquired underlying qualifications will be critical. This means bringing education and training closer to the labour market, recognising prior learning, reducing drop-out rates, and more programme and career guidance. This will require the co-operation of many different stakeholders and partners.

Chapter 4: National Labour Market Policy Objectives

This Chapter provides an overview of national labour market policy objectives relevant to this Review of Labour Market Programmes. In particular it highlights the key points within a number of strategic policy documents. These are:

- DETE Annual Output Strategy 2008
- DETE Statement of Strategy 2005- 2007
- National Skills Strategy
- Building Ireland’s Smart Economy: A Framework for Sustainable Economic Renewal
- National Development Plan 2007- 2013

The chapter includes an outline of key relevant goals within the National Action Plan for Social Inclusion 2007-2016. It also outlines related goals within the Department of Education & Science Strategy Statement 2008-2010. These policy documents have a wider connection to the work of the Review.

4.1 DETE 2008 Annual Output Strategy

High level Goal 3 of the DETE Annual Output Strategy refers to skills supply and enhancement and workforce participation. The key goal is stated as follows:

“ To pursue labour market policies which support enterprise development and promote the development of human capital by improving the skill levels of the workforce thereby facilitating increased participation in and access to employment” .

Relevant strategic impact indicators given for this goal are:

- Employment rates for the overall population, women and older workers.
- Number of days training provided by publically funded training programmes.
- Number of employment programme days provided to participants.
- Numbers referred to training programmes and progressed by Employment Services supports.

The Labour Force Development Programme is linked to this high-level goal. It highlights the availability of a well-educated and highly- skilled labour force as a major contributory factor behind Ireland’s economic success. The objective of this programme is to contribute to continued economic success by supporting the ongoing training and up-skilling of the labour force and by facilitating access to employment. Funding under this programme is channelled through training and employment programmes operated by FÁS, Skillnets Training Networks Programme, Enterprise Ireland, IDA Ireland, Shannon Development and several smaller organisations. Funding is sourced from both the Exchequer and the National Training Fund.

Key relevant strategies outlined to achieve this high level goal are given as:

- By increasing training of both those in employment and looking for employment, with a particular focus on the low skilled. New initiatives and programmes are to be initiated to assist and facilitate employer and employee participation in upskilling.
- By promoting increased labour market participation by women and older workers in coordination with other departments and agencies.
- By increasing the participation of the long-term unemployed and lone parents through the National Employment Action Plan referral process of the Department of Social & Family Affairs / FÁS and through other appropriate training and employment supports.

4.2 DETE Statement of Strategy 2005 - 2007 Pillar 2

A key goal under Pillar 2 of the DETE Statement of Strategy 2005-2007 is stated as:

“the pursuit of labour market policies which promote the development of human capital and lifelong learning which help to address the skills needs of the economy, facilitate increased participation in and access to employment and contribute to social inclusion”

A number of objectives, strategic actions and performance indicators are included within the Statement of Strategy to achieve this goal. These are as follows:

1. To make lifelong learning a reality for increasing numbers of people in the Labour Force - this is to be achieved by the Department interacting with other Departments, agencies and groups to develop and implement lifelong learning initiatives that will provide learning opportunities for people in the labour force.
2. To expand the level of engagement and investment in in-company training - particularly activity targeting low skilled workers- this is to be achieved through facilitating the implementation of additional training initiatives in this area by FÁS utilising ESF and National Training Fund monies. Also, through work with other Departments, agencies and groups to ensure that training policy development includes the employability needs of lower skilled workers and by ensuring that FÁS and Skillnets continue to develop programmes which are focussed on lower skilled workers.
3. To provide relevant and up-to-date labour market data which will inform the development of labour market policies and initiatives- this will include preparing and updating labour market data through the detailed analysis of economic reports and the compilation of statistics relating to employment / unemployment trends.
4. To ensure optimum use of the resources available from the European Social Fund for 2000-2006 programmes to support labour market initiatives.
5. To design within the parameters of EU and national guidelines, ESF programmes for the period 2007-2013 which add value to the development of human capital and increased participation in employment.

4.3 National Skills Strategy

The National Skills Strategy proposes that by 2020:

- 48% of the labour force should have qualifications at National Framework of Qualifications (NFQ) Levels 6 to 10 (Third Level Certificate and above);

- 45% should have qualifications at NFQ levels 4 and 5 (Leaving Cert or equivalent) and
- Only 7% should have qualifications at NFQ levels 1 to 3 (up to and including Junior Certificate).

In order to achieve these objectives, it will require:

- An additional 500,000 individuals within the workforce to progress by at least one NFQ level;
- The proportion of the population aged 20 - 24 with Leaving Certificate or equivalent vocationally - orientated programmes should be increased to 94%. The retention rate at Leaving Certificate will need to increase from 82% in 2006 to 90% by 2020; and
- The progression rate to third level education will need to increase from 55 percent in 2004 to 72% by 2020.

4.4 Building Ireland's Smart Economy: A Framework for Sustainable Economic Renewal

'Building Ireland's Smart Economy' sets out an ambitious set of actions to reorganise the economy over the next five years. It sets out a framework to address the current economic challenges and to build a 'smart economy' with a thriving enterprise sector, high-quality employment, secure energy supplies, an attractive environment and first -class infrastructure. A key feature of the approach is building the innovation or 'ideas' component of the economy through the utilisation of human capital - the knowledge, skills and creativity of people - and its ability and effectiveness in translating ideas into valuable processes, products and services. It is highlighted that Ireland cannot afford to leave anyone behind in the drive to improve the skills and competencies of our workforce and to ensure that workers possess the skills required to service a 'Smart Economy'.

A number of specific action points are highlighted in the short-term that will help drive the restructuring of the economy. This effort starts with pre-school education, and extends throughout the formal and informal educational system. It is stated that a particular focus needs to be on efforts to increase participation in lifelong learning by providing opportunities for education and training, in order to facilitate the required upskilling and reskilling. Also, on assisting those who lose their jobs during the economic downturn, fostering entrepreneurship, mathematical and science skills in school as well as the general upgrading of skills levels across society.

4.5 National Development Plan 2007 - 2013- Transforming Ireland

4.5.1 Human Capital Priority

The major relevant outputs under this priority are stated as:

- To upskill the workforce through promoting access to appropriate training and life long learning;

- To implement the National Skills Strategy with the goal of increasing the skill levels of a significant proportion of those at work in support of Ireland's aim of improved competitiveness and moving jobs quality up the value chain;
- To expand the workforce through activation of groups such as the unemployed, people with disabilities, lone parents, travellers, ex-offenders, women and older people as well as the implementation of an appropriate skills based migration policy; and
- To provide for curriculum reform and the National Framework of Qualifications.

4.5.2 Labour Force Development

Labour force development policy is to focus on two key areas:

- Ensuring an adequate supply of labour to meet the needs of the economy and sustain economic growth. Labour will be supplied through a number of sources: the underlying population increase; increased female participation rates; increased participation by the unemployed and those outside the labour force; inward migration; and
- Ensuring the development of a high-skilled, adaptable workforce through continued emphasis on lifelong learning and training of those in employment.

Having met the 50% EU employment rate target for older workers and the 60% participation rates for females, it is stated that Ireland will strive to reach and, if possible, exceed the other target for 2010 of 70% for the overall employment rate.

4.5.3 Training and Skills Development Programme

Investment amounting to €7.7 billion under the Training and Skills Development Programme is broken between

- (1) the Sub-Programme for Upskilling the Workforce (€2.8 billion); and
- (2) the Sub-Programme for the Activation and Participation of Groups outside the Workforce (€4.9 billion).

Sub-Programme for Upskilling the Workforce

It is stated that investment under this programme will be informed by the National Skills Strategy. The objective is to ensure that Ireland will have, over the period to 2020, the skills required to achieve the EGFSN objective and to remain competitive in the global marketplace. A commitment is given to the implementation of a Lifelong Learning Policy and to the modernisation of the workplace. Under Towards 2016 it was agreed that one of the high level objectives to be reached is to drive the lifelong learning agenda by enhancing access to training, the development of new skills, the acquisition of recognised qualifications and progression to higher level qualifications. The continued implementation of policy in this area is to be supported through providing second chance education and training for those with low skills and addressing access barriers through a strengthening of supports, guidance, counselling and childcare provision and increased flexibility of provision.

This Sub- Programme has four main themes. These are:

- *To improve training for people in employment*

The private sector will always play the greatest role in the training of those in employment. However, the public sector does have a role in encouraging and providing guidance for that investment and in providing training in cases of market failure, such as for the low and unskilled and for those working in the SME sector. Additional funding has been provided for this training which is being channelled through FÁS (sectoral training initiatives, the FÁS Competency Development Programme and *Excellence through People* programmes) business-led skills networks and other agencies. Training in this area will also continue to support literacy/numeracy / training initiatives in the workplace.

- *Help upskill those affected or likely to be affected by industrial restructuring*

Support from this programme will be available for the retraining and education of those affected by industrial restructuring and global competition.

- *Improve and enlarge the apprenticeship system.*

It is stated that provision by FÁS of the statutory based apprenticeship training system will be supported. FÁS will continue to review the curricula, assessment process and delivery mechanisms for apprenticeships. In addition, FÁS is developing five additional occupations in consultation with stakeholders and is considering a further two occupations for designation.

- *Provide progression opportunities for school-leavers.*

The policy in this area will be to seek to ensure that persons with little or no education / skills are not isolated and vulnerable to potential economic downturn. This will be delivered through measures which address early school leaving through combining education with labour market participation and upskilling. FÁS will continue to work in partnership with Community Training Centres to provide early school leavers with basic skills and work experience and to aid progress towards further training or employment.

Sub-Programme for Activation and Participation of Groups outside the Workforce

The key relevant objective of this sub-programme will be to provide targeted training and services to groups outside the labour market such as the unemployed.

Priority is to help the unemployed to find or return to work as quickly as possible, thereby ensuring that the numbers unemployed are as low as possible over the period of the plan. The measure will continue to be implemented through:

- The National Employment Service, which is comprised of FÁS Employment Services and the Local Employment Service;
- The Employment Action Plan (EAP) under which intensive support is given to help people on the live register access the labour market; and
- Existing training and employment programmes.

These processes and programmes are to increasingly focus on the long-term unemployed, unemployed 16-23 year olds with labour market difficulties (such as early school leavers) and 'non-progression' ready unemployed. In addition (as outlined in Towards 2016) there is to be an increased emphasis on engaging with lone parents and people with disabilities in a systematic way as currently occurs for people on the Live Register. There is to be an increasing focus on greater training provision for the unemployed and an increase in the

training provision on employment programmes. Specific reference to activation of the following groups is made:

- *Activation : People with Disabilities*

The policy emphasis will be to ensure that disabled people have an equal opportunity to participate in mainstream employment and training programmes.

- *Activation : Lone Parents*

Priority consideration will be given to extending the NEAP referral process to include lone parents and parents on low income and funding for the Community Services Programme, which targets lone parents among others is to be increased.

- *Activation : Travellers*

It is stated that the implementation of the recommendations of the report and recommendations for a Traveller Education Strategy will be assisted under this Sub-Programme as appropriate.

- *Activation : Ex-Offenders*

Support will be provided to the work of the Irish Prison Service to ensure ex-offenders can access marketable skills and vocational qualifications to improve their prospects of employability in the labour market on their release.

Specific reference to participation of the following groups is made:

- *Participation : Women*

Measures to encourage greater female participation in the workforce will be supported.

- *Participation: Older Workers*

It is Government policy to facilitate those who wish to extend their working lives to do so. A range of issues that may be considered are outlined.

- *Participation: Part-time workers*

An increase in the involvement in the labour market of part-time workers would increase labour force supply - and the scope for this will be explored.

- *Participation: Migrants*

It is stated that the challenge will be to ensure that labour force migration policy continues to be one which makes a positive contribution.

4.5.5 National Development Programme Social Inclusion Priority

The main relevant high-level goal stated here is:

“Given the recognised importance of employment as the key factor in people exiting poverty, the measures outlined in the Human Capital Priority will have a fundamental impact on the lives and opportunities of those who are in low skilled jobs and those who are furthest from the labour market”.

These measures, together with others outlined under the social inclusion priority, can make a real and decisive impact on families and their children who are living in poverty. The Government is committed to a coherent strategy for social inclusion based on the life-cycle approach set out in 'Towards 2016' with implementation supported by the NDP and the National Action Plan for Social Inclusion. The Government identified a number of high level social inclusion goals to achieve the overall objective of reducing consistent poverty. Based on the lifecycle approach, these goals (relevant to the Labour Market Review project) aim to address:

- *People of Working Age*
 - Introduce an active case management approach that will support those on long term social welfare into education, training and employment.

Building on and complementing this high level goal will be:

- To provide those from disadvantaged backgrounds with the education, skills and training necessary for employment and active participation in society;
- Assist people of working age to access further education and third level education as well as supporting those returning to work and education;
- Support the reintegration and rehabilitation of prisoners and families.

4.6 National Action Plan for Social Inclusion 2007-2016.

The National Action Plan for Social Inclusion 2007 - 2016 prioritises several high level goals aimed at having a decisive impact on poverty. Specific goals of relevance to the work of this review are:

- *Children*

Goal 3: Education

Ensure that the proportion of the population aged 20-24 completing upper second level education or equivalent will exceed 90% by 2013.

- *People of Working Age*

Goal 5: Employment and Participation

Introduce an active case management approach that will support those on long-term social welfare into education, training and employment. The target is to support 50,000 such people, including lone parents and the long-term unemployed, with an overall aim of reducing by 20% the number of those whose total income is derived from long-term social welfare payments by 2016. This target will be reviewed in light of experience.

- *People with Disabilities*

Goal 9: Employment and Participation

Increase the employment of people with disabilities who do not have a difficulty retaining a job. The immediate objective is to have an additional 7,000 of that cohort in employment by 2010. The longer term target is to raise the employment rate of people with disabilities from 37% to 45% by 2016 as measured by the QNHS. The overall participation rate in education, training and employment will be increased by 50% by

2016. These targets will be reviewed in the light of experience and the availability of data.

4.7 Department of Education and Science Statement of Strategy 2008-2010

This Statement of Strategy sets out the missions, goals and objectives that will guide the work of the Department of Education and Science over the period 2008 - 2010. The mission of the Departments is to:

- Enable individuals to develop their full potential and to participate fully as members of society; and
- Contribute to Ireland's social, cultural and economic development;

In support of this mission the department has the following high level goals:

- Support and improve the quality, relevance and inclusiveness of education for every learner in our schools;
- Enhance opportunities in further education and youth services;
- Sustain and strengthen higher education and research ; and
- Support the delivery and development of education through policy formulation, high-quality planning and a strong customer focus.

A main goal stated is to *Enhance Opportunities in Further Education and Youth Services* (Goal 2). Within this main Goal, Objective 2.2 is to promote access and participation in further education. The aim is to support providers in the development and delivery of a suite of Further Education programmes to meet the needs of early school leavers and adults requiring second chance education. Also to support the work of the National Centre for Guidance and Education in providing adult education guidance services. Lastly, to support learners participating in further education by the provision of payment of allowances and provision of childcare for participants on further education courses.

A second main goal of relevance to this review of Labour Market Programmes is Goal 3 - *Sustain and Strengthen Higher Education and Research*. One of the three objectives with this goal is to promote access to higher education particularly for under-represented groups and provide flexible learning opportunities. This includes the need to for targeted actions, initiatives and interventions to promote access and retention among under - represented groups in higher education. Also, to enable lifelong learning opportunities through support for more flexible approaches to learning in higher education.

This highlights that the role of education in supporting wider Government policy objectives is very significant and spans the full range of the agenda for economic development, social inclusion, quality of life and active citizenship. It highlights key cross - cutting responsibilities and for coordination with other Departments to achieve the following main government policy objectives for:

- Lifelong learning (with DETE)
- The integration of newcomers (with CR&GA)
- Developing Early Childhood Education (Office of Minister for Children)
- Promoting Innovation in the Economy (DETE)

- Interfacing with the health sector in implementing the EPSEN and Disability Acts.

Other notable cross - cutting issues that are mentioned include:

- Implementing Government strategy for Future Skills Supply
- Developing the Country's Research and Development Strategy
- Implementation of National Anti-Poverty Strategy
- The promotion of equality measures across the education system.

Further and Adult Education Overview

The Department of Education and Science provides funding for Further Education programmes in education and training to provide upskilling opportunities for those who are unemployed or are in danger of becoming unemployed. These are full time and part time.

The aim of Further and Adult Education provision is to offer access, transfer and progression opportunities to learners. The courses are open to all but the main purpose is to provide a range of supports to people who have left school early or who need further vocational education and training to enhance their employment prospects and to enable them to progress their education up to a standard equivalent to upper secondary level. Further Education courses are provided at Levels 1 - 6 on the National Framework of Qualifications.

Full-Time Programmes

Post Leaving Certificate (PLC)

The PLC programme is a self-contained whole-time learning experience designed to provide successful participants with specific vocational skills to enhance their prospects of securing lasting, full-time employment, or progression to other studies. It caters for those who:

- have completed senior cycle education, and require further vocational education and training to enhance their prospects of employment or progression to other studies;
- are adults returning to education, who may not have completed the senior cycle, but are deemed by the provider to have the necessary competencies and capacity to undertake the programme.

The aim of the PLC programme is to provide participants with specific vocational skills and intensive development of technical skills, including new technologies, combining opportunities for work experience, vocational studies and general studies. Providers must demonstrate a labour market justification for proposed programmes.

Most courses are at FETAC Level 5 with some at FETAC level 6. In 2008, approximately 80% of all PLC courses approved led to FETAC certification at level 5 with almost 85% of all PLC enrolments on these courses. Through the Higher Education Links Scheme, PLC courses also provide an alternative route to higher education in the Institutes of Technology for those who have completed the Leaving Certificate Applied programme, or who were unable to enter third level education after leaving school. PLC courses have developed in a wide range of disciplines supporting industry and community needs and have significantly widened the scope of educational provision. Programmes are delivered in areas such as childcare, community care, engineering, horticulture, sport and leisure, tourism and multi-media studies in addition to the more traditional areas such as business studies. In 2008, there were in excess of 1,900 courses on offer in 195 centres nationwide. PLC courses are delivered in both second level schools and stand-alone colleges, mainly in the VEC sector.

A 2006 ESRI survey on school leavers who exited the school system in the 2003/04 academic year indicated that approximately 75% of those who participated in the Post Leaving Certificate Programme completed their courses and 93% of those achieved certification. The same survey indicated that 63% of those with a Leaving Certificate plus PLC were employed, compared to 35% of those without a PLC. The ESRI concluded that this "...may also suggest that participation in a PLC course plays a role in the transition into the labour market and confers valuable labour market skills on participants". 38% of males and 40% of females went onto further education or training in the 12/18 months after completion. They are more likely to be in the middle academic ranges and less likely to come from professional backgrounds than those leaving school with a Leaving Certificate.

An additional 1,500 PLC places are being made available nationwide from September 2009 bringing the total number of places nationwide to 31,688.

Vocational Training Opportunity Scheme (VTOS)

VTOS is a second chance education initiative designed specifically for unemployed persons who are at least 21 years of age and in receipt of specified social welfare payments for at least six months. The scheme has recently been made accessible to those in receipt of statutory redundancy, with no six month unemployment requirement. VTOS aims to give participants education and training opportunities which will develop and prepare them to go into paid employment or on to further education opportunities leading to paid employment. There are 5,000 VTOS places available. In 2008, 72% of VTOS students successfully completed their course. Around 26% went on to employment and 42% progressed to further education and training. Of the 28% who did not finish their course, 31% left to take up employment or other further education or training.

Youthreach

Youthreach is an integrated programme of education, training and work experience, introduced jointly with FÁS in 1989, for young people in the 15-20 age group who have left school early without any qualifications or vocational training. The Department of Education and Science Youthreach programme is operated by VECs. With effect from 1 January 2009, allowances are not payable to new enrolments under 16 years of age. The programme usually provides two years integrated education, training and work experience. Basic skills training, practical work training and general education are features of the programme, and the application of new technology is integrated into all aspects of programme content.

There is a strong emphasis on personal development, on the core skills of literacy/numeracy, communications and IT, along with a choice of vocational options and a work experience programme. Of those who complete the course, it is estimated that 61% go on to further education or training or employment. Early leavers are estimated to be between 20% and 30%. Of those who leave early, 32% leave for employment or to go to other further education or training. There are approximately 6,000 places available nationwide under the Youthreach umbrella. Almost 3,700 of these are in around 100 Youthreach centres funded by the Department of Education and Science.

Senior Traveller Training Centres (STTCs)

STTCs were established in 1974 to provide basic compensatory education for Travellers between the ages of 15 and 25. With effect from 1 January 2009, this has been changed to all Travellers over 18 years of age. The target group is adults who have left school with either minimal or no qualifications. Particular effort is made to encourage parents on to the

programme, given the impact this can have on their children's subsequent participation in mainstream primary and post-primary education. Many adult Travellers are now availing of second chance education in these centres. Statistics show approximately 43% of trainees who complete the programme progress to further education or employment. 86% of participants are female. There are almost 1,000 STTC places available nationwide.

Value for Money (VFM) Review of Youthreach and STTCs

The VFM Review of Youthreach and STTCs was published in April 2008. While the achievement of savings was an element of the Review, in general it focussed on the efficiency and effectiveness with which the programmes used their resources to achieve their stated objectives. Overall, it is considered that the Review provides a basis for supporting the argument for the continued allocation of public funding to Youthreach. For STTCs, the Review recommended that in the long term they should be phased out as a segregated provision and that adult travellers should participate in mainstream further education.

Part-Time Programmes

Back to Education Initiative (BTEI)

The BTEI commenced in October 2002. It provides flexible part-time options across Further Education and is aimed at adults with less than upper second level education, including unemployed adults. It gives adults who wish to return to education an opportunity to combine their return to learning with family, work and other responsibilities. Programmes are offered on a part-time basis in the mornings, afternoons, evenings or at weekends.

Since September 2007, any adult with less than an upper second level education is entitled to free tuition. Originally only people with a social welfare entitlement or medical card were entitled to free tuition. There are 9,000 BTEI places catering for around 26,000 participants. In 2008, 40% of participants achieved certification, approximately 15% completed programmes or modules but did not achieve certification and 36% were continuing courses. Overall, 27% of participants progressed to other further education or training or employment.

Adult Literacy

Annual funding for adult literacy has increased from €1 million in 1997 to over €30 million in 2008. In the same period the annual number of participants has increased from 5,000 to almost 49,000. People who avail of literacy are often the most disadvantaged, low-skilled and hard-to-reach. For those who do avail of the literacy service, progression can be from 1-to-1 tuition to group tuition and from there to modules at FETAC Levels 3 or 4 (around Junior Certificate Level). In 2007, for the first time, accreditation for learners became available at FETAC Levels 1 and 2 which should lead to increased numbers achieving accreditation in the coming years. Around 13% achieved certification in 2007. While the provider is obliged to offer certification there is no obligation on the learner to seek certification.

Community Education

Community Education refers to education and learning, generally outside the formal education sector, with the aims of enhancing learning, empowerment and contributing to civic society. It is community-based, with local groups taking responsibility for, and playing a key role in, organising courses and deciding on programme-content. Most community education funding is distributed by the Department in block funding through VECs. In 2008

over €13 million was provided towards the Community Education and Special Initiatives for Disadvantaged Adults Scheme. Accreditation for these programmes would be mainly at FETAC levels 1-3. While there has been no overarching “independent” evaluation of the programme, other research and evaluations of individual programmes (such as men’s education, differing learner needs, older people in Community Education) indicate positive outcomes, not just in terms of certification, but in terms of active citizenship, self-esteem and confidence.

Supports

Adult Educational Guidance Service (AEGI)

The AEGI is funded by the DES. It operates 40 projects offering a service in each county with the aim of providing a quality educational guidance service for adults nationwide. The free service is available to adults wishing to participate in Vocational Training Opportunities Scheme (VTOS), literacy, BTEI, community education and other adult education courses. The service includes personal, educational and career guidance and covers the pre-entry, entry, ongoing and pre-exit stages by offering information, advice and guidance on a one to one and group basis. It aims to provide a comprehensive information service on adult learning opportunities in an accessible manner. In 2008, around 35,000 learners availed of the service.

Childcare

Funds are provided by the Department to VECs for childcare support to encourage parents to take part in Youthreach, STTC, VTOS and the BTEI. The funds provide for:

- Direct provision of crèche facilities in centres, or in rented premises, including staff, equipment/refurbishment, rental, insurance and other overheads:
- Purchase of places on existing community or commercial crèches. This is subject to payment of a maximum of €63.50 per week per child for a full-day session, with pro-rata adjustments for sessions of lesser duration; and
- Payment of childminders, subject to a maximum of €63.50 per child per week for a full session with pro-rata adjustments for part-time sessions. This is be subject to (a) registration where required under the Child Care Act, (b) presentation of invoices on headed paper, and (c) a rolling sample check for tax clearance certificates.

The scheme does not provide for payment directly to students. In 2008, just over 1,700 learners with 2,200 children, were catered for under this scheme.

Table 4.1 Overall Level of Further and Adult Education Provision

Programme	2008 €m	2009 €m
PLC	168	176
VTOS	71	75
STTC	26.3	26
Youthreach	65	66
BTEI	18.5	18
Literacy	30	30
Community Education	11	10
AEGI	6.8	6.8
Total	€396.6	€407.8

Higher Education Overview

Higher Education delivers important national goals in teaching and learning, promoting social inclusion and through provision of opportunities for life-long learning. The Higher Education system is also responsible for producing the skilled graduates and the research activity necessary to support the type of economic activity where Ireland will be able to continue to compete globally and from which sustainable employment opportunities will continue to be developed as the international economy recovers.

The publically funded Higher Education sector mainly comprises seven universities and fourteen Institutes of Technology and a number of Colleges of Education. Universities are essentially concerned with undergraduate and postgraduate degree programmes, together with basic and applied research. The Institutes of Technology have a particular focus on science, technology, engineering and business and provide a comprehensive range of courses from craft/apprentice programmes to Honours Bachelor Degrees, and a smaller number of post graduate courses. Their programmes tend to be more applied in nature, with graduates often trained to perform specific jobs on leaving. The Universities and the Institutes have close links with industry and play an important role for continuing professional education and development of the workforce. Dedicated funds allocated on a comprehensive basis are assisting higher education institutions to develop a wide range of flexible teaching and learning strategies including, e - learning, distance learning, and work based learning, suited to the needs of the workforce and employers.

The Sector has also responded to the demands of the labour market through a series of skills initiatives arising from the analysis of the Expert Group on Future Skills Needs. Arising from the group's recommendations, the sector has increased provision of third level places in areas such as ICT, engineering, and biomedicine. Over the last 5 years the annual increase in the intake to the third level sector has been in the order of 3.5%. The latest figures available show the numbers of full-time students participating in higher education in 2007/08 at 138,900 as against 41,000 in 1980 and some 109,000 students in the 1998-99 academic year. There are also 31,000 part time students.

Over 73,000 applications were received through the CAO in 2009 - an increase of 8.5% on the previous year. This includes over 12,000 applications from mature students, an increase of 30% on 2008. Applications from people that previously attended Higher Education also increased by 13%. These figures may reflect the fact that many people who have been made redundant have already taken the initiative and applied to return to education to up-skill.

Funding

Recurrent funding is allocated by the Department by way of a block grant to the HEA, which in turn deals with the individual budgets of the institutions and makes resources available as required. Total recurrent funding provided to the universities and IOTs in 2009 is €1.34 billion. As the institutions are autonomous, the internal disbursement of funding allocated by the HEA to the institutions is a matter for each institution. In general, courses provided by the Universities and IOTs, are not provided on the basis of programme budgets nor are they specifically directed towards the needs of any one group i.e. the unemployed but rather are designed to meet the needs of the overall student population. Full time higher education programmes are available to unemployed people and participants can also apply for DES

funded student maintenance grants. A number of measures specifically aimed at supporting unemployed people engage in up-skilling and re-skilling in the in the third level sector were announced as part of the Supplementary Budget in 2009. These are summarised below.

<i>Higher Education</i>	<i>Places</i>
Transition courses	930
Accelerated Certificate Programmes	280
Full-time 3rd level places	2,000
Redundant Apprentice IOT Scheme (with D/ETE)	700
Part-time 3rd level places (with D/ETE)	1,500
Total	5,410

Costs

- 930 places on short part-time transition courses to facilitate entry to courses starting in September 2009 (€0.93m.);
- 280 places on accelerated certificate programmes beginning early 2009 (€0.42m.);
- 2,000 full-time third level places starting in September 2009 will be available for the unemployed (€12.5m.).
- 1,500 part time places (tuition costs to be part funded by D/ETE €4m)
- 700 redundant apprentices (D/ES €1m: D/ETE €1.5m)
- An additional 1,000 places on a range of post graduate courses will also be made available to unemployed graduates from September 2009 (€2.5 m).

4.8 Market Failure Rationale for Government Investment in Labour Market programmes

To appreciate the role of the State in the education and training sphere, it is necessary to understand the nature of the ‘market failure’ rationale inherent in the market for education and training. The opportunity for individuals to invest in their ‘human capital’ can be constrained by their ability to access the necessary capital. Individuals may not fully appreciate the true value of acquiring education, due either to lack of awareness, risk aversion (there being no definitive guarantee that the returns to the individual will be as significant as presumed) or to uncertainties about the future state of the labour market.

Additionally, the fact that the benefits flowing from increased educational attainment may extend beyond the individual and accrue to society as a whole may militate against individuals investing in education at an optimal level. The long term nature of returns to education can also result in under investment. This problem is likely to be more prevalent among persons with lower levels of educational achievement as they often lack role models to provide positive encouragement and / or financial support.

Similarly in terms of training at work both individuals and firms may be unaware of the share of their returns to investment in training particularly as these returns may be difficult to quantify - resulting in below optimal take-up. Firms may also be reluctant to invest in the

general training of their employees for concern that employees may leave and the benefit of the investment accrue to other companies - or that the more highly skilled employee may be poached. There is a likelihood that firms will invest more in firm specific training related to their processes and products and in the training of higher educated employees whom may be seen as adding higher value to their output - and much less so for lower skilled employees (particularly older workers) and part-time workers (many of whom are women) - who in fact need such training most. It is suggested that inequalities in the distribution of training among different groups of employees do not arise because of the differences in return to training, but are more a consequence of inequalities of the distribution of training investments²².

On the other hand it is important for the State to have a well educated and trained workforce. Human capital is a main building block for national competitiveness and a key component in attracting inward investment. Firms may either go out of business or decide to reduce the size of their workforce. In such instances workers with portable qualifications are more likely to find work elsewhere. This also reduced the size of the social welfare burden on the State were people to remain unemployed.

In order to negate the impact of these market failures, the modern State has stepped in. In the case of education, faced with the option of either providing education directly as a public good or creating a framework whereby private suppliers provide the service in a market situation - traditionally the State has opted for the former option (although for third and fourth level education there is increasingly a combination of the two). In the case of upskilling those at work, the focus of the State has been on the funding of low-skilled workers who need training most - but are unlikely to take part in either education or training and for whom the firm is less likely to invest in. In the case of persons who become unemployed the State has adopted the role as the main funder of 'active' training and employment programmes - although it often utilises the private sector in the design and delivery of programmes. There are benefits to the State arising from having fewer people drawing 'passive' unemployment payments into the future and having more at work paying income tax etc contributing to the Exchequer.

There are also many positive externalities for the State in having better trained and educated individuals as they make a positive contribution both to the welfare of their family and society at large. A well-educated labour force also helps to attract inward investment as well as contributing to improved productivity within both existing foreign and indigenous firms. There are two main concerns around investment by the State in the education and training of individuals. The first concern is around the deadweight effect - i.e. that the training / education investment may have taken place even without investment by the State (most likely to occur in relation to the training of higher skilled individuals- or within larger firms which have more resources to invest in training). The second concern is around possible displacement effect i.e. the possible risk that investment in education / training and employment programmes by the State may over supply certain skills thereby reducing the employment prospects of those trained individuals and possibly at the expense of putting others out of work. It is important that State funded education/ training and employment programmes are designed to minimise these negative effects.

22 OECD , (2008) Job - related Training and Benefits For Individuals : A review of Evidence and Explanations , Education Working Paper No.19 , OECD : Paris

Chapter 5: Approach used to Analyse Relative Costs and Benefits of Labour Market Programmes

5.1 Introduction

This Review of Labour Market Programmes is a secondary data analysis exercise which draws upon available relevant quantitative and qualitative data. A main element of this is to analyse relative costs and benefits of labour market programmes for Government, enterprises and Individuals in terms of:

- People obtaining employment on completion of programme;
- People progressing to further education/training;
- Qualifications Awards received by Individuals.

An 'Analysis of Relative Costs and Benefits Template' was developed to identify the relative costs and benefits of individual programmes in terms of these three key metrics. The methodology is based upon literature review and consultation with external experts. Recognising limitations that the exercise is an ex-poste evaluation drawing upon secondary data, the methodology is reasonable and practical. It allows for a valuable exercise comparing the exit outcomes of those that participated on labour market programmes against estimated outcomes of persons from the Live Register.

From a methodological point of view, the 'ideal' way would be to use a control group (established before the programme intervention) in order to measure the counterfactual (what would have happened in the absence of a programme). As this study comprises an ex-poste evaluation using a secondary research approach, a control group approach was not a consideration. Also, because of significant data limitations (outlined later) there are methodological reasons why it would not be possible at present to undertake such an exercise here. Also, the setting up of control groups for the measurement of labour market activation measures does have practical difficulties. Individuals' motivation and personal characteristics are key elements which are not easily measured (Conniffe, Gash, O'Connell, 2000, Hill & Halpin, 2008). Boaz et al (2004) recognize that research design is highly constrained by practical considerations such as time and other resources. There are also 'ethical' considerations around denying labour market activation opportunities for those on the control group. Full cost-benefit analyses of labour market programmes have rarely been conducted either in Ireland or internationally. Often, they have consisted of monitoring the labour market status and earnings of participants for a brief period following completion of a programme. While this provides useful information, it does not answer the important question of whether the programme 'worked' or not (OECD, 2001). The relative benefits of programmes also need to be compared to the 'opportunity cost' of the resources deployed.

As stated, the main aim of this exercise is to analyse the funding cost of programmes and the benefits derived for (i) Government (ii) the individual and (iii) the enterprise. In the 'Analysis of Costs and Benefits Template' developed for the Review the main methodological issues addressed are as follows.

5.2 Costs of Funding Programmes

The analysis of the costs of funding programmes includes both direct and indirect (human and capital) costs. The total costs for each programme in 2007 and 2008 as well as a cost per activity day figure (based upon the number of activity days provided on a programme during the year divided into its total cost) are provided in Chapter 6. Advice received was that the actual cost of the funding programmes could be used. (Shadow pricing which takes into account the possible distortionary effects of taxation and the diversion of funding resources from the next best use -opportunity cost - is used in capital project appraisal exercises).

5.3 Benefits arising from Funding of Programmes

For the purpose of this Review, benefits were classified as the following metrics:

- Numbers progressing into work (fulltime, part-time, temporary);
- Numbers progressing to further education and training ; and
- Qualifications Awards received by individuals.

These benefits were considered for the following beneficiaries:

- a) Government,
- b) Enterprises; and
- c) Individuals.

Where feasible the above metric outcomes are translated into monetary terms. There were significant challenges in doing so as there were limitations in the comprehensiveness and availability of evaluation material from FÁS and Skillnets. Where the required information was not made available, the Review makes proposals regarding how it might be in the future.

Care has to be taken to avoid ‘double counting’ of benefits - a problem identified in the literature (Honohan, 1998, CSF Evaluation Unit, 1999, Indecon, 2006). In the case of benefit allocation, the dividing line between individual gain and enterprise gain is often blurred.

For Government, it is recognised that care must be taken to consider any additional costs due to any ‘Displacement Effect’ (where oversupply of training may lead to other job losses and consequent social welfare payments (Honohan, 1998, CSF Evaluation Unit, 1999). Also any ‘Deadweight Effect’, (where persons may have entered into employment in the absence of the programme also needs to be taken into account).

For enterprises, the main benefits arising from individuals recruited from programmes (or in the case of in-company training, their employees) are any observable measurable improvements in performance and productivity. Another benefit would be where the company’s skills requirements were met. However, as will be outlined further in Chapter 6, it was found that there was little data available on this.

For individuals, gain is usually measured in terms of (i) any increased earnings following completion of programme (ii) improved employability prospects arising from progression onto further education/training programmes, and (iii) improved employability prospects arising from qualification received. Evaluation of individual benefit is relatively more straightforward when evaluating third-level education programmes, where lifetime income premiums are widely accepted, whereas for a short training course it is more difficult to allocate a lifetime premium to. It is therefore necessary to agree an appropriate time-scale that has direct relevance to the programme. This will depend on the individual training programme. Given this consideration it is proposed that the benefits of individual programmes are considered within a one to two year appraisal time frame.

The 'Analysis of Relative Costs and Benefits Template' developed for the Review is presented below.

**Template for
Analysis of Relative Costs and Benefits of Programmes**

The Template identifies the costs of funding Labour Market Programme(s) and the benefits derived for: (i) Government (2) Individual (3) Enterprise in terms of:

- Numbers progressing into work (fulltime, part-time, temporary);
- Numbers progressing to further education and training ; and
- Qualifications Awards received by individuals.

(1) Costs of Funding Programme(s) - in € terms

- Direct Costs to Exchequer of running the Programme
- Indirect Costs to Exchequer of running the Programme Including Overheads and Capital

(2) Benefits of Outcomes of Programme(s) - in € terms

(A) Numbers into Work - Fulltime, Part-Time, Temporary

For Government:

PLUS

- Saving of Social Welfare Payment that a person may have been on;
- Increased Tax Receipts and PRSI paid from additional earnings

MINUS

- Costs due to any Displacement Effect i.e. others losing their jobs and drawing social welfare payments as a result of oversupply of training
- Costs due to any Deadweight Effect i.e where person would have got the job in the absence of the programme intervention.

For Individual(s):

PLUS

- Increased net earnings (if any)

For Enterprise(s)

PLUS

- Skill needs met - improved (a) performance (b) productivity
- Skill shortage met - able to increase output

MINUS

- Costs associated with the running of the programme for the company

(B) Numbers Progressing onto Further Training / Education

For Individual(s)

PLUS

- Improved Job Prospects - A lower probability of coming back to unemployment.

(C) Qualifications Received by Individuals

For Individual(s)

PLUS

- Likely future improvement in earnings

5.3.1 Economic Benefits for Government

For Government, the economic benefit of labour market programmes includes cases where participants were in receipt of a social welfare payment before the programme (or likely to be in receipt if they had not participated) and obtain employment after the programme - the social welfare payments that will be saved and any increased revenue from tax and PRSI receipts.

As part of the approach used in this analysis, derived exit rates from the Live Register for 2007 and 2008 are presented in Tables 5.1 and 5.2. This allows an examination of the proportion that exited and remained on the Live Register, by the duration of unemployment time bands. For those that exited the Live Register, an estimate is derived of outcomes broken down by the following categories:

- Into Employment
- Onto education/training / employment programmes
- Transferred onto other social welfare payment
- Inactive (retired /emigrated /disability etc)

This work was undertaken utilising all of the following:

- Data received from the Department of Social & Family Affairs.
- International comparable data - EU Employment in Europe Report.
- Analysis of available Employment Action Plan data.

It should be noted that work is being undertaken by the ESRI commissioned by Department of Social and Family Affairs on evaluating the NEAP and the likelihood of exiting the Live Register for different client profile groups. The anticipated completion date for this work was July 2009 but the timeline has been extended. When complete, this work may help to further refine the estimated exit destinations outcome presented in the following tables.

The following Tables 5.1 and 5.2 present derived estimates of exit destination categories from the Live Register for 2007 and 2008. The figures on (i) the percentage of unemployed that left the Live Register and (ii) the percentage that remained on the Live Register - by duration of unemployment bands are actual figures provided by the Department of Social and Family Affairs.

Table 5.1 Derived Estimates of Exit Destinations from the Live Register 2007

	Short Term Probability of those less than 6 months unemployed exiting in the following 6 - 12 months.	Medium Term Probability of those less than 1 year unemployed exiting in the following year.	Long Term Probability of those 1-2 years unemployed exiting in the following year.	Very Long Term Probability of those 2-3 years unemployed combined with those unemployed more than 3 years exiting in the following year.
(a) Probability of Exiting Live Register	71%	83%	51%	27%
comprising following exit destination categories				
➤ Employed	... 58%	... 53%	... 24%	... 12%
➤ Education/ Training / Employment Programmes	... 5%	... 10%	... 8%	... 3%
➤ Transferred to other Social Welfare Payment	0%	...3%	.. 4%	...3%
➤ Other/Inactive (retired/emigrated/ family reasons/ ill-disabled/ other-no reason)	... 8%	... 17%	... 15%	...9%
(b)Probability of Remaining on Live Register	29%	17%	49%	73%

Table 5.2 Derived Estimates of Exit Destinations from the Live Register 2008

	Short Term	Medium Term	Long Term	Very Long Term
	Probability of those less than 6 months unemployed exiting in the following 6 - 12 months.	Probability of those less than 1 year unemployed exiting in the following year.	Probability of those 1-2 years unemployed exiting in the following year.	Probability of those 2-3 years unemployed combined with those unemployed more than 3 years exiting in the following year.
(a) Probability of Exiting Live Register	64%	80%	42%	23%
comprising following exit destination categories....				
➤ Employed	... 50%	... 48%	... 12%	... 6%
➤ Education/ Training / Employment Programmes	... 5%	... 10%	... 8%	... 3%
➤ Transferred to other Social Welfare Payment	0%	.... 4%	....4%	.... 3%
➤ Other/Inactive (retired/emigrated/ family reasons/ ill-disabled/ other-no reason)	... 9%	... 18%	... 18%	... 11%
(b)Probability of Remaining on Live Register	36%	20%	58%	77%

The following is an explanation of how rates for each exit destination category from the Live Register are derived for 2007 and 2008. The figures on (i) the percentage of unemployed that left the Live Register and (ii) the percentage that remained on the Live Register - by duration of unemployment bands are based on reported figures supplied by the Department of Social & Family Affairs.

(i) Exit into Employment

An overall estimated 50% average exit rate into employment is used for 2007. This is estimated by analysing exit data by category for 2007 from DSFA and comparable data on the UK exit rate from unemployment into employment (50%) in 2004. The UK then had the highest employment exit rate outcome from unemployment of 22 EU countries reported in Employment in Europe Report 2005 [Table 69] - figures for Ireland are not included. For 2008 an overall estimated 42% average exit rate into employment is used. This is in line with the reduced overall exit rate from the Live Register for 2008 as supplied by DSFA - resulting from rising unemployment and reduced job opportunities in the economy.

(ii) Exit into Education / Training /Employment Programmes

An estimated six percent exit rate from the Live Register into education/training/ employment programmes is used for both 2007 and 2008. This is based on an analysis from actual 2008 FÁS returns which indicates that approx 12,000 of those completing FÁS programmes came from the Live Register (Table 5.3 below). Also, from an estimation that each year approx 4,000 people exit from the Live Register into education provision. This figure was derived from 2007 and 2008 NEAP data which indicates that approx 25% of exits from the Live Register into the combined FÁS / Education NEAP category move into education. In total it is estimated that an average 16,000 people exited from the Live Register into FÁS/Education - somewhat higher for 2008 than 2007. On average this comprises six percent of total Live Register exits²³. This figure was crossed checked with actual data received from DSFA which indicates that 15,253 persons exited from the Live Register into an education / training or employment scheme place in 2007 and 17,295 in 2008. The average figure of six percent is used for both years even though the number of training /education / employment programmes increased in 2008 - but so did the total numbers of people moving onto and exiting the Live Register.

Table 5.3 Numbers of Persons from Live Register completing FÁS Programmes - 2008

Programme	Number completing programme	Number completing programme from Live Register	% of total completing programme from the Live Register
Specific Training	5,701	2,889	51%
Traineeship	2,235	705	32%
Bridging Foundation	6,051	2,939	49%
Community Training Centres	1,679	389	23%
Local Training Initiative	2,561	1,055	41%
Community Employment	7,736	3,394	43%
Job Initiative	46	44est	100%
Apprenticeship	4,917	985	20%
Total	30,926	12,402	40%

Source: FÁS July 2009 (Note: there are some small differences in similar data forwarded as part of a dataset presented elsewhere in the report).

(iii) Exit/Transfer to Other Social Welfare Payment

The figures used for transfer rates to other Social Welfare Payments are calculated from actual figures for 2007 and 2008 supplied by the Department of Social & Family Affairs. They average four percent to five percent depending upon respective duration of unemployment bands.

(iv) Exit into Inactivity/Other

An average 14% exit rate from unemployment into the Inactivity /Other category is used for 2007 - based upon estimation derived from exit by category information for 2007 and 2008 received from DSFA and from trend findings for UK contained within Table 69 Employment in Europe Report 2005. An average 16% exit rate from unemployment into the inactivity/other category is used for 2008 - in line with reduction in 2008 (for the first time in several years) in the overall labour force participation rate.

²³ Information for flows on and off the Live Register for 2007 contained in DSFA Statistical Report 2007, indicate that there was an outflow of 281,230 persons and an inflow of 296,217 persons resulting in a net change (+) of nearly 15,000.

5.3.2 Approach used to Calculate Specified Benefits arising from Labour Market Programmes

The following is an outline of the measurement of potential benefits (in monetary terms) for (1) Government (2) Enterprises and (3) Individuals arising from labour market programmes in terms of (a) numbers of participants progressing into work (fulltime, part-time, temporary); (b) numbers progressing to further education and training; and (c) Qualifications Awards received by individuals.

(i) Benefits for Government

Calculations of Benefits for Government arising from participation on programmes

(a) Benefit from Savings on Social Welfare Payment

For 2007, the total cost of Jobseeker support payments was €1,420m for 139,435 recipients. This would give an average cost per Jobseeker Recipient of €10,180 in 2007.

(b) Tax / PRSI receipts

An estimation of Tax / PRSI payments to the State per person is derived from data provided in Table 38 of the 2007 Follow -Up Survey of FÁS Participants on the average hourly and weekly earnings, net and gross, of participants in their first job after completion of programmes). It is assumed that the difference between the gross and net figures is mainly Tax / PRSI payments (a small reduction is made for those higher earners that may have paid an element of health contribution).

Gross Weekly Earnings	----	€403
Net Weekly Earnings	.....	€336
Tax / PRSI per week	.....	€65
Tax / PRSI per year	.....	€3,400

Government benefits are calculated for those programmes it is estimated had additional positive employment outcomes effects compared to that estimated from the Live Register²⁴. These were Specific Skills Training, Traineeship and Community Employment Programme. Benefits are attributed to the additional numbers estimated to have obtained employment through participation on the programme. An estimated average savings to the State in social welfare payments is attributed to all of those on programmes such as Community Employment the basis that nearly all were on social welfare payments benefits before participation on the programme. For programmes such as Specific Skills and Traineeship an estimate of 80% of additional numbers is used on the basis that there were numbers of participants who were not on any social welfare payment before participation on the programme.

The benefits to Government are based over a two year period on the assumption that the majority of those obtaining their first employment do so soon after completion of the programme. FÁS Follow- Up Survey 2006/07 (Table 11) indicates that 80% obtain their first job within three months. The employment outcomes reported from the Follow-Up Survey relate to a period on average 18 months after completion of programme.

²⁴ Basis of calculation is provided in section on individual programmes in Chapter 6

(ii) Benefits for Individuals

A main benefit calculated for individuals in this exercise arising from participation on a programme is having achieved a qualification award. It had been intended to include improved earnings (where applicable) - but information was not available from FÁS - or any other exercise²⁵ - on average earnings before and after participation on a programme. Also it was concluded that no financial benefit could be calculated for individuals progressing to further education / training from a programme - notwithstanding that on several programmes this is a main objective. This is because information would also be required on the subsequent programme a participant progressed onto which was not available. The likelihood of employment arising from participation on the two programmes and their associated costs would also need to be taken into account. It should be noted therefore that the monetary gain to individuals reported in this exercise is likely to be greater to that presented.

In terms of qualifications awards achieved, mainly benefits for major awards are included as information was not available as to whether minor awards recorded may have also contributed towards an individual achieving a major award. This would comprise double counting. Community Employment, Community Training Centres and Local Training Initiative are exceptions to this as there were few major awards in 2007. Therefore the inclusion of minor awards for these programmes is unlikely to lead to double counting. The current FÁS system of recording certification awards is not fully computerised - indeed for some programmes this is done manually - and a move towards the computerisation of the system would make such calculation much easier. For most programmes only the total number of qualification awards are given rather than for individuals (an individual may receive one or more awards and minor awards achieved can count towards a major award). It is also not possible to measure the degree of upskilling of individuals from the award level they were on before entry to a programme compared to the award type they achieved on completion.

In terms of specifying a monetary amount for a major award, the approach used in this exercise was to use an average cost figure for taking a programme in the private sector that led to the achievement of a similar award level. As stated earlier, it is recognised that the monetary gain to individuals is likely to be greater than presented here but information on any improved earnings was not available from FÁS or any other exercise. On that basis the estimated value of the benefit by award qualification types are as follows:

- Level 3 & 4 Award €800 approx
- Level 5 Award €2,000 approx
- Level 6 Award €2,800 approx

[For minor awards - applicable for example to Community Employment - an estimated value of €300 is used for each minor award.]

(iii) Benefits for Enterprises*Calculations of Benefits for Enterprise arising from participation on programmes*

There was little quantifiable information made available / received on the benefits of labour market programmes to enterprises - both for programmes for the unemployed as well as the employed. An illustrative example is drawn from international literature.

²⁵ The most recent relevant research work was contained in the ESRI, Investing in People Report, Nov 2000. This included an examination of the wage effects on persons who had participated on programmes in 1994 - two years after they had left the programme. It was considered that the findings of this research were too out of data to be used in the analysis for this Review. The ESRI analysis (Nov 2000) found that the effects of programmes on wages - two years after a participant had left a programme - were quite limited when compared to non - participants (when relevant variables were controlled for). However, Specific Skills Training was found to have increased wages of participants by 17% compared to non -participants- in both cases for those that had got a full- time job.

(iv) Benefits of Programmes - to Government, Individuals and Enterprises

Chapter 6 which follows contains an examination of key metrics for each of the labour market programmes being reviewed. This allows a balanced comparison of outcomes across programmes taking into account differing profiles of participants etc. It also contains an exercise which analyses the benefits to government, individuals and enterprises in terms of (a) people obtaining employment (b) people progressing onto further education/training and (c) qualifications awards received by individuals. This is undertaken utilising the schema of the 'Template for Analysis of Relative Costs and Benefit' presented earlier in this chapter. An outline of estimated benefits gains in estimated monetary terms is presented in Table 5.4 below.

It should be noted that due to difficulties in the comprehensiveness and availability of data, it was not possible to attribute values for several potential benefits- such as that of progression into further education and training, improved individual earnings and company productivity and competitiveness. Likewise there are some costs that may not be included such those arising from higher unemployment outcomes from some programmes than might be expected. Proposals are made in Chapter 8 in terms on how these significant data deficiencies can be addressed in the future to allow a more complete exercise to be undertaken. It is important therefore not to make a simple comparison of the estimated monetary benefits presented in Table 5.4 below against the total cost of programmes. It is also the case that there are monetary benefits arising from metrics which were not the subject of this review such as those generated from the output from services provided under Community Employment.

Table 5.4 Outline of Benefits arising from Programmes - in terms of Employment, Progression and Qualification Awards Outcomes (2007 unless stated)

Programmes	Benefits to Government (€)		Benefits to Individuals (€)		Benefits to Enterprise (€)
	Gain Social Welfare Payments	Gain on Tax/PRSI	Qualifications Achieved	Wage Gains	Performance and Productivity
Traineeship Programme	€7,838,600	€2,618,000	€2,858,000	not available -but likely	not available -but likely
Specific Skills Training	€5,395,400	€1,802,000	€3,351,000	not available -but likely	not available -but likely
Community Training Centres	none estimated	none estimated	€1,206,000 €3,722,100 (2008)	not available	not available
Bridging Foundation	none estimated	none estimated	€419,200	not available	not available
Local Training Initiative	none estimated	none estimated	€708,300 €1,216,00 (2008)	not available	not available
Community Employment	€2,036,000	€680,000	2,137,000 12,580,300 (2008)	not available	not available
Job Initiative	none estimated	none estimated	none estimated	not available	not available
Apprenticeship	not applicable	not applicable	€13,768,000	not available -but likely	not available -but likely
Competency Development Programme	Not applicable	Not applicable	Not available	Not available -but likely	Not available -but likely
Skillnets Training Networks	Not applicable	Not applicable	Not available	Not available -but likely	Not available -but likely

Chapter 6: Comparison of Key Metrics across Labour Market Programmes

The following tables 6.1, 6.2 and 6.3, provide information on key metrics for the labour market programmes being reviewed. This information is presented for both 2007 and 2008 (where available). National Employment Services data is provided in a separate table as it is the 'gateway' to participation on labour market programmes as well as providing recruitment services for job seekers and employers. The following provides an outline of main points to be found in the analysis.

6.1 Cost of Labour Market Programmes

The total cost of all the programmes being reviewed was €939m in 2007 and €966m in 2008- a 2.5% increase. The financial figures for each programme comprise total cost which is broken down by direct cost and indirect cost. The cost per day figure is based upon the number of activity days²⁶ provided on the programme during the year divided into the total cost. This cost per day figure is also broken down into direct and indirect cost per day figures. The highest total cost is for Community Employment which comprises 41% of the combined cost of all labour market programmes. Apprenticeship has the second highest total cost comprising 19% of the total budget. The costs per day figures provide a relative comparison of costs between programmes.

The highest cost per day in 2007 was for Skillnets Training Networks Programme (€202) followed by FÁS Competency Development Programme (€195), Apprenticeship (€137) then by Community Employment (€125). In 2008 the highest cost programme was the FÁS Competency Development Programme (€174). The cost per day for Apprenticeship rose to €142 per day and Community Employment to €132 per day. Meanwhile the cost per day for the Skillnets Training Networks Programme reduced to €130 per day. A 'cost per person completing' figure is presented. This is calculated by dividing the total annual cost of a programme by the number of participants who completed the programme during the year. A 'cost per person progressing' (onto employment, training/ education) is presented. This is calculated by dividing the total annual cost of a programme by the numbers of participants who progressed from the programme into a combined employment, training/education outcomes during the year.

6.2 Activity

The number of activity days the programme generates is a factor of the number of participants on a programme and the number of days spent on the programme. Figures are given on the number of people completing each programme. It should be noted that this is not the same as the average number of participants on a programme during the year - as for example some 6,658 people completed Community Employment in 2007 even though CE capacity is 22,290. This is because a participant spends on average up to three year duration on CE. In comparison the average duration on Specific Skills Training is 20 weeks. The percentage 'dropout' rate is the number of non-completers who left a programme during the year expressed as a percentage of those who left the programme (completers and non-completer).

²⁶ Total number of days that participants spend on a programme during the year

6.3 Participant Profile on Labour Market Programmes

The participant profile for programmes in 2007 indicates that females comprise the highest percentage of participants on the Local Training Initiative (70%) and the lowest percentage for Apprenticeship (under 0.5%). The highest proportion of young people (under 25 years) was found in Community Training Centres (97%) and Apprenticeship (82%). Those over 45 years comprise a majority on the Job Initiative Programme (75%) and Community Employment (52%). Those with only primary level educational attainment form a high proportion on Job Initiative (67%) and Community Employment (45%). Those with Leaving Cert and above level of educational attainment comprise 70% of those on Traineeship, 58% on Apprenticeship and 64% on Specific Skills Training.

Long Term Unemployed Persons (over one year) comprise 100% of those on Job Initiative and 93% on Community Employment. There are much smaller percentages of long term unemployed people on other FÁS training programmes - five percent on Traineeship and six percent on Specific Skill Training. Seventy-one percent of Job Initiative participants came from the Live Register compared to 20% on Apprenticeship and 22% on Community Training Centres. Around 25% of participants on CE were on a disability payment before participation. Also, some 28% of CE participants were on a One Parent Family Payment. A substantive percentage of participants had no social welfare payment status before participation on a programme. This ranged from a high of 80% on Apprenticeship and 66% in Community Training Centres, (both as might be expected), 30% on Bridging Training Programme and none on Community Employment or Job Initiative. In relative terms, it may be said that older, long term unemployed persons with low level of educational attainment are mainly on employment programmes and mostly younger, short term unemployed persons with higher level of educational attainment are on training programmes. There was a noticeable increase in educational attainment levels for training programme participants in 2008.

6.4 Outcomes

The outcome figures used are those from the 2006/7 Follow -Up Survey of FÁS Participants (relating to those who exited FÁS programmes between June and September 2005) - except for Community Employment and the Job Initiative programme which are for years 2007 and 2008. Outcome data for 2007 was requested from FÁS in terms of outcome categories of (i) Employment (ii) Education/training (iii) Unemployment (iv) Other / Inactive. However, the return received from FÁS for training programmes contained a category termed 'placed - type unknown' - and it was unclear what type of outcome this was. It was not possible to use the data forwarded as it was in a different format to that required for the analysis to be undertaken. As participants on Apprenticeship, FÁS Competency Development Programme and Skillnets Training Networks Programme are employees no outcome entries are presented for these.

6.5 Certification

Certification information received was better for 2008 than for 2007. A main issue was that while training programmes data was available per the number of people who received awards (as requested)- for employment programmes and Skillnets Training Networks Programme it was only available by the total number of awards. There was no certification information available for the FÁS Competency Development Programme for 2007. For 2008, while the numbers of participants attending a certified course are reported, the certification outcome is not recorded. The numbers of minor awards for Specific Skills Training and Traineeship are currently aggregated together. For 2007 the highest percentage of completers receiving a major award was 100% for Apprenticeship followed by 67% for Traineeship. The next highest was for Specific Skills Training (28%), followed by the Bridging Training

Programme. A main limitation for the recording of certification awards on FÁS programmes is that this work is not fully computerised with some being done manually.

6.6 Employer Usage/ Satisfaction

A main conclusion from a Survey of Employers Usage of FÁS Services 2007²⁷ was that companies that had used FÁS Services were generally satisfied with them. However, it was stated that many companies did not use FÁS services and did not seem to be aware of them. It was suggested that awareness raising and information provision might improve FÁS impact in providing services to employers. Overall, it was stated that there was limited use of FÁS services - with 60% of surveyed companies claiming to have never used FÁS services. However, half of all companies which employed over ten employees had used FÁS services. This proportion rose to two-thirds of companies which employed over 100 employees. Employment Services, Apprenticeship and Traineeship in that order had the highest employer usage followed by training courses for unemployed. Some ten percent of companies had used Employment Services in the previous 12 months compared to five percent of companies that had used Apprenticeships and two percent that had used Traineeship. FÁS training programmes for the unemployed were used by one percent of employers in the previous 12 months (however many companies recruit persons who have attended such training courses without explicitly recognising that they do so - therefore the one percent figure may be an underestimate). In terms of the most often used FÁS services, subsidised training for employees received the highest score, followed by Apprenticeship and Traineeship. The usage of other FÁS services was too low for any useful rating of satisfaction to be made.

In relation to Employment Services two-thirds of companies had recruited externally in the previous twelve months and 21% of these had notified a vacancy to FÁS. FÁS had filled a vacancy for half of these companies. Overall ten percent of all companies had used Employment Services in the previous year and 16% at any time in the past (there were sector differences with 20 % of construction firms using FÁS to recruit staff). An employer customer survey of the National Contact Centre, (for employers to notify their job vacancies) found a positive level of satisfaction with the overall level of service the centre provided (93% of user companies positively rated the overall service).

Skillnets Training Networks Programme records a high level of employer satisfaction with 90% of companies indicating they would recommend participation to other companies and 92% considering training to be lower in cost and 91% considering it to be more effective than other training available in meeting business needs.

6.7 Key Programme Metrics 2007/2008

The following Tables 6.1, 6.2 and 6.3 show key programme metrics across all the programmes being reviewed for 2007 and 2008. This allows for a comparative analysis to be undertaken across programmes.

²⁷ Research was conducted via telephone of an estimated 140,000 private sector businesses in Ireland.

Table 6.1 Key Metrics Table 2007 - Labour Market Programmes

COST	S.S.T	T'ship	Bridg	LTI	C.T	C.E	J.I	App	CDP	S/Net
Total Cost	52.9m	33.4m	30.8m	32.9m	51.3m	371.8m	40.9m	179.7m	54.7m	13.5m
Direct Cost	37.3m	25.2m	21.2m	30.7m	49.0m	357.5m	40.1m	129.0m	48.7m	8.8m
Indirect Cost	15.6m	8.2m	9.6m	2.1m	2.3m	14.3m	0.8m	50.7m	6.0m	4.8m
Cost Per Day	82.1	83.0	81.34	58.2	89	125.8	99	137	195	201.5
Direct CPD	57.9	62.7	56.0	54.4	85	121.0	96	98	173	130.6
Indirect CPD	24.2	20.3	25.34	3.8	4	4.8	3	39	22	70.9
Cost (€)per Person completing	9274	16716	5620	12158	31443	55842	560270	36,546 [47,995]	1141	584
Cost (€) per Person Progressing (onto Empl/Trn /Educ)	13640	20640	10408	17621	53271	127,000	889000	Not applic	Not applic	Not applic
Activity										
Activity days('000)	645	402	379	565	574	2957	418	1314	281	67
Nos Completing	5704	1998	5480	2706	1632	6658	73	4917	47920	23,092
Non-Completers	707	279	508	441	759	1197	20	508	0	1215
% Dropout Rate	(11%)	(12%)	(9%)	(14%)	(32%)	(15%)	(-)	(9%)		(5%)
Participants										
% Male	50%	31%	43%	30%	50%	41%	52%	99.5%	63%	54%
% Female	50%	69%	57%	70%	50%	59%	48%	0.5%	37%	46%
% Under 25 years	33%	44%	28%	39%	97%	3%	0%	82%	n/a	18%
% Over 45 years	19%	12%	32%	18%	0%	52%	75%	0%	n/a	23%
Primary Education	9%	7%	16%	25%	26%	45%	67%	1%	n/a	6%
Leaving Cert +	64%	70%	49%	43%	22%	25%	11%	58%	n/a	82%
% LTU	8%	5%	4%	1%	2%	93%	100%	0%	emp	emp
% Live Register	62%	55%	64%	45%	22%	40%	71%	20%	emp	emp
% Disability	1%	1%	2%	4%	2%	25%	1%	0%	emp	emp
% OPFP	4%	2%	4%	18%	10%	28%	25%	0%	emp	emp
No Status	32%	42%	30%	32%	66%	0%	0%	80%	emp	emp
Outcomes										
Employment	58%	72%	38%	39%	41%	37%	-	emp	emp	emp
Education/Training	10%	9%	16%	30%	18%	7%	-	emp	emp	emp
Unemployed	23%	10%	28%	14%	31%	42%	-	emp	emp	emp
Other	9%	8%	18%	17%	11%	14%	-	emp	emp	emp
Certification										
Number of Awards Major/Special & Supplemental	1619	1329	531	n.a	n.a	30	n.a	4917	n.a	n.a.
% Completers Major/Special & Supplemental	28%	67%	10%	n.a	n.a	0.5%	n.a	100%	n.a	n.a
Minor Awards	n.a	n.a	5000	2361	4024	7122	n.a	-	n.a	n.a
Use of Skills										
In First Job										
All time /A lot	49%	51%	31%	64%	39%	59	-	82%	n.a	n.a
Never	17%	23%	26%	14%	17%	15%	-		n.a	n.a
% of companies that had used programme in previous year	1%	2%	1%	1%	n.a	1%	n.a	5%	3%	

Table 6.2 Key Metrics Table 2008 - Labour Market Programmes

Cost	S.S.T	T'ship	Bridg	LTI	C.T	C.E	J.I	App	CDP	S/Net
Total Cost	58.1m	38.2m	34.0m	34.9m	52.2m	392.4m	38.5m	179.0m	42.6m	26.0m
Direct Cost	41.4m	29.2m	23.6m	32.7m	49.8m	377.5m	37.7m	126.8m	36.6m	16.2m
Indirect Cost	16.7m	9.0m	10.4m	2.2m	2.4m	14.9m	0.8m	52.2m	6.0m	9.8m
Cost Per Day	88.2	87.9	85.1	60.4	91	132.4	97.4	142	174	129.8m
Direct CPD	62.8	67.2	59.1	56.5	87	127.4	95.4	101	149	80.9
Indirect CPD	25.5	20.7	26.02	3.9	4	5.0	2.0	41	25	48.9
Cost per Person completing €	10190	17,090	5618	13900	34546	50720	0.84m	35396 [46667]	1315	487
Activity										
Activity days ('000)	659	435	400	578	574	2962	395	1259	245	200
Numbers Completing	5701	2235	6051	2511	1511	7736	46	5057	32390	53319
Non-Completers	666	259	548	544	688	1147	25	548	0	2806
% Dropout Rate	(11%)	(10%)	(8%)	(18%)	(31%)	(13%)	(-)	(10%)		(5%)
Participants										
% Male	52%	36%	47%	34%	49%	42%	52%	99.5%	53%	57%
% Female	48%	64%	53%	66%	51%	58%	48%	0.5%	47%	43%
% Under 25	33%	43%	30%	41%	97%	3%	0%	82%	16%	19%
% Over 45	19%	12%	32%	19%	0%	54%	75%	0%	17%	20%
Primary Educ	6%	5%	14%	22%	21%	43%	67%	2%	12%	7%
Leaving Cert +	70%	69%	54%	47%	25%	26%	11%	60%	73%	83%
% LTU	3%	5%	4%	0%	2%	92%	100%	0%	Emp	emp
% LR	65%	59%	65%	45%	18%	39%	71%	20%	Emp	emp
% Disability	1%	0.5%	1%	3%	2%	27%	1%	0%	Emp	emp
% OPFP	3%	3%	4%	19%	10%	26%	25%	0%	Emp	emp
No Status	31%	38%	30%	32%	70%	0%	0%	80%	Emp	Emp
Certification										
Number of Awards -Major /Special & Supplemental	2717	1317	649	317	340	854	n.a	5057	n.a	n.a
% Completers Major/Special Supplemental	47%	59%	11%	12%	23%	11%	n.a	100%		
Nos Minor Awards	n.a	n.a	5,000	2361	9829	14597	n.a	-		

NOTES: Table 6.1 Key Metrics Table 2007 - Labour Market Programmes

- Community Employment

The CE Cost per Day figure supplied by FÁS was based on participants working a 5 day week (rather than actual 2.5 days). Calculated on 2.5 day basis the CPD would be €125.8.

- Job Initiative - outcome numbers were too small for analysis.

- Apprenticeship

The cost of Apprenticeship to FÁS in 2007 was €179.7m. For Education it was in the region of €57m. The total cost (FÁS & Education) in 2007 was therefore €236.7m. The FÁS Cost per Day for Apprenticeship is €137. The combined FÁS and Education Cost per Day for Apprenticeship would be €180. FÁS cost per apprentice completing was €36,546 and €47,995 (FÁS and Education).

The Source for employer satisfaction with Apprenticeship is a 2007 Follow up Survey of Apprentices who registered in 1999 - most recent available.

- Competency Development Programme

Matching contributions from companies not available

- Skillnets Training Networks Programme

Total Cost figure for Skillnets Training Networks Programme represents the total funds received from DETE in 2007. Matching contributions from member companies totalled €6m in 2007(not included in table).For Skillnets Training Networks Programme it is assumed that the 20-25 years age band comprises 50% of 6,984 in 20-29 age band and that the 45-49 age band comprises 50% of 4,548 in the 40-49 age group.

NOTES: Table 6.2 Key Metrics Table 2008 - Labour Market Programmes

- Community Employment

The CE Cost per Day figure supplied by FÁS was based on participant working a 5 day week (rather than actual 2.5 days). Calculated on 2.5 day basis the CPD would be €132.4.

- Apprenticeship

The cost of Apprenticeship to FÁS in 2008 was €179m. For Education it was in the region of €57m. The total cost (FÁS and Education) in 2007 was therefore €236.m.

The FÁS Cost per Day for Apprenticeship was calculated by dividing FÁS total cost incurred for Phases 2/4/6 by number of activity days for Phases 2/4/6.The FÁS CPD for Apprenticeship is €142. The combined FÁS and Education CPD for Apprenticeship would be €187. FÁS cost per apprentice completing was €35,396 and €46,667 (FÁS and Education).

- FÁS Competency Development Programme

- Data states that 16,407 leavers attended a certified course but certification outcome not recorded. Matching contributions from companies not available.

- Skillnets Training Networks Programme

The Total Cost represents the total funds received by Skillnets Training Networks Programme Ltd from DETE in 2008. Matching contributions from member companies totalled €11m in 2008 (not included in Table). It is assumed that the 20-25 years age band comprises 50% of 15,175 in 20-29 age group and the 45-49 age cohorts comprises 50% of 9,618 in 40-49 age group.

Table 6.3 Key Metrics National Employment Services 2007 & 2008

	2007	2008
COST		
Total Cost	66.5m	69.8m
(1) FÁS Employment Services (Direct)	35.2m	36.1m
(2) Local Employment Service (Direct)	19.0m	20.1m
Indirect costs for (1) and (2)	12.3m	13.6m
Staff Numbers		
FÁS Employment Service	503	513
Local Employment Service	310	310
Activity		
Number of Clients on 'Active' Register at Year End ²⁸	366,300	439,400
Number of 'Active' clients record updated during year	166,000	190,600
Number of New Registrants during Year	75,500	87,000
Number (%) of New Registrants who were EAP clients	26,800 (35%)	29,300 (34%)
Profile of Clients on Active Register²⁹		
Male	53%	55%
Female	47%	45%
% Under 25 years	27%	25%
% Over 45 years	25%	25%
Primary Education ³⁰	25%	23%
Leaving Cert +	45%	46%
Live Register	32%	39%
Disability	3%	3%
OPFP	4%	10%
No Status	60%	48%
FÁS Share of Job-Seekers		
% of EAP referrals interviewed by FÁS	62%	
% of LTU EAP referrals interviewed by FÁS	66%	
% of Unemployed who contact FÁS	55%	
% of Persons on Live Register registered with FÁS	67%	
FÁS Share of Job Vacancies		
Number of Private Sector Vacancies notified to FÁS	141,757	-
Number of Private Sector Vacancies filled by FÁS	67,006	-
% of Private Sector Vacancies Notified to FÁS	49%	-
% of Filled Private Sector Vacancies filled by FÁS	28%	-
% of Companies who notified FÁS of vacancies	15%	
% of Companies with vacancies who filled through FÁS	8%	
% Companies that Used Employment Services during year ³¹	10%	
Job Seeker Satisfaction with Service		
Very Satisfied / Fairly Satisfied	76%	
Neither Satisfied/Dissatisfied	12%	
Fairly / Very Dissatisfied	12%	

²⁸ A programme is run on the client database at the end of each month. Clients with no recorded interaction with FÁS for 15 months, who are not DSFA 'open', have their status changed to inactive.

²⁹ Gender, Age and Education breakdown received from FÁS included both those on 'Active' Register and on FÁS Programmes. (At end 2007 there were 366,300 on 'Active' Register and 70,900 on FÁS programmes).

³⁰ For educational attainment profile a total of 43,200 'unspecified' for 2007 and 56,100 'unspecified' for 2008 were excluded from analysis.

³¹ Survey of Employers' Usage of FÁS Services 2007 (July 2007).

6.8 National Employment Service

6.8.1 Objectives & Description of Activities

The National Employment Service comprises FÁS Employment Service and the Local Employment Service (LES). There are currently 546 (full-time equivalent) staff engaged in FÁS Employment Services and 305 staff in the LES. FÁS Employment Services operates through a network of 71 offices located nationwide. Its objectives are to help job-seekers, in particular those who are marginalized, to enter/re-enter the active labour market and to provide a high quality service to employers to match and fill vacancies at all levels. The following key goals were set for 2008.

- Labour Market Entry - Provide a guidance /information service to assist job-seekers access and / or re-enter the labour market;
- Social Inclusion, Equality and Diversity - Provide a more intensive service for priority groups of unemployed people to increase their participation in the labour market;
- Services to Employers - Continue to develop and provide an enhanced range of services to employers.
- The objective of the Local Employment Service Network (LES) is to provide personalised services to the long term unemployed and those distant from the labour market. There are twenty-four Local Employment Services Offices nationwide.

6.8.2 Main Services/Supports provided by Employment Services

(i) Services / Supports provided for Job-seekers

FÁS Employment Services acts as the access point (Gateway) to all FÁS training and employment programmes for job-seekers. It is also a referral point to the full range of labour market services and information for jobseekers and employers. Job-seekers, who register with FÁS Employment Services, are offered assessment, one-to-one vocational guidance, other support and information, including job information, as appropriate. Job-seekers, who remain unemployed at the end of a FÁS training or employment programme, are offered an opportunity to re-engage with FÁS Employment Services. This involves a re-assessment of career plan and updating of all relevant data. Clients are also made aware of the range of self-help facilities and are included in the job-matching process as appropriate. All jobseekers are registered on the Client Services System (CSS). Clients may also be registered on the Caseload Tracking System and treated as priority clients. FÁS offices are equipped with touch screen kiosks which offer comprehensive information on vacancies, training courses and allowances, as well as use of telephone and newspapers.

The main services and supports available for Jobseekers include:

- A guidance interview including help with identifying transferable skills which may be used in various occupational setting.
- A Jobseeker Pack which provides information on using the FÁS Jobs Ireland web site, preparing a CV and how to prepare for a job interview;
- Jobseekers can also input their CVs directly on the FÁS Jobs Ireland database. Employers can also contact the Jobseeker directly.
- Social Inclusion Programmes targeted for specific client groups who are facing difficulties in obtaining / maintaining employment.

- The FÁS National (Freephone) Call Centre is available for clients. It provides information on job vacancies and vocational guidance.
- Job Clubs which provide supports to assist jobseekers return to work.
- The FÁS website links to the EURES job mobility network / database provides access to job vacancies and job search in 29 countries.
- Telephone interpretation service (Language Line) available in over 150 languages- supplemented by a range of information and advice in a number of other EU languages.

Recent Developments in relation to Services for Job-Seekers

The National Employment Action Plan (NEAP), first adopted by the Government in 1998, includes a commitment to a more systematic engagement with the unemployed. The process aims to reduce unemployment and prevent the drift of persons into long term unemployment. It involves referral by DSFA of unemployed persons on the Live Register who reach a three months unemployment duration threshold to FÁS. To support clients activated under the NEAP, FÁS has developed a Caseload Management system which enables staff to better track clients' progress, record each interaction until they complete the process or secure a positive outcome, and which also provides relevant data and reports. FÁS registers interviews and 'case loads' such clients and provides a series of supports to help them by identifying a career path and by placing them in a suitable job or training programme. This initiative has now been extended to all clients between the age of 18 and 65 years who approach three months unemployment in receipt of Jobseekers Allowance / Jobseekers Benefit. There are regular meetings at national, regional and local levels between FÁS and the Department Social & Family Affairs. This is underpinned by a Memorandum of Understanding and a Framework for Co-operation between FÁS and DSFA. Its main aim is to achieve further co-operation and co-ordination between the two Agencies in order to provide a more efficient and integrated service to joint customers. The main focus of the Framework is to provide a forum to discuss a range of relevant topics across both bodies when dealing with NEAP Clients. It also facilitates discussions/actions on other matters i.e activation of non-EAP clients groups, 'walk-in' clients, joint initiatives, referral capacities and any cases of systems or resources log - jams.

Increased collaboration between FÁS and Education (IOT's and VEC's) - particularly in the area of sharing information on education options for unemployed people and access to same i.e recent third-Level under-graduate and postgraduate places were advertised in FÁS offices and information made available on entry requirements, contact details etc. In addition FÁS and Irish Vocational Education Association recently concluded a joint-agreement for cooperation.

The FÁS Expanding the Workforce (ETW) Programme aims to improve women's access to, and participation in, the labour market. The target group is women out of the workforce for more than 12 months who are not in receipt of Jobseeker Allowance or Jobseeker Benefit.

Career Directions run by FÁS - has comprehensive information on over 700 careers which are updated on a regular basis. Labour market data/ information has been added to the database to enhance the overall information.

Pathway Programme has been designed by FÁS Employment Services as a 'group guidance' option available to clients of the Employment Action Plan. This programme is intended to help identify the most appropriate developmental pathway for each participant to assist them obtain and maintain employment.

High Support Process (HSP) is a flexible process designed to assist FÁS Employment Services Officers and LES Mediators in implementing a range of responses to meet the needs of clients who are experiencing major barriers in progressing from unemployment to the workforce. Multi-agency teams (including FÁS and LES) play an integral part of the process.

Improved ICT System - FÁS has recently re-developed its website www.FÁS.ie. The website gives direct access to the FÁS live Jobs Bank system and links to the www.careerdirections.ie website. Touch screen kiosks are available in each FÁS office to access information on vacancies, training and allowances.

Enhanced Caseload Management System - The Caseload Management System is an integral part of the FÁS Client Services System and has been developed as an IT based support to meet the changing needs of the National Employment Service. The purpose of the Caseload system is to assist Officers in the day to day management and tracking of clients.

National Learning Line - FÁS has given web service access to Qualifax so that jobseekers/students can search the range of FÁS courses available without being re-directed to the FÁS website.

SMS (Text Messaging) - is a tool that Employment Services Officers use for communicating with caseload clients in a cheaper, fast and efficient way.

FÁS Disability Support Grant - FÁS has developed a suite of programmes available to Employers and disabled Jobseekers to facilitate the integration of people with disabilities into paid employment in the open labour market.

The Technical Employment Support Grant (TESG) provides a range of flexible supports to unemployed people in particular to those who are experiencing significant barriers to re-entering the workforce. The budget was increased substantially in 2007 to give employment service staff a flexible fund to provide a tailored response to meet individual client needs. There have been further significant budget increases in 2008 and 2009 in response to the higher number of unemployed.

A fund of up to €2,500 per client can be made available to meet a need identified, for example to:

- fund a short training/education programme not immediately available through a state provider or at a convenient location to the client.
- provide assistance in purchasing tools to allow a person take up a particular job.
- provide assistance in purchasing clothing to attend a job interview or assistance with travel costs to attend an interview.

Job Clubs - provides appropriate support to job-ready clients to gain employment in the open labour market. They support the jobseeker in evaluating options in relation to progression within the labour market, in taking positive steps towards realising career plans.

Open Access Project (PILOT) - This transnational project has been funded under the Employment Incentive Measures, which are managed by the Heads of the Public Employment Services Network of the European Commission. It has been designed to develop innovative ways of delivering public employment services directly to clients in their own community settings.

Services / Supports provided for Employers

The main services available for Employers are:

- A local job matching service.
- A National Contact Centre for employers to register vacancies.
- Wide distribution of job vacancy information - both in Ireland and through the EURES.

- Follow through support from FÁS Employment Service Officers (ESOs)
- Current local labour market information
- Self service access to information through FÁS website www.fas.ie
- An enhanced Employer Strategy developed by Employment Services with a view to delivering a more pro-active engagement with employers in relation to obtaining job vacancies and filling some with FÁS- referred candidates.

Filling Employer Vacancies Needs

Employers using FÁS Employment Services are informed of the range of FÁS vacancy filling and other services. Employers receive advice and assistance during the advertising and recruitment process from the National Contact Centre (NCC) and the local FÁS Employment Service Office. Companies can notify their vacancy details by telephone, by FÁS website www.fas.ie, email or by fax.

Response to Company Closures/redundancies

When a company plans to lay-off more than 30 employees, FÁS is automatically notified by DETE. On receiving notification Employment Services make contact with the company to discuss the services available to the company and employees affected. Each response is customised and tailored on a case-by-case basis. Employment Services Officers may conduct registration/guidance interviews with staff on the company premises where appropriate or at a FÁS centre. The response may involve participation in multi-agency/ Department Task Forces. This part of work of the work of Employment Services is expanding in line with the growth in redundancies and is resource intensive.

Implementation of Services

Co-ordination between FÁS and the Local Employment Services

FÁS/LES/PLANET Committee meets on a regular basis to discuss areas of common interest, including LES contracts, targets, performance, co-ordination of both strands of the National Employment Services, good practice, staff guidelines, customer service, etc. The work undertaken to date by the committee includes the development of an operational contract for LES and agreed performance targets; the dissemination of areas of good practice; the development of improved budgeting and reporting structures and agreement on direct referral by DSFA of EAP clients to Local Employment Services Offices.

A FÁS /PLANET Complementarity Working Group was set up to examine ways of improving the co-ordination of both strands of the National Employment Services. Its objectives are to:

- review and bring forward, within the context of the labour market Government plans to extend the Activation process to other groups;
- consider proposals as to how FÁS and LES can work more efficiently together in providing an integrated and effective quality service to clients.
- consider current and potential areas of duplication / gaps in the provision of services and to make recommendations re same.
- make recommendations on branding, marketing and communications for both strands of the National Employment Service of the wide range of services and supports available.

6.8.4 Performance Targets and Indicators in Place

The National Employment Service has (for 2009) a range of performance targets and indicators to measure its success including the following:

- Capacity in place (FÁS/LES) to meet EAP referrals for the various Regions.
- Progression rates of EAP clients achieved.
- Increase utilisation of EAP slots by five percent.
- Direct referrals from DSFA to LES implemented
- Increase ES referrals on all CSU Programmes by a minimum of 15%
- 100% of training courses to be filled by ES referrals.
- 100% follow up of unplaced FÁS trainees achieved.
- Implement 18/19 year old Activation Initiative.
- Increase proportion of vacancies filled by FÁS- referred clients by five percent.
- Increase the market share of vacancies by one percent.
- Respond to redundancy notifications within 10 days.
- Increase participation of marginalised groups on FÁS programmes by two percent.
- Increase client participation by ten percent on the High Support Programme.
- Action Plan implemented in response to Customer Satisfaction Surveys.

6.8.6 Expenditure (Inputs)

The total cost of the National Employment Services (FÁS and LES) is given in Table 6.4 below broken down by direct; and indirect expenditure (human & capital).

Table 6.4 Total Cost of National Employment Services 2007 & 2008

Year	Expenditure	
	2007	2008
Total Cost	€66.5m	€69.8m
Comprising ...		
Direct Costs FÁS Employment Services	€35.2m	€36.1m
Direct Costs Local Employment Service	€19.0m	€20.1m
Indirect Costs (combined) for FÁS Employment Services and Local Employment Service	€12.3m	€13.6m

Note: FAS data, June 2009 (Excludes the cost of the Wage Subsidy Scheme).

6.8.7 Activity

Table 6.5 Job-Seeker clients - Number of New Clients Registering during the Year

Year	New Registrants		Estimated additional EAP interviewees already previously registered with FÁS
	Total	Of whom EAP clients early 2009	
2007	75,500	26,800	8,000
2008	87,000	29,300	13,600

Table 6.6 First Occupational Employment Preferences of New Registrants

Occupational Category	Total 2007		Total 2008	
	No.	% (excl no occupation sought)	No.	% (excl no occupation sought)
No specified occupation sought	19914		20314	
General managers	269	0.5%	350	0.5%
Production managers	409	0.7%	858	1.3%
Financial/admin managers	463	0.8%	576	0.9%
Service/Sales Managers	1332	2.4%	1722	2.6%
Health/Education professionals	1247	2.2%	1338	2.0%
Science/engineering professionals	656	1.2%	1068	1.6%
Other professional workers	334	0.6%	491	0.7%
Health associate professionals	711	1.3%	733	1.1%
Science/engineering associate professionals	1269	2.3%	1700	2.5%
Transport associate professionals	27	0.0%	35	0.1%
Other associate professionals	1707	3.1%	1980	3.0%
Skilled metals/engineering workers	3845	6.9%	4346	6.5%
Skilled building workers	3872	7.0%	5758	8.6%
Skilled production workers	549	1.0%	689	1.0%
Clerical workers	9516	17.1%	10401	15.6%
Health/care service workers	3189	5.7%	3156	4.7%
Hotel/catering workers	3830	6.9%	4293	6.4%
Sales workers	6171	11.1%	6550	9.8%
Transport workers	2756	5.0%	3786	5.7%
Other service workers	5064	9.1%	5461	8.2%
Agricultural and related workers	716	1.3%	939	1.4%
Other production workers and operatives	7690	13.8%	10459	15.7%
Total	75536		87003	
Excluding no specific occupation sought	55622	100.0%	66689	100.0%

Note: - 'No specific occupation sought' may be specified where a client is seeking training rather than employment, or where the first option on an EAP client's Action Plan relates to training.

6.8.8 Profile of Registrants

The tables below present a profile breakdown on persons on the FÁS Employment Services 'active - register'. Around 45% are female. Twenty-four percent were under 25 years of age (27% of males and 21% of females). Around 52% are on some type of social welfare payment (48% were on none). Twenty four percent were on Jobseekers Allowance, 15% on Jobseekers Benefit, ten percent on One Parent Family Payment (the majority female - comprising 20% of all female registrants) and three percent on a Disability related social welfare payment.

Table 6.7 Active Register at Year-End by Status and Gender

	Total		Male		Female	
	2007	2008	2007	2008	2007	2008
(a) Active	366,300	439,400	194,600	243,200	171,700	19,6200
of whom record updated during current year	166,000	190,600	88,500	110,700	77,500	79,900
(b) Training for unemployed	14,800	15,500	6,300	6,900	8,600	8,600
(c) Employment programmes	25,400	25,200	11,500	11,300	14,000	13,800
(d) Apprenticeship	30,700	27,400	30,500	27,200	200	200
Total	437,200	507,300	242,900	288,600	194,500	218,800

Table 6.8 Active Register at Year-end by Status and Age and Gender

Age Cohort	Total		Male		Female	
	2007	2008	2007	2008	2007	2008
Under 25	118,100	125,600	74,000	79,300	44,100	46,300
25-44	211,900	257,200	108,200	137,300	103,700	119,900
45+	107,300	124,500	60,600	71,900	46,600	52,600
Total	437,300	507,300	242,800	288,500	194,400	218,800

Table 6.9 Active Register at Year-end by Social Welfare Payment Type and Gender

Payment Type	Total		Male		Female	
	2007	2008	2007	2008	2007	2008
Jobseekers Benefit	38,800	65,100	21,000	42,200	17,800	22,800
Jobseekers Allowance	80,100	104,400	60,000	79,600	20,200	24,800
One Parent Family Payment	14,000	42,400	400	1,000	13,600	41,400
Disability Payments	10,900	12,700	6,000	7,000	4,900	5,700
Other	1,000	1,200	300	300	700	900
None (No social welfare payment)	221,500	213,600	106,900	113,100	114,500	100,600
Total	366,300	439,400	194,600	243,200	171,700	196,200

Education Level of Registrants

Table 6.10 below presents the highest education level attainment of those on the FÁS Employment Services 'Active Register' at year end. At end 2008 around 20 percent of registrants had a primary level of education attainment (somewhat higher for males at 23 percent). Meanwhile just over 40 percent had Leaving Cert or higher level of education attainment. However the education attainment of most recent registrants is higher than this - a result of the rising level of unemployment affecting occupations at all skills levels.

Table 6.10 Active Register at Year-End by Education Level and Gender

	Total		Male		Female	
	2007	2008	2007	2008	2007	2008
Unspecified	43200	56100	21700	29900	21400	26200
Primary	97200	105400	59300	65000	37900	40500
Junior	120700	139900	74200	88400	46500	51500
Leaving+	176100	205900	87500	105300	88600	100600
Total	437,200	507,300	242,700	28,600	194,400	218,800

Education Level on Employment Action Plan Referrals

The educational attainment distribution of EAP referrals in 2007 and 2008 was as follows.

Table 6.11 Data on EAP Referrals by Gender and Age

	No information	Primary	Junior	Leaving Cert Plus	Total
2007	47%	12%	17%	25%	100%
2008	51%	9%	16%	24%	100%

Employer Vacancies

Data by Occupational Group and FÁS administration regions are given in Table 6.12 and 6.13. (Information by sector is not routinely collected as part of the process).

Table 6.12 Employer Vacancies by Occupational Grouping

Year	2007			2008		
	Jobs	Employment Schemes	Total	Jobs	Employment Schemes	Total
General managers	305	-	305	257	-	257
Production managers	592	2	594	364	1	365
Financial/admin managers	490	2	492	336	-	336
Service/Sales Managers	5,685	11	5,696	3,702	7	3,709
Health/Education profess	1,248	44	1,292	1,393	36	1,429
Science/engineering professionals	1,214	2	1,216	593	3	596
Other professional workers	1,100	-	1,100	469	2	471
Health Associate profess	2,520	330	2,850	1,907	308	2,215
Science/engineering associate professionals	5,515	6	5,521	3,062	15	3,077
Transport associate profess	73	-	73	91	-	91
Other associate professionals	2,743	129	2,872	4,166	130	4,296
Skilled metals/engineering workers	8,407	17	8,424	5,381	38	5,419
Skilled building workers	5,029	6	5,035	2,478	14	2,492
Skilled production workers	1,737	10	1,747	1,858	2	1,860
Clerical workers	16,838	1,498	18,336	10,632	1,280	11,912
Health/care service workers	5,629	2,064	7,693	5,518	2,028	7,546
Hotel/catering workers	21,959	357	22,316	16,037	411	16,448
Sales workers	23,761	242	24,003	15,160	245	15,405
Transport workers	5,740	132	5,872	2,670	129	2,799
Other service workers	18,889	2,441	21,330	12,706	2,289	14,995
Agricultural Workers	2,211	72	2,283	1,588	81	1,669
Other production workers	9,594	737	10,331	5,817	885	6,702
Total	141,279	8,102	149,381	96,185	7,904	104,089

Source: FÁS

Table 6.13 Employer Vacancies by FÁS Administration Region

Year	2007			2008		
	FÁS Region	Jobs	Employment Schemes	Total	Jobs	Employment Schemes	Total
City Centre	20,368	664	21,032	13,564	578	14,142
Dublin South	16,660	573	17,233	12,506	574	13,080
Fingal	17,792	528	18,320	10,469	458	10,927
Midlands	13,006	675	13,681	8,806	630	9,436
Mid-West	10,578	1,203	11,781	6,803	1,338	8,141
North-East	9,123	682	9,805	7,017	566	7,583
North-West	5,717	931	6,648	3,860	861	4,721
South-East	16,738	1,043	17,781	12,148	1,148	13,296
South-West	22,367	969	23,336	14,404	911	15,315
West	8,930	834	9,764	6,608	840	7,448
Total	41,279	8,102	49,381	96,185	7,904	04,089

Source: FÁS

6.9 Outputs

Guidance interviews

All new clients registering during the year received initial guidance interviews. Apart from these, a significant number of non-EAP clients, already previously registered with FÁS but not having engaged for some time, received guidance interviews at the point of re-engaging with the service. Clients may also receive subsequent up-date interviews.

Individual Action Plans

All Employment Action Plan clients who actually attend for interview agree an individual action plan with their case officer. These amounted to 26,800 for 2007 and 29,300 in 2008. In addition, other clients entering non-EAP caseloads (e.g. persons with disabilities, redundancy caseloads) also agree action plans. The numbers newly entering such caseloads were approximately 4,200 in 2007 and 6,100 in 2008.

Submissions

Table 6.14 Data on submissions to Job and Employment Schemes vacancies

Submissions	2007			2008		
	Jobs	Employment Schemes	Total	Jobs	Employment Scheme	Total
Direct	125,953	n.a.	125,953	116,201	15,554	131,755
Matched	149,848	n.a.	149,848	106,896	7,101	113,997
Total	275,801	n.a.	275,801	223,097	22,655	245,752

These are taken from the vacancy handling system and are not available by client type. Employment Schemes data are not available for 2007.

Outcomes for Clients

FÁS state that due to lack of systematic feedback from both jobseeker and employer clients, comprehensive and reliable data on placement into employment are not available from administrative sources. Sample survey data from employers indicate that about 83 percent of vacancies notified in 2007 were filled within eight weeks; 58 percent of these were filled by FÁS-referred candidates, with the remainder filled by other candidates (27%) or cases where the employer did not know (15 percent). In 2008, 86 percent of vacancies were filled, with 56 percent of these coming from FÁS, 24 percent from other sources, and 20 percent unknown. Combining these data with the vacancy notification data indicates that, depending on the distribution of the “source unknown” candidates, the number of FÁS-referred candidates placed was between 68,000 to 86,000 in 2007 and 46,000 to 63,000 in 2008.

Entry to Programmes

Data on client placement into FÁS training programmes (excluding apprenticeship) are given in Tables 6.15 for 2007 and 2008. Regarding placement into other forms of education/training, the absence of feedback from clients and providers means that reliable data are not available.

Table 6.15 Placement into FÁS Training Programmes (excluding Apprenticeship) 2007 & 2008

2007		Gender		Age			Educational level			
Description	Total	Female	Male	<25	25-34	35+	Unknown	Primary	Junior	Leaving
JTS	74	41	33	32	28	14	11	6	10	47
Workplace	172	85	87	54	47	71	14	43	55	60
Training Centre Training	11981	5534	6447	3650	3188	5143	1372	1568	3151	5890
Special Needs Training	1899	961	938	585	1483	880	67	387	605	840
Traineeship	64	2	62	47	16	1	0	2	1	61
Contracted Training	1936	1192	744	579	471	886	300	234	520	882
Community Training	5454	3199	2255	3850	683	921	390	1279	2122	1663
Total	21580	11014	10566	8797	5916	7916	2154	3519	6464	9443

2008		Gender		Age			Educational Level			
Description	Total	Female	Male	<25	25-34	35+	Unknown	Primary	Junior	Leaving
JTS	68	39	29	39	20	9	15	4	12	37
Workplace	210	106	104	60	68	82	15	51	62	82
Training Centre Training	11652	5231	6421	3573	2993	5086	1111	1313	3375	5853
Special Needs Training	1869	880	989	582	422	865	89	373	641	766
Traineeship	101	1	100	84	14	3	0	0	6	95
Contracted Training	1724	968	756	516	430	778	231	198	480	815
Community Training	5079	2818	2261	3604	614	861	609	976	1852	1642
Total	20703	10043	10660	8458	4561	7684	2070	2915	6428	9290

Client Satisfaction

FÁS Employment Services Customer Satisfaction Surveys have been carried out annually since 2005. Findings from the 2007 survey (published July 2008) are outlined below. The survey (by telephone interview) comprised FÁS clients who had registered with FÁS six to ten months previously, across all FÁS regions. The survey yielded 1,513 responses. Four focus groups were also held in Dublin and in Tullamore. These comprised two general groups, a group of foreign nationals and a group of clients who were unemployed at the time of the survey. Key findings from the survey were:

Client background: At the time of registration, 75% of clients were unemployed, while 15% were employed on either a full- or part-time basis.

Employment Status at Time of Survey: Table 6.16 below presents information on the employment status for FÁS clients at the time of the survey - and specifically for those who were unemployed at the time of registration and for NEAP clients. While the majority of clients who registered with FÁS were either employed (45%) or in Education/Training FÁS (14%) by the time of the survey, one in three clients remained unemployed.

Table 6.16 Client Status at the time of Employment Services Customer Survey

	Employed	Education/ Training FÁS	Unemployed	Other	Total
Previous Situation	%	%	%	%	%
Unemployed (incl. NEAP)	45	13	39	4	100
NEAP	36	12	46	6	100
All clients	45	14	33	7	100

At the time of the survey, for clients who were unemployed at the time of registration, 45% were employed, 13% were in education/training or FÁS employment programmes and 39% were unemployed. In the case of NEAP clients, the proportion that remained unemployed was higher at 46%. More than one in three NEAP clients (36%) were employed at the time of the survey and 12% were in education/training or FÁS. These results show an improvement in outcomes for NEAP clients compared to the previous year.

Frequency and Means of Contact with FÁS: Clients were in contact with FÁS on average 3.3 times in the six to ten months subsequent to registration. FÁS contacted the client on average 1.5 times (two times in case of NEAP clients), and the client contacted FÁS on average 1.8 times. The usual means of contact was in person (76%), followed by the telephone (18%), email (4%) and post (1%). One-fifth of clients said that they had no contact with FÁS at all after registering. The most common reason given for this was that the respondent had found a job.

Staff Interaction: The majority of clients rated FÁS staff as friendly (95% rated positively) and respectful (97% rated positively). There was room for improvement in the level of information given about vacancies and training programmes and in staff trying to find out about the client's needs in order to help (82% rated positively). As for 2006, twenty percent stated that they did not find the registration interview useful.

Job-Seeker Services: One-third of job-seekers stated that FÁS notified them of a vacancy. Furthermore, a half stated that they received some services from FÁS in applying for jobs by, for example, helping with CVs or interview tips. Job-seekers who remained unemployed at the time of the survey received a significantly higher level of service. Two-thirds of job-seekers considered that the range of vacancies notified by FÁS were 'good' or 'very good'.

FÁS help in getting a job: Job-seekers were asked to rate the level of support that they received from FÁS in their job search. Sixty percent rated the support they received as being ‘good’ or ‘very good’, while 19% rated it as ‘poor’ or ‘very poor’. Furthermore, clients who were employed at the time of the survey were asked whether FÁS had helped them to get their job. Thirty-one percent of these responded that FÁS had helped them at least ‘a little’.

Training Programmes: One-fifth of respondents had participated in a training programme. The majority of participants stated that they had chosen their course because they considered it useful for obtaining a job. Waiting times for training programmes had increased from an average of 6.5 weeks last year to 9.7 weeks in this survey. Almost a half of training programme participants started their programme within four weeks of registering for it.

Overall Satisfaction: Seventy-five percent of clients stated that they were ‘satisfied’ or ‘very satisfied’ with FÁS Employment Services overall. NEAP clients, and clients who were unemployed at the time of the survey, had similar levels of satisfaction. Customer satisfaction related to the level of support received by the respondent in their job search. Foreign nationals were significantly less satisfied with FÁS services - 69% of non-EU nationals and 67% of EU-nationals were satisfied, compared with 78% of Irish nationals. Client feedback on improving services focused on ensuring that vacancy notifications are kept up-to-date, and requests for a more personal service.

A *National Contact Centre Employer Customer Survey* was carried out in early 2008. The National Contact Centre located in Edenderry, commenced operations in June 2003. Companies can notify their vacancy details through a variety of means - by telephone, by website, by email or by Fax. Customer feedback indicated a positive level of satisfaction with the service provided. Ninety-three percent of companies positively rated the overall service provided. Eighty-five percent of companies positively rated the website. In terms of vacancy filling, 85% of companies had their vacancy filled within two months of notifying it and half of notified vacancies were filled by FÁS-referred candidates.

6.10 Relevant Research

A Review of the National Employment Action Plan Preventative (NEAP) Strategy was carried out by Indecon Economic Consultants (Sep 2005). The objective of the review was to estimate the impact of the NEAP Preventative process on participants ‘signing off’ the Live Register over the period 1998-2003 and to assess net social welfare savings. This was a period when the labour market performed well with a significant increase in employment and fall in unemployment. These improvements were stated as being due to a combination of factors including improved work incentives, lower taxes on the lower paid and improved integration of the tax and social welfare system. It was concluded that Active Labour Policy programmes had also played a role and that the activation measures of the NEAP strengthened the social welfare eligibility tests, provided an impetus to people to increase their job search intensity and provided supports to those who were job ready or who needed assistance to access mainstream FÁS training and employment programmes. It was further concluded that these measures helped to prevent a drift into long term unemployment and encouraged early exit from the Live Register.

In relation to measuring costs and benefits, it was outlined that there were difficulties in establishing the likely benefits of the NEAP in terms of Live Register unemployment payments saved. Given this uncertainty, it was concluded that the likely savings on unemployment payments could be up to five percent of total expenditures. This provided an estimate of likely social welfare savings of €50 million in 2004 which translated into a positive benefit of around €35 million per annum given NEAP costs of approx €15 million. Their analysis was based upon econometric analysis which compared a sample dataset of NEAP programme participants against a control group of non-NEAP unemployed people drawn from the

European Community Household Panel dataset for Ireland and then comparing 12 month and 24 month employment / labour market outcomes between the two.

(It should be noted that the Study compared the net savings in social welfare payments in terms of participants signing off the Live Register over a one to two year period, against the cost of only the NEAP process. This did not include the cost of labour market programmes that individuals may have participated in).

A survey of NEAP participants was also undertaken to indicate their satisfaction with the process. Overall survey respondents were satisfied with the process in terms of being contacted for interview and the content of the interview itself. However, 32% were dissatisfied with the training and employment supports. A quarter suggested that the process could have offered them more and it was concluded that this percentage is an issue which needs to be addressed. In relation to respondents that had got a job forty-one percent suggested that the process had helped them. Having regard to data and other restraints, it was concluded that the NEAP process has been a success. However there were gaps identified by those survey respondents who felt the process was not effective, and that there was a need to reduce the number of participants who returned to the Live Register. They concluded that for participants the process impacts favourably on labour market outcomes and had improved Live Register exit probabilities.

Several recommendations on the NEAP process were made including that the NEAP process needs to be reviewed on an ongoing basis to reflect labour market developments to ensure that adequate supports and resources are available; extension of the level of interventions in the context of 'not progression ready' cases (including greater use being made of LES where one exists) ; improvements in the 'High Supports Process' ; further follow-up of NEAP clients who are back on the Live Register; extension of the *Pathways programme*; that there may be a case for enhancing the role of the *Customised Training Fund* improvements to the Management Information System for the NEAP; that all people aged 18 should engage with the process immediately on entering the Live Register.

A Review of Activation Policies in Ireland was published by the OECD in January 2009³². The authors concluded that activation requirements for the unemployed should be greatly intensified- and experience from other countries suggests that a refocusing of existing resources could allow a marked increase in the frequency of face - to - face contact interviews with the unemployed. This contact level remains low, partly because clients are not referred to the NEAP process a second time even in cases of repeat unemployment. It was considered that while DSFA interviews to review benefit eligibility were more frequent - that DSFA enforcement of availability for work requirements for unemployment payments remain only partly effective. It was considered that DSFA procedures are not a substitute for regular employment counselling which, whenever possible, refers clients directly to job vacancies. It was concluded that more complete implementation of the activation requirements for the unemployed, which would also involve the development of some other types of intervention, would require an increase in Public Employment Services resources on the placement and related side - particularly given the rise in unemployment.

The report recommended that placement and counselling institutions be integrated to ensure that employment services have enough resources to engage with unemployed clients systematically and not only those who self-present. The report also recommended that the placement and benefit administration functions should be integrated - or a less -optimal alternative would be for relevant DSFA staff - those involved in client profiling or job-search review interviews, as well as Facilitators - use the same IT system as Employment Services for recording employment counselling information. The report recommended that activation strategies should be developed for people who were left in the 'no present action' category at

³² OECD Social, Employment and Migration Working Papers No 75 : Activation Policies in Ireland

the end of the NEAP process, and for those who had participated once (currently this group is not usually referred again in cases of prolonged or repeat unemployment). The report concluded that Local Employment Services management remains relatively decentralised and either direct line management or performance management principles should be strengthened.

The report highlights a growth in those in receipt of One - Parent Family Payments from the early 1980s to 2000 and in receipt of Incapacity Benefits after that. By 2006, the number of people on such 'inactive' social welfare benefits together was 2.5 times the number on unemployed payments. They indicated that there were several large groups - Lone Parents, adult dependants of benefit recipients, and people with disability related social welfare payments, who have remaining work capacity - who receive benefits without a formal requirement to be available for work. The report notes that these arrangements are increasingly out of line with international practice. It also highlights the role that other institutions need to provide to adequately support these additional groups into employment. The report estimates that in 2007, about 30% of FÁS Employment Services Officers time was devoted to the NEAP process, and about 40% to support for non-caseload (e.g. walk in) clients and to employers contact and vacancy matching. It concludes that FÁS handling of vacancies appear to be now highly efficient thanks to the processing of notifications via the National Contact Centre, while the significant increase in FÁS market share suggests that the centralisation and automation of this function has increased the quality of services for users.

6.10.1 Findings

The National Employment Service has a key role to play as the 'gateway' to services for unemployed persons seeking to return to work. Also, in terms of helping to fill employer job vacancies. Given the rapid increase in the level of unemployment there is an even greater need to intensify activation measures for the unemployed. Public Employment Services - which are currently provided across three Departments (Department for Enterprise Trade and Employment, Department of Social and Family Affairs and Department of Community, Rural and Gaeltacht Affairs) - need to be further integrated to ensure a more efficient and effective service. In the first instance, there needs to be a refocusing of existing resources to allow for an increase in the frequency of face- to-face contact interviews, (for those clients who require such a service), between those on unemployment payments with employment counsellors. Self - help service and IT system supports could be utilised by those who do not require such intensive support. This will help facilitate best use of resources. More systematic follow- up is required by Employment Services and DSFA of those who do not present themselves for interview when requested. Also, DSFA should ensure a stronger connection between receipt of social welfare benefits and mutual obligations and responsibilities for job search and development.³³ The requirement to sign off the Live Register when taking up training and, education and employment opportunities should not form an obstacle. Consideration should be given to the linking of engagement with the profiling of newly registered clients - as a means of determining those who will need greatest support in getting back to work and the training and education supports that would best support them. The National Employment Service should avail of the whole range of education, training and employment supports - from whatever provider, including VEC's, and Institutes of Technology - to provide the best 'progression pathway' for unemployed people to get back to work. There is recent increased collaboration between FÁS and the VEC's and IOT's particularly in the area of sharing of information on educational options for unemployed people and access to same. This should be further enhanced. There needs to be greater investment in the IT system to improve the exchange of data between the National Employment Service and DSFA particularly in relation to providing up-to-date information on client status and the follow-up of clients including those who fail to participate in the NEAP process.

³³ The increased role of activation /mutual obligation strategies represents one of the main labour market policy reforms over the past decade (OECD Employment Outlook 2009 , page 87)

6.11 Community Employment Programme

6.11.1 Objectives

Community Employment is an active labour market programme designed to help long term unemployed people to re-enter the active workforce by breaking their experience of unemployment through a return to a work routine. The programme aims to assist them to enhance and develop both their technical and personal skills which can then be used in the workplace. Its specific objectives are to:

- (a) increase participants subsequent job/income prospects
- (b) provide opportunities for individual training and personal development
- (c) provide temporary work opportunities for long -term unemployed and socially excluded persons
- (d) provide clear economic and social benefits to communities
- (e) contribute to the local strategies contained in the Local, Urban and Rural Development Operational Programme.

In relation to the above it is clear that (a) and (b) are the subject of this review. Also indirectly (c) to the extent that the relevance of the temporary work opportunities undertaken will also be reflected within subsequent progression into jobs outcomes in the open jobs market.

In relation to (d) and (e) these are not the subject of this review. However, it is recognised that the success of supporting people into employment in the open market and increasing their skills levels is a main means of addressing social inclusion - and therefore contributing towards these goals. This inter-dependent role of the economic supporting the social and vice versa is a key theme acknowledged in the National Development Plan.

It can be noted that a *Preliminary Cost Benefit Analysis of the FÁS Community Employment Programmes* was carried out in 1995³⁴. It identified at that time three main categories of benefit which were (1) labour market benefits (ii) Other personal / life skill benefits to participants (iii) Local development benefits. The report estimated that actual labour market benefits were relatively low - accounting for around six percent of total benefits. It was estimated that personal and life skills benefits accounted for around 30% of the total estimated benefits. Local development benefits were estimated to account for 64% of the estimated value of Community Employment Programme benefits. (It was noted that the value and relative importance of all benefits were very sensitive to the assumptions used).

6.11.2 Description

CE provides eligible long-term unemployed people and other disadvantaged persons with an opportunity to engage in part-time work within their communities on a temporary, fixed-term basis. The average hours worked are 19.5 hours per week. In 2000, the minimum age for participation on CE was raised from 21 years to 25 years of age (but there remain exceptions to this). There are two main options on CE. Given the age / eligibility profile of participants the average participation duration is three years.

The *Part-Time Integration Option* is for people over 25 years of age in receipt of a social welfare payment for one year, and people of over 18 years in receipt of disability related payments. Participation under this option is limited to one year (in certain circumstances a second year may be available, subject to FÁS approval and availability of places and budget).

The *Part-Time Job Option* is for people over 35 years in receipt of a social welfare payment for three years. Persons may be eligible for a maximum three years under this option. However, those aged between 55 to 65 years may be eligible to a maximum 6 years overall participation on CE.

³⁴ Cost Benefit Analysis of the FÁS Community Employment Programme, Fitzpatrick's Associates Economic Consultants, April 1995.

Certain groups such as Travellers and refugees over 18 years are eligible for both options. Also, if persons qualify under the criteria but do not wish to take up the option themselves, there are certain conditions under which they can do a 'Spousal Swop'. Qualified adult dependants over 25 years of eligible persons may avail of the 'Spousal Swop'. Time spent on a recognised training or employment programme can count towards eligibility.

The programme is sponsored by groups wishing to benefit the local community, namely voluntary organisations and public sector bodies involved in not-for-profit activities. Projects are approved for one to three years. Support is conditional on annual review and the availability of funds. FÁS gives financial support in the form of allowances and funding to assist with the programme such as for participant wages, supervisor grants, material grants and training grants. To facilitate the provision of development and training for participant's projects must employ 15 or more participants and a full-time supervisor.

Community Employment grants paid weekly to sponsors for Participant wage grants are currently as follows:

- Participant without a dependant €228.70
- Participant with adult dependant €364.30 (adult dependant payment is €135.60)
- Each Child dependant (full rate) €26
- Each Child Dependand (half rate €13

Wage grants are paid weekly to the programme sponsor and are liable to tax and PRSI. The participant rates are based on a 19.5 hour week or 39 hours every two weeks. Participants may be able to retain all or some of their secondary benefits depending upon a means assessment and their medical card. Participants are entitled to 10.5 days holiday for a full year duration period on CE. Participants are encouraged to work part-time outside the time spent on CE. Income from this work is subject to tax/ PRSI and the income Levy in the normal way. Any additional income may affect the retention of any secondary benefits - in particular rent supplement.

As can be seen from Table 6.17 below, CE projects are engaged in a wide range of valuable work activities within the community, environmental and social / healthcare sectors in particular. Voluntary sponsors comprise over 95 percent of all sponsors.

Table 6.17 Breakdown of CE Participants by Sponsor Type and Sector Analysis

Sector	Voluntary		Public		Total	
	Number	%	Number	%	Number	%
Arts/Cultural	376	1.7%	42	0.2%	418	2%
Community	13,395	59.6%	605	2.7%	14,000	62%
Educational	237	1.1%	10	0.1%	247	1%
Environmental	3,245	14.4%	347	1.5%	3592	16%
Enterprise Development	90	0.4%	0	0%	90	0.4%
Not Stated	146	0.7%	44	0.2%	190	0.8%
Social Services/Healthcare	2,398	10.7%	65	0.3%	2,463	11%
Sport/Coaching	370	1.7%	3	0.01%	373	1.7%
Sport/Caretaking	974	4.3%	53	0.2%	847	3.8%
Tourism	234	1.0%	38	0.2%	272	1.2%
TOTAL	21,285	95.4%	1207	5.4%	22,492	100%

Data Source: FÁS MIS - figures as at 02/03/2009

The Individual Learning Plan process (introduced in 2007/2008), involves the learner in discussions with their supervisor to identify their training requirements in terms of training to assist them achieve their employment goal and progression at appropriate levels of FETAC accreditation on the National Framework of Qualifications. An Individual Training Plan (ILP) is developed based upon a participant's needs and interests in relation to the labour market. Each individual receives €500 annually towards their ILP. In addition an amount of €1.3 m in 2007 and € 2.0m in 2008 was provided for literacy and core skills training. This involves FÁS and Vocational Education Committees.

In this context, training programmes available span levels 1 through to 6 on the NFQ and are wide ranging in terms of vocational focus. FÁS Community Services has established, over the last five years, as part of the FETAC Interim Standard process the following FETAC Major Awards on the NFQ:

- FETAC level 3 major award in Personnel and Social Employment Skills
- FETAC level 3 major award in Vocational Employment Skills
- FETAC level 3 major award in Community Health Advocacy
- FETAC level 4 major award in Greenkeeping
- FETAC level 4 major award in Applied Employment Skills
- FETAC level 5 major award in Specific Employment Skills

The design of these awards aims to address, in a learner focused manner, the building of learners' capacity for and engagement in learning, the development of vocational knowledge, skills and competence, as well as progression in terms of the NFQ. All of the above awards are supported by the availability of 787 minor awards established over the last five years by FÁS Divisions as part of FETAC's Interim Standards process.

6.11.3 Expenditure (Inputs)

Table 6.18 Community Employment Programme - Total Direct and Indirect Expenditure

Year	2007	2008
Direct Cost	€357.5m	€377.5m
Indirect Costs - Staff, Overheads	€14.3m	€14.9m
Total Cost	€371.8m	€392.4m

Note: All figures based on the FÁS Board Report. Staff Costs & Overheads are based on the apportioned of indirect costs using staff time and is only one of many apportionment methods.

Table 6.19 Community Employment Programme- Direct and Indirect Expenditure per Day

Year	2007	2008
Direct Cost per Day	€121	€ 127.4
Indirect Cost per Day	€ 4.8	€ 5
Total Cost per Day	€125.8	€132.4

Note: It should be noted that the CE Cost per day figure supplied by FÁS was based on a participant working a 5 day week. However, the cost per days figure used above is calculated on the basis of the 2.5 days per week participants actually spend on CE. This is done - as a once off exercise - to ensure comparability across all other labour market programmes and can be viewed as such.

FÁS has indicated that: *'this issue was raised many years ago when CE (formerly SES) came under the jurisdiction of FÁS. It was decided at that time that it was appropriate to count the full number of days as full payment was being made. On this basis, FÁS calculate that the current direct cost per day of CE is €64.25 which is €321.25 per week or €16,705 per year and that the state is saving five days payment when a CE participant transfers from social welfare to FÁS. FÁS states that it is appropriate for FÁS to count the five days in FÁS. It was noted that all CE /SES budgets have been approved by the Board of FÁS on this basis since the inception of FÁS'.*

6.11.4 Activity per Community Employment Programme

The following are the number of activity days for Community Employment forwarded by FÁS.

Table 6.20 Community Employment Programme - Activity Days

Year	Number of Activity Days
2007	5,914,000
2008	5,924,000

Note: Total number of activity days per year (based upon a participant being counted as five days per week in FÁS). As mentioned above the numbers of activity days used to calculate the cost per day in this exercise is actually half this number.

The budgeted capacity for Community Employment Programme was as follows:

- 2007 - 22,290 places
- 2008 - 22,380 places

6.11.5 Profile of Participants

The following three tables provide information on the profile breakdown of Community Employment participants. As can be seen from the 2008 figures, 58% of participants were female. Forty-three percent of participants had primary level as their highest level of educational attainment (higher for males than females).

Fifty-four percent of participants were over 45 years of age (65% of males compared to 38% of females). In total 61% of participants were unemployed for more than three years (similar for females and males). Forty-four percent of female participants were on the One-Parent Family Payment prior to commencement on CE compared to only two percent of males.

Twenty-two percent of participants were on Jobseekers Assistance (37 % for males compared to 11% for females). Seventeen percent were on Jobseekers Benefit (20 % for males compared to 15% for females). The proportion of participants on a Disability related payment has increased significantly since 1998 when it comprised seven percent of all participants. By 2008, twenty-seven percent of participants were on a Disability Payment (37 % of males compared to 20% of females). Four percent of females were on Widows/Widowers Pension compared to one percent of men. Overall it can be said that there is an evident gender difference with males being relatively older with a lower level of educational attainment. A higher proportion of males were on a disability related social welfare payment before commencing on Community Employment. A high proportion of females were on the One Parent Family Payment.

Table 6.21 Community Employment Programme - Age by Gender by Education Profile

Age Cohort	Education Cohort	Female		Male		Total	
		2007	2008	2007	2008	2007	2008
0-24	Primary	115	96	92	93	207	189
	Junior	163	142	117	126	280	268
	Leaving	178	164	64	77	242	241
	Unknown	78	61	33	32	111	93
0-24 Total		534	463	306	328	840	791
25-44	Primary	2980	2477	1419	1380	4399	3857
	Junior	3351	3312	1393	1502	4744	4814
	Leaving	3452	3610	995	1061	4447	4671
	Unknown	1004	1037	243	270	1247	1307
25-44 Total		10787	10436	4050	4213	14837	14649
45+	Primary	2665	2633	5124	4926	7789	7559
	Junior	1633	1860	1680	1820	3313	3680
	Leaving	1288	1425	849	946	2137	2371
	Unknown	677	743	484	575	1161	1318
45+ Total		6263	6661	8137	8267	14400	14928
Overall Total		17584	17560	12493	12808	30077	30368

Figures are based on CE Throughput (Inc. Transfers, Rollovers, Dropouts, Suspended)
 All figures based on the FÁS Management Information System as at 24/03/2009

Table 6.22 Profile of participants in Receipt of Social Welfare Payment prior to commencement on Community Employment Programme

Age Cohort	Eligibility Category	Female		Male		Total	
		2007	2008	2007	2008	2007	2008
0-24	O.P.F.P	98	68	0	0	98	68
	J.A	24	21	29	26	53	47
	J.B	6	4	0	1	6	5
	DIS	128	118	120	149	248	267
	TRAV	67	74	27	21	94	95
	TFR	64	39	52	58	116	97
	AD	2	1	0	0	2	1
	OTHER	139	131	76	69	215	200
	0-24 Total		528	456	304	324	832	780
25-44	O.P.F.P	6535	6157	106	110	6641	6267
	J.A	989	1016	1653	1634	2642	2650
	J.B	1265	1182	436	454	1701	1636
	DIS	1216	1280	1517	1657	2733	2975
	WID	80	80	9	10	89	90
	D.W	58	39	0	0	58	39
	TRAV	52	39	6	11	58	50
	TFR	87	110	100	123	187	233
	AD	58	72	13	11	71	83
OTHER	107	114	65	41	172	155	
25-44 Total		10447	10089	3905	4089	14352	14178
45+	O.P.F.P	1022	1057	93	99	1115	1156
	J.A	697	745	2832	2803	3529	3548
	J.B	1410	1391	2027	1916	3437	3307
	DIS	1639	1906	2390	2670	4029	4576
	WID	640	648	151	166	791	814
	D.W	238	262	0	0	238	262
	TRAV	7	5	6	8	13	13
	TFR	22	27	45	28	67	55
	AD	51	75	1	3	52	78
OTHER	47	46	40	40	87	86	
45+ Total		5773	6162	7585	7733	13358	13895
Overall Total		16748	16707	11794	12146	28,542	28853

Figures based on CE Throughput (Inc. Transfers, Rollovers, Dropouts, Suspended)

All figures based on the FÁS Management Information System as at 24/03/2009

Note: J.A (Jobseekers Allowance), J.B (Jobseekers Benefit), DIS (Disability Payment)

WID (Widows/Widowers Pension), OPFP (One Parent Family Payment) D.W (Deserted Wife's)

AD (Adult Dependent).

Table 6.23 Community Employment Programme- Age /Gender /Duration of Unemployment Profile

Age Cohort	Duration Cohort	Female		Male		Total	
		2007	2008	2007	2008	2007	2008
0-24	<1 Year	110	109	90	117	200	226
	1-2 Years	148	127	88	74	236	201
	2-3 Years	88	58	28	25	116	83
	3 Years +	188	169	100	112	288	281
0-24 Total		534	463	306	328	840	791
25-44	<1 Year	462	505	382	380	844	885
	1-2 Years	2320	2416	989	1102	3309	3518
	2-3 Years	993	997	519	497	1512	1494
	3 Years +	7012	6518	2160	2234	9172	8752
25-44 Total		10787	10436	4050	4213	14837	14649
45+	<1 Year	487	509	577	629	1064	1138
	1-2 Years	1337	1454	1497	1608	2834	3062
	2-3 Years	569	581	714	677	1283	1258
	3 Years +	3870	4117	5349	5353	9219	9470
45+ Total		6263	6661	8137	8267	14400	14928
Overall Total		17,584	17,560	12,493	12,808	30,077	30,368

Figures based on CE Throughput (Inc. Transfers, Rollovers, Dropouts, Suspended)
All figures based on the FÁS Management Information System as at 24/03/2009

Supervisors Profile- Community Employment

Age cohort	Female		Male		Total	
	2007	2008	2007	2008	2007	2008
0-24	6	7	2	4	8	9
25-44	340	347	145	124	485	471
45+	490	499	552	534	1042	1033
Total	836	853	699	662	1535	1513

There are a total of 1,513 Supervisors in 2008 of which 56% were female. Sixty-eight percent of supervisors are over 45 years of age.

Table 6.24 Total number of Participants who completed Community Employment Programme

Age Cohort	Education Cohort	Female		Male		Total	
		2007	2008	2007	2008	2007	2008
0-24	Primary	23	21	27	26	50	47
	Junior	33	31	33	40	66	71
	Leaving	33	40	20	33	53	73
	Unknown	21	12	12	11	33	23
0-24 Total		110	104	92	110	202	214
25-44	Primary	795	740	357	348	1152	1088
	Junior	857	1018	345	404	1202	1422
	Leaving	960	1084	270	339	1230	1423
	Unknown	228	259	42	60	270	319
25-44 Total		2840	3101	1014	1151	3854	4252
45+	Primary	472	548	894	1144	1366	1692
	Junior	323	442	307	366	630	808
	Leaving	276	332	164	224	440	556
	Unknown	100	123	66	91	166	214
45+ Total		1171	1445	1431	1825	2602	3270
Overall Total		4,121	4,650	2,537	3,086	6,658	7,736

Note: 1 Completion defined as Throughput (Excluding Transfers, Rollovers, Dropouts, Suspended)

Note: 2. All figures based on the FÁS Management Information System as at 24/03/2009

Table 6.25 Unemployment Duration of Participants who completed Community Employment

Age Cohort	Number	Under 1 year	1- 2 years	2 - 3 years	3 years +	Total
Under 24 Years	202	21%	33%	17%	28%	100%
25-44 Years	3,854	4%	22%	11%	61%	100%
45+ Years	2,602	6%	18%	12%	64%	100%
Grand Total	6,658	6%	20%	12%	62%	100%

Table 6.26 Community Employment Programme- Total Number of Non-Completion Participants

Age Cohort	Reason	Female		Male		Total	
		2007	2008	2007	2008	2007	2008
0-24	Dropout	28	20	27	24	55	44
	Suspended	6	14	2	3	8	17
0-24 Total		34	34	29	27	63	61
25-44	Dropout	309	245	168	152	477	397
	Sick Leave	-	2	-	-	-	2
	Suspended	210	250	29	33	239	283
25-44 Total		519	497	197	185	716	682
45+	Dropout	136	120	188	174	324	294
	Maternity Leave	0	1	0	0	0	1
	Sick Leave	-	1	-	1	-	2
	Suspended	46	61	48	46	94	107
45+ Total		182	183	236	221	418	404
Overall Total		735	714	462	433	1197	1147

Note: 1 Non -Completion candidates defined as CE Throughput (Dropouts, Suspended)

Note: 2 All figures based on the FÁS Management Information System as at 24/03/2009

The reasons provided for participants not completing Community Employment are related to the fact that many are educationally, socially and geographically disadvantaged. Also, people who commence programmes are registered on their first day. If they decide not to proceed with the programme they must be taken off the system and are coded as 'dropouts'- this covers many reasons for leaving including illness pregnancy, dissatisfaction with programme, moving house /emigration, personal commitments, transport difficulties etc.

6.11.6 Outcomes of Participants on Exiting Community Employment Programme

Table 6.27 below relates to participants who left CE during the year. The numbers comprise around 30% of CE capacity - which implies a three year average duration period for a participant on the programme.

Table 6.27 Outcomes of Participants on Exiting Community Employment Programme

Outcome	2007	2008 *
Employment	2,443 (37%)	2,224 (29%)
Education & Training	468 (7%)	572 (7%)
Unemployment	2,793 (42%)	3,906 (50%)
Other - unavailable for work on exiting CE	954 (14%)	1,034 (14%)
Overall Total	6,658 (100%)	7,736 (100%)

Note 1: All figures based on the FÁS Management Information System as at 24/03/2009

Note 2: *Figures for 2008 are likely to be revised when additional information is obtained during the first half of 2009.

In 2007 females comprise 62% of those who completed CE but around 70 % of those who moved into employment; 66% of those who moved into further education / training; 56% of those who moved into

unemployment and 56% of those who were unavailable for work. For 2008 females comprised 60% of those who completed CE but around 70 % of those who moved into employment; 72% of those who moved into further education / training; 54% of those who moved into unemployment and 56% of those who were unavailable for work.

In 2007 those over 45 years of age comprised 42% of persons completing CE but around 32% of those who moved into employment; 21% of those who moved into further education/training; 47% of those who moved into unemployment and 56% of those unavailable for work. For 2008 those over 45 years of age comprised 42% of those who completed CE but around 36% of those who moved into employment; 21% of those who moved into further education / training ; 47% of those who moved into unemployment and 56% of those who were unavailable for work.

Overall, those with the better relative outcomes (in terms of movement into employment and / or further education/training) were females aged 25-44 with Junior / Leaving Certificate education level attainment. Those with the poorest relative outcomes were males aged over 45 years with primary level education attainment level.

Comparison of CE Outcomes with estimated Outcomes from Live Register

Table 6.28 below provides a comparison of actual CE outcomes for participants in 2007 with estimated outcomes derived from the Live Register in 2007. The Live Register estimates were derived by utilising an average comprising the ‘Long Term’ and ‘Very Long Term’ probability of exiting Live Register Rates (from Template in Chapter 5) and then applying this average³⁵ on a cumulative three year basis to provide a comparator estimate against actual CE exit rates - given that a participant spends on average three years on CE.

Table 6.28 Comparison of CE Outcomes with estimated Outcomes from Live Register

	Employment	Education/ Training	Unemployment	Other/ Inactivity	Combined Employment/ Education/ Training
Actual 2007	37%	7%	42%	14%	44%
Estimated from Live Register	34%	9%	23%	32%	43%

Comparing the actual outcomes of CE to the estimated Live Register comparator there is a three percent improvement in employment outcomes - which taken together with exit rates onto further education / training results in an overall one percent improvement in progression outcomes from participating on CE. The unemployment outcome figure for CE is notably higher than might be expected while the ‘Other/Inactivity’ figure is lower. One reason for this may be that the longer a person remains on the Live Register the more likely they may transfer to another social welfare payment and / or leave the labour force. Another reason could be that those on One Parent Family Payment and / or disability

³⁵ Calculated firstly by averaging the ‘Long Term’ Exit Rate (51%) and ‘Very Long Term’ exit rate (27%) giving a 39% average exit rate. Then applying this 39% average exit rate to each year over a three year period. This results in an estimated 77% of registrants having exited the Live Register by end of the third year and 23% remaining. Similar averaged exit rates outcomes for (a) employment (b) education/ training (c) transfer to social welfare and (d) Other/Inactive were then calculated for each year over a three year period . This results in an estimated proportion having exited into these outcomes by the end of 3 years.

related social welfare payments (who together comprise fifty-three percent of CE participants) have different exit rate probabilities compared to those on the Live Register - although as specific exit probabilities rates for these groups are not available this is not clear. However, a breakdown of participants by social welfare payments who were unemployed following completion of CE in 2007 does not suggest that their exit rates into unemployment are much more different than those on UA/UB.

Table 6.29 Breakdown of CE Participants by Social Welfare Payments

Social Welfare Payment Category	Proportion of total CE participants 2007	Proportion of those unemployed after completing CE in 2007
UA/UB	40%	42%
One Parent Family Payment	28%	30%
Disability Related	25%	18%
Other	7 %	10%

Overall, there is a need to examine the reason for the relatively high unemployed outcomes from Community Employment compared to what might be expected.

6.11.8 Certification

Table 6.30 Community Employment Programme 2007 Awards

Certification Body	AWARD_LEVEL	Major Award	Minor	Special Purpose	Total
City & Guilds	Level 1 C&G		122		122
	Level 2 C&G		15		15
	Level 3 C&G		49		49
	Level 4 C&G		7		7
	Level 5 C&G		15		15
	Level 6 C&G		8		8
City & Guilds Total			216		216
FETAC	Level 1 FETAC		424	1	425
	Level 2 FETAC		273		273
	Level 3 FETAC	6	2575		2581
	Level 4 FETAC	2	889		891
	Level 5 FETAC	17	2552		2569
	Level 6 FETAC		133		133
FETAC Total		25	6846	1	6872
HETAC	Level 6 HETAC	2	31	1	34
	Level 7 HETAC		27		27
	Level 8 HETAC	1	2		3
HETAC Total		3	60	1	64
Total Awards		28	7122	2	7152

Note (1) All figures based on the FÁS Management Information System as at 24/03/2009

Note (2) Table excludes Uncertified Training and Awards listed under "Other" Awarding bodies

Note (3) Training while on CE is an ongoing function, so these figures reflect the training activities undertaken by CE participants within 2007 only who may or may not have completed their time on CE.

Note (4) It is possible for a person to achieve multiple awards, but this was not broken down in the data forwarded.

Table 6.31 Community Employment Programme 2008 Awards

2008 Community Employment - Completed and Passed Training Awards by Certification Body, by Award Level and Type

Certification Body	AWARD_LEVEL	AWARD_TYPE			Supplemental	Grand Total
		Major Award	Minor	Special Purpose		
City & Guilds	Level 1 C&G		249	2		251
	Level 2 C&G		53	1	1	55
	Level 3 C&G	4	110			114
	Level 4 C&G		47			47
	Level 5 C&G	3	39	1		43
	Level 6 C&G		6			6
City & Guilds Total		7	504	4	1	516
FETAC	Level 1 FETAC	2	1089	5		1,096
	Level 2 FETAC		643	3		646
	Level 3 FETAC	265	14,570	7	9	14,851
	Level 4 FETAC	125	3,191	29	32	3,377
	Level 5 FETAC	953	8,355	47	25	9,380
	Level 6 FETAC	94	330	3	1	428
FETAC Total		1,439	28,178	94	67	29,778
HETAC	Level 6 HETAC	73	100	3	1	177
	Level 7 HETAC	47	58	2	1	108
	Level 8 HETAC	17	18			35
	Level 9 HETAC	2	2			4
HETAC Total		139	178	5	2	324
Total Awards		1,585	28,860	103	70	30,618

Note (1) All figures based on the FÁS Management Information System as at July 2009

Note (2) Table excludes Uncertified Training and Awards listed under "Other" Awarding bodies which amount to 25,309 in 2008.

Note (3) Training while on CE is an ongoing function, so these figures reflect the training activities undertaken by CE participants within 2008, only who may or may not have completed their time on CE.

Note (4) It is possible for a person to achieve multiple awards, but this has not been broken down in this analysis.

6.11.9 Estimated Benefits (in monetary terms): Community Employment Programme

For the purpose of this Review, benefits are classified for the following metrics:

- (i) Numbers progressing into employment (ii) Numbers progressing to further education and training; and (iii) Qualifications received by individuals.

Benefits are considered for (a) Government, (b) enterprises and (c) individuals.

(A) Government Benefit

Estimation of Government Benefit (2007)

- 6,658 completed programme
- 2,443 who completed (37%) into employment
- Estimated 200 (difference between 37 % and 34 %) obtained employment resulting from participation on Community Employment.
- Government Gain on Social Welfare of $200 \times \text{€}10,180 = \text{€}2,036,000$ over two years.
- Government Gain on Tax / PRSI of $200 \times \text{€}3,400 = \text{€}680,000$ for over two years.

Total estimated Government Benefit = € 2,716,000 over two years

(B) Calculations of Benefits for Individuals arising from participation on CE

Individual Benefits from Qualifications Achieved

A main benefit to the Individual is the achievement of a qualification award. For the purpose of this exercise it is proposed that the estimated value attributed to the qualification would be that which an individual would pay in fees in the private market to achieve that qualification. The relevant amounts were outlined in Chapter 5.

In the case of the Community Employment Programme (2007)

- Major Award Level 5 - 17 participants @ €2,000 = € 34,000
- Major Award Level 6 - 3 participants @ €2,600 = €7,800
- Major Award Level 3+ 4 - 8 participants @ €800 = € 6,400
- Minor Awards - 7,122 participants @ €300 = € 2,136,600

Total estimated Individual Benefit from Qualification awards in 2007 is € 2,184,800

In the case of the Community Employment Programme (2008)

- Major Award Level 8 - 17 participants @ €17,500 = €297,500
- Major Award Level 7 - 50 participants @ €14,000 = €700,000
- Major Award Level 6 - 175 participants @ €2,800 = €490,000
- Major Award Level 5 - 1029 participants @ €2,000 = € 2,058,000
- Major Award Level 3+ 4 - 471 participants @ €800 = €376,800
- Minor Awards - 28,860 participants @ €300 = € 8,658,000

Total estimated Individual Benefit from Qualification Awards in 2008 is €12,580,300

6.11.10 Findings

Community Employment comprises 41 percent of the combined budget for all active labour market programmes. Indeed it comprises 60 percent for labour market programmes aimed at the unemployed. Community Employment has the greatest number of participants of any programme. However, because participants spend three years on average on CE it provides only around 30 percent of the numbers completing labour market programmes for the unemployed.

Community Employment activity provides economic and social benefits to communities around the country in terms of providing services that would otherwise be lacking - especially those in disadvantaged areas. It provides support for several hundred community organisations, local Councils, VEC's, Drug Task Forces, the HSE, Semi-State bodies and national charitable organisations.

Comparing the actual outcomes of CE there is a three percent improvement in employment outcomes compared to the estimated Live Register comparator. Combined with exit rates onto further education/training this gives an estimated one percent improvement in progression outcomes from participation on CE. The unemployment outcome figure from Community Employment at 42 percent in 2007 is relatively higher than might be expected while the 'Other/Inactivity' figure is lower.

The number of participants on Disability related payments has increased significantly from seven percent in 1998 to 27% in 2008. Before commencing CE, thirty-seven percent of males were on disability related social welfare payments while 44% of females were on the One Parent Family Payment. Individuals from both these groups receive income from participation on CE (as per wage grants) and may retain all or a proportion of their social welfare payment (depending upon the level of income disregards for assessment means)³⁶. This can result in a relatively high level of net income compared to what may be obtained in the open jobs market and may reduce the incentive to enter lower wage full-time work. These groups also face specific issues in re-entering the labour force - such as for those on OPFP with the cost and availability of childcare. For some, participation on CE may have become an alternative to regular employment - particularly now with the downturn in employment.

CE has a relatively older, less well educated, long term unemployed profile. CE as operated has become the main programme provision for long-term unemployed people whether from the Live Register or other social welfare benefits. However, despite improvements CE remains mainly a work experience programme with a relatively small development element. There could be an enhancement of individual development and training supports tied to achievement of NFQ awards. This could include, as at present, provision outside the 2.5 days worked - on a voluntary basis. The introduction of the Individual Learning Plan has strengthened supports for individual training and development - evidenced by the increase in awards achieved from 2007 to 2008 - albeit from a small base. The further roll out of a Quality Assurance System should help ensure that participants receive training leading to nationally recognised qualifications. Given the lower educational profile of participants, literacy/numeracy is a key issue which should continue to be addressed. Relatively more long-term unemployed people could be accommodated on mainline training programmes with closer links to the labour market.

The scale of Community Employment could be examined in the context of how it is operating as an active labour market programme and in terms of other relevant provision to meet participant's needs. There could be a one year participation norm for the majority of places - versus the three years average period as at present. The training / education element could be enhanced - relevant to labour market needs- this would help to improve participant outcomes. The payment levels for participants should be examined to ensure that they do not act as a disincentive to taking jobs on the open market.

³⁶ For example if a Lone Parents gross weekly earnings are less than €425 per week then they can make a claim for a One Parent Family Payment. The first €146.50 of weekly income is disregarded for assessment means. The rate of payment is then calculated using a sliding payment scale. For people on disability related payments, participation on CE can be regarded as rehabilitative work. People in receipt of a Disability Benefit and / or Invalidity Pension can retain their S/W payment. Those on Disability Allowance are subject to a means test. Persons will be able to retain their medical card entitlement as well as some or all of their secondary benefits .

6.12 Job Initiative Programme

6.12.1 Objectives

The Job Initiative (JI) programme provides full-time employment for people over 35 years of age, unemployed for 5 years or more, and in receipt of social welfare payments over that period. Its main purpose is to assist long-term unemployed people to prepare for work opportunities. The programme aims to achieve this by providing participants with work experience, training and development opportunities. The programme is sponsored by groups wishing to benefit the local community, namely voluntary organisations, public bodies and those involved in not-for-profit activities.

Job Initiative was originally set up to be limited to a maximum of three years participation on the programme, but following the Minister's decision in November 2004 to allow those on the programme at that time to remain until retirement age was reached no new recruitment can take place, and no-one has to leave unless voluntarily or by retiring. Currently there is no recruitment onto Job Initiative.

6.12.2 Description

The programme is sponsored by local community groups/statutory organisations (Managing Agents) wishing to benefit the local community, namely voluntary organisations and public bodies involved in not-for-profit activities, who are invited to bid to run a JI project. FÁS gives financial support in the form of allowances and funding to assist with the programme, for participant and team leader wages, materials and overheads grants, and training grants. To facilitate the provision of development and training for participants, projects are encouraged to employ 15 or more participants and a Team Leader.

Managing Agents are provided with resources to employ unemployed people on a full-time basis (39 hrs per week) as participants. The aim is that through their period spent at work on a project, participants will improve their chances of being integrated into subsequent employment elsewhere in the local economy. Projects are approved on a one to three year basis with support being conditional upon annual review and the availability of funds. Projects must have a plan of action with specific outcomes, and a specific period in which those outcomes will be achieved. Training provision is determined by the needs of the individual learner as identified through the Individual Learning Plan (ILP) process. On the Job Initiative programme the learner needs are addressed via the Employee Development Plan, which is a simplified version of the ILP. A minimum of four percent of the grant per Job Initiative place (currently €519.80 per week) is to be spent on training and development. FÁS intend to roll out the computerised ILP to the programme in 2009. This process involves the learner in detailed discussions with their instructor/supervisor to identify in precise terms what are their requirements in terms of training to assist them achieve their employment goal and progression on the National Framework of Qualifications. Training programmes available span levels 1 through to 6 on the National Framework of Qualifications. FÁS Community Services has established the following FETAC Major Awards on the NFQ:

- FETAC level 3 major award in Personnel and Social Employment Skills
- FETAC level 3 major award in Vocational Employment Skills
- FETAC level 3 major award in Community Health Advocacy
- FETAC level 4 major award in Greenkeeping
- FETAC level 4 major award in Applied Employment Skills
- FETAC level 5 major award in Specific Employment Skills

The design of these awards aims to address the building of learners' capacity for and engagement in learning, the development of vocational skills and competence, as well as progression in terms of the

NFQ. Progression is facilitated by the provision of awards at Levels 3, 4, and 5. The above awards are supported by the availability of 787 minor awards established over the last five years by FÁS as part of FETAC's Interim Standards process.

Table 6.32 Breakdown of JI Participants by Sponsor Type and Sectoral Analysis

Sector	Voluntary	%	Public	%	Total	%
Arts/Cultural	1	0.1%	0	0%	1	0.07%
Community	1038	72.5%	204	14.2%	1242	86.8%
Educational	18	1.3%	0	0%	18	1.3%
Environmental	55	3.8%	38	2.7%	93	6.5%
Enterprise Development	12	0.8%	0	0%	12	0.8%
Not Stated	25	1.8%	0	0%	25	1.8%
Social Services/Healthcare	20	1.4%	5	0.3%	25	1.8%
Sport/Coaching	0	0%	0	0%	0	0%
Sport/Caretaking	5	0.4%	1	0.1%	6	0.4%
Tourism	9	0.6%	0	0%	9	0.6%
TOTAL	1183	82.7%	248	17.3%	1431	100.00%

Data Source: FÁS MIS - figures as at 09/03/2009

6.12.3 Expenditure (Inputs)

Table 6.33 Job Initiative - Total Direct and Indirect Expenditure

Year	Direct and Indirect Expenditure	
	2007	2008
Direct	€40.1m	€37.7m
Staff, O/H	€0.8m	€0.8m
Total	€40.9m	€38.5m

Note: All figures based on the FÁS Board Report. Staff Costs & Overheads are based on the apportioned of indirect costs using staff time and is only one of many apportionment methods.

Table 6.34 Job Initiative Programme- Direct and Indirect Expenditure per Day

Expenditure	2007	2008
Direct	€96	€95.4
Indirect	€3	€2.0
Total Cost per Day	€99	€97.4

Table 6.35 Profile of Job Initiative Programme Participants

Age Cohort	Education Cohort	Female		Male		Total	
		2007	2008	2007	2008	2007	2008
25-44	Junior	57	40	42	28	99	68
	Leaving	36	31	22	13	58	44
	Primary	163	121	75	50	238	171
	Unknown	3	2	1	1	4	3
25-44 Total		259	194	140	92	399	286
45+	Junior	110	119	125	127	235	246
	Leaving	70	66	53	53	123	119
	Primary	321	310	502	479	823	789
	Unknown	3	2	0	0	3	2
45+ Total		504	497	680	659	1184	1156
Overall Total		763	691	820	751	1583	1442

Participation defined as JI Throughput (Inc. Transfers, Rollovers, Dropouts, Suspended)

6.12.4 Activity

Table 6.36 Job Initiative Programme Activity Days

Year	Number of Activity Days
2007	418,000
2008	395,000

Note: Total number of activity days per year

Table 6.37 Job Initiative Programme - Average Number of Participants in Year

Year	Number of Participants
2007	1,635
2008	1,588

Note: Average number of participants per year

Table 6.38 Job Initiative - Total number of participants who completed programme

Age Cohort	Education Cohort	Female		Male		Total	
		2007	2008	2007	2008	2007	2008
25-44	Primary	10	2	4	1	14	3
	Junior	4	2	1	1	5	3
	Leaving	2	2	3	1	5	3
25-44 Total		16	6	8	3	24	9
45+	Primary	10	8	26	17	36	25
	Junior	2	4	2	6	4	10
	Leaving	6	2	2	0	8	2
	Unknown	1	0		0	1	0
45+ Total		19	14	30	23	49	37
Overall Total		35	20	38	26	73	46

Note: Completion defined as Throughput (Excluding Transfers, Rollovers, Dropouts and Suspended)

Table 6.39 Job initiative - Total Number of Non-Completion Participants

Age Cohort	Reason	Female		Male		Total	
		2007	2008	2007	2008	2007	2008
25-44	Dropout	3	2	1	1	4	3
	Suspended	1	0	1	0	2	0
25-44 Total		4	2	2	1	6	3
45+	Dropout	4	7	9	15	13	22
	Suspended	1	0	0	0	1	0
45+ Total		5	7	9	15	14	22
Overall Total		9	9	11	16	20	25

Note: Non-Completion candidates defined as Throughput (Dropouts, Suspended)

The Job Initiative Programme has had a recruitment freeze since Nov 2004, since when all those on the programme at that time do not have to progress off the scheme and can remain until retirement age (at 66 years). As participants on the scheme effectively have a place on a state-funded employment programme until retirement age, there is no incentive to leave and enter the open labour market, particularly in the current economic climate.

As with Community Employment the reasons why participants do not complete the Job Initiative programme are related to the fact that the programme responds to the training needs of socially excluded marginalised clients, many of whom are educationally, socially and geographically disadvantaged. People who commence programmes are registered on their first day. If they decide not to proceed with the programme they must be terminated and are coded as 'dropouts'. The term 'dropouts' covers many reasons for leaving including illness pregnancy, disciplinary reasons, dissatisfaction with programme, moving house /emigration, personal commitments, transport difficulties etc.

6.12.5 Job Initiative Programme Outcomes

Table 6.40 Job Initiative Outcomes

Outcome	2007	2008 *
Employment	41 (59%)	19 (41%)
Education & Training	5 (7%)	0
Unemployment	12 (17%)	8 (18%)
Other - unavailable for work on exiting CE	12 (17%)	19 (41%)
Overall Total	70 (100%)	46 (100%)

Note: Figures for 2008 likely to be revised when additional information is obtained during 2009.

6.12.6 Estimated Benefits (in monetary terms): Job Initiative Programme

For the purpose of this Review, benefits are classified for the following metrics:

- (ii) Numbers progressing into employment (ii) Numbers progressing to further education and training; and (iii) Qualifications received by individuals.

Benefits are considered for (a) Government, (b) enterprises and (c) individuals.

(A) Estimation of Government Benefit

There was no estimated gain to the Government as there were few persons completing the programme for any analysis to be undertaken.

(B) There was no information available from FÁS on benefits to enterprise

(C) Calculations of Benefits for Individuals arising from participation on Job Initiative Programme

Individual Benefits from Qualifications Achieved

There was no information available from FÁS on any number of certification awards achieved on the Job Initiative Programme. It was stated that all training records are in hard copy format only.

6.12.7 Findings

Job Initiative has an older, less qualified and long term unemployed participant profile than any other labour market programme. It is not currently operating as an effective active labour market programme. It is operating as a work programme with relatively few people completing the programme and no recruitment onto the programme. Its main benefits would seem to be the social benefits arising from work carried out in disadvantaged areas. The programme is more costly (in terms of cost per activity days- on average around 45% more costly) than mainline training programmes. This would relate to the high grant per participant paid to Managing Agents - equivalent to €27,000 per annum. There were no records for certification made available for the programme. It is not clear therefore the extent to which participants may be benefiting from the programme in terms of improving their qualifications.

6.13 Specific Skills Training Programme

6.13.1 Objective of Programme:

The objective of Specific Skills Training (SST) is to provide job seekers with employment-led training opportunities that lead to FETAC Awards at Levels 4, 5 and 6 on the NFQ and/or industry-recognised certification. In addition to this, these programmes provide a pool of skilled labour which will contribute to the objectives as set out in the National Skills Strategy. Moreover, the strategy behind the range of programmes offered is to provide industry and the business sectors with a trained and qualified workforce taking into account current and future labour market needs and trends.

Programme Description

Each programme is delivered in accordance with a Training Specification and Training Plan which describe the course outcomes in terms of detailed objectives. All courses have an assigned instructor/tutor who delivers all modules through a combination of classroom and workshop settings. Courses lead to employment in a range of industry sectors such as: Business and Administration, Renewable Energy, Retail, IT, Construction and Engineering. The main outcome sought for participants is employment in a specific skill area with an appropriate occupational qualification.

SST courses are available spanning the fields of learning which have been identified by the awards councils and are on offer throughout the training centre and 2nd Provider network (17 countrywide). Courses in this programme include the following: Accounting Technician Foundation Course, Computer Applications & Office Skills, Desk Top Publishing, Engineering Multi Skills, Heavy Goods Vehicle Driving, Digital Design for Website Production, Interactive Media and Pharmaceutical Process Operator. A full list of courses is detailed below.

Specific Skills Training: List of Available Courses:

Course Titles	Course Titles
Accounting Technician Foundation Course	Graphics for Print Media
Aircraft Maintenance Metal Work & Aeronautical	Hairdressing
Assessing Business Opportunities	Heavy Goods Vehicle Driving - Rigid Body
Basic Scaffolding	Heavy Goods Vehicle Driving - Artic Body
Biopharma / Pharmachem Process Operators	Hedge Fund Administration Diploma
Business Administration & Management	Horticultural Training
Business Appraisal & Start Up Programme	Industrial Automation
CAD	IT Technical Helpdesk & Customer Care
Client Server Applications	Media Techniques - Radio
CNC	Microsoft Office Specialist
Cobol Mainframe Programming	Digital Design for Website Production
Coded Pipe Welding	Networking and Windows 2000 Server

Computer Aided Engineering -Milling & Turning	Pharmaceutical Process Operator
Computer Aided Draughting & Design	Quality Assurance
Computer Applications & Office Skills	Scaffolding - Basic and Advanced
Computer Applications -Self Directed Learning	Seafaring Safety Skills
Computerised Accounts & Payroll	Security
Construction Operative	Signwriting
Construction Skills Certification Scheme	Software Developer 1
Customer Care & IT Skills	Sound Engineering
Delivery Driver	Teleservices-English Language
Desk Top Publishing	Television and Video Production
Interactive Media	Traditional Stonewall & General Construction
Domestic Appliance Servicing	Web Design
E Commerce and Web Design	Web Page Design (CIW)
Engineering Multi Skills	Welding
Enterprise Development	Welding / Fabrication
Financial Services - Operative	Welding Intermediate
Forklift Truck Operator-Updating Skills	
General Engineering Operatives	
Machine Tool Operating	
Manual & Computerised Accounts & Payroll	
Manual & Computerised Payroll/A/Cs Basic	

A new initiative which is a variant of SST was launched towards the end of 2008. Long duration SST courses have been broken down into single-module or in some cases two-module courses which lead to minor FETAC awards. These courses are intended to meet the training needs of recently unemployed workers who may require short training interventions in specific areas.

An overall listing of updated and new courses for Specific Skills Training 2008 is set out below.

Sample course description

Course Title	Course Title
Business Appraisal and Start-Up Programme	ICT Product Sales - Short Course
Domestic Heat Pump Installation	Spreadsheets - Short Course
Domestic Biomass Heating Installation	Word Processing - Short Course
CNC Machine Setting and Operation	Manual & Computerised Accounts
Computerised Accounts and Payroll	Computerised Payroll - Short Course

Manual & Computerised Payroll / Accounts	Legal Practice and Procedures - Short Course
Computer Applications and Office Skills	Concreting - Short Course
Retail Skills	Interactive Media
Financial Services Operations	Forklift Truck Operator - Experienced
Business Administration and Management	Forklift Truck Operator - Novice
Drainlaying - Short Course	Industrial Automation
Kerbing and Paving - Short Course	CSCS - Scaffolding - Basic
Telesales - Short Course	Hydraulics - Short Course
Welding MIG Positional - Plate & Pipe Short Course	CNC Competencies - Short Course
Introduction to Computer Hardware - Short Course	Pneumatics - Short Course
Construction Plant Operating	Programmable Logic Controllers - PLCs Short Course
Welding Pipe (Schedule 80) Short Course	Electrical/Electronic Control Systems - Short Course
Warehouse Operations and Forklift Truck Driving	Exhaust Replacement Fitting - Short Course
Spreadsheets - Short Course	Tyre Replacement Fitting - Short Course
Clerical Receptionist - Short Course	Welding - MMA Flat-Horizontal - Plate Short Course
Communications and Customer Care	Welding - MMA Positional - Plate and Pipe Short Course
Landscaping	Welding - MIG Flat- -Horizontal - Plate Short Course
Retail Sales - Short Course	CSCS - 180° Excavator (Experienced Workers) - Short Course
Digital Image Editing - Short Course	CSCS - 360° Excavator Operations (Experienced Work...
Windows Server Administration - Short Course	CSCS - Mini Digger (Experienced Operatives) Short Course
Building Energy Rating Assessor - Short Course	CSCS -Telescopic Handler (Experienced Workers) Short
CSCS - Tractor Dozer Operations	

Interactive Media is a course within the SST suite which leads to a FETAC level 6 major award. This course was designed to provide the interactive media, video, sound, web design and print industries with people skilled in the tools and techniques fundamental to these industries. The aim of the course is to provide learners with knowledge skills and competencies in the areas of design, project development, authoring, imaging, sound, video, illustration and web design and to hone and refine these skills through practical project work duration.

Sample new courses 2007-2008

During 2007-2008, new courses were developed to meet the demand for training in renewable energy technologies. These courses were developed in consultation with Sustainable Energy Ireland, and include Domestic Solar Heating Installation, Geothermal Heating installation, and Domestic Biomass Heating Installation. Another significant development during 2007 was the development of a Pharmaceutical Process Operator course. This course was developed in consultation with Pharma-Chemical Ireland to accommodate the needs of this sector. The course was validated by FETAC and now leads to a major award at level 5. A new initiative which is a variant of SST was launched towards the end of 2008. Long duration SST courses have been broken down into single-module or in some cases two-module courses which lead to minor FETAC awards. These courses are intended to meet the training needs of recently unemployed workers who may require short training interventions in specific areas. A list of courses developed for 2008 is contained in the Annexes.

Course Development

Programmes are developed in response to identified skill needs and are reviewed to maintain their relevance to the changing labour market. This review and development work is informed by a combination of centrally-devised initiatives, feedback from stakeholders such as course participants, employers, training providers, Government policy, labour market trends, the economic environment, the requirements of the knowledge economy and the Awards Councils.

Learners are supported through the Employment Services Gateway process where a guidance interview is conducted and the best training option for the person is identified. Learner progress is monitored in order to support the learner to meet the course objectives and to achieve the relevant certification. In addition to the formal tuition, on-line resources are available. Learners are encouraged to give feedback at any stage throughout the training course.

Many courses have traditionally been delivered on a full-time basis. However, FÁS has now launched a range of short, night and on-line training courses with or without tutor support in order to improve the flexibility of course provision. Selections of modules from SST courses are now available as short courses which lead to minor awards.

Training Allowances

The following weekly allowances are available for FÁS Training Courses:

Course Participants	Full Time	Part Time
Aged 15-16 years	€ 83.25	€ 47.95
Aged 17 years	€104.0	€ 59.90
Aged 18 years and over	€204.30	€117.60

If a participant's social welfare entitlement exceeds the allowance amount, a training allowance equivalent to this entitlement will be paid on receipt of certified evidence. In addition, a training bonus of €31.80 per week is payable to certain categories of persons who have completed a minimum period of 12 months in a combination of Jobseekers Allowance/Jobseekers Benefit, Community Employment, Job Initiative, Illness Benefit/Invalidity Pension, Carer's Allowance.

6.13.2 Specific Skills Training Expenditure (Inputs)

The total cost of the programme is detailed in Table 6.41 below, broken down by direct and indirect (human and capital) expenditure. Table 6.42 shows the cost per day, broken down by direct and indirect expenditure.

Table 6.41 Total Cost of Specific Skills Programme 2007/2008 (€ million)

	2007	2008
Direct	€37.3m	€41.4m
Staff, O/H	€15.6m	€16.7m
Total	€52.9m	€58.1m

*Actual outturn based on FÁS Board Report

Table 6.42 Cost per Day - Specific Skills Programme (€)

	2007	2008
Direct	€57.9	€62.8
Indirect	€24.2	€25.5
Total	€82.1	€88.2

6.13.3 Profile of Programme Participants

The following tables show the participant profile of the programme for 2007 and 2008. Thirty-three percent of participants were under 25, 48% in the 25-44 age bracket and 19% over 45. Females comprised 49% of the intake, with males comprising 51% on average. The level of educational attainment varied between 2007 and 2008. Additionally, FÁS did not collect data relating to NFQ levels 6-10 in 2007 but did in 2008. In 2007, nine percent of the intake did not disclose their educational attainment level. Of the remainder, nine percent of the intake had primary education (NFQ level 2) as their highest educational attainment level. 26% of all participants had NFQ level 3 as their highest educational attainment level, and 64 % of the intake had NFQ level 4/5 or higher as their highest educational attainment level. Ninety-two percent had been unemployed for less than one year. In 2008, there was an increased level of educational attainment among participants. Six percent of the intake did not disclose their educational attainment level.

Of the remainder, 6% had primary education (NFQ level 2) as their highest educational attainment level, 24% at NFQ level 3, and 70% at NFQ level 4/5 or higher. Sixty-nine percent of the intake was in receipt of Social Welfare payments prior to the programme. Sixty-four percent of participants were in receipt of JA/JB (54% of females compared to 70% of males).Ninety-seven percent had been unemployed for less than one year.

Table 6.43 Specific Skills Training - Participants Profile

<i>Age Cohort</i>	<i>Education Cohort</i>	Female		Male		Total	
		2007	2008	2007	2008	2007	2008
0-24	NFQ Level 2	34	24	60	40	94	64
	NFQ Level 3	257	192	276	332	533	524
	NFQ Level 4/5	692	552	613	626	1305	1178
	NFQ Level 6		72		59		131
	NFQ Level 7		52		30		82
	NFQ Level 8		23		12		35
	NFQ Level 9		10		4		14
	None entered	104	95	104	74	208	169
0-24 total		1087	1020	1053	1177	2140	2197
25-44	NFQ Level 2	104	65	174	119	278	184
	NFQ Level 3	293	234	400	403	693	637
	NFQ Level 4/5	954	492	1012	608	1966	1100
	NFQ Level 6		245		255		500
	NFQ Level 7		148		115		263
	NFQ Level 8		116		122		238
	NFQ Level 9		69		33		102
	NFQ Level 10		1		4		5
Over 45	NFQ Level 2	91	78	101	76	192	154
	NFQ Level 3	196	188	167	143	363	331
	NFQ Level 4/5	324	241	261	160	585	401
	NFQ Level 6		82		85		167
	NFQ Level 7		38		34		72
	NFQ Level 8		31		44		75
	NFQ Level 9		15		8		23
	NFQ Level 10				1		1
	None entered	71	41	40	28	111	69
Over 45 total		682	714	569	579	1251	1293
Grand Total		3284	3187	3335	3503	6619	6690

Table 6.44 Profile of Participants in Receipt of Social Welfare Payment prior to commencement of Specific Skills Training Programme

Age Cohort	Eligibility Category	Female		Male		Total	
		2007	2008	2007	2008	2007	2008
0-24	Disability	7	8	21	13	28	21
	Live Register (UA/UB)	515	510	618	741	1133	1251
	Lone Parent	81	63	0	1	81	64
	No Status	484	439	414	422	898	861
	Other benefit	0		0	0	0	0
0-24 Total		1087	1020	1053	1177	2140	2197
25-44	Disability	16	16	24	21	40	37
	Live Register (UA/UB)	849	819	1317	1378	2166	2197
	Lone Parent	142	131	3	4	145	135
	No Status	500	485	363	341	863	826
	Other Benefit	8	2	6	3	14	5
25-44 Total		1515	1453	1713	1747	3228	3200
Over 45	Disability	8	15	18	13	26	28
	Live Register (UA/UB)	424	441	414	439	838	880
	Lone Parent	7	15	0	2	7	17
	No Status	231	237	135	125	366	362
	Other benefit	12	6	2	0	14	6
Over45 Total		682	714	569	579	1251	1293
Grand Total		3284	3187	3335	3503	6619	6690

Table 6.45 Specific Skills Training -Age by Gender by Duration of Unemployment profile

Age Cohort	Duration	Female		Male		Total	
		2007	2008	2007	2008	2007	2008
0-24	< 1 year	895	869	850	939	1745	1808
	> 1 year	56	27	61	13	117	40
0-24		951	896	911	952	1862	1848
25-44	< 1 year	1224	1227	1282	1470	2506	2697
	> 1 year	110	44	139	45	249	89
25-44		1334	1271	1421	1515	2755	2786
Over 45	< 1 year	571	570	417	453	988	1023
	> 1 year	49	20	50	24	99	44
Over 45		620	590	467	477	1087	1067
Total		2905	2757	2799	2944	5704	5701

6.13.5 Activity

Table 6.46 Specific Skills Training - Activity Days

Year	Activity Days
2007	645,000
2008	659,000

Table 6.47 Specific Skills Training - Average number of participants per year

Year	
2007	6,450
2008	6,585

Table 6.48 Specific Skills Training -Total number of participants who completed programme

Age	Female		Male		Total	
	2007	2008	2007	2008	2007	2008
0-24	951	896	911	952	1862	1848
25-44	1334	1271	1421	1515	2755	2786
Over45	620	590	467	477	1087	1067
Total	2905	2757	2799	2944	5704	5701

Note: Completion defined as Throughput (excluding drop-outs). Dropouts defined as those who commence programmes and are registered on the first day but then decide not to proceed.

Table 6.49 Specific Skills Training - Total number of non-completion participants

Age cohort	Female		Male		Total	
	2007	2008	2007	2008	2007	2008
0-24	134	106	154	157	288	263
25-44	119	117	183	162	302	279
Over45	57	72	60	52	117	124
Total	310	295	397	371	707	666

There is no information available for reasons for participants not completing the programme.

6.13.6 Outcomes

Employment and Education/Training

For the purposes of this Review, outcomes were requested, broken down into the following categories:

- Employment
- Education/Training
- Unemployment
- Home Duties/Other

However, the most recent outcomes information, broken down in this way, was only available for programmes that were run in 2005, and covered in the 2006/2007 FÁS follow-up survey. This is the most recent such survey conducted by FÁS to date. These surveys consist of a representative sample of programme participants that are surveyed approximately 18 months after leaving the programme. While the timeline is not aligned for this analysis, it at least provides comprehensive information on outcomes from the programme. These are illustrated in Table 6.50 below.

Table 6.50 Outcomes - Specific Skills Training (2005)

<i>Outcome</i>	
Employment	58%
Education & Training	10%
Unemployed	23%
Home Duties/Other	9%

The Table below provides a comparison of Specific Skills Training outcomes in 2007 with the estimated outcomes comparator from the Live Register in 2007.

Table 6.51 Comparison of Specific Skills Training outcomes with estimated outcomes from the Live Register (2007)

	Employment	Education/ Training	Unemployment	Other/ Inactivity	Combined Employment / Education / Training
2007 Follow Up Survey	58%	10%	23%	9%	68%
Live Register (Estimates)	53%	10%	17%	20%	63%

The estimated Live Register exit figure used is for the medium term unemployment duration band. Using these figures it can be said that Specific Skills Training has a five percent positive effect on the employment prospects of individuals. Progression into further education / training is similar.

The only information available for outcomes of 2007 and 2008 is internal information from FÁS for those years. This is presented in the table below but is not broken down into the categories used in the Follow-up Survey.

Table 6.52 Specific Skills Training Outcomes 2007 & 2008

Outcome	2007	2008
Employment	34%	28%
Education & Training	6%	7%

Note: FÁS also records a category entitled 'Placed-Type unknown' but as it is unclear what type of placement this is, it is not possible to use it in this analysis.

For the purposes of this Review, FÁS undertook a special analysis of recent data, pertaining to persons that had completed programmes in 2008. An analysis of 2,899 participants (51% of the throughput) that completed the programme and had been on the Live Register when they commenced the programme was conducted. The analysis shows that 58% of those previously on the Live Register have now exited the Live Register, while the remaining 42% are still on the Live Register.

Table 6.53 April 2009 Live Register Status of FÁS Live Register Throughput 2008

Programme	Live Register T/Put 2008	% of Live Register T/Put now LR Open	% of Live Register T/Put now LR Closed
Specific Skills Training	2,899	42%	58%

Source: FÁS MIU for 2008 and CDB as at April 9 2009.

6.13.7 Certification

Participants who completed Specific Skills Training programmes in 2007 and 2008 were awarded FETAC Major Awards levels 3-6, Special Purpose Awards levels 4-5 and Supplemental Awards at level 6. FETAC Minor Awards were also issued to Specific Skills Training participants but numbers of Minor Awards are currently aggregated with the Traineeship Programme, as these awards are common to different programmes and not broken down by programme. FETAC provide the following definitions of the various award types. Table 6.43 shows numbers of Major Awards achieved by learners and Table 6.44 shows numbers of Minor Awards for the Specific Skills Training Programme and the Traineeship Programme.

Table 6.54 FETAC Major, Special Purpose and Supplemental Awards 2007/8 for Specific Skills Training Programme

NFQ Level Award	2007	2008
Major Award NFQ Level 3	15	83
Major Award NFQ Level 4	195	157
Major Award NFQ Level 5	465	687
Major Award NFQ Level 6	212	187
Special Purpose Award NFQ Level 4	141	293
Special Purpose Award NFQ Level 5	135	612
Supplemental Award NFQ Level 6	456	698

Table 6.55 FETAC Minor Awards for Specific Skills Training (Day and Evening Courses) and Traineeship Programmes

NFQ Level Award	2007	2008
Minor Award Level 4	8000*	7000*
Minor Award Level 5	9410	8626
Minor Award Level 6	468	258

FÁS have indicated that over 8,000 learners in 2007 and over 7,000 learners in 2008 received Minor Awards at level 4 but no specific figure was given.

Use of Skills

No information was made available for participants who completed the programme in 2007 and 2008 on the extent to which the skills acquired on the programme helped them to get a job, or the frequency of

use of skills acquired on the programme in their first job. The most up-to-date information available is contained in the 2006/7 Follow-up Survey in respect of participants who completed the programme in the period June to September 2005. The information provided in that survey (presented in Table 6.56 below) relates to the use of skills acquired in the programme in participant's first job.

Table 6.56 Use of Skills Acquired in Specific Skills Training Programme in First Job

	All the time	A lot	Sometimes	A Little	Never	% who felt they could not have got job without programme
Specific Skills Training	31%	18%	19%	15%	17%	52%
FÁS Programmes Average	35%	16%	17%	14%	18%	55%

For those that had a job before and after participation on the Programme, a comparison of their skill level before and after the training programme is given in the table below.

Table 6.57 Specific Skills Training - Comparison of Level of Skill in first Job with Job before Training

	Greater	Same	Less
Specific Skills Training	58%	27%	15%
All Programmes	60%	26%	14%

6.13.8 Employer Usage/Satisfaction

FÁS do not obtain specific information from companies in respect of persons that they recruit from FÁS programmes. However, FÁS has commissioned sample surveys of employers from time to time. A survey was carried out by Red C in July 2005 and a similar one in January 2007³⁷. The survey covered a sample of an estimated 140,000 private sector companies. This survey asked about the FÁS services that companies had used and their satisfaction with those services. As companies would not be familiar with the titles of different FÁS training programmes, they were presented with a broader range of titles including Training Courses for the Unemployed, Apprenticeships, Traineeships, Community Employment, Recruitment Services for Employers, Advice on Training and Subsidy for Training your Employees. The most relevant to Specific Skills Training would be FÁS Training Courses for the Unemployed. The results for this category were that only one percent of companies stated that they had used this service in the last 12 months and three percent had ever used it. Because of the small number of respondents in the sample, it was not possible to obtain reliable feedback on satisfaction for this programme.

³⁷ Survey of Employers' Usage of FÁS Services - 2007, S Conway & R Fox, July 2007, FÁS.

6.13.9 Estimated Benefits (in monetary terms): Specific Skills Training Programme

For the purpose of this Review, benefits are classified for the following metrics:

(i) Numbers progressing into employment (ii) Numbers progressing to further education and training; and (iii) Qualifications received by individuals.

Benefits are considered for (a) Government, (b) enterprises and (c) individuals.

(A) Estimation of Government Benefit

5,704 persons completed

- Estimated 3,300 who completed (58%) progressed into employment
- Estimated 330 (difference between 58% and 53%) obtained employment resulting from participation on Specific Skills Training

Government gain on social welfare - assume 80% of 330 i.e. 265 would have been on social welfare payment .Gain would equal $265 \times \text{€}10,180 = \text{€}5,395,400$ over two years

Government gain on Tax / PRSI
of $265 \times \text{€}3,400 = \text{€}1,802,000$ for over two years.

Total estimated Government benefit = € 7,197,400 over two years

(B) Calculations of Benefits for Individuals arising from participation on Specific Skills Training Programmes

Qualification Achieved

A main benefit to the Individual is awarding of a qualification.

It is proposed that the value attributed to the qualification will be that which an individual would pay in fees in the private market to achieve that qualification. The relevant amounts were noted in Chapter 5.

In the case of the Specific Skills Training Programme (2007)

- Major Award level 6 - 668 participants @ €2,800 = €1,870,400
- Major Award Level 5 - 600 participants @ €2,000 = €1,200,000
- Major Award Level 3 + 4 - 351 participants @ €800 = €280,000

Estimated Individual benefit from Qualifications Achieved €3,350,400

6.13.10 Findings

The objective of the Specific Skills Training programme is to provide job seekers with employment-led training opportunities that lead to FETAC Awards at Levels 4, 5 and 6 on the NFQ and/or industry-recognised certification, thus providing a pool of skilled labour that is close to labour market needs and trends. The outcomes of the programme are among the best of all the FÁS programmes, with 58% of participants going into employment and 10% going on to education/training. The programme has been less successful in delivering on its aim to deliver certification to participants, with just 28% of completers receiving certification in 2007. However, that figure rose to 47% in 2008, suggesting that this is being addressed.

The outcomes reflect the participant profiles as participants are generally well educated, short-term unemployed and younger than participants on employment programmes. As with other training programmes, there are a relatively high number of participants with no social welfare status (31%). These may be newly redundant workers, women returners, school/college leavers, or people who have decided to change career. Twenty-seven percent of Specific Skills Training participants in 2005 were working prior to the programme, according to the 2006/7 FÁS follow-up survey. This suggests that they may account for a large proportion of those with no social welfare status. In the current labour market environment, with rising unemployment and given available capacity, priority will need to be given to the unemployed.

The advantage of the Specific Skills Training Programme is that it is generally well-aligned with the labour market and has kept abreast of current and future trends. Nonetheless, it would probably benefit from more employer participation, similar to the Traineeship model, where outcomes are higher. There will need to be a continuing emphasis on ensuring that the programme is aligned with labour market demand. Rigorous evaluation will need to be conducted on an annual basis, similar to the FÁS follow-up survey, normally conducted biannually. The current system of evaluating outcomes which contains a category of 'placed/type unknown' should be discontinued. On certification, minor awards should be disaggregated from those received on the Traineeship programme.

6.14 Traineeship Programme

6.14.1 Programme Description and Development

Objective

The central feature of these training courses is that they aim to help job-seekers to acquire specific skills relevant to particular occupations or tasks in the labour market.

Description

Traineeships are occupational specific and industry endorsed training programmes which combine Training Centre and on-the-job components leading to FETAC major awards mostly at levels 5 and 6 and/or industry recognised certification providing access to specific occupations in designated sectors. These programmes are targeted at occupations which are not designated as apprenticeships but entail significant skill requirements which are best acquired through a combination of alternating periods of on and off-the-job training.

The main outcome for participants is employment in specific occupations with an appropriate occupational qualification. In addition to this, these programmes provide a pool of skilled labour which will contribute to the objectives as set out in the National Skills Strategy. These courses are also aligned with the fields of learning as specified by the Awards Councils.

Each programme is delivered to a Training Specification and Training Plan. Traineeships commence with an off-the-job training phase and programme participants attend a Training Centre, for a specified period, learning the skills and knowledge that will be further developed through structured workplace training in the host company. The workplace training provides planned and structured training for the programme participant and this training is carried out under the normal operational conditions of the host company. A feature of the Traineeship is that the Employer nominates an experienced member of staff to act as a Skills Coach to provide training in the workplace to enable the programme participant build on the skills and knowledge learned in the Training Centre. This member of staff also supervises the agreed Workplace Training Plan for the programme participant. Completion of the workplace competence schedule is an integral component of the FETAC award.

FÁS provides Skills Coach training for experienced company employees to support the programme participant during the on-the-job phase of the Traineeship. FÁS offers this support free of charge for businesses and companies participating in the Traineeship programme.

These programmes are developed in response to identified skill needs and are constantly reviewed to maintain their relevance to the changing labour market. Courses within this programme would have been updated or developed within the last five years and include the following: Beauty Therapist, Childcare Practitioner, Leisure Facility Instructor and Software Developer. These programmes are developed in response to identified skill needs and are constantly reviewed to maintain their relevance to the changing labour market. Courses within this programme would have been updated or developed within the last five years and include the following:

Course Titles	Course Titles
Auto-Turning	Office Administrator
Beauty Therapist	Outdoor Activity Instructor
Business Systems Service Technician	Pharmacy Sales Assistant
Childcare Practitioner	Private Security Personnel
Equestrian International Instructor	Racing Groom
Financial Advisers Assistant	Sales & Marketing Assistant
Forestry Operative	Sales Service Fitter
Freight Forwarding	Software Developer
Healthcare Assistant	Supply Chain Logistics Administrator
IT Support Specialist	Telecommunications Technical Operator
Jewellery Manufacturing Operative	Thatcher
Legal Secretary	Trainee Jockey
Leisure Facility Instructor	
Medical Secretary	

Traineeships such as Security Equipment Installer have been proven to be a valuable pre-cursor to developing Standards Based-Apprenticeships. Currently, Jewellery Manufacturing is being developed in this way. A more detailed example of Traineeship programme is Healthcare Assistant, the aim of which is to provide learners with the skills, knowledge and attitude to care for the older person. The syllabus includes communications, care practice, anatomy and physiology, healthcare, human development, care provision, recreation and leisure and workplace practice. Learners are awarded a FETAC Advanced Certificate Level 6 in Healthcare. The programme facilitates the development of attitude and personal effectiveness to enable participants to obtain employment as Healthcare Assistants in nursing homes, hospitals and homecare.

Traineeships are fulltime courses that combine directed off-the-job training in a FÁS or FÁS approved Training Centre with work-place training in a host company. This dual system provides the programme participant with the opportunity, to apply in the workplace, the skills and knowledge learned in the Training Centre. These courses vary in duration from 20 to 43 weeks and are assessed by modules which lead to awards at levels 4, 5 and 6 in the NFQ and/or industry recognised certification.

Programme Development

These programmes are developed in response to identified skill needs and are constantly reviewed to maintain their relevance to the changing Labour Market. The first step in developing a new Traineeship is the establishment of a consultative group made up of social partners to advise on the scope and standards for the occupation. FÁS engages with this group through all stages of design, development and implementation of the training course. Reviews of courses are informed by a combination of centrally

devised initiatives, feedback from stakeholders such as course participants, employers, training providers, government policy, labour market trends, the economic environment, requirements of the knowledge economy and designed to the requirements of the Awards Councils.

Entry to programmes is facilitated through the Gateway process where a guidance interview is conducted and the best training option for the person is identified. Learner progress is continually monitored in order to support the learner to meet the course objectives and to achieve the relevant certification. In addition to the formal tuition, on-line resources are available to support learners. Learners are encouraged to give feedback at any stage throughout the training course.

In 2009 a number of Traineeships have been made available to clients in blocks of training to facilitate delivery through a number a short training periods.

Training Allowances

The following weekly allowances are available for FÁS Training Courses:

Course Participants	Full Time	Part Time
Aged 15-16 years	€ 83.25	€ 47.95
Aged 17 years	€104.0	€ 59.90
Aged 18 years and over	€204.30	€117.60

If a participant's social welfare entitlement exceeds the allowance amount, a training allowance equivalent to this entitlement will be paid on receipt of certified evidence. In addition, a training bonus of €31.80 per week is payable to certain categories of persons who have completed a minimum period of 12 months in a combination of Jobseekers Allowance/Jobseekers Benefit, Community Employment, Job Initiative, Illness Benefit/Invalidity Pension, Carer's Allowance.

6.14.2 Expenditure (Inputs)

Table 6.58 details the total cost of the programme, broken down into direct and indirect costs for 2007 and 2008. Table 6.59 details the cost per day (direct and indirect) for both years.

Table 6.58 Total Cost of Traineeship Programme 2007/2008 (€ million)

	2007	2008
Direct	€25.2m	€29.2m
Indirect Staff, O/H	€8.2m	€8.9m
Total	€33.4m	€38.2m

Table 6.59 Traineeship Programme - Cost per Day (€)

	2007	2008
Direct	€62.7	€67.2
Indirect Staff, O/H	€20.3	€20.7
Total	€83.0	€87.9

6.14.3 Participant Profile

In 2007, 69% of participants were female and 31% male. In 2008, there was a similar pattern with 64% of participant's female and 36% male. In 2007, 44% of participants were aged under 25, with 12% over 45. In 2008, 43% were aged under 25, with 12% over 45. In 2007, 11% of participants did not disclose their highest educational attainment level. Of the remainder, seven percent of participants had a highest educational attainment level of primary education or NFQ level 2, 23% had a highest educational attainment level of NFQ level 3 and 70% had a highest educational attainment level of Leaving Certificate or NFQ level 4/5 or higher. FÁS did not track educational attainment levels higher than Leaving Certificate by NFQ levels in 2007. In 2008, 7% of participants did not disclose their highest educational attainment level. Of the remainder, 5% of participants had a highest educational attainment level of primary education or NFQ level 2, 21% had a highest educational attainment level of NFQ level 3, 51% had a highest educational attainment level of Leaving Certificate or NFQ level 4/5 while 23% had a highest educational attainment level of NFQ levels 6-10.

In 2007, 58% of the intake was in receipt of Social Welfare payment prior to the programme. Ninety-five percent had been unemployed for less than one year. Fifty-five percent had been in receipt of JA/JB, one percent were in receipt of Disability Payment, and two percent were on One Parent Family Payment. In 2008, 62% of all participants were in receipt of Social Welfare payment prior to the programme. Ninety-five percent had been unemployed for less than one year. Fifty-nine percent were in receipt of JA/JB, three percent OPFP and less than one percent Disability Payment.

Table 6.60 Participant Profile - Traineeship Programme

Age Cohort	Education Cohort	Female		Male		Total	
		2007	2008	2007	2008	2007	2008
0-24	NFQ Level 2	14	15	14	8	28	23
	NFQ Level 3	137	118	62	98	199	216
	NFQ Level 4/5	534	539	223	271	757	810
	NFQ Level 6		47		19		66
	NFQ Level 7		20		7		27
	NFQ Level 8		19		3		22
	NFQ Level 9		3		1		4
	None entered	69	65	39	25	108	90
	0-24 total		754	826	338	432	1092	1258
25-44	NFQ Level 2	58	58	26	21	84	79
	NFQ Level 3	149	157	78	102	227	259
	NFQ Level 4/5	437	308	202	177	639	485
	NFQ Level 6		140		80		220
	NFQ Level 7		73		40	33	113
	NFQ Level 8		49		35		84
	NFQ Level 9		19		8		27
	NFQ Level 10						
	None entered	101	53	45	25	146	78
25-44 total		745	857	351	488	1096	1345
Over 45	NFQ Level 2	36	21	14	19	50	40
	NFQ Level 3	62	54	16	43	78	97
	NFQ Level 4/5	96	74	49	25	145	99
	NFQ Level 6		32		14		46
	NFQ Level 7		6		6		12
	NFQ Level 8		8		12		20
	NFQ Level 9		1		1		2
	NFQ Level 10						
	None entered	19	18	5	7	24	25
Over 45 total		213	214	84	127	297	341
Grand Total		1712	1897	773	1047	2485	2944

Table 6.61 Traineeship Programme - Profile of Participants in Receipt of Social Welfare Payment prior to commencement of Programme

Age Cohort	Eligibility Category	Female		Male		Total	
		2007	2008	2007	2008	2007	2008
0-24	Disability	2	1	1		3	1
	Live Register (UA/UB)	340	407	164	244	504	651
	Lone Parent	22	37		1	22	38
	No Status	390	381	173	187	563	568
	Other benefit	0	0		0		0
0-24 total		754	826	338	432	1092	1258
25-44	Disability	3	5	5	2	8	7
	Live Register (UA/UB)	405	478	267	399	672	877
	Lone Parent	24	36	1		25	36
	No Status	311	337	78	87	389	424
	Other benefit	2	1	0		2	1
25-44 total		745	857	351	488	1096	1345
Over 45	Disability	3	4	1		4	4
	Live Register (UA/UB)	131	118	61	99	192	217
	Lone Parent	1	3	0	0	1	3
	No Status	77	88	22	28	99	116
	Other benefit	1	1	0	0	1	1
Over45 total		213	214	84	127	297	341
Grand total		1712	1897	773	1047	2485	2944

Table 6.62 Traineeship Programme - Age, Gender, Duration of Unemployment Profile

Age Cohort	Duration of Unemployment	Female		Male		Total	
		2007	2008	2007	2008	2007	2008
0-24	< 1 year	716	791	330	419	1046	1210
	> 1 year	38	35	8	13	46	48
0-24 Total		754	826	338	432	1092	1258
25-44	< 1 year	702	814	332	446	1034	1260
	> 1 year	43	43	19	42	62	85
25-44 total		745	857	351	488	1096	1345
Over 45	< 1 year	196	201	75	124	271	325
	> 1 year	17	13	9	3	26	16
Over 45 total		213	214	84	127	297	341
Total		1712	1897	773	1047	2485	2944

6.14.4 Activity

Table 6.63 Traineeship Programme Activity Days

Year	Activity Days
2007	402,000
2008	435,000

Note: Total number of activity days per year

Table 6.64 Traineeship Programme Average Number of Participants per Year

Year	Average Number of participants
2007	2,010
2008	2,175

Table 6.65 Total number of participants who completed Traineeship Programme

Age Cohort	Female		Male		Total	
	2007	2008	2007	2008	2007	2008
0-24	582	650	250	292	832	942
25-44	657	693	282	324	939	1,017
Over45	174	179	53	97	227	276
Total	1,413	1,522	585	713	1,998	2,235

Note: Completion defined as Throughput (excluding dropouts). Dropouts are defined as those who commence programmes and are registered but then decide not to proceed with the programme.

Table 6.66 Total number of non-completion participants- Traineeship Programme

Age Cohort	Female		Male		Total	
	2007	2008	2007	2008	2007	2008
0-24	97	85	46	60	143	145
25-44	66	50	41	38	107	88
Over45	22	16	7	10	29	26
Grand total	185	151	94	108	279	259

No reasons provided for participants not completing the Traineeship programme.

6.14.5 Outcomes

Employment and Education/Training

For the purposes of this Review, outcomes were requested, broken down into the following categories:

- Employment
- Education/Training
- Unemployment
- Home Duties/Other

However, the last available outcomes information, broken down in this way, was only available for programmes that were run in 2005, and covered in the 2006/2007 FÁS follow-up survey. This is the last such survey conducted by FÁS to date. These surveys consist of a representative sample of programme participants that are surveyed approximately 18 months after leaving the programme. While the timeline is not aligned for this analysis, it at least provides comprehensive information on outcomes from the programme. These are illustrated in Table 6.67 below.

Table 6.67 Traineeship Programme Outcomes (2005)

Outcome	
Employment	72%
Education & Training	9%
Unemployed	10%
Home Duties/Other	8%

Table 6.68 below provides a comparison of the Traineeship outcomes in 2007 with the estimated outcomes from the Live Register in 2007 (further discussed in Chapter 5).

Table 6.68 Traineeship Programme Outcomes in Comparison with Estimated Live Register Outcomes (2007)

	Employment	Education/ Training	Unemployment	Other/ Inactivity	Combined Employment / Educ/Training
2007 Follow Up Survey	72%	9%	10%	8%	81%
Live Register (Est)	53%	10%	17%	20%	63%

The estimated Live Register exit figures used in Table 6.68 are for the derived medium term unemployment duration band. As can be seen participation on the Traineeship programme has a high positive effect on increasing the employment prospect of individuals. The only information available for outcomes of 2007 and 2008 programmes is internal information from FÁS for those years. This is presented in Table 6.69 below but is not broken down into the categories used in the Follow-up Survey.

Table 6.69 Traineeship Programme Outcomes (2007 & 2008)

Outcome	2007	2008
Employment	47	44
Education & Training	3	4

Note: FÁS also records a category entitled ‘Placed-Type unknown’ but as it is unclear what type of placement this is, it is not possible to use it in this analysis.

For the purposes of this Review, FÁS undertook a special analysis of recent data, pertaining to persons that had completed programmes in 2008. An analysis of 705 participants (24% of the throughput) that completed the programme and had been on the Live Register when they commenced the programme was conducted. The analysis shows that 69% of that number that had previously been on the Live Register has now exited the Live Register, while the remaining 31% are still on the Live Register.

Table 6.70 April 2009 Live Register Status of FÁS Live Register Throughput 2008

Programme	LR T/Put 2008	% of Live Register T/Put now LR Open	% of Live Register T/Put now LR Closed
Traineeship	705	31%	69%

Source: FÁS MIU for 2008 and CDB as at April 9 2009.

6.14.6 Certification

Participants who completed the Traineeship programmes in 2007 and 2008 were awarded FETAC Major Awards levels 4-6. FETAC Minor Awards were also issued to Traineeship participants but numbers of Minor Awards are currently aggregated with the Specific Skills Training Programme, as these awards are common to different programmes and not broken down by programme. The definitions of the various award types are detailed in the Glossary.

Table 6.71 shows numbers of Major Awards achieved by learners and Table 6.72 shows numbers of Minor Awards for the Specific Skills Training Programme and the Traineeship Programme.

Table 6.71 FETAC Major Awards 2007/8 for Traineeship Programme

NFQ Level Award	2007	2008	
Major Award NFQ Level 4	157	225	
Major Award NFQ Level 5	987	874	
Major Award NFQ Level 6	185	218	

Source: FÁS

Table 6.72 FETAC Minor Awards for Specific Skills Training and Traineeship

NFQ Level Award	2007	2008
Minor Award Level 4	8000*	7000*
Minor Award Level 5	9410	8626
Minor Award Level 6	468	258

Source: FÁS- includes both day and evening awards

FÁS have indicated that over 8,000 learners in 2007 and over 7,000 learners in 2008 received Minor Awards at level 4 but no specific figure is given.

Use of Skills

No information was made available for participants who completed the programme in 2007 and 2008 on the extent to which the skills acquired on the programme helped them to get a job, or the frequency of use of skills acquired on the programme in their first job. The most up-to-date information available is contained in the 2006/7 Follow-up Survey in respect of participants who completed the programme in the period June to September 2005. The information provided in that survey (presented below) relates to the use of acquired in programme in participants first job.

Table 6.73 Use of Skills Acquired in Traineeship Programme in First Job

	All the time	A lot	Sometimes	A Little	Never	% who felt they could not have got job without programme
Traineeship	38%	13%	15%	13%	23%	63%
FÁS Programmes Average	35%	16%	17%	14%	18%	55%

For those that had a job before and after participation on the Programme, a comparison of their skill level before and after the training programme is given in Table 6.74

Table 6.74 Traineeship Programme -Comparison of Level of Skill in First Job with Job before Training

	Greater	Same	Less
Traineeship	56%	31%	14%
All Programmes	60%	26%	14%

6.14.7 Employer Usage/Satisfaction

Traineeships are developed in response to a request from an employer body and/or are based on labour market reports which identify skill shortages. Preliminary work on identifying employer needs is carried out through desk top research and analysis. Standards Development Groups, which include employer representatives, are established to guide the development of a Traineeship and identify both the job specification and the person specification for a given occupation. A key outcome of this approach is that Traineeships are designed to meet the specific needs of a given industry or employer group. Traineeship are reviewed approximately every three years and part of that review involves questionnaires going to employers seeking information on the skills of recruits who completed the Traineeships and seeking feedback on any changes that might be required for the programme. Overall feedback is very positive.

An example of this type of engagement with employers is the Medical Secretary Traineeship Programme developed in 2007/2008. A questionnaire was circulated to major acute hospitals, the voluntary hospitals, new established private hospitals and the Irish College of General Practitioners to ascertain the core skill requirements of a Medical Secretary working in the secondary and tertiary level of medicine. Views and comments were received from the Assistant CEO of the Irish College of General Practitioners, Representatives of Galway University Hospital, Tallaght Hospital, St Michael's Hospital, Dun Laoire and FÁS. A working group representative of these interest groups was established to develop a programme to meet the needs of both the private and public hospitals and GP Practices nationally. This course leads to FETAC Major Award at Level 5. Another example is the review of the FÁS Legal Secretary Traineeship programme which involved engagement with the relevant sectors. This course also leads to FETAC Major Award at Level 5. In addition, FÁS has commissioned sample surveys of employers from time to time. A survey was carried out by Red C in July 2005 and a similar one in January 2007³⁸. The survey covered a sample of an estimated 140,000 private sector companies. This survey asked about the FÁS services that companies had used and their satisfaction with those services.

As companies would not be familiar with the titles of different FÁS training programmes, they were presented with a broader range of titles including Training Courses for the Unemployed, Apprenticeships, Traineeships, Community Employment, Recruitment Services for Employers, Advice on Training and Subsidy for Training your Employees. In relation to Traineeships, two percent of companies stated that they had used this service in the last 12 months and six percent had ever used it. 56% of companies that had ever used Traineeships were very satisfied and another 14% were fairly satisfied in the 2007 survey.

³⁸ Survey of Employers' Usage of FÁS Services - 2007, S Conway & R Fox, July 2007, FÁS.

6.14.8 Estimated Benefits (in monetary terms): Traineeship Programme

For the purpose of this Review, benefits are classified for the following metrics:

- (i) Numbers progressing into employment (ii) Numbers progressing to further education and training; and (iii) Qualifications received by individuals.

Benefits are considered for (a) Government, (b) enterprises and (c) individuals.

(A) Estimation of Benefits to Government

1,998 persons completed the programme.

- Estimated 1,438 persons who completed (72%) progressed into employment
- Estimated 480 (difference between 72% and 53%) obtained employment resulting from participation on Traineeship programme
 - Estimated Government gain on Social Welfare - assume 80% of 480 (385) would have been on social welfare = $385 \times \text{€}10,180 = \text{€} 7,838,600$ over two years.
 - Estimated Government Gain on Tax / PRSI of $385 \times \text{€}3,400 = \text{€} 2,618,000$ over two years.

Total Estimated Government benefit = € 10,456,600 over two years

(B) Estimation of Benefits for Individuals arising from participation on programmes

Qualification Achieved

A main benefit to the Individual is awarding of a qualification. As stated earlier, it is proposed that the value attributed to the qualification will be that which an individual would pay in fees in the private market to achieve that qualification. The relevant amounts were noted in Chapter 5.

In the case of Traineeship Programme (2007)

1,988 completed the programme

1329 (67%) achieved a major award

- Major Award level 6 - 185 participants @ €2,800 = €518,000
- Major Award level 5 - 987 participants @ €2,000 = €1,974,000
- Major Award level 4 - 157 participants @ €800 = €365,600

Estimated Individual benefit from Qualifications Achieved = €2,857,600

6.14.9 Findings

Traineeships are occupational specific and industry endorsed training programmes that contain FÁS and on-the-job components. There is a high level of involvement with employers and programmes are well aligned with labour market trends. The core objective is to help jobseekers to acquire specific skills relevant to particular occupations in the labour market.

Outcomes are the highest of all the programmes reviewed, with 72% of participants entering employment after the programme and nine percent engaging in training/education. Sixty-seven percent of those that complete the programme are certified - mostly at FETAC levels 5 and 6 and/or industry recognised certification. The duration of courses varies but is generally between 20 to 43 weeks. Traineeships provide a good alternative to apprenticeships, having on-the-job training for specialist skills but over a less lengthy period of time, and in a more cost-effective manner.

The participant profile is largely short-term unemployed (95% of cohort unemployed for less than one year), and 70% with Leaving Certificate or higher. Females dominate the intake (69% of all participants) and there is scope to increase the male intake. In 2008, thirty eight percent of participants had no social welfare status. The 2006/7 FÁS Follow-up Survey shows that 28% of participants on the Traineeship Programme were working prior to joining the Programme, so would have no social welfare status. This accounts for a large proportion of that cohort, and may also include newly redundant workers, women returners and school/college leavers. In the current labour market environment, with rising unemployment and given available capacity, priority will need to be given to those that are unemployed.

Rigorous evaluation will need to be conducted on an annual basis, similar to the FÁS follow-up survey, normally conducted biannually. The current system of evaluating outcomes which contains a category of 'placed/type unknown' should be discontinued. On certification, numbers of minor awards should be disaggregated from Specific Skills Training awards.

6.15 Bridging Foundation Programme

6.15.1 Programme Description and Development

Objectives

The Bridging Foundation Programme targets the most disadvantaged learners and through targeted training interventions bridges the skills gap needed to access employment. This is a key programme in times of high unemployment when targeted intervention is required to prevent disadvantaged learners becoming marginalised in an economy where unemployment is spiralling daily.

Description

This programme is aimed at clients who are the most disadvantaged in terms of accessing employment. It is targeted to provide personal development and key skills such as communication, personal effectiveness, literacy, numeracy and career planning. It builds learner confidence in parallel with basic specific skills. It is certified to the NQF at levels 3 and 4 and/or industry recognised certification. This programme facilitates progression to higher level FÁS Specific Skills and Traineeship programmes. The main aim for participants is planned progression to further training, education and or entry into employment and certification of competencies gained on the programme. The courses in this programme include the following: Basic Clerical Skills, Starting with Computers, ECDL, Pre-Employment Preparing Programme - Gateway for Women, Preparatory Programme for Apprenticeship and Return to Work. A more complete list of courses in this programme is detailed below.

Bridging Foundation Programme

Course Titles

Course Titles

Basic Clerical Skills	Pathways to Employment
Basic Computing Skills	Pre Employment Preparing Programme - Gateway for Women
Basic Computing and ECDL	Preparatory Programme for Apprenticeship
Basic Keyboard & Computer Skills	Preparing for Work
Career Planning & Employable Skills	Receptionists Skills
Computer Applications - Self Directed Learning	Return to Work (Part Time)
Connections	Securing your Future Work Skills
Core Employment Skills	ECDL Part-Time
Deciding Your Future	Starting with Computers
Delivery Driver	Warehouse Operative - Introduction to Logistics
ECDL	Building On Experience
Introduction to Photography & Computing	Jobs Club
Introduction to Warehousing & Distribution	New Futures - Career Planning
IT Office Skills Part-Time	Return To Work

‘Return to Work’ is a bridging programme targeted specifically at persons returning after a long absence to the workforce and provides training primarily for women. It is certified to NQF levels 3 and 4 and enables learners to progress to FÁS Specific Skills and Traineeship Programme.

‘Starting with Computers’ is a foundation course suitable for learners seeking to progress onto further training but is also suitable for those seeking entry level positions in the workforce. The aim of the course is to enable persons to gain the skills, knowledge and competencies to carry out a range of practical computing tasks.

Training Allowances

The following weekly allowances are available for FÁS Training Courses:

Course Participants	Full Time	Part Time
Aged 15-16 years	€ 83.25	€ 47.95
Aged 17 years	€104.0	€ 59.90
Aged 18 years and over	€204.30	€117.60

If a participant’s social welfare entitlement exceeds the allowance amount, a training allowance equivalent to this entitlement will be paid on receipt of certified evidence. In addition, a training bonus of €31.80 per week is payable to certain categories of persons who have completed a minimum period of 12 months in a combination of Jobseekers Allowance/Jobseekers Benefit, Community Employment, Job Initiative, Illness Benefit/Invalidity Pension, Carer’s Allowance.

Programme Development

As these courses are intended for progression or entry level employment, the main focus is on ensuring that the courses provide a pathway for learners to access higher level SST or Traineeship programmes, all of which would involve liaison with relevant stakeholders in terms of development and design. The main emphasis for entry level employment is on personal effectiveness and soft skills to support the individual’s skills development. The learners are supported through the Gateway process where a guidance interview is conducted and the best training option for the person is identified. Learner progress is continually monitored in order to support the learner to meet the course objectives and to achieve the relevant certification. In addition to the formal tuition, on-line resources are available to support learners. Learners are encouraged to give feedback at any stage throughout the training course.

Many of the bridging programmes are delivered on a part-time basis or through a flexible delivery system or using a computer based training format. FÁS has now launched a range of on-line training courses with/without tutor support in order to improve the flexibility of course provision. Where appropriate, courses are run on a full time basis.

Learners are selected for this programme through the FÁS Gateway process and it forms part of their individual training needs assessment with a FÁS Employment Services Officer. Each programme is delivered to a Training Specification and Training Plan. These courses range from 8 (60 days) to 20 weeks (100 days) in duration and are assessed by modules and lead, in most cases, to awards at levels 3 and 4

in the NFQ and/or industry recognised certification. They prepare the learners for progression to employment and/or programmes at levels 4, 5 and 6 in the NFQ.

6.15.2 Expenditure (Inputs)

The total cost of the Bridging Foundation programme is detailed in Table 6.75, broken down by direct and indirect (human and capital) expenditure. Table 6.76 shows the cost per day, broken down by direct and indirect expenditure.

Table 6.75 Bridging Foundation Programme -Total Cost 2007/2008 (€ million)

Costs	2007	2008
Direct	21.3	23.6
Staff, O/H	9.6	10.4
Total	30.8	34.0

Table 6.76 Bridging Foundation Programme - Cost per Day (€)

Costs	2007	2008
Direct	56.0	59.1
Indirect	25.3	26.0
Total	81.3	85.1

6.15.3 Participant Profiles

The tables overleaf show the participant profile of the programme for 2007 and 2008. In 2007, 6,874 participants started the programme. Fifty-seven percent were female and 43% male. Twenty-eight percent of participants were under 25 years (25% of females and 33% of males), and 32% over 45 years (36% of females and 27% of males).

In terms of highest educational attainment level for the 2007 cohort, 11% of participants did not give that information. Of the remaining cohort, 16% had NFQ level 2 or primary education as their highest educational attainment level, 35% had NFQ level 3, and 49% NFQ Level 4/5/Leaving Certificate or higher. In 2007, FÁS did not track educational attainment levels higher than Leaving Certificate by NFQ level.

In 2008, 6,858 participants started the programme. 53% were female and 47% male. 30% were under 25 years (25% of females and 36% of males), and 32% were over 45 years (37% of females and 25% of males).

In terms of highest educational attainment level for the 2008 cohort, 11% of participants did not disclose this information. Fourteen percent had a highest educational attainment level of NFQ level 2, 32% NFQ level 3, 39% NFQ level 4/5 or Leaving Certificate and 15% of participants had a highest educational attainment level in the NFQ level 6-10 range.

Table 6.77 Bridging Foundation Programme - Participants Profile

Age Cohort	Education Cohort	Female		Male		Total	
		2007	2008	2007	2008	2007	2008
0-24	NFQ Level 2	55	41	109	102	164	143
	NFQ Level 3	264	228	317	406	581	634
	NFQ Level 4/5	539	477	428	505	967	982
	NFQ Level 6		54		24		78
	NFQ Level 7		11		7		18
	NFQ Level 8		5		5		10
	NFQ Level 9		3				3
	None entered	109	87	113	102	222	189
	0-24 total	967	906	967	1151	1934	2057
25-44	NFQ Level 2	190	164	188	167	378	331
	NFQ Level 3	452	339	401	368	853	707
	NFQ Level 4/5	718	469	527	432	1245	901
	NFQ Level 6		162		131		293
	NFQ Level 7		74		39		113
	NFQ Level 8		46		25		71
	NFQ Level 9		18		9		27
	NFQ Level 10						
	None entered	183	97	85	87	268	184
25-44 total	1543	1369	1201	1258	2744	2627	
Over 45	NFQ Level 2	273	245	187	153	460	398
	NFQ Level 3	426	387	253	275	679	662
	NFQ Level 4/5	545	381	261	192	806	573
	NFQ Level 6		111		73		184
	NFQ Level 7		53		25		78
	NFQ Level 8		23		11		34
	NFQ Level 9		16		10		10
	NFQ Level 10				3		19
	None entered	161	142	90	75	251	217
Over 45 total	1405	1358	791	817	2196	2175	
Grand Total		3915	3632	2959	3226	6874	6858

In 2007 and 2008, 70% of participants were in receipt of Social Welfare payments prior to the programme. Sixty-four percent of the intake was in receipt of Jobseekers Allowance/Jobseekers Benefit, 2% received Disability Payment and four percent received One Parent Family Payment. A similar trend prevailed in 2008. In both years, 96% of participants had been unemployed for less than 1 year.

Table 6.78 Bridging Foundation Programme - Profile of Participants in Receipt of Social Welfare Payment prior to commencement of Programme

Age Cohort	Eligibility Category	Female		Male		Total	
		2007	2008	2007	2008	2007	2008
0-24	Disability	10	3	17	17	27	20
	Live Register (UA/UB)	493	491	650	768	1143	1259
	Lone Parent	75	60	1		76	60
	No Status	389	352	298	365	687	717
	Other benefit			1	1	1	1
0-24 total		967	906	967	1151	1934	2057
25-44	Disability	26	10	24	21	50	31
	Live Register (UA/UB)	808	756	1011	1084	1819	1840
	Lone Parent	164	114	2		166	114
	No Status	538	485	161	149	699	634
	Other benefit	7	3	3	4	10	7
25-44 total		1543	1368	1201	1258	2744	2626
Over 45	Disability	34	30	33	19	67	49
	Live Register (UA/UB)	758	721	634	669	1392	1390
	Lone Parent	10	35	1	0	11	35
	No Status	564	543	120	126	684	669
	Other benefit	39	29	3	3	42	32
Over45 total		1405	1358	791	817	2196	2175
Grand Total		3915	3632	2959	3226	6874	6858

Table 6.79 Bridging Foundation - Age by Gender by Duration of Unemployment Profile

Age Cohort	Duration	Female		Male		Total	
		2007	2008	2007	2008	2007	2008
0-24	< 1 year	934	887	906	1097	1840	1984
	> 1 year	33	19	61	54	94	73
0-24 Total		967	906	967	1151	1934	2057
25-44	< 1 year	1495	1331	1111	1166	2606	2497
	> 1 year	48	37	90	92	138	129
25-44 total		1543	1368	1201	1258	2744	2626
Over 45	< 1 year	1375	1323	748	780	2123	2103
	> 1 year	30	35	43	37	73	72
Over 45 total		1405	1358	791	817	2196	2175
Total		3915	3632	2959	3226	6874	6858

6.15.4 Activity

Table 6.80 Bridging Foundation Programme - Activity Days

Year	Activity days
2007	379,000
2008	400,000

Note: Total number of activity days per year

Table 6.81 Bridging Foundation Programme -Average number of participants per year

Year	Average number of Participants
2007	4,738
2008	5,000

Table 6.82 Total number of participants who completed Bridging Foundation Programme

Age cohort	Female		Male		Total	
	2007	2008	2007	2008	2007	2008
0-24	762	823	716	946	1478	1769
25-44	1280	1281	959	1045	2239	2326
Over45	1132	1239	631	717	1763	1956
Total	3174	3343	2306	2708	5480	6051

Total number of participants who completed the programme Note: Completion defined as Throughput (excluding drop-outs). Dropouts are defined as those who commence programmes and are registered on the first day but then decide not to proceed with the programme.

Table 6.83 Bridging Foundation Programme -Total number of non-completion participants

Age cohort	Female		Male		Total	
	2007	2008	2007	2008	2007	2008
0-24	93	107	94	118	187	225
25-44	90	89	103	97	193	186
Over45	89	84	39	53	128	137
Grand total	272	280	236	268	508	548

6.15.5 Outcomes

For the purposes of this Review, outcomes were requested, broken down into the following categories: Employment, Education/Training, Unemployment, Home Duties/Other. Unfortunately, the last available outcomes information, broken down in this way, was only available for programmes that were run in 2005, and covered in the 2006/2007 FÁS follow-up survey. This is the last such survey conducted by FÁS to date. These surveys consist of a representative sample of programme participants that are surveyed approximately 18 months after leaving the programme. This at least provides comprehensive information on outcomes from the programme. These are illustrated in table 6.84 below.

Table 6.84 Bridging Foundation Programme Outcomes

Outcome	2005
Employment	38%
Education & Training	16%
Unemployed	28%
Home Duties/Other	18%

Table 6.85 provides a comparison of the Bridging Foundation Programme's outcomes in 2007 with the estimated outcomes from the Live Register in 2007.

Table 6.85 Comparison of the Bridging Foundation Programme's outcomes in 2007 with the estimated outcomes from the Live Register in 2007

	Employment	Education/ Training	Unemployment	Other/ Inactivity	Combined Employment / Education / Training
2007 Follow Up Survey	38%	16%	28%	18%	54%
Live Register (Estimated)	46%	10%	25%	19%	56%

The Bridging Training Programme outcomes into employment and onto further education and training are more or less the same as would be expected when compared to the estimated Live Register comparator (estimated by using a weighing of the medium term unemployment duration band and Long Term unemployment duration band - three to one weighting). Around two-thirds of participants on the Bridging Training Programme in 2007 came from the Live Register) Also, a slightly higher percentage of Bridging Training Programme participants return to unemployment on completion of the programme.

For the purposes of this Review, FÁS undertook a special analysis of recent data, pertaining to persons that had completed programmes in 2008. An analysis of 2,939 participants (49% of the throughput) that completed the programme and had been on the Live Register when they commenced the programme was conducted. The analysis shows that 54% of those previously on the Live Register have now exited the Live Register, while the remaining 46% are still on the Live Register.

Table 6.86 April 2009 Live Register Status of FÁS Live Register Throughput 2008

Programme	LR T/Put 2008	% of Live Register T/Put now LR Open	% of Live Register T/Put now LR Closed
Bridging/ Foundation	2,939	46%	54%

Source: FÁS MIU for 2008 and CDB as at April 9 2009.

6.15.6 Certification

Participants who completed the Bridging Foundation programme in 2007 and 2008 were awarded FETAC Major Awards levels 3-4, and Special Purpose Awards levels 4-5. FETAC Minor Awards were also issued to participants. Definitions of FETAC award types are contained in the Glossary. Table 6.87 shows the numbers of Major Awards achieved by learners for the Bridging Foundation Programme.

Table 6.87 FETAC Major Awards 2007/8 for Bridging Foundation Programme

NFQ Level Award	2007	2008
Major Award NFQ Level 3	219	403
Major Award NFQ Level 4	179	246
Special Purpose Award NFQ Level 4	126	
Special Purpose Award NFQ Level 5	7	

Over 5,000 Minor awards at levels 3 and 4 were also issued to learners in both 2007 and 2008, for example in IT, RTW, Construction Skills and Manual Handling. This refers to learners who will have taken a course which does not lead to one major award but leads to a number of minor or component certificates.

Use of Skills

The most up-to-date information available on the extent to which the skills acquired on the programme helped participants to get a job, and the frequency of use of skills acquired within their first job is contained in the 2006/7 Follow-up Survey in respect of participants who completed the programme in the period June to September 2005. This information is presented in Table 6.88.

Table 6.88 Use of Skills Acquired in Bridging/Foundation Programme in First Job

	All the time	A lot	Sometimes	A Little	Never	% who felt they could not have got job without programme
Bridging/Foundation	16%	15%	23%	20%	26%	33%
FÁS Programmes Average	35%	16%	17%	14%	18%	55%

For those that had a job before and after participation on the Programme, a comparison of their skill level before and after the training programme is given as follows:

Table 6.89 Bridging Foundation Programme - Comparison of Level of Skill in first Job with Job before training

	Greater	Same	Less
Bridging/Foundation	39%	41%	20%
All Programmes	60%	26%	14%

6.15.7 Employer Usage/Satisfaction

FÁS do not obtain specific information from companies in respect of persons that they recruit from FÁS programmes. However, FÁS has commissioned sample surveys of employers from time to time. A survey was carried out by Red C in July 2005 and a similar one in January 2007³⁹. The survey covered a sample of an estimated 140,000 private sector companies. This survey asked about the FÁS services that companies had used and their satisfaction with those services.

As companies would not be familiar with the titles of different FÁS training programmes, they were presented with a broader range of titles including Training Courses for the Unemployed, Apprenticeships, Traineeships, Community Employment, Recruitment Services for Employers, Advice on Training and Subsidy for Training your Employees. The most relevant to the Bridging/Foundation Programme would be FÁS Training Courses for the Unemployed. The results for this category were that only one percent of companies stated that they had used this service in the last 12 months and three percent had ever used it. Because of the small number of respondents in the sample, it was not possible to obtain reliable feedback on satisfaction for this programme.

6.15.8 Estimated Benefits (in monetary terms): Bridging Foundation Training

For the purpose of this Review, benefits are classified for the following metrics:

- (i) Numbers progressing into employment (ii) Numbers progressing to further education and training; and (iii) Qualifications received by individuals.

Benefits are considered for (a) Government, (b) enterprises and (c) individuals.

(A) Estimation of Government Benefit

There was no estimated gain to the Government as employment outcomes from the programme were relatively low.

(B) Calculations of Benefits for Individuals arising from participation on programme

Individual Benefits from Qualifications Achieved

A main benefit to the Individual is the achievement of a qualification. It is proposed that the estimated value attributed to the qualification would be that which an individual would pay in fees in the private market to achieve that qualification. The relevant amounts were noted in Chapter 5. In the case of the Bridging Training Programme (2007)

- Major Award Level 5 - 7 participants @ €2,000 = €14,000
- Major Award Level 3+ 4 - 524 participants @ €800 = € 419,200

Estimated Individual benefit from Bridging Foundation Training is € 433,200

³⁹ Survey of Employers' Usage of FÁS Services - 2007, S Conway & R Fox, July 2007, FÁS.

6.15.9 Findings

Despite being geared at clients who are most disadvantaged in terms of accessing employment, the participant profile in 2007 and 2008 shows that 96% of participants had been unemployed for less than 1 year, with a medium educational attainment level (49% Leaving Certificate or higher in 2007 and 54% in 2008). Thirty percent of all participants were not in receipt of social welfare payments prior to the programme, and no information is given on these participants. They may be women returners, newly redundant workers, people looking to change careers or school leavers. The 2006/7 FÁS Follow-Up Survey shows that 16% of participants on the Bridging Foundation Programme in 2005 were engaged in home duties prior to joining the programme, with a further 18% working. This may account for this cohort without a social welfare status in 2007 and 2008. There is also a danger that they may have displaced more disadvantaged clients. As this review concentrated on 2007 when there were still labour and skills shortages in the market, it may also indicate a trend towards filling training places, irrespective of the participant profile. This raises the question of the appropriateness of exchequer funding of such programmes in a tight labour market. In the current labour market context, with rising unemployment and given available capacity, priority will need to be given to the unemployed.

While a key objective for participants is planned progression to further training/education, the 2006/7 Follow-up Survey shows that only 16% went on to further training/education. Overall, outcomes are more or less the same as that would be expected when compared to the estimated Live Register comparator (Two-thirds of participant in 2007 came from the Live Register). There is also a slightly higher percentage who returns to unemployment on completion of the programme. Indirect costs are high at €10.4 million in 2008 and should be reviewed.

Certification of competencies gained on the programme is another key objective. Yet, only ten percent of completers received Major Awards. However, participants received 5,000 Minor Awards that are building blocks for Major Awards.

The objectives of this programme will need to be reviewed to ensure that outcomes and participant profiles are aligned with those objectives. Rigorous evaluation will need to be conducted on an annual basis, similar to the FÁS follow-up survey that is usually conducted biannually. The current system of evaluating outcomes which contains a category of 'placed/type unknown' should be discontinued.

6.16 Community Training Centres

6.16.1 Objectives

The key objectives for the Community Training Centres are:

- Providing training and related services to early school leavers which focuses on support to achieve a major award on the national framework of qualifications as a route to sustainable employment.
- Implementing a learner-support framework including Identification of Learners' Achievements and Needs (ILAN), developing an Individual Learning Plan (ILP), delivering training to respond to identified learning needs and supporting the learner by key interventions and tracking learners for a minimum of six months after they leave the centre, through the allocation of a key worker to each learner.

Description

Forty-one Community Training Centres (CTCs) are supported and funded by FÁS to deliver services to early school leavers aged 16-21 as part of the national YOUTHREACH programme. YOUTHREACH is an interdepartmental initiative (i.e. Department of Enterprise, Trade and Employment and Department of Education and Science) for early school leavers who have left school with no formal or incomplete qualifications. Early school leavers are at particular risk in the labour market and experience great difficulty in securing their first job. Of those who enter the labour market after school, the unemployment rate is 48% for those with no qualifications, compared with 9.6% for those with a Leaving Certificate. Early school leavers are identified as a priority target group in EU and Government policy. CTCs have a current national capacity of 2,300 places for early school leavers. The CTC is a key community resource support mechanism for early school leavers to assist market integration.

Within CTCs the delivery of training and related services focuses on supporting the learner to achieve a major award on the National Framework of Qualifications. The potential of the learner is maximized through a learner-centred approach. Training provision in CTCs is determined by the needs of the individual learner as identified through an Identification of Learners' Achievements and Needs process and development of an Individual Learning Plan. This process involves the learner in detailed discussions with their trainer/key worker to identify what the learners requirements are with regard to training to assist them achieve their employment goal and progression on the National Framework of Qualifications. In this context training programmes available in CTCs span levels 1 through to 5 on the NFQ and are wide ranging in terms of vocational focus. Over the last five years as part of the improvement of training available and in response to an identified need, FÁS Community Services undertook to establish the following FETAC Major Awards on the NFQ as part of the FETAC Interim Standard process:

- FETAC level 3 major award in Personal and Social Employment Skills
- FETAC level 3 major award in Vocational Employment Skills
- FETAC level 4 major award in Applied Employment Skills
- FETAC level 5 major award in Specific Employment Skills

The design of these awards addressed the building of learners' capacity for and engagement in learning, the development of vocational skills and competence, as well as progression in terms of NFQ Progression. The Personal and Social Employment Skills award at level 3 focuses on building the capacity of the individual learner to engage in learning and working life. The Vocational Employment Skills award at level 3 enables learners to explore where their strengths are with regard to vocational education and

training and to sample different vocational areas. The level 4 award, Applied Employment Skills helps learners focus on a particular career pathway. Progression to a programme leading to the award at level 5 in Specific Employment Skills allows the learner to focus on two or three vocational areas to maximise their employment prospects. All of the awards are supported by the availability of 787 minor awards established over the last five years by FÁS as part of FETAC’s Interim Standards process.

A new process has been introduced by FETAC for the development of new programmes which now must be processed in accordance with FETAC’s Common Award System. This requires that standards development groups be established by FETAC consisting of representatives of all stakeholders, including industry representatives in the relevant vocational sector. FÁS Community Services engages with Subject Matter Experts (SMEs) who have the requisite qualifications and industry experience in the development of any programme of training leading to a FETAC major or minor award.

There is no specific duration for programmes in CTCs as programmes are geared to meet the needs of individual learners whose entry levels vary greatly. Each learner goes through an ILAN process and is supported to achieve the major award identified in their ILP. Their duration in the CTC is linked to achieving their ILP. This can vary from 6 months to 2 years.

CTC programmes are subject to monitoring, review and evaluation in line with FÁS Quality Assurance Policy and Procedures. Data gathered from all stakeholders as a result of these processes are used for the continuous improvement of training programmes and related services. The approach to award design is underpinned by the use of an Individual Learning Plan that allows trainers and learners to work collaboratively in constructing the training programme around the needs of the learner. The new suite of awards is designed to enable both learners and trainers the levels of flexibility required to ensure that their training programme is constructed in a manner that will meet their identified needs and achievement of appropriate levels of FETAC accreditation. An enhanced learner-support framework (Skills4U) has been implemented in CTCs since January 2009 to ensure that individual’ skills development needs are supported through:

- A structured Induction process;
- Identification of Learners’ Achievements and Needs ;
- Development and ongoing review of Individual Learning Plans to support achievement of identified major awards; and
- Through the provision of a dedicated key worker who supports learners in developing and reviewing their ILP. Targeted literacy and numeracy support is provided. In addition, learners are tracked for 6 months following their exit from CTCs.

Training Allowances

The following weekly allowances are available for FÁS Training Courses:

Course Participants	Full Time	Part Time
Aged 15-16 years	€ 83.25	€ 47.95
Aged 17 years	€104.0	€ 59.90
Aged 18 years and over	€204.30	€117.60

If a participant's social welfare entitlement exceeds the allowance amount, a training allowance equivalent to this entitlement will be paid on receipt of certified evidence. In addition, a training bonus of €31.80 per week is payable to certain categories of persons who have completed a minimum period of 12 months in a combination of Jobseekers Allowance/Jobseekers Benefit, Community Employment, Job Initiative, Illness Benefit/Invalidity Pension, Carer's Allowance.

6.16.2 Expenditure (Inputs)

Table 6.90 Community Training Centres - Direct and Indirect Expenditure

Year	2007	2008
Direct Costs	€49.0m	€49.8m
Indirect Costs Staff, O/H	€2.3m	€2.4m
Total	€51.3m	€52.2m

Note: Figures based on the FÁS Board Report. Staff Costs & Overheads are based on the apportioned of indirect costs using staff time and is one of many apportionment methods.

Table 6.91 Community Training Centres -Direct and Indirect Costs per day

Year	2007	2008
Direct Costs	€85	€87
Indirect Costs	€ 4	€ 4
Total Cost per Day	€89	€91

6.16.3 Profile of Participants

There were 2,606 starters on Community Training Centres in 2007 and 2,316 in 2008.

Table 6.92 presents information on the duration of unemployment and educational attainment of persons who started in Community Training Centres during 2007. Twenty percent of participants had only primary level educational attainment. It is likely that many of these will have significant literacy and numeracy difficulties - basic requirements for progression onto further education/employment. Although the programme is aimed at early school leavers who have left school with no formal or incomplete qualifications, there are a relatively high number of participants who were classified at Leaving Cert or above qualification level - 22% of CTC participants in 2007 and 25% in 2008. (FÁS have noted that this cohort also includes those who passed four Leaving Certificate subjects and those who may not have passed Maths and English - and that consequently many of these would have experienced difficulty accessing the labour market).

Table 6.92 Community Training Centres - Age by Unemployment Duration by Education Attainment by Gender -2007

Age Cohort	Unemployment Duration	Education Attainment	F	M	Total
Under 24	12 Months and Over	Level 2 Primary Education	4	8	12
		Level 3 Junior Cert or Equivalent	13	10	23
		Level 4/5 Leaving Cert or equiv	15	2	17
		Total 12 Months +	32	20	52
Under 12 Months	Under 12 Months	Level 2 Primary Education	266	340	606
		Junior Cert or Equivalent	571	668	1,239
		Leaving Cert or Equivalent	336	156	492
		None Entered / Unknown	65	78	143
		Total <12 Months	1,238	1,242	2,480
Total			1,270	1,262	2,532
25-44	12 Months and Over	Level 2 Primary Education	0	1	1
		Level 4/5 Leaving Cert or Equivalent	0	1	1
	Total 25-44 12 Months and over			2	2
Under 12 Months	Under 12 Months	Level 2 Primary Education	14	11	25
		Level 3 Junior Cert or Equivalent	11	7	18
		Level 4/5 Leaving Cert or Equivalent	15	7	22
		None Entered / Unknown	1	1	2
		Total 25-44 Under 12 Months	41	26	67
Total			41	28	69
Over 45	Under 12 Months	Level 2 Primary Education	1	0	1
		Level 3 Junior Cert or Equivalent	1	0	1
		Level 4/5 Leaving Cert or Equivalent	2	0	2
		None Entered / Unknown	1	0	1
		Total Over 45 Under 12 Months	5		5
Total			5		5
Overall Total			1,316	1,290	2,606

Table 6.93 presents information on the Live Register Status of persons who started in Community Training Centres during 2007. It can be seen that around 22% of starters on Community Training Centres were from the Live Register the majority (92%) for less than one year. A further ten percent were on the One Parent Family Payment - mainly all female under 24 years of age. Indeed the OPFP category comprised 20% of all female starters. A small number of starters (two percent) were on a disability payment. The majority of starters (66%) had no Social welfare payment status (It is important to note that this is appropriate for the programme as it is targeted at early school leavers who are not entitled to Job seekers Allowance until 18 years of age).

Table 6.93 Community Training Centres - Live Register Status (Starters 2007)

Age Cohort	Unemployment Duration	Live Register Status	F	M	Total
Under 24	12 months and Over	Live Register	30	19	49
		OPFP	1		1
		No Status	1	1	2
	12 months and over Total		32	20	52
	Under 12 Months	Disability	19	32	51
		Live Register	230	239	469
		One-Parent Family Payment	255	1	256
		No Status	733	970	1,703
		Other Benefit	1		1
	Total Under 12 Months		1,238	1,242	2,480
Total			1,270	1,262	2,532
25 - 44	12 Months and Over	Live Register		2	2
	Total 12 Months and Over			2	2
	Under 12 Months	Live Register	22	24	46
		OPFP	10		10
		No Status	9	2	11
		Under 12 Months Total	41	26	67
Total			41	28	69
Over 45	Under 12 Months	Live Register	2		2
		OPFP	1		1
		No Status	2		2
	Under 12 Months Total		5		5
Total			5		5
Overall Total			1,316	1,290	2,606

Activity as per Community Training Centres

Table 6.94 Community Training Centres- Activity Days

Year	Number of Activity Days
2007	574,000
2008	574,000

Note: Total number of activity days per year

Table 6.95 Community Training Centres - Average Number of Participants in Year

Year	Number of Participants
2007	2,208
2008	2,208

Table 6.96 Total Number of Participants who completed Community Training Centres

Age Cohort	Unemployment Duration	Female		Male		Total	
		2007	2008	2007	2008	2007	2008
Under 24	12 Months and Over	21	19	16	13	37	32
	Under 12 Months	777	724	784	724	1,561	1,448
Total Under 24		798	743	800	737	1,598	1,480
25 - 44	12 Months and Over	1	0	1	4	2	4
	Under 12 Months	18	17	10	9	28	26
Total 25 -44		19	17	11	13	30	30
Over 45	Under 12 Months	3	1	1	0	4	1
Total Over 45		3	1	1	0	4	1
Overall Total		820	761	812	750	1,632	1,511

Completions are defined as Community Training Centres throughput (this excludes drop outs and some persons that progressed to another FÁS programme. 2008 data is provisional.

Table 6.97 Community Training Centres - Total Number of Non-Completion Participants

Age Cohort	Unemployment Duration	Female		Male		Total	
		2007	2008	2007	2008	2007	2008
Under 24	12 Months and Over	22	10	7	3	29	13
	Under 12 Months	360	325	360	326	720	651
Total Under 24		382	335	367	329	749	664
25 - 44	12 Months and Over	1	0	0	0	1	0
	Under 12 Months	4	18	4	4	8	22
Total 25 -44		5	18	4	4	9	22
Over 45	Under 12 Months	1	1	0	1	1	2
Total Over 45		1	1	0	1	1	2
Overall Total		388	354	371	334	759	688

As can be seen from Table 6.97 above there is a high level of 'dropout' from Community Training Centres - equivalent to 31% of those leaving the programme in 2008. Relatively more females than males dropped out in 2008. Reasons forwarded for this high level of dropout were that in addition to having left school early, many participants have other difficulties. Family dysfunctions are reported in over 50% of cases and substance abuse in 25%. There are high levels of literacy problems (35%), poor physical and/or mental health (20%) and offending behaviour (20%), and 20% of female participants are lone parents. Other reasons given were that early school leavers may not have a good history of attendance and engagement with learning. Some may also leave the centre and restart a number of times before

actively engaging in the learning process. Other reasons for leaving include: illness; pregnancy; disciplinary reason dissatisfaction with programme; moving house/emigration; personal commitments; transport difficulties. Several centres run an induction programme to assist learners make choices about whether the CTC is relevant to their needs - and some may opt not to progress any further in the CTC. People who commence programmes are registered in the FÁS system on their first day. If they decide not to proceed they must be terminated and are coded as 'dropouts'.

6.16.4 Outcomes

No information in the format required was made available for participants who completed the programme in 2007 and 2008. The most up-to-date information therefore available (presented in Table 6.7) is from the 2006/7 Follow -Up Survey of FÁS Participants in respect of persons who had left their programme in the period June to September 2005. (This would not include those who dropped out of the programme before completion - which in the case of Community Training Centre was relatively high at 31% of those leaving the programme in 2008.)

Table 6.98 Employment Status of Participants who completed Community Training Centres (approx 18 months after completion)

Outcomes	Percentage
Total Employed	41% of which
Full-Time	....34%
Part-Time	.....6%
Self Employed	.....1%
Total Training / Education	18% of which
CE/ Job Scheme	.....5%
FÁS Training	.....7%
Education/Other Training	.....6%
Unemployed	31%
Other/Home Duties	11% of which
Home Duties	.....9%
Other	.....2%
Total	100%

Source: 2006/7 Follow-Up Survey of FÁS Participants

Table 6.99 Comparison of Outcomes from Community Training Centres with School Leaver Survey Estimates

	Employment	Education/ Training	Unemployment	Other/ Inactivity	Combined Employment/ Education/ Training
2007 Follow Up Survey	41%	18%	31%	11%	59%
Estimate derived from ESRI School Leaver Survey 2007	46%	15%	26%	13%	61%

The estimate of the labour market outcomes of those with a comparable school leaver's profile (compared to Community Training Centres) is derived from the ESRI 2007 School Leaver Survey. It is an average calculated by combining the labour market outcomes of those school leavers who left with (a) 'no qualifications' and (b) those with 'Junior Certificate', but - in order to make a more aligned comparison - excluding those who entered an apprenticeship and students on the basis that these had not entered the labour market. Using these figures it is estimated that participation in Community Training Centres had no additional effect (at least in the short term) on the probability of progression of participants into combined employment and education/training outcomes.

6.16.5 Certification

The breakdown of certification received by numbers and for gender, by age and by prior educational attainment is not readily available. The data available for 2007 shows that 4,024 FETAC Minor Awards were achieved by CTC learners. CTCs offer a set of supports to respond to the complex needs of individual learners and to address the multiple barriers to learning. Due to the contraction of employment opportunities a key policy for 2008 is to ensure that every learner identifies and works towards a Major Award on the NFQ supported by the Individual Learner Plan process. The target set for 2008 was a minimum of three minor awards to be achieved by each learner. A data collection system has been put in place to track progress (as the FÁS MIS is not comprehensive and does not include awards applied for directly from FETAC by CTCs e.g. former NCVA awards). The 2008 data available shows:

Table 6.100 Community Training Centres - NFQ Awards 2008

Year 2008	Level 1/2	Level 3	Level 4	Level 5	Total
NFQ Minor Awards	148	8,818	1,451	674	11,091
NFQ Major Awards	0	321	40	53	414

Use of Skills

No information was made available for participants who completed the programme in 2007 and 2008 on the extent to which the skills acquired on the programme helped them to get a job and the frequency of use of skills acquired on the programme in their first job. The most up-to-date information available (presented below) is therefore from the 2006/7 Follow -Up survey of FÁS Participants. Table 6.101 below indicates the extent to which participants who obtained work used the skills gained in the Programme in their first job.

Table 6.101 Use of Skills Acquired in Community Training Centres in First Job

	All the Time	A Lot	Sometimes	A Little	Never	% who felt they could not have got Job without Programme
Community Training Centres	22%	17%	22%	22%	17%	44%
FÁS Programmes Average	35%	16%	17%	14%	18%	55%

For those that had a job before and after their participation on the Community Training Centres a comparison of their skill level is given in Table 6.102 below.

Table 6.102 Community Training Centres - Comparison of Level of Skill in First Job with Job before Training

	Greater	Same	Less
Community Training Centres	63%	31%	6%
All FÁS Programmes	60%	26%	14%

Table 6.103 Occupational Classification of 1st Job after Completion of Community Training Centres

Occupational Group	%
Agriculture	0
Managers/Executives	0
Professional/Technical	0
Clerical	15%
Skilled Workers	26%
Production operatives	6%
Transport / Communications	3%
Sales	18%
Security /Personal Services	26%
Labourers / Other	6%

6.16.6 Estimated Benefits (in monetary terms): Community Training Centres

For the purpose of this Review, benefits are classified for the following metrics:

- (i) Numbers progressing into employment (ii) Numbers progressing to further education and training; and (iii) Qualifications received by individuals.

Benefits are considered for (a) Government, (b) enterprises and (c) individuals.

(A) Estimation of Government Benefit

There was no addition employment outcome benefit estimated.

(B) Calculations of Benefits for Individuals arising from participation on programme**Qualification Achieved**

A main benefit to the Individual is awarding of a qualification. It is proposed that the value attributed to the qualification will be that which an individual would pay in fees in the private market to achieve that qualification. The relevant amounts were noted in Chapter 5.

In the case of Community Training Centres (2007):

Number of Minor Awards = 4,024 @ €300 = € 1,207,200

Estimated Individual benefit from Qualifications Achieved in 2007 = €1,207,200

In the case of Community Training Centres (2008):

Level 3+4 Awards = 361 participants @ €800 = €288,800

Level 5 Awards = 53 participants @ €2,000 = €106,000

Minor Awards = 11,091 @ €300= €3,327,300

Estimated Individual benefit from Qualifications Achieved in 2008 = €3,722,100

6.16.7 Findings

Community Training Centres are part of the national YOUTHREACH programme - an interdepartmental initiative between the Department of Enterprise, Trade and Employment and Department of Education and Science. The programme is aimed at early school leavers who have left school with no formal or incomplete qualifications. Although the programme is aimed at early school leavers, there are a relatively high number of participants who were classified at Leaving Certificate level - 25% of participants in 2008. (FÁS have noted that this also includes those who only passed four Leaving Certificate subjects or less and people who may not have passed maths and English).

An estimate of the labour market status of a comparable school leaver profile (to those participating on Community Training Centres) is derived from the ESRI 2007 School Leaver Survey. It is estimated that participation in Community Training Centres had no additional effect (at least in the short term) in increasing the progression prospect of individuals- into employment and / or education/ training.

A main concern is the relatively high 'drop out' rate from the Community Training Centres - comprising thirty-one percent of those who left the programme (completers and non-completers) during 2008. The level of 'drop outs' is higher for females than males. (Some participants who drop out, especially young women, may return to the programme at a later stage - and may benefit in the longer term). Several reasons were advanced for the relatively high level of 'dropout' and these must be addressed as matter of urgency. This level of drop outs represents a significant cost to Government. Given the much poorer employment prospects young early school leavers will now face there needs to be a greater focus on the training and development in terms of it providing the skills required in the labour market. This is important given that a relatively high proportion of participants (thirty-nine percent) report that they had never/ only a little used the skills acquired on the programme in their first job after training. Training costs should also be reviewed.

6.17 Local Training Initiative

6.17.1 Programme Objectives and Description

Objectives

The objectives of the Local Training Initiative programme are to:

- Raise the skills knowledge and competency levels of marginalised learners through the provision of quality certified training leading to a major award on the NFQ as a route to sustainable employment;
- Enhance the employment prospects of marginalised learners by matching the training provision to present or forecasted employment needs through direct links with local and regional employers;
- Contribute to a FÁS continuum of opportunities for unemployed people to link with and progress to other services as appropriate;
- Support learner progression from and to other services by giving them the opportunity to use Local Training Initiatives as a step on a progression path;
- Provide progression opportunities for disadvantaged and marginalised persons.

Description

The Local Training Initiative (LTI) programme was established to focus on responding to the training needs of socially excluded marginalised clients, primarily aged between 16 and 25 years, who are unable to access other FÁS interventions for social, personal or geographical reasons. The programme has been designed to be very flexible to enable FÁS to reach out to niche marginalised groups (e.g. disadvantaged unemployed, travellers, lone parents, people with disabilities, people with mental health issues, ex-offenders, recovering substance dependents and homeless people), and provide training tailored to meet locally identified needs. Typically, LTI clients experience barriers accessing the labour market, mainstream training and education programmes or other schemes for social, economic, educational or geographical reasons. They may be people who are not ready for training for motivational, behavioural or health reasons; people who have never worked, or whose experience is of low-skilled, unskilled or casual work; people with no qualifications or poor education qualifications; people located in an area where there is no available alternative vocational training suited to their needs.

While the LTI programme was originally targeted at people predominantly under 25 years of age, in recent year's communities responded to the demand for increased participation in the labour force. Accordingly, more places were made available for women and older men (over 25 years) to facilitate their reintegration in the labour force.

The training approach is to respond to identified individual learning barriers and needs, providing a mix of formal training and project-based learning that takes place in local community settings in partnership with community and voluntary organisations. Qualifications are offered at a range of levels across a variety of sectors. For example, programmes are provided in areas such as Information and Communications Technology, Primary Health Care,

Personal Care, Child Care, Sports and Leisure, Horticulture and Employment Skills with certification offered at Levels 3,4 or 5 of the NFQ.

Training Allowances

The following weekly allowances are available for FÁS Training Courses:

Course Participants	Full Time	Part Time
Aged 15-16 years	€ 83.25	€ 47.95
Aged 17 years	€104.0	€ 59.90
Aged 18 years and over	€204.30	€117.60

If a participant’s social welfare entitlement exceeds the allowance amount, a training allowance equivalent to this entitlement will be paid on receipt of certified evidence. In addition, a training bonus of €31.80 per week is payable to certain categories of persons who have completed a minimum period of 12 months in a combination of Jobseekers Allowance/Jobseekers Benefit, Community Employment, Job Initiative, Illness Benefit/Invalidity Pension, Carer’s Allowance.

Programme Development

A new process has been introduced by FETAC for the development of new programmes which now must be processed in accordance with FETAC’s Common Award System. This requires that standards development groups be established by FETAC consisting of representatives of all stakeholders, including industry representatives in the relevant vocational sector. The remit of the standards groups is to establish the national standard for the FETAC major award and all minor awards that are component parts of that award. This process ensures all perspectives fully inform development of the award in the first instance to ensure it addresses the requirements of the labour market sector and learner needs in terms of progression on the National Framework of Qualifications.

Following the establishment of the national standards for the awards programme providers are free to develop programmes of training for validation by FETAC as meeting the requirements for the award. FÁS Community Services engages with Subject Matter Experts (SMEs) who have the requisite qualifications profile and industry experience in the development of any programme of training leading to a FETAC major or minor award. On completion of a draft of any new programme they are in turn forwarded for consultation and feedback to all trainers resident within FÁS CS Second Provider population involved in the delivery of training programmes in that sectoral area.

LTI programmes are subject to monitoring, review and evaluation in line with FÁS Quality Assurance Policy and Procedures. Data gathered from all stakeholders as a result of these processes are used for the continuous improvement of training programmes and related services. The approach to award design is complemented by FÁS Community Services Division’s approach to the provision of training for learners on LTIs. The design of the new suite of awards enables both learners and trainers the levels of flexibility required to ensure

that their training programme is constructed in a manner that will meet their identified needs and achievement of appropriate levels of FETAC accreditation. A standardised process for developing and reviewing Individual Learning Plans (ILPs) to support learners on LTIs to achieve major awards is being developed for implementation during 2009.

Duration of Programme

The average duration of a Local Training Initiative project is 52 weeks (260 days) to enable participants who are most distant from the labour market to achieve a major award as a route to sustainable employment.

Table 6.104 Local Training Initiative- Activity Days, Average Duration, Participation (2007 and 2008)

2008 Activity Days	2007 Activity Days	Average Duration (weeks)	Average Duration (days)	2007 Throughput	2008 Throughput
415,000	422,000	52	260	2,796	2,511

Note: Throughput excludes drop-outs and persons that progressed to another FÁS programme.

6.17.2 Local Training Initiative -Expenditure (Inputs)

The total cost of the Local Training Initiatives programme is detailed below, broken down by direct and indirect (human and capital) expenditure. Table 6.105 presents the cost per day, broken down by direct and indirect expenditure.

Table 6.105 Local Training Initiative -Total Cost 2007/2008

	2007	2008
Direct	30.7m	32.7m
Staff, O/H	2.1m	2.2m
Total	32.9m*	34.9m*

*Actual outturn based on FÁS Board Report

Table 6.106 Local Training Initiative -Cost per Day 2007/2008

	2007	2008
Direct	€54.4	€56.5
Indirect	€ 3.8	€ 3.9
Total	€58.2	€60.4

6.17.3 Participant Profile

The tables below show the participant profile of the programme for 2007 and 2008. In 2007, 3,262 participants started the programme. Of these, 39% were in the 0-24 age bracket, 42% in the 25-44 age bracket and 18% in the over 45 age bracket. Females comprised 70% of the intake, compared to 30% of males. Thirteen percent of participants did not disclose their

highest educational attainment level. Of the remainder, 25% had a highest educational attainment level of primary education or NFQ level 2, 32% at NFQ level 3 and 43% with a highest educational attainment level of Leaving Certificate or NFQ level 4/5. Educational attainment levels of males and females were broadly similar. In 2008, 3,183 participants started the programme. Forty-one percent were in the 0-24 age bracket, 40% were in the 25-44 age bracket and 19% in the over 45 age bracket. Sixty-percent of the intake was female.

Table 6.107 Local Training Initiative - Participant Profile by age, gender, education

Age Cohort	Education Cohort	Female		Male		Total	
		2007	2008	2007	2008	2007	2008
0-24	NFQ Level 2	121	88	84	81	205	169
	NFQ Level 3	205	189	185	211	390	400
	NFQ Level 4/5	340	284	225	231	565	515
	NFQ Level 6		18		15		33
	NFQ Level 7		18		2		20
	NFQ Level 8		12		6		18
	NFQ Level 9		1		1		1
	None entered	97	99	29	53	126	152
	0-24 total		760	709	523	600	1283	1309
25-44	NFQ Level 2	319	249	76	63	395	312
	NFQ Level 3	280	204	102	103	382	307
	NFQ Level 4/5	374	226	121	82	495	308
	NFQ Level 6		72		42		114
	NFQ Level 7		44		12		56
	NFQ Level 8		35		11		46
	NFQ Level 9		24		9		33
	NFQ Level 10		1				1
	None entered	87	86	19	22	106	108
25-44 total		1060	941	318	344	1378	1285
Over 45	NFQ Level 2	120	115	33	40	153	155
	NFQ Level 3	132	118	43	37	177	155
	NFQ Level 4/5	161	100	50	28	211	128
	NFQ Level 6		36		4		40
	NFQ Level 7		15		6		21
	NFQ Level 8		9		5		14
	NFQ Level 9		2		2		4
	NFQ Level 10				1		1
	None entered	53	52	9	19	62	71
Over 45 total		466	447	135	142	601	589
Grand total		2,286	2,097	976	1,086	3,262	3,183

In 2008, FÁS began collecting information on participants by NFQ level above Leaving Certificate level, data that was not available for 2007. Ten percent of the intake did not disclose their highest educational attainment level. Of the remainder, 22% had a highest level of NFQ Level 2, 30% NFQ level 3, 33% NFQ Level 4/5 and 14% of the intake having a highest educational attainment level within the NFQ levels 6-10 range.

In 2007, 67% of the intake was in receipt of Social Welfare payments prior to joining the programme. Of those, 45% were in receipt of JA/JB four percent Disability Payment and 18% One Parent Family Payment. A similar trend prevailed in 2008, with 45% in receipt of Jobseekers Allowance/Benefit, three percent Disability Payment and 19% on One Parent Family Payment. 32% of participants had no Social Welfare status and one percent were unemployed for more than one year.

Table 6.108 Profile of Participants in Receipt of Social Welfare Payment prior to commencement of Local Training Initiative

Age Cohort	Eligibility Category	Female		Male		Total	
		2007	2008	2007	2008	2007	2008
0-24	Disability	20	7	16	18	36	25
	Live Register (JA/JB)	270	231	189	259	459	490
	Lone Parent	208	216	0	0	208	216
	No Status	261	255	318	323	579	578
	Other	1		0	0	1	0
0-24 total		760	709	523	600	1283	1309
25-44	Disability	34	17	18	24	52	41
	Live Register (UA/UB)	452	377	240	265	692	642
	Lone Parent	339	328	0	0	339	328
	No Status	217	208	58	52	275	260
	Other benefit	18	11	2	1	20	12
25-44 total		1060	1378	318	344	1378	1285
Over 45	Disability	24	27	13	10	37	37
	(UA/UB)	224	198	84	96	308	294
	Lone Parent	40	45	1	2	41	47
	No Status	159	155	36	33	195	188
	Other benefit	19	22	1	1	20	23
+45 total		466	447	135	142	601	589
Grand Total		2,286	2,097	976	1,086	3,262	3,183

In 2008, FÁS began collecting information on participant’s education classification by NFQ level for those above Leaving Certificate (data that was not available for 2007). Ten percent of the intake did not disclose their highest educational attainment level. Of the remainder, 22% had a highest level of NFQ Level 2, 30% NFQ level 3, 33% NFQ Level 4/5 and 14% of the intake having a highest educational attainment level within the NFQ levels 6-10 range.

In 2007, 67% of the intake was in receipt of Social Welfare payments prior to joining the programme. Of those, 45% were in receipt of JA/JB four percent Disability Payment and 18% One Parent Family Payment. A similar trend prevailed in 2008, with 45% in receipt of Jobseekers Allowance/Benefit, three percent Disability Payment and 19% on One Parent Family Payment. Thirty-two percent of participants had no Social Welfare status and one percent were unemployed for more than one year.

Table 6.109 Local Training Initiative - Age, Gender, Duration of Unemployment profile

Age Cohort	Duration of Unemployment	Female		Male		Total	
		2007	2008	2007	2008	2007	2008
0-24	< 1 year	755	705	512	598	1267	1303
	> 1 year	5	4	11	2	16	6
0-24 Total		760	709	523	600	1283	1309
25-44	< 1 year	1053	934	310	338	1363	1272
	> 1 year	7	7	8	6	15	13
25-44 total		1060	941	318	344	1378	1285
Over 45	< 1 year	461	445	131	142	592	587
	> 1 year	5	2	4	0	9	2
Over 45 total		466	447	135	142	601	589
Total		2,286	2,097	976	1,086	3,262	3,183

6.17.4 Activity

Table 6.110 Local Training Initiative - Activity Days

Year	Activity Days
2007	565,000
2008	578,000

Table 6.111 Local Training Initiative -Average number of participants per year

Year	Numbers
2007	2,501
2008	2,489

Table 6.112 Total number of participants who completed Local Training Initiative

Age Cohort	Female		Male		Total	
	2007	2008	2007	2008	2007	2008
0-24	595	575	411	417	1006	992
25-44	871	807	232	262	1103	1069
Over45	436	388	100	112	536	500
Grand Total	1902	1770	743	791	2645	2561

Note: Completion defined as Throughput (excluding dropouts). Dropouts are defined as those who commence programmes and are registered but then decide not to proceed.

Table 6.113 Local Training Initiative -Total number of non-completion participants

Age cohort	Female		Male		Total	
	2007	2008	2007	2008	2007	2008
0-24	128	142	91	96	219	238
25-44	110	138	41	76	151	214
Over45	58	70	13	22	71	92
	296	350	145	194	441	544

There are a number of reasons why trainees do not complete programmes in LTIs:

- LTI projects respond to the training needs of socially excluded marginalised clients, many of whom are educationally, socially and geographically disadvantaged.
- Within the FÁS system, people who commence programmes are registered on their first day. If they decide not to proceed with the programme they must be terminated and are coded as dropouts’.
- The term dropout also covers a multitude of reasons for leaving including illness; Pregnancy; Disciplinary reasons; Dissatisfaction with programme, Moving house/emigration; Personal commitments;
- Transport difficulties.

6.17.5 Outcomes

For the purposes of this Review, outcomes were requested, broken down into the following categories:

- Employment
- Education/Training
- Unemployment
- Home Duties/Other

This is the format used in the FÁS follow-up survey, which is contracted out to an external organisation, and is a logical way of analysing a programme’s outcomes. However, the last available outcomes information, broken down in this way, was only available for programmes

that were run in 2005, and covered in the 2006/2007 FÁS follow-up survey.⁴⁰ This is the most recent survey conducted by FÁS to date.

These surveys consist of a representative sample of programme participants that are surveyed approximately 18 months after leaving the programme. While the timeline is not aligned for this analysis, it at least provides comprehensive information on outcomes from the programme. These are illustrated in table 6.114 below.

Table 6.114 Local Training Initiative Outcomes

Employment	39%
Education & Training	30%
Unemployed	14%
Home Duties/Other	17%

Table 6.115 below provides a comparison of the Local Training Initiative outcomes in 2007 with the estimated outcomes from the Live Register in 2007.

Table 6.115 Comparison of the Local Training Initiative outcomes in 2007 with the estimated outcomes from the Live Register in 2007

	Employment	Education/ Training	Unemployment	Other/ Inactivity	Combined Employment/ Education/ Training
2007 Follow Up Survey ⁴¹	39%	30%	14%	17%	69%
Live Register (Est)	46%	10%	25%	19%	56%

Progression into employment and education / training outcomes is higher (by 13%) for the Local Training Programme than would be expected from the Live Register (using a weighing of the Medium term and Long Term Unemployment duration bands - 3 to 1 weighing). The employment outcomes are less than would be expected at least in the short term. In the longer term those that progress onto further education and training programmes may also move into employment).

⁴⁰ In the case of the Local Training Initiative, FÁS advised that the outcomes data printed in the 2006/7 Follow-up Survey was incorrect and submitted amended figures to Forfás that are used in this section.

⁴¹ These outcome figures were confirmed by FÁS in the returned questionnaire for the programme. They differ from those contained in the 2006/7 Follow-Up Survey of FÁS Participants which were stated as being incorrect.

The only information available for outcomes of 2007 and 2008 is internal information from FÁS for those years. This is presented in Table 6.116 below but is not broken down into the categories used in the Follow-up Survey.

Table 6.116 Local Training Initiative Outcomes

Year	Employment	FÁS/Education
2007	13%	3%
2008	17%	6%

Note: FÁS also records a category entitled 'Placed-Type unknown' but as it is unclear what type of placement this is, it is not possible to use it in this analysis.

For the purposes of this Review, FÁS undertook a special analysis of recent data, pertaining to persons that had completed programmes in 2008. An analysis of 1,128 participants (44% of the throughput that year) that completed the programme and had been on the Live Register when they commenced the programme was conducted. The analysis shows that 65% of those previously on the Live Register have now exited the Live Register, while the remaining 35% are still on the Live Register.

Table 6.117 Local Training Initiative- Status of Live Register Throughput 2008

Programme	LR T/Put 2008	% of Live Register T/Put now LR Open	% of Live Register T/Put now LR Closed
Local Training Initiative	1,128	35%	65%

Source: FÁS MIU for 2008 and CDB as at April 9 2009.

6.17.6 Certification

A breakdown of certification by gender, by age and prior educational attainment level is not available for this programme. All LTI projects offer quality assured awards on the national framework of qualifications and training specifications agreed with FÁS are in place to maintain focus on increasing employability of participants. LTI projects provide tailored responses to the needs of individuals through provision of multiple modules covering different fields of learning/work at different levels. Fifty-four percent of the projects offer awards at Level 3, 17% offer awards up to Level 4 and 23% offer awards up to Level 5.

There is no data available on FETAC Major Awards received by learners for 2007. The only data available on certification for 2007 is in relation to FETAC Minor Awards when 2,361 Minor Awards were achieved by LTI learners.

Table 6.118 FETAC Certification Local Training Initiative

The certification data available for 2008 shows:

Year 2008	Level 1/2	Level 3	Level 4	Level 5	Level 6	Total
Minor Awards	228	1963	509	612	1	3,084
Major Awards	24	213	69	35	0	317

Use of Skills

No information was made available for participants who completed the programme in 2007 and 2008 on the extent to which the skills acquired on the programme helped them to get a job, or the frequency of use of skills acquired on the programme in their first job. The most up-to-date information available is contained in the 2006/7 Follow-up Survey in respect of participants who completed the programme in the period June to September 2005. The information provided in that survey (presented below) relates to the use of skills acquired in programme in participant's first job.

Table 6.119 Use of Skills Acquired in Local Training Initiative Programme in First Job

	All the time	A lot	Sometimes	A Little	Never	% who felt they could not have got job without programme
Local Training Initiative	59%	5%	14%	8%	14%	73%
FÁS Programmes Average	35%	16%	17%	14%	18%	55%

For those that had a job before and after participation on the Programme, a comparison of their skill level before and after the training programme is given in the table below.

Table 6.120 Local Training Initiative - Comparison of Level of Skill in first Job with Job before training

	Greater	Same	Less
Local Training Initiative	76%	24%	0%
All Programmes	60%	26%	14%

6.17.7 Employer Usage/Satisfaction

FÁS do not obtain specific information from companies in respect of persons that they recruit from FÁS programmes. However, FÁS has commissioned sample surveys of employers from time to time. A survey was carried out by Red C in July 2005 and a similar one in January

2007⁴². The survey covered a sample of an estimated 140,000 private sector companies. This survey asked about the FÁS services that companies had used and their satisfaction with those services. As companies would not be familiar with the titles of different FÁS training programmes, they were presented with a broader range of titles including Training Courses for the Unemployed, Apprenticeships, Traineeships, Community Employment, Recruitment Services for Employers, Advice on Training and Subsidy for Training your Employees.

The most relevant to Local Training Initiatives would be FÁS Training Courses for the Unemployed. The results for this category were that only one percent of companies stated that they had used this service in the last 12 months and three percent had ever used it. Because of the small number of respondents in the sample, it was not possible to obtain reliable feedback on satisfaction for this programme.

6.17.8 Estimated Benefits (in monetary terms) of Local Training Initiative

For the purpose of this Review, benefits are classified for the following metrics:

- (i) Numbers progressing into employment
- (ii) Numbers progressing to further education and training; and
- (iii) Qualifications received by individuals.

Benefits are considered for (a) Government, (b) enterprises and (c) individuals.

(A) Estimation of Government Benefit

There was no estimated gain to the Government as estimated outcomes into employment were relatively low.

(B) Calculations of Benefits for Individuals arising from participation on programme

Individual Benefits from Qualifications Achieved

➤ In the case of the Local Training Initiative in 2007

- There were no Major Awards and 2,361 Minor Awards
- Number of Minor Awards = 2,361 participants @ €300 = € 708,300

Total Individual benefits from Qualification awards in 2007 = €708,300

➤ In the case of the Local Training Initiative in 2008

- Level 3+4 Awards = 272 participants @ €800= €217,600
- Level 5 Awards = 35 participants @ €2,000 = €70,000
- Level 6 Awards =1 participant @ €2,800 = €2,800
- Number of Minor Awards = 3,084 @ €300= €925,200

Total Individual benefits from Qualification Awards in 2008 = €1,215,600

⁴² Survey of Employers' Usage of FÁS Services - 2007, S Conway & R Fox, July 2007, FÁS.

6.17.9 Findings

While the Local Training Initiative Programme was established to focus on the training needs of socially excluded, marginalised clients, primarily aged between 16 and 25 years, who are unable to access other FÁS interventions, the participant profile in 2007 and 2008 shows that 98% of participants had been unemployed for less than one year. Only 39% of participants were in the target age cohort, and educational attainment levels were relatively high -43% of participants had Leaving Certificate or higher in 2007 and 47% in 2008 (FÁS have noted that this cohort also includes people who only passed four Leaving Certificate subjects or less, and people who did not pass Maths and English). In the case of the target age cohort, this appears to be due to local demand with greater demand for those with an older age profile.

Thirty-two percent of participants had no social welfare status prior to the programme, a trend in all the training programmes and no detail is given on this cohort. The 2006/7 FÁS Follow-Up Survey sheds some light on the background of participants prior to joining the programme. While this refers to participants that exited the programme between July and September 2005, it may still be relevant. Twenty-five percent of participants were working prior to the programme, 29% were in school/college and 15% were engaged in home duties. Nonetheless, there is a danger that some of these clients without a social welfare status may have displaced more disadvantaged clients that are more in keeping with the target cohort. As this review concentrated on 2007 when there were still labour and skills shortages in the market, it may also indicate a trend towards filling training places, irrespective of the participant profile. This raises the question of the appropriateness of exchequer funding of such programmes in a tight labour market. In the current environment, with rising unemployment and given available capacity, priority for training places will need to be given to the unemployed.

The rate of non-completion is relatively high at 18% of those that left the programme in 2008, and this will need to be examined. The use of skills in participants' first job is second only to apprenticeship-at 64%.

Progression into employment and education / training outcomes is higher (by 13%) for the Local Training Programme than would be expected from the Live Register (using a weighing of the Medium term and Long Term Unemployment duration bands - 3 to 1 weighting). This may be due to local links with employers and educational/training institutions. In particular, there is a 30% progression to further education/training with participants availing of provision across a wide range of providers, including VECs and Institutes of Technology. It may be appropriate to consider such an approach in the programme itself, availing of appropriate existing courses in communities, rather than devising courses in the Local Training Initiative Programme that may already be available in the wider community. This would allow even greater flexibility with learners availing of education or training suitable to their needs across a wider range of providers. This may also be more cost effective.

Rigorous evaluation will need to be conducted on an annual basis, similar to the FÁS Follow-Up Survey, normally conducted biannually. The current system of evaluating outcomes which contains a category of 'placed/type unknown' should be discontinued.

Training costs should be reviewed.

6.18 Apprenticeship Programme

6.18.1 Description and Development

Apprenticeship is the recognised means by which people are trained to become craftspeople in Ireland. The main craft trades have been designated by FÁS and come within the scope of the Statutory Apprenticeship system. Statutory Apprenticeship is organised by FÁS in co-operation with the Department of Education and Science, employers and unions. FÁS has the statutory responsibility for the organisation and control of designated apprenticeship by the powers conferred on it by the Industrial Training Act 1967 and the Labour Services Act 1987.

Apprenticeship is an employer demand-driven alternance educational and training programme for employed people aimed at developing the skills of the apprentice to meet the needs of industry and the labour market. The curriculum for each apprenticeship programme is based on uniform, pre-specified standards which are agreed and determined by industry. FÁS maintains a register of apprentices by trade for the 26 designated trades.

The Apprenticeship system is a modular standards based system generally comprising of seven alternating phases of on-the-job and off-the-job training and development. These alternating phases consist of three off-the-job phases and four on-the-job phases. The duration of three off-the-job training phases does not normally exceed 40 weeks. On successful completion of the Apprenticeship, persons receive a *Level 6 Advanced Certificate Craft Qualification*, recognised in Ireland as well as other EU and non-EU countries. This nationally and internationally recognised certificate is the requirement for craftsperson status.

The aims of the Apprenticeship programmes are to provide:

- Learners with the knowledge, skill and competence to perform effectively as a craftsperson; i.e., highly skilled workers able to work autonomously, contribute to a technical team, take personal responsibility for completing projects to relevant quality standards in a timely manner, and interact effectively with colleagues and customers in an industrial setting which is experiencing constant and progressive change.
- Industry with Craftspeople who have acquired mastery over the underpinning knowledge, skills and competences relevant to their craft. Mastery is demonstrated by the ability of the craftsperson to apply their skill and knowledge in different contexts; to exercise initiative and solve problems by determining possible solutions and judging the appropriateness of different approaches.
- Apprentices with the skills, knowledge and competence to perform as qualified and suitably motivated craftspeople with the potential to progress into supervisory and/or management roles and/or self-employment, both nationally and internationally.
- Apprentices with the ability to respond to changes in their craft and the workplace by transferring their knowledge and skills, identifying limits in their knowledge and taking responsibility for addressing their emerging learning requirements.
- Apprentices with the necessary knowledge, skills and competence to contribute significantly to the development of the Irish economy and to respond to the emerging needs of the workplace and new techniques and technologies employed in their craft.

Table 6.121 Lists of Designated Apprenticeship Trades by Sector

Construction	Electrical	Motor	Engineering	Printing
Brick & Stonelaying	Electrician	Agricultural Mechanics	Fitting	Print Media
Cabinet Making	Electrical Instrumentation	Construction Plant Fitting	Metal Fabrication	
Carpentry & Joinery	Instrumentation	Heavy Vehicle Mechanics	Sheet Metalwork	
Floor & Wall Tiling	Refrigeration & Air Conditioning	Motor Mechanics	Toolmaking	
Painting & Decorating	Aircraft Mechanics	Vehicle Body Repairs	Industrial Insulation	
Plastering	Electronic Security Systems		Farriery	
Plumbing				
Wood Machining				

The average duration of an apprenticeship is a minimum of four years of which 40 weeks is off the job. The first phase on-the-job is an introduction to apprenticeship, safety, the world of work and to the basic skills of the trade. The remaining phases of on-the-job training and development entail the practice and further development of skills learned in the off-the-job phases. The total content of each off-the-job phase is delivered in a single location to ensure integration of practical training with theoretical and personal skills. Off-the-job training introduces the apprentice to the skills and related knowledge of the trade. Continued practice and the development of these skills are done on-the-job. FÁS makes arrangements for the off-the-job phases of apprenticeship either in FÁS Training Centres, an Institute of Technology or another approved training provider. Release of apprentices by employers for off-the-job phases of the apprenticeship, when scheduled by FÁS, is compulsory. In most trades the first off-the-job period of 20 weeks (Phase 2) takes place in a FÁS Training Centre. Subsequently, Phases 4 and 6 of off-the-job training - generally 10 weeks in duration for each phase- take place in an Institute of Technology or College of Further Education.

In 1993, following extensive consultation with all relevant Social Partners arising from Social Partnership agreements, FÁS introduced the Standards Based Apprenticeship system. At the outset of the system the Board of FÁS established a National Apprenticeship Advisory Committee (N.A.A.C.) to oversee the development of the standards based process and to advise the Board on all matters pertaining to apprenticeship. This committee is made up of representatives of the social partners in industry, the educational sector and FÁS. In order to identify the standards required for each trade industry surveys took place, drawing on best practice in proactive firms in each occupational sector. In the development of the curriculum for each trade the Board of FÁS approved the use of a team of four subject matter experts made up of a nominee of the employers in the trade, a nominee from the appropriate trade unions, a nominee from the educational sector and one nominee from FÁS. The review and updating of the apprenticeship curricula involves subject matter experts on the same basis as that used for the development of the initial curricula. The N.A.A.C. requires each individual Subject Matter Expert Group to be chaired by a social partner representative.

6.18.2 Inputs Apprenticeship Programme - Direct and Indirect Expenditure

FÁS pays for the cost of organising the apprenticeship system and monitoring progress. FÁS bears the full cost of Phase 2 including the payment of a wage -equivalent allowance to apprentices. FÁS also pays a wage-equivalent allowance to apprentices while on Phases 4 and 6 with the Institutes of Technology. FÁS (only) costs for Apprenticeship are as follows:

Table 6.122 Apprenticeship Programme - Total Direct and Indirect Expenditure

Year	2007	2008
Direct Costs	€ 129.03m	€126.839m
Staff, Overheads	€ 50.65m	€ 52.237m
Total Cost	€ 179.68m	€ 179.076m

Note: It should be noted that the cost of Apprenticeship in the Institutes of Technology for Phases 4 and 6 amount to approx €57.16m in 2007 and 2008. The total actual yearly cost of Apprenticeship for 2007 is therefore €236.7 m.

The above costs, broken down by FÁS between Training Services Division and Services to Business Division, are as follows.

	€ million	2007
	Training Services	Services to Business
Direct	68.076	60.954
Staff, O/H	39.633	11.017
Total	107.709	71.971

	€ million	2008
	Training Services	Services to Business
Direct	63.029	63.810
Staff, O/H	40.745	11.492
Total	103.774	75.302

The above costs would give a FÁS Cost per day for Apprenticeship as follows.

Table 6.123 Apprenticeship Programme - Direct and Indirect Expenditure per Day

	2007	2008
Total Cost per Day	€137	€142
Direct Cost per Day	€ 98	€101
Indirect Cost Per Day	€39	€ 41

The FÁS Cost per Day for Apprenticeship calculated by dividing FÁS Total Cost for Phases 2/4/6 by the number of activity days for Phases 2/4/6. The costs for Apprenticeship in the Institutes of Technology for Phases 4/6 of approx €57,168,110 (07 - 08) can be added to FÁS total cost to get actual cost per day for Apprenticeship - which for 2007 would be €180

Table 6.124 Total number of Apprenticeship Activity Days

	Activity Days 07	Activity Days 08	Average Duration weeks	Average Duration Days	Average Participants 2007	Average Participants 2008
Phase 2	0.718m	0.669	20	100	7,180	6,690
Phase 4/6	0.596m	0.590	10	50	11,920	11,800

6.18.3 Profile of Programme Participants

Table 6.125 below provides the age profile of apprentices registered in 2008. Most apprentices are young school leavers although a proportion was on the Live Register. There are few female apprentices - less than 0.5 %.

Table 6.125 Apprenticeship Programme - Age Profile 2008 of New Registrants

Age Profile	Numbers	% Total
16 yrs	179	4.5
17 yrs	551	15
18 yrs	1,114	29.5
19 yrs	814	22
20 yrs	413	11
21yrs+	694	18
Total	3,765	100%

Table 6.101 presents the educational attainment level of new apprentice registrants in 2008. Around 58 % of new registrants had Leaving Cert Level or equivalent (similar to the educational profile of the apprentice population as a whole⁴³) as a whole. However, the statistics may underestimate the actual number with Leaving Certificate standard, as apprentices are only obliged to present their Junior Certificate results or equivalent at registration. FÁS estimates that actual level may be around 64%. An analysis of 2008 apprentice registration statistics reveals that employers in 18 of the 26 designated trades employed more Leaving Certificate standard apprentices over Junior Certificate standard apprentices.

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Table 6.126 Educational Profile of New Apprentice Registrants 2008

Education Profile	2008	% Total
Leaving Certificate	2,163	57.5
Junior Certificate	1,523	40.5
Other	79	2
Total	3,765	100%

6.18.4 Activity per Apprenticeship Programme

The apprenticeship population at end 2008 across all phases of training was 26,133. This comprised 23,025 ‘live’ apprentices and 3,038 redundant apprentices. This was less than end 2007 caused by a significant drop in new apprenticeship registrations- particularly for construction trades which fell by 60%. Overall, there was a 44% drop in new apprentices registrations in 2008 compared to 2007. Around 50% of the apprenticeship population at end 2008 were in construction sector trades compared to 32% in electrical trades. 18,190 apprentices completed off-the-job phases 2, 4 and 6 in 2008 compared to 18,135 in 2007.

Trend in Apprenticeship Registrations

The number of new apprenticeship registrations increased steeply from 1996 to 2000. Over this period, the numbers doubled from 4,150 to 8,100. There was then a dip between 2000 to 2002 where the numbers fell to 6,862 before rising again to a plateau of around 8,300 in 2005 and 2006. The numbers of new apprenticeship registrations then fell steeply in 2007 and 2008 to a low of 3,760 - representing a 55% drop over the period 2006-2008. Construction sector trades have been particularly affected - with a 73% drop - reflecting the greatly reduced level of activity in the construction sector - followed by the Electrical Sector which experienced a 43% drop in registrations.

Figure 6.1 Apprenticeship Registrations 1996 - 2008

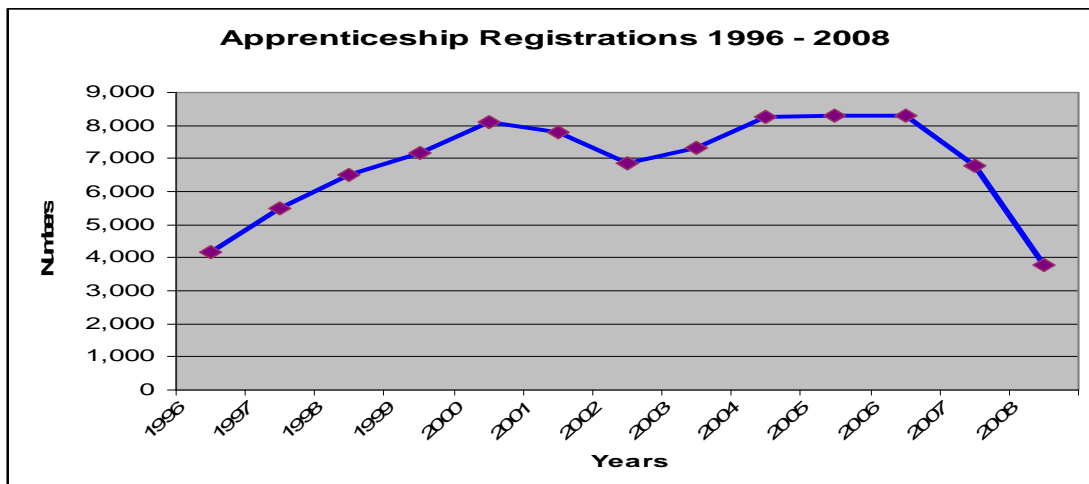


Table 6.127 New Apprentice Registrations by Trade

Trade	2006	2007	2008	% Change 2006-2008
<i>Construction Sector</i>				
Brick & Stonelaying	473	247	56	
Cabinet Making	207	154	75	
Carpentry & Joinery	1907	1350	511	
Floor & Wall Tiling	32	43	12	
Painting & Decorating	161	112	62	
Plastering	220	143	57	
Plumbing	1500	1038	452	
Wood Machinery	14	13	4	
Total	4,514	3,100	1,229	- 73%
<i>Electrical Sector</i>				
Electrical	2269	2057	1106	
Electrical Instrumentation	46	56	37	
Instrumentation	17	19	7	
Refrigeration & Air Conditioning	106	117	83	
Aircraft Mechanics	56	66	24	
Electronic Security Systems(commenced 2007)	-	12	51	
Total	2,494	2,327	1,308	- 48%
<i>Motor Sector</i>				
Agricultural Mechanics	51	62	48	
Construction Plant Fitting	87	94	64	
Heavy Vehicle Mechanics	135	151	116	
Motor Mechanics	439	450	415	
Vehicle Body Repairs	95	69	109	
Total	807	826	752	-7%
<i>Engineering Sector</i>				
Mechanical Automation & Maintenance Fitting	171	203	135	
Metal Fabrication	198	190	192	
Sheet Metalworking	46	51	68	
Toolmaking	33	15	21	
Industrial Insulation (commenced 2007)	-	7	7	
Farriery(commenced 2008)	0	0	21	
Total	448	466	444	- 1%
<i>Printing Sector</i>				
Print Media (new trade)	20	44	30	
Bookbinding	5	0	0	
Origination	2	0	0	
Total	27	44	30	+11%
Total All Sectors	8,290	6,763	3,763	- 55%

Note: 2006 and 2007 figures from FÁS 2007 Annual Report

Table 6.128 'Live' Apprenticeship Population by Trade - 2007 and 2008⁴⁴

<i>Construction Sector</i>	<i>Dec 2007</i>	<i>Dec 2008</i>	<i>% Change 07- 08</i>
Brick & Stonelaying	1635	1,060	-35%
Cabinet Making	671	495	-27%
Carpentry & Joinery	6815	5,021	-26%
Floor & Wall Tiling	125	89	-29%
Painting & Decorating	440	346	-21%
Plastering	874	634	-27%
Plumbing	4843	3,669	-24%
Wood Machining	50	30	-40%
Total Construction	15,453	11,344	- 27%
<i>Electrical Sector</i>			
Electrical	7880	6,586	-16%
Electrical Instrumentation	179	161	-10%
Instrumentation	56	48	-14%
Refrigeration & Air Conditioning	343	343	0
Aircraft Mechanics	178	176	0
Electronic Security Systems	12	50	+416%
Total Electrical	8,648	7,364	-15%
<i>Motor Sector</i>			
Agricultural Mechanics	175	172	-2%
Construction Plant Fitting	330	277	-16%
Heavy Vehicle Mechanics	473	465	-2%
Motor Mechanics	1472	1,434	-3%
Vehicle Body Repairs	315	329	+4%
Total Motor	2,765	2,677	-3%
<i>Engineering Sector</i>			
Fitting	639	624	-2%
Metal Fabrication	667	656	-2%
Sheet Metalwork	168	171	+2%
Toolmaking	87	76	-13%
Industrial Insulation	8	7	-10%
Farrery	0	20	new
Total Engineering	1,569	1,554	-1%
<i>Printing Sector</i>			
Print Media	52	86	+65%
Printing	13	0	
Bookbinding	2	0	
Total Printing	67	86	+28%
Overall Total	28,502	23,025	-20%

⁴⁴ The above figures for 2008 are for the 'live' apprenticeship population of apprentices only and do not include 3,058 redundant apprentices that are being provided with a service by FÁS - particularly in off - the - job training places (see overleaf for profile of 2008 redundant apprentice population).

Table 6.129 'Live' Apprenticeship Population by Trade and by Phase as at end Dec 2008

Trade	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5	Phase 6	Phase 7	Total
<i>Construction Sector</i>								
Brick & Stonelaying	26	21	424	-	440	-	149	1,060
Cabinet Making	59	39	184	-	142	-	71	495
Carpentry & Joinery	228	282	1,991	-	1,792	-	728	5,021
Floor & Wall Tiling	12	-	22	-	49	-	6	89
Painting & Decorating	44	10	115	-	86	-	91	346
Plastering	39	23	265	-	205	-	102	634
Plumbing	376	298	1,433	-	1,162	-	400	3,669
Wood Machining	1	3	8	-	10	-	8	30
Total	785	676	4,442		3,886		1,555	11,344
<i>Electrical Sector</i>								
Electrical	1,142	472	1,888	-	1,877	-	1,207	6,586
Electrical Instrumentation	18	24	69	-	32	-	18	161
Instrumentation	8	-	10	-	29	-	1	48
Refrigeration & Air Conditioning	83	13	105	-	83	-	59	343
Aircraft Mechanics	13	24	65	40	29	-	5	176
Electronic Security Systems	14	25	11	-	-	-	-	50
Total	1,278	558	2,148	40	2,050		1,290	7,364
<i>Motor Sector</i>								
Agricultural Mechanics	38	36	22	-	34	22	20	172
Construction Plant Fitting	34	24	93	-	82	-	44	277
Heavy Vehicle Mechanics	119	35	110	-	105	-	96	465
Motor Mechanics	298	126	326	-	384	-	300	1,434
Vehicle Body Repairs	77	14	99	-	91	-	48	329
Total	566	235	650	0	696	22	508	2,677
<i>Engineering Sector</i>								
Fitting	72	24	298	-	150	-	80	624
Metal Fabrication	173	52	147	-	170	-	114	656
Sheet Metalwork	39	23	29	-	37	-	43	171
Toolmaking	7	8	13	-	36	-	12	76
Industrial Insulation	7	-	-	-	-	-	-	7
Farriery	12	-	8	-	-	-	-	20
Total	310	107	495	0	393	0	249	1,554
<i>Printing Sector</i>								
Print Media	28	2	43	-	-	-	13	86
Total	28	2	43	0	0	0	13	86
Overall Total	2,967	1,578	7,778	40	7,025	22	3,615	23,025

Table 6.130 Redundant Apprentices Population by Trade and by Phase December 2008

Description	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5	Phase 6	Phase 7	Total
Cabinet Making	10	3	30	0	17	0	12	72
Wood Machinery	1	1	0	0	3	0	2	7
Print media	0	0	0	0	5	0	0	5
Electronic Security Sys	1	0	3	0	0	0	0	4
Electrical	88	35	206	0	288	0	155	772
Electrical Inst	0	0	1	0	1	0	0	2
Motor Mechanics	11	4	33	0	27	0	11	86
Agricultural Mechanics	1	0	3	0	0	0	0	4
Heavy Vehicle Mechanics	1	1	1	0	3	0	0	6
Vehicle Body Repairs	2	2	5	0	3	0	4	16
MAMF	6	0	9	0	4	0	1	20
Toolmaking	0	0	0	0	1	0	0	1
Aircraft Mechanics	0	0	1	0	0	0	0	1
Refrigeration	4	1	4	0	5	0	5	19
Sheet Metalworking	7	1	2	0	6	0	6	22
Metal Fabrication	10	0	15	0	15	0	4	44
Floor & Wall Tiling	0	0	3	0	5	0	0	8
Industrial Insulation	6	0	0	0	0	0	0	6
Carpentry & Joinery	14	16	325	0	330	0	106	791
Painting & Decorating	7	0	15	0	19	0	12	53
Plumbing	39	32	310	0	274	0	99	754
Brick & Stonelaying	2	3	98	0	129	1	37	270
Plastering	5	1	46	0	34	0	13	99
Construction Plant Fitting	4	0	7	0	5	0	0	16
TOTAL	219	100	1,117	0	1,174	1	467	3,078

6.18.5 Programme Outcomes

As apprentices are already employed, FÁS does not monitor after-programme outcomes on a regular basis. Neither does the standard follow-up survey include them. However, a FÁS Follow-up Survey, carried out in 2006/7, of Apprentices that registered in 1999 did examine post-apprenticeship outcomes. At the time of the survey 96% of qualified craftspeople were working. All had worked at some time since completing their apprenticeship. Most were still working in the same trade (92%). Construction craftspeople were more likely to be still in the same trade (97%). Engineers were more likely to have moved onto something new. Just over half continued to work with the same employer since receiving their qualification. Three quarters of craftspeople were employees of a company. This rises to 90% in the Motor trade and 94% in Engineering. Over forty-percent in the Construction trades were either self employed or running their own business. Ten percent of craftspeople were running their own businesses. The Follow-Up Survey of Apprentices examined non - completion. Twenty-six percent of apprentices who

started in 1999 had not completed, and the majority of these had dropped-out completely. Of those who had left the apprenticeship completely 1 in 4 did so because they didn't like the work in the trade.

Use of Skills

In the survey when all of the qualified craftsperson's who were still working in the same trade were asked how much they used the skills learned on the apprenticeship. 54% said that used the skills all the time and 29% said most of the time. Eighteen percent surveyed said that they rarely, never or only sometimes use these skills.

Average gross hourly pay

Respondents were asked what their net and gross weekly earnings were. Thirty-one did not answer. The average net weekly wage was €704 per week. The Motor trade appeared least well paid, while Electrical and Construction had the highest wages. The average Construction wage was €751pw and the average Electrical wage was €712pw. However, the average Motor wage was €493pw. Seven percent of craftsperson' earned over €1,000 net per week. Ten percent of Construction craftsperson's earned €1,000 net per week.

6.18.6 Employer Usage/Satisfaction

The largest number of firms employing apprentices in 2008 were in the construction sector (80% of total) followed by the engineering sector (19%).

Table 6.131 Sectoral Profile of Companies Employing Apprentices

Sector	Number of Companies
Textiles	5
Food	34
Construction	8314
Engineering	1954
Chemicals	44
Printing	45
Services	35
Total	10, 431

Level of Employer Satisfaction with Apprenticeship Programme

FÁS commissioned sample surveys of employers carried out by Red C in July 2005 and a similar one in January 2007⁴⁵. The survey covered a sample of an estimated 140,000 private sector companies. This survey asked about the FÁS services that companies had used and their satisfaction with those services. In respect of apprenticeships, five percent of companies stated that they had used this service in the last 12 months and 11% had ever used it. 56% of companies that had ever used apprenticeship were very satisfied and another 26% fairly satisfied.

⁴⁵ Survey of Employers' Usage of FÁS Services - 2007, S Conway & R Fox, July 2007, FÁS.

6.18.7 Certification

Table 6.132 below presents an outline of the number of Level 6 Advanced Certificate Craft Qualification Awards by Trade for 2007 and 2008. A total of 5,057 apprentices received their Award in 2008 compared to 4,917 in 2007.

Table 6.132 Level 6 Advanced Certificate Craft Qualification Awards 2007 and 2008

Trade	2007	2008
Agricultural Mechanics	32	40
Aircraft Mechanics	26	17
Brick and Stonelaying	332	307
Cabinetmaking	138	126
Carpentry & Joinery	998	1275
Carton Making	1	1
Construction Plant Fitting	84	69
Electrical	1352	1360
Electrical Instrumentation	28	41
Floor & Wall Tiling	24	19
Heavy Vehicle Mechanics	105	99
Instrumentation	9	9
Mechanical Automation and Maintenance	170	115
Metal Fabrication	157	125
Motor Mechanics	295	310
Painting & Decorating	91	58
Plastering	128	150
Plumbing	719	740
Printing	15	7
Refrigeration & Air Conditioning	65	53
Sheet Metalworking	39	39
Toolmaking	28	25
Vehicle Body Repairs	67	65
Wood Machinery	14	7
Total	4,917	5,057

Twenty four females received their Level 6 Advanced Certificate Craft Qualification Awards in 2008 compared to 20 females in 2007. Around half of those females who received an Award were in the electrical trade. An outline of the percentage age breakdown of those receiving an award in 2007 and 2008 is given in the Table below. The majority (82%) were under 25 years of age. Four percent were over 30 years of age - although for electrical and heavy vehicle mechanics trade this percentage was higher at seven percent.

Table 6.133 Age Profile Apprentices receiving Advanced Certificate Craft Qualification Award

Age at Certification	Under 25	25-35yrs	+ 30 years
Percentage of Apprentices	82%	14%	4%

Recent Measures for Redundant Apprentices

In May 2009 it was announced that 3,067 construction trade apprentices currently redundant will be able to progress their training towards qualification through a number of special measures in 2009. These measures include an employer based redundant apprentice rotation scheme which commenced in Jan 2009, providing for on-the-job training placement of up to 500 redundant apprentices with employers who have released their own employed apprentices for off-the-job training. FÁS and ESB networks have agreed the placement of up to 400 redundant electrical apprentices to allow them to complete their on-the-job training and assessments. The Institutes of Technology are providing 700 places per annum on an eleven week certified training programme for those redundant apprentices who have completed their Phase 4 training but where an on or off-the-job training programme is not currently available for them. The programme is divided into Construction and Engineering streams. Scheduling rules for off-the-job training have been amended to permit redundant apprentices to progress to their next off-the-job training phases rather than wait until they have secured the intermediate on-the-job phase. This change had permitted 1,115 apprentices to attend Phase 4 and Phase 6 training in the first quarter of 2009 and will, by the end of 2009, facilitate up to a total of 2,000 redundant apprentices. Léargas has provided funding towards the cost of placing redundant Phase 7 apprentices with employers in Germany. Some 20 apprentices are currently in Germany and a further 60 apprentice placements have been approved.

6.15.11 Estimation of Benefits (in monetary terms): Apprenticeship Programme

For the purpose of this Review, benefits are classified for the following metrics:

- (i) Numbers progressing into employment
- (ii) Numbers progressing to further education and training; and
- (iii) Qualifications received by individuals.

Benefits are considered for (a) Government, (b) enterprises and (c) individuals.

(A) Estimation of Government Benefits

There were no estimated benefits for Government as all apprentices were employees of companies on commencement of programme.

(B) Calculation of Individual Benefits from Qualifications Achieved

A main benefit to the Individual is awarding of a qualification. It is proposed that the estimated value attributed to the qualification will be that which an individual would pay in fees in the private market to achieve that qualification. The relevant amounts were noted in Chapter 5. In the case of the Apprenticeship Programme (2007):

Major Award Level 6 - 4,917 participants @ €2,800 = €13,767,600

Estimated Total Individual benefit from Apprenticeship is € 13,767,600

(C) Benefits to Enterprise

There were no estimated benefits to enterprise. There was no employer information available regarding the benefits to their organisation, in terms of productivity and competitiveness etc arising from apprentices who completed the programme.

6.18.9 Findings

Apprenticeship training is provided in close collaboration between FÁS and the Institutes of Technology. In the decade up to 2007 the apprenticeship system worked well in terms of developing the skills of apprentices for the twenty-six designated trades, although the length of apprenticeship is relatively long and the cost is high. The most recent survey (2007) indicated that a majority of companies (82%) that had used apprenticeship were either very or fairly satisfied. 100 percent of apprentices receive a Level 6 Advanced Certificate Craft Qualification Award.

The numbers of new apprenticeship registrations has fallen steeply in 2007 and 2008 to a low of 3,760 - representing a 55% drop over the period 2006-2008. Construction sector trades have been particularly affected - with a 73% drop - reflecting the greatly reduced level of activity in the construction sector. The sharp contraction in the construction sector has resulted in over 5,800 apprentices being made redundant (as at September 2009) with measures being introduced to help redundant apprentices progress within the system. This is an added unforeseen cost to Government. There are still very few female apprentices despite offers of bursaries over time to encourage more. The cyclical nature of apprenticeship registration needs to be addressed especially for construction trades. One option would be to apply a lower and higher limit for apprenticeship registration for construction trades. At the lower limit the State could step in to ensure an ongoing stock of craftsperson's to meet the future needs of the economy. At the higher limit the State could moderate the number of apprentices being sponsored by employers - and therefore the future likelihood that it would have to bear the cost of redundant apprentices completing their apprenticeship.

The current average duration of an apprenticeship which is a minimum of four years (except for print media which is three years) could be examined. The length of apprenticeships could be based upon when apprentices attain the competency level required so that individuals could complete their training faster if they reached the required skill level.

It is also appropriate to consider other means of developing training programmes with employers' involvement that are more flexible, less expensive and of a shorter time duration. This would be in line with most other European countries. Consideration could be given to following the Traineeship model and widening out the scope to cover a number of other occupations. This could also help to increase the number of women who might participate.

6.19 Competency Development Programme

6.19.1 Description and Development

Objectives

The objective of this activity is to increase the number of employed persons acquiring certified training qualifications and hence their employability and companies' productivity and competitiveness. Priority is given to programmes aimed at low skilled employees and to programmes that lead to accreditation. The activity provides funding to help enable employed persons to receive training and development. To support this objective a number of specific actions are undertaken; analyses of national, sectoral and regional training needs, the development and implementation of programmes to meet these needs, the development and implementation of quality assurance measures and training standards, funding to support training of employed persons and the development and/or mainstreaming of innovative training models (including the use of Recognition of Prior Learning). The programme also helps companies to assess their HRD practices and processes and benchmark their performance against comparators.

Description

The FÁS Competency Development Programme (CDP) is the mechanism for funding/subsidising training for people in employment. Priority is given to programmes that provide participants with portable and transferable skills and to programmes targeted at increasing the competencies of people employed in low skilled occupations. CDP is funded through the European Social Fund, National Training Fund and Exchequer Funding. Programmes funded under CDP are available in all FÁS regions. Through the CDP, many different types of programmes are funded and directed at the various skill levels of employees. CDP programmes can be designed to meet a sectoral need identified by FÁS. The aim is to raise the competency of those employed in that sector. Examples of sectors that have benefited from such training initiatives to date are the childcare, contract cleaning, retail and nursing home sectors.

Other types of programmes subsidised under CDP include: customer service; management development; supervisory development; marketing/sales programmes; human resource management; quality programmes; safety programmes; supply chain management, and Information Technology. Under the Competency Development Programme, FÁS engages in a tendering process in order to select an approved training organisation which will be contracted to provide the training programmes identified. Only those trainer/training organisations listed on the FÁS/EI National Register of Trainers are invited to tender.

FÁS provides the following financial support (introduced in 2008) towards the cost of eligible training:

- Programmes for SME's at Levels 6 -8:-
 - Up to 70% for framework certified training and up to 50% for training not certified on the framework

- Programmes for companies irrespective of size at Levels 6 - 8
 - Up to 35% for framework certified training
 - Up to 25% for training not certified on the framework.
- Programmes at Levels 3 - 5 or equivalent-
 - Open to all eligible employees
 - Up to 70% for certified training (see notes below) and up to 50% for uncertified
- (Rates above are plus 5% for BMW Region)
- Certified programmes are those certified by an approved certifying body (e.g. HETAC/FETAC or a recognised equivalent)

100% financial support may be considered for the training of vulnerable or low-skilled workers once written prior approval has been given by the FÁS Director STB (Central). Workers employed in companies threatened with or facing closure or in industries in decline will be considered vulnerable under this programme. Those engaged in employment categories requiring no entry qualifications or employees paid the minimum wage are considered as low skilled.

A particular feature of FÁS' provision is the 'Strategic Alliance' approach whereby FÁS contracts with major national organisations to deliver a suite of suitable training courses. This approach was fully developed from 2006 and has involved alliances with organisations including the SFA, ISME, Chambers of Commerce Ireland, ICTU, SIPTU and the CIF. A general call for proposals from such alliance partners was made at the initial stage. Later, in response to reports of the Small Business Forum and the Expert Group on Future Skills Needs, FÁS initiated a public call for 'Expressions of Interest' to run further training courses for SME Management Development. Contracts were agreed with a number of organisations in 2007 to run management development courses. FÁS also sought 'Expressions of Interest' in respect of training for persons with low-skills and/or low-qualifications and a set of programmes in these areas was also agreed in 2007.

Under the FÁS Strategic Alliance programme, two national ICT training projects were developed by the National College of Ireland (NCI) under contract to FÁS. The KnowIT programme is designed to provide basic computer skills to employees in low skilled/low paid employment; and the Knowledge Economy Skills Passport (KESP) is designed as a blended learning programme that targets the key competencies required by knowledge - based workers operating.

FÁS and Enterprise Ireland also developed new programmes for Domestic and International Sales. The programmes are aimed at graduates and experienced professionals and will enable Irish firms increase the national stock of sales and marketing talent. This was part of FÁS' response to the Enterprise Strategy Group's report, published in 2004. In 2007 two programmes were developed to meet the needs of low-skilled employees in the retail sector. These were the Certificate in Retail (FETAC Level 4) and the Advanced Certificate in Retail Management (FETAC Level 6). Both these programmes have been piloted and are now available to employees nationally.

To encourage and assist low-skilled employees, FÁS developed two new initiatives in 2007. One of these related to ‘Paid Learning Leave’ where pilots were run in the Sligo and Wicklow areas in 2007. These pilots involved providing assistance to employers towards the wage cost of releasing low-skilled employees to attend training programmes. The other initiative- Individual Learning Options i.e. individual support to meet an identified training need of a low-skilled employee (up to Level 5), not available under the CDP programme, commenced during 2008.

Course Development

Identification of courses to be supported under the CDP has involved a number of different strands. One aspect, as noted above, has been the Strategic Alliance approach where FÁS sought proposals, within the broad areas of SME management and low-skilled employees, for particular training provision. Another source of advice arose from the representative sectoral committees that FÁS has in respect of certain industries. Such committees exist in relation to Construction and Engineering and provide direction about outstanding training needs.

At regional level, FÁS regional managers and staff have on-going contacts with companies and regional stakeholders (e.g. chambers of commerce, regional development groups). FÁS regional managers have autonomy to identify and meet training needs at a regional level through their annual CDP budget. All these specific approaches take place under the overall direction of the Board of FÁS and, more specifically, the Board Sub-Committee on Training in Companies and the Employed which contains representatives of employers, unions and Government.

6.19.2 Competency Development Programme Expenditure (Inputs)

Table 6.134 Total Cost of Competency Development Programme 2007/2008 (€ million)

	2007	2008
Direct	48.7	36.6
Staff, O/H	6.0	6.0
Total	54.7	42.6

Table 6.135 Competency Development Programme -Regional Distribution 2008

Region	Direct Costs €M	Indirect Costs €m	Total €m
Dublin	6.48		6.48
North East	1.50		1.50
North West	1.99		1.99
South East	3.05		3.05
South West	3.36		3.36
Midlands	1.29		1.29
Mid-West	0.91		0.91
West	0.73		0.73
Central	17.35		17.35
Indirect Costs		6.0	7.18
TOTAL	36.66	6.0	42.6

Table 6.136 Competency Development Programme - Cost per Day (€)

	2007	2008
Direct	€173	€149
Indirect	€22	€25
Total	€195	€173

6.19.2 Participant Profile

In 2007, 47,920 participants completed the Competency Development Programme. A profile of participants broken down by gender, by age, and by educational attainment level was only available for 34,496 participants - 72% of the total and the analysis has been conducted on that basis. In 2008, 32,390 participants completed the Programme. Participant profiles by gender, by age and by educational attainment level were only available for 21,380 participants - 66% of the total-and the analysis is conducted on that basis. In 2007, 63% of participants on the programme were male and 37% female. In 2008, female participation rose to 47% with male participation at 53%. In 2007, information on highest educational attainment level was 'unknown' for 10, 729 participants or 31% of the total. With such a high level of unknowns, it is not possible to conduct an analysis. Likewise, the number of unknowns for age totalled 9,211 (27% of total), so that any analysis would not be possible. In 2008, 16% of the total cohort was under 25 years, with 17% over 45 years. The remaining 67% were in the 25-44 age bracket. On educational attainment levels, 12% of participants had primary education as their highest level with 73% having Leaving Certificate or higher.

Table 6.137 Competency Development Programme - Profile of Participants 2007

By Age	Male	Female	Total
Young people (16-24)	8,629	2,595	11,224
Older Workers (25-34)	3,977	3,565	7,542
Older Workers (35- 45)	2,526	1,815	4,341
Older Workers (over 45)	1,168	1,010	2,178
Unknown	5,334	3,877	9,211
Total	21,634	12,862	34,496
By Educational Attainment	Male	Female	Total
PRIMARY	8,515	2,131	10,646
GROUP/INTER/JUNIOR CERT	566	421	987
LEAVING CERT	2,051	1,743	3,794
3RD LEVEL	2,954	2,611	5,565
OTHER	1,746	1,029	2,775
UNKNOWN	5,802	4,927	10,729
Total	21,634	12,862	34,496

Table 6.138 Competency Development Programme - Profile of Participants 2008

Number of Participants	Male	Female	Total
Entrants (Starts)	8,973 (52%)	8,075 (48%)	17,048
Leaving	11,371 (53%)	10,009 (47%)	21,380
Participants by Gender ~ Leaving	Male	Female	Total
Participants	11,371 (53%)	10,009 (47%)	21,380
By Educational Attainment ~ Leaving	Male	Female	Total
Primary or lower secondary education (ISCED 1)	942 (49%)	994 (51%)	1,936
Lower secondary education (ISCED 2)	1,158 (51%)	1,096 (49%)	2,254
Upper secondary education (ISCED 3)	2,569 (51%)	2,480 (49%)	5,049
Post - secondary non-tertiary education (ISCED 4)	-	-	-
Tertiary education (ISCED 5 and 6)	3,611 (55%)	2,941 (45%)	6,552
None Entered & Other	3,091 (55%)	2,498 (45%)	5,589
TOTAL	11,371 (53%)	10,009 (47%)	21,380
By Age ~ Leaving	Male	Female	Total
Young People (16-24)	1,719 (50%)	1,722 (50%)	3,441
Older Workers (25-34)	4,365 (52%)	3,955 (48%)	8,320
Older Workers (35-45)	3,385 (56%)	2,633 (44%)	6,018
Older Workers (Over 45)	1,902 (53%)	1,699 (47%)	3,601
TOTAL	11,371 (53%)	10,009 (47%)	21,380

Source: FÁS Monitoring Committee Analysis, March 2009 in respect of 2008

6.19.4 Activity

Table 6.139 Competency Development Programme- Activity Days

Year	Activity Days
2007	281,000
2008	245,000

Note: Total number of activity days per year

Table 6.140 Competency Development Programme- Average number of Participants

Year	Average Number
2007	47,920
2008	32,390

6.19.5 Programme Outcomes

FÁS does not track outcomes for individuals following their participation on the Competency Development Programme either in terms of any benefit relating to career development (job retention, increased pay, promotion) or engagement in further education/training.

6.19.6 Certification

Table 6.141 Certification Competency Development Programme 2008

By Certification ~ Leavers*	Male	Female	Total
Certified - leavers	8,796	7,611	16,407
% Certified - leavers	89%	87%	88%

Note: Leavers attended certified course but certification outcome not recorded

6.19.7 Employer Usage/Satisfaction

FÁS do not obtain specific information from companies in respect of persons that they recruit from FÁS programmes. However, FÁS has commissioned sample surveys of employers from time to time. A survey was carried out by Red C in July 2005 and a similar one in January 2007⁴⁶. The survey covered a sample of an estimated 140,000 private sector companies. This survey asked about the FÁS services that companies had used and their satisfaction with those services. As companies would not be familiar with the titles of different FÁS training programmes, they were presented with a broader range of titles including Training Courses for the Unemployed, Apprenticeships, Traineeships, Community Employment, Recruitment Services for Employers, Advice on Training and Subsidy for Training your Employees.

⁴⁶ Survey of Employers' Usage of FÁS Services - 2007, S Conway & R Fox, July 2007, FÁS.

The most relevant to the Competency Development Programme would be the latter two categories. The results for the Advice on Training category was that only one percent of companies stated that they had used this service in the last 12 months and three percent had ever used it. Three percent had used the Subsidy for Training of your Employees category in the previous 12 months, with six percent having ever used it. While numbers were too small to obtain reliable satisfaction ratios for Advice on Training, 64% said they were very satisfied with the subsidised training for employees and 21% fairly satisfied in the 2007 survey.

6.19.8 Findings

The objective of the CDP is to increase the number of employed persons acquiring certified training qualifications, increasing their employability and companies' productivity and competitiveness. As there is no evaluation of the programme, it is difficult to comment on its effectiveness or efficiency. The only means of tracking the effectiveness of the programme is through the number of activity days and levels of certification. While certification appears to be high (88%), it refers to participants attending certified courses, rather than certification outcomes which are not recorded.

International best practice favours evaluating training for results as opposed to training for activity, with many organisations using the Kirkpatrick and Philips models of evaluation that have a stepped approach to evaluation. This includes measuring the reaction of participants to the training (step 1), measuring the skills and knowledge gained (step 2), measuring the applicability of skills learned (step 3), measuring the outcomes of training in terms of company goals (step 4) and measuring the return on investment of level 4 results (step 5). While steps 4 and 5 are considered difficult, steps 1-3 are much more attainable and should be strongly considered.

The emphasis of the programme is on the one-step-up approach, in keeping with the National Skills Strategy, and in upskilling vulnerable or low-skilled workers and this should be continued. While there is industry involvement through the Strategic Alliance approach, and through local involvement of FÁS staff with chambers of commerce and regional development groups, there does not appear to be emphasis on increasing industry's competitiveness and productivity. This is a part of the core objectives of the Programme. Regular surveys of participating companies would help to ascertain if these issues are being addressed. The last such survey conducted was in July 2007 when responses from employers indicated that of the 140,000 companies surveyed, only three percent had used the CDP in the previous year and six percent had ever availed of the programme. While satisfaction rates of those companies surveyed that participated in the programme, are quite high, the base is too low to capture reliable satisfaction rates. Direct input from trainees on outcomes for employees such as promotion or increased pay would also benefit the evaluation system.

6.20 Skillnets Training Networks Programme

6.20.1 Description

Objectives

The objective of the Skillnets Training Networks Programme is to support private sector companies and their employees with the provision of tailored training and upskilling programmes. It is demand-led training, with groups of companies coming together based on an identified common need. Its primary aim is to increase participation in enterprise training by firms to improve competitiveness and provide improved access for workers to skills developments. Skillnets strategy is to support companies from all sectors in the economy to engage in training, but does so exclusively through networks of companies under the Training Networks Programme. The network approach allows companies to achieve economies of scale, increased efficiency, lower costs and training that is more relevant to individual sectors or types of companies.

Skillnets mandate from the Department of Enterprise Trade and Employment can be defined as the following:

- Skillnets role is to act as an enterprise-led support body dedicated to the promotion and facilitation of enterprise training and workplace learning, as a key element in sustaining national competitiveness.
- Skillnets should continue to foster and support an enterprise-led, networked and partnership approach to the provision of enterprise training and expand and develop that approach by supporting innovation and enhanced workplace learning.
- The primary aim of Skillnets Training Networks Programme should be to increase participation in enterprise training by firms to improve competitiveness and provide improved access for workers to skills development.

The primary objectives of the Skillnets Training Networks Programme are defined under four strategic pillars which form the basis of the strategy and inform its programme of activity. These are:

Pillar 1

- Driving skills strategies through sectors and partnerships to encourage training participation at sectoral level.

Pillar 2

- Growing the skills base by giving workers access to lifelong learning opportunities, including particularly lower skilled workers.

Pillar 3

- Developing local learning responses to allow enterprises to develop training opportunities for employees at local level.

Pillar 4

- Building best practice in learning and development in all aspects of the design, delivery, evaluation and dissemination of enterprise training.

Description

Skillnets is an enterprise-led body, funded from the National Training Fund, to support private sector companies and their employees with the provision of tailored training and upskilling programmes. Training is delivered through groups of companies which come together based on an identified common need, the most common of which are either sector specific or regional/geographical Training Networks. This network model allows enterprises to decide what training they need, as well as how, where and when it should be delivered, thus allowing employees to take part in relevant, flexible, and cost-effective learning. Skillnets Training Networks Programme's role is to provide funding, advice and support to underpin the competitiveness of firms as well as increase the long-term career opportunities and employability of employees.

In 2005, the Minister for Enterprise Trade and Employment granted a further five year mandate to Skillnets Training Networks Programme to provide increased funding and support for enterprises to meet their training needs in the period 2005-2010. Since that time, the effectiveness of the Skillnets Training Networks Programme model has been further acknowledged through the awarding of the contract to manage the very successful ACCEL initiative 2006-2008 (up to €16 million), the Finuas Programme 2009 - (up to €2.5 million) and additional resources from the National Training Fund.

The analysis of this programme was of Skillnets Training Networks Programme as an entity rather than on a network by network basis. An even more effective way to evaluate the programme would be to evaluate each network but this was not possible within the timeframe and scope of this project. From 1999 to 2007, Skillnets Training Networks Programme has facilitated over 18,000 Irish enterprises, in over 200 networks to improve the range, scope and quality of training and allowed over 150,000 employees to upskill and meet their work related training needs. Skillnets Training Networks Programme stakeholders include the Irish Business and Employers Confederation, Chambers Ireland, the Construction Industry Federation, the Small Firms Association and the Irish Congress of Trade Unions as well as the thousands of enterprises and trainees it works with on a day-to-day basis

Skillnets Training Networks Programme (2007 & 2008)

The two years in question (2007 & 2008) straddled two separate funding periods, namely the Skillnets Training Networks Programme (TNP) 2006-08 and the TNP 2008-09. The data provided here refers to each specific year where possible. Skillnets Training Networks Programme began 2007 with 54 active networks in their second year of funding under the TNP 2006-07. During the network development phase in the latter half of that year, 62 new networks were approved for grant aid (supported with a development grant) together with ca. 20 additional projects who availed of the support process without grant aid, and all of whom applied for funding under the TNP 2008-09. In 2008 Skillnets Training Networks Programme managed 123 networks under year one of the TNP 2008-09. Details of the full list of networks are supplied in the appendices.

The programme ethos is centred around all course development and provision of learning interventions is enterprise-led from start to finish. Skillnet network applications are assessed against criteria which examines the enterprise-led nature of the project, including the degree

of consultation with industry stakeholders & companies, from Training Needs Analysis through to the selection of providers. When approved for funding, the Programme Support team liaise directly with each network to ensure that they comply with the basic 'enterprise-led' network model. In this model a network manager reports to a steering group, which must consist of representatives of the member company employers and enterprises (see model below). Their primary role is to give strategic direction to the network and have final decision-making authority on the selection and provision of learning activities.

Each network manages their own individual project training plan, which is based on initial research of the needs of the member companies and individual staff members. This invariably includes a detailed Training Needs Analysis (TNA), which is a prerequisite of any application for funding, and which the network manager regularly reviews during a 2-year project plan to ensure that the training plan continues to meet the identified needs and skills gaps across the network. Member companies are encouraged to include the needs of as many individual staff members as possible during their TNA.

The network plan can also allow for an element (max. 30%) of in-company training provision where a single member company can avail of a learning programme dedicated for their own benefit. This enhances the opportunities for supporting individual learning needs.

The representation of member company management & staff on network steering groups and their direct input into the planning process also helps to sense-check the relevance of the training plan, thus further helping to ensure the needs of their staff & employees are being adequately addressed.

The Skillnets 2007 Annual Report states:

- Companies stated that their participation in their Skillnets Training Network had a positive impact on levels of customer satisfaction (87%) and employee morale (91%);
- 90% of companies stated that staff training had increased significantly from their membership of a network with a further 92% stating that they could now avail of training that would not have been otherwise available

Flexibility is another cornerstone of the Skillnets Training Networks Programme. This appears in many facets. Network managers are trained to broker training and learning solutions and thus engage in extensive procurement of services which helps to identify flexible solutions from providers. Skillnets Ltd. also promote diverse forms of provision by showcasing different examples of learning provision to the network manager community, and encouraging and facilitating information exchange between networks for mutual benefit.

Customisation of Learning Programmes

During 2007, 33% of programmes were fully developed by Skillnet Networks, a further 42% were customised to varying extents to suit the particular trainees and companies. This supports the key focus of Skillnets Training Networks Programme networks being enterprise-led and being able to go beyond current provision via the network model.

Table 6.142 Status of Programmes Developed by Skillnet Networks

New course developed	1,205	33%
Significantly customised	852	24%
Some customisation	650	18%
Basic customisation	900	25%
Total Programmes	3,607	100%

Figure 6.2 Skillnets Training Networks- Breakdown of Training Programmes Developed

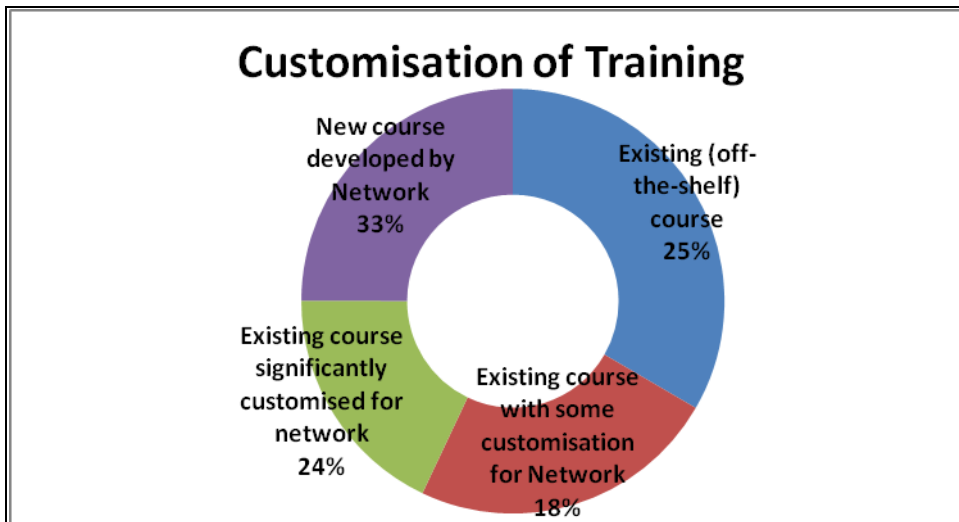


Table 6.143 below indicates the different types of training engaged in by networks during 2007, of which only 40% involved modes of delivery outside of the traditional instructor-led model.

Table 6.143 Types of training engaged in by Networks (2007)

On the job - involving input from instructor / trainer / staff	8%
Self-paced e.g. e-learning, distance learning	1%
Instructor led i.e. primarily classroom	60%
Activities to accredit prior learning	3%
Mixed learning event (classroom & non-classroom)	17%
Other	11%

Source: Skillnets SAM report 2007)

In 2007 90% of the 3,000 respondents to the Member Company Satisfaction Survey were very satisfied with the flexibility and accessibility of Skillnets training. In the 2008 survey 78% of 6,000 respondents were very satisfied.

6.20.2 Expenditure (Inputs)

Table 6.144 Skillnets Training Networks -Total Cost of Programme 2007/2008 (€ m)

	2007	2008
Direct	8.8	16.2
Staff, O/H	4.8	9.8
Total	13.5	26.0

Note 1: The two years in question (2007 & 2008) straddled two separate funding periods. Skillnets Training Networks Programme began 2007 with 54 active networks in their second year of funding under the TNP 2006-07. In 2008 Skillnets Training Networks Programme managed 123 networks under year one of the TNP 2008-09

Note 2: The criteria for calculating and defining direct and indirect costs changed from 2007 to 2008 as they involved two separate TNP funding rounds. In 2008 indirect costs included costs previously categorised as direct in 2007, such as dissemination costs, consultants (evaluation, PR etc), & non-formal learning events.

Note 3: The figure for total cost represents the total funds received by Skillnets Training Networks Programme Ltd from DETE in both years. Matching contributions from member companies totalled €6m in 2007 and €11m in 2008.

Table 6.145 Skillnets Training Networks -Cost per Day (€)

	2007	2008
Direct	130.6	80.9
Indirect	70.9	48.9
Total	201.5	129.8

Regional Breakdown

The majority of Skillnet Networks are national in their coverage, typically sector-based networks with member companies present across many, and in some instances, all 26 counties of Ireland. In 2007, 57% of total networks spend was on such national networks, and 64% in 2008. Where there are region-specific networks, these are detailed in Tables 6.146 and 6.147.

Table 6.146 Skillnets Training Networks -2007 Regional Breakdown

REGION	TOTAL SPEND (€m)	%
National	8.7	57%
BMW	0.9	6%
Dublin & Mid-East	1.7	11%
Mid-West	0.9	6%
South East	1.5	10%
South West	0.6	4%
West	0.9	6%
TOTAL	15.2	100%

Table 6.147 Skillnets Training Networks -2008 Regional Breakdown

REGION	TOTAL SPEND (€m)	%
National	23.1	64%
BMW	2.8	8%
Dub & Mid-East	2.4	7%
Mid -West	2.2	6%
South -East	1.5	4%
South-West	1.9	5%
West	2.2	6%
TOTAL	36.1	100%

Source: SAM 2008 Report.

6.20.2 Profile of Programme Participants

The tables overleaf show that in 2007 54% of all participants were male, with 46% female. In 2008, 57% were male and 43% female. The age profile of participants was broadly similar in both years, with the majority of participants falling into the 20-49 age bracket (82% for 2007, 76% for 2008). This equated to 79% of males and 85% of females in 2007, and 75% of males and 77% of females in 2008.

In 2007, 22% of participants did not disclose their highest educational attainment level or it was classified as 'Other'. Of the remainder, 6% had a highest educational attainment level of NFQ level 2, 23% NFQ level 5, and 25% NFQ level 8. In 2008, 26% of participants did not disclose their highest educational attainment level or it was classified as 'Other'. Of the remainder, seven percent had a highest educational attainment level of NFQ level 2, 20% NFQ level 5, and 27% NFQ level 8.

Table 6.148 Profile of Skillnets Training Networks Programme Participants 2007

TOTAL 2007 Male and Female		Age							
NFQ Level	0-20	20 - 29	30-39	40-49	50-59	60 +	Not Given	Grand Total	
2	535	119	162	142	167	47	42	1214	
3	60	607	448	495	299	60	35	2004	
5	140	1065	1249	1053	788	72	38	4405	
6	33	569	695	370	99	16	16	1798	
7	17	851	1244	695	298	53	55	3213	
8	9	1943	1919	645	185	32	50	4783	
9	5	486	696	242	70	13	10	1522	
Not Given	55	927	1327	615	550	355		3829	
Other	8	417	609	291	108	17	89	1539	
Grand Total	862	6984	8349	4548	2564	665	335	24,307	
TOTAL 2007 Male		Age							
NFQ Level	0-20	20 - 29	30-39	40-49	50-59	60 +	Not Given	Grand Total	
2	484	62	100	81	104	31	8	870	
3	40	383	233	252	136	26	23	1093	
5	85	556	784	711	612	41	19	2808	
6	27	330	483	278	72	13	12	1215	
7	7	315	566	392	156	24	21	1481	
8	4	902	1122	465	142	22	28	2685	
9	2	205	353	163	46	8	5	782	
Not Given	25	282	577	250	112	236		1482	
Other	4	183	309	160	65	12	67	800	
Grand Total	678	3218	4527	2752	1445	413	183	13,216	
TOTAL 2007 Female		Age							
NFQ Level	0-20	20 - 29	30-39	40-49	50-59	60 +	Not Given	Grand Total	
2	51	57	62	61	63	16	34	344	
3	20	224	215	243	163	34	12	911	
5	55	509	465	342	176	31	19	1597	
6	6	239	212	92	27	3	4	583	
7	10	536	678	303	142	29	34	1732	
8	5	1041	797	180	43	10	22	2098	
9	3	281	343	79	24	5	5	740	
Not Given	30	645	750	365	438	119		2347	
Other	4	234	300	131	43	5	22	739	
	184	3766	3822	1796	1119	252	152	11,091	

Table 6.149 Profile of Skillnets Training Networks Programme Participants 2008

TOTAL 2008 Male and Female								
	Age							
NFQ Level	0-20	20 - 29	30-39	40-49	50-59	60 +	Not Given	Grand Total
2	1241	273	378	323	387	103	94	2799
3	141	942	1034	1125	688	139	82	4151
5	321	2451	2497	1982	898	166	89	8404
6	76	1310	1620	864	229	38	38	4175
7	40	1949	2859	1606	689	121	127	7391
8	21	4488	4458	1514	431	76	115	11103
9	12	1124	1592	568	158	30	23	3507
Not Given	128	1671	2147	962	465	191	5442	11006
Other	19	967	1422	674	253	40	215	3590
Grand Total	1999	15175	18007	9618	4198	904	6225	56,126
TOTAL Male								
	Age							
NFQ Level	0-20	20 - 29	30-39	40-49	50-59	60 +	Not Given	Grand Total
2	1128	146	238	192	247	74	19	2044
3	96	439	552	590	326	62	55	2120
5	199	1325	1464	1219	504	98	46	4855
6	65	780	1147	658	170	31	29	2880
7	17	749	1339	936	374	58	50	3523
8	10	2153	2666	1109	334	53	65	6390
9	5	492	833	391	106	19	12	1858
Not Given	60	672	1363	588	266	125	2767	5841
Other	10	439	742	382	156	29	162	1920
Grand Total	1590	7195	10344	6065	2483	549	3205	31,431
TOTAL Female								
	Age							
NFQ Level	0-20	20 - 29	30-39	40-49	50-59	60 +	Not Given	Grand Total
2	113	127	140	131	140	29	75	755
3	45	503	482	535	362	77	27	2031
5	122	1126	1033	763	394	68	43	3549
6	11	530	473	206	59	7	9	1295
7	23	1200	1520	670	315	63	77	3868
8	11	2335	1792	405	97	23	50	4713
9	7	632	759	177	52	11	11	1649
Not Given	68	999	784	374	199	66	2675	5165
Other	9	528	680	292	97	11	53	1670
Grand Total	409	7980	7663	3553	1715	355	3020	24,695

6.20.4 Activity

Table 6.150 Skillnets Training Networks Programme Activity Days

Year	Activity Days
2007	66,737
2008	200,289

Note: Total number of activity days per year

Activity days do not include days when non-formal networking events take place. Approximately 150,000 such days occurred in 2008, additional to formal training days.

Completion and non-completion

Skillnets Training Networks Programme has a very high course completion rate, due to the nature & large numbers of short courses run. Course durations can range from half-day sessions to 2-year degree programmes, but the majority are short-term in nature, and not all are certified programmes. Skillnets Training Networks Programme estimates that 95% of candidates complete their courses. Reasons for non-completions would include candidates leaving their job or current employment, also time & work pressures, especially for staff in small to medium enterprises who are more exposed to work pressures and meeting immediate business needs, and these would represent the vast majority of Skillnet member companies.

6.20.5 Outcomes

The Skillnets Training Networks Programme does not currently track outcomes for individuals following their participation in network programmes, either in terms of any benefit relating to career development (job retention, increased pay, promotion) or engagement in further education/training. While data is available for some individual networks, it is not available in aggregate format. However, Skillnets conducts a Member Company Satisfaction Survey where companies are asked to indicate the real impact on their business as a 'direct' result of their business being part of a Skillnet. Table 6.151 shows the business impacts for participating companies in 2007 (the degree to which training an impact on their business, as a 'direct' result of the business being part of the Training Network/Skillnet).

Table 6.151 Skillnets Training Networks -Member Company Satisfaction Survey

Impact on your business as a direct result of being part of a Training Network/Skillnet	Very Strong Impact	Strong Impact	Some Impact	Little Impact	No Impact
Improved competitiveness	12	25	30	8	25
Increased staff retention	35	27	22	9	7
Better customer satisfaction	37	26	24	7	6
Better employee satisfaction	40	33	18	5	4
Enhanced Quality Assurance Systems	36	27	22	9	6
Enhanced team working	35	28	21	7	9
Improved co-operation with competitors	33	22	19	13	13

Source: Skillnets Member Company Satisfaction Survey, 2007

Skillnets also promotes the evaluation of learning up to Level 5 of the Kirkpatrick/Philips evaluation model. This includes measuring the reaction of participants to the training (level 1), measuring the skills and knowledge gained (level 2), measuring the applicability of skills learned (level 3), measuring the outcomes of training in terms of company goals (level 4) and measuring the return on investment of level 4 results (level 5).

Most networks conduct evaluation at levels 1-3, with a smaller number evaluating at levels 4-5. It has been found that while levels 1-3 evaluation is relatively straightforward, level 4 presents challenges and level 5 is difficult. For example, in 2008, all networks conducted level 1 evaluation, 99% of networks conducted level 2 evaluation, 90% conducted level 3 evaluation, 11% conducted level 4 evaluation and 10% conducted evaluation at level 5. In 2009, Skillnets goal is that all surviving networks will complete evaluations at levels 1-3, 40% at level 4 and 15% at level 5.

External Evaluation

Each approved Network is required to conduct an independent evaluation, under the terms of the funding agreement with Skillnets. Amongst the criteria for drawing down some of the grant payments is the submission of two independent evaluation reports - one interim and one at the end of the programme. Skillnets provides guidelines for Networks and evaluators to develop effective evaluation criteria, and for Networks to commission such evaluations.

The external evaluator seeks a wide range of views in completing the evaluation. This includes participating enterprises (managers and employees), Network Promoters, Network Steering Group members, Network Managers, employer and employee representatives, and where appropriate, Skillnets staff. The views of other key stakeholders are also taken into account. This includes parties with an interest in the outcome of the Network.

Skillnets provides an outline of the key data and performance indicators which should be gathered and/or analysed by the external evaluator. These are broken down into the following categories:

- Mandatory
- Strongly Recommended
- Optional

MANDATORY

The following indicators **MUST** be addressed by the external evaluator in both the Interim & Final Reports.

Key Indicators	Guidelines for Data gathering and analysis
Trainee Reaction & Planned Action (Level 1)	Level 1 refers to the Kirkpatrick scale of evaluating training. It seeks to measure the reaction of the trainees to the training they have received. It should be gathered on completion of the training. A common template for gathering this data has been made available. This data can be gathered using a sample of the trainees and courses delivered. The forms should be given to the evaluator by the Network Manager.
Trainee Learning Retention (Level 2)	Level 2 refers to the Kirkpatrick scale of evaluating training. It seeks to measure the amount of learning experienced by the trainees as a result of a specific training intervention. It should

	use a before-and-after approach so that learning can be related to the programme. A common template for gathering this data has been made available. This data can be gathered using a sample of the trainees and courses delivered.
Network Infrastructure/ Management Processes	By reference to a prescribed classification of Network Processes, Principles of effective Project Management and use of survey and discussion, identify the extent to which the Network was successful in managing through these processes. This should include conclusions on the success or otherwise of these measures and the Network operating structure, as well as examples of best practice.
Trainee Behaviour/Application of Learning (Level 3)	Level 3 refers to the Kirkpatrick scale of evaluating training. It seeks to measure changes in on-the-job behaviour of the trainees as a result of a specific training intervention. It should use a before-and-after approach so that behaviour can be related to the programme. The evaluation should be aimed at both the trainee and their manager/supervisor. A common template for gathering this data has been made available. This data can be gathered using a sample of the trainees and courses delivered.
Business Impact/Outputs (Levels 4/5)	By means of company survey and discussion, identify the level of impact in relation to individual business outputs (Sales, Productivity, Customer satisfaction etc) from participation in Networking and Training activity. Identify best practice examples where there have been measurable business results (i.e. Kirkpatrick level 4 or Phillips Level 5). This data can be gathered using a sample of the trainees and courses delivered.
Extent to which Networks reach objectives	By reference to the Network Manager, application and contract documents and discussion with the steering committee, form a clear picture of the objectives of the Network. Taking each objective, analyse the degree to which these objectives are met within the evaluation period. This should be quantitative (via prescribed survey) as well as analysis.
Company Satisfaction Levels/ Relevance to company needs	By means of survey, assess the level to which a training intervention has met with a company's expectations and is therefore relevant to meeting real business and staff development needs.

STRONGLY RECOMMENDED

It is strongly recommended that the External Evaluator address the following indicators, which include reference to networking levels, Network processes and thematic activity.

Key Indicators	Guidelines for Data gathering and analysis
Level of Networking/No. of Networking activities	In conjunction with the Network Manager, analyse the Network activity plan and identify the level & extent of Networking across the participant companies, including collaboration, the sharing of resources, sharing best practice and exchange of ideas, and the leveraging expertise of individuals & companies within the Network. This should also measure the extent & number of networking events run, including formal learning and non-formal networking events.
Types & impact of innovation	By means of survey, measure the extent to which Networks adopted innovative approaches to training and networking and the type of impact this had on the member companies. This should include conclusions on the success or otherwise of these

	measures as well as examples of best practice.
Wider Dissemination of outputs in sector or region	By means of report and analysis, identify the extent to which the Network was successful in disseminating the outputs of their training and networking activity within their business or regional sector (where appropriate)
Network future plans/ Recommendations	By means of report, make recommendations for the future plans of the Network in terms of ongoing training and networking activity. This should be compiled at both interim and final report stages.

OPTIONAL

The following are some additional indicators which could also be addressed by the External Evaluator. They include reference to output measures, Networking levels, Network processes and thematic activity. However please note this list is not exhaustive, and can be supplemented with additional comment and identification of best practice examples.

Key Indicators	Guidelines for Data gathering and analysis
Level of Networking with Other Skillnets	In conjunction with the Network Manager, analyse the Network activity plan and identify areas where member companies were engaged together in activity with members of other Skillnets Networks, and the extent of same, including formal learning and non-formal Networking events.
New partnerships established	By means of survey, measure the extent to which Networks adopted innovative approaches to developing partnerships with other organisations, and the type of impact this had on the member companies. This should include conclusions on the success or otherwise of these measures as well as examples of best practice.
New forms of collaboration & Types of employee/employer collaboration	By means of survey, measure the extent to which Networks adopted innovative approaches to Collaboration and the type of impact this had on the member companies. This will include the extent of collaboration between employers and employees in identifying and addressing training requirements and the impact of any such collaboration on the partnership process in enterprises.
Duration of key Network Development stages	This refers to the 4 stages of Network/Team formation (Tuckman et al), Forming, Storming, Norming and Performing. Based on discussion and analysis, determine the amount of time the Network has spent in each of these 4 stages over the life of the Network, including commentary on findings to include examples of best practice solutions. This indicator could be combined with the data gathered for Management Processes in the previous section.
No. of Companies joining/leaving Networks	In conjunction with the Network Manager, track and calculate the level of new member recruitment and existing member loss. In regard to companies leaving, conduct a sample survey to ascertain the reasons.
Company involvement at each point in training cycle	By means of a survey and discussion, analyse the level of involvement of member companies in Training Needs Analysis, Course Design and Development, Pilot, Review, Launch and Evaluation.
Employability measure	By means of survey, assess the extent to which the training provided has improved the employability of those trained across

	a number of specified measures (e.g. numbers attaining certification, promotion, new roles and responsibilities). This should be aimed at both companies and trainees.
HR impacts (Training capacity)	By means of survey and discussion, identify the extent to which there has been an increase in Training Capacity within member companies e.g. Identification of new training needs/change in attitude towards training/ trainers trained/training plans.
Willingness to invest more in T&D	By means of survey and discussion, identify the extent to which member companies are increasing their T&D investment, currently and in the future.
Measures of overcoming barriers	By reference to a prescribed classification of barriers to training and use of survey and discussion, identify the extent to which companies' participation in Skillnets Training Networks Programme activity has enabled these barriers to be overcome. Commentary should be provided on the results, including examples of best practice solutions
Trainee access to training & development or certification	By means of survey and discussion, assess the degree to which trainee's access to training and/or certification has increased as a result of Network activity

6.20.6 Certification

In 1999, the Qualifications (Education & Training) Act was introduced and it has had a direct impact on further education and training in Ireland. The development of the National Qualifications Authority of Ireland (NQAI) and the subsequent development of the National Framework of Qualifications (NFQ) have been welcomed by bodies involved in the training arena in Ireland. The Training Networks Programme (TNP) for 2008 facilitated many networks to develop or attain certification for new and existing courses through the recognised NFQ awarding bodies.

Examples include:

MA/MSc in Digital Media

Developed in conjunction with Dun Laoghaire Institute of Art, Design and Technology (IADT) and the Accel programme, the MA/ MSc in Digital Media seeks to provide the necessary skill base to promote the digital media industry in Ireland. The two-year, part-time course was developed in association with the Digital Media Forum Accel Project and Skillnet and has excellent links to a range of professional digital media companies in Ireland and the newly established Media Cube Incubation Centre. The course commenced in October 2008.

MA Learning and Development Consultancy

Developed by Skillnets Training Networks Programme, the Irish Institute of Training & Development (IITD), FÁS and University College Cork (UCC), Ireland's first Masters Degree for professional trainers commenced in October 2008. The programme is available to all existing trainers or others who wish to further their qualifications in the field of learning and development consultancy. The MA Learning and Development Consultancy is a taught programme run over a two year period and provides education in organisational learning and development for those working as external or internal specialists. Consulting and business elements will allow graduates to diagnose, plan and measure the impact of training and development interventions on the whole of their business.

Masters in Professional Design Practice

This course was developed by the Design Ireland Skillnet in conjunction with the School of Art, Design & Printing at the Dublin Institute of Technology (DIT). The programme commenced in October 2008, is a part-time Masters Degree offered at Level 9 on the NFQ and awarded by DIT. The overall aim of the MA in Professional Design Practice is to impart advanced, critically informed knowledge and understanding of design professional practices.

Certificate in Sustainable Design

Developed by IT Carlow and the Design Ireland Skillnet the Certificate in Sustainable Design is an ECTS 10 credit Level 9 module. Primarily this course aims to upskill practicing design professionals in the area of Sustainable Design Practice.

First Polymer Training, SLM, Learning Waves and IASC Skillnet's all received their FETAC Quality Assurance Agreements after they each submitted nine policies and 48 procedures to FETACs Quality Assurance programme.

ISIT Skillnet was accredited as an approved centre of the Institute of Leadership and Management (ILM). The ILM is the UK's leading awarding body for management and leadership education, offering the widest and most flexible range of qualifications available.

Over 35% of courses under the Training Networks Programme (TNP) 2008 were independently certified, with 25% accredited by an NFQ awarding body, namely FETAC, HETAC and DIT. Where existing modules within the respective awarding bodies did not meet the specific needs of the Skillnet, the networks opted to develop their own modules through available, quality assured, routes.

The Certification Focus Group (CFG) was established in 2007 to develop a support system for networks already involved in the certification process and for other network managers hoping to implement certified training. The group advises network managers on the steps to becoming established as a certification centre for a number of certification bodies.

In 2008 the CFG represented Skillnets at the Consultative Forum held in relation to the implementation and impact of the NFQ and access, transfer and progression policies. It also contributed to the NQAI study on the same topic. The following networks were members of the group in 2008. First Polymer Skillnet, Impact Measurement Skillnet, ISIT Skillnet, Leading Healthcare Providers Skillnet, Private Healthcare Skillnet, Renewable Energy Skillnet, Retail Excellence Skillnet, SLM Food & Drink Manufacturing Skillnet and the Trainer Provider Competency Skillnet

Recognition of Prior Learning (RPL)

Skillnets has encouraged networks to use innovative approaches to training and accreditation, such as Recognition of Prior Learning (RPL). Skillnets have developed strategic relationships with organisations active in the RPL arena, including the NQAI, D.I.T., Further Education and Training Awards Council (FETAC) and Cork Institute of Technology (CIT). It continues to support the work of the RPL Forum, which was established in 2006 as a collaborative project between South East Micro Skillnet, SLM Skillnet and Carlow Kilkenny Skillnet. The Forum ran a very successful RPL Conference in 2008.

An internal RPL Task Group was set up to further develop expertise in the area, keeping abreast of the latest developments and best practice. The group delivered an RPL taster session for networks in September with a view to developing a more comprehensive awareness raising session in 2009. A survey was issued to all networks at the end of 2008 to assess their degree of involvement in RPL, identify the key stakeholders and identify future RPL opportunities the networks would consider engaging with. The results of the survey influenced the Skillnets RPL programme in 2009.

RPL in Action

IBEC Retail Skillet developed ten retail modules at FETAC Level 5, and 4 of these are accredited through RPL namely: Retail Customer Service, Retail Selling Skills, Retail Communications and Retail Work experience. To date, IBEC Retail Skillnet is one of only two networks approved by FETAC to award modules to participants using RPL. 10 staff from Brown Thomas Cork participated in a pilot between October and November 2008 based on the Retail Customer Service module. A significant part of the recognition process was based on work-based learning which takes place in the work environment. Each participant had between 12 and 30 years work experience. All participants successfully completed this module through RPL and were awarded distinctions.

Low Basic Skills (LBS)

Skillnets and the Irish Vocational Education Association (IVEA) established a working group to promote both increased awareness of and uptake in LBS training, particularly at the lower NFQ Levels. The group developed a statement of intent and designed a strategy to be implemented in 2009, which was formally endorsed nationwide by the combined Vocational Education Committees (VEC) CEO representative group. The plan involves increasing network awareness of VEC programmes, their status as FETAC Quality Assurance (QA) Centres and the availability of VEC training facilities. Skillnets Training Networks Programme and IVEA actively encouraged collaboration between networks and their local VECs. As part of the LBS programme, Skillnets also worked in partnership with the National Adult Literacy Agency (NALA) to jointly support and evaluate networks that had LBS targets and help stimulate further LBS activity in the network community. A focus group of experienced trainers from diverse backgrounds was convened, which provided Skillnets and NALA with an insight into trainers' perceptions and experiences of the literacy and numeracy needs of their work-based learners.

Return on Investment (ROI)

The Management Development Council (MDC) is a body appointed by the Department of Enterprise, Trade and Employment to advise Government on supporting the development of world class management skills within Irish Small to Medium Enterprises (SMEs). Skillnets supported the work of the Management Development Council through the completion of ten individual Return on Investment case studies on SMEs that were members of their respective training networks. The ten network managers who successfully completed the application process to be part of this initiative completed a two day ROI Foundations Certificate and had the opportunity to avail of mentoring support offered through the Impact Measurement Skillnet.

Networks who took part in the project were: ACIST Skillnet, Call Centre Skillnet, Galway Executive Skillnet, Irish Professional Photographers Skillnet, ISIT Skillnet, Kaizen Training Skillnet, Learning Waves Skillnet, LHP Skillnet, Print & Packaging Skillnet, Private Healthcare Skillnet.

Skillnets Ltd and the Impact Measurement Skillnet were awarded the Best Practice Implementation Award by the Global ROI Institute. The award was presented at the 2008 Global ROI Conference held in the Royal Marine Hotel, Dun Laoghaire in October. The ROI Institute is the world centre of excellence on ROI research and its implementation in business training and development. Skillnets has incorporated ROI methodology into its training programmes since 2004. To date over 150 practitioners have been certified in 85 companies at both Foundation and Diploma levels. The Best Practice Implementation Award recognises organisations or individuals for quantifiable results achieved through successful, enterprise wide implementation of the ROI methodology.

Network Manager Professional Development Programme (PDP)

Skillnets continued to deliver a Professional Development Programme (PDP) for network managers of the TNP Programme in 2008. This programme is designed to:

- Equip managers with the skills, competencies and knowledge to manage the role effectively
- Share best-practice across networks and foster collaboration among networks
- Support network managers, often working in isolation, who can benefit from networking opportunities
- Introduce managers to new concepts and practices on learning networks

The PDP is delivered via interactive seminars to four regional cluster groups. Seminars are organised in a variety of combinations; running individual events within each region, sometimes combining two cluster groups together, or even on occasion bringing all four clusters together for a national seminar. In addition to inputs from the Skillnets team and relevant experts, the experiences of networks is utilised by presentations of case studies of successful projects or ways of managing the network. Supports run in 2008 under the PDP included cluster group seminars, master classes, a pilot mentoring programme and the tailored Skillnets Activity Management (SAM) training sessions.

Skillnets CPD Diploma in Managing Business Networks 2008

In 2006, Skillnets Training Networks Programme was successful in certifying the above programme with DIT as the Diploma in Managing Business Networks which is certified at FETAC Level 6 on the NFQ. Twenty-four network managers graduated with Diplomas from the programme in 2008.

The core modules of the programme are:

- Introduction to Networks
- Business Finance
- Measurement and Benchmarking

- Managing and Sustaining Networks
- Training for Networks

Quantitative information on certification for 2007 and 2008 is presented below. It refers to total numbers of awards rather than awards to individual learners. In 2007, 61% of participants did not undertake certified programmes.

A review of training development certification spend for 2008 is contained in Appendix F.

Table 6.152 Skillnets Training Networks Programme -Awards by NFQ Level 2007

Level	Total	%
NFQ Level 2	10	0%
NFQ Level 3	220	3%
NFQ Level 4	2964	42%
NFQ Level 5	3,037	43%
NFQ Level 6	641	9%
NFQ Level 7	145	2%
NFQ Level 8	45	1%
Grand Total	7,062	100%

Table 6.153 Skillnets Training Networks Programme -Awards by NFQ Level 2008

Level	Total	%
NFQ Level 1	47	0.3%
NFQ Level 2	60	0.4%
NFQ Level 3	724	5.2%
NFQ Level 4	670	4.8%
NFQ Level 5	9352	67.6%
NFQ Level 6	1,582	11.4%
NFQ Level 7	603	4.4%
NFQ Level 8	335	2.4%
NFQ Level 9	469	3.4%
NFQ Level 10	0	0.0%
Total	13,844	100.0%

This analysis represents only courses which are mapped to the National Framework, the vast majority of which are FETAC awards. Data is not available in broken down format i.e. by gender, by age, by prior educational attainment level.

6.20.7 Skillnets Training Networks - Employer Usage/Satisfaction

The following tables show the number of companies, broken down by size and by sector that participated in the programme.

Table 6.154 Skillnets Training Networks - Breakdown of Participating Sectors 2007

Companies by Sector	Agriculture	572	12%
	Construction	102	2%
	Manufacturing Durables	238	5%
	Manufacturing Electronics	143	3%
	Manufacturing Non-durables	333	7%
	Other (Please specify)	857	18%
	Retail Trade	667	14%
	Services	1,533	32%
	Technology	286	6%
	Transportation	24	1%
	Wholesale Trade	24	1%
	Total	4,763	100%
Companies by Size	0 - 9	2,477	52%
(Number of employees)	10 - 49	1,289	27%
	50 - 250	667	14%
	250 +	333	7%
	Total	4,763	100%

Table 6.155 Skillnets Training Networks - Breakdown of Participating Sectors 2008

Sector		
Agriculture	3,008	13.24%
Forestry & Fishing	184	0.81%
Construction	1,351	5.95%
Education	39	0.17%
Financial & Business Services	156	0.69%
Health	204	0.90%
Hotels & restaurants	182	0.80%
Public Administration & Defence	16	0.07%
Transport, Storage & Commun	193	0.85%
Wholesale & Retail Trade	963	4.24%
Other Services	6,842	30.11%
Other Production Industries	1,587	6.98%
Sector Unknown	7,999	35.20%
Total	22,724	100.00%

Table 6.156 Skillnets Training Networks -Breakdown of Companies by Size

0 - 9 employees	14,318	63.01%
10 - 49 employees	4,926	21.68%
50 - 250 employees	2,395	10.54%
250 +employees	1,085	4.77%
Total employees	22,724	100.00%

Employer Satisfaction

Skillnets conducts an annual survey of its networks member companies’ satisfaction ratings. Questionnaires are issued to all member companies with responses channelled through the SAM system. In 2007 over 7,000 companies were surveyed with 2,869 responses. In 2008 20,000 companies were surveyed with over 6,000 responses. The charts below illustrate the level of that satisfaction. Please also refer to the business impact chart in the previous section.

Figure 6.3 Impact of Participation in Skillnet Training - 2007 Data

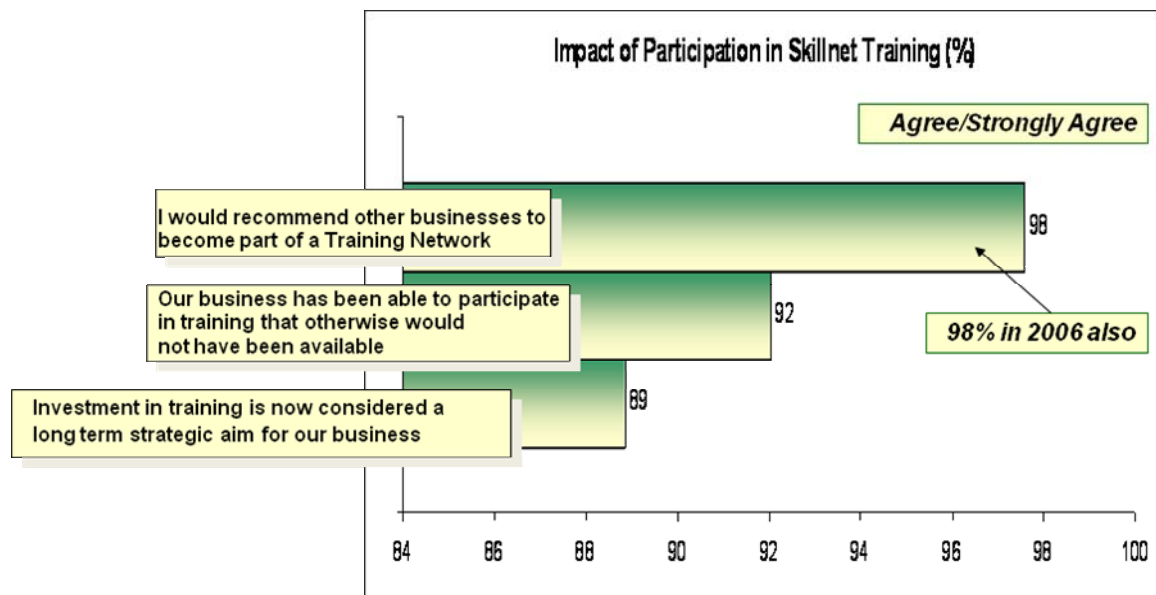


Figure 6.4 Skillnets Training Networks-Comparison with other training available

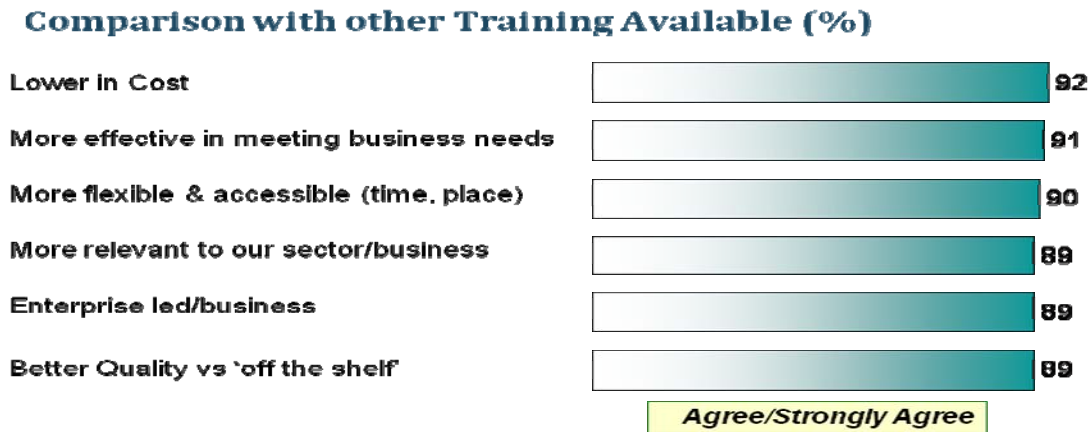
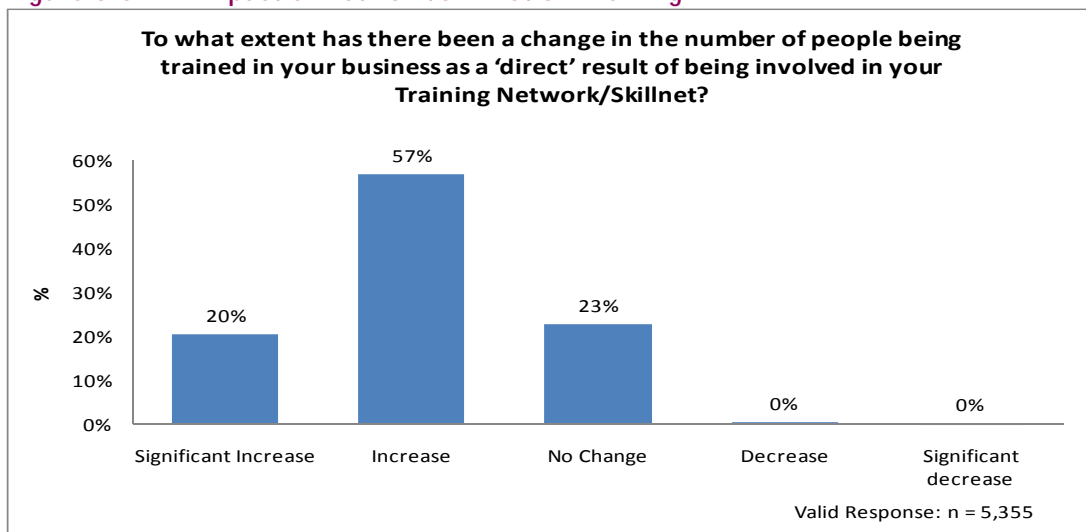


Figure 6.5 Benefits of being part of a Training Network

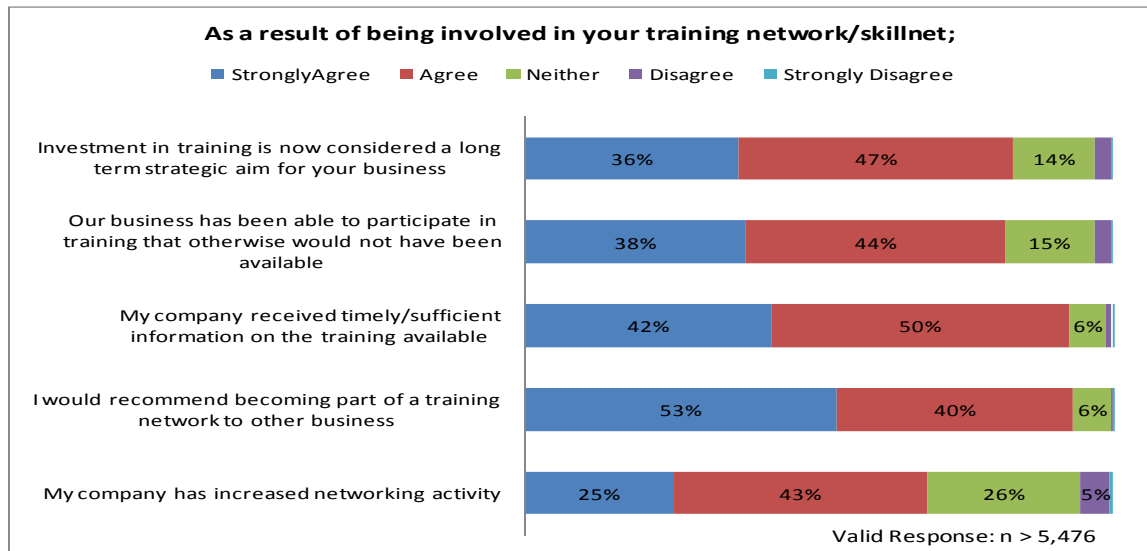


Figure 6.6 Impact of Network/Skillnet on Training



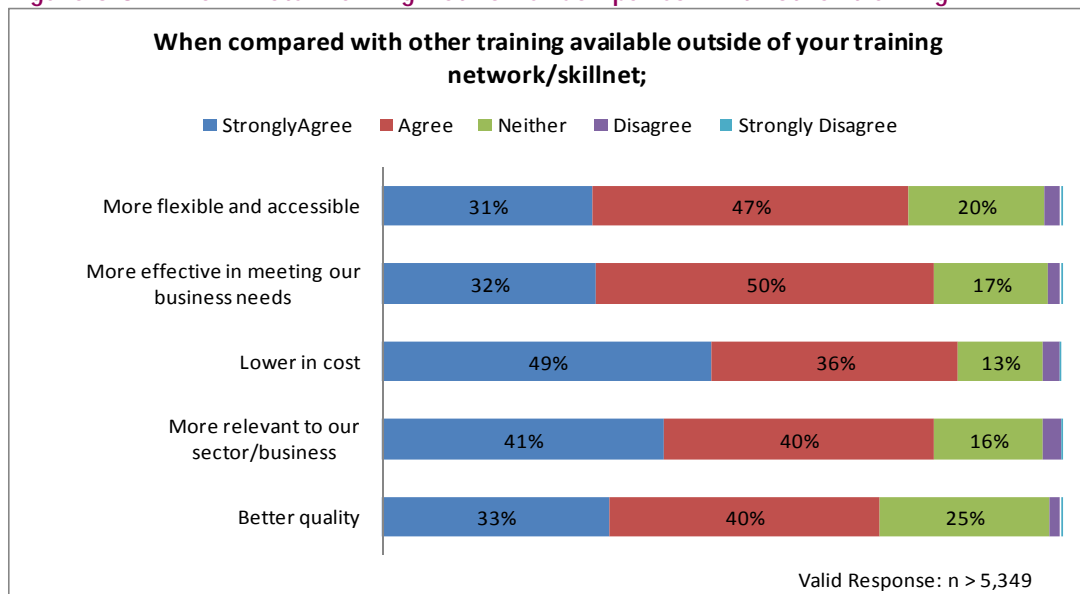
Approximately 77% of all respondents indicated that there has been an increase (or significant increase) in the number of people trained as a ‘direct’ result of being involved in a Training Network/Skillnet.

Figure 6.7 Participation in Training as a result of being involved in Training Skills Networks



The majority of respondents agreed that their participation in training has made a positive impact on their organisation. Approximately 93% of all respondents would recommend other businesses to become part of a Training Network/Skillnet.

Figure 6.8 Skillnets Training Networks -Comparison with other training



Training organised through the Training Network/Skillnet compares favourably with other training available from outside the Training Network/Skillnet with at least 75% of all respondents agreeing (or strongly agreeing) across all attributes.

6.20.8 Findings

The objective of the Skillnets Training Networks Programme is to support private sector companies and their employees with the provision of tailored training and upskilling programmes. This Review found that it is demand-led training, with groups of companies coming together based on an identified common need. Its primary aim is to increase participation in enterprise training by firms to improve competitiveness and provide improved access for workers, particularly the lower skilled to skills developments.

There is a high degree of evaluation with each network having an external evaluator and an annual Member Company Satisfaction Survey. The Kirkpatrick/Philips evaluation model is used, with all networks conducting level 1 evaluation in 2008, 99% of networks conducting level 2 evaluation, 90% conducting level 3 evaluation, 11% conducting level 4 evaluation and ten percent evaluating at level 5.

With regard to certification, it is recommended that this be recorded per individual as opposed to number of awards, as is currently the case. It is also recommended that the Member Company Satisfaction Survey, conducted annually, includes questions to be answered by employees - particularly with regard to certification, use of skills, and career progression. Direct input from trainees on outcomes for employees such as promotion or increased pay would benefit the evaluation system and give a clear indication of benefits to individuals. The focus on the lower skilled should be continued.

Indirect costs are high at 35% (2007) and rose to 38% in 2008 but this includes the cost of external evaluation which follows international best practice. The overall cost per day decreased from €202 in 2007 to €129.8 in 2008.

Overall the Skillnets Training Networks Programme is highly rated by participant companies and delivers training at a relatively low cost, according to 92% of companies surveyed.

A complete list of Skillnets Networks for 2007 and 2008 is contained in Appendix E.

6.21 Analysis of Costs and Benefits: In Company Training Programmes

In-Employment Training Programmes

Human capital theory, developed by Becker (1962), Schultz (1961) and Mincer (1958, 1962, 1974) recognises that education, training, experience and good health make workers more productive and more employable. Education and training is recognised as playing an important role in determining individuals' earnings, improving the productivity of workers, and/or encouraging innovation, and boosting economic growth and living standards (Kavanagh and Doyle, 2006). In many cases, it is considered that on-the-job training can compensate for formal education, and can be applied to upgrade the workforce when technological change demands it (Blundell et al: 1999).

In recent years, there has been a shift internationally towards the recognition of training as a key factor in economic competitiveness, with an increased focus on training for results as opposed to training for activity. Research by Heraty and Collings (2006) showed that the investment in human capital development was the third largest contributor to Ireland's positive economic growth. In their description of human capital, they incorporated the level of education, work experience of the work force, managerial expertise, training and development and the acquisition of knowledge. Further research by Saratoga (2006) at a global level concluded that generally it is the organisations that engage in the highest levels of learning, training and development investment that experience the greatest success in talent management. While it is difficult to quantify the benefit to enterprise in providing training for the unemployed, it is less difficult to quantify that benefit to workplace training, although this too is a challenging exercise.

Generally, even when programmes are evaluated, it is usually a level of measurement of students' reactions, and sometimes that of employers. While measuring these reactions is important, it does little to provide evidence of the benefit of workplace training in terms of increased productivity and performance for enterprise or career progression for individuals. HR practitioners also find it difficult to apportion benefit directly to a training programme, as the benefit may accrue from a number of other factors, such as an individual's motivation and ability, or performance-related incentives.

The OECD (2003), notes that despite the perceived gains to companies from training, there may be an under-provision of training by companies because the effects are so difficult to quantify. This is partly due to the difficulty of estimating the effects of education and training on productivity and profitability at company level because this data is difficult to obtain. Firms are also slow to invest in general training which leads to the acquisition of transferable skills. Blundell et al (1999) also note that the skills acquired from training depreciate over time, suggesting that training needs to be renewed to retain benefits Kavanagh and Doyle (2006) conclude that public policy may have a role to play to improve individuals' and employers' incentives to invest in human capital, particularly for groups of individuals that are most vulnerable in the labour market, such as part-time workers, older and low-skilled workers.

In many countries, companies have begun to use evaluation models such as the Kirkpatrick and Phillips Models that have a stepped approach to evaluation. This includes measuring the reaction of participants to the training (step 1), measuring the skills and knowledge gained (step 2), measuring the applicability of skills learned (step 3), measuring the outcomes of training in terms of company goals (step 4) and measuring the return on investment of level 4 results (step 5). In Ireland, while official data is not available, anecdotal evidence suggests that less than 10% of Irish firms evaluate up to level 4 and barely 40% even evaluate at level 1. With regard to level 5, only a few Irish companies conduct full return on investment analysis.

Most would agree that today's successful businesses treat employee training and development as an essential investment. The days of training for the sake of training are long gone as training needs to be carried out in a manner that gives people the information, skills and motivation they need to do their jobs well and achieve their goals. Increasingly organisations are focused on providing the right training, at the right time, for the right people. In a competitive global market, a key difference between companies selling the same product or service is the calibre of their respective workforces. Building people capability, when designed and delivered to meet the real needs of the business and its people, gives organisations a strong competitive advantage.

Both Government and individual organisations have identified training and skills development as one of the keys to dealing with the current challenges in the labour market. The Expert Skills Group on Future Skills Needs, has continually highlighted the need for higher levels of education and strong interpersonal skills among the workforce, all of which need to be fostered by training and development initiatives. The NCPP has predicted that future jobs growth will come from more advanced and highly skilled work than was previously the case (Forum on the Workplace of the Future, 2005). So, clearly the value of training and development to Irish businesses and the economy overall has been recognised and well documented.

The 2006-2009 FÁS Statement of Strategy indicates that half of employees in Ireland are employed by Irish owned small to medium sized enterprises. These businesses are ones that need to invest in the up skilling of all their employees if Ireland is to remain competitive into the future. By adopting a strategic approach to training and development rather than an unplanned and ad hoc one at both a national and individual organisational level, training and development initiatives become more targeted, measurable and effective.

6.21.1 Returns to Workplace Training

The workplace training programmes examined in this Review (FÁS Competency Development Programme and Skillnets Training Networks Programme) do not collect data on returns on investment to companies from training⁴⁷ or on benefits to individuals such as job retention, increased wages, or promotion. Therefore, for the purposes of comparing relative costs and benefits, we can only point to examples from the international literature. This shows that the returns from on-the-job training are generally found to be quite high, ranging from 3.5-10%.

⁴⁷ While some of Skillnets individual networks conduct evaluation at level 5 of the Kirkpatrick/Phillips model that measures return on investment to enterprise, this is not done on an aggregate basis.

For example, Blundell et al (1999) find the rates of return for the UK to be in the range of 5-10%. In estimating returns to training for companies in Ireland, Barrett and O’Connell (2001) suggest that labour productivity increases by 3.5% for every 1% of payroll invested in General Training after approximately three years, but there is no significant return to company specific training⁴⁸. In the US, research conducted by Bishop (1994) suggests that training can increase productivity by about 9.5% initially, but has no lasting effect, so the returns depreciate relatively rapidly. On average therefore it may be reasonable to assume a 5% return on investment to enterprise in the first year, with diminished returns thereafter. There is some evidence that the benefits of training are shared more or less equally between employers in terms of productivity and employees in the form of wages (OECD, 2004).

An analysis of benefits could therefore assume that any return on investment to enterprise would be equally split between employer and employee in the first year. In the second year, that return would diminish, probably by a factor of 50%, and would be retained by enterprise, with no corresponding benefit to individuals. For subsequent years, the return is likely to be zero. The benefit to Government would arise from increased tax and PRSI receipts.

As no information was available from FÁS or Skillnets on benefits to enterprise or individuals, we have not been able to conduct the analysis. In Chapter 8, we suggest how this information gap could be addressed to allow such an analysis to be conducted in future.

6.22 Conclusion

This chapter has examined each of the programmes being reviewed and presented a number of metrics simultaneously across all programmes. Cost, activity and outcomes (progression into jobs, education/training) were examined along with participant profiles, certification awards, use of skills acquired on each programme and employer usage/satisfaction. This allows for a comprehensive comparative analysis of labour market programmes, to be undertaken taking a wide number of relevant metrics into account.

Labour market outcomes from individual programmes were also compared with that estimated for non-participants (using derived estimates of exit destinations outcomes from the Live Register and ESRI School Leavers Survey).

The findings from this chapter are further analysed in Chapter 7 in terms of alignment with national objectives and labour market challenges.

⁴⁸ General training is training that would be of use in another organisation, as well as in the training firm, while company specific training is not so portable. Most research suggests that about 80% of all employer sponsored training at work is general in nature.

Chapter 7: Alignment of Labour Market Programmes with National Objectives and Labour Market Challenges

7.1 Introduction

The decade up to 2007 was a period of high economic growth which led to a dramatic increase in the level of employment and reduction in unemployment. Towards the end of 2007 the employment level had reached a high of over 2 million. The level of labour demand resulted in increased labour force participation and significant inward migration. The requirement of labour market policies was focused on helping fill the recruitment needs of firms in a tight labour market. Migration policy was framed around helping firms fill high skilled positions that could not be filled domestically. Apprenticeship - as an employer demand driven programme - rose significantly - particularly in terms of labour shortages in construction related trades. Certain problems persisted such as early school leaving and the difficulties of people living in certain disadvantaged urban and rural communities to gain employment - these were targeted by FÁS and LES.

The labour market context has changed dramatically since the end of 2007. The economic situation has deteriorated rapidly and unemployment has risen sharply (by 44% over the yearly period up to September 2009). It is expected that the level of unemployment will continue to rise for the remainder of 2009 and for much of 2010. It is forecast that the unemployment rate is likely to rise to a high of around 16% of the labour force by 2010 and then to fall to around seven percent by 2015 (dependent upon the timing of international recovery and improvement in domestic competitiveness). This new labour market context requires a reshaping and mobilisation of labour market programmes and services to meet the needs of individuals and enterprises over the next five years.

7.2 Alignment of Labour Market Programmes under Review to Current Labour Market Policy Challenges

This section examines how well the labour market programmes being reviewed are aligned to current Labour Market challenges in a changed labour market context. It also examines whether there is potential to remodel current programmes to make them work better in this new context. The anticipated recovery in world markets (from end 2010) will help to generate growth in Irish exports - albeit that our cost base must be competitive. However employment growth is likely to be high skilled and relatively small in numbers - given the high added -value nature of the goods and services produced. Therefore, even after a recovery, the level of unemployment will remain substantial for some time.

Unemployment is expected to rise to around 16% by 2010 and even given anticipated economic recovery from the end of 2010 is likely to remain substantial at the end of 2015. This is likely to result in a growth in the rate of long term unemployment from a low of 1.3% of the labour force at end 2007 towards around three percent by 2015. Those most affected by long term unemployment will be people with lower skills and educational attainment. In

line with the previous ramp up in long term unemployment (in late 1980's - early 1990s) a concern is that specific communities will experience much higher levels of unemployment.

Another feature of the period up to 2015 is likely to be a further reduction in labour force participation rates which had risen to their highest level in 2007. There will be significantly fewer job opportunities for school leavers and new graduates compared to recent years and it will be much more difficult to gain that all important first period of work experience.

The movement towards emigration - for the first time since the early 1990s - will continue. The scale will depend on how early economic activity here will pick up compared to other countries.

The world-wide economic crisis which started in late 2008 was a synchronised recession which happened at very fast speed - a sign that the world economy is more integrated than ever before. The economic downturn is affecting many countries with significant job losses and rising unemployment. OECD average unemployment reached 8.3% in June 2009 and this is projected to increase to 9.8% in 2010 - possibly the highest level forecast for recession⁴⁹.

7.3 Current Economic Crisis - Implications

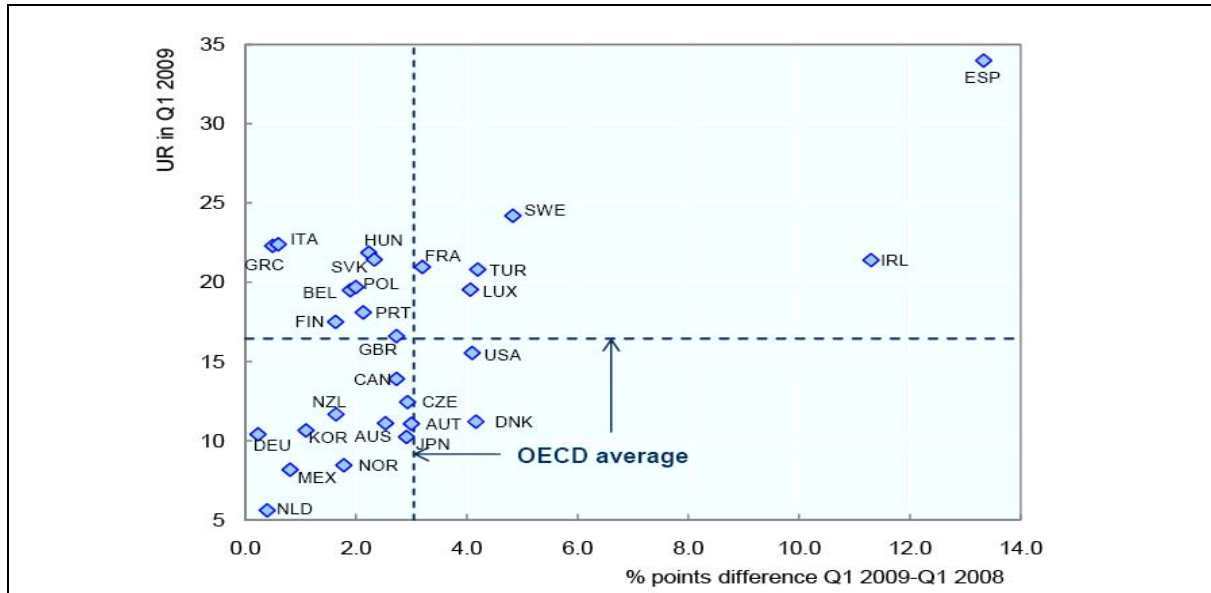
Unemployment across Europe has risen rapidly and is forecast to continue to rise further. Implications of the current economic crisis highlighted across countries are that:

- Government's budgetary positions have deteriorated leading to fiscal / budgetary cuts. Governments have less available for investment than before;
- Investment in skills and education remain vital for long term recovery;
- Enterprises and Individuals will have to invest more in their education and training needs - (government funding alone is unlikely to be enough);
- Active labour market programmes must avoid skills - where there is an oversupply of skills for some jobs - while at the same time an undersupply of skills for other jobs - representing an opportunity cost to government;
- There may be potential problems of displacement where - given the number of job opening available - those with lower education / skill levels may be replaced by better educated / skilled persons;
- It is expected that there will be an increased participation in education institutions and enrolment in vocational education and training;
- It is likely to take a long time after the recovery to deal with the 'long tail' of unemployment - particularly long term unemployment - as was the case in Finland;
- Young people leaving education in the early stages of the recession will be worse off because employers are likely to recruit from the 'fresh' intake of students / graduates ; when the upturn comes : and

⁴⁹ 'OECD Economic Outlook No 85', June 2009

- There will continue to be deterioration in youth unemployment - with both Spain and Ireland expected to have over 20 percent youth unemployment this year. Figure 7.1 below presents data on the deterioration of Youth Unemployment Rates across OECD countries- between 1st Quarter 2008 to 1st Quarter 2009.

Figure 7.1 Deterioration of Youth Unemployment Rates across OECD countries



Source: OECD 2009 - Youth Unemployment Rates across OECD countries- between First Quarter 2008 to First Quarter 2009.

7.4 Developing New Skills to Support Recovery

The development of new skills and competencies to fully exploit the potential for recovery is a priority and a challenge for education and training providers and companies. However, human capital takes time to build up. Over time people will experience ‘physical (technical) skills obsolescence’ - where their existing skills are being used less and less. There will also be ‘economic skills obsolescence’ where existing skills are not required because of changes in production and /or employment due to structural shifts in the economy.

Investing in people and modernising labour markets is one of the four priorities of the Lisbon Strategy. The EU Integrated Guidelines for Growth and Jobs 2008-10 emphasises better anticipation of skills needs and potential labour market shortages to improve the matching of labour market needs and supply.

The recent implementation reports of the European Employment Strategy indicate three main areas of intervention required to meet existing and future labour market challenges. These are:

- Attracting and retaining more people in employment, increase labour supply and modernising social protection systems;
- Increasing investment in human capital through better education and skills; and
- Improving the adaptability of workers and firms.

EU Member States and the Commission have worked together under the Education and Training 2010 Work programme. To strengthen cooperation and open it to new challenges, the Commission has proposed that future cooperation in education and training should address the following four strategic challenges (these are also highlighted in the new Department of Education & Science Strategy Statement):

- Making lifelong learning and learner mobility a reality
- Improving the quality, efficiency of provision and outcomes of education and training
- Promoting equality and active citizenship
- Enhancing innovation and creativity, including entrepreneurship, at all levels of education and training.

7.5 Trends and Anticipated Developments across EU

Several main trends are expected to have a major impact on the supply of labour across European countries - including Ireland. The main factors are demographic trends, participation rates, migration flows and health issues. Three distinct periods of labour force trends have been identified⁵⁰.

- Up to 2012 both demographic and employment developments will contribute towards a growing labour supply. There will be slow growth in the working-age population.
- For the period 2013 to 2019 it is projected that there will be a decline in the working-age population (as the baby-boom generation enters retirement). EU estimates are that the EU working age population (15-64 years) will peak in 2012 and then start shrinking. This decline is expected to be offset by rising employment rates⁵¹. The overall employment rate is projected to rise from 66% in 2007 to 69% by 2020 - mainly due to higher female employment rates and a projected increase in the employment rate of older workers. The youth employment rate which was falling up until 2005 - a consequence of the higher proportion of persons completing secondary education and higher enrolment in tertiary education- is expected to reach 40% in 2020. For most EU countries (although not Ireland) the numbers of students is projected to fall between now and 2020.
- For the period 2020 to 2025 it is projected that the working - age population will continue to decline and the overall employment rate will plateau. EU total employment is projected to fall to around 225 million.

The contribution of immigration to EU economic performance will continue to be significant. However immigration is expected to decline by 2020 and on its own will be insufficient to compensate for the decline in birth rates in Europe. In the longer term Europe will be engaged in a global competition for talent - although Ireland is forecast to be one of the best performers in terms of future high skilled labour force profile.

⁵⁰ Source : European Commission and Economic Policy Committee (2008)

⁵¹ Employment rates are themselves sensitive to labour demand, the wage rates for different skill groups and conditions affecting decisions to retire or otherwise become inactive. Furthermore, upgrading skills can increase the productivity of workers and thus limit labour demand (in quantitative terms).

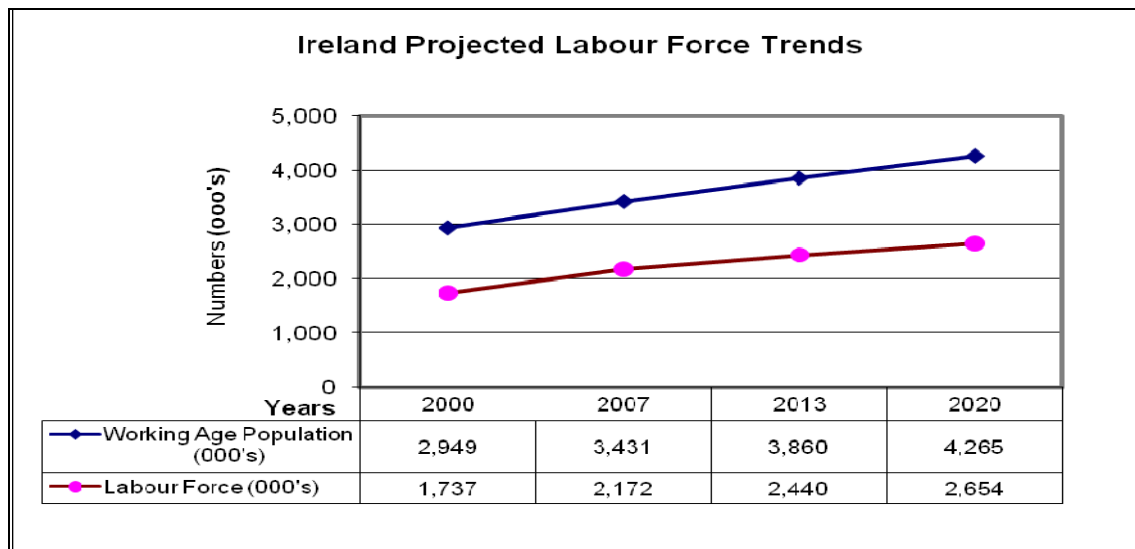
7.6 Labour Force Trends: EU and Ireland

The National Skills Strategy (2007) provides projections for the likely size and profile of Ireland’s labour force in 2020. The Strategy foresees that the labour force will grow to 2.4 million by 2020, comprising 1.4 million of the current workforce, an additional 640,000 young people from the formal education system and 310,000 individuals through immigration and increased participation by the existing population.

In 2009 Cedefop also published projections of Ireland’s labour Force and Working-Age population for the period up to 2020 (Figure 7.2 below). The Cedefop figures indicate a period of potential high working age population and labour force growth for Ireland over the period up to 2020. Indeed Ireland has the highest level projected percentage growth among all 25 EU countries. For example over the period up to 2020 Ireland is projected to have an increase of 834,000 in the working- age population representing a 24 % increase. The projected average for the EU 25 is 5.4%. Ireland is projected to have a 482,000 increase in the size of the labour force over the period 2007-2020 representing a 22% increase. The projected increase for EU 25 is 2.2%.

However, it seems likely that a continuing economic recession will have a negative effect on both projected working - age and labour force supply. For example more young people may decide to stay in full time education, labour force participation rates may fall as ‘discouraged workers’ leave the labour force or those hoping to return to employment find it less easy to secure a job/people work less hours/older workers retire early. Finally, it is likely that inward migration will fall and more people may emigrate (indeed there was a net outflow of 7,800 in the yearly period up to the 2nd Quarter 2009).

Figure 7.2 Ireland Projected Labour Force Trends



Source: Cedefop (June 2009) Future Skill Supply in Europe

7.7 Trends in Qualifications: EU and Ireland

The National Skills Strategy proposes a vision for Ireland as a competitive innovation-driven, knowledge-based, participative and inclusive economy, with a highly-skilled labour force. The strategy foresees that by 2020:

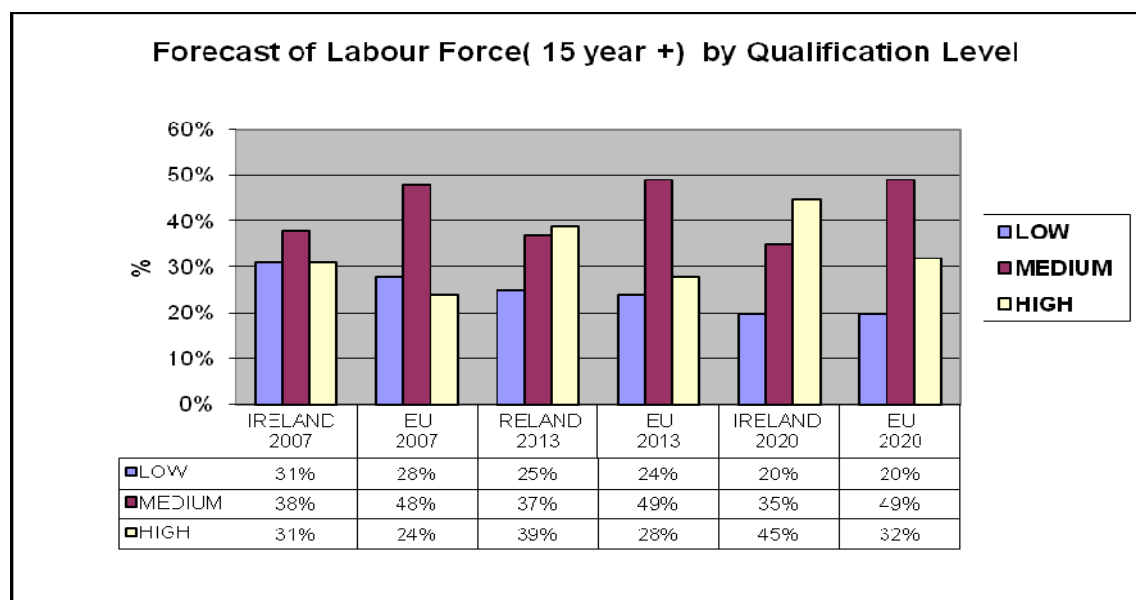
- 48% of the labour force should have qualifications at National Framework of Qualifications (NFQ) Levels 6 to 10 (Third Level Certificate and above);
- 45% should have qualifications at NFQ levels 4 and 5 (Leaving Cert or equivalent) and
- Only 7% should have qualifications at NFQ levels 1 to 3 (up to and including Junior Cert)

In order to achieve these objectives, it will require:

- An additional 500,000 individuals within the workforce to progress by at least one NFQ level;
- The proportion of the population aged 20 - 24 with Leaving Certificate or equivalent vocationally - orientated programmes should be increased to 94%. The retention rate at Leaving Certificate will need to increase from 82% in 2006 to 90% by 2020; and
- The progression rate to third level education will need to increase from 55 percent in 2004 to 72% by 2020.

Cedefop’s Medium Term Skills Forecast for Europe up to 2020 (published June 2009) ⁵² suggests a substantial increase in the proportion of the adult labour force with high and medium level qualifications. Table 7.3 below presents the forecasts of Labour Force by qualification level for Ireland and the EU 25 for years 2007, 2013 and 2020. ⁵³

Figure 7.3 Forecast of Labour Force (15 year+) by Qualification Level



Source: Cedefop (June 2009) Future Skill Supply in Europe

⁵² This publication provides pan-European Skills supply projections using existing data. Skills supply is measured as qualification levels of the population and labour force. It utilises Eurostat Labour Force Survey data and UNESCO/OECD/Eurostat educational participation and achievements database.

⁵³ The focus is on three broad levels of qualifications: (a) Low - ISCED 0-2,3c Short .(b) Medium ISCED 3-4 (c) High ISCED 5 - 6. (ISCED is the International Standard Classification of Education).

Cedefop's forecast indicate that the rates of increase in qualifications will be higher for women than for men - implying that, over time, women will generally have higher level formal qualifications than men. It is projected that the proportion of EU labour force (aged 15 years +) with a high level of education will increase from 24% in 2007 to 32% in 2020. For Ireland the corresponding projections are from 31 % in 2007 to 45% in 2020 (which would represent an increase of 534,000 people in this category). Indeed, Ireland is second highest (Denmark highest) in the 2020 forecast of the proportion of the labour force with a high qualification level - out of 25 countries.

The proportion of the EU labour force (aged 15 years +) with medium level qualifications is projected to be almost unchanged - 48% in 2007 compared to 49 % in 2020. For Ireland, the corresponding figures are for 38 % in 2007 compared to 35% in 2020 (given the projected increase in the Irish labour force there would be around 100,000 more persons with medium level qualifications compared to 2007).

The numbers of people with low level qualifications across Europe is falling and is projected to decrease from 28% in 2007 to 20 % in 2020. The corresponding reduction for Ireland is from 31 % of the labour force in 2007 to 20 % in 2020 - representing a reduction of some 155,000 people in this category.

Overall , the projections for Ireland would represent a significant up skilling in the numbers and proportion of the labour force at the high skilled levels compared in relative terms to all other EU countries bar one (Denmark), and in numbers terms at the medium qualifications level. Ireland would remain around the average EU level for the proportion of the labour force at the low skills level. This indicates an area for policy attention.

Regardless of the economic scenarios presented in the study, it is forecast that there will be similar trends across qualifications - while the numbers would differ there still would be an increase in the proportions of the labour force with higher qualifications and a decline in the proportion of those with lower qualifications. A short term impact of the current economic crisis may be increasing participation in education and qualification acquisition as individuals delay their entry into a depressed labour market expecting that their higher level qualifications may provide them with better prospects after the recovery.

It is also important that the disciplines people are taking must be relevant to job openings in the labour market. The example of Spain may be cited, where even though a greater number of young people are gaining third level qualifications, youth unemployment has increased, because many qualifications are not seen as being relevant to the jobs market.

7.8 Evolving Skills Demand and Supply: Risks and Opportunities

Major inter related factors influencing skills demand are the current economic crisis, technological change, organisational change, environmental challenges, and globalisation and international trade. The changing characteristics and upgrading of the workforce will also influence these trends. There is evidence that technological change increases the demand for higher-skilled workers - both in terms of its impact on improving the effectiveness of the

production process and the shift towards more high performance work practices (such as just-in time, teamwork and multitasking). This is leading to an upward shift in the skills profile of industries and an increase in the demand for higher - skilled workers. ICT, biotechnology, nanotechnology and 'green' technologies are identified as likely to have a major impact on the economy and skills over the next decade.

A highly skilled workforce will have the effect of encouraging and enabling the adoption of technologies and changes in work organisation that in turn will increase productivity. This will in turn reinforce the demand for high skills in successful companies and industries. Upgrading the education and skills of the workforce can therefore result in an increased demand for higher skills. In the period up to 2015, highly skilled occupations are projected to experience strong increases in employment across all countries. For Ireland strongest growth is anticipated for the professionals and the technicians and associated professional occupational groupings, followed by the managerial occupational category.

A key feature of the labour market is that higher skilled persons experience lower unemployment rates and higher employment rates. Upgrading skills is not solely a requirement for those with high skill attainment qualified in high-tech jobs. Rather it is a necessity for all particularly low - qualified adults who are seven times less likely to participate in life long learning than those with higher qualifications.

The ageing of the population across countries will have a considerable effect on the supply of labour and skills and the demand for employees in sectors such as health and social care. This will create many new job opportunities in these sectors.

The world economy is now more integrated than ever before. The growth of international trade is another factor influencing the demand for high skilled workers - as for example, European countries concentrate on the production of high-skill-intensive goods while importing cheaper low skilled intensive goods from developing countries. However, skill upgrading is also taking place in developing and emerging countries who themselves are becoming more competent and competitive in knowledge -intensive sectors.

Countries are moving towards a 'green economy' both for more sustainable economic reasons as well as environmental reasons. It is likely that the cost of raw materials and oil will increase in line with a recovery. There are also regulatory requirements to reduce greenhouse emissions and improve energy efficiency. It is expected that the number of green jobs in Europe could double to 2.8 million by 2020. The transition to a low carbon economy will not only benefit jobs in 'green sectors' - but in the same way as ICT also have a pervasive effect across many sectors. Education and training policies will be needed to ensure any skills gaps and shortages do not arise and to realise the potential of 'green' sector investment and jobs opportunities. This has relevance for Ireland in its move towards seeking to increase employment in the 'green economy'⁵⁴.

Across Europe the proportion of workers undertaking non -routine tasks which is already high is expected to increase further. Along with professional expertise, demand for generic skills such as problem solving , analytical skills, mathematics⁵⁵, computing, self- management, linguistic skills, communications skills and team working is increasing.

54 The Government has recently established a High-Level Group on the Green Economy.

55 EGFSN (2008), Statement on Raising National Mathematical Achievement, EGFSN: Dublin .

7.9 Overall Trends in Job Creation and Labour Supply

The Cedefop publication 'Future Skills Needs in Europe -Focus on 2020' suggests that for future EU job openings in the period up to 2020 that around 20% could be 'additional' new jobs with the balance of 80% being due to 'replacement demand' - job openings due to retirements, job mobility, emigration and persons leaving the labour market.

The analysis indicates that the general shift in Europe away from the primary sector (especially agriculture) and traditional manufacturing industries towards services and the knowledge -intensive economy is likely to continue. It is forecast that by the year 2020 almost three quarters of jobs in Europe will be in services. ICT, biotechnology, nanotechnology, 'green' technologies and Business Services are expected to have the best prospects. Other sectors such as health care and social work, distribution, personal services, transport, tourism and to a lesser extent education are expected to grow. A decline in manufacturing employment is expected (despite an increase in engineering) - the scale of which will depend upon the global economic environment. However, there will still be important job openings in manufacturing, given the impact of strong replacement demand. It is also expected that the manufacturing sector will account for a significant number of jobs in several European regions. Indeed some of the 'new' Member States are likely to experience positive trends in manufacturing employment as a result of the transfers of jobs from 'older' Member States.

7.10 Conclusion: Alignment of Labour Market Programmes to New Labour Market Context

In order for current labour market programmes to sufficiently address the significantly new labour market challenges, they will need to focus on three main areas:

- Activation measures aimed at improving the employability of unemployed persons - by providing 'progression pathways' of relevant job search, training, education and employment opportunities for different target groups. This includes the need to ensure that the responsibilities and mutual obligations of individuals able to take up opportunities are made clear and that any disincentives to participation are minimised.
- Upskilling to boost our human capital by enhancing education and skills levels in line with the National Skills Strategy and the needs of the 'Smart Economy'. Notwithstanding our current economic difficulties, other countries are also upskilling and we must do so to compete - and take advantage of the economic upswing when it comes.
- Participation - ensuring that the training and education needs of target groups such as young unemployed, long term unemployed, older workers and women returners are provided for on the most relevant programmes and that the objectives and practice of programmes reflect this.

Activation

Given the scale of the unemployment problem, activation measures for unemployed people to take up job search, training, education and employment opportunities need to be intensified.

- There needs to be a range of training, education and employment service opportunities available for unemployed persons, to improve their employability, taking into account differing levels of skills, education and experience. These work best if demand-led and will require even greater collaboration between education and training providers and employers to provide relevant 'progression pathways' for different groups.

- A key priority should be on interventions aimed at preventing the drift of unemployed people into long term unemployment as well as the prevention of early school leaving.
- Efficient job placement services will be a key way of avoiding skills mismatch both in terms of the placement of individuals into job search, education, training and employment opportunities as well as the filling of available job vacancies. The role of the National Employment Service should be further enhanced as a ‘gateway’ to progression opportunities available from all providers including FÁS, Skillnets, VEC’s, Institutes of Technology and Universities.
- The scale and quality of job search and face-to-face contact referrals between those unemployed and employment counsellors could be enhanced - linked to use of profiling of unemployed to identify individuals with a high probability of becoming long term unemployed and to refer them onto the appropriate labour market programmes⁵⁶.
- A significant number of unemployed persons currently do not attend or engage in the Employment Action Plan process. There is limited follow up and / or benefit sanction on these. Greater follow-up and benefit sanction of those who do not avail of relevant training / education employment opportunities should take place. The responsibilities and mutual obligations of individuals able to take up progression opportunities should be made clear and any disincentives to participation are minimised.

Upskilling the Workforce

Notwithstanding current economic difficulties, other countries are also upskilling and we must continue to do so in order to compete and take advantage of the economic upswing when it comes. A skilled workforce is becoming increasingly important as a competitive tool. In keeping with the objectives of the Smart Economy and the National Skills Strategy, Ireland must continue to build upon its strength of a skilled labour force, in order to compete with other countries, attract inward investment and ensure sustainable employment.

- Even with reduced overall employment, job opportunities are arising in individual firms created by replacement needs (as people retire) and through demand arising from expansion and new start ups. These include areas of potential employment such as ICT, Pharma, business and professional service and ‘green’ technologies. The skills profile within firms is also increasing in order for them to remain competitive. New skills and competencies are required to fully exploit the potential for recovery.
- As the analysis in this report has shown, the better performing labour market programmes are those closest to the labour market and have employer involvement. It is important that courses lead to qualifications that are recognised and valued by employers.⁵⁷ Programmes should be aligned to anticipated new and emerging enterprise skills requirements to prevent any possible skills mismatch. Outcomes from courses offered should be monitored and adjustments made if required to the courses.
- Along with professional expertise, demand for generic skills such as problem solving, analytical skills, maths, computing, self- management, linguistic skills, team working and communications skills is increasing and should be catered for.

⁵⁶ National Profiling of the Unemployed in Ireland, (July 2009) Philip O’Connell, Seamus Mc Guinness, Eilish Kelly, John Walsh, ESRI: Dublin.

⁵⁷ OECD, (2001) John P. Martin, David Grubb, *What works and for whom ; a review of OECD countries experiences with active labour market policies*, OECD: Paris .

- Community Employment and Job Initiative, which account for 45% of the budget for labour market programmes, are not adequately aligned to the upskilling agenda.
- There is a need for those at work to continually upskill and/ or reskill and keep their skills up to date. Participation in life-long learning is essential for individuals in terms of maintaining their employability. Training programmes for the employed such as the Competency Development Programme and Skillnets Training Networks Programme should continue to focus on upskilling the workforce particularly the lower skilled ⁵⁸.
- The Apprenticeship Programme is valuable but costly and is prone to cyclical pressures. As seen, this can lead to a huge ramp up in numbers and equally a sharp decline. The present length of apprenticeship need to be examined.

Participation

There is a need to ensure that the training and education needs for different target groups are provided for on the most relevant programmes and that the objectives and practice of programmes reflect this.

- There is a growing problem of youth unemployment - particularly affecting those who have recently/or will soon leave second level and third- level education. It is important for them to maintain contact with the labour market. In this regard, an expanded range of training education and work experience opportunities could be provided. A good option would be increasing the number and types of Traineeship places available.
- Training and education programmes for short term unemployed people could take account of recognised prior learning and of the higher qualification levels of newly unemployed persons (around 27% of the unemployed who have presented themselves to FÁS in 2009 possess third level qualifications⁵⁹).
- Older workers and those with lower educational attainment levels are particularly vulnerable to unemployment. A higher level of participation of long term unemployed people could be provided on training programmes - where they are currently under represented - rather than on employment programmes as at present. Bridging training programmes will be required to help persons with basic skills and competency needs to undertake mainline training and education.
- There are few women in craft/ trades training programmes - despite many years effort trying to increase participation. This could be addressed by widening out the number of occupations with employer involvement under Traineeship.
- There are a high proportion of participants on programmes with no social welfare status. On some training programmes this is as high as 30%. Some of these may be women returnees, early school leavers and redundant workers. In a climate of rising unemployment and given available capacity, consideration needs to be given to assigning priority for participation on active labour market programmes to the unemployed.

58 The National Skills Strategy recommends that the cost of moving individuals from NFQ levels 1,2 & 3 to levels 4 & 5 should be funded by the State, and that a tripartite contribution from the State, employers and individuals should continue in relation to the upskilling of those at work who are moving to higher skills levels, i.e. NFQ level 6 qualifications and above.

59 Source DETE presentation, September 2009 .

Chapter 8: Findings and Conclusions

8.1 Introduction

This Review has focused on labour market programmes⁶⁰ run by FÁS and Skillnets in terms of their efficiency and effectiveness, and examined the balance of resources in the context of current and future labour market challenges. It was agreed that the key performance metrics which would form the focus of this review would comprise government, individual and enterprise benefits arising from:

- People obtaining employment on completion of a programme;
- People progressing to further education/training; and
- Qualifications Awards received by Individuals.

For the first time, a substantial amount of data has been drawn together on the performance of labour market programmes, including cost, activity and outcomes of programmes and detailed participant profiles. The use of this multi metric approach helps ensure that the outcomes of programmes are compared in a balanced way taking into account differing client profiles.

An 'Analysis of relative Costs and Benefits approach' was used to identify the relative costs and the benefits of individual programmes (in relation to the three agreed performance metrics). It is acknowledged that there are limitations to this exercise, as it is an ex-post evaluation that draws on secondary data where such data was available. There is also currently a significant information deficit and it was not possible to attribute values to several potential benefits - and some costs. This Review suggests how these data deficits could be addressed in the future to allow a more complete exercise to be carried out. Notwithstanding these limitations, the approach taken has allowed a valuable exercise to be undertaken that includes a comparison of the progression outcomes of FÁS programmes to estimates of outcomes from the Live Register and the ESRI School Leavers Survey.

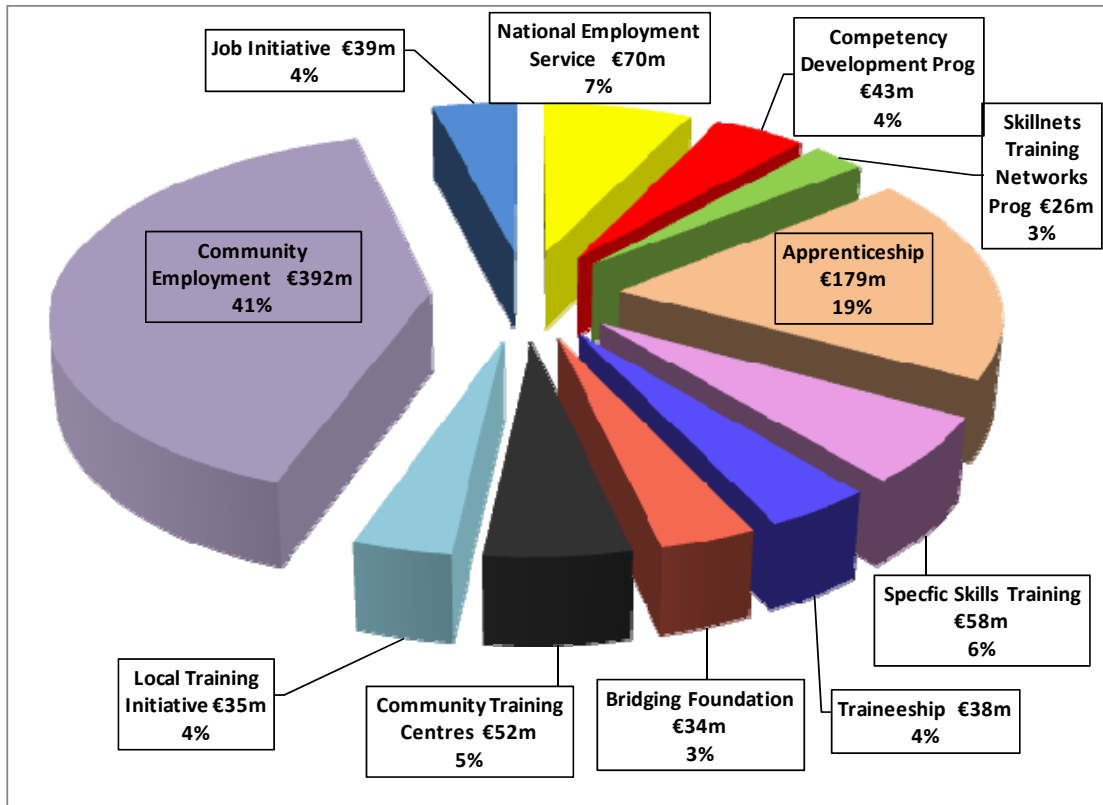
The Irish labour market is facing a challenging period, with unemployment forecast to reach 15-16% by 2010. Labour market interventions will be crucial to ensure that Ireland is well placed for the economic recovery when it comes about. Intervention will need to be timely and targeted, requiring a holistic approach to ensure the best use of education and training budgets. It is important that courses have strong labour market relevance and lead to qualifications that are recognised and valued by the employer. There is increasing pressure on the National Employment Service that has a key role as the gateway to services for job seekers. It is recognized that activation measures for unemployed people will need to be intensified. A key priority will be to minimise the chance of those most at risk becoming long-term unemployed, and the prevention of early school leaving. Upskilling and re-skilling the workforce will form a central part of the required policy response, ensuring that new skills and competencies are developed to fully exploit the potential for recovery. The training and education needs of target groups, such as the young unemployed, the long-term unemployed, older workers and women returners need to be catered for to ensure their participation.

⁶⁰ Programmes with a budget of over €10 m per year. Disability related programmes are not included.

8.2 Performance of Labour Market Programmes 2007- 08

The analysis in the report is based upon 2007 data and 2008 data. The total cost of the labour market programmes being reviewed was €939m in 2007 and €966m in 2008. Figure 8.1 provides an overview of the cost of programmes in 2008.

Figure 8.1 Cost of Labour Market Programmes (2008)



Source: FÁS and Skillnets

Table 8.1 below provides a comparison of key performance metrics for the programmes under review. These were outlined in detail in Chapter 6. The figures for budgets, numbers completing, percentage of participant's long term unemployed and cost per day for a participant on the programme are for 2008. The figures for the percentage of participants progressing onto training, education and employment programmes, cost per participant progressing or completing (as for Apprenticeship, Skillnets Training Networks and FÁS Competency Development Programme), and estimated additional progression outcomes (compared to Live Register estimates and ESRI School Leaver Survey in 2007) are based on both 2007 and 2008 material.

Table 8.1 Labour Market Programmes Performance Metrics

Programme	Annual Budget 2008	Numbers Completing 2008	LTU	Cost per Day 2008	% Progressing onto Employment, Training & Education	Cost per participant Progressing /Completing*	Estimated additional Progression outcomes**
Community Employment	€392m	7,736	92%	€132	44%	€126,938	+1%
Job Initiative	€39m	46	100%	€97	-	€889,000	0
Specific Skills Training	€58m	5,700	3%	€88	68%	€13,640	+5%
Traineeship	€38m	2,235	5%	€88	81%	€20,640	+18%
Bridging Foundation	€34m	6,050	4%	€85	54%	€10,408	0
Local Training Initiative	€35m	2,511	0%	€60	69%	€17,621	+13%
Community Training Centres	€52m	1,510	2%	€91	59%	€53,271	0
Apprenticeship***	€179m	5,057	0%	€142	employee	€35,396 *	employee
FÁS Competency Development Programme	€43m	32,390	0%	€174	employee	€1,315 *	employee
Skillnets Training Networks	€26m	53,317	0%	€130	employee	€487 *	employee

Notes:

*Figure for Apprenticeship, FÁS Competence Development Programme and Skillnets Training Networks Programme is for a person completing the programme in 2008.

**Additional employment/education/training outcomes from programmes compared to estimated outcomes derived from the Live Register and ESRI School Leavers Survey in 2007.

***Combined FÁS and Education Costs for Apprenticeship in 2008 comes to €236 m. Combined FÁS and Education Cost Per day in 2008 comes to €46,667

8.3 Key Findings

In the first instance, labour market programmes were examined in terms of how they performed in 2007 and 2008. The decade up to late 2007 was a period of employment growth and low unemployment. The requirement of labour market policy was on helping fill the recruitment needs of firms in a tight labour market. Migration policy was framed around helping firms fill high skilled positions that could not be filled domestically.

8.3.1 Training Programmes

In terms of the analysis carried out, it was considered that the most effective programmes for the unemployed were training programmes closest to the labour market and with employer involvement, including the Specific Skills Training and Traineeship programmes. These had the best employment outcomes of all the programmes reviewed. This is as would be expected since participants on these programmes are also close to the labour market in terms of their experience, skills and abilities. They also had additional progression outcomes when compared to estimated outcomes derived from Live Register data.

Training programmes such as the Local Training Initiative, Community Training Centres and Bridging Training Programme had progression as a main objective given that their target cohorts were low-skilled and distant from the labour market. However, it was found that the participant profile did not fully match those criteria. Instead, participants were relatively better educated and shorter-term unemployed than might have been expected. Given the profile of participants, outcomes might be expected to be higher than anticipated, yet this was not always the case. For example, only 16% of participants on the Bridging Training Programme went on to further education/training, despite this being a core objective of the programme. A slightly higher percentage of participants (28%) return to unemployment on completion of the programme compared to Live Register estimates from the medium term unemployment duration band (25%). The percentage of completers that acquire certification is low, with only ten percent of completers achieving major awards in 2007 and 11% in 2008. Dropout rates from the Community Training Centres and Local Training Initiatives, both geared at young people are relatively high - at 31% and 18% of those who left the programme (completers and non-completers) in 2008.

8.3.2 Employment Programmes

Community Employment, while having a main stated objective of helping long term unemployed persons to re-enter the active workforce, was estimated as having little additional impact on employment outcomes, notwithstanding that it is the most costly of all programmes and of the longest duration. However, it is recognised that there are also likely to be substantial social and community benefits arising from the delivery of services through Community Employment.⁶¹

CE has a high proportion of participants in receipt of One Parent Family Payments (28%) and Disability Payments (25%) - much higher than for training programmes. There is a concern that given the total payments such participants receive on CE, there is a reduced incentive for them to leave CE to take up employment in the open market. The scale of Community

⁶¹ Services delivered through Community Employment were not the subject of this Review.

Employment could be examined in the context of how it is operating as an active labour market programme and in terms of other relevant provision to meet participants' needs. There could be a one year participation norm for the majority of places - versus the three years average period as at present. The training / education element could be enhanced, informed by labour market requirements, to improve participant outcomes. The payment levels for participants could be examined to ensure that they do not act as a disincentive to taking jobs on the open market.

It is clear that Job Initiative (which is being wound down over time) is not operating as an effective active labour market programme.

8.3.3 Apprenticeship and Training for the Employed

Apprenticeship

Apprenticeship programme numbers ramped up significantly in the period up to 2007 but then fell steeply due mainly to the collapse of employment in the construction industry. As at September 2009, some 5,800 apprentices have been made redundant⁶² and new measures have been introduced to deal with this. The cyclical nature of Apprenticeship recruitment has added to the cost for the State in terms of the creation of excess capacity provision within FÁS and the Institutes of Technology. It would be appropriate to consider other means of developing training programmes with employers' involvement that are more flexible, less expensive and of a shorter time duration. This would be in line with most other European countries.

Training for Employed

On training programmes for the employed, it was considered that there is a need for rigorous evaluation of these programmes to quantify the benefits to enterprise, individuals and Government. In particular, there is a need to focus on training for results as opposed to training for activity and a high level of employer involvement, to ensure that provision is demand-led. The Skillnets Training Networks Programme uses the Kirkpatrick/Philips model of evaluation and it was considered that this would be advantageous for all in-employment programmes. The allocation of resources to workplace training will continue to be important in the challenges ahead to ensure that the labour force is continually upskilled, thereby ensuring employment retention. Optimal programmes are those that are demand led, based on employer and employee identified training needs and aligned with national labour market policy objectives, with a focus on training for results.

8.3.4 Certification

Certification award outcomes information was also examined. The proportion of participants who received a major award was highest for Apprenticeship (100%), Traineeship (67%), and Specific Skills Training (28%). It was low or not available for other programmes. Ideally, publicly-funded training should be certified to provide a clear indication of progress in upskilling. It is recognised that the certification process at present may not be sufficiently flexible to facilitate this.

A general problem is that FÁS certification information is not computerised and is only available by total number of awards rather than by the number of individuals receiving

62 Source: Department of Enterprise, Trade & Employment, September 2009.

awards. The upskilling impact of programmes on individuals is therefore not as clear as it should be. Automation and integration of systems would help significantly in this regard, allowing the ‘one-step-up’ approach to be monitored to measure progress in upskilling.

8.3.5 The National Employment Service

The National Employment Service⁶³ is playing a key role as the ‘gateway’ to services for unemployed persons seeking to return to work and helping fill employer job vacancies. There have been significant improvements in the range of services and supports for job seekers and employers in recent years. Evidence from other OECD countries indicates that effective and intensive public employment supports, linked with relevant education and training supports, and social welfare controls are the most effective mechanism for supporting the unemployed into employment. The scale and quality of job search and face -to-face contact referrals between those on unemployment payments and employment counsellors could be enhanced. This could be linked to use of profiling of unemployed to identify those individuals with a high probability of becoming long term unemployed and to refer them onto the appropriate labour market programme. Careers and progression opportunity information on all relevant job search , training , education and employment opportunities needs to be provided - from all providers including FÁS, Skillnets, VEC’s , Institutes of Technology and Universities.

Employment Services are currently provided across three Departments and there appears to be scope for further intensification, coordination and integration with the social welfare system to ensure a more efficient and effective service.

8.4 Information Deficit

There is currently a significant information deficit in terms of being able to measure the efficiency and effectiveness of labour market programmes. The following improvements are suggested in this regard.

8.4.1 Need for National Longitudinal Data on Labour Market Activity.

Currently, no national longitudinal data is collected to identify unemployed individuals and their participation (or non-participation) over time in active labour market programmes, and their interactions with public employment services as well as transitions from unemployment into employment.

It is proposed that a question be inserted in a special module of QNHS survey - perhaps on a two - year cycle to collect information on unemployed individual’s job search activities and their transitions from unemployment to employment.

8.4.2 Improvements in FÁS Internal Management Information Systems

- i. A lot of information collected on FÁS programmes, including certification, is not integrated and is done manually. The collection of information should be computerised. It is suggested that FÁS management information systems should be improved including integration, standardisation and automation. This would greatly improve the quality and comprehensiveness of data available. It would also improve efficiency and allow a more effective use of resources. The registration of incoming participants’ educational attainment levels should be recorded by NFQ level. Information on certification should

63 Comprising FÁS Employment Services and the Local Employment Service

also be recorded by NFQ Award type by individual on completion of programmes so as to measure the level of upskilling.

- ii An outcomes category of ‘placed - type unknown’ is used to monitor outcomes. It is not clear what this category means- and it is not informative in terms of measuring the results of outcomes from programmes. This approach should be discontinued and consideration given to replacing it with an annual external survey showing progression to ‘employment’ and ‘education/training’, as well as outcomes to ‘unemployment’, and ‘other/Inactivity’. Department of Social and Family Affairs and Revenue Commissioners data may also assist in establishing outcomes.
- iii Minor awards for both Specific Skills and Traineeship are currently aggregated. Minor awards should be disaggregated per programme.

8.4.3 Need for Follow-Up on Outcomes from Labour Market Programmes.

- i. Follow-up Surveys on programmes for the unemployed are conducted biannually. The survey should be conducted annually by an external evaluator. Department of Social and Family Affairs and Revenue Commissioners data may also complement this work.
- ii. Participant wage levels are only tracked following completion of a programme in the current Follow-up Survey. Information on individual earnings before participation (for those that had a job) is required to determine whether participation had improved earnings. Revenue Commissioners data may also assist in this regard.

A question should be added on the wage levels of participants before the programme (for those that had a job) as well as after.
- iii. Outcomes of participants after completion of programmes are not broken down by Social Welfare status (JA/JB, OPFP, Disability etc).

Participant outcomes should be broken down by their Social Welfare status to allow better analysis of outcomes for different social welfare payment groups.
- iv. Little information is available on the benefits of training to enterprise. Case studies should be conducted to address this.
- v. A follow-up survey is not currently conducted on the FÁS Competency Development Programme. As with the programmes for the unemployed, consideration should be given to conducting an annual follow-up survey of the Programme.
- vi. The evaluation of training for results in the FÁS Competency Development Programme should be developed. The Kirkpatrick/Philips model of evaluation stages 1-3 should be conducted to address this.
- vii. Tracking of participants’ outcomes in terms of job retention /promotion/ better pay in the FÁS Competency Development Programme and Skillnets Training Networks should be developed, by inserting specific questions in the follow-up survey.
- viii. Specific information is not obtained from employers on usage/satisfaction on a regular basis for FÁS programmes. An annual employers’ satisfaction survey tailored to programmes used by companies surveyed should be introduced.

8.5 Policy Challenges for Ireland in Changed Labour Market Context

The labour market context has changed significantly over the last two years. Unemployment has risen sharply and is forecast to reach close to 14% in later half of 2010. An anticipated fall in unemployment thereafter is dependent on international recovery and domestic competitiveness. Compared to other EU countries it is forecast that Ireland will have a high level of labour force growth over the next ten years - over a period when labour demand is likely to recover only slowly. It is likely however, that the economic downturn will have a negative impact on labour supply projections for Ireland - as more young people may decide to remain in full time education, 'discouraged' workers may leave the labour force, older workers retire earlier and more people emigrate. On current trends it is projected (by 2020) that Ireland will have one of the highest proportions of the labour force with higher level qualifications⁶⁴ although we will remain only at or below the EU average for the proportion with lower level qualifications. This indicates the benefit of current policies aimed at upskilling the labour force particularly those with low levels of qualifications.

The changed labour market context requires a reshaping and mobilisation of labour market programmes and services to meet the needs of enterprises and individuals over the next five years. The main labour market challenges for Ireland over the period up to 2015 will be to:

- Raise the skills levels of the labour force (both employed and unemployed) to improve employability and maintain / secure employment - in line with the objectives of the National Skills Strategy and the 'Smart Economy'.
- Ensure that unemployed persons receive training in skills relevant to the skills needs of enterprises to fill jobs that will arise through replacements / start ups / expansions etc. Such job opportunities will require higher skills and competencies.
- Ensure that programmes provision recognises that the educational profile of some newly unemployed will be higher than in the past.
- Provide work experience placements / learning opportunities with certification for young people leaving school and college who become unemployed as new recruitment by employers will be much reduced.
- Reduce the scale of early school leaving as these young people are a main group affected by unemployment. School leavers with Junior Certificate qualifications will be particularly impacted on by the reduction in Apprenticeship opportunities (around 20% of these had previously taken up apprenticeships).
- Prevent growth in long term unemployment through active measures providing progression onto training and education opportunities (In the late 1990s nearly two thirds of unemployed became LTU, and it took a long time for this to be reduced).
- Reshape the size and nature of Apprenticeships to take account of the structural shift from construction. The level of demand for apprentices over the next few years will be significantly lower compared to previous years⁶⁵.

⁶⁴ It is forecast that Denmark will have the highest proportion with a high qualification level - followed by Ireland - out of 25 EU countries.

⁶⁵ New Apprenticeship recruitment in 2008 was 55% less than that for 2006.

- Facilitate improved access to training, education and employment service provision for groups most affected by unemployment (young low qualified persons, older workers, and people with disabilities) and those in communities experiencing higher unemployment.⁶⁶
- Ensure that any disincentives in the interaction between the social welfare payment system and moving into employment are minimised.
- Ensure that the responsibilities and mutual obligations of unemployed persons who are able to take up training/ education and employment opportunities are made clear and that necessary social welfare sanctions are in place to enhance activation.
- Ensure that the outcomes of labour market programmes are fully evaluated and monitored to ensure they are delivering value for money.

8.6 Strategic Policy Objectives for Consideration

To meet the new challenges there will be a need to focus on the efficiency, quality and effectiveness of programmes for both the unemployed and those at work- and to ensure the best use of the education and training budgets. This will require collaboration and co-ordination between training and education providers. Working from a shared view of the future skills needs of the economy, an innovative and integrated approach can be followed to determine agreed education and training priorities and joint delivery of services.

It is proposed that the focus of labour market programmes should be on the following three main areas (the proposed responses to achieve these were outlined in Chapter 7).

- Activation measures aimed at improving the employability of unemployed persons by providing ‘progression pathways’ of relevant job search, training, education and employment opportunities for different target groups. This includes the need to ensure that the responsibilities and mutual obligations of individuals able to take up opportunities are made clear and that any disincentives to participation are minimised.
- Upskilling to boost our human capital by enhancing education and skills levels in line with the National Skills Strategy and the needs of the ‘Smart Economy’. Notwithstanding our current economic difficulties, other countries are also upskilling and we must do so to compete - and take advantage of the economic upswing when it comes.
- Participation - ensuring that the training and education needs of target groups such as young unemployed, long term unemployed, older workers and women returners are provided for on the most relevant programmes and that the objectives and practice of programmes reflect this.

Specific programme findings and proposals are presented in Section 8.7 which follows. The reference periods for the data contained in this section (where not stated) are:

- (i) For CE and JI, data on outcomes, additionality and cost per progression are for 2007.
- (ii) For training programmes, data on outcomes, additionality and cost per person progressing are for 2007.
- (iv) All data relating to the Apprenticeship Programme, FÁS Competency Development Programme and Skillnets Training Networks Programme relate to 2008.
- (v) For the National Employment Services, the outcomes data relate to 2007.

⁶⁶ This would also include literacy / numeracy training. There is a need to evaluate the effectiveness of such training as per the 2006 *Evaluation of the Intensive Tuition in Basic Education Programme* delivered by Dublin VEC.

8.7 Specific Programme Findings and Proposals

8.7.1 EMPLOYMENT PROGRAMMES

Community Employment Programme - Cost €392m in 2008

Objectives: CE is an active labour market programme designed to help long term unemployed people to re-enter the active workforce. Its specific objectives are to :

- Increase participant's subsequent job/income prospects.
- Provide opportunities for individual training and personal development.
- Provide temporary work opportunities for LTU and socially excluded persons.
- Provide clear economic and social benefits to communities.
- Contribute to the local strategies in Local, Urban and Rural Development Operational Programme.

Actual Cohort: The participant profile is mainly older, lower educated, long-term unemployed, with a high number of participants on One Parent Family Payment and Disability payments.

Numbers Completing Programme: Budgeted capacity of 22,380 persons with 7,736 completing in 2008.

Outcomes: Employment (37%) Training /Education (7%) Unemployment (42%)

Additional Employment/ Training /Education Outcomes: Estimated 1%

Cost per person Progressing onto employment/ training/ education: €126,928

Did it work?: There is low progression given the 3 years average duration on the programme. There is a high cost of progression and a low level of certification awards.

Will it work in New Context?: CE is not adequately aligned with the current labour market environment.

How might it work?

- The scale of the programme needs to be examined versus other relevant provision, particularly training programmes, to meet participants' needs.
- A one year participation norm for the majority of places (versus 3 years average participation that is currently the case) could be considered.
- Enhance training /education element and align with labour market demand. This could be undertaken in the half of the week when participants are not working.
- Ascertain if certain groups, such as those on disability related payment and OPFP would benefit more from participation on other programmes where they are under-represented.
- Increase focus on certification, with training supports tied to achievement of NFQ awards.
- Ensure payment levels do not act as a disincentive to taking jobs in the open market.

Job Initiative Programme - Cost €38.5 m in 2008

Objectives: To assist long-term unemployed people to prepare for work by providing them with work experience, training & development opportunities.

Actual Cohort: The participant profile is mainly older, long-term unemployed persons with a low level of education attainment (67% of participants only have primary level education).

Did it Work? This programme is not acting as an effective active labour market programme and is being wound down over time. Existing participants can remain on the programme until retirement age following a decision by the Minister in 2004. There is therefore no incentive to leave.

Will it work in New Context?: The programme will not work as an active labour market programme in the new labour market context.

Action Required?

- Consideration should be given to concluding Job Initiative as an active labour market programme as soon as possible.

8.7.2 TRAINING PROGRAMMES

Specific Skills Training Programme - Cost €58.1m in 2008

Objectives: To provide job seekers with employment-led training opportunities and contribute to the National Skills Strategy.

Actual Cohort: The profile is mainly younger participants with a higher educational level that have been unemployed for less than one year. There is a balanced gender profile. Thirty-one percent of participants had no social welfare status in 2008.

Numbers completing programme: 5,701 in 2008.

Outcomes: Employment (58%), Training /Education (10%), Unemployment (23%)

Additional Employment/ Training /Education Outcomes : Estimated +5%

Cost per person progressing onto employment /training / education : €13,640

Did it work?: Yes, but 50% of participants had no certification award.

Will it work in New Context?: Yes, but there is a need to ensure training is aligned to emerging skills requirements.

How might it work better?

- Greater employer involvement would help in ensuring alignment with labour market demand and avoiding skills mismatching.
- Consider a higher proportion of older, long-term unemployed, less well-educated participants.
- Replacement demand, emerging skills requirements and programme outcomes should be closely monitored and adjustments made if required.

Traineeship Programme - Cost €38m in 2008

Objectives : To help job seekers acquire specific skills relevant to the workplace

Actual Cohort: The participant profile is persons relatively younger with a higher educational level that have been unemployed for less than one year. There is a higher female representation. Thirty-eight percent of participants had no social welfare status in 2008.

Numbers completing Programme: 2,235 in 2008.

Outcomes: Employment (72%); Education/Training (9%); Unemployment (10%).

Additional Employment/ Training /Education Outcomes : Estimated +18%

Cost per person progressing onto employment/training/education: €20,630

Did it work?: Yes. Outcomes are the highest of all programmes reviewed.

Will it work in New Context?: Yes. The programme is demand-led and aligned to the labour market.

How might it work better?

- Consideration should be given to widening the scope of occupations covered under the programme, informed by enterprise skills demands.
- Consider a higher proportion of older, long-term unemployed, less well-educated participants. More male participation could also be encouraged.
- Replacement demand, emerging skills requirements and programme outcomes should be closely monitored and adjustments made if required.

Community Training Centres - Cost €52.2m in 2008

Objectives: To provide training & related services to early school leavers which focuses on support to achieve a major NFQ award as a route to sustainable employment.

Actual Cohort: Participants are young, with a lower educational level and a balanced gender profile.

Numbers Completing Programme: 1,511 in 2008.

Outcomes: Employment (41%); Education/Training (18%); Unemployment (31%)

Additional Employment/ Training /Education Outcomes: No estimated additional outcomes.

Cost per person progressing onto employment/training/education: €53,270

Did it work?: There have been mixed results. The programme is costly and has a high dropout level-representing 31% of those who left the programme in 2008.

Will it work in New Context: The programme will need to be remodelled to address the new labour market challenges.

How might it work better?

- Focus on target cohort.
- Make training relevant to skills needs of labour market.
- Improve system of notification of early school leavers to FÁS
- Reduce high dropout level.
- Review Training Costs.

Local Training Initiative - Cost €34.9m in 2008

Objectives: To raise skills and provide progression opportunities for disadvantaged and marginalised people, primarily between 16 and 25 years.

Actual Cohort: The participant profile is short-term unemployed (98% under 1 year), with medium level education (47% Leaving Certificate) and 39% under 25 years. Females represent 66% of cohort. In 2008, 45% were from the Live Register while 32% had no social welfare status.

Numbers Completing Programme: 2,511 in 2008.

Outcomes: Employment (39%); Education/Training (30%); Unemployment (14%).

Additional Employment/ Training /Education Outcomes : Estimated +13%

Cost per person progressing onto employment/training/education: €17,620

Did it work?: Yes - but the cohort profile is better than the target profile. Certification level is low and the non-completion rate is high - representing 18 % of those who left the programme in 2008.

Will it work in new context? Consideration should be given to remodelling the programme.

How might it work?

- Improve focus on target cohort.
- Improve focus on skills needs of labour market.
- Reduce high 'dropout' level.
- Review Training Costs.

Bridging Foundation Programme - Cost €34m in 2008

Objectives: To target the most disadvantaged learners through targeted training interventions to bridge the skills gap needed to access employment.

Actual Cohort: The participant profile is largely short-term unemployed with a medium level of education (54% Leaving Certificate). Balanced age profile and gender. In 2008 , 65% of participants were from the Live Register and 30% had no social welfare status.

Numbers Completing Programme: 6,051 in 2008.

Outcomes: Employment (38%); Education/Training (16%); Unemployment (28%)

Additional Employment/ Training /Education Outcomes: No estimated additional outcomes.

Cost per person progressing onto employment/training/education: €10,408

Did it work? : The programme is not aligned to the target cohort. There is relatively low progression and certification awards were low.

Will it work in New context? Consideration should be given to remodelling the programme.

How might it work better?

- Focus on target cohort.
- Improve Certification and Progression Levels.
- Ensure training is relevant to skills needs of labour market.
- Review Indirect Costs

8.7.3 IN-EMPLOYMENT PROGRAMMES

FÁS Competency Development Programme Cost - €42.6m in 2008

Objectives: To increase the number of employed persons acquiring certified training qualifications, especially the low-skilled, thereby increasing their employability and companies' productivity and competitiveness.

Cohort: There is a balanced gender profile, with 16% of participants under 25 and 73% having Leaving Certificate or higher.

Numbers Completing Programme: 32,390 in 2008.

Cost per Participant Completing = €1,315

Did it work?: Not clear. There is a low degree of evaluation - only by number of activity days. Individual certification outcomes are not recorded.

Will it Work in New Context? Not clear. There is a need for to evaluate training for results as opposed to activity with more emphasis on increasing industry's competitiveness and productivity.

How might it work?

- Demand-led provision.
- Evaluate training for results.
- Record Individual certification.
- Measure benefits to firms in terms of productivity and performance.
- Emphasis of focus to continue to be on the lower skilled.

Skillnets Training Networks Programme - Cost € 26m in 2008

Objectives: To increase firms' participation in enterprise training to improve competitiveness and improve access for workers, particularly the lower skilled, to skills development.

Cohort: In 2008, 57% of participants were male and 43% female. 76% of participants were in the 20-49 age group and 83% had Leaving Certificate or higher.

Numbers Completing Programme: 53,319 in 2008.

Cost per participant completing = €487

Did it work?: Yes. The programme is demand led and rated highly by participant companies. There is good evaluation but individual certification outcomes are not recorded

Will it work in new context? Yes. The programme is demand-led with on-going monitoring and evaluation.

How might it work better?

- Record certification for individuals.
- Increase measurement of benefits to firms in terms of productivity and performance.
- Increase measurement of benefits to employees.
- Emphasis of focus to continue to be on the lower skilled.

Apprenticeship Programme - Cost €179m (€236m including Education) in 2008

Objectives: To develop the skills of apprentices to meet the needs of industry and labour market.

Actual Cohort: Participant profile is young males, 60% of whom had Leaving Certificate.

Numbers Completing Programme: 5,057 in 2008.

Outcomes: A 2006/7 survey of apprentices registered in 1999 found that 96% of crafts persons were working. However, there are now 5,800 redundant apprentices (Sept 2009).

Cost per Apprentice completing = €35,396 (FÁS Costs) and €46,667 (FÁS & Education).

Did it work?: Yes - but the programme is lengthy, costly and cyclical.

Will it work in New context? : Yes - but the length and cyclical nature need to be addressed.

How might it work better?

- Examine four year minimum duration of Apprenticeship. Length could be based upon when an apprentice attains the competency level required.
- Programme should continue to be demand-led but a moderating mechanism should be considered to avoid over and under supply.
- Review Cost of Programme.

8.7.4 National Employment Service

National Employment Service - Cost €69.8 m in 2008

Objectives: To help job-seekers to enter/re-enter the active labour market and to provide a high quality service to employers to match and fill vacancies at all levels.

Actual Cohort : For 2008 - On 'Active' register - 55% male /45% female - 52% on a social welfare payment/ 48% no social welfare status - 20% primary level education/40% Leaving Cert or higher.

Activity: For 2008 , there were 87,000 new registrants (of which 29,300 were EAP clients) and 190,600 clients records were updated

Outcomes: - 67% of those on Live Register registered with service.
- 67,000 private sector job vacancies filled (28% of total job vacancies).

Did it work? Yes - have been significant improvements. Service plays key role as a gateway to services for job seekers & filling employer vacancies. High level of job seeker satisfaction (76%).

Will It work in New context? Yes - but increase scale and quality of job search assistance. Scope for further integration of services (currently between three Departments).

How might it work better?

- Avail of supports from all training and education providers, including FÁS, Skillnets, VECs and IOT's to provide 'progression pathways' which help clients get back to work.
- Link engagement with the profiling of clients at risk of becoming long term unemployed.
- Increase frequency of contact referrals - and social welfare controls. Follow-up and apply benefit sanctions for those who do not avail of services.
- Address lack of feedback on placement into non FÁS education & training.
- IT investment to improve exchange of information with DSFA.
- Consider outsourcing additional capacity where required.

8.8 Conclusion

In a climate of tighter resources, priority will need to be given to those programmes that are capable of delivering on labour market objectives. An efficient and effective use of resources is required to ensure the achievement of programme objectives and improved outcomes for clients of services. The outcomes of labour market programmes should be fully evaluated and monitored to ensure they are delivering value for money.

There is an increased demand for employment services as unemployment has risen. It is suggested that resources be redirected towards the delivery of front-line services. Experience from other countries has shown that the majority of unemployed people on social welfare payments have regular face-to-face contacts with employment services staff, and that this has an effect on reducing the numbers of persons on such benefits⁶⁷, especially when linked to benefit controls. There may be efficiencies in integrating the Public Employment Services, currently provided across three Departments that may offset the need for any additional resource requirements.

In terms of efficiency and effectiveness, the Traineeship and Specific Skills programmes were the best performing labour market programmes - as their participants profile might predict, and also in terms of their additional progression outcomes. It is suggested that resources continue to be allocated to those programmes and consideration be given to increasing the number of Traineeships to cover a wider range of occupations.

Activation specifically geared towards young people will be particularly important as there are significantly fewer job opportunities for school leavers and new graduates compared to recent years. Participation of young people should be encouraged across all suitable training and education programmes, dependent on individual need. The National Employment Service can play a key role in this regard. It is also proposed that the number of Traineeship places for young unemployed people could be increased.

It is suggested that the Community Training Centres and The Local Training Initiative could be re-modelled to bring them closer to the labour market and improve focus on the target cohort. The relatively high 'dropout' levels on these programmes should also be addressed.

Bridging training programmes will continue to be required to help persons with basic skills and competency needs to progress onto mainline training and education. It is suggested that resources continue to be allocated to a bridging programme but that the current programme could be re-modelled to reflect labour market demand and with more emphasis on certification.

It is considered that the current employment programmes - Job Initiative and Community Employment are not well placed to deliver effective active labour market outcomes in the

67 OECD Social, Employment and Migration Working paper No 75: *Activation Policies in Ireland (2009)*

new labour market environment. Job Initiative is no longer acting as an active labour market programme and is being wound down over time. Consideration should be given to concluding the programme as soon as possible.

Community Employment accounts for 41% of the total budget on labour market programmes and its re-modelling could be considered. It is suggested that the scale of the programme be reviewed and consideration given to reducing the average duration of the programme from an average of three years currently, to one year. Consideration could also be given to determining whether this programme is primarily a labour market activation programme or mainly a programme providing social and community benefits. If the programme is to continue to function as a labour market activation programme, it is proposed that the training/education element be enhanced to improve its alignment with labour market demand and improve outcomes for participants. The payment levels for participants should also be examined to ensure that they do not act as a disincentive to taking jobs on the open market.

On Apprenticeship, it is considered that the programme is valuable but is lengthy, costly and cyclical. Consideration could be given either to its remodelling or to developing training programmes with employers' involvement that are more flexible, less expensive and of a shorter time duration, in line with apprenticeships in other European countries.

The allocation of resources to workplace training will continue to be important in the challenges ahead to ensure that the labour force is continually upskilled, in line with the objectives of the National Skills Strategy. Optimal programmes are those that are demand led, based on employer and employee identified training needs and aligned with national labour market policy objectives, with a focus on training for results.

Appendices

Appendix A: Terms of Reference

“To review the Labour Market Programmes funded by the Department of Enterprise, Trade and Employment (including programmes provided by both FÁS and Skillnets) in terms of efficiency and effectiveness and to draw conclusions about the adequacy and balance of resources in the context of current and future labour market policy challenges including the National Skills Strategy”.

Scope of work

1. Identify current labour market policy challenges including:
 - Implementation of National Skills Strategy
 - Ensure that the labour and skill needs of enterprise are met.
 - Increased labour market participation of older workers and women
 - Clarifying the ‘market failure’ rationale for Government investment in labour market programmes

2. Evaluate and draw conclusions about the following Labour Market Programmes in terms of their performance outcomes, efficiency and effectiveness and possible implications for their future funding:
 - FÁS National Employment Service including FÁS Employment Services and Local Employment. Services and the interaction with the Department of Social and Family Affairs.
 - Training for those in Employment including FÁS One Step Up and Skillnets programmes.
 - Training for the Unemployed including Local Training Initiative Programmes.
 - Employment Programmes including Community Employment and Job Initiative.

3. In doing 2. above, utilise completed studies (set out below) and update and supplement where necessary.
 - Cross-Departmental Expenditure Review of Supports for the Long-Term Unemployed (Susan McKiernan) 2005
 - What types of programmes work for the long-term unemployed and those most distant from the labour market? (Nina Brennan) 2007
 - Value for Money Review of Programmes funded by FÁS for Training People in Employment - forthcoming.
 - OECD VET Review- forthcoming.
 - Indecon Report on the National Employment Action Plan 2003
 - Review of NES/LES (Fitzpatrick & Associates) 2003

4. The Steering Group will be chaired by DETE and will include representatives of the Departments of Finance, Social & Family Affairs and Education & Science, FAS and Skillnets and will be supported by Forfás.

5. Review to be completed by mid - 2009

Appendix B: Steering Group Membership

Mr	Dermot Mulligan	Department of Enterprise, Trade and Employment (Chair)
Mr	Padraig O Conaill	Department of Enterprise, Trade and Employment
Mr	Niall Monks	Department of Enterprise, Trade and Employment
Mr	Barry O'Brien	Department of Finance
Ms	Anne Forde	Department of Education and Science
Ms	Deirdre Shanley	Department of Social and Family Affairs
Ms	Patricia Curtin	FÁS
Mr	Alan Nuzum	Skillnets

Forfás managed and undertook the research for this study

Ms	Marie Bourke	Department Manager
Mr	Gerard Walker	Senior Policy Analyst
Ms	Ailish Forde	Senior Policy Analyst
Mr	Martin Shanahan	Divisional Manager, Science, Technology, Innovation and Human Capital Policy Division

Appendix C: Glossary of Acronyms

BTEI	Back to Education Initiative
Cedefop	European Centre for the Development of Vocational Training
CDP	Competency Development Programme
CE	Community Employment Programme
CSO	Central Statistics Office
DES	Department of Education and Science
DETE	Department of Enterprise, Trade and Employment
EGFSN	Expert Group on Future Skills Needs
ESF	European Social Fund
ESRI	Economic and Social Research Institute
FÁS	Foras Áiseanna Saothair (Training and Employment Authority)
FETAC	Further Education and Training Awards Council
HEA	Higher Education Authority
HETAC	Higher Education and Training Awards Council
IoT	Institute(s) of Technology
JA/JB	Jobseeker's Allowance/Jobseeker's Benefit
LES	Local Employment Service
LTI	Local Training Initiative
LTU	Long Term Unemployed
NEAP	National Employment Action Plan
NIESR	National Institute of Economic and Social Research (UK)
NFQ	National Framework of Qualifications
NSS	National Skills Strategy
NTF	National Training Fund
OECD	Organisation for Economic Cooperation and Development
OPFP	One Parent Family Payment
PLC	Post-Leaving Certificate
QNHS	Quarterly National Household Survey (CSO)
SLMRU	Skills and Labour Market Research Unit (FÁS)
STTC	Senior Traveller Training Centres
VTOS	Vocational Training Opportunities Scheme

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Appendix E: Skillnets Networks

Skillnets Networks 2007

ADR Skillnet	South Dublin Kildare Skillnet
ACIST Skillnet	South East Micro Skillnet
Biznetcork Skillnet	Refrigeration Skillnet
BME Skillnet	ROLE Skillnet
Business Excellence Skillnet	SLM Skillnet
Carlow Kilkenny Skillnet	FSI Securitisation Skillnet Galway Executive Skillnet
Chamber Learning Skillnet	Gréasán na Méan Skillnet
Construction Skillnet	Hospitality Management Skillnet
Creative Skillnet	HotBed Skillnet
Crest Skillnet	IBEC Retail Skillnet
Design Shannon Skillnet	IFA Skillnet
Design Ireland Skillnet	Impact Measurement Skillnet
Digital Media Forum Skillnet	Irish Greyhound Skillnet
Diverse Culture Skillnet	ISIT Skillnet
Engineers Skillnet	ISME Skillnet
Enterprise Partnership Skillnet	ITAG Skillnet
Fingal Skillnet	KTN Skillnet
First Polymer Training Skillnet	Learning Waves Skillnet
Fresh Produce Skillnet	Limerick Chamber Skillnet
FSI International, Life Insurance	Northside Business Skillnet
SkillnetPositive2Work Skillnet	Software Skillnets
Print & Packaging Skillnet	Space Industry Skillnet
MidMed Skillnet	Waterford Chamber Skillnet
NETS Skillnet	Western ICT Skillnet
Private Healthcare Skillnet	Wicklow Skillnets
PharmaChem Skillnets	

Skillnets Networks 2008

ACIST SKILLNET
 AIW SKILLNET
 ASCA SKILLNET
 Atlantic Training & Development SKILLNET
 Bakers & Confectioners SKILLNET
 Ballyhoura Tourism SKILLNET
 BESTNet SKILLNET
 Biznetcork SKILLNET
 BMW Executive SKILLNET
 BMW Smallholder SKILLNET
 Border Edge SKILLNET
 BREN SKILLNET
 Call Centre SKILLNET
 Carlow Kilkenny SKILLNET
 Catering & Hospitality SKILLNET
 CBDN SKILLNET
 CITA SKILLNET
 Clare Campus SKILLNET
 Construction SKILLNET
 CPD Focus SKILLNET
 Craftbutcher SKILLNET
 Design Ireland SKILLNET
 Design Shannon SKILLNET
 Digital Media Forum SKILLNET
 Donegal Design Directorate SKILLNET
 Dry Cleaning & Laundry Industry SKILLNET
 Dublin Business Women's SKILLNET
 Dublin North SKILLNET
 Embracing Diversity SKILLNET
 Emerge SKILLNET
 Engineers SKILLNET
 English Language Learning SKILLNET
 Enniscorthy Businesses Initiative SKILLNET
 EnviroSKILLNET
 EQUAL IRELAND SKILLNET
 Equestrian SKILLNET
 Financial Services SKILLNET
 Financial Solutions SKILLNET
 Fingal SKILLNET
 First Polymer Training SKILLNET
 FRS SKILLNET
 FTMTA SKILLNET
 Irish Pest Control SKILLNET
 Irish Professional Photographers SKILLNET
 ISIT SKILLNET
 ISME SKILLNET
 ITAG SKILLNET
 Kaizen Training SKILLNET
 IASC SKILLNET
 IBEC Retail SKILLNET
 ICBE Business Excellence SKILLNET
 ICOS SKILLNET
 ICT Ireland SKILLNET
 IFA SKILLNET
 IMDA Manufacturing Excellence SKILLNET
 Impact Measurement SKILLNET
 Innovation & Lean/Sigma SKILLNET
 International Trade SKILLNET
 Irish Coaching SKILLNET
 Irish Egg Supply Chain SKILLNET
 Irish Franchising SKILLNET
 Irish Hardware SKILLNET
 Midwest Regional Engineering SKILLNET
 National Engineering Technical SKILLNET
 National Organic Training SKILLNET
 NCNA Childcare SKILLNET
 Northwest Transport SKILLNET
 PharmaChem SKILLNET
 Pharmacy Xcelerate SKILLNET
 Positive2Work SKILLNET
 Print & Packaging SKILLNET
 Priority Learning for Change SKILLNET
 Private Healthcare SKILLNET
 Procurement & Supply Management SKILLNET
 Refrigeration SKILLNET
 Renewable Energy Skills SKILLNET
 Responsible Tourism SKILLNET
 Restaurants SKILLNET
 Retail Excellence Ireland SKILLNET
 ROLE SKILLNET
 Rural Food Company SKILLNET
 Sales SKILLNET
 Shannon Marine & Leisure SKILLNET
 SLM Food & Drink Manufacturing SKILLNET
 SME Growth SKILLNET
 Software SKILLNET
 South East Micro SKILLNET
 South Kerry SKILLNET
 South West Healthcare SKILLNET
 Southern Tipperary SKILLNET
 Spa & Wellness SKILLNET
 Space Industry SKILLNET
 Sport Horse Breeders SKILLNET
 Taste 4 Success SKILLNET
 The Events Industry SKILLNET
 The Timber Frame SKILLNET

KTN SKILLNET
Learning Waves SKILLNET
Learning West SKILLNET
LHP SKILLNET
Limerick Chamber SKILLNET
M1 Manufacturers' SKILLNET
MBE SKILLNET
MidMed SKILLNET
Future Leaders SKILLNET
Gaeltachtaí na Mumhan SKILLNET
Galway Executive SKILLNET
GMIT Innovation SKILLNET
Gréasán na Meán SKIFLLNET
Greyhound SKILLNET
Hospitality Management SKILLNET

Trainers' Learning SKILLNET
Training Provider Competency SKILLNET
Travel Professionals SKILLNET
U Learning SKILLNET
Union Learning SKILLNET
Unlocking Innovation SKILLNET
Waterford Chamber SKILLNET
Western Homebuilders SKILLNET
WIN SKILLNET
Wind SKILLNET

Appendix F: Skillnets Training Development Certification Spend Analysis 2008

Contents

This analysis was conducted using the expenditure item listing for 2008. There are 78 Networks accounting for the Training Development Certification (TDC) spend of €1,791,390.

Spend per Training Category

- Non Low Basic Skills
- Low basic skills (LBS)
- Split

Spend per 3rd Level Institution

Spend per Private Service Provider

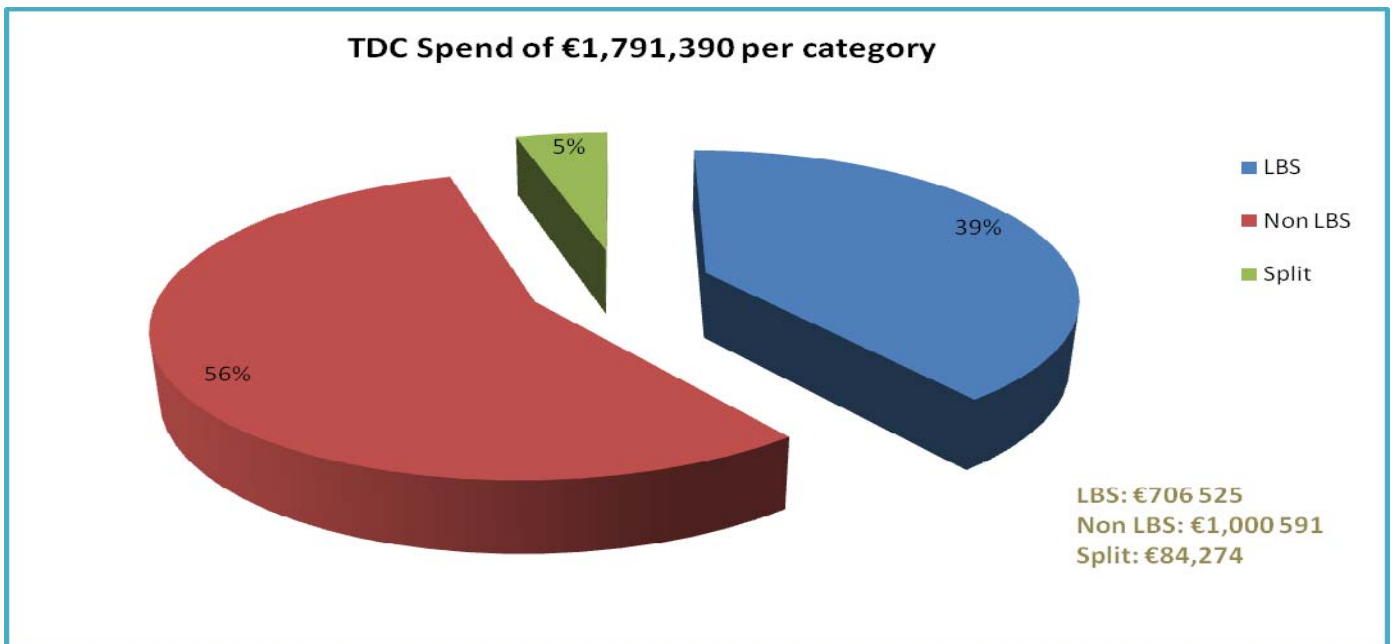
- 3 Spend Parameters

Total % Spend per Service Provider Group

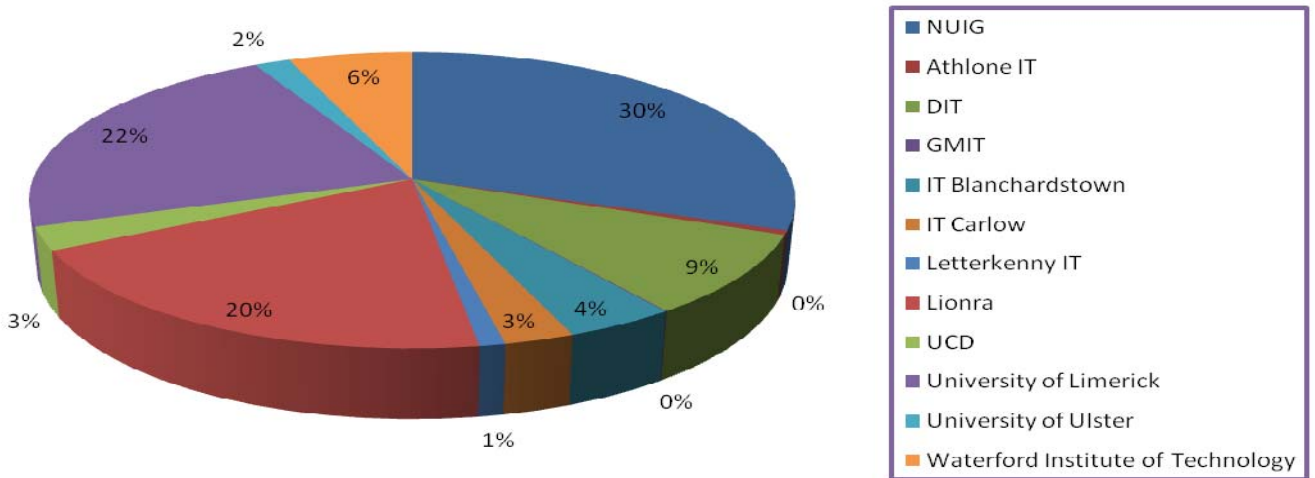
- 3rd Level Institutions
- Private Service Providers
- Other

Network Spend Analysis: 78 Networks in Total

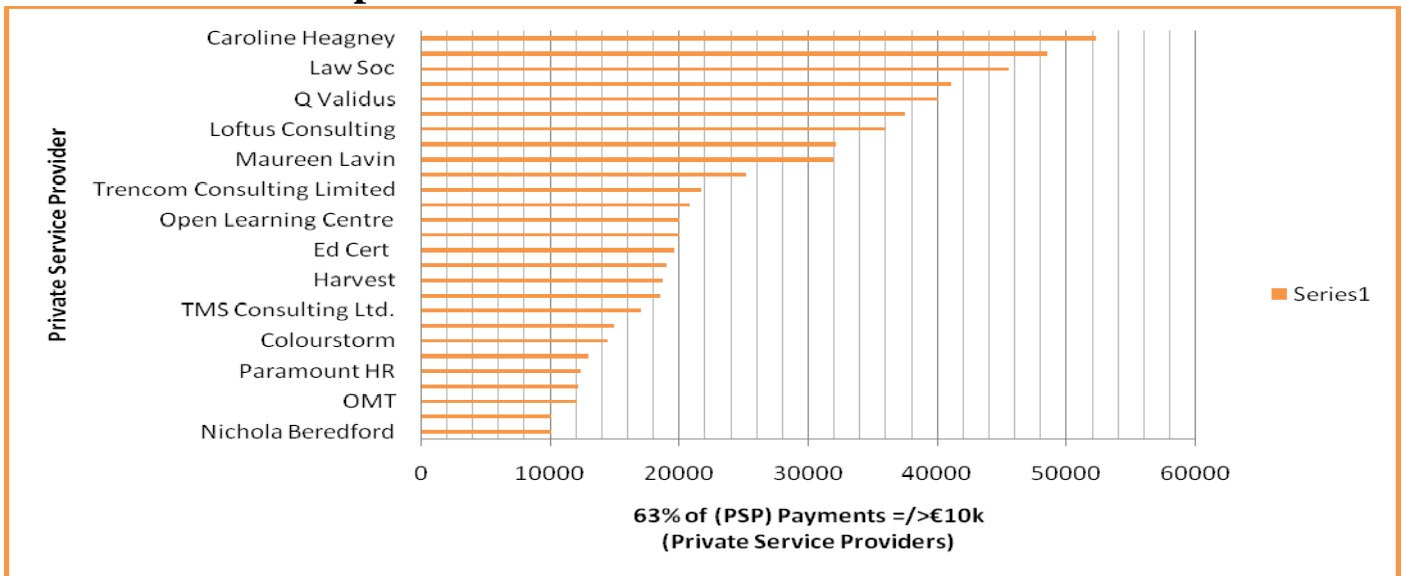
- 10 Networks account for 59% of the total spend

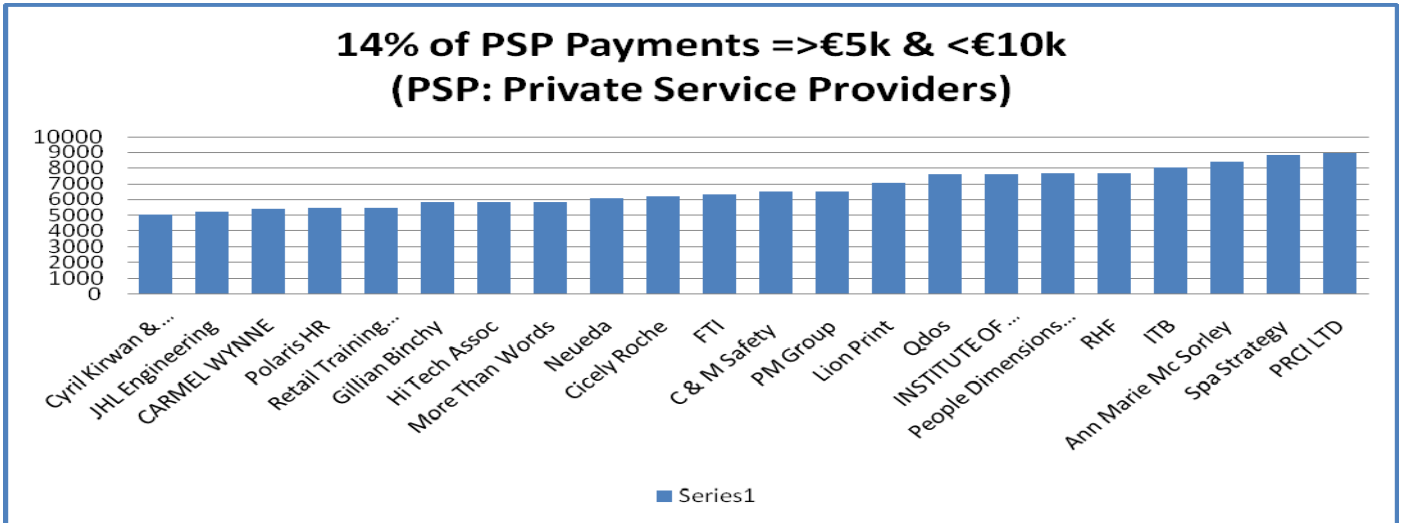


35% TDC Spend with 3rd Level Institutions: €626 501

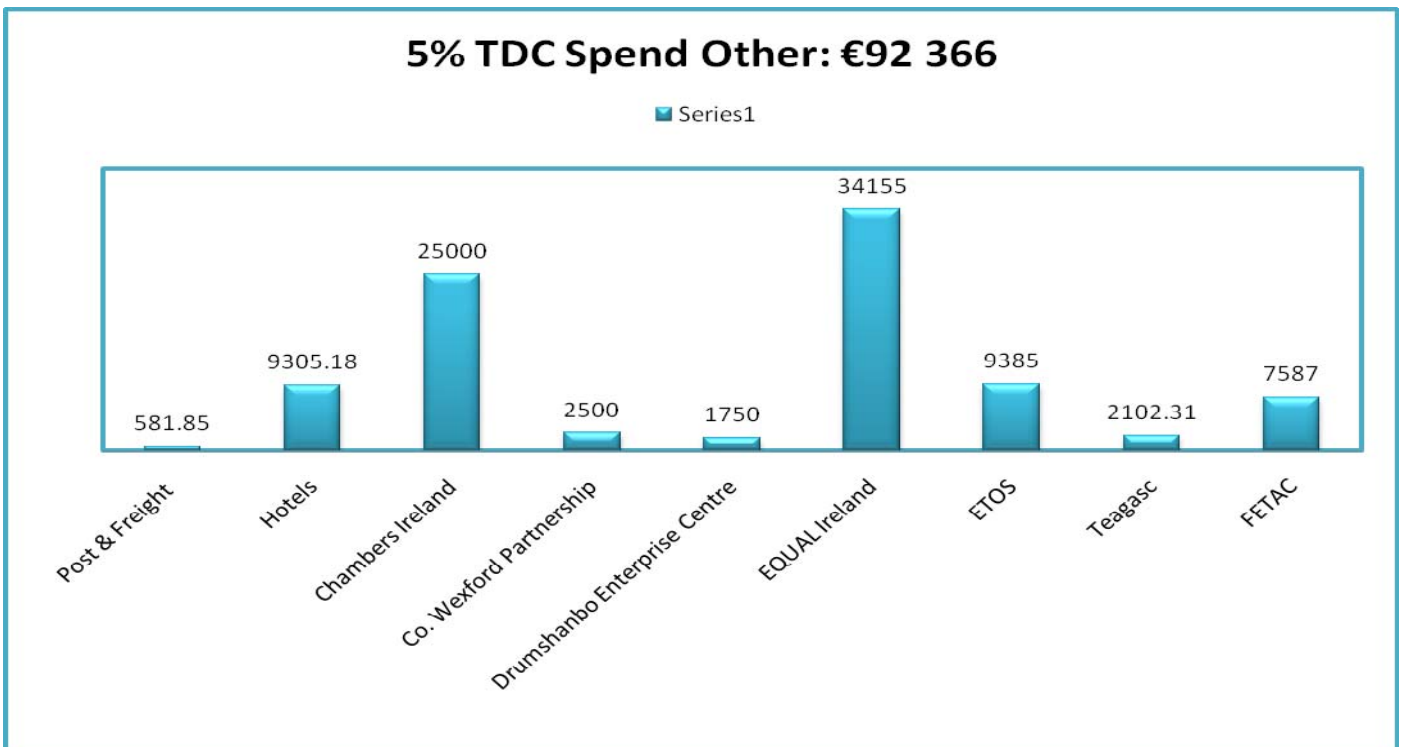


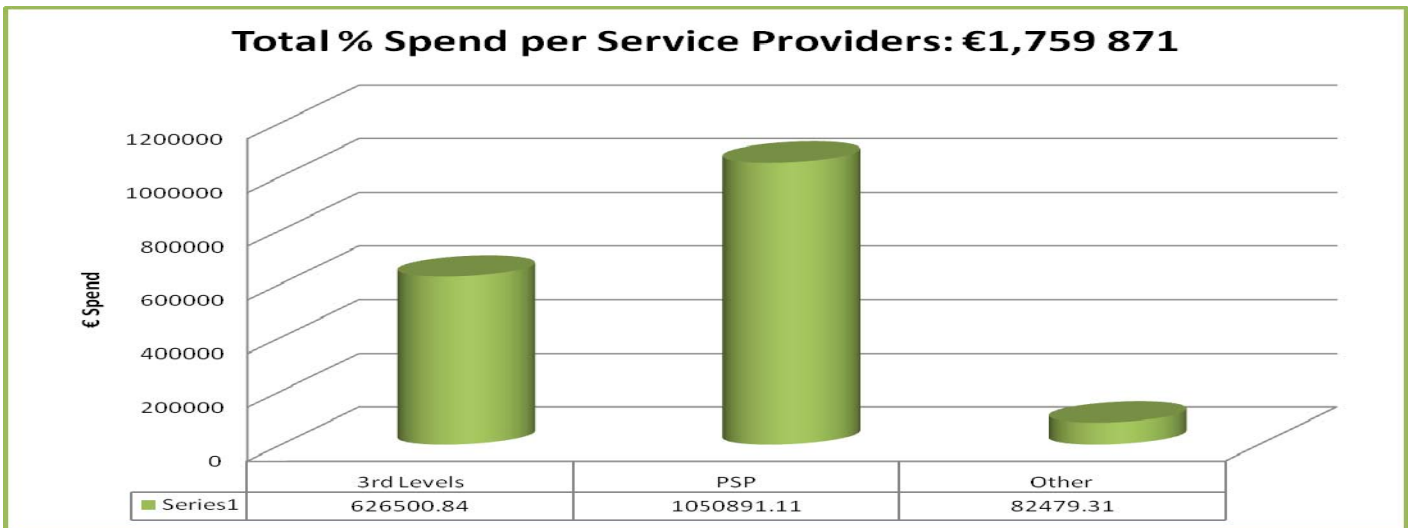
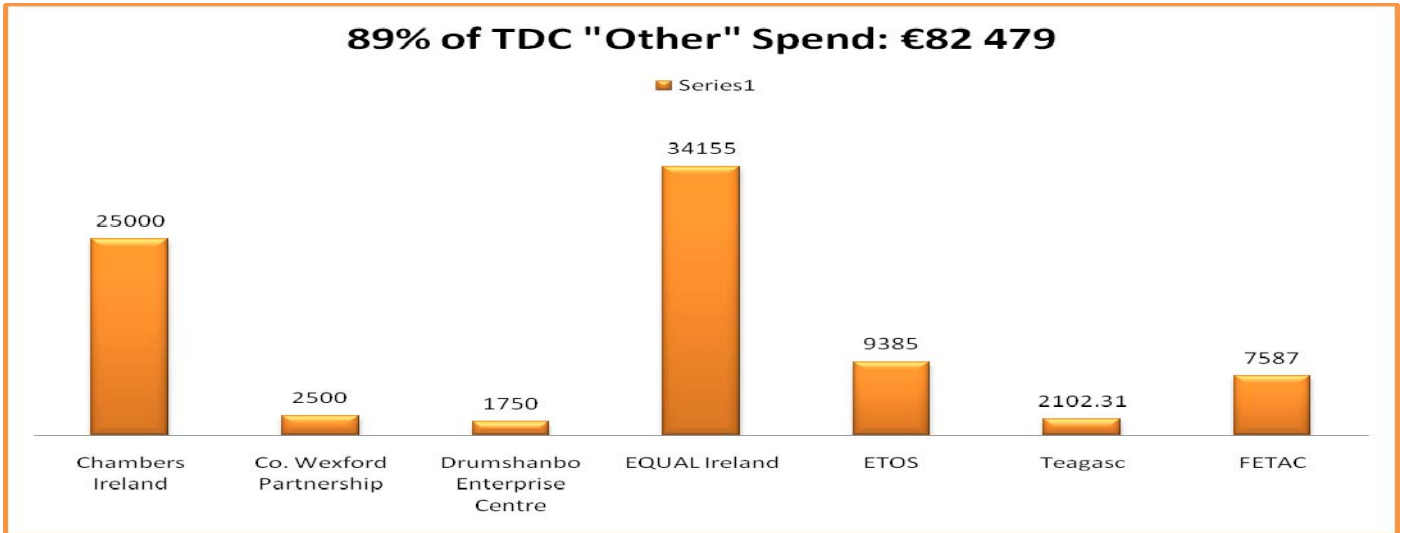
58% TDC Spend with Private Service Providers: €1 050 891



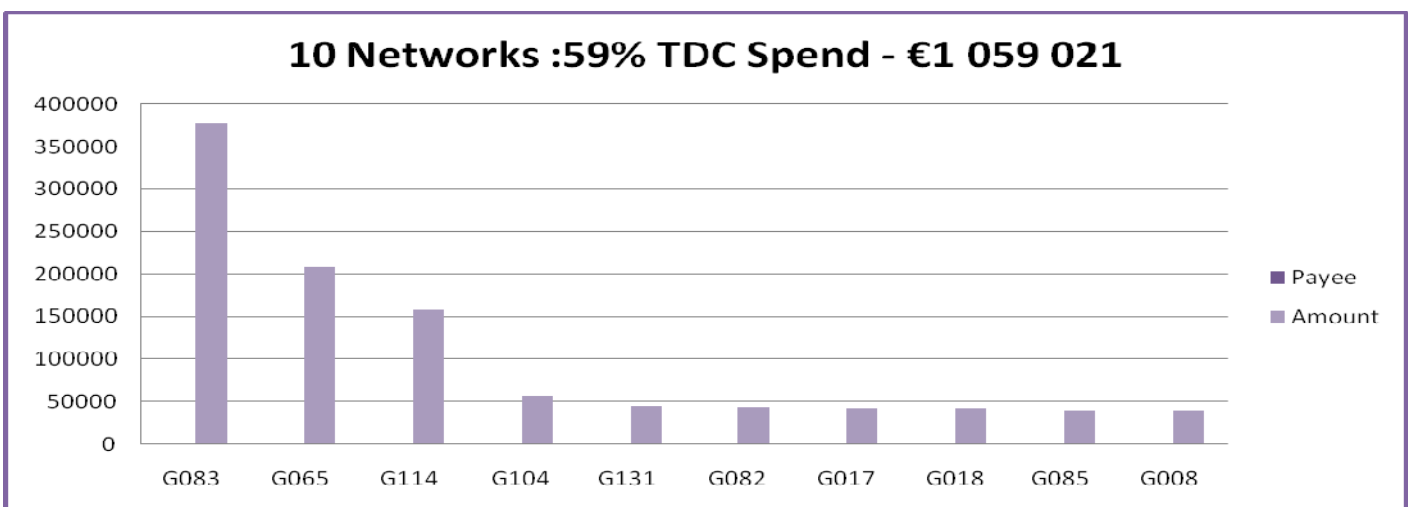


Total PSP Spend	189 Total PSP	Spend Parameters
€240,073	74%	€5k-
€147,197	12%	€5k - €10k
€663,620	14%	€10k+
€1,050,890		





NETWORK SPEND ANALYSIS





Forfás managed this study on behalf of the Department of Enterprise, Trade and Employment and undertook all of the research involved.

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