



Analysis of the Labour Market in Newry, Mourne & Down

May 2023

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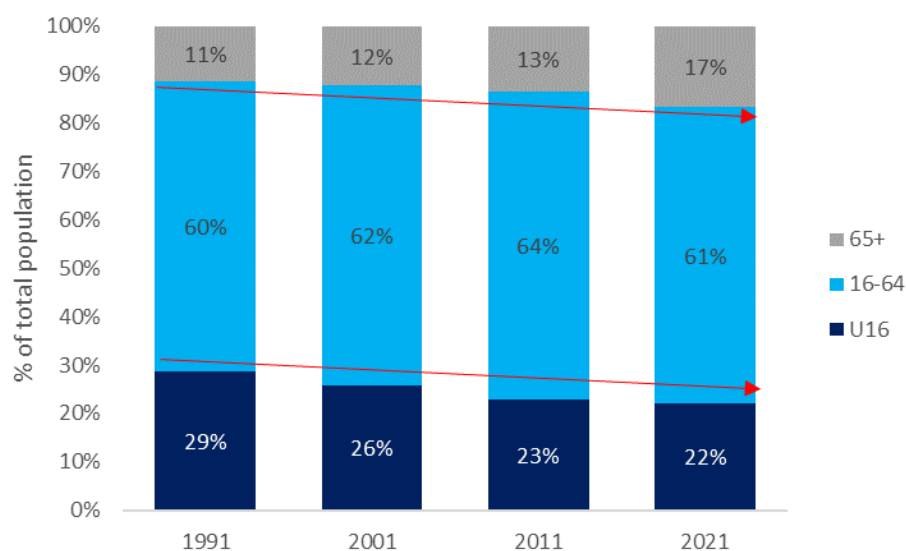


1. Statistical analysis

1.1. Overview

1. In 2021 Newry, Mourne & Down had a total population of 182,300 people¹, with 111,550 falling into the 16-64 year old working age population. Demographic changes within the council and across the rest of Northern Ireland are showing an increase in the 65+ population and a decrease in growth within working age and under-16 population. Of the population growth recorded between the 2011 and 2021 census, 70% of occurred within the 65+ category with under a third split between the working age and under-16 population.
2. Population projections at the Northern Ireland level show the working age population not only declining in growth but in absolute terms in years to come. By 2051, it is estimated that NI will have approximately **81,500 less** people within the 16-64 cohort compared to 2021. This adds significant pressures to what is an already tight labour market but also significantly increases the dependency ratio of those not in work (retired & U16) on those who are.

Figure 2.1: Population by age group (%), Newry, Mourne & Down, 1991-2021

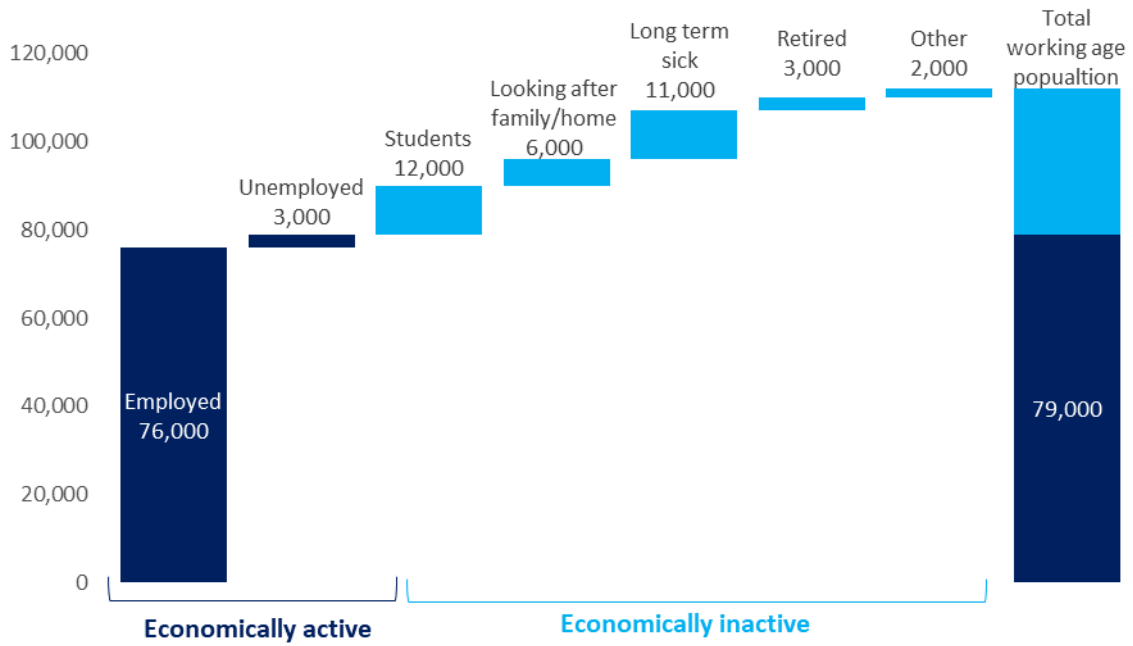


Source: NI Census 1991-2021

3. Figure 2.2 below breaks down the working age population in Newry, Mourne & Down giving an overview into the economically active and the sub categories of inactivity within the council area.

¹ NISRA 2021 Mid-year population estimates

Figure 2.2: Profile of working age population, Newry, Mourne & Down, 2021

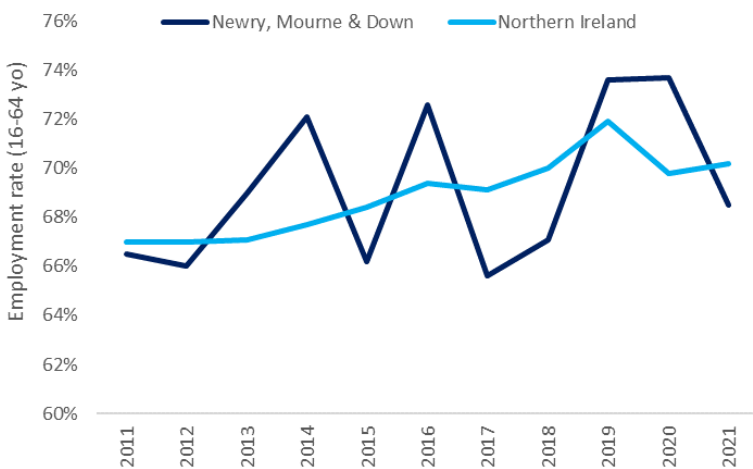


Source: NISRA, UUEPC analysis

1.2 Employed

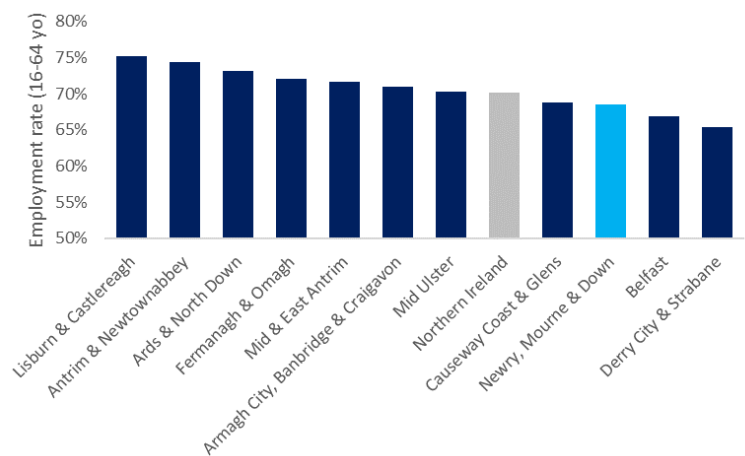
4. The employment rate in Newry, Mourne and Down is particularly volatile, moving between 73.7% and 65.6% across the 2011-2021 period. These fluctuations are relatively unique to the council area and are not mirrored across most other LGD's where the employment rate appears to move more closely in line with the NI average. In 2021, Figure 2.4, Newry, Mourne & Down ranked 9th compared to 2019 and 2020 where it ranked 5th and 3rd respectively, further illustrating this changeable nature.

Figure 2.3: Employment rate (16-64 yo), Newry, Mourne & Down vs. NI, 2011-2021



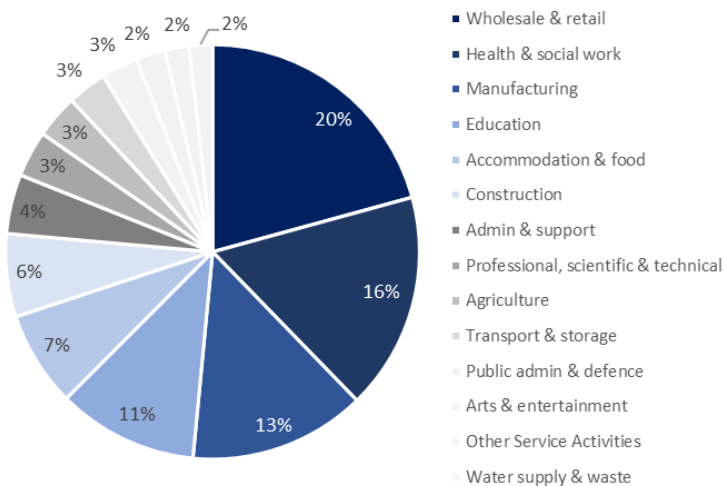
Source: NISRA (Labour Market Status - sub population, LFS)

Figure 2.4: Employment rate (16-64 yo), NI LGD's, 2021



- The number of employee jobs within Newry, Mourne & Down have increased on average by 1% each year between 2011-2021, with a total of 61,200 jobs in 2021. Figure 2.5 illustrates the sectoral breakdown of employee jobs within the council area, of which **almost half are concentrated between three main sectors, Wholesale & retail (12,310 jobs) , Health (10,060) and Manufacturing (8,190).**
- Figure 2.6 shows the difference in sectoral concentration between Newry, Mourne & Down and the NI average. **Retail, Manufacturing and Construction account for a larger proportion of jobs within the council are than the NI average.** On the other hand Newry, Mourne & Down is underrepresented in terms of Public admin, Admin & support and professional services roles compared to the rest of NI however as previously outlined, these are sectors that are growing at a strong rate within the council area.

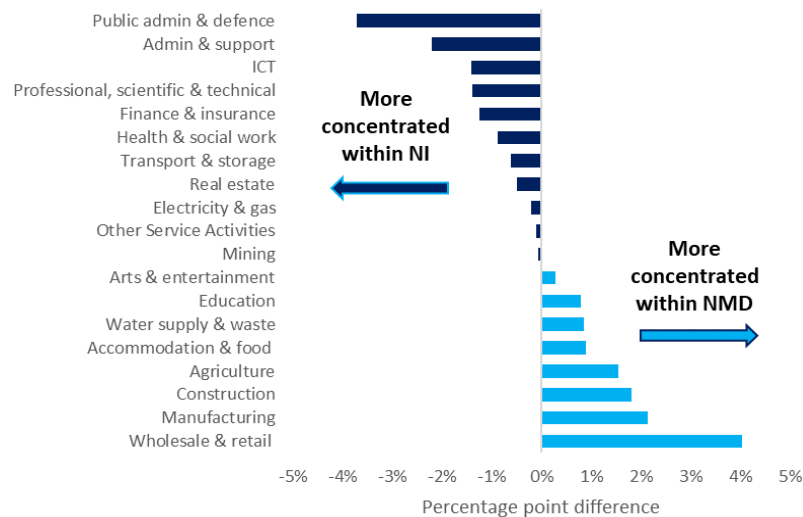
Figure 2.5: Employee jobs by sector (%), Newry, Mourne & Down, 2021



Source : BRES, UUEPC analysis

Note: Sectors with less than 1% representation have been omitted from figures 2.5 & 2.6.

Figure 2.6: Percentage point difference in sectoral concentration, Newry Mourne & Down vs. NI, 2021



- Table 2.1 compares growth rates within the sectors across different time periods. Growth within Real estate, professional, scientific & technical and Admin & supports holds across all three periods and appears strong in comparison to other sectors. ICT, Finance and Other services had positive growth in the 2012-2019 recovery period however struggled considerably during the 2019-2021 despite ICT and Finance being some of the sectors least affected by public health restrictions during the pandemic.

Table 2.1: Annual average growth by sector, Newry Mourne & Down, 2011-2021, 2012-2019 and 2019-2021

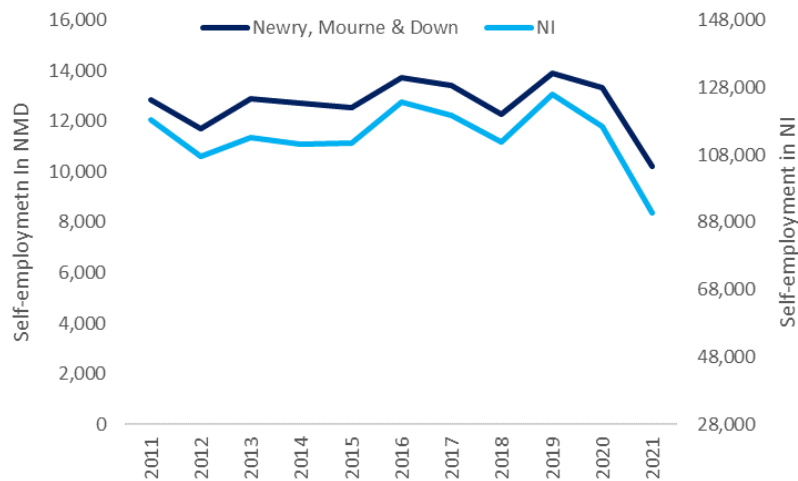
	2011-2021	2012-2019	2019-2021
Agriculture	1.02%	1.02%	1.26%
Mining	0.97%	1.05%	0.00%
Manufacturing	1.03%	1.04%	1.56%
Electricity & gas	0.00%	1.00%	-
Water supply & waste	1.02%	1.04%	2.90%
Construction	1.02%	1.03%	0.00%
Wholesale & retail	1.01%	1.01%	4.33%
Transport & storage	1.00%	1.03%	-0.81%
Accommodation & food	1.02%	1.03%	1.51%
ICT	1.02%	1.09%	-8.37%
Finance & insurance	0.99%	1.02%	-8.40%
Real estate	1.04%	1.00%	9.11%
Professional, scientific & technical	1.04%	1.06%	2.67%
Admin & support	1.05%	1.02%	5.73%
Public admin & defence	0.97%	0.97%	-0.29%
Education	1.00%	1.00%	4.50%
Health & social work	1.02%	1.03%	1.27%
Arts & entertainment	1.01%	1.02%	3.92%
Other Service Activities	1.01%	1.02%	-4.19%
Total	1.02%	1.02%	2.06%

Source: BRES, UUEPC analysis

8. Newry, Mourne & Down recorded particularly strong growth across the 2019-2021 period, whilst NI as a whole experienced job losses during the pandemic Newry, Mourne & Down recorded year-on-year growth. It is important to note that it will be **harder for the council area to maintain this momentum of growth** due to issues in the wider labour market. Following the 2008 financial crisis when unemployment was higher there was slack in the economy for firms to increase their workforce to meet the steadily increasing demand they were experiencing. Migration was also an indicator working in the favour of the labour market with national insurance applications non-UK nationals continuing to increase, in recent years due to Brexit but predominately due to the pandemic this number has decreased drastically.
9. Combined, this leaves a tighter labour market for firms to draw on when they have new and existing vacancies to fill. Demographic changes that were discussed earlier will further exacerbate this tightness in coming years, hence comparing growth in the future against that achieved in the past will not be on a like-for-like basis.
10. Self-employment within the council area has moved in tandem with the NI average over the last decade peaking at 13,900 in 2019. During the Covid-19 pandemic the self-employed were disproportionately affected compared to other employed groups through difficulty accessing support measures and lack of specialised support. Micro and 1-person businesses in particular experienced heightened decline across NI and the wider UK with many people transferring across to 'employed' status opposed to self-employed².

² UUEPC, A Covid counterfactual: What if government had not provided support? (January 2023).

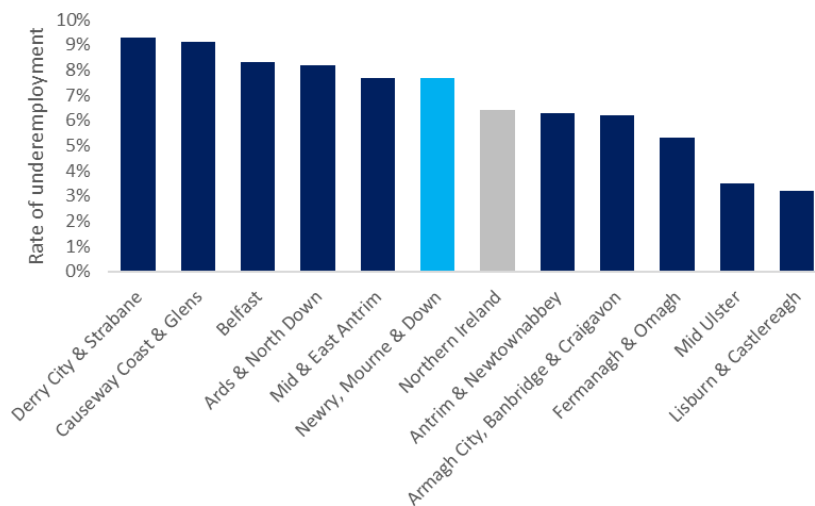
Figure 2.7: Number of self-employed, Newry, Mourne & Down vs. NI, 2011-2021



Source: UUEPC local model

- At council level Newry, Mourne and Down experienced a slightly smaller contraction with self-employment declining by 27.5% over 2019-2021 compared to a 30% decline at NI level. Self-employment within Newry, Mourne & Down totalled 10,200 in 2021. Just over half of these jobs fall within three main industries: Construction (24%), Agriculture (18%) and Retail (9%).
- Employee jobs within Newry, Mourne & Down account for 8% of overall employee jobs in NI whereas **self-employment within the council area accounts for 11% of total self employed jobs**. Hence the disproportionate impacts on the self-employed during the Covid-19 pandemic were felt even more so in Newry, Mourne & Down where the proportion of self-employed is relatively higher in terms of other employees.

Figure 2.8: Rate of underemployment, NI LGD's, Q1 2019 – Q2 2020



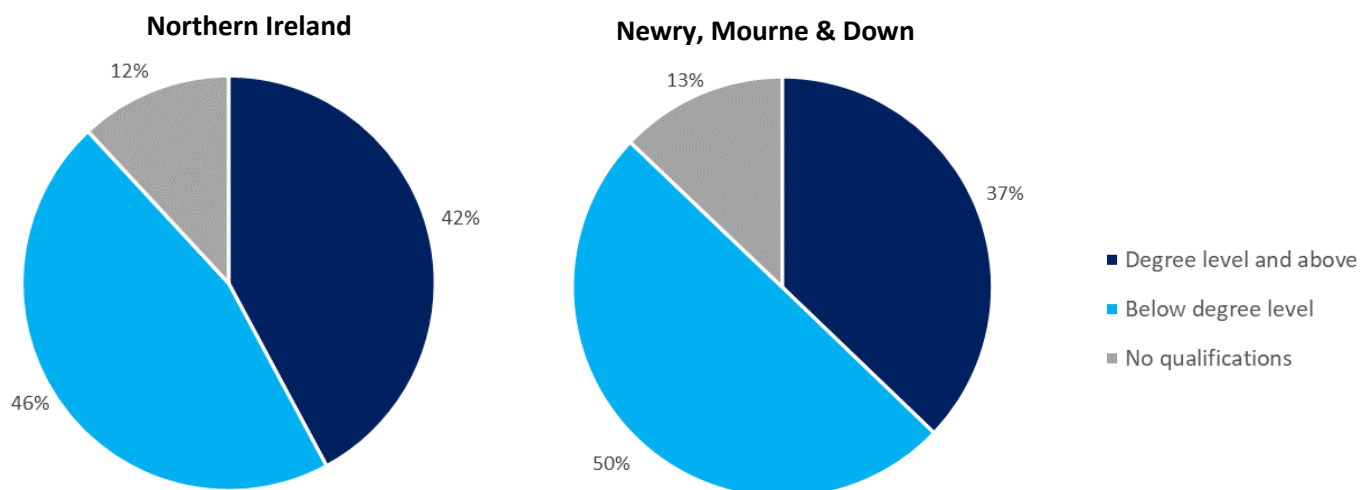
Source: NISRA (Underemployment in Northern Ireland)

13. Underemployment refers to individuals who are employed but would like to work more hours through their current job, a supplementary job, or in a new job³. When compared to other LGD's, **Newry, Mourne & Down has a higher rate of those who are underemployed (7.7%)** compared to the NI average (6.4%). This translates to approximately 5,000 individuals who have capacity to take on more hours of paid work. Underemployment is **particularly prevalent amongst younger people** within the workforce with approximately 12.1% of 16-24 year olds classified as underemployed in NI compares to 3.8% of 55-64 year olds. People with lower qualification levels (Below NQF level 2 and NQF level 2-3) are more likely to be underemployed compared to those with NQF level 4+ qualifications.

1.3 Qualifications

14. Council levels analysis allows resident qualifications levels to be split into three broad groups: degree level and above, below degree level and no qualifications. The breakdown for both NI and Newry, Mourne & Down can be seen below in Figure 2.9.

Figure 2.9: Qualification level, NI vs. Newry, Mourne & Down, 2021



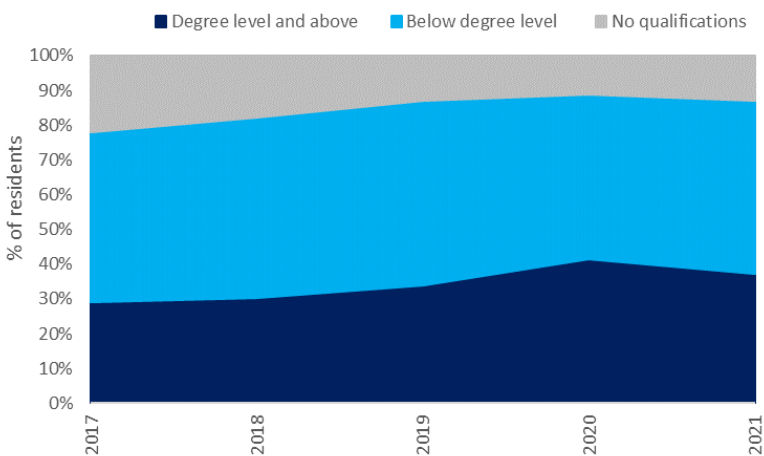
Source : NISRA (LFS Annual 2021)

15. Figure 2.10 illustrates how these qualification levels have changed over time from 2017-2021. The proportion of people with below degree level qualifications has fallen by 1 p.p (percentage point) across this period with the proportion with no qualifications also showing a similar trend. The number of people with degree level qualification has increased by 8.3 p.ps, showing a **general increase in the qualification level of residents over time.**

16. The trend in qualification levels in Newry, Mourne & Down mirrors what is happening across the rest of NI. However, as illustrated in Figure 2.11, considerable progress had been made between 2017-2020 regarding degree level qualifications. In 2017 a 3.4p.p gap existed between Newry, Mourne & Down and the NI average, by 2020 this had been reversed to the extent that there was a **2.9 p.p gap above the NI average.** This has fallen in 2021 and with a **gap widening further** than it was in 2017, therefore this is an important indicator to monitor across the next number of years.

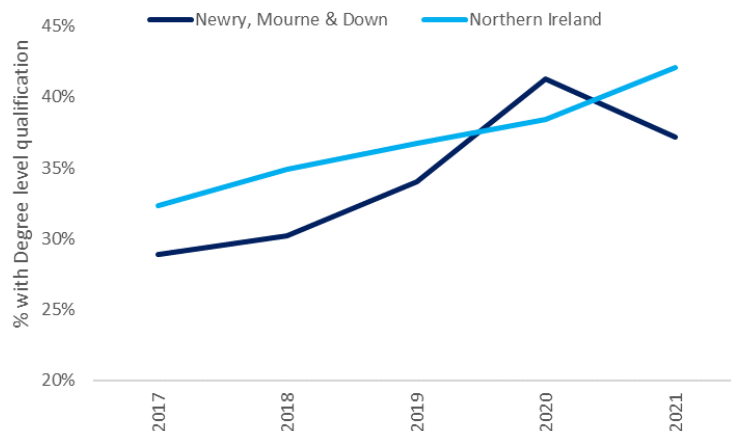
³ NISRA, Underemployment in Northern Ireland (October 2020).

Figure 2.10: Resident qualification levels (%), Newry, Mourne & Down, 2017-2021



Source: NISRA (LFS annual reports)

Figure 2.11: % of residents with degree level qualifications, Newry Mourne & Down vs. NI, 2017-2021



17. Enrolment on apprenticeships within the council area is proportionate in terms of population size compared to the rest of NI. Within the council area **11% of ApprenticeshipsNI (level 2 &3) participants are from Newry, Mourne & Down**. The rate is identical for those on level 7/8 HE delivered Higher Level Apprenticeships, although Department for the Economy data shows a higher proportion (**14%**) of level 4-6 FE delivered Higher Level Apprenticeships live in the **Newry, Mourne & Down area**.

18. Further Education enrolments within Newry, Mourne & Down have accounted for 11%-12% of total enrolments across 2012-2020. In 2020 this translated to approximately 10,000 students⁴. In 2020/21, 6,320 students enrolled in Higher Education were from Newry, Mourne & Down. This accounted for 10% of all NI students. The **majority of these students (71%) attend HE institutions in Northern Ireland** compared to 29% in GB/ other.

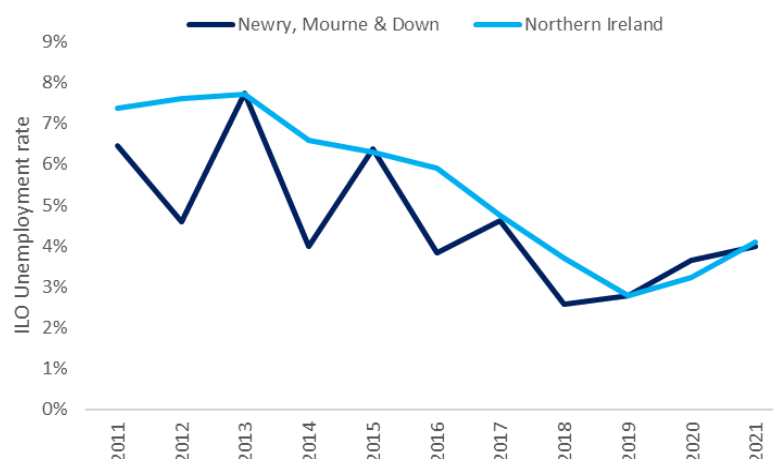
19. Skills for Life and Work is designed for young people who have left school but are in need of further experience or qualifications before entering work or entering on higher level training. Data on this programme shows that 44 participants on the 2021/22 Skills for Life and Work were from Newry, Mourne & Down, accounting of 5% of total participants from NI.

1.4 Unemployment

20. Figure 2.12 shows the unemployment rate moving intuitively in opposite cycles to the employment rate in figure 2.3. Similarly to the employment rate, a number of fluctuations can be observed across the 2011-2021 period. However, in recent years the rate has become less volatile showing convergence with the NI average from 2019 onwards. In 2021, the rate of approximately 3.9% translates to **approximately 3,000 individuals** and accounts for 11% of the overall unemployed within Northern Ireland.

⁴ It is being queried from NISRA whether these are FE enrolments within the NMD area or enrolments of NMD residents within FE institutions.

Figure 2.12: ILO Unemployment rate, Newry Mourne & Down vs. NI, 2011-2021



Source: UUEPC Local model

21. Individuals who have been ILO unemployed for more than one year are classified as **long term unemployed**. The long term unemployment rate for NI peaked at 4.4% in Q2 2013 and has been generally moving in the downwards direction, falling as low as 0.8% in Q2 2020. As expected, an upswing had been experienced due to the Covid-19 pandemic although the rate is again beginning to fall through Q1 and Q2 2022. Long term unemployment is not available at council level, although we can assume, albeit with volatility, that the long term unemployment rate within Newry, Mourne & Down will also be moving in a similar direction to the NI average. Long term claimant count data available from 2011-2017 would also support this trend assumption.⁵
22. **Graduate unemployment** was marginally less prevalent in Northern Ireland compared to the UK in 2019/2020 with only 3% graduates from Higher Education institutions in Northern Ireland classed as unemployed compared to 5% in the UK. The proportion of graduates entering employment (72% & 71%) and continuing with further study (19% & 18%) were very similar in Northern Ireland and the wider UK.⁶

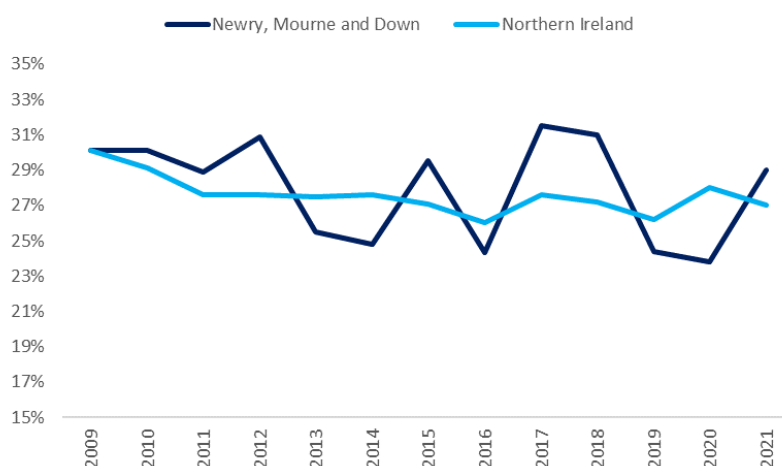
1.5 Economic inactivity

23. Similar to the employment and unemployment rate, Figure 2.13 shows an uneven trend of economic inactivity within the council area. A peak of 31.5% was observed in 2017, 7.7 percentage points higher than the lowest point of 23.8% recorded in 2020. In 2021 the economic inactivity rate within Newry, Mourne & Down was at 29%, equating to 33,000 individuals.

⁵ Claimant Count Long Term Unemployed Annual Averages which can be seen on NINIS.

⁶ HESA, 2019/2020 graduate outcomes (2022).

Figure 2.13: Economic inactivity rate, Newry Mourne & Down vs. NI, 2011-2021

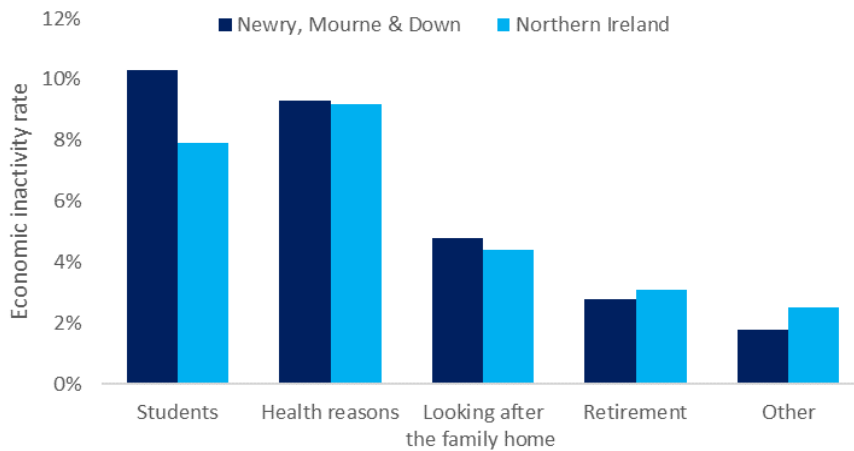


Source: NISRA (Labour Market Status - sub population, LFS)

24. Economic inactivity can be broken down into 5 sub categories, illustrated in Figure 2.14. Newry, Mourne & Down has a comparatively higher proportion of students than the rest of NI (10.3% vs. 7.9%) however, as indicated by the sizeable movements in Figure 2.13, this was not the case in 2019 and 2020 where Newry, Mourne & Down had a lower proportion of students. A similar picture can be observed for those under the long term sick/ health reasons category. One category showing the opposite of this trend is “looking after the family home”. This has declined from approximately 7.3% in 2019 and 2020 to 4.8% in 2021 and is now below the 2021 NI average of 4.4%. The Retired (2.8%) and Other (1.8%) categories have remained consistent across 2019-2021 and are below the NI average of 3.1% and 2.5% respectively.
25. Historically, economic inactivity has been higher amongst females than males, efforts have been made over the years to close this gap and offer more employment opportunities to females. However, female economic inactivity within the council area is disproportionately higher than both males and the NI average for females. Within Newry, Mourne & Down the male inactivity rate was 25.6% in 2021 compared to 24.2% at the NI level. The **gap is significantly wider when looking at female inactivity** with the Newry, Mourne & Down rate at 32.5% compared to the NI average of 29.7%. Females are more likely than males to have caring responsibilities and be inactive due to “looking after the family home”. However, Figure 2.14 would suggest that there are higher levels of females inactivity across other areas of inactivity in order to account for the extent of this difference. Further analysis would be needed to determine where this inactivity lies.
26. Not all those who have long term health conditions are inactive. For example, some people with disabilities may be capable of undertaking paid work. The disability employment rate within the council area sits closely alongside the NI average (37.1% vs. 37.3%). However, there is a stark difference between the employment rate for those with disabilities compared to those without (37.1% vs. 77.0% in the council area). More widely Northern Ireland not only has the lowest disability employment rate compared to other UK Regions but it also has the largest gap between

the disabled and non-disabled employment rate. Again at the NI level, of those disabled people who are currently economically inactive, almost one in four said they would like a job⁷.

Figure 2.14: Economic inactivity by reason, Newry Mourne & Down vs. NI, 2021

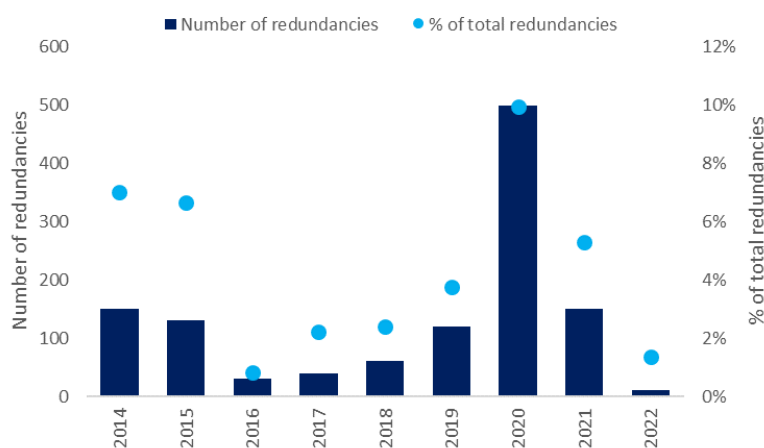


Source: NISRA, LFS user requested data

1.6 Labour market impacts of Covid-19

27. Newry, Mourne & Down was not exempt from the consequences of the Covid-19 in terms of impact felt in the local labour market. In 2020, Newry, Mourne & Down experienced 500 confirmed redundancies, a considerable increase on previous years as illustrated in Figure 2.15. This figure made up 10% of total layoffs, with only 3 other council areas in NI experienced greater levels of redundancies in 2020. This however was relatively short lived, with confirmed redundancies falling equal to and below the pre-pandemic levels in the years directly following.

Figure 2.15: Number of redundancies & % of total redundancies, Newry, Mourne & Down, 2014-2022

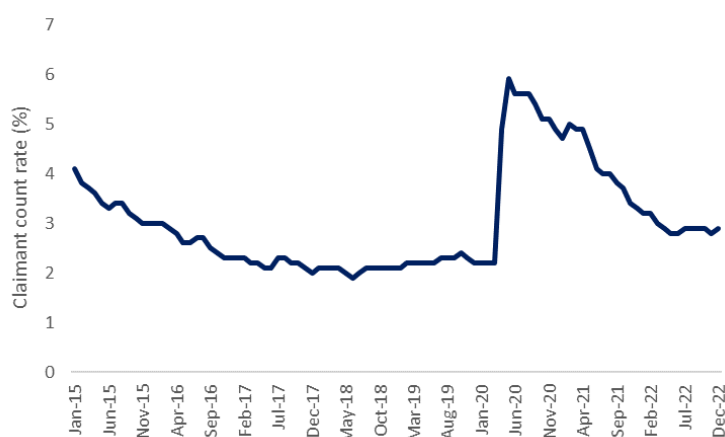


Source: NINIS

⁷ For further information please see UUEPC, Disability and the Labour Market (2022), available at <https://www.ulster.ac.uk/epc/publications/2022>

28. The number of vacancies in Newry, Mourne & Down decreased from approximately 3,200 in 2018/19 to 2,200 during 2020/21. However, **the relative proportion of vacancies** (5% of total) **remained constant**, meaning that the effects felt in the council were proportionate to those across the rest of NI. **Vacancies within the council area surpassed pre-pandemic levels in 2021/22** reflecting newer, tighter pressures on the labour market.
29. Between March and May 2020 the **claimant count rate increased sharply** from 2.2% to 5.9% within Newry, Mourne & Down (Figure 2.16), however similar trends can be observed across all council areas in NI. At the peak in May 2020, 6,600 people were registered on claimant count. As a variety of support interventions were introduced and Covid-19 restrictions eased the claimant count rate began to fall steadily. The end to the CJRS (furlough) scheme in September 2021 did not have the adverse effects to the claimant count rate as some suggested it might.
30. A more pressing issue is the rate the claimant count has “settled” at across NI. From May 2022 onwards the claimant count rate has averaged 2.85% within Newry, Mourne & Down. This increase from the 2018/19 average of 2.1% is more likely to be **permanent scarring from Covid-19**. In terms of raw numbers this increase in the claimant count rate translates to **around an additional 800 registered on claimant count in the council area** with a total of 3,165 recorded in January 2023.
31. Economic inactivity due to long-term sickness is one of the largest components of inactivity across Newry, Mourne & Down and NI. **Reducing, or limiting, the number of people moving from claimant count into inactivity** due to health reasons is of heightened importance given their likelihood of returning to the workforce once entering this category is low. This may become increasingly more prevalent over the coming years due to the knock on effects from limited access to patient diagnosis, treatment and wider healthcare during the pandemic.

Figure 2.16: Claimant count rate (%), Newry, Mourne & Down, January 2015 – January 2023

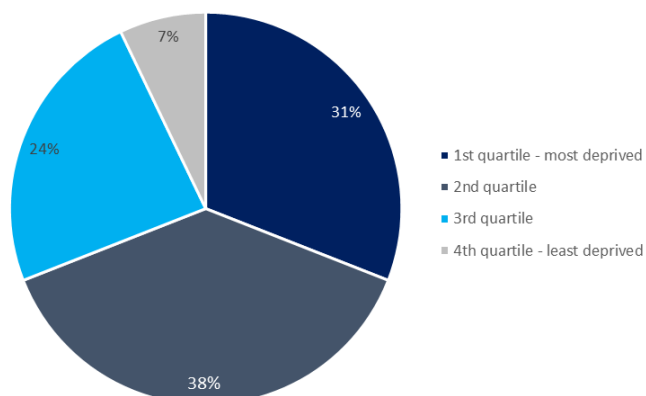


Source: NISRA, Claimant Count experimental measure

1.7 Deprivation

32. Deprivation is higher in Newry, Mourne & Down compared to the rest of Northern Ireland, with almost 70% of wards within the council falling into the 2 most deprived quartiles according to the 2017 NI Multiple Deprivation Measure.

Figure 2.17: NI Multiple Deprivation Measure by quartile, Newry, Mourne & Down, 2017



Source : NI Multiple Deprivation Measure

33. The NI Multiple Deprivation Measure encompasses 7 different pillars: income, employment, health & disability, education, skills & training, access to services, living environment and crime & disorder. Income deprivation is most prevalent within the council area with top 3 most deprived wards in NI falling within the council area. **40% of wards within Newry, Mourne & Down fall into the most income deprived quartile.**

34. However it is important to note that this 2017 material is based upon 2011 census data and there has been much change within the area over the last decade.

Table 2.2: Income deprivation by ward, Newry, Mourne & Down, 2017

Most and least overall deprived wards in NMD, 2017			
Least Deprived	Score (max 462)	Most Deprived	Score
Quoile	386	Crossmaglen	1
Saintfield	377	Newtownhamilton	2
Kilmore	328	Mullaghbane	3
Derryboy	314	Forkhill	9
Drumaness	304	Fathom	10



2. Consultation findings



2.1 Overview

1. The consultations were an important element in the labour market analysis and involved four different stages with different actors in the labour market. The table below provides detail on who was consulted and what the research set out to establish in each stage. This section of the report provides some insights from the different stage of the consultations about the following issues:

- The current state of the labour market (including vacancy levels) in Newry, Mourne & Down;
- Recruitment opportunities and challenges;
- Skills gaps and development in the area;
- (Re)-entering the labour market and the issues involved for those individuals.

Table 3.1: Consultation stages and the questions addressed

Stage	Method	Questions addressed
Stakeholder interviews (Dec 2022-Jan 2023)	Twelve consultations with stakeholders from business and enterprise agencies, education and training sector, many of whom were LMP members.	<ul style="list-style-type: none"> • Current skills outlook from their view • What can employers do to address this • What are new entrants to the labour market needing/lacking • What should the role of the LMP be.
Survey of employers (Jan 2023)	Telephone survey of up 150 local employers segmented by size (<10 and >10 employees) and broad sector.	<ul style="list-style-type: none"> • Employment outlook and plans to recruit • Recruitment practises – what are they looking for and how are they looking • Level of vacancies and length of time to fill these – differences between roles • Access to/use of training or upskilling.
Employer interviews (Feb 2023)	Eighteen consultations with employers from NMD key sectors (3 each from 6 sectors) who been actively filling vacancies in the past year.	<ul style="list-style-type: none"> • Current recruitment and skills challenges that they face • What are businesses doing to address these and what supports are they using or do they need • Future skills needs and how they define these.
Consultation with unemployed and/or inactive (Feb 2023)	Three focus groups held with (1) women returners; (2) economically inactive with health issues; (3) older workers, some of whom are early retirees.	<ul style="list-style-type: none"> • Journey – education and work – to current position in the labour market • What are their aspirations for future employment • What barriers do they face to entering the labour market and for future aspirations.

2.2 Economic outlook

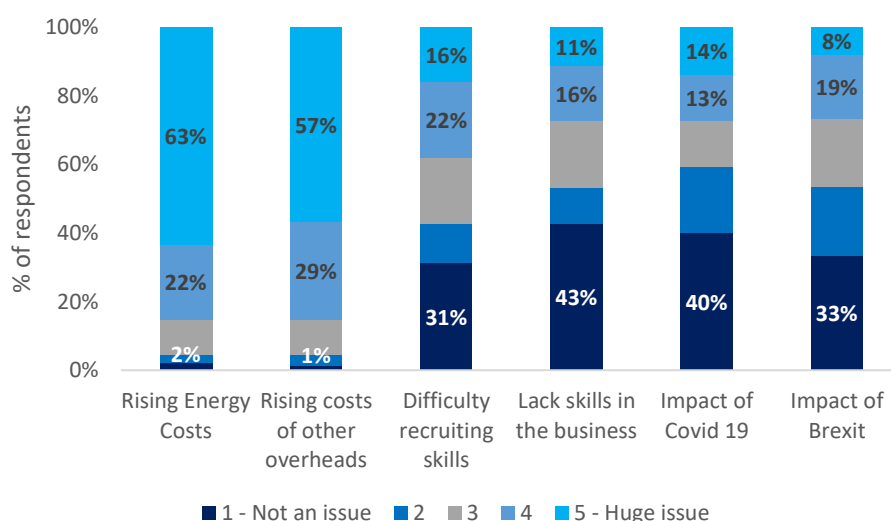
2. Less than a third (30%) of the businesses surveyed in January 2023 had seen a growth in sales in 2022 and a smaller proportion (28%) was expecting to see this in 2023. The largest group (35%) of firms surveyed saw their sales stay the same in 2022 and 43% had an expectation of similar in 2023. The survey results, reflecting that any post-pandemic bounce had largely dissipated by the end of 2022.

- This last point was backed up in the business consultations where there was a sense, especially among longer-established firms, of one crisis on top of another since 2016. This varied across the consultations with the final ones (in the last week of February) a little more optimistic with news of a possible deal on the NI Protocol and that the UK economy might have escaped recession in 2022 both being mentioned.

“Maybe there’s another great escape on the cards now for the coming year though what happens in Ukraine will have a big say on that and on whether customers decide to hold onto their cash.” (B06)

- The survey respondents identified the changing issues facing them with Covid-19 and Brexit now much less important than the pressing problem of energy and other business costs. When it came to the costs crisis very few respondents saw this as ‘not an issue’ with a large majority – almost two thirds (63%) for energy costs – reporting it a ‘huge issue’. Covid-19 and Brexit were both large issues for around a quarter of the firms surveyed, but larger numbers now see these crises as having largely passed.

Figure 3.1: Current issues facing businesses; Newry, Mourne & Down, January 2023



Source: Business survey Q9: To what extent, if at all, are each of the following an issue for your business currently?; N=150.

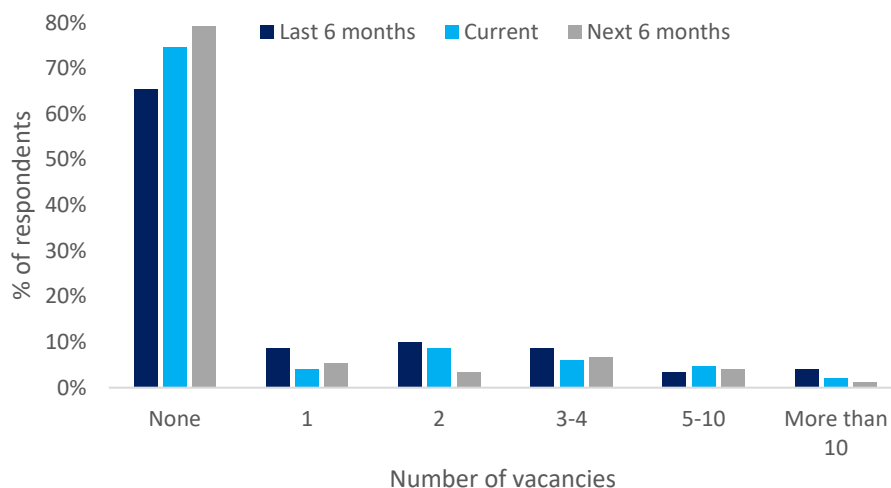
- As Figure 3.1 shows businesses were more equally divided on the difficulties surrounding recruitment with a smaller gap in the proportions saying it was ‘not an issue’ (31%) as those reporting it as a ‘large’ or ‘huge’ issue (38%). On whether or not they lacked skills in their current workforce there was more optimism with 43% saying this was ‘not an issue’, a larger proportion than the 27% who see it as more of a problem.
- Before leaving this it is worth noting that only 40 of the 57 firms reporting recruiting skills as a ‘large’ or ‘huge’ issue had actually been recruiting people at the current time or in the past year. The other 17 businesses had not been actively recruiting. This is reflected in the comments of some business consultee, who reported they were not trying to recruit at the current time because they believed suitable candidates were not there. Some were thinking of holding off, while others

said they would have to try something else, either using different methods or trying other labour markets.

2.3 Vacancies and recruitment by local firms

7. As noted above (in section 2.6), the number of reported vacancies in Newry, Mourne & Down decreased during the pandemic, down to 2,200 during 2020/21. However, the numbers rebounded in 2021/22 to 4,300 vacancies, the highest number in a decade.⁸ A number of consultees were fully aware of the sharp increase in vacancies and saw this as part of the rebound after the pandemic as firms re-opened and began to build back their employee numbers. There was a sense that this had continued into the second half of 2022 before tailing off at that point.
8. The business survey asked respondents to detail the number of vacancies they had in the previous six months (second half of 2022), how many they currently had in January 2023 and then how many there were expecting to have in the next six months (roughly the first half of 2023). As Figure 3.2 shows most respondents said they had no vacancies in any of the three time periods. The proportion of those businesses without vacancies increased from 65% to 79% as 2022 went into 2023. This is, most likely, a sign of the growing hesitancy among some firms to fill vacancies with greater uncertainty about the economic outlook.
9. One interesting point to note is that a little less than one in ten (9%) of the firms surveyed had consistently been filling vacancies now and in the recent past and also expected to be hiring in the next six months. The consultations supported the survey findings that these were often larger employers (with >50 employees) in parts of the economy with either strong growth prospects (such as ICT, areas of manufacturing and professional services) or with high staff turnover (such as healthcare, some parts of retail and hospitality).

Figure 3.2: Numbers of vacancies per business; Newry, Mourne & Down, January 2023



Source: Business survey Q10, 12 & 16: How many vacancies have you tried to fill in the past six months / currently / will try to fill in the next six months?; N=39, 52, 31.

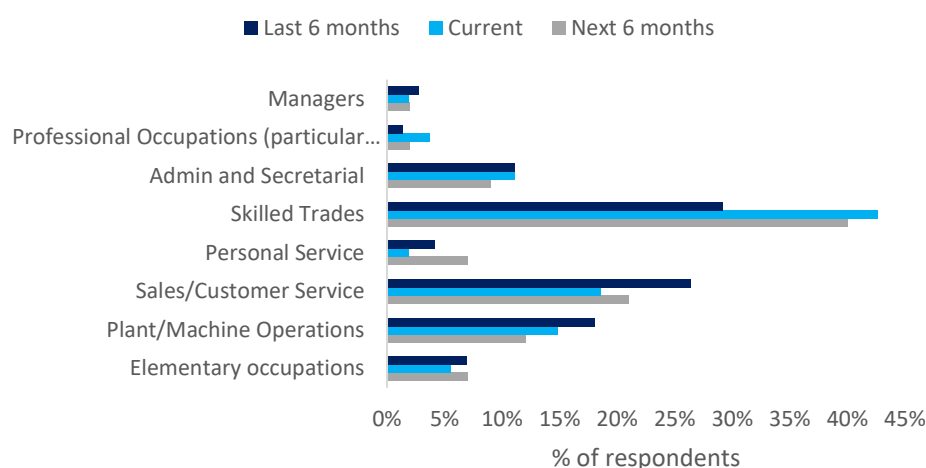
⁸ The Council area has traditionally had among the smallest number of reported vacancies per 1,000 residents for any LGD close to the levels of Fermanagh & Omagh. This may be because fewer vacancies are reported to the Jobs & Benefit Offices, or it may be that the churn of employees in jobs in the district is smaller.

10. As Figure 3.3 shows a majority of firms who had been or were looking to fill vacancies were in the low numbers (one or two). Those constantly in the market to recruit people were also looking to fill larger numbers of vacancies (more than five jobs). The consultations with businesses in this group saw some who had seen a strong recovery after the pandemic which had continued, while some were also employers who were almost always hiring, pre-emptively seeking to avoid shortages in labour.

“In our sector of the economy, since we began to bounce back after the last crash [the 2008-2010 recession], our greatest challenge has been to keep our capacity to deliver goods at the volume required and on time. We’ve responded to that by a constant stream of new apprentices, many of whom are still with us, and an almost constant recruitment effort for some parts of the business. Even before Covid we were finding this getting more difficult; after 2020 its been a constant topic of discussion at senior management level.” (B09)

11. Turning to the occupations that firms are trying to fill, the skilled trades, sales & customer service and machine operatives are those most in demand in Newry, Mourne & Down in each of the three time periods. The firms looking for skills trades ranged across a number of sectors, not only Construction but also Manufacturing, ICT, Hospitality and retail (probably in the warehousing and transport side).

Figure 3.3: Occupations to be filled; Newry, Mourne & Down, January 2023



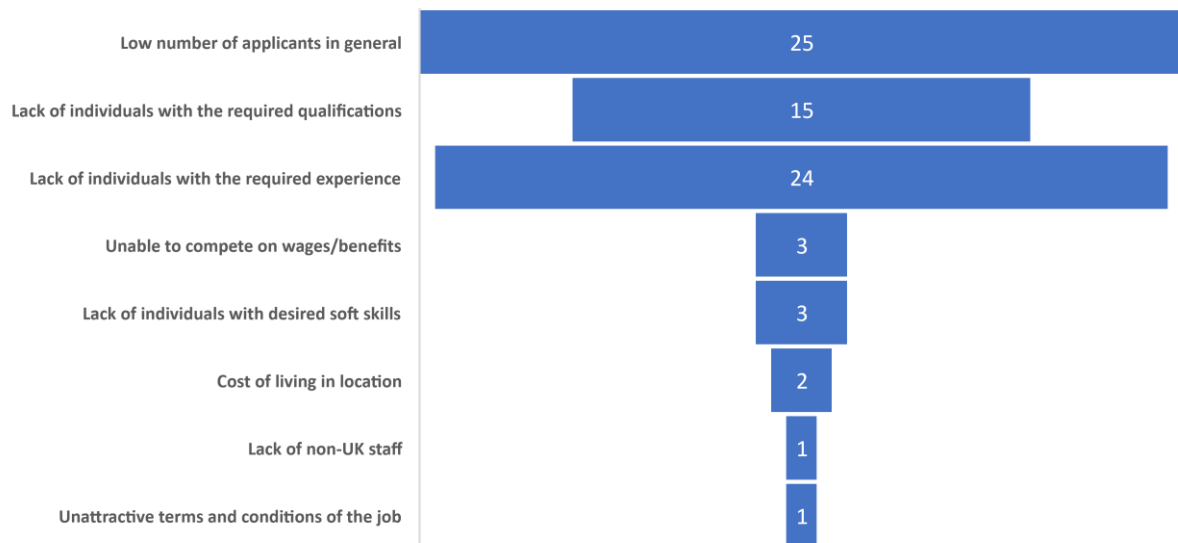
Source: Business survey Q11, 13 & 16: What occupations are / were / will you trying to fill?; N=39, 52, 31.

“The skilled trades jobs are now harder to fill and even harder to keep people in them for any length of time. Part of that is the wages on offer, especially not far across the border, to do the same job. But it is also that the attraction of working for yourself as a contractor – this applies to us as a tech business but equally to building firms – is coming earlier and earlier to staff and not just the last 10 or 15 years of your working life.” (B03)

12. Those businesses who were trying to recruit within the last six months were asked about how long they had taken to fill their vacancies or whether they had been able to do this at all. The largest group (43%) filled their within 2 months with another 28% filling the vacancy in 3-4 months. However a small but significant group (15%) had not been able to fill their vacancy at all, rising to almost a quarter of all skilled trades vacancies.

13. Those trying to recruit were asked whether they faced challenges in the process and just over a half said it was either a 'large' or 'huge' challenge. There was a strong correlation between these respondents and those who had taken more than two months to recruit or had been unable to do so. For the fifty businesses who had faced any sort of challenge when recruiting the applicant pool was the difficulty. As Figure 3.4 shows the lack of necessary experience or qualifications were the issue the firm faced in many cases, something that can often be the case in recruitment exercises. However, the problem cited most often was that of a low number of applicants to choose from, half of the respondents choosing this option.

Figure 3.4: Difficulties faced when filling vacancies; Newry, Mourne & Down, January 2023



Source: Business survey Q18: If you have had difficulties filling vacancies, what have these been?; N=50.

14. This point was also raised in the consultations and the consultees highlighted particular problem areas, including:

- Not being able to get the necessary qualifications, especially in some trades and professions where these are absolutely necessary.
- The disruption to the economy during the pandemic has meant that the requirements around experience are much more difficult to fill than was the case previously as people might not always have the one or two years needed.
- An absence of other skills – literacy, numeracy, digital – can sometimes only become clear after the recruitment exercise had been completed. When probed on this the consultees were clear that these problems were not as prevalent today as they might have been ten or fifteen years ago. When it comes to digital skills there is also an issue for consultees of not being sure what to expect level of expertise staff should have in this area.
- The issue of 'soft skills' (which include time management, teamworking, customer handling, etc) provoked some discussion which was less about specific areas of skills and more around a sense of 'professionalism'. A number of consultees felt this was missing among some new staff though they found it difficult to articulate exactly the types of things lacking.

15. When asked about smaller pools of candidates a number of consultees put this down to a lack of available people in the area, either because of those who were commuting cross-border or to

Belfast for work, those able to work remotely for their current employers and thus not in the market for new opportunities (though this does not apply to many of the vacancies being referred to, given the nature of the jobs), or those who had “left the workforce”, especially among older workers.⁹ The consultees, generally, had a feeling that Newry, Mourne & Down was in a state of full employment where there were few available applicants and questioned whether even a downturn in the economy would change matters much.

“Long story short, I think we may be looking at a time when the greatest scarcity will be workers for local businesses. We’ve tried to fill a few roles in 2019 and then again last year [2022] and, in both cases, we got very few people coming forward. The roles were not technically demanding, the hours were good and the second time we went out we increased the hourly rate but we could only get one person when we needed two. The colleges were really helpful pushing some people our way for placements and work experience but we didn’t seem to be able to fill the jobs on a permanent basis. Just not sure where the people are to be honest but you get the feeling there are jobs out there if you want them.” (B14)

2.4 The potential to (re-)enter the labour market

16. A critical part of the research has been the three focus groups held with different cohorts – females with caring responsibilities (SG1), people with health conditions (SG2), older workers (SG3) – all of whom would be declared to be economically inactive and therefore currently outside the labour force in Newry, Mourne & Down. As noted above in section 2.5, there were 33,000 people in the Council area who were economically inactive in 2021, 29% of the those aged between 16 and 64. A third of this number are students in further or higher education with the others inactive because they have caring responsibilities, health conditions or have retired early (ie: before turning 65).
17. In NI more generally in 2022, approximately 15% of the economically inactive **would like to work** with the largest groups among the sick, those with caring responsibilities and those who have become disenchanted looking for work after losing their job.¹⁰ These are most likely the groups with the highest number of returnees to work, not least for a longer period of time. (Research from Ireland suggests that the transitions from inactivity into employment are led by students and those with caring duties, with only 7% of those inactive for health conditions going into employment in 2021.¹¹) The focus groups centred on those who are currently economically inactive for reasons of ill-health, caring responsibilities or had left the workforce early, but with all expressing a desire to work.
18. A number of the stakeholders consulted made the point that even getting to that place where people who had been out of the labour force for some time – perhaps raising children, or had lost their job and struggled to find another, or had left work for health reasons – decided to try and return was a momentous decision.

⁹ The data, at least for NI as a whole, does not support the idea of a ‘great resignation’ among older workers but this idea has taken hold in the public mind.

¹⁰ For more detail on this see <https://www.ulster.ac.uk/epc/labour-market-intelligence>

¹¹ Sólas, *National Skills Bulletin 2021* (2022).

“Any of our pre-engagement efforts in the community almost always come up with the belief that returning to work or education is ‘not for me’ or ‘I would fail before I’ve started’. To get past that point takes a lot of support and encouragement not only from us as professionals but also from the individual’s family and friends network.” (S04)

19. This view was echoed in the focus groups, especially those for females or for those with health conditions.

“I wouldn’t have been sure that I would ever try to go back to work. The last job I had was when I was just out of school and I worked in an office for five years. My kids are now that age and at the college. I’m keen to see what work is like now, as I always enjoyed it when I was doing it, and a part-time job with some extra money would be great for me.” (Participant, FG01)

“I’ve had health problems for years now and a really patchy work history that I’ve been a bit embarrassed by. One of the neighbours here convinced me to try a training programme to take me out of the house and had some work placement experience. I’m with a local employer whose vans I’d often see passing the house. Didn’t expect to be going to their office and am now thinking about going back to FE to get some more qualifications.” (Participant, FG02)

20. The education and training providers who were consulted were keen to make the point that the interventions they offer – whether return to study or entering work – are targeting ‘hard to reach’ groups and that getting people to come in the first few sessions is a success. A lot of the hard work is done in pre-engagement and convincing those who have been outside the workforce longer-term to take a chance on the particular intervention.

2.5 Barriers to (re-)entry for different workers

21. The stakeholder consultations and focus groups spent a significant part of the time on barriers facing those who would be classed as economically inactive. This section provides some of the views expressed on the barriers that some of the economically inactive can face, listed in no particular order.
22. **Previous work experience:** This was a point discussed across all three focus groups with the recency of experience, the sector worked in, and the terms and conditions of previous work all being brought up.¹² The focus group for older workers was one where more than 90% had previously worked, many of them within the previous three years and often (but not exclusively) in skilled trades and machine/plant operative occupations. The other two groups had very different experiences with very few of those with health conditions having any work experience, while more of the females with caring responsibilities had experience (perhaps one in four), but it was some time ago, often five or more years past. For this group there was a similar concentration of experience in particular sectors, including retail, hospitality and healthcare and the conditions were often casual or part-time.

¹² Recent research from the Economic & Social Research Institute (ESRI) in Dublin has pointed to precarious previous work (including short-time working, casual employment, etc) being a factor which can create a greater propensity for long-term unemployed among those who lose their job. See ESRI, *Predicting the probability of long term unemployment and recalibrating Ireland’s statistical profiling model* (October 2022).

“We operate on the need to understand what were the reasons for someone leaving the labour force or losing their job and finding themselves unable to get another one. The longer you are in this sector the more you realise that the ‘stick approach’ does not work and, in most cases is never needed in the first place. People often want to work but feel the jobs that are on offer will not prove a lasting solution for them.” (S02)

23. Some, often older, participants were keen to stress that having worked previously gave you the experience of a regular structure and the comfort of the income that came from a job. However, previous work experience can act as a disincentive or barrier to want to go back to work. This is especially the case when you had not liked the work, had worked for a long time (one reason why fewer older workers than other express the desire to return to work), or the nature of the work was precarious or casual.

“My last job, even though its more than four years ago, made me wonder what was the point of working as I never knew what my hours would be from week to week, everything was casual, even the way we were let go. Returning to work to that same old, same old would seem pointless so I don’t want to go back to that type of job again.” (Participant, FG01)

24. **Availability of qualifications:** The link between a higher tendency to economic inactivity and lower levels of, or no qualifications is well-established, with the one exception being a proportion of early retirees, such as those who have worked in professional and managerial roles. The impact of the availability or otherwise of qualifications was something that the focus groups also identified as a barrier, this being particularly the case made by younger members (aged 18-30) of the two groups for females with caring responsibilities and people with health conditions. A feeling of exclusion from opportunities was emphasised by a number of participants,

“I did okay in my A Levels but didn’t get past that stage and, as I developed some health issues, I’ve struggled to stick with going back. I’m hoping now to look at a Foundation degree or access course and, maybe with the right backing, I’ll be able to gain some more independence than I have at the moment.” (Participant, FG02)

“I have no qualifications at all and never needed them in the jobs I did. First time I was asked was after I turned 50 which seemed strange after all those years not needing any. Not sure how you would get started now if you didn’t have the piece of paper as well as some experience. One of those things that was definitely easier in the past.” (Participant, FG03)

25. **Age:** This barrier was strongest among older workers and, in addition, with women who had been out of the labour market for 10 years and more. The feeling was that they would be considered ‘past it’ and their technological or digital skills would not be considered strong enough to be given a chance in many jobs locally. There is research that it is among younger people – those with no sustained track record in employment – that age is the strongest barrier, but the focus groups did not reflect that to the same degree.¹³

26. **Health conditions:** As noted above those who are inactive for health reasons tend to be among the larger group of inactive but the smallest group who transition back into employment. By itself,

¹³ David Raffe, ‘Exploring national differences in education-work transitions’, *European Societies* (2014), 175-193.

this suggests that this group would be ‘furthest’ from the labour market and, as a consequence, most in need of sustained support. One reason can be that many of those with health conditions and who previously worked, have not been in employment for a significant number of years and this came up in the focus groups. At the other end of the spectrum there were also those with ill health or disabilities who had never worked or had the chance to work and worried that employers could not work with them to make it possible to enter and stay in the labour market.

“It’s a long time, three years or so, since I was last working because of my injury and though I’d like to go back to work and miss what comes with it (the banter and what have you) I feel like I’m out of the way of it now. In this group I can see that my injury doesn’t stop me doing everything but I don’t know how that would go if I was in the job five days a week. Maybe looking at part-time work might be the better option, probably better than getting old before my time.” (Participant, FG03)

“My mental health problems are such that I can need to be absent at short notice or to head home if needs be. I know this is hardly the way to convince an employer to give you a chance and even those who want to do more about inclusion could struggle with what they see as me ‘coming and going’. However, I’m on a work placement at the minute and seem to be able to handle things a lot better when I don’t feel like I’m under pressure because people assume I’ll not turn up. It’s working okay and the training organisation have put good supports in place for the employer as well as me. Maybe the placement can lead to something more longer-term.” (Participant, FG02)

27. **Household finances:** This discussion area was a focus on the ‘traps’ associated with entry into the labour market and whether training or employment opportunities offer sufficient financial incentives and support services. A key and repeated point made here centred on benefits and the point that generally has to be made about not losing these if entering a return to work programme or other intervention. Another perceived barrier around benefits is the strongly-held belief that if you come off Universal Credit you go to the end of a long waiting list with little support until a fresh claim is processed. A further point being made – especially by those with health conditions – was that their household incomes could be disrupted depending on the employment (or otherwise) position of a partner. In sum, there is considerable confusion and suspicion around the question of benefits, tapering of these depending on hours worked and the whole nature of the reformed welfare system.

“I’ve been told by good sources [among the training providers] that I won’t lose my benefits and can work a certain number of hours without any problems. The difficulty is that everyone else tells me the opposite and I’m worried about taking the risk here.” (Participant, FG02)

28. **Rural locations:** The statistics would tend to point to higher levels of economic inactivity and unemployment in urban as opposed to rural areas. Two exceptions to this rule are higher rates in rural areas for females and for those with disabilities, something often allied to access to a wider range of employment opportunities. This was echoed among several business and stakeholder consultations in more rural part of the Council area where they spoke of not offering the same variety of job opportunities or flexibility that would be available in the larger towns in the district.
29. **Transport:** Access to some form of transport links is regarded as a critical element of being part of the labour market – be these public transport (largely buses in Newry, Mourne & Down or trains

to and from Newry) or to a car. A number of the focus group participants cited a lack of transport as something that would severely limit the extent which they could travel for work, especially if they had caring responsibilities.

“I’m planning to try and go back to college or work within a year but will really need a car to do that or probably some support with bus costs. Bit of a chicken and egg for me – do I get the car first to get me to where I need to get to, or do I try and work and save for it?” (Participant, FG01)

30. **Childcare:** Research elsewhere has also shown that, for younger women with dependent children, higher educational attainment does not provide the same level of protection against becoming distant from the labour market.¹⁴ This was supported in the focus group held with females with caring responsibilities, many of whom had A levels and more qualifications. However, there was a stress laid on what they see as a lack of worthwhile work opportunities locally (ie: within a 5-10 mile distance) and the unavailability of affordable, quality childcare. These result in what is regarded as a high bar which disallows many women accessing the labour market. Interestingly, there is also a sense among older workers or early retirees that the provision of childcare by them means a turn towards more part-time or casual work opportunities – not the same as flexibility.

“I’d like to go back but cannot solely rely on my own parents to carry the load, at least until the kids are well into primary school. It’s hard even to get a child-minder locally and then you need a job that is not far away, in case you are needed. Doesn’t make sense for me to go beyond a ‘returners’ course at this stage – the placement part of it showed me that it would be a nightmare to do.” (Participant, FG01)

“There’s a joke amongst us that we’ve never been busier now, far more so than we were at work. A good number of us [men] are doing far more childcare now with grandkids than we ever did when we were working. Not a bad thing, but not sure where I’d fit in work now!” (Participant, FG03)

31. The research has identified a gap between what those seeking to (re)enter the labour market might want, in terms of supports in general and flexibility in particular, and what employers might be prepared to (or able to) offer. The sense that the burden cannot fall wholly on either side of this coin is very strong and reinforces the research pointing to the need for a holistic approach to bringing the inactive back into the labour force.
32. The consultations pointed to a mixture of barriers, rather than one cause, being behind the difficulties in accessing the labour market. There was also the suggestion that employers needed to fully understand the challenges that some employees, especially those with health conditions, might face and the need to be accommodating to this and ask for support in their planning.

¹⁴ Sue Maguire, ‘Who cares? Exploring economic inactivity among young women across England’, *Journal of Education & Work* (2019), 660-675. Data from the LFS (at NI level) showed that, in 2022, women with dependent children had higher employment rates than those without in all ages except 25-34 years old; see [Families and the labour market, Northern Ireland - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk/families-and-the-labour-market/northern-ireland) [accessed 21 March 2023].

“There should be no doubt that businesses might feel like they will be taking a chance on some of those we work with [on our programmes], but we want them to know they won’t be left alone – either the trainees or the employers. It’s all about the follow-through.” (S06).

“A job would be only part of what I’d need into the future. My health conditions are pretty bad and complicated and will need long-term care so I’ll have to manage that alongside working. I’m fairly sure I’d look like a less of a sure thing than someone else without my health problems but also that, if I got the chance and was able to work with other people for a while, some of my fears and their worries would probably get less. At least, I hope that would be the case.” (Participant, FG2)

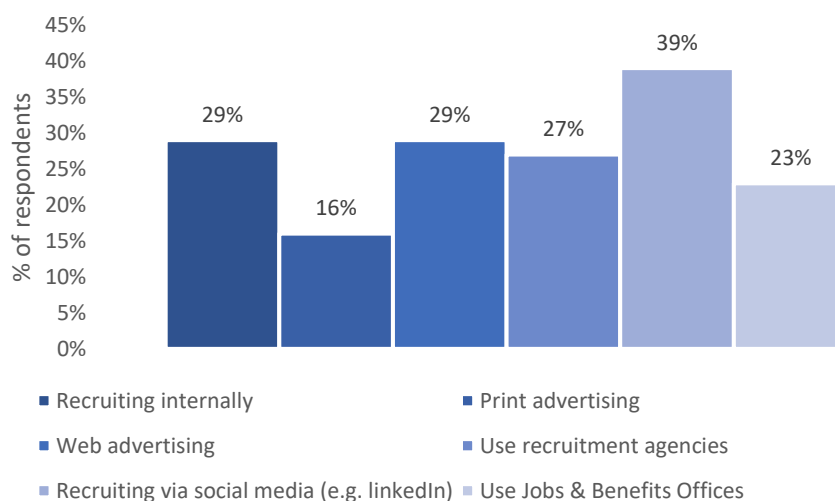
33. The business consultees – or those who draw largely on the local labour market as opposed to mainly recruiting further afield – expressed some keenness to look at what potential staff exist outside the employed cohort. However, there was some stress laid on these potential recruits having been **recently employed** or else having **recently left education**.

“I’m not sure about taking the risk with someone who hasn’t been in work for a while or is not at the start of their working life. I wish it were otherwise and would like to give people the opportunity but perhaps on a basis that puts less push on me having to follow-through with a permanent position. It’s not just at the point of being harder to find people than it is to get rid of people if it doesn’t work out. Nearly at that point, but not quite there.” (B12)

2.6 Employers and re-thinking recruitment and retention

34. When recruiting staff, employers in Newry, Mourne & Down use a combination of the traditional methods, such as the local newspapers and Jobs & Benefits Offices (JBOs), and newer online channels. The role of the seven JBOs in the Council area remains an important one, used by around a quarter of all respondents. This is particularly the case for many of the vacancies requiring lower qualifications and for some sectors (healthcare and retail are two that stand out in the consultations) which offer a range of types of positions – full-time, part-time and more casual.

Figure 3.5: Usual recruitment methods; Newry, Mourne & Down, January 2023



Source: Business survey Q19: What methods or channels to you usually use to recruit staff?; N=150 (could choose more than one option so the percentages do not add to 100%).

35. As Figure 3.5 shows, social media and web advertising are two of the most popular recruitment methods now as firms realise that these are often the first place potential employees look for openings. The respondents were also clear that they did not ignore tried and tested route for filling roles, such as recruiting internally (used by 29%) and specialist agencies (27%). Consultees were quick to see the agency route as one for filling vacancies quickly, in particular when a number needed to be done. Internal recruitment has become more popular, according to some consultees, as pools of external applicants have become smaller and this is also a way of reducing some of the risks attached to hiring new people. Of course, the issue of back-filling posts then becomes the next recruitment exercise.

36. There is an overlap between those respondents who have not used newer methods and those finding it difficult to fill vacancies. But, as a number of consultees focussing on skilled trades and even in the ICT sector were keen to say, the online world would not replace word of mouth, local recommendations or the experience of recruitment agencies.

“We’ve been using the online channels for a few years now, especially Twitter and LinkedIn, and the website advertisers but I keep being told by our HR people that most of the staff have not initially seen these adverts but have been told by friends or family about many of our vacancies. It seems strange to me as we are a tech firm and live on Twitter and other platforms but word of mouth remains very important to getting the news out for filling a lot of our roles.” (B07)

37. Businesses were also asked whether there was anything they had done to address recruitment difficulties in the past two years or were planning to do so in 2023. Given the numbers who were not actively recruiting it is not surprising that around two thirds of respondents said that this did not apply to them and wasn’t an issue to concern them. Of those that it was a concern to, 10% ‘felt there was nothing to do’ (which rose to 14% for the year ahead) with the same proportion deciding they needed to increase the salaries on offer. Average wages paid in Newry, Mourne & Down have been increasing in recent years, the 5% rise in full time weekly wages in 2022 being ahead of the NI average of 2.9% and the gap between workplace and resident wages is closing.¹⁵

38. Only small numbers of respondents were looking at their recruitment practices to see if there was something they could do there. Very small numbers of respondents were thinking about offering greater flexibility, attracting interest through work placements or rethinking about the qualifications they look for. Consultees – especially those in larger businesses or in ‘white collar’ sectors – were more forthcoming on these issues though it is fair to say they largely saw them through the lens of existing rather than future employees. One newer approach to recruitment – based on personal strengths rather than qualifications and competences (based on previous experience) – may offer another different route to ‘ruling in’ rather than ‘ruling out’ potential candidates.

39. One consultee, with long experience in the private and public (health) sector, made the point that businesses in Newry, Mourne & Down may not be thinking enough about a future where potential staff are less plentiful:

¹⁵ More can be found in the 2022 ASHE data, some of which can be found in the Local Labour Market Insight dashboard at <https://datavis.nisra.gov.uk/communities/local-lmi-dashboard.html>

“The fact is that we have moved on from a time where vacancies could be filled by education leavers, by people, often men, who had become unemployed and were keen to get back into work, or later by new arrivals coming into the North from new EU members states or further afield. We’ve not, I think, locally arrived at the place where those coming out of school or college, and those at a remove from the labour market, including women and those with health issues, are our main source of labour. Thinking outside the box about tapping into new groups for staff will be the next challenge.” (B15)

40. In a tighter labour market there can be a growing sense that a business needs to be promoting itself in some way, not only to future employees but also to their parents and guardians. In Newry, Mourne & Down the consultees had mixed views on this. Some, especially those with strong local presence due their size, longevity in the location or role within the local community (through sponsorship, etc), were dismissive of the view that this was something they needed to do. Others, however, did feel it was a necessary part of wider promotion and creating a future pipeline of potential employees among school students in particular.

“We’ve done some school events and college job fairs before Covid and again last year and were struck by the views that ‘we didn’t know such and such a job would be available with you’. If we want to be here in ten years time we will have to put time aside to do this promotion work.” (B03)

41. However, when asked three quarters (77%) of the business survey respondents said that they were not adopting any methods of promoting work roles, either because they did not have the time/resource to do so or saw no need to do so. The most popular method being used – by 12% of local firms – was to offer work placements to either school or college students – and consultees also felt this was an effective way to spread the word about how they operate. A sign that the schools and FE colleges work well with some businesses is that 8% of the survey respondents would participate in talks at schools and job fairs, and some did both. A smaller proportion (4%) do other things such as school awards, sponsorship of sports teams, etc.
42. **Apprenticeships:** The most common route of transition from education into businesses in Newry, Mourne & Down is the apprentice route. In July 2022 the statistics point to 985 apprentices (500 Level 2 and 485 Level 3) and 149 Higher Level Apprentices (approximately 80% at Level 5) enrolled from the Council area. This equates to 101 apprentices per 10,000 of the working age population(16-64 year olds) placing the Council area third behind Mid Ulster and Armagh City, Banbridge & Craigavon for the highest adoption rates. The consultees were positive about the range of apprentice options on offer now and the new ones (megatronics, QS and financial technology) coming on offer every year to meet industry demand.
43. The consultees also pointed to strong and repeated demand from some employers but felt that this could still be expanded and that there remained plenty of work to do with smaller firms and some who were cautious about the resource needed. The business survey asked respondents whether they currently had any apprentices on their books and 70% did not, with a much higher rate (88%) among firms with less than 10 employees.
44. For those respondents who did have apprentices on the books the emphasis was on the Skilled Trades, Sales and Administrative occupations (these took up two thirds of the roles). The leaning towards Level 2 and Level 3 apprenticeships – in terms of absolute numbers – was also emphasised

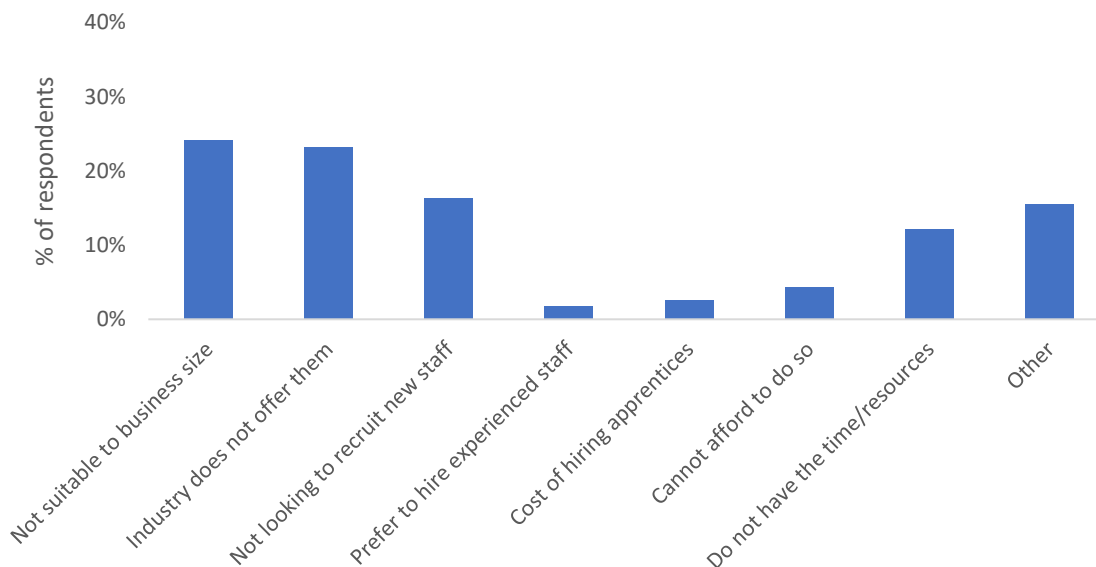
in the consultations. Businesses are very keen on the expanding range of HLAs now on offer and also the rolling out of new Skills Academies, but the ‘more traditional’ apprentice roles are regarded as critical to the local economy.

45. Those who do not currently have apprentices were asked why this was the case. As Figure 3.6 over shows there are practical reasons for not doing so, including there being no need to recruit new staff (16% of respondents), that it was not suitable to business size (24%) or sector (23%). For those businesses who might consider the time/resource, including cost, were the prohibitive features. This was echoed among those consultees who had considered the option and then turned it down.

“It is something that we’d like to do and have gone as far as talking to the college about, but we have always paused because of the time we feel we’d have to put into the apprentice. You’d be worried that it might end up not being fair to them and not being as much use to you as you’d hope. Feels like an experienced hire might have to come before that option.” (B11)

46. More optimistically not one respondent answered yes to the option that ‘previous apprentices had not worked out’, suggesting that for those who go down this road it is generally a positive experience.

Figure 3.6: Reasons for not having apprentices; Newry, Mourne & Down, January 2023



Source: Business survey Q27: Why does your business currently not use apprentices?; N=107 (could choose more than one option).

47. The retention of staff always becomes a bigger issue in a period of employment growth and greater opportunities for workers to move elsewhere. Consultees referred to the need to reward and recognise the work of employees but expressed a worry about setting ‘unreasonable precedents’ and wondered if this was a passing phase. Other referred back to the period of Covid-19 and the concern that people would not come back to their jobs, especially after furlough, but what they then found more relevant was a changed attitude to work and how many jobs might be done differently.

“We have looked at the whole issue of retention and, so far, remain of the view that there is a greater danger in changing terms and conditions in a way that could not be reversed. Feel we should wait and see how long this phase of greater demands lasts.” (B11)

“I firmly believe and tell my fellow local employers that they need to realise that the world of work has changed for good and that rewards such as pay and bonuses will have to be accompanied by an understanding of the wish for greater flexibility. Otherwise, I’ll happily welcome their best employees to come and work for me.” (B07)

48. One of the steps being taken by businesses, both to address recruitment issues and to retain existing staff, is that of offering training. Many companies by fewer than one in seven (13%) of the firms surveyed, was to look at training existing staff.

2.7 Enablers of a vibrant local labour market

49. The key to a flourishing local labour market has always centred on the extent to which there is a good balance between the number and quality of job opportunities, and the number and quality of candidates for these opportunities.¹⁶ The consultations highlighted a number of elements that they believed need to be in full working order for the labour market in NMD to be operating in the best possible balance.

50. **Jobs & Benefits Offices (JBOs):** The seven JBOs across the Council area are an important part of the labour market system in NMD, providing a local point of contact both for those who find themselves out of work and employers looking to recruit staff. As noted above, one in four (23%) of those businesses surveyed use the JBOs to advertise vacancies, often alongside other means. Those working in the JBOs believe the diagnostic work that their work coaches do and the availability of the Advisors Discretionary Fund can certainly help many of those who come through the doors.

51. Likewise, businesses who use the JBOs feel that much of what they need can be gotten within the system, though they do find that the Universal Credit (UC) system is hard to navigate, especially in terms of hours worked, and would like to see a more consistent level of service.

“I had my preconceptions knocked a few years back when we first used the Job Centre, about the level of knowledge there was in there on the local job market. But, when we went back after 2020 it was a different story and we felt that this knowledge had disappeared. Too much depends on the point of contact you get.” (B02)

52. There may be a temptation to change the conditionality regime around UC to ensure ‘sanctions will be applied more rigorously to those who fail to meet strict work-search requirements’.¹⁷

¹⁶ In the absence of the first people will move to live and work in other places or can often remain in a frustrated state, economically inactive, unemployed or under-employed (for the qualifications they have or the hours they would like to work). In the absence of enough skilled workers businesses will either look elsewhere for staff or be forced to raise wages or hours worked by current staff.

¹⁷ Chancellor Jeremy Hunt, quoted in Sarah O’Connor, ‘Now is not the moment to push people into any job’, *Financial Times*, 21 March 2023.

However, research has shown how this can merely either push people into low paying, part time work or to change to the conditionality regime of ‘No work requirement’ (which applies most often for those with health conditions).¹⁸

“The Universal Credit system is a minefield for people. It [welfare reform] was meant to work as something which provided a push for people to get into work with the offer of in-work financial support, but its become something which does little to address the factors why getting into work – for some people – is much harder than for others.” (S08)

53. **Training provision:** There has been an expansion of offerings in training in the past decade, much of this offered by local organisations (eg: Clanrye Group), others offering NI-wide supports and the two FE colleges (SRC and SERC) who cover the Council area. These range from the general programmes (eg: Skills for Life & Work, open to school-leavers with a need for more qualifications) to the business or sector-focused interventions (including Assured Skills Academies). Other provision targets those with disabilities, women returners and other groups who are currently outside the labour market.
54. The business consultations highlighted both a confusion about the different offerings and how the firms, especially smaller ones, could find out more, and a positive message of how those businesses who build relationships with training providers can benefit from these.

“We’d never considered working with training providers in the past but some of the best staff we’ve got in the last few years had been inactive for various reasons and came to us through training interventions. Really opened my eyes to what abilities people have when given half a chance and with support behind them.” (B16)

55. The consultations also highlighted two clear risks for the providers. First, that EU funding (especially ESF-supported programmes) will not be adequately replaced in the current year and this will mean less provision as well as the loss of skilled staff, many of whom have worked in the training space for long periods of time. Second, that the expectations of what can be done in a short timespan (in terms of weeks) are over-blown and that the need for wrap-around, longer-term supports – in particular for those inactive for a period of time – should not be ignored.
56. **Careers guidance:** The offering of careers advice to both young people and also those seeking to re-enter work is known to be a critical part of any labour market. Careers guidance is currently available through the schools-based system, the Careers Service of 10 local advisers working with Years 10 and 12 in schools, careers specialists in the FE colleges and other specialists and mentors who work in the JBOs. The consultations identify a strong opinion that there is a variable standard in the advice given and also the incentives with some belief that advice sometimes was to drive young people into staying in educational institutions (this, as some consultees pointed out, being close to the wishes of many parents). There is also an allied sense that the awareness about ‘differing pathways for different people’ remains low among many parents and guardians.

¹⁸ Research which looked at the application of conditionality to lone parents since 2008 has found the ‘jury was still out’ on whether any savings had been made; Hoynes, H., Joyce, R., and Waters, T., ‘Benefits and Tax Credits’, Institute of Fiscal Studies Deaton Review of Inequalities (2023).

57. A different point, identified in a recent review of careers guidance in NI¹⁹, is that careers guidance is too often under-resourced (£3.15 per capita in NI, compared to £9.32 in Wales) and needs to be further embedded into the communities it serves.

“Careers guidance remains a poor relation to other parts of the education system and that needs to change. The resourcing of it remains a recognised barrier to a serious engagement on a one-to-one, personalised basis with those who need it most. This is as true in South and East Down as it is in any other part of Northern Ireland.” (S01)

58. **Engagement between business and education:** A greater level of engagement has long been a goal of both education providers and business representative organisations and there have been a number of efforts through on skill forums, Chamber events as well as other meetings over the years in NMD. The appetite for this work is quite strong, though time always remains an issue for other involvement outside the ‘day job’.

59. There are, however, challenges that remain to be overcome in this engagement. One is that getting agreement across groups of employers, including at the sectoral level, can be difficult once the engagement gets into the detail of what is needed. Second, there is a need for schools and colleges to reflect what is needed in their local areas. This can be very different in rural areas, as opposed to urban ones, or in those parts of the Council area which have a greater focus on the Belfast labour market, given their geography.

“Our business members have gotten better at this engagement in the past number of years, especially with the FE colleges who always give the impression of being keen to work with us and to listen to what we might need from skills academies or apprenticeship programmes. The 14-19 year old group is still largely hidden to us and that’s the next challenge to meet.” (S04)

2.8 Role for the Labour Market Partnership

60. Many of the business consultees had not heard of the Labour Market Partnership in NMD before being contacted for the research. This can be explained by the newness of the organisation, though there was a general welcome for something that could lead to greater levels of partnership working in the Council area.

“We need to see even more partnership and engagement between us all in the area in this labour market space. Local people deserve to see us all working together for their benefit rather than competing for our own organisation’s benefit.” (B12)

61. A clearly-defined role for the LMP will be a key to success according to those who work in the employability space. Two words that came up a number of times when asked about the role for the LMP was ‘coordination’ and ‘promotion’ with less of a demand for active engagement in what is perceived to be a crowded space.

¹⁹ Deirdre Hughes, *Transforming careers support for young people and adults in Northern Ireland* (Department for the Economy, March 2022).

“Sign-posting, mentoring and bring us together to encourage greater levels of collaboration between training providers, schools, colleges and Job Centres seems to us to be the way forward. The Council and LMP can provide a strong voice with the different Departments for Communities, Education and Economy which would be a good thing.” (S03)



3. What works?



Case study 1: Women returning to the labour market

Women Returners Program (Scotland)

Organising body: Skills Development Scotland

Target group: Women aged 25+ living in Scotland.

Need for the program: Skills Development Scotland identified that the underemployment rate of females was increasing at a faster rate in Scotland than the rest of the UK. Women in Scotland have a lower employment rate and a higher unemployment and economic inactivity rate compared to men. They also evidence the struggle of women to return to work following a career break due to the following barriers: lack of access to flexible working to support care commitments, lack of confidence due to lack of up-to-date work experience and lack relevant skills. This has a tendency to lead to limited job choices in lower paid, part time work and can experience pay inequality, under employment, job insecurity, and a lack of opportunities for development and career progression.

Aims of the programme: To reduce the gender pay gap in Scotland, improve women's economic position in the labour market and deliver fair and inclusive economic growth.

Eligibility: Participants must have worked prior to their career break. They must have been out of work for 6 months or longer due to childcare, health or other caring responsibilities.

What the program entailed: Women Returners Program provides free support and training to help women restart their careers following a period of absence. Support is tailored to individual needs and includes a range of services from the following options: mentoring, peer support, networking, IT skills, CV building and paid work placement with an employer (4-12 weeks).

Program delivery: There are 5 main stages to the Women Returner Program.

- Initial assessment to identify the Participant's skills and experience and any barriers to employment
- Production of a Learning Plan to address the barriers to employment
- Activity that offers tailored interventions that will support the removal of barriers to employment
- Activity that proactively supports and facilitates progression to other providers or stages of the strategic skills pipeline
- Activity that can provide evidence of achievement of an outcome (employment, gaining a qualification or entering further or higher education) or evidence of progression to higher stages of the strategic skills pipeline.

Participation is limited to 30 hours per week in any combination of activities. If the Participant is in receipt of DWP benefits, training providers must work with DWP to understand any implications to the Participant's income and reduce the duration of training and/or hours per week if required.

Participants progress is reviewed and assessed every 2 weeks.

Link to further information:

<https://www.skillsdevelopmentscotland.co.uk/for-learning-providers/women-returners-programme/>

A New Vision for Older Workers: Retain, Retrain, Recruit

Organising body: Minister for Pensions and Minister for Employment

Target group: Employers

Need for the intervention: If the over 50s continue to leave the workforce at the current trend, the UK would face exacerbated labour and skills shortages, which cannot not be filled by immigration alone. Encouraging and enabling those who want to work longer has the potential to significantly increase economic activity significantly in years to come. The over 50s are a major are an experienced yet a hidden talent pool that can boost output, employment and living standards now and in the future.

Aim of intervention: Supporting those who want to maintain a fuller working life and ensuring that older people's skills do not go to waste. Challenging outdated stereotypes of older workers. There is a vision of the future where every older person who wants to work, can work, where flexible working and phased retirement are accepted, and expected.

Eligibility: The New Visions for Older Workers is for all employers who want to help make an impact on the working lives of older people.

Program delivery: To achieve the aims of this programme, employers will need to focus on the 3 'R's':

- **Retain** – keeping older workers and their skills in the workplace through, for example, flexible working;
- **Retrain** – ongoing workplace training irrespective of age, and opportunities for Mid-life Career Reviews; and
- **Recruit** – stamp out age discrimination from the recruitment process.

What the guidance entails: The review recommendations for the government, businesses/employers, and older workers themselves all relating to the 3 'R's' as seen above. Some potential strategies for each group include:

- **Government** – Champion employing older workers, promote flexible working, develop good practice guides, encourage a culture of lifelong learning, make IT skills courses more accessible, tackle age discrimination & analyse barriers for older workers.
- **Employers** – Promote healthy aging, consider more flexible working, encourage internal recruitment, offer training to employees of all ages, facilitate career change with training for those in physically demanding roles, age monitoring of recruitment & consider experience not just qualifications when recruiting.
- **Older Workers** – Break away from social norms, continue to learn & grow, consider a career change & consider downshifting.

Link to further information:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/411420/a-new-vision-for-older-workers.pdf

Case study 3: Skills matching

[Re]boot programme (Leeds)

Organising body: Leeds City Region

Target group: Employees aged 18+ at risk of, or facing, redundancy

Need for the intervention: To provide a larger talent pool in sectors that have been identified as key growth sectors within Leeds City Region – Digital, Engineering & Construction. These individuals will either be upskilled within their current occupation to make them more employable or retrained with the skills to enter an occupation within one of these 3 key sectors.

Aim of intervention: Train individuals and provide them with the skills to (re)enter employment within the Digital, Engineering and Construction sectors. Develop competent sector-specific professionals individuals who, upon completion, are ready to progress their chosen occupation. Training is delivered across levels 2-4

Eligibility: Aged 18+, employed, at risk of, or facing redundancy and live in Leeds or one of the specified towns/cities surrounding Leeds. Courses are free to participants and is funded by the European Social Fund.

Program delivery: The courses are designed with employers needs and individual career progression in mind. Participants receive tailored support from local tutors and industry professionals. Courses are delivered online, in person or through a blended approach depending on the subject area and content. Each course varies in length also depending upon subject & content.

Link to further information:

<https://www.westyorkshirecolleges.co.uk/contracted-projects/reboot>

<https://futuregoals.co.uk/learn/free-adult-training-courses/reboot-training-courses/#digital>



4. Conclusions & Considerations

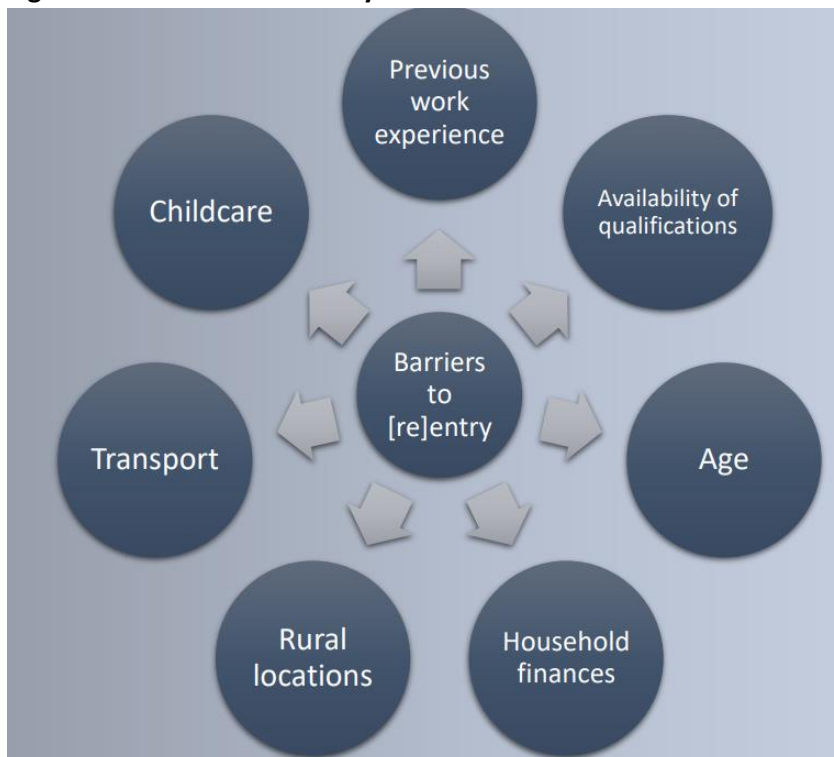


4.1 Conclusions

1. The 2021 census gives Newry, Mourne & Down a total working age population (defined as between 16 and 64 years old) of 112,300, 61% of the total population. This number is expected to grow again during the next decade but will do so more slowly than in the past. This slowing growth will almost certainly add to the pressures felt in the local labour market. These are currently being experienced through the twin challenges of staff recruitment and retention, and in the focus not only on unemployment but also economic inactivity.
2. The current labour market in Newry, Mourne & Down is one marked by the signs of success, at least in terms of employment. As the research shows, there has been strong job creation within businesses based in the Council area. Employment in these workplaces has seen an annual growth rate of more than 1% in the past decade. In numbers, this is reflected in more than 11,000 additional jobs created since 2011. On average at least twice as many other openings will have been seen in the Council area over the decade through replacement demand (as one employee moves from job to job – or education/retirement – to be replaced by another).
3. This level of job creation has led to a ready availability of job vacancies with an average of 3,000+ being reported to the Jobs & Benefits Office network on an annual basis. The survey of businesses reflected this with up to a third of firms in the recruitment phase at any time and often with more than one vacancy on the go. It should be noted that the vacancy levels in Newry, Mourne & Down are statistically lower ((as per 10,000 people) than in neighbouring Council areas and that the consultations identified quite different small markets, in terms of numbers and types of opportunities, in parts of the Council area.
4. As always, some sectors have been more vibrant than others and the research shows how Health & Social Care, Manufacturing and Construction have been driving employment growth in recent years. The fourth large sector, Retail, has not seen the same growth but remains a key employer and creator of replacement opportunities. Newry, Mourne & Down has also seen an increase in opportunities in newer sectors, ICT and Professional Services, though the numbers working in these sectors remain smaller than in other Council areas.
5. Geography has added to this success lying between the employment growth poles in Dublin and Belfast. Some of the towns within the Council area are around 50km away from Belfast but others are less than 30km away and 6,700 travel more than that distance within NI to their work according to the latest Census. Another 3,150 commute across the border with Louth and Dublin city the traditional end points for commuters.
6. The self-employed account for a higher than average share (11%) of the resident workforce in Newry, Mourne & Down than in other parts of NI – working mainly in the Construction and Agriculture sectors – and the Council has a high proportion (15%) of those in employment who are mobile (or working without a fixed place of work). The pandemic has had its negative effect on the numbers of self-employed. Though, while Newry, Mourne & Down, has seen the numbers of self-employed falling (some retiring early, others moving into part-time or full-time employment), this fall has not been as sharp as elsewhere in NI.

7. Another change that has been accelerated by Covid-19 has been the increase in working from home or remote working. The Census results for 2011 and 2021 show the share of those in employment 'working mainly from home' rising from 12% to 17.5% in Newry, Mourne & Down. The permanence and consequences of this change, including whether this will open opportunities for those further from the labour market to come back into work, have still to be fully worked out but this rise in hybrid working outside the usual location seems likely to be here for the long run.²⁰
8. The survey and consultations identified that there is currently a tight labour market locally and, in these circumstances, there are challenges both to recruit and to retain staff. Wages and compensation are obviously key factors, with numbers of residents commuting to larger centres for high wages, but businesses reflected on recruitment competitions bringing forward small pools of candidates and often those who had neither the required qualifications or experience. The survey results show that businesses do try to both use a wide range of recruitment channels and some consultees support looking to the longer-term, developing staff through apprenticeships and more engagement with training providers and educational institutions (especially the FE colleges).

Figure 4.1: Barriers to re-entry



Source: Focus groups

9. The tightness of the labour market in Newry, Mourne & Down is met by an equal challenge of those outside the labour market to enter or re-enter it. In recent years the numbers of unemployed people in the Council area has settled at around 3,000 people. The duration of unemployment varies but generally 40-50% of those who are unemployed will have been so for

²⁰ See UUEPC, *The future of remote working in Northern Ireland* (February 2022, available at [Future of Remote Working in Northern Ireland: Full Report \(ulster.ac.uk\)](https://www.ulster.ac.uk/future-of-remote-working)) and a follow-up project which is exploring the economic effects of this.

more than a year. On top of the long-term unemployed group are the more than 30,000 economically inactive in the Council area (a third of whom are students in further or higher education). Excluding the students the inactivity rate in Newry, Mourne & Down has plateaued between 18% and 20% since 2016, with half of that total long-term sick and a further third caring for those in the home. A final 5,000 people are inactive because they have become disengaged being unable to find work or have retired early.

10. Across NI 15% of the economically inactive would like to work, a proportion which rises sharply if we exclude full-time students. The consultations spoke to numbers of people in this position and found a series of barriers to re-entry, from childcare provision to fears about household and individual income (see Figure 4.1). However, the key point about the barriers was that there was rarely one single barrier to be overcome, so that childcare availability and affordability could be felt alongside a lack of transport or a concern about the qualifications held by a person. Consultees echo this sense of multiple barriers being encountered, on top of which previous work experience (for those who had worked before) can often act as a negative.

4.2 Considerations for local labour market actors

11. When developing this research for the Newry, Mourne & Down LMP²¹ the over-arching question in the minds of the researchers was that, given the current analysis of the local labour market, **where would we like to get to and how?**
12. The current analysis and the broader developments in recent years in Newry, Mourne & Down point to some or all of the following being considerations for policy makers and local actors on the ground to consider the short to medium term:
 - In promoting Newry, Mourne & Down as a place to invest, live and work it will be important to consider how best to achieve a greater diversification in the number and types of job opportunities on offer, with the fullest potential variety across a range of occupations and openings for different skills, work experience and personal strengths.
 - How best to tackle economic inactivity and to make further improvements in closing the persistent gender and disability employment gaps which exist in the local (and NI) labour markets – considering the issues explored here about the continuing and multiple barriers to re-entering the labour market and the need for fully-resourced and wrap-around supports for individuals and households.
 - To ensure better matching of skills to current (and future) jobs for the workforce, not only through the range of upskilling and retraining initiatives offered, in particular, by the FE colleges, but also to continue and deepen the local engagement between businesses, schools and careers guidance advisers to ensure that skills and qualifications are a good ‘fit’ for the jobs on hand.
 - To pay continued attention to self-employment as an option not only for employment but also as a potential driver of job creation within communities and sectors (something of a weakness in NI and locally).
 - How best to fully monitor both the current local labour market intelligence and data, but also other developments in the world of work, from remote/hybrid working, to greater flexibility in job offerings and changing methods of recruitment of employees.

²¹ At the time of publication activities supported by the LMP have been paused.

