

Skills Strategy for Northern Ireland - Skills for a 10x Economy Employers For Childcare Consultation Response August 2021

About Employers For Childcare

Employers For Childcare is a charity and social enterprise that supports families by campaigning to address the barriers that prevent parents from entering into, and staying in, the workforce. We address childcare as both an economic and a social issue and lobby for investment in our childcare infrastructure to benefit children and families, as well as the local labour market and economy. We undertake research which provides us with evidence to campaign on these and a range of issues relating to childcare, family and work. Most notably, Employers For Childcare undertakes the Northern Ireland Childcare Survey which gathers evidence on the cost of childcare, what families are paying, the ability of parents to access affordable, appropriate childcare and the impact this has on families, both financially and in terms of their well-being.¹ We also operate a Family Benefits Advice Service offering free, confidential and impartial advice and guidance on the financial support families are entitled to. Last year, this service helped over 8,000 people, and identified £12.6 million in additional financial support for parents.²

Employers For Childcare provides the secretariat to the All Party Group on Early Education and Childcare which was formally established in the summer of 2020, aiming to promote best practice policy and provision, the publication of a Childcare Strategy and underpinning legislation. The Group involves a wide range of stakeholders, from childcare membership bodies, women's sector organisations, charities, trade unions and employer representatives to senior officials from Government Departments (Health, Education, Communities, Economy, Finance) and elected representatives. This reflects the cross-cutting nature of childcare and the vital role it plays in our economic and societal infrastructure.

Introduction

We welcome the publication of the 'Skills Strategy for Northern Ireland: Skills for a 10x Economy' which is currently open for consultation, with its ambition to tackle social and educational inequality and to create a more prosperous, resilient Northern Ireland. The Strategy recognises that there are long-term structural challenges which must be addressed to deliver a skills system that addresses growing inequalities, provides everyone with access to education and training opportunities that will enable them to fulfil their potential, and to achieve the overall 10x Economic Vision. It also reflects the impact of Covid-19, particularly on lower paid workers, younger people, and women.

We appreciate the engagement and consideration that has resulted in a Skills Strategy that is broadly comprehensive and evidence based, and welcome the establishment of a cross-cutting and fully representative Northern Ireland Skills Council to provide long-term, consistent, advice on the development and implementation of all aspects of skills policy. However, there are key areas that must be expanded and given greater attention in order for the strategy's objectives to be achieved. Specifically:

¹ <https://www.employersforchildcare.org/report/northern-ireland-childcare-survey-2020/>

² <https://www.employersforchildcare.org/report/social-impact-report-2019-20/>

- Stronger integration of the vital role of childcare throughout the strategy
- Extending education related initiatives to include early education and childcare
- Developing, and bringing forward, work on the 'Better Jobs Pledge'
- Recognition of the Social Enterprise sector.

In our response to this consultation, we focus on these four areas, noting what is welcome in the strategy, but also highlighting gaps, making specific recommendations and providing an evidence base for these.

Area 1: Stronger integration of the vital role of childcare throughout the strategy

The Skills Strategy sets out three key objectives:

- Addressing skills imbalances, driving economic growth
- Creating a culture of lifelong learning
- Enhancing digital skills, developing a digital space.

Welcome commitment to expanding childcare support for those participating in lifelong learning

A series of proposed commitments are included to support the achievement of each objective. Under the second objective, creating a culture of lifelong learning, we welcome the inclusion of proposed commitment 16 which states: *"We will develop proposals for the expansion of childcare support to enable all individuals with parental responsibilities to participate in lifelong learning"*. This is supported by evidence from the OECD's assessment of financial incentives to encourage participation in further and higher education, which identified that a key barrier is the limited nature of childcare subsidies for learners. At present, to be eligible for a childcare subsidy, a parent must be a full-time student studying towards a level 4-6 qualification. The subsidy is means tested, but cannot be accessed if the parent or their partner is in receipt of Tax-Free Childcare, or childcare support through Working Tax Credits on Universal Credit.

We agree that the current subsidy is complex to access and too restrictive in its availability. For example, it is not available to anyone who is undertaking part time study, or where overall household income is above a certain threshold.

Commitments insufficiently recognise and value the critical role of childcare as a key policy enabler

This is an important first step, and we would be happy to work with the Department as it develops these proposals. However, we are concerned that:

1. There is a risk that proposals will be developed that are not 'joined up' with other relevant strategies, and the work of other Departments. An Executive Childcare Strategy, being developed by the Department of Education, was a commitment under New Decade, New Approach however this Strategy was not referenced in the 'key interface strategies' at Appendix 1. It is critical that, in line with a commitment stated elsewhere in the strategy, this work is joined up and strategic to achieve greatest impact. For example, while the Skills Strategy may result in proposal to expand childcare subsidies for more adult learners, this will be ineffective unless high quality, affordable childcare is actually available.

2. The importance of childcare is not clearly referenced under either of the other objectives for the strategy, or in any other proposed commitments. As a result, the vital role of childcare in addressing skills imbalances, reducing economic inactivity, supporting women to access and remain in the workforce, and driving economic growth in particular, is missed. Greater value must be placed on the role of childcare as a key element of our economic infrastructure if we are to move towards an economy which supports everyone to thrive and participate in learning or work, and to enable all sectors of our economy to achieve their full potential.

Specific recommendations

Recommendation 1: A new Childcare Strategy must be referenced as a key interface strategy in Appendix 1 of the Skills Strategy, alongside the development of a new Anti-Poverty Strategy and other social inclusion strategies.

Recommendation 2: The role of childcare should be more explicitly integrated throughout the Skills Strategy, with a new proposed commitment featuring under the first objective, 'Addressing skills imbalances, driving economic growth' which states that the Department for the Economy will work with the Department of Education in the development of a new Executive Childcare Strategy, recognising that childcare is both a key part of our economic infrastructure that enables parents to access and progress in work, education and upskilling – and has a critical role to play in early skills development of our children. The childcare and early education sectors should be reflected in the establishment and membership of the new Northern Ireland Skills Council, including the sub-committee on gender and diversity issues.

Evidence base

Childcare is key in removing barriers to employment, particularly for women and for those living in rural areas, as identified in our research with families through our annual [Northern Ireland Childcare Survey](#). This allows employers to recruit, develop and retain the skilled, experienced workforce they need. An accessible, affordable childcare infrastructure also assists in addressing structural inequalities and improving the lives of children, young people and their parents. Longer term, there is clear evidence that children who benefit from quality, enriching childcare achieve better educational outcomes and, over their lifetime, have higher earning potential.

There are approximately 350,000 working parents with dependent children in Northern Ireland, a majority of whom will rely on some form of childcare – whether that is formal childcare in a setting, or informal such as with grandparents – in order for them to work. Last year, our research with families revealed that almost 90% were using at least some formal childcare for some or all of their childcare needs. Out of the entire population of working age people in Northern Ireland who are in employment (817,000)³, just under 43% are parents with dependent children, many of whom are reliant on childcare. To ensure businesses and innovators can have the right people, with the right skills, at the right time, they will be equally reliant on an affordable, accessible and flexible childcare infrastructure. Otherwise, they may be trying to secure – or retain – the skilled people they need, from just 57% of the workforce.

³ <https://www.nisra.gov.uk/statistics/labour-market-and-social-welfare/labour-force-survey>

The Skills Strategy recognises that the vast majority of the 2030 workforce has already completed compulsory education. Therefore, initiatives to upskill existing workers, and to retain those who are already in work, are required. A resultant challenge then is the prevailing high level of economic inactivity in Northern Ireland, and a clear correlation with caring responsibilities. It notes that there are approximately 53,000 people who are currently economically inactive and would like to work, if the circumstances were right. A key ‘circumstance’ is the ability to access and afford childcare.

The Northern Ireland Covid-19: Feminist Recovery Plan highlights that women’s economic positioning before the pandemic was already much weaker than men’s, with higher levels of ‘economic inactivity’ due to family and home commitments and the unequal distribution of caring responsibilities and with high representations in low-paid work⁴. The majority of employees who work part-time in Northern Ireland – 79% – are women and, across the working age population, a third of women here are recorded as “economically inactive”, compared to just over a fifth of men. Economic activity rates are lowest for women with a youngest dependent child of pre-school age⁵. On top of these pre-existing challenges, the pandemic has had a disproportionate impact on women. PwC’s Women in Work 2021 Index⁶ warns that the impact of Covid-19 could mean that progress for women in work is set back to 2017 levels.

Through our research with parents in the Northern Ireland Childcare Survey, we found that the relationship between childcare and employment cannot be understated, and it is often women who are disproportionately impacted. Where the cost of childcare equates to a significant portion of their household income, some parents may question whether they need to change their working patterns to either access or afford childcare. Where this is not possible, some parents may have no other option but to leave work altogether, taking their skills out of the workforce. As demonstrated below in Figure 1, our 2020 research found over half (52%) of parents had experienced a change in their working hours. 12% of parents had either decreased their hours of work or left work altogether.

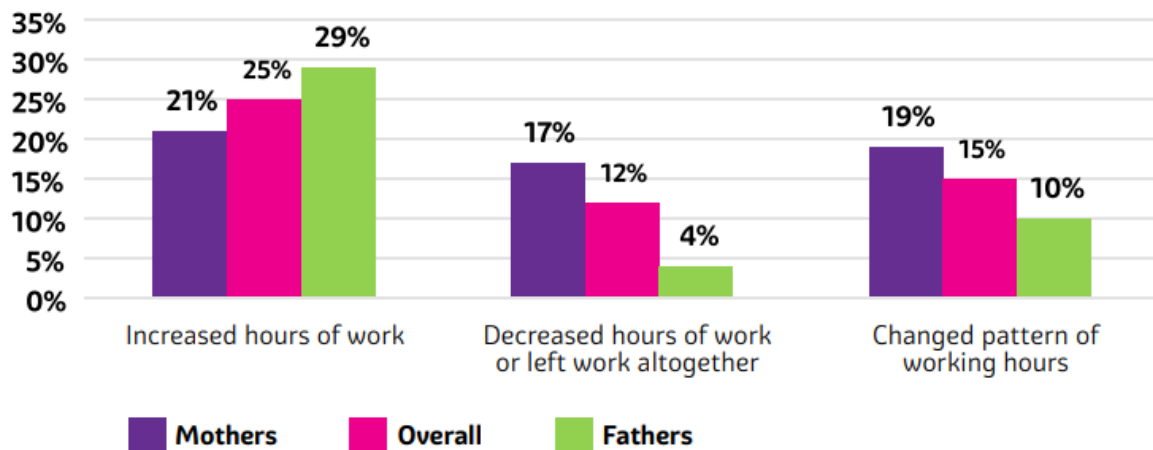


Figure 1: Parents who reported change in working patterns

⁴ <https://wrda.net/wp-content/uploads/2021/07/WPG-COVID-19-Feminist-Recovery-Plan-Relaunch-One-Year-On.pdf>

⁵ [Women in Northern Ireland 2020 | Northern Ireland Statistics and Research Agency \(nisra.gov.uk\)](https://www.nisra.gov.uk/publications/women-in-northern-ireland-2020)

⁶ PwC, Northern Ireland stands to gain most in UK by levelling up number of women in work, pwc.co.uk (March 2021).

Across households, mothers were more likely to experience a change in their working hours as shown below in Figure 2. 17% of mothers decreased their hours of work or left work altogether compared to just 4% of fathers. Similarly, mothers were more likely to report a change in their working patterns. Where there was a change, we asked respondents to identify the reasons for this. The most common reason was linked to the cost of childcare, with almost half of mothers (48%) citing this as a reason, compared to 28% of fathers. Almost a quarter of mothers linked a change in their working hours to the ability to access suitable childcare, while only 9% of fathers attributed this reason to a change in their working hours.

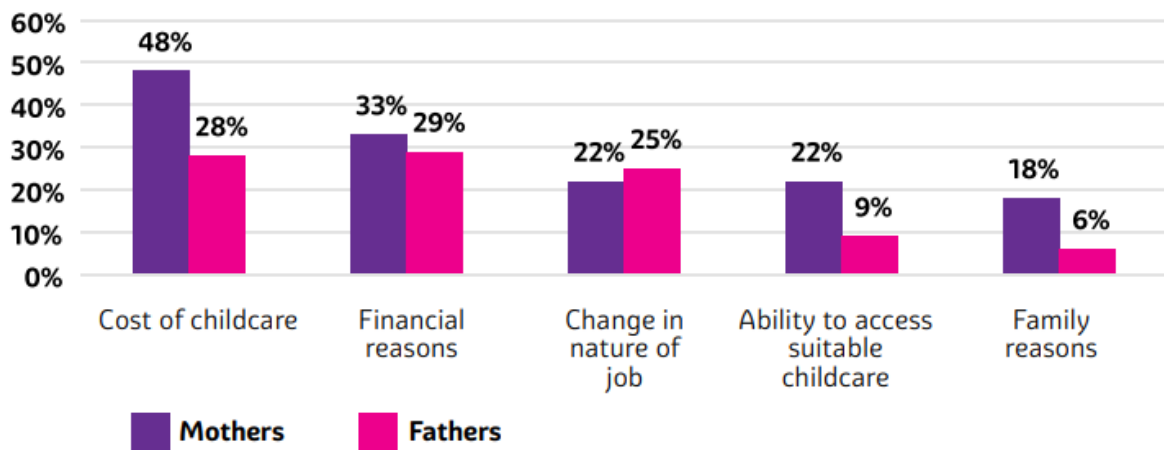


Figure 2: Reason for a change in working pattern by gender

Three key themes emerged from our research, specifically for mothers:

- *Face barriers accessing the workforce:* where childcare is not affordable this can lock parents out of the workforce or leave families in a position where one parent is working mainly to cover the childcare bill.
 - *Career opportunities are being sacrificed:* Due to traditional gender roles and pay disparities, many mothers find themselves in tough positions when considering childcare and their careers.
- No financial incentive to remain in work:* Parents feel they are working at a financial loss and question whether it makes financial sense for them to remain in the workforce.

Mothers told us:

“Typically, childcare between the ages of 1 to 3 is most expensive as there is no state provision, women who take a break from employment at this stage are less likely to return to work at a later stage (loss of skills, experience and confidence).”

“Making the decision to return to work after having a baby is tough when faced with childcare costs. Many women take longer leave or leave their work as a result of crippling childcare costs with two or more children.”

“We also have both been through university and want to put our hard work to use to develop good careers. Raising a family should be supported so that people can go to work and have a healthy work life balance.”

“I am seriously considering giving up my career. Having gone to university, paid back student loans, worked hard for 15 years to build a career, I feel I am the government’s work horse! Paying taxes, paying childcare and paying with my own stress!”

Several mothers who reduced their working hours commented that it was a decision they had no choice but to make as the childcare bill made it financially unviable for them to continue working. This impacts on future career prospects for the parent and is damaging to the local labour market. Our economy will be stronger if we have a highly skilled, dedicated workforce which is supported by a strong and robust childcare infrastructure. If we are to attract investment our infrastructure and skills base must be of a high standard. The childcare infrastructure is essential to this as, without childcare, parents cannot work, skilled workers leave the workforce or work in lower paid, lower hours jobs, and access to training and education is limited.

Research conducted by University College London found that women who have children earn less than half (45%) of what their salary would have been without having children, in the first six years after giving birth⁷. A key factor was identified as the number of hours a woman can work, with those who returned part-time experiencing a larger reduction in earnings compared to those who were able to work full-time. This is often identified as the ‘motherhood penalty’ as many women experience significant challenges in accessing work, job opportunities and progression once they have children. This was reinforced through our follow-up research with parents in September 2020, adding a Covid-19 specific addendum to the Northern Ireland Childcare Survey 2020, which found that during the first lockdown, 20% of mothers had to use unpaid leave or annual leave to manage childcare and 61% had to balance working alongside childcare responsibilities. In the words of two mothers who responded to our survey:

“The lack of childcare facilities during lockdown was detrimental to mine (as a lone parent) & my children’s mental health. Working from home, trying to balance childcare was extremely difficult.”

“Childcare remains vital for working families and if it’s not accessible I feel it is a massive barrier to work for many people. It is too stressful to balance working from home effectively with small kids.”

To address skills imbalances, ensuring that women are supported and incentivised to participate and progress in the workforce, but also to drive economic growth, it is clear that the vital role of our childcare infrastructure must be more clearly recognised and integrated throughout the skills strategy.

Area 2: Extending education related initiatives to include early education and childcare

Across the Skills Strategy there is recognition of the importance of investing in education, reflecting that a broad base of good educational achievement and skills is fundamental to our society and economy. On page 4, it outlines the need to ‘build on the strengths of our education system, laying the foundations of the modernisation which will ensure a rich vein of talent continues to flow into the heart of our economy, as the primary driver of the rich and prosperous future we envisage for Northern Ireland’. However, aside from minimal reference to early education in ‘setting learning habits on the right path’, there is insufficient recognition of the importance of starting this

⁷ <https://academic.oup.com/esr/advance-article/doi/10.1093/esr/jcab014/6325498>

investment as early as possible to secure longer term, transformational change. Early intervention – prior to compulsory school starting age – provides an opportunity to:

- Develop skills and an interest in STEM subjects recognised as ‘in-demand’
- Start to develop employability skills, specifically referenced by the OECD as in-demand, including abilities to communicate, work in teams, lead, solve problems and self-organise
- Address social deprivation, giving children and young people the best start in life and contributing to the elimination of poverty.

The Skills Strategy should clearly integrate the role of early education and childcare, alongside primary, post-primary and further and higher education as a key formative stage in nurturing children to develop their skills and readiness to learn, contributing to the achievement of the Strategy’s objectives. It can address disadvantage by enhancing employment prospects (for example enhanced pay, higher quality jobs and secure contracts), tackling patterns of disadvantage (such as intergenerational poverty) and enhancing support for workers and potential workers (through childcare provision). As referenced in the Skills Strategy, building on the need to address social deprivation, the OECD has underscored how patterns of low skills outcomes and low aspiration can become endemic across generations in deprived communities. These are patterns that Government should confront, through targeted interventions in the skills system, from the very earliest years, to support young people to remain in education. This needs to translate more clearly into commitments within the Strategy.

Specific recommendations

Recommendation 3: Introduce a new proposed commitment, complementing commitments 3 through 7, that specifically references developing proposals to support skills development from the earliest years, through engagement with early education and childcare.

Recommendation 4: Expand the existing proposed commitment 14 to include specific reference to early education and childcare, not only to the education system which may mean compulsory school age education only.

Recommendation 5: Expand the existing proposed commitment 23 to include specific reference to early years as an arena where employability skills can be developed, so that it reads: We will develop a discrete, collaborative project, to define what employability skills means in the Northern Ireland labour market and propose a series of actions to improve the performance of our education system, including early education and childcare.

Evidence base

High quality early education and childcare offers a means of educating and developing our children to achieve the skills they need to thrive. The most crucial years for learning and development are from birth to the age of six. The benefits of providing good quality early education and childcare during these years are substantial and include improvements in cognitive skills such as language development, reasoning and concentration. The Effective Provision of Preschool Education (EPPE) Project, involving a longitudinal study of 3,000 children in the UK, showed that the cognitive

outcomes in reading and mathematics nurtured during pre-school provision persist through primary school⁸.

Early intervention is also key in supporting young people to develop socially and emotionally – nurturing the ‘employability’ and ‘soft’ skills that the Skills Strategy recognises are in key demand with employers. This may be particularly the case where children are living in deprivation. Melhuish’s overview of international research in this area concludes that the benefits of intellectual, social and behavioural development through good quality pre-school education and childcare are more substantial for disadvantaged children⁹. Long term benefits include improved educational attainment, less risk of juvenile arrests, lower rates of substance misuse, better adult employment and enhanced earning prospects.

The Institute for Fiscal Studies recently estimated that:

- A child who attends any childcare earns an extra £27,000 over their lifetime
- A child who attend a high-quality setting earns an additional extra £19,000 over their lifetime
- Attending childcare leads to a per person benefit, over a lifetime, of around £11,000 to the exchequer, increased to £16,000 where the individual has attended high-quality childcare.¹⁰

This is something that industry and innovative businesses, as well as Government, can be involved in. An interesting initiative in Scotland last year saw online resources developed to support early learning and childcare staff to help inspire young children in science and maths, and encourage babies and children to develop curiosity in the world around them.¹¹

An example of another report that cross-referenced the vital role of childcare is ‘A Fair Start’¹², which examined the links between persistent underachievement and socio-economic background in Northern Ireland and was published by an Expert Panel formed as a result of a New Decade, New Approach commitment. The report’s first ‘Key Area’ sets out a strong rationale for redirecting focus to the Early Years, recognising the benefits of effective early intervention on physical and mental well-being, educational attainment and longer-term employment prospects. This recognises that educational outcomes in later years are shaped by experiences from pre-birth to age 4. To achieve this, the report sets out a key action to support the Department of Education’s efforts to bring forward a Childcare Strategy, which will include a focus on child development.

Area 3: Developing, and bringing forward, work on the ‘Better Jobs Pledge’

The Skills Strategy rightly recognises the role for business leaders and employers in achieving its ambitious objectives, and this must include valuing childcare as part of our economic infrastructure – if we aspire to have a prosperous, productive economy, then we must see crucial investment that

⁸ <http://eppe.ioe.ac.uk/eppe/eppepdfs/TP10%20Research%20Brief.pdf>

⁹ Melhuish, E.C (2004) A Literature Review of the impact of early years provision on young children with emphasis given to children from disadvantaged backgrounds, prepared for the National Audit Office, Institute for the Study of Children, Families and Social Issues

¹⁰ <https://www.savethechildren.org.uk/content/dam/global/reports/education-and-child-protection/untapped-potential.pdf>

¹¹ <https://www.gov.scot/news/learning-in-stem-in-early-years/>

¹² [A Fair Start – Final Report & Action Plan | Department of Education \(education-ni.gov.uk\)](https://www.education-ni.gov.uk)

allows parents, and mothers in particular, to access work, education or training. In addition to this, employers can benefit from the recruitment and retention of a skilled workforce by implementing flexible and family friendly working policies – which can make jobs more attractive and feasible for those with parental and caring responsibilities.

The Strategy documents how the adoption of ‘high performance working practices’ can drive employees to learn, share ideas and empower them to contribute to the development of their business and to maximise the use of their skills. The OECD identified four types of high performance working practices in its Northern Ireland Skills Strategy Report:

- Flexibility and autonomy
- Teamwork and information sharing
- Training and development
- Benefits, career progression and performance management.

It also notes that Northern Ireland currently compares poorly when assessed against other UK regions on each of these indicators. Employers For Childcare works to promote family friendly and flexible working, and we have developed a [guide](#) to support employers to implement innovative policies and to embrace the benefits both to their staff, but also to them as employers. We therefore welcome the proposal for the introduction of a ‘Better Jobs Pledge’. This will see medium and large companies required to subscribe to a pledge which reflects their commitment to engaging in the development of their staff, the economy and the well-being of society. Importantly, we note that subscribing to the pledge, and actively promoting its principles, will be a requirement of NI Executive funded support programmes.

However, it is important that the definition of a ‘better’ job is more clearly defined and articulated. Additionally, this proposal is marked in Annex A as a ‘five year’ commitment. While we appreciate that this may take time to establish, we would recommend that work commences on the co-design process as soon as possible, as many initiatives already exist that could support the development and communication of the pledge. For example, employers can already – at no cost to themselves – facilitate employees to secure independent advice on financial support that they are entitled to with the cost of childcare, through advice sessions run by Employers For Childcare’s Family Benefits Advice Service. Other examples of relevant initiatives could include:

- Establishing, or collaborating with other employers to offer, a workplace nursery
- Offering enhanced policies in relation to, for example, parental leave and pay
- Offering a range of flexible working options in consultation with, and that are meaningful to, employees.

It is important to note also that the Government has a critical role to play in delivering ‘better jobs’ that is not adequately reflected within the Skills Strategy. There is an opportunity to use the Skills Strategy to secure commitment to a review of, and broader improvements to support, those who are in employment and have caring responsibilities, including:

- Introducing paid carers leave
- A statutory right for all workers to request flexible working
- Enhancing Shared Parental Leave and improving how this is communicated
- Ensuring better data is gathered and reported, for example in relation to:

- Eligibility for shared parental leave
- The percentage of women who return to work after maternity leave
- The number of flexible working requests made in Northern Ireland
- The percentage of flexible working requests that are successful.

Specific recommendations

Recommendation 6: Ensure that the process for agreeing the ‘Better Jobs Pledge’ is truly co-design in nature, and engages directly with the full range of stakeholders at as early a stage as possible. Employers For Childcare would welcome the opportunity to be part of this process. There is also an opportunity to begin communicating now with employers and employees to raise awareness of existing support, including financial support, and programmes – for example, Employers For Childcare’s Family Benefits Advice Service can deliver in-house virtual sessions for employers and their staff ensuring full awareness of the financial support that workers are entitled to such as with the cost of childcare, where a family member has a disability, or where the household income is below a particular threshold.

Recommendation 7: Introduce a new proposed commitment in relation to securing a review of, and broader improvements to support, better jobs for those who are in employment and have caring responsibilities, facilitating high performance working practices which in turn drive employees to learn, share ideas and empower them to contribute to the development of their business and to maximise the use of their skills.

Evidence base

In the follow up to our 2020 Northern Ireland Childcare Survey, exploring parents’ experiences of childcare and work in the initial months of Covid-19, parents were asked to share their views on their employers’ attitudes during the pandemic. Many commented on the approach taken by their employers when discussing the impact that managing childcare and working responsibilities had on them and their family, in particular where they had had a negative experience. A majority of parents feel trusted by their employer to manage their time, and deliver their work (72%), and also that they have been treated fairly by their employer (63%) during Covid-19. Comments from parents highlight the challenges they have experienced when their employer has not demonstrated an understanding of the difficulties of juggling childcare and work. Positively, a majority – almost two thirds – agree that their employer did understand that they were juggling work and childcare and adjusted their expectations as a result. Similarly, over two thirds of parents felt their employer was supportive of them and was also good at keeping in touch when they were working from home. However, one fifth of parents disagreed, and felt that their employer had not been supportive, or understanding to the challenges they were experiencing, or had failed to adjust their expectations. In some cases, this led to parents having to take lengthy periods of unpaid leave, or to leave work altogether. Looking ahead, even where parents felt they had benefited from an understanding employer, there were some concerns that this could change as time progresses.

The research findings reflect the importance of implementing effective family friendly policies in the workplace to support those with caring responsibilities (whether for children or older relatives) boosts staff loyalty and increases staff morale and therefore, retention. Employees with dependants need support and flexibility in order to balance their work and family. Our research findings demonstrate that when an organisation harnesses a flexible and family friendly ethos its employees

feel understood and valued. While the pandemic has provided an opportunity for us to reflect on how we recover and rebuild our economy and labour market, it's important for the Skills Strategy to recognise the value of family friendly policies.

Employers For Childcare's [guide to being a Family Friendly Employer](#) sets out clear business benefits, drawn from a wide review of literature and research, and a strong business case for family friendly policies including increased productivity, reduced absenteeism, competitive recruitment from a wider talent pool, and staff retention.

Area 4: Recognition of the Social Enterprise sector

The Skills Strategy fails to include any specific mention of the social enterprise sector. Social enterprises are businesses that benefit the local economy and labour market while also addressing key social issues, and can play a critical role in generating employment, tackling inequality, securing economic growth, improving health outcomes, upskilling those who are at risk of social exclusion and delivering green growth and sustainability. We strongly emphasise the importance of social enterprises and Social Value which we would advocate should be considered within the Skills Strategy to promote job opportunities, upskilling and work within this growing and thriving sector.

Social enterprises are innovative, entrepreneurial businesses that can help to establish Northern Ireland as a global hub in key industry sectors. At the same time, they tackle social and educational inequality, helping everyone to reach their potential and benefit from a stronger, more prosperous, more resilient Northern Ireland.

The Finance Minister recently (July 2021) announced a new policy on scoring social value within public procurement in Northern Ireland. In his statement to the Assembly¹³, the Minister provided details of the policy and the development of a framework of indicators of social value – including creating jobs for people in deprived areas – and a requirement for companies to adopt fair working practices for workers, as well as delivering employment for individuals with a disability, or those who are considered disadvantaged. These are key components of the Skills Strategy.

Specific recommendations

Recommendation 8: Engage with the Department of Finance to assist in developing guidance and training to support the mandatory scoring of social value within public procurement contracts, placing social value at the heart of public procurement.

Recommendation 9: Ensure the social enterprise sector is engaged and involved with the new Northern Ireland Skills Council, and as a key 'co-design' partner in the ongoing development and roll-out of implementation initiatives for the Skills Strategy.

Evidence base

¹³ <https://www.finance-ni.gov.uk/sites/default/files/publications/dfp/FINAL%20%28%29%20Oral%20Statement%20Scoring%20Social%20Value.pdf>

A recent research report on ‘The role of social enterprise in developing skills and creating employment opportunities in the UK’¹⁴ collates evidence on how social enterprises can be utilised to upskill the populace and reduce unemployment. It has been estimated that if the economy was dominated by social enterprises rather than shareholder dominated businesses, four million more people would be being paid the real living wage and £118 billion of profits per annum would be being reinvested back into society (SEUK, 2019). Evidence suggests that, when working with socially disadvantaged unemployed individuals, social enterprises can provide more effective results and operate more efficiently than government programmes in supporting upskilling and employment creation. This will be particularly critical in the recovery from the Covid-19 pandemic, which has impacted particularly on groups such as women and young people.

This has been given some recognition within the 10x Economic Vision, which showcased two local social enterprises that work to draw upon the talented pipeline of individuals who are not currently active in the labour market: Ulster Supported Employment Limited (USEL), which assists people with disabilities and health conditions to access the labour market through entering previously untapped markets; and Madlug, an innovative Community Interest Company based in Craigavon that operates a ‘buy one, give one’ model and is making initial steps into the US, Canadian and European markets.

Employers For Childcare is a social enterprise and, in our own most recent Social Impact Report, we were able to demonstrate the ‘added value’ from doing business with a social enterprise. Through using our Childcare Voucher business, employers helped to save themselves and their employees over £12.5 million and supported businesses to retain working parents. In addition, through profits invested in our charity, we were able to identify a further £12.6 million in additional collective financial support for parents, helping them to get into and to stay in work.¹⁵

Conclusion

High quality early education and childcare offers a means of educating and developing our children to achieve the skills they need to thrive, and as part of our essential economic infrastructure, enabling parents to work. In particular, childcare has a key role to play in helping people move into work and thereby addressing Northern Ireland’s enduring high levels of economic inactivity. This is an investment where the positive return on our economic and societal wellbeing will be much more than 10X.

We appreciate that this document is intended to start a wider and more detailed conversation on the recovery journey and to identify and address the current skills gap across Northern Ireland. However, we would encourage the Department for the Economy to seriously consider the importance of a childcare infrastructure – that is accessible and affordable can help support parents to access and participate in education, training and work – helping to drive economic prosperity and tackle social inequality.

We welcome the opportunity to respond to the Department’s Call for Evidence on the Skills Strategy and hope that our response is useful in helping to shape the final document. We would be delighted to work with the Department in development of relevant proposals, such as those set out within

¹⁴ <https://www.enterpriseresearch.ac.uk/wp-content/uploads/2021/04/No50-The-role-of-social-enterprise-in-developing-skills-and-creating-employment-opportunities-in-the-UK-R.-Hazenberg.pdf>

¹⁵ <https://www.employersforchildcare.org/report/social-impact-report-2019-20/>

Commitment 16, to expand childcare support to enable all individuals with parental responsibilities to participate in lifelong learning.

Finally, Employers For Childcare participated in stakeholder consultation workshops co-ordinated by PwC during which a consortium response was developed. We therefore endorse the response submitted by PwC to this consultation, on behalf of the consortium.

If you would like to discuss the points that we have raised in more detail, we would be happy to meet with you. My contact details are aoife.hamilton@employersforchildcare.org or telephone 028 9267 8200.