

Review of National Training Fund Implementation Plan

The review of the NTF was commissioned by the Department of Education and Skills as part of a package of reforms announced to accompany the decision in Budget 2018 to raise the NTF levy. A separate consultation process was conducted in 2017, during which key stakeholders raised issues regarding the transparency of the use of the Fund, the alignment of expenditure for employer needs and the role of employers in informing expenditure priorities. The independent review, which was undertaken by Indecon, examines the existing operation of the NTF and provides recommendations to inform its future direction. There are 14 specific recommendations, set out below, across 4 key areas:

- Reform of the future direction of the NTF.
- Utilising the NTF to support investment in Higher Education.
- Enhancing enterprise engagement and input to NTF priorities.
- Improvements in monitoring/evaluation of the NTF.

In 2019 we are increasing the training, upskilling and reskilling opportunities for all citizens but with a particular focus on those employed in sectors and regions most vulnerable to Brexit and automation with a particular focus on SMEs. But we are also taking a more medium term approach to how we address the challenges that face our economy and future proof our work force and graduates. The actions set out in this Plan sets out a clear path for transforming the National Training Fund into a strategic, enterprise focussed response to meeting the skills needs of the economy.

Tighter labour market conditions means that a number of sectors including Construction, Manufacturing and ICT are currently experiencing skills shortages. Latest National Skills Council data shows that shortages exist for a number of occupations across all sectors of the economy. Separately, Brexit presents risks to the enterprise sector and the labour market needs of the economy. The EGFSN Report *Brexit Addressing the Skills Needs Arising from the Potential Trade Implications of Brexit* (June 2018) highlights the potential impacts on a number of sectors which may arise from Brexit, particularly the freight transport distribution and Logistics (FTDL) sector and Internationally trading enterprises.

This Implementation Plan has been designed with the intention that the majority of the recommendations stemming from the Indecon Report will be implemented in 2018 and 2019 so that 2020 expenditure decisions will be made in a fully reformed NTF. Regarding oversight, the implementation of the Plan will be monitored by an Interdepartmental Group comprising Department of Education and Skills, Department of Public Expenditure and Reform,, Department of Finance, Department of Business, Enterprise and Innovation and related agencies. Progress in implementing key recommendations will be reported in the Quarterly Action Plan for Education progress reports.

Implementation Plan

Reform of the Future Direction of the NTF (1 – 4)			
Recommendation	Supporting Actions	Current Position	Timeline
<p>1. There is a need to set a new direction for the NTF as a strategic national asset, to focus on investment in close-to-labour market skill requirements, and in targeted interventions to support enterprise training and preparing individuals to take up employment opportunities.</p>	<ul style="list-style-type: none"> Through the annual estimates process, NTF investment will be focused on close to labour market skills areas, informed by skills and labour market data and employer input 	<p>In 2019, the NTF will provide support for:</p> <ul style="list-style-type: none"> - 7,386 new apprenticeship registrations, 1,200 above the 2018 target - 5,000 traineeship enrolments, 1,100 above the 2018 target - 62,000 training opportunities through Skillnet Ireland, an increase of 7,000 - 9,000 Springboard places, an increase of 1,000 places - 17,000 higher education places in key skills areas - training for 5,000 lower skilled workers through a new state-supported employee development programme 	Ongoing
<p>2. Part of the NTF surplus should be prioritised to support additional HE/FET expenditures and the development of labour market skills, subject to the</p>	<ul style="list-style-type: none"> Develop a process for competitive calls for targeted programmes to meet key skills needs 	<p>The Government has decided to ring fence €300 million of the existing surplus over 2020-2024 (€60 million per annum) to provide targeted funding to meet the skills needs of the economy and respond to Brexit and other challenges facing our economy. DES will work closely with the new oversight arrangement (see 11) to progress this</p>	First call to issue in Q2 2019

<p>availability of fiscal space for this purpose</p>		<p>issue, and will launch a competitive call for new courses in Q2 2019 that are aligned with the key objectives of the investment, which are:</p> <ul style="list-style-type: none"> ➤ Meet the future skills needs of the economy through additional investment; ➤ Comprehensively respond to Brexit & other challenges facing the economy; ➤ Provide opportunity to address skills needs at a regional level via the Regional Skills Fora; ➤ Give employers a greater role in determining the strategic direction of additional investment from the Fund; ➤ Provide greater certainty and clarity regarding funding via a multi-annual approach. 	
<p>3. There should be an increased focus on supporting in-company training underpinning increased productivity and innovation capacity particularly in SMEs, including through introducing a new innovative pilot initiative to reflect refocussed objectives of the NTF.</p>	<ul style="list-style-type: none"> • Resource Skillnet Ireland to issue calls for proposals for funding targeted in-company training to support increased productivity • Deliver greater support for in-company training through the implementation of the new SOLAS/ETB employee development programme • Continue support for formal skills audits for SMEs through a specific process designed to capture skills and training needs 	<ul style="list-style-type: none"> • The NTF is delivering €6.3 million in extra funding to Skillnet Ireland in 2019 – this includes funding for a new targeted scheme to extend training support for the growth strategies of SMEs • In 2019, the NTF is supplying a new funding line of €11 million for the implementation of the new SOLAS/ETB framework to upskill lower skilled workers and support SMEs • Expand the use of the skills audit process in 2019 beyond the 600 companies targeted in 2018 • In consultation with employers through the new advisory structure, a new pilot programme for first time upskilling SMEs 	<p>Ongoing from Q4 2018</p> <p>Ongoing from Q4 2018</p> <p>Pilot designed by Q3 2019</p>

	<ul style="list-style-type: none"> Issue a call for a new pilot targeting first time upskilling SMEs 	will be scoped in 2019, for implementation in 2020.	
4. There should be a reallocation of NTF funding of FET for employment programmes below NFQ Level 5 to the Exchequer and substitute these with close-to-labour market programmes.	<ul style="list-style-type: none"> Realignment of resources and programmes between the Exchequer and the NTF to reflect the strategic direction of the Fund. 	This process, begun in Budget 2018, has been accelerated in Budget 2019. €57 million in investment in programmes with significant activity below level 5 on the NFQ, previously resourced from the NTF, will now be funded from the Exchequer. This has been substituted by close-to-labour market higher education programmes in key skill areas. This means that virtually all of the NTF investment in for employment programmes is at level 5 and above and is planned to meet enterprise skill needs.	Q4 2018
Utilising NTF to Support Investment in Higher Education (5 – 7)			
Recommendation	Supporting Actions	Current Position	Timeline
5. NTF should be deployed to support close-to-labour-market skills programmes in areas of identified skills needs.	<ul style="list-style-type: none"> Greater investment from the NTF will be made in higher education programmes Higher education programmes supported from the NTF will be enterprise-focused and in areas of identified skill needs 	In line with the overarching objectives of the NTF, Budget 2019 demonstrated the continued reprioritisation of NTF expenditure towards programmes that are closer to labour market. Support for enterprise-focused higher education programmes has been increased from €37 million in 2018 to €120 million in 2019. This investment will be made in areas with identified skills needs as outlined in the National Skills Bulletin and in line with the priorities established by the National Skills Council such as preparing for the future world of work and lifelong learning.	Annually from Q4 2018

<p>6. In principle, the NTF should fund complete programmes rather than partially funding wider expenditure. In HE, the NTF should fund all of some programmes as was the case for 2018 rather than providing small levels of partial funding for a much wider range of HE programmes. These funded programmes should be clearly identified each year.</p>	<ul style="list-style-type: none"> • Ensure higher education investment from the NTF is on identified enterprise-focused programmes 	<p>Decisions taken as part of Budget 2018 and 2019 have commenced implementation of this recommendation.</p>	<p>In progress</p>
<p>7. NTF should fund SME upskilling as a target theme in Higher Education competitive funding programmes.</p>	<ul style="list-style-type: none"> • Include SME upskilling in the Performance and Innovation Fund 	<p>There will be a specific Upskilling / Technology absorption element in the Performance and Innovation Fund, run by the HEA, in their 2019 competitive call.</p> <p>The unemployed, employees in sectors and regions vulnerable to Brexit and working in SMEs will be prioritised for upskilling and reskilling opportunities in 2019.</p>	<p>Q2 2019</p>
<p>Enhancing Enterprise Engagement and Input to NTF Priorities (8 – 11)</p>			
<p>Recommendation</p>	<p>Supporting Actions</p>	<p>Current Position</p>	<p>Timeline</p>
<p>8. While recognising legislative requirements for public expenditure programmes, measures to significantly enhance enterprise input to governance and</p>	<ul style="list-style-type: none"> • Enhanced employer input strategies and mechanisms to be developed (see 9-11 below) 	<p>A new approach will be developed to enhance enterprise input into the prioritisation of the Fund, by utilising existing mechanisms and developing new ones. The approach will take account of the sectoral and regional context in which programmes supported by the Fund are</p>	<p>From Q4 2018</p>

<p>prioritisation of NTF investments should be implemented.</p>		<p>operating as well as ensuring that it fits into the overall budgetary cycle effectively. New tailored programmes will be promoted to employers, including through regional events. There will also be a structured engagement with enterprise in 3 regions in 2019 overseen by a joint steering group designed to engage Enterprise Champions for new tailored programmes.</p> <p>Enterprise agencies and employer bodies will also support the championing of greater employer take-up of key programmes, such as apprenticeships and traineeships.</p>	
<p>9. Greater information sharing and coordination across programmes should be introduced to increase employer buy-in.</p>	<ul style="list-style-type: none"> • An approach to branding NTF support for programmes will be developed to increase awareness of the reach of the Fund amongst employers and learners • Regional structures will deliver consistent and coherent information and advice to employers and learners on opportunities supported by the Fund • More structured input from employers on career information and placements in schools and colleges 	<p>Steps will be taken to ensure that regional structures already in place (the Regional Skills Fora, Local Enterprise Offices, IDA, Enterprise Ireland, the ETBs, HEIs and Skillnets) provide consistent and coherent advice on training options and opportunities for employers & employees.</p> <p>To provide greater clarity of those programmes supported by the NTF, tailored branding will become a requirement of funding for all new and existing programmes.</p> <p>The range of Enterprise Engagement across the education sector will be reviewed to ensure that all resources are strategically aligned.</p> <p>Arrangements for employer input on career information and placements will be informed by</p>	<p>From Q2 2019</p>

		the Independent Review of Career Guidance, which will be published by end 2018.	
10. A structured process should be implemented to facilitate NTF-focussed inputs from employers, employees and representative bodies prior to annual expenditure decisions.	<ul style="list-style-type: none"> Design a structured process to secure employer input on key expenditure decisions 	NTF Advisory Group (see 11 below) will advise on a new method of engaging with enterprise bodies to ensure that there is a focussed and structured input prior to expenditure decisions.	Q2 2019
11. Consideration should be given to establishing an NTF Advisory Group, chaired by an employer representative, to submit recommendations to the National Skills Council on NTF priorities.	<ul style="list-style-type: none"> Establish an NTF Advisory Group, chaired by an employer representative 	A new NTF group will be established. The Minister will appoint the chair and members in Q4.	Q4 2018
Improvements in Monitoring and Evaluation of NTF (12 – 14)			
Recommendation	Supporting Actions	Current Position	Timeline
12. The Department of Education and Skills should organise and publish an NTF evaluation report on an annual basis, to include counterfactual modelling of the programmes' impacts.	<ul style="list-style-type: none"> An NTF evaluation report will be published on an annual basis by the Department of Education and Skills from 2020. The metrics and approach to data gathering will be established with funding recipients in 2019. The 	<p>An NTF evaluation report will be published on an annual basis by the Department of Education and Skills. All programmes will be evaluated regarding their efficiency and effectiveness. In order to do this in a consistent manner a series of key metrics will be devised.</p> <p>Funding of programmes from the NTF will move to an outcome based approach where clear targets will be established for each programme, including progression data, retention rates, and completion. Continued funding for programmes</p>	<p>Q2 2020</p> <p>Q2 2019</p>

	performance criteria will be published.	will be (i) conditional on the publication of this data from 2020 onwards and (ii) informed by the performance of the programmes in meeting these publicly established targets.	
13. Performance metrics should be expanded to support enhanced monitoring of outcomes of all NTF-funded programmes. Metrics should include measures which track progression outcomes including: <ul style="list-style-type: none"> • Progression to employment • Educational progression, including certification achieved • Employment placement and sustainment following programme participation • Completion rates 	See 12	<p>The Department will liaise with funding recipients to ensure that all of the metrics outlined in the recommendation are encompassed in the monitoring arrangements going forward.</p> <p>The progression, placement and completion data will be introduced as a condition of funding from 2020.</p>	Q2 2019
14. Priority should be given to drive continued enhancement of data to inform evaluation of NTF.	<ul style="list-style-type: none"> • DES will engage with funding recipients on arrangements in place to collect and share data to support high quality evaluation of programme impact, in the light of identified metrics. DES will examine any issues arising in the context of its data strategy. 	The Department will liaise with other stakeholders to ensure that enhancement of data is a priority to inform the evaluation of programmes.	Q3 2019