

# **Evaluation of Skillnets TNP, Finuas and ManagementWorks in 2016**

Submitted to

**Skillnets**

Prepared by

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## Executive Summary

### Introduction and Background

This report is submitted to Skillnets by Indecon International Economic Consultants. The report concerns an independent evaluation on the Training Networks Programme (TNP), Finuas Programme ('Finuas') and ManagementWorks activities during 2016.

The background to this evaluation has been the development, since 1999, 2009 and 2012 respectively, of the TNP, Finuas and ManagementWorks programmes. The programmes are funded from the National Training Fund (NTF) administered through the Department of Education and Skills. They operate based on an enterprise-led networks model, whereby networks of companies engage in the design, management and delivery of specific training programmes to employees, as well as to jobseekers across a broad range of industry and service sectors nationwide. ManagementWorks, which was established in 2012 under the Government's *Action Plan for Jobs*, has the overall objective of addressing the need to enhance the level of management capability of small and medium-sized firms. ManagementWorks is operated centrally from Skillnets' headquarters, while the TNP and Finuas programmes are operated through a series of 62 networks (59 TNP and 3 Finuas as of 2016), having a wide geographic and sectoral spread. This evaluation is also undertaken within the context of the transition to Skillnets' new Statement of Strategy, which was launched in the autumn of 2016 and will be implemented over the period from 2017 to 2019.

The overall objective of this assignment was to conduct an evaluation of the TNP and Finuas programmes, in addition to ManagementWorks during 2016. The evaluation takes place at programme, training activity and network levels, and includes an assessment of the Job Seekers Support Programme (JSSP). The methodology applied in completing the evaluation was designed to ensure an independent and rigorous evaluation of the TNP, Finuas and ManagementWorks programmes, and associated funding streams. The evaluation, which is supported by extensive new primary research, stakeholder engagement and detailed analysis, includes a particular focus on assessing the alignment of activities and outcomes with the requirements of the NTF, including the need to ensure value for money in the utilisation of public resources.

#### Skillnets Programmes

##### Training Networks Programme (TNP):

Enterprise-led learning networks operating across a wide range of sectors and regions in Ireland.

##### Finuas Programme

Dedicated programme for the international financial services (IFS) sector.

##### Future Skills Needs Programme (FSNP) and New Certified Programme Development (NCPD).

Design of innovative training to address future skills needs.

##### Jobseekers Support Programme (JSSP):

Workplace activation initiative to assist job-seekers to gain employment.

##### ManagementWorks:

A management development offering to support SME owner-managers.

## Key Conclusions from Evaluation of 2016 Activities

### Funding and expenditures

In 2016, Skillnets was allocated €16.2 million from the National Training Fund. Skillnets operated 63 networks across the TNP, Finuas and ManagementWorks programmes during 2016. Overall, Skillnets remained within budget, with total expenditure, including network and other operating costs, amounting to €25.9 million (funded from the combined NTF grant and enterprise matching contribution) versus a budget of €26.8 million. Network management costs (including ManagementWorks) remained significantly below the DES ceiling of 25% of network expenditure. At programme level, the TNP represented the majority (€19.8 million or 76.4%) of Skillnets' overall expenditure during 2016.

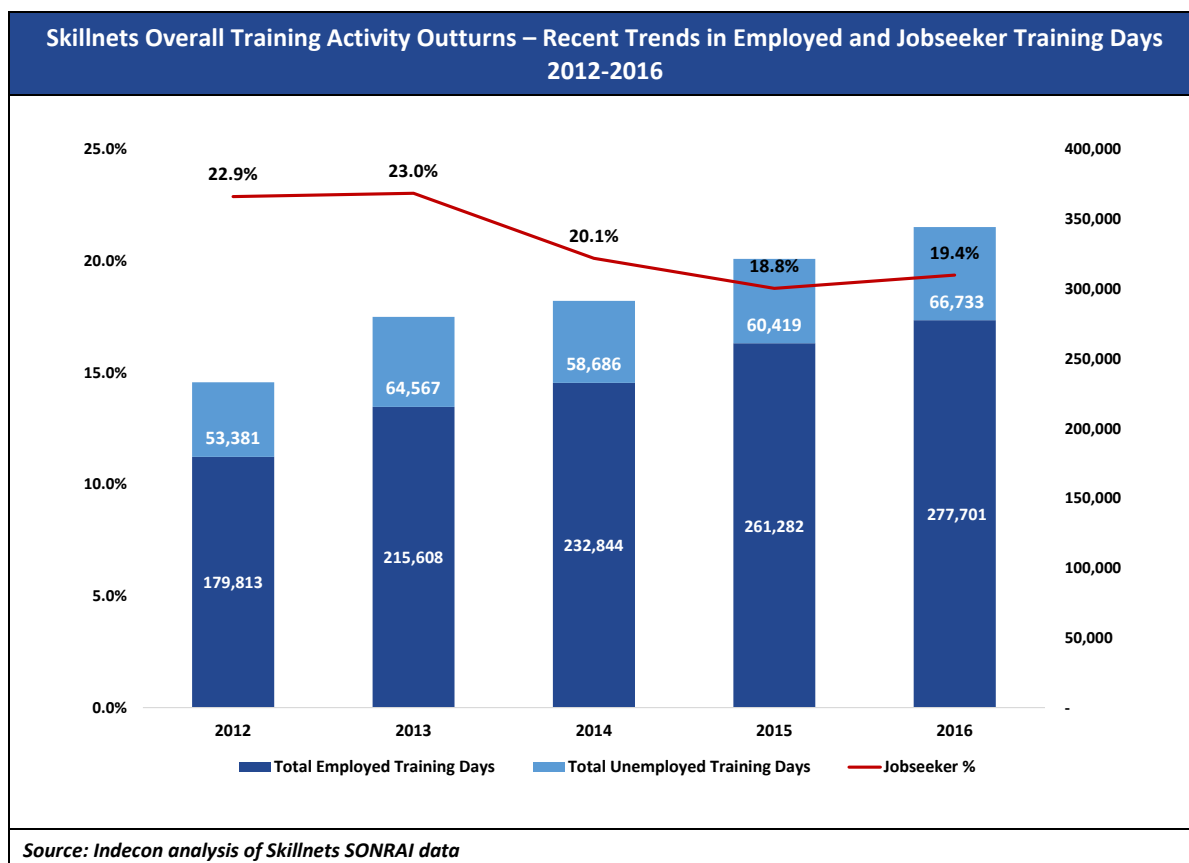
Given the need to demonstrate value for money in utilization of public funding via the National Training Fund, of importance is the extent of funding leverage achieved through network member company matching funding. Skillnets achieved a matching company funding rate of 53.8% in 2016 relative to state funding of the TNP, Finuas, ManagementWorks and FSNP/NCPD programmes, implying that the state funding component for these programmes was 46.2%. This implies that in terms of leverage, for every €1 of State funding, Member Companies provided €1.16 of matching funds in 2016. While there was significant leverage at programme-level, the overall leverage ratio in 2016 was higher than recorded in 2015 (€1.05). Maintaining this positive trend will be important in maximising leverage and demonstrating value-for-money from a public expenditure perspective, but also in relation to mitigating the deadweight associated with publicly-funded training programmes.

### Training activity overview

Skillnets substantially exceeded its overall training activity targets, as set by the Department of Education and Skills, for 2016. The key achievements were as follows:

- **Total Trainees = 50,373 in 2016** (vs. DES target of 42,000) and +3% viz. 2015;
- **Total Training Days = 344,434** (vs. DES target of 250,000);
- **In-Employment Training Days = 277,701** (vs. DES target of 195,000) and +6% viz. 2015; and
- **66,733 training days to 5,915 Unemployed/Jobseeker Trainees** (vs. DES target of 55,000 days).

The recent movements in training participation and activity levels have continued to be dictated by the wider economic and labour market environment, including the recovery in Member Companies' training budgets and demand for in-employment training, and the decline in the Live Register. The figure overleaf describes the relative movements in the numbers of training days provided to unemployed and employed trainees over the last five years. While the total number of training days has seen consistent growth over this period, unemployed training days has fallen in relative terms (the small increase in the jobseeker percentage in 2016 masks the underlying sharp drop in the number of trainees). It is noted in the context of this analysis that under its new strategy Skillnets is changing its previously targeted ratio of 80:20 in relation to the division between in-employment training and jobseeker training to a new ratio of 90:10. This reflects the declining demand for jobseeker training and the impact of the expanding economy in terms of increased demand for in-employment training.



### Enterprise participation

In relation to enterprise participation, a total of 14,263 enterprises were members of, or participated in, a Skillnets network or programme during 2016. This compared with 12,861 companies in 2015, implying an annual increase of 10.9% in 2016. The outcomes include continued annual growth in TNP membership, and a continued acceleration in Finuas membership. However, there has been a continued decline in participation in ManagementWorks, where the number of enterprises fell from 491 in 2015 to 409 firms in 2016, despite the accelerating wider economic recovery.

### Training Networks Programme

At programme level, the TNP remains Skillnets core programme delivering in-employment training across a wide range of sectors and skill requirements. Training activities are designed to meet the objectives of providing training that influences the transferability of skills, fosters company diversification or transferability within a sector or to another sector, facilitates increased performance and growth in priority sector and enhances the general competency skills of lifelong learners. Indecon's evaluation of the TNP indicates that the programme continued to meet these objectives and to receive positive stakeholder feedback during 2016. The key achievements of the TNP during the year were as follows:

- TNP main programme expenditure in 2016 amounted to €19.8 million (funded from the combined NTF grant and enterprise matching contribution), including new networks. This was deployed to fund 59 networks, which represents no change since 2015. However, it should be noted that the average expenditure per network rose from €321,433 in 2015 to €336,381 in 2016.
- In terms of Member Company co-funding, the funding leverage for the TNP programme increased substantially year-on-year. This implies further value-for-money from the perspective of central government. For every euro of public funds spent, Member Companies provided €1.20.

- ❑ The TNP served predominantly smaller firms, with micro enterprises (1-9 employees) making up almost half of Member Companies in TNP.
- ❑ The programme provided training to 41,335 in-employment trainees, representing an increase of 4% year-on-year. The number of training days provided to this cohort also increased to an even greater degree. In 2016, 238,792 training days were provided, which is equal to a greater than 7% increase over 2015 levels. It should also be noted that the growth in trainees has outpaced employment growth in the economy over the past two years.
- ❑ 97.5% of trainees examined were employed as of May 2017. This high level is welcomed but unsurprising given the cohort examined were in-employment during their training. This implies a high degree of employment retention in this cohort.
- ❑ TNP trainees have indicated generally high levels of satisfaction with the overall quality of in-employment training provided, however relatively lower levels of satisfaction were seen in relation to the ability of the training to foster networking with employees from other companies (61.8% very satisfied or satisfied).
- ❑ TNP Member Companies indicated strong levels of their views as to the overall quality of the training provided (96%), while 95% of companies considered the training to meet their expectations.
- ❑ Brexit-related outcomes were associated with high degrees of uncertainty by Member Companies. 42% of firms had already seen an impact from exchange rate fluctuations after the Brexit referendum in June 2016.
- ❑ In terms of cost-effectiveness, the costs to the state per trainee fell in 2016 to just above €200 per trainee. Conversely, the average cost to Member Companies per trainee has risen.
- ❑ Some indicative evidence of programme deadweight was identified during Indecon's survey research. It is important from the perspectives of maximising net impacts and value for money in the utilisation of public funding through the NTF that ongoing efforts are made to minimise this deadweight and to mitigate its impacts through maximizing member company matching funding.
- ❑ Skillnets' FSNP and NCPD programmes, as well as Pilot Networks, have played a significant role in addressing current and future skills needs in Ireland. These programmes reflect the dynamic nature of the Skillnets organisation. Proportional to overall expenditure, however, spending on these programmes is small. The creation of new courses with specific targeted objectives is of importance in ensuring Skillnets remains an industry-focused source of training. The specialised nature of these courses allows firms to take a long-term perspective and reduces the potential of course duplication with other providers.

### Finuas Networks Programme

The Finuas programme provides training in specialist skills to enhance expertise in and the global competitiveness of the International Financial Services (IFS) sector in Ireland. Importantly in relation to the wider policy context, the programme is aligned with and integrated within the Government's strategy for the IFS sector, IFS2020. Finuas continued to be delivered across the Summit, Law Society and Aviation Finance networks during 2016, involving the participation of a total of 857 member-companies. The key findings from the evaluation of Finuas activities during 2016 were as follows:

- ❑ Finuas' total expenditure in 2016 amounted to €1.8 million (funded from the combined NTF grant and enterprise matching contribution), which is equal to 93.7% of total budgeted expenditure. In terms of funding leverage, Member Companies contributed 53% of total expenditure in 2016, exceeding public funding by 12.9%.
- ❑ Participating firms were mostly SMEs, with 82.5% of firms employing fewer than 50 people.

- ❑ The Finuas programme saw a large increase in the number of trainees served, as well as a moderate increase in the number of training days offered throughout 2016. 2,402 trainees participated in 24, 209 training days, representing an average of 10.1 training days per trainee. This fell from an average 13.7 training days per trainee in 2015.
- ❑ Overall, Finuas trainees and Member Companies reported high levels of satisfaction with the programme in 2016. 78% of Member Companies were satisfied or very satisfied that the Finuas training overall met their expectations and addressed their business need. Similarly, 91% of trainees were very satisfied or satisfied with the overall quality of the training. A large majority of Member Companies were satisfied (65.2%) with the design and relevance of the training to their business needs, however only 17.4% firms were very satisfied.
- ❑ Finuas trainees had high levels of employment retention, which is indicative of the trainee cohorts' high qualification levels and the specialised nature of the programme.
- ❑ Indecon's primary research has highlighted the existence of positive career outcomes as a result of participation in Skillnets training. Most notable was the fact that a large number of Member Companies and trainees considered the programme as addressing a skills gap and encouraging future training.
- ❑ Findings from Indecon's survey research indicated that a minority of trainees and Member Companies would have accessed training of a similar quality elsewhere, which has implications for the programme in terms of potential deadweight.
- ❑ The impact of Brexit for Finuas Member Companies was seen as being significant, especially in relation to the level of uncertainty surrounding the outcomes of any decisions related to EU-UK trade. However, 21.7% of firms consider Brexit to offer a significant opportunity for their business to expand, although it should be noted that no business saw this as very significant.

## ManagementWorks

ManagementWorks has been delivered centrally from Skillnets' headquarters on a fully mainstreamed basis since 2013. The programme is designed to assist SMEs in improving their business performance through the provision of subsidised, tailored management development programmes supported by professional business mentors. The main findings from the evaluation of the programme's activities during 2016 can be summarised as follows:

- ❑ Overall, 95% of the target set out for ManagementWorks training days delivered in 2016 was met while 88% of the target for trainee participation was met.
- ❑ Overall programme expenditure on ManagementWorks, at €1.6 million in 2016 (funded from the combined grant and enterprise matching contribution) was 15% below budgeted levels. While expenditures should be assessed alongside training outcomes, this level of underspend would raise continued concern with regard to the level of effective reach of the programme. Underspend was also highlighted by Indecon in its 2016 evaluation and this underscores the importance of implementation of Skillnets' new strategy for Management Development training if reach and increased SME participation is to be achieved.
- ❑ There were 409 companies who participated in ManagementWorks in 2016, 98% of these were small to medium sized enterprises. However, the number of companies in 2016 compared with 491 companies in 2015 and 518 enterprises in 2013, indicating a 21% drop in participation over the 3-year period. This highlights a continued concern in relation to the effective reach of ManagementWorks, particularly when these developments are set against the context of the accelerating recovery in the Irish economy.
- ❑ Over 35% of member companies that responded to Indecon's survey research indicated that they are likely to increase staff numbers within the next 6 to 12 months as a direct or indirect impact of ManagementWorks.

- ❑ ManagementWorks Member Companies reported a positive impact of training on a wide number of business priorities such as addressing skills gaps, improving business processes and productivity, leadership development, managing self and managing the team.
- ❑ Over 90% of Member Companies considered ManagementWorks to be a 'value-for money' investment.
- ❑ On average 60% of Member Companies were very satisfied and a further 30% were satisfied with the broad features of training including design, relevance and quality of trainers.
- ❑ ManagementWorks Member Companies had mixed views as to the impact of Brexit on their business. 36% of those surveyed viewed the uncertainty around future trading arrangements as a very significant or significant issue and 32% viewed overall exposure to the UK market as very significant or significant.

### **Jobseeker Training Activities**

Skillnets provides a broad range of relevant, free training to unemployed people through a number of key programmes. The needs of unemployed people are addressed through integrated training with employees as part of TNP and Finuas courses, as well as conversion courses and work placements in areas of employment potential through the JSSP, which is a dedicated, fully-funded programme. Indecon's evaluation of Skillnets' jobseeker training activities during 2016 highlighted the following findings and conclusions:

- ❑ The overall number of trainees in main programme jobseeker training fell by 8.6% from 2015 to 2016. This was driven by a reduction in TNP jobseeker trainees. Their total training days in 2016 was 17,173 for TNP and 501 for Finuas. This includes non-contact training days.
- ❑ As with our previous evaluations, Indecon also completed a formal value-for-money assessment of the JSSP programme from the perspective of the Exchequer for the 2016 and 2015 period. This was based on primary survey research, desktop research, and internal Skillnets data. This analysis indicated that if a typical JSSP participant in 2016 found work and remained in employment for greater than 5.2 months, this would represent a net positive benefit for the Exchequer. Through our examination of the 2015 trainee cohort, the break-even point in terms of months in employment was estimated at four months. The evidence from the research among the 2015 cohort of trainees is that individuals who have found employment have typically been at work for between 12-13 months, suggesting that the 2015 programme is likely to have returned a significantly positive exchequer contribution.
- ❑ Over 40% of TNP/Finuas jobseeker trainees were unemployed for over one year and were therefore designated long-term unemployed.
- ❑ 45% of the main TNP/Finuas jobseeker trainees were either in paid employment or self-employed as of May 2016 following the completion of their training. Satisfaction levels were high among the trainees with various aspects of the quality and delivery of the training programme.
- ❑ 89% of TNP/Finuas jobseeker trainees indicated they would have encountered some degree of difficulty accessing similar training elsewhere were it the case that Skillnets was not available.
- ❑ Expenditure in the Jobseekers Support Programme (JSSP) amounted to €2.3 million in 2016. JSSP is primarily funded through a state grant; however, Member Companies can contribute to the programme on a voluntary basis.
- ❑ Over 50% of JSSP trainees were educated to NFQ Level 5 or lower. This meets the goals of the programme as this cohort is specifically cited by Skillnets as being a characteristic of a priority targeted unemployed group.

- ❑ 50.3% of JSSP trainees in 2016 were considered long-term unemployed (which is defined as an unemployment spell of greater than 12 months). Most notably, over a quarter of those surveyed were unemployed for greater than three years.
- ❑ Indecon's research suggests positive progression/employment outcomes among Skillnets jobseeker trainees, with 43% of 2016 JSSP trainees and 63% of 2015 trainees currently in employment (as at April/May 2016).

### **Stakeholder feedback from network managers and promoters**

The evaluation also considered the views of Network Managers and Promoters on aspects concerning the wider Skillnets networks model. Overall, managers and promoters continue to be positive and supportive of the enterprise-led Skillnets model, and overall satisfaction levels were generally strong.

Manager and promoters have also highlighted the impact of the accelerating economy on the demand for in-employment training, and the challenges involved in jobseeker training against the background of declining unemployment. Managers and promoters indicated a positive outlook for Skillnets' strategic goals for 2017, with the majority expecting some level of progress.

In the context of Skillnets' new strategy, of importance going forward concerns the capacity of networks to expand to meet increasing demand for training within the workforce. This will require new focus on capacity-building initiatives if networks are to be in a position to absorb any additional funding and drive new growth in in-employment training and, over time, in management development training.

### **Programme Deadweight**

As with previous evaluations, Indecon as part of this evaluation has also assessed the extent of deadweight present in Skillnets' training programmes. Deadweight relates to the instance where the outputs or outcomes of a programme would have occurred in the absence of the programme.

Overall, while the analysis indicated the presence of deadweight at varying levels across Skillnets' programmes, some deadweight will be present in all such programmes. Of importance is that ongoing efforts are maintained to ensure that this deadweight, and its impacts, are minimised as much as possible. This can be achieved through careful and appropriate design of the eligibility criteria for participation in the programme and design of the training itself; and it is important that training is designed to be as specific and tailored as possible, so as to minimize the possibility that this training can be accessed from other providers.



## Recommendations

Based on the detailed evaluation and conclusions, a number of recommendations designed to further enhance the effectiveness and impacts of Skillnets programmes in the future have been identified by Indecon. These are set out in the table below.

Recommendations arising from Evaluation of Skillnets TNP, Finuas and ManagementWorks during 2016	
No.	Recommendation
1.	Given the current rapid growth in enterprise formation and employment, a rigorous focus should be maintained by Skillnets on ensuring that the organisation can respond rapidly to provide relevant training that meets the sectoral skill requirements of the Irish economy and is aligned with government workforce and skills development policy.
2.	As part of ongoing review of the configuration of its training offering, Skillnets' Executive to ensure that training remains relevant to existing and emerging sectoral skill requirements, particularly in relation to in-employment training. This should include examination of the appropriate balance between lower and higher skills, transversal and STEM skills, retraining and customised/in-house training across different sectors, as well as responding to emerging specific sectoral needs (e.g. in the digital economy).
3.	Immediate priority should be given in Skillnets' programme configuration and funding calls to identifying and responding to staff- and management-level training needs to assist enterprises to prepare for Brexit. Given the scale and complexity of the challenge in the medium-term, consideration could be given to the establishment of a dedicated, cross-sectoral programme that exclusively addresses Brexit-related skills requirements. Any such programme should, however, be aligned with national policy, be subject to preliminary appraisal, and have a demonstrable capacity to respond to evolving enterprise needs.
4.	Additional focus and investment is required in relation to Network Capacity Building, to ensure that additional NTF funding that may come available to Skillnets can be deployed and utilised in an effective and efficient manner. This should include consideration of member company matching funding requirements, including the possibility of applying a differentiated approach across sectors to incentivise targeted capacity building, developing Skillnets brand awareness, boosting member company recruitment and retention, and enhancing network responsiveness to training demand.
5.	In enhancing its future Management Development training offering, Skillnets should place particular focus as part of its current reconfiguration in this area on ensuring effective/cohesive branding and marketing to expand reach and participation among SMEs, driving greater involvement of the networks, leveraging existing client relationships to develop repeat business, and ensuring that programme design is informed by the Skillnets SME Competency Framework.
6.	Given the changed labour market context and the organisation's transition to a reduced focus on jobseeker Training, Skillnets to ensure that future strategy in this area is designed to broaden its role in the activation space, as per the Government's Pathways to Work strategy. This should include extending the JSSP to other specific client groups who wish to play a more active role in the labour market, such as the under-employed and primary care-givers. Over time, jobseeker training strategy should also move towards a position where all such training is provided via dedicated funding channels, with Skillnets' main (TNP and Finuas) programmes focussing solely on in-employment training.
7.	Continued rigorous focus is required to ensure that Skillnets demonstrates value for money in the deployment of NTF funds. This should include continued development and implementation of measures to minimise programme deadweight and mitigate its impacts, including in relation to training design.
8.	Skillnets should ensure that appropriate Key Performance Indicators are updated and deployed to Skillnets management on an ongoing basis throughout the year to facilitate monitoring of the extent to which funding allocations are delivering on annual DES/NTF objectives and to inform decision-making on funding calls.
9.	Skillnets to maintain an ongoing rigorous focus on ensuring the quality of all its training outputs. This should include examination of quality accreditation and the application of quality measures/indicators across networks.
10.	Ongoing enhancement of the Sonraí system is required to reduce the labour-intensive nature of database inputs and to minimise or eliminate duplication of network-level inputting requirements between Sonraí and other reporting systems.
Source: Indecon	



## **Overall Conclusions**

Overall, this evaluation found that Skillnets' core TNP, Finuas and ManagementWorks programmes continued to meet their broad objectives during 2016. The impact of the accelerating recovery in the Irish economy is evidenced in the increased demand and growth in training activity, with Skillnets delivering a total of 344,434 training days to 50,373 trainees – exceeding the overall targets set by the DES by 20% and 38% respectively.

The evaluation has also highlighted continued positive employment retention and progression outcomes for trainees. Indecon's research also shows that TNP and Finuas Member Companies and trainees continue to report high levels of satisfaction in relation to key aspects including relevance of training, quality, contribution to learning and personal development, and value for money. This positive feedback is important in the context of ensuring alignment with the requirements of the National Training Fund.

ManagementWorks continues to be well-received among SMEs. However, the continued decline in participation levels among SMEs indicates that demonstrating sufficient awareness and reach, and converting this into demand/participation levels, will need to be key areas of focus under Skillnets' new strategy in relation to Management Development training.

As well as expanding on its core mandate through a 6% growth of its in-employment training, the organisation also continued to contribute to the Government's Action Plan for Jobs through training provided to a total of 5,915 jobseekers. Jobseeker training has, however, continued to decline in relative terms as in-employment training has accelerated, reflecting the wider economic and labour market turnaround.

Going forward, key challenges for Skillnets will include the need for a rigorous focus on ensuring relevancy and quality of training, developing capacity within the networks to respond rapidly to increasing demand, and continuing to demonstrate value for money in the deployment of NTF funds.



# 1 Introduction, Background and Methodology

## 1.1 Introduction

This report is submitted to Skillnets by Indecon International Economic Consultants. The report provides an independent evaluation on the Training Networks Programme (TNP), Finuas Programme ('Finuas') and ManagementWorks programme activities during 2016.

## 1.2 Background and Overview of Skillnets

The background to this evaluation has been the development, since 1999, 2009 and 2012 respectively, of the TNP, Finuas and ManagementWorks programmes. The programmes are funded from the National Training Fund (NTF) administered through the Department of Education and Skills. They operate on the basis of an enterprise-led networks model, whereby networks of companies engage in the design, management and delivery of specific training programmes to employees, as well as to jobseekers across a broad range of industry and service sectors nationwide. ManagementWorks, which was established in 2012 under the Government's *Action Plan for Jobs*, has the overall objective of addressing the need to enhance the level of management capability of small and medium-sized firms. ManagementWorks is operated centrally from Skillnets' headquarters, while the TNP and Finuas programmes are operated through a series of 62 networks (59 TNP and 3 Finuas as of 2016), having a wide geographic and sectoral spread. This evaluation is also undertaken within the context of the transition to Skillnets' new Statement of Strategy, which was launched in the autumn of 2016 and will be implemented over the period from 2017 to 2019.

## 1.3 Scope and Terms of Reference for Evaluation

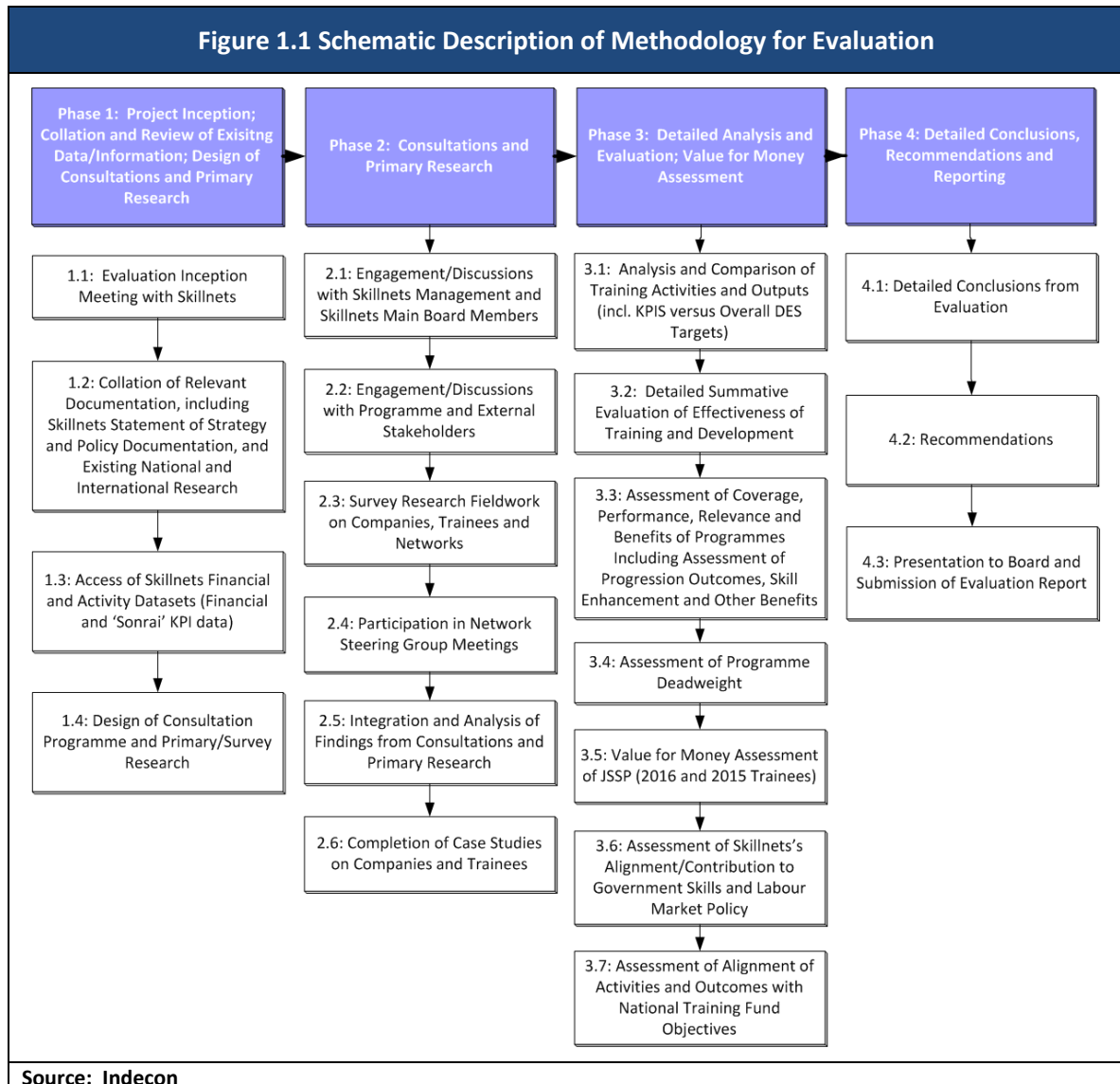
It is a requirement of the provision of annual funding under the NTF that each of Skillnets' programmes/networks are subject to an annual evaluation to assess their activities, outputs, outcomes and impacts. The overall objective of the present evaluation is to conduct an evaluation of Skillnets' TNP, Finuas and ManagementWorks programme activities during 2016. This builds on Indecon's previous evaluation work and entails an assessment of programme/network activities over the period 1<sup>st</sup> January to 31<sup>st</sup> December 2016, as follows:

- ❑ Training Networks Programme (TNP) – involving evaluation of training across 59 networks;
- ❑ Finuas Programme – including the training activity of each of three networks in the International Financial Services sector during 2016;
- ❑ ManagementWorks network – entailing the evaluation of the management development training activities of SME's supported under this specific programme during 2016; and
- ❑ Evaluation of TNP and Finuas to cover the following four separate funding strands:
  - Main Programme Activity (TNP/FINUAS in-employment and jobseeker training);
  - Job Seekers Support Programme (JSSP);
  - New Certified Programme Development (NCPD); and
  - Future Skills Needs Programme (FSNP).

The evaluation examines inputs, activities and outcomes at programme, networks and training activity levels.

## 1.4 Methodological Approach to Evaluation

A description of the methodological approach, including work programme phases and tasks, applied in undertaking the evaluation is presented in the figure below. The methodology was designed to address each aspect of the terms of reference and to ensure an independent and rigorous evaluation of Skillnets' TNP, Finuas and ManagementWorks programmes, and associated funding streams, during 2016. As with previous evaluations, particular attention was given to examining the alignment of activities and outcomes with the requirements of the NTF, including the need to ensure value for money in the utilisation of public resources.



Throughout this report Indecon has assessed Skillnets participants' ability to access similar training elsewhere as an indicative measure of potential deadweight. It should be noted that a comprehensive evaluation of the level of programme deadweight would require a rigorous econometric methodological approach that accounts for the 'counterfactual', i.e., the likely outcome that will occur in the absence of the scheme. This is achieved through statistical applications and is dependent on comprehensive dataset requirements, and is outside the remit of this review. This may merit consideration by Skillnets as part of their future research proposals.

### **1.4.1 Primary Research**

This evaluation has been supported by an extensive programme of consultations and primary research along a number of strands. These elements are described overleaf.

#### ***Consultation Programme***

A series of discussions was undertaken with internal Skillnets and external stakeholders. These included:

- ☐ Ongoing engagement with Skillnets management throughout the evaluation process. This included discussions with Skillnets management overseeing the TNP, Finuas and ManagementWorks programmes, including Skillnets CEO, Executive Directors and Senior Programme Managers, and bilateral and group-based discussions with Programme Support Managers (PSMs).
- ☐ Discussions with Skillnets main board members.
- ☐ Engagement with a sample of Network Managers at organised cluster meeting (11<sup>th</sup> and 19<sup>th</sup> May).
- ☐ Meetings with network steering groups, including the Law Society Skillnet, Carlow/Kilkenny Skillnet and FDII Skillnet.
- ☐ Meeting with ManagementWorks Advisory Group.
- ☐ Interviews with a sample of ManagementWorks participating companies.
- ☐ Discussions with and inputs provided by external bodies, including the Department of Education and Skills, Department of Jobs, Enterprise and Innovation, and IDA Ireland.

The objectives of these consultations were to seek the views and inputs of these stakeholders in relation to issues concerning the overall design, scope, relevance and effectiveness of the programmes and networks, the management and governance of the programmes, and to identify challenges and options for the future development of the programmes.

#### ***Primary Research***

Indecon also undertook, with the aid of Skillnets management, an extensive programme of primary research among network managers, promoters, Member Companies, and trainees, through a series of separate survey streams, as follows:

1. Survey of Network Managers (TNP & Finuas);
2. Survey of Network Promoters (TNP & Finuas);

3. Survey of TNP Member Companies during 2016;
4. Survey of Finuas Member Companies during 2016;
5. Survey of ManagementWorks Member Companies during 2016;
6. Survey of Finuas Employed Trainees during 2016;
7. Survey of Finuas Unemployed Trainees during 2016;
8. Survey of TNP Employed Trainees during 2016;
9. Survey of TNP Unemployed Trainees during 2016;
10. Survey of JSSP 2016 Trainees during 2016; and
11. Re-survey of JSSP 2015 Trainees.

A breakdown of the response number and response rates achieved across the surveys undertaken is presented in the table below.

Table 1.1: Evaluation Surveys – Breakdown of Response Numbers and Response Rates			
	Number of Surveys Issued	Number of Responses	Response Rate
Network Managers (TNP & Finuas)	59	58	98%
Network Promoters (TNP & Finuas)	62	46	74%
TNP Member Companies in 2016	5,017	405	8%
Finuas Member Companies in 2016	418	23	6%
ManagementWorks Member Companies in 2016	435	133	31%
TNP Employed Trainees in 2016	30,965	3,652	12%
Finuas Employed Trainees in 2016	1,256	115	9%
TNP Jobseeker Trainees in 2016	2,805	532	19%
Finuas Jobseeker Trainees in 2016	87	18	21%
JSSP 2016 Trainees	2,039	341	17%
JSSP 2015 Trainees (re-survey of 2015 trainees)	2,014	367	18%
Source: Indecon			

**Data sources utilised**

A range of detailed data was utilised in undertaking this evaluation. This included detailed data provided to Indecon across a number of dimensions, including financial and activity KPIs, in addition to other detailed aspects of training activity, from the Sonraí database and Skillnets financial datasets. Data was also accessed from external sources including the Central Statistics Office (CSO).

## 1.5 Report Structure

The remainder of the report is structured as follows:

- ❑ Section 2 presents an overview of financial performance and training achievements across Skillnets as a whole and at programme level during 2016;
- ❑ Section 3 evaluates activities and outcomes during 2016 under the main TNP programme, focusing on in-employment training activities;
- ❑ Section 4 focuses on the in-employment training provided during 2016 under the Finuas programme;
- ❑ Section 5 examines the activities, outputs and achievements of ManagementWorks during 2016;
- ❑ Section 6 evaluates the impact of the Skillnets' TNP and Finuas Networks Programmes in relation to jobseekers who undertook training within these networks during 2016. We also assess the activities and impacts, and present an exchequer value-for-money assessment of the Job Seekers Support Programme (JSSP);
- ❑ Section 7 reviews the Skillnets network model and includes a range of views from Member Companies, network managers and promoters on various aspects of Skillnets programme operation; and
- ❑ Section 8 integrates the detailed analysis and assessment undertaken in the preceding sections to deliver our overall conclusions and recommendations.

## **1.6 Acknowledgements and Disclaimer**

Indecon would like to acknowledge the assistance and inputs provided by a number of individuals and organisations during the course of this evaluation. We would particularly like to express our gratitude to management and staff at Skillnets for their assistance and inputs, including Paul Healy (CEO), Ian Quinn (COO and Company Secretary), Carl Blake (Executive Director, Programme Effectiveness), Tracey Donnery (Executive Director, Programme Development & Communications), Lorcán Ó hÓbáin (Executive Director, Programme Management Office), Dave Flynn (Senior Manager, Network Effectiveness), Brian Colleran (Programme Development Manager, ManagementWorks), and Noreen Fitzpatrick, Enda Hogan, Trish Breen and Mick McHugh (Skillnets Programme Support Managers). We are also very grateful to Skillnets Board members and members of the ManagementWorks Advisory Committee, for their valuable contributions.

In addition, we would like to thank officials in the Department of Education and Skills (DES), the Department of Jobs, Enterprise and Innovation, and IDA Ireland for their inputs to the evaluation.

Last but not least, we would also like to express our gratitude to Skillnets' network promoters and managers, Member Companies and trainees throughout the country who responded to our survey research and participated in cluster group discussions during the evaluation, as well as engaging with us bilaterally.

The usual disclaimer applies and the analysis and findings in this independent report are the sole responsibility of Indecon.



## 2 Overview of Skillnets Financial and Training Performance

### 2.1 Introduction

This section presents an overview of Skillnets' performance during 2016. Particular focus is given to examining the overall financial outcomes in terms of programme expenditures and training outcomes in relation to trainees supported and training days delivered relative to the overall targets set for Skillnets by the Department of Education and Skills. This is important both in relation to ascertaining the extent to which DES targets are attained, but also in terms of demonstrating alignment with the value for money and other requirements of the DES-administered National Training Fund.

The table below outlines the goals of Skillnets as outlined in the Skillnets Statement of Strategy 2016-2019. The three overarching goals for Skillnets over the 2016-2019 period, involve focusing on effectiveness, impact and relevance; promoting the supply of in-demand skills; and increasing employer participation.

**Table 2.1: Skillnets Statement of Strategy – Goals**

**Goal One:**

We will make training effectiveness, impact and relevance core to Skillnets activities. We will promote continuous improvement in the learning experiences provided to enterprise through our networks, and be a model for training excellence in an enterprise context.

**Goal Two:**

We will play a pivotal role in maintaining a supply of the specific skills and future skills that impact the growth potential of Irish enterprise.

**Goal Three:**

We will drive increased participation of employers in our proposition. In doing so, we will be a key enabler in sustaining national competitiveness through the up-skilling of those in employment.

**Source: Skillnets**

## 2.2 Overview of Financial Performance

### 2.2.1 Financial overview

The table below presents actual expenditure in 2016 vis-à-vis budgeted 2016 expenditure across all the Skillnets programmes. Skillnets operated 63 networks across the Training Networks Programme (TNP), Finuas, and ManagementWorks. There are three specialised sub-programmes within these, including the Jobseekers Support Programme, Future Skills Needs Programme (FSNP), and New Certified Programme Development (NCPD).

**Table 2.2: Financial Overview - Summary of Key Skillnets Financial Data – 2016**

	2016 – Actual - €	2016 – Budget - €	Actual as % of Budget
<b>Funding Source</b>			
Grant Funding	€13,093,926	€13,685,337	96%
Matching Funding	€12,795,908	€13,093,926	98%
<b>Total Network Funding</b>	<b>€25,889,834</b>	<b>€26,779,263</b>	<b>97%</b>
<i>Matching Funding - % of Total</i>	<i>49.4%</i>	<i>48.9%</i>	<i>101%</i>
<b>Network Cost Type</b>			
Network Management Costs	€5,259,096	€5,670,013	93%
Network Training Cost	€19,996,735	€20,045,492	100%
<b>Management and Training Expenditure</b>	<b>€25,255,831</b>	<b>€25,715,505</b>	<b>98%</b>
<i>Network Management Costs - % of Total</i>	<i>20.8%</i>	<i>22.1%</i>	<i>94%</i>
<b>Other Operating Costs*</b>	<b>€634,004</b>	<b>€1,063,758</b>	<b>60%</b>
<b>Total Expenditure</b>	<b>€25,889,834</b>	<b>€26,779,263</b>	<b>97%</b>
<i>Source: Indecon analysis of Skillnets data *Includes overhead and programme development costs.</i>			

The analysis presented above indicates that Skillnets' overall expenditure across the 63 networks amounted to €25.9 million in 2016. This expenditure was funded through a combination of €13.1 million in NTF grant funding and €12.8 million in matching company funding. As JSSP is fully publicly funded with no matching company funds required, it is necessary to exclude JSSP funding. On this basis, Skillnets achieved a matching company funding rate of 53.8% in 2016 relative to state funding of the TNP, Finuas, ManagementWorks and FSNP/NCPD programmes. This matching company funding rate is higher than in 2015 (51.2%).

At the programme level, the TNP represented the majority (€19.9 million or 76.7%) of Skillnets' overall expenditure during 2016. The JSSP programme had the second largest expenditure (€2.3 million or 8.8%). The NCPD programme had the lowest expenditure in 2016.

**Table 2.3: Financial Overview – Expenditure by Programme and Funding Source in 2016**

Programme	No. of Networks	Actual Expenditure	Grant Funding (less JSSP element)	Member Company Matching Funding	Matching Funding - % of Expenditure**
TNP*	59	€19,846,495	€9,034,245	€10,812,250	54.5%
Finuas	3	€1,839,143	€863,958	€975,185	53.0%
JSSP***	Part of TNP and Finuas Networks	€2,292,088	€2,087,207	€204,881	8.9%
Management-Works	1	€1,644,799	€902,125	€742,674	45.2%
FSNP	4	€211,786	€161,972	€49,814	23.5%
NCPD	6	€55,523	€44,419	€11,104	20.0%
<b>Total</b>	<b>63**</b>	<b>€25,889,834</b>	<b>€13,093,926</b> (excluding JSSP = €11,006,719)	<b>€12,795,908</b>	<b>53.8%***</b>

**Source:** Indecon analysis of Skillnets data

**Notes:**

\*TNP includes New Networks Phase 1 and Phase 2.

\*\*Includes TNP and Finuas networks, and ManagementWorks. FSNP and NCPD are separate funding streams for current networks and excluded from the total number of networks to avoid double-counting.

\*\*\* JSSP is 100% grant funded, with no matching company funding required, however voluntary matching contributions are eligible. When re-calculated based on state funding of TNP, Finuas, ManagementWorks and FSNP/NCPD only, this implies a matching funding rate of 53.8%, or a state funding proportion of 46.2%.

## 2.2.2 Funding leverage

Skillnets programmes are funded using a co-funding model in which public funds are matched by member company contributions to varying degrees across the programmes. Demonstrating that an adequate level of matching funds is being provided to the suite of Skillnets programmes is an important process of demonstrating value-for-money for the utilisation of public/National Training Fund funds.

The preceding analysis indicates that Skillnets' overall expenditure during 2016 was funded through a combination of €13.1 million in NTF grant funding and €12.8 million in matching company funding. As JSSP is fully publicly funded with no matching company funds required, it is necessary to exclude JSSP funding when calculating the overall matching company funding rate. On this basis, Skillnets achieved an overall matching company funding rate of 53.8% in 2016 relative to state funding of the TNP, Finuas, ManagementWorks and FSNP/NCPD programmes, implying that the state funding component for these programmes was 46.2%. This matching company funding rate was higher than that recorded in 2015 (51.2%). This also implies that in terms of leverage, for every €1 of State funding, Member Companies provided €1.16 of matching funds in 2016. While there was significant leverage at programme level, the overall leverage ratio in 2016 was higher than recorded in 2015 (€1.05). Maintaining this positive trend will be important in maximising leverage and demonstrating value-for-money from a public expenditure perspective, but also in relation to mitigating the deadweight associated with publicly-funded training programmes.

## 2.3 Overview of Training Performance

Skillnets' training activity performance during 2016 relative to the targets set by the Department of Education and Skills is summarised in the table overleaf. The Department of Education and Skills set an overall target of 42,000 trainees for 2016 (which was unchanged on the target set for 2015), including employed and unemployed trainees. In terms of training days, this equated to a target of 250,000 days in 2016. The overall number of training days provided by Skillnets grew by 7% to 344,434 days, while the number of trainees expanded by 3% to 50,373 trainees by the end of 2016. Notably, while DES targets were left unchanged in 2016, Skillnets significantly exceeded the overall targets set for trainees and training days, by 20% and 38% respectively.

In relation to in-employment training, the DES set a target for Skillnets to deliver 195,000 training days to a total of 34,000 trainees during 2016. These targets were substantially exceeded through the actual provision of 277,701 training days to 44,458 in-employment trainees, implying that on average each Skillnets employed trainee received 6.2 days of training during the year (which was equivalent to the average duration seen in 2015). It is also noteworthy that the 5% growth recorded in the number of Skillnets' in-employment trainees compared with an increase of 2.9% in the overall level of employment across the Irish economy during 2016, suggesting that Skillnets increased its presence as a provider of training to those employed in the Irish economy.

While Skillnets did not meet its target for the number of unemployed trainees, it did attain the DES target for jobseeker training on the basis of training days provided in 2016, surpassing the target by 21% to record a total of 66,733 jobseeker training days.<sup>1</sup> The drop in unemployed trainee numbers in 2016 – which fell by 12% to 5,915 trainees – is likely to primarily reflect the continuing improvement in the labour market and the further decline in the Live Register as the broader recovery on the Irish economy continued.

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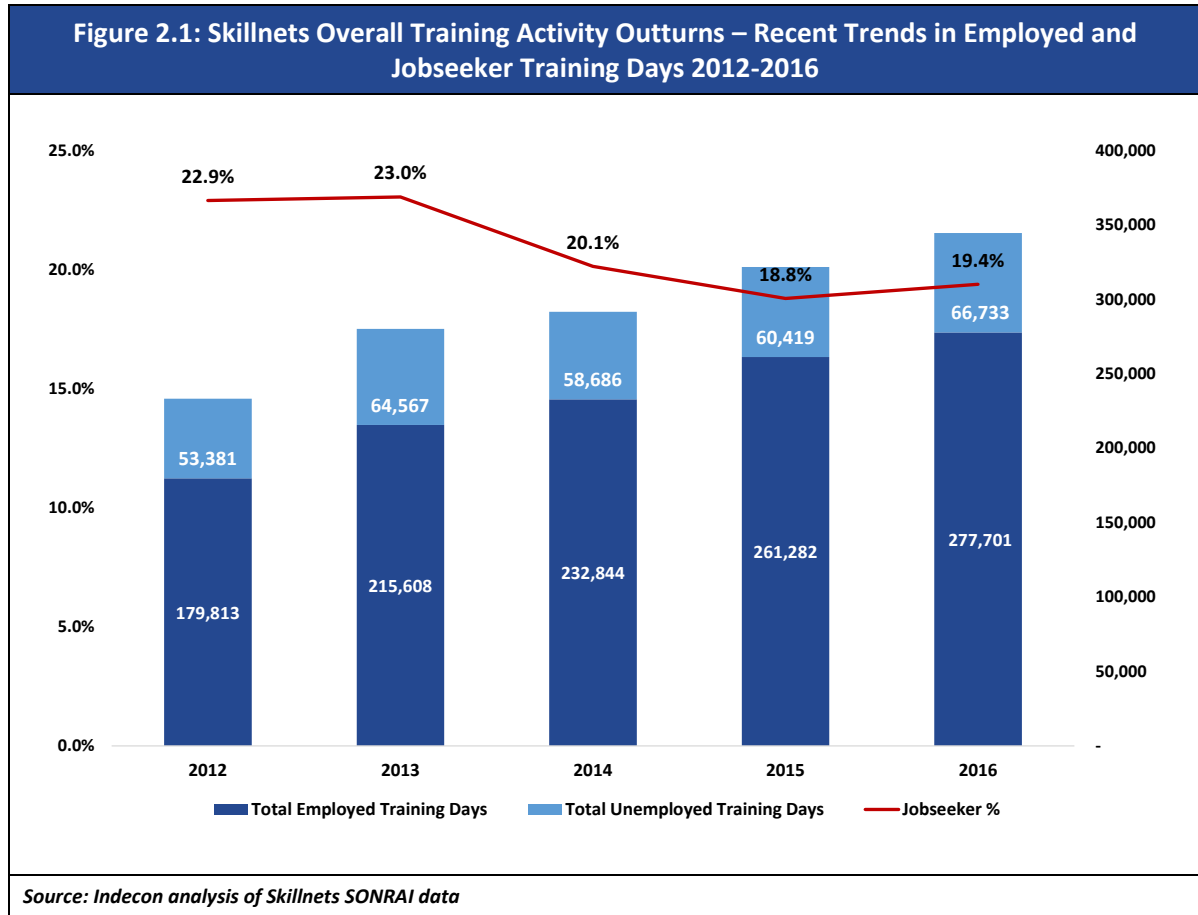
<sup>1</sup> The DES Allocation Letter for 2016 (April 2016) states that "Skillnets training and related services will be provided to 8,000 unemployed or part-time workers, or to the equivalent in training days (55,000)".

**Table 2.4: Skillnets Overall Training Activity Outturns versus Target 2016**

All Programmes <sup>1</sup>	Department of Education & Skills Target - 2016 <sup>2</sup>	Skillnets End of Year Total - 2016 <sup>3</sup>	End of Year Total as % of Target	Department of Education & Skills Target 2015	Skillnets End of Year total - 2015	Actual 2016 / Actual 2015
<b>Trainees</b>						
Employed Trainees	34,000	44,458	<b>131%</b>	34,000	42,228	<b>5%</b>
Unemployed Trainees	8,000	5,915	<b>74%</b>	8,000	6,695	<b>-12%</b>
<b>Total Trainees</b>	<b>42,000</b>	<b>50,373</b>	<b>120%</b>	<b>42,000</b>	<b>48,923</b>	<b>3%</b>
<b>Training Days</b>						
Employed Training Days	195,000	277,701	<b>142%</b>	195,000	261,282	<b>6%</b>
Unemployed Training Days	55,000	66,733	<b>121%</b>	55,000	60,419	<b>*</b>
<b>Total Training Days</b>	<b>250,000</b>	<b>344,434</b>	<b>138%</b>	<b>250,000</b>	<b>321,701</b>	<b>*</b>
<b>Source: Skillnets / SONRAI</b> Notes: (1) Programmes include TNP, Finuas, JSSP, ManagementWorks. (2) Relates to DES targets as set out in Annual Allocation Letter * The figures for the number of unemployed training days in 2015 were not directly comparable with the 2016 figures due to fact that the 2016 figures include non-contact training days which are now a standard and integral part of blended learning, especially in the case of accredited programmes.						

The figure overleaf depicts the relative movements in the numbers of training days provided to unemployed and employed trainees over the last five years. While the total number of training days has seen consistent growth over this period, unemployed training days has fallen in relative terms (the small increase in the jobseeker percentage in 2016 masks the underlying sharp drop in the number of trainees).

It is noted in the context of this analysis that under its new strategy Skillnets is changing its previously targeted ratio of 80:20 in relation to the division between in-employment training and jobseeker training to a new ratio of 90:10. This reflects the declining demand for jobseeker training and the impact of the expanding economy in terms of increased demand for in-employment training.



### Certification outcomes

Also of note is that Skillnets achieved the Department of Education and Skills' target for the level of NFQ-certified training days provided in 2016. While industry certified training days were below target, on an aggregated basis the level of certified training days exceeded the DES target by 4% (see table below).

Table 2.5: Programme Overview - Certified Training Days 2016							
Certification Levels	Department of Education & Skills Target	Total Achieved	TNP	Finuas	M'Works	JSSP	Unemployed TNP/ Finuas
Overall NFQ Training Days	45%	60%	58%	61%	80%	67%	64%
Overall Industry Training Days	30%	18%	18%	33%	10%	18%	18%
Certified Training Days as % Total Training Days	75%	79%	75%	93%	89%	85%	82%
Source: Indecon analysis of Skillnets data and Department of Education and Skills Annual Allocation Letter.							

### Enterprise participation

Skillnets' enterprise-based, networks model means that for the organisation to thrive, networks must continue to build their enterprise membership as the wider economy expands. The table below indicates the number of enterprises which participated in Skillnets programmes in each of the last four years. A total of 14,263 companies participated in TNP, Finuas and ManagementWorks networks during 2016. This compared with 10,879 in 2014 and 10,145 in 2013, implying an annual increase of 10.9% in 2016, after 18.2% in 2015 and a 7.2% growth in 2014.

**Table 2.6: Skillnets Enterprise Participation 2013-2016**

Skillnets Programme	2016	2015	2014	2013
TNP	12,997	11,937	10,033	9,283
Finuas	857	433	226	344
ManagementWorks	409	491	620	518
<b>Total Enterprises</b>	<b>14,263</b>	<b>12,861</b>	<b>10,879</b>	<b>10,145</b>
<i>Annual % Change</i>	<i>10.9%</i>	<i>18.2%</i>	<i>7.2%</i>	-

*Source: Indecon analysis of SONRAI database, Skillnets Annual Report 2014 & 2013*

Skillnets programmes place particular emphasis on supporting Small and Medium-Sized Enterprises (SMEs). In particular, network Member Companies employing up to 250 persons represented an estimated 92% of the overall number of Member Companies in 2016 (see table below). Within this, it is noteworthy that micro enterprises employed fewer than 10 persons accounted for close to half the number of enterprises supported by Skillnets.

**Table 2.7: Overview of Skillnets Network Member Companies by Size – 2016**

Company Size	Percentage of Total*
Micro (1-9 employees)	48.9%
Small (10-49 employees)	27.6%
Medium (50-250 employees)	15.7%
Large (>250 employees)	7.8%
<b>Total</b>	<b>100%</b>

*Source: Indecon analysis of Skillnets SONRAI data*  
*\* Based on an 93% sample for which data was available*

Skillnets provides national coverage for its training programmes and as such Member Companies who participate in Skillnets are located throughout Ireland. The table below presents a breakdown of the location of Member Companies across the NUTS 3 regions of Ireland.<sup>2</sup> The Mid-West region has seen the strongest growth (29%) in the number of Member Companies participating in Skillnets, which is encouraging given the region's underperformance in key economic indicators including employment relative to the state average. Other strong regional performers include the Dublin and Border regions. The only region which saw a decline in the number of Member Company participants was the South-West region.

**Table 2.8: Regional Analysis of Skillnets Members, 2015 - 2016**

Region	2015	2016	2015 – 2016 % Change
Border	1,776	1,939	9.2%
West	1,553	1,625	4.6%
Midland	766	813	6.1%
Mid-East	777	820	5.5%
Dublin	2,456	3,065	24.8%
South-East	1,258	1,311	4.2%
South-West	2,553	2,466	-3.4%
Mid-West	1,724	2,224	29.0%
<b>Total</b>	<b>12,863</b>	<b>14,263</b>	<b>10.9%</b>
<i>Source: Skillnets</i>			

## 2.4 Policy Context and Labour Market Developments

### 2.4.1 Policy Context and Alignment

As set by the Department of Education and Skills, all education and training funded from the NTF should be consistent with existing labour market policy and align with existing and likely future requirements for skills in the economy. In this respect, Skillnets' programmes are designed to provide an input to government labour market policy in relation to improving the quality and skillset of the Irish labour market, and in supporting jobseekers' return to employment.

Skillnets operates within the wider government skills and labour market policy framework. An important issue concerns the extent to which the organisation is aligned with, and contributing effectively towards, different government policy objectives. The table overleaf identifies the specific policies and associated actions which are relevant to Skillnets. This indicates that Skillnets is aligned with a wide range of labour market and skills development policies, but is also integrated within a number of these government strategies where it has assigned actions that contribute directly to their implementation. Selected key policy documents are considered further overleaf.

<sup>2</sup> The Classification of Territorial Units for Statistics (NUTS) is a geocode standard developed for statistical purposes within the European Union.



**Table 2.9: Skillnets' Contribution the Wider Labour Market Policy Framework**

Policy/Strategy	No. of Policy Actions relevant to Skillnets
Action Plan for Jobs 2016	4
APJ Mid-East Region 2016-2017	2
APJ North-East North-West 2016-2017	2
Ireland's National Skills Strategy 2025	2
Pathways to Work 2016-2020	1
Future Skills Needs of the Biopharma Industry in Ireland	3
Action Plan for Education 2016-2019	1
APJ Midland Region 2015-2017	1
APJ Mid-West Region 2015-2017	4
APJ South-East Region 2015-2017	1
APJ West Region 2015-2017	3
Enterprise 2025 - Ireland's National Enterprise Policy 2015-2025	1
Future Skills Needs in the Freight, Transport & Logistics Sector 2015-2020	3
Future skills requirements in the Hospitality Sector 2015-2020	2
IFS 2020 'A strategy for Ireland's International Financial Services sector 2015-2020	7
Innovation 2020	1
Ireland's Competitive Challenge 2015	3
Construction 2020 - A strategy for a Renewed Construction Sector	3
ICT Skills Action Plan 2014-2016	2
Assessing the Demand for Big Data and Analytics Skills, 2013 - 2020	1
Future Skills Requirements of the Manufacturing Sector to 2020	9
Our Sustainable Future	2
<i>Source: Skillnets</i>	

### **Action Plan for Jobs**

The 2016 Department of Education and Skills Allocation Letter to Skillnets outlines that “Skillnets will prioritise new and ongoing actions arising from the Action Plan for Jobs Initiatives”. It is recognised that Skillnets will do so as is appropriate within the confines of its funding and existing agreements with its networks.

The Action Plan for Jobs (APJ) represents the current government’s high-level labour market policy and is produced on an annual basis. “Developing and attracting talent key for our growing economy” and a “continued focus on reducing unemployment” are vital components of the APJ 2016 report.<sup>1</sup> The report outlines the importance of addressing the skills demanded for a growing economy via supporting the entry and re-entry of persons currently outside the labour market. Additionally, a key component of the objective of increasing employment is to ensure it translates into a reduction in the number of persons on the live register. This directly relates to the role of Skillnets outlined in the 2016 Annual Allocation Letter; “Skillnets shall endeavour to target places specifically for those on the Live Register for 12 months or more, with access to appropriate interventions”.

Four of the APJ initiatives in 2016 explicitly referenced the role of Skillnets:

- ❑ Action 2: Establish a network of Regional Skills Fora to foster greater engagement between the education and training system, employers and other local stakeholders in building the skills needs of their regions (DES, HEIs, ETBs, Skillnets, employers, EI, IDA, SOLAS, HEA, LEOs).
- ❑ Action 38: Promote and support development of the “Skills to Work” brand to increase awareness of reskilling options for jobseekers (DES, DSP, D/ Taoiseach, SOLAS, HEA, Skillnets).
- ❑ Action 72: Enhance industry input to programme content, provision of work placements and promotion of ICT programmes as part of the implementation of Skillnets ICT Conversion Programmes (Skillnets).
- ❑ Action 296: Support the implementation of IFS2020, by driving International Financial Services skills development through the delivery of actions contained within the Finuas Networks Programme Strategy (Skillnets, DES, D/Taoiseach).

### **Pathways to Work**

Pathways to Work (PtW) is a targeted strategy aimed at tackling the high levels of unemployment in the Irish labour market since 2008. While the APJ is focused on improving the levels of employment in Ireland generally, PtW strives to ensure that people on the Live Register specifically obtain employment. The latest five-year strategy was recently published and outlines the action plans and objectives for the period 2016 to 2020.<sup>3</sup> The current strategy continues the five-strand structure present in the 2012-2015 PtW, with the inclusion of an additional strand taking into account the general labour market improvement since PtW’s inception. Across both iterations of the PtW programme, the opportunity for Skillnets to aid in achieving the goals of strand four has been highlighted. For instance, strand four relates to incentivizing employers to offer jobs and opportunities to unemployed people.

### **National Skills Strategy 2025**

The medium-term economic and job creation strategies as outlined in APJ 2015 include the creation of a comprehensive National Skills Strategy, launched in January 2016.<sup>4</sup> This medium-term strategy highlights the crucial role Skillnets will play in the development of Ireland’s human capital over the next ten years. The overall aims of the National Skills Strategy are outlined in the programme’s six objectives:

1. Education and training providers will place a stronger focus on providing skills development opportunities that are relevant to the needs of learners, society and the economy;
2. Employers will participate actively in the development of skills and make effective use of skills in their organisations to improve productivity and competitiveness;

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<sup>1</sup> 2016 Action Plan for Jobs: <https://www.djei.ie/en/Publications/Publication-files/Action-Plan-for-Jobs-2016.pdf>.

<sup>2</sup> Pathways to Work 2016: <https://www.welfare.ie/en/Pages/Pathways-to-Work-2016.aspx>

<sup>4</sup> Government launches Ireland’s National Skills Strategy 2025 – Ireland’s Future <https://www.education.ie/en/Press-Events/Press-Releases/2016-Press-Releases/PR2016-01-27.html>

3. The quality of teaching and learning at all stages of education will be continually enhanced and evaluated;
4. People across Ireland will engage more in lifelong learning;
5. There will be a specific focus on active inclusion to support participation in education and training and the labour market; and
6. To support an increase in the supply of skills to the labour market.

The future role of Skillnets is referenced in the National Skills Strategy, where the organisation is expected to aid in the delivery of Objectives 1 and 2, namely:

- ☐ Objective 1: Support Skillnets to encourage companies to engage in their networks to assist them in meeting their skills needs
- ☐ Objective 2: Support the further development of skills assessment resources to help companies, especially SMEs, to accurately identify their skills needs.

### ***Further Education and Training Strategy 2014-2019***

The current Further Education and Training Strategy (FETS) forms part of the government's reform agenda and aims to provide guidance for the evolution of the FET system in the medium term. The strategy was developed alongside the creation of SOLAS, which replaced FAS, and the establishment of sixteen Education and Training Boards. Skillnets continues to play an important role in achieving the goals of this five-year strategy, and forms part of the FET 'Partner Network'. Skillnets is praised for having a unique position in the FET sector due to the high level of engagement by employers in the scheme's support and organisational processes. The Further Education and Training Plan for 2015 highlights some of the progress made in the context of this five-year strategy. Skillnets' foundation in fostering meaningful cooperation and dialogue between employers and skill providers makes it a valuable participant in this process going forward. Continued collaboration between Skillnets and the Department of Education and Skills was seen in 2015 with the establishment of the Regional Skills Fora. These fora are tasked with fostering improved engagement between regional education and training sector and other regional stakeholders. Skillnets and its networks are supporting and contributing directly to each forum.

### ***Regional Skills Fora***

Outlined in the 2016 Allocation Letter to Skillnets, the department state that "Skillnets will target it's training towards areas to support Government Policy including the National Skills Strategy 2025 (as outlined above) and the work of the Regional Skills Fora and the ongoing evidence-based analysis of the Expert Group on Future Skills Needs".

The new Network of Regional Skills Fora is being created as part of the Government's National Skills Strategy. The purpose of the Fora is to provide an opportunity for employers and the education and training system to work together to meet the emerging skills needs of their regions. The Fora comprises:

- ☐ The Education and Training Boards of Ireland
- ☐ Universities
- ☐ Institutes of Technology
- ☐ Skillnets

Skillnets has a presence in all regions of the Republic of Ireland outlined by the network.

It is believed that a more structured engagement on the skills agenda and the work of the Fora will contribute to better outcomes for learners and support enterprise development.

It is envisaged the Fora will provide:

- ☐ A single contact point in each region to help employers connect with the range of services and supports available across the education and training system.
- ☐ A more robust labour market information and analysis of employer needs to inform programme development.
- ☐ A greater collaboration and utilisation of resources across the education and training system and enhancement of progression routes for learners.
- ☐ A structure for employers to become more involved in promoting employment roles and opportunities for career progression in their sectors.

#### ***Expert Group on Future Skills Needs***

The Expert Group on Future Skills Needs (EGFSN) advises the Irish Government on current and future skills needs of the economy and on other labour market issues that impact on Ireland's enterprise and employment growth. It has a central role in ensuring that labour market needs for skilled workers are anticipated and met. Other roles of the EGFSN include:

- ☐ Identification of any need for policy or structural changes over time.
- ☐ Aware of associated operational programmes to meet national skills needs.
- ☐ Commitment to progressively promote greater recourse to learning throughout life.
- ☐ Capitalizing on instructive developments internationally.

Skillnets are expected to ensure their services continue to develop and adapt with the ongoing recommendations of the EGFSN for the labour market in Ireland.

#### ***Skillnets / DJEI Protocol***

Skillnets has signed into resource and information sharing protocols with various government bodies, including the Department of Jobs, Enterprise and Innovation in 2014. This has included ongoing engagement with Local Enterprise Offices (LEOs).

### ***Skillnets / DSP Protocol***

The protocol between Skillnets and the Department of Social Protection was signed in March 2013 and promoted a closer, collaborative relationship between the two organisations to achieve their common goals. This relationship has been maintained since 2013, with the organisations regularly liaising at regional employment fairs to ensure jobseekers are aware of the high-demand skill workshops available.<sup>5 6</sup> In addition, other initiatives have included collaborative company-specific projects involving the Department, Skillnets and IDA Ireland.

### **2.4.2 Labour market developments**

It is also important to consider Skillnets' training activities and outcomes in the context of the developments in the wider Irish economy and the labour market, particularly in relation to the trends in employment and unemployment as these are key drivers of the demand for Skillnets training.

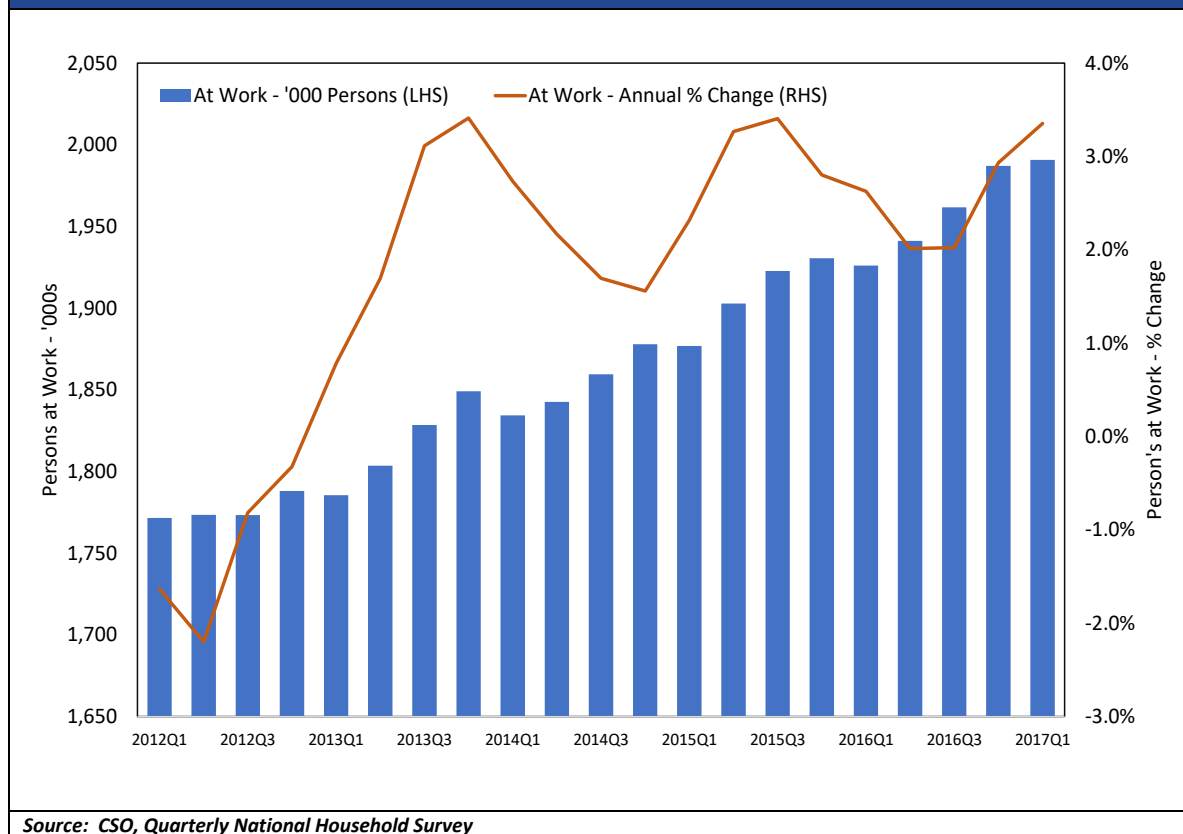
The recent developments in Skillnets' training participation and activity levels, as described in Table 2.4 and in Figure 2.1 above, are likely to have been influenced by the wider economic and labour market environment. In particular, as the Irish economy has continued to recover, employment creation has accelerated and enterprise training budgets have expanded, the demand for in-employment training has increased, while at the same time, the decline in unemployment/Live Register will have reduced the demand for jobseeker training.

Figure 2.2 overleaf describes the recent trends in overall employment conditions in the Irish economy. The number of people at work has risen from approximately 1.77 million in 2012, to almost 2 million by early 2017. Since 2013 there has been annual growth in the number of people at work. This reflects the improvement in economic conditions in Ireland, following the beginning of the recovery from the economic crisis. This has a knock-on effect on the demand for Skillnets training. With higher numbers in employment there has been a greater level of demand for in-employment training as compared to previous years.

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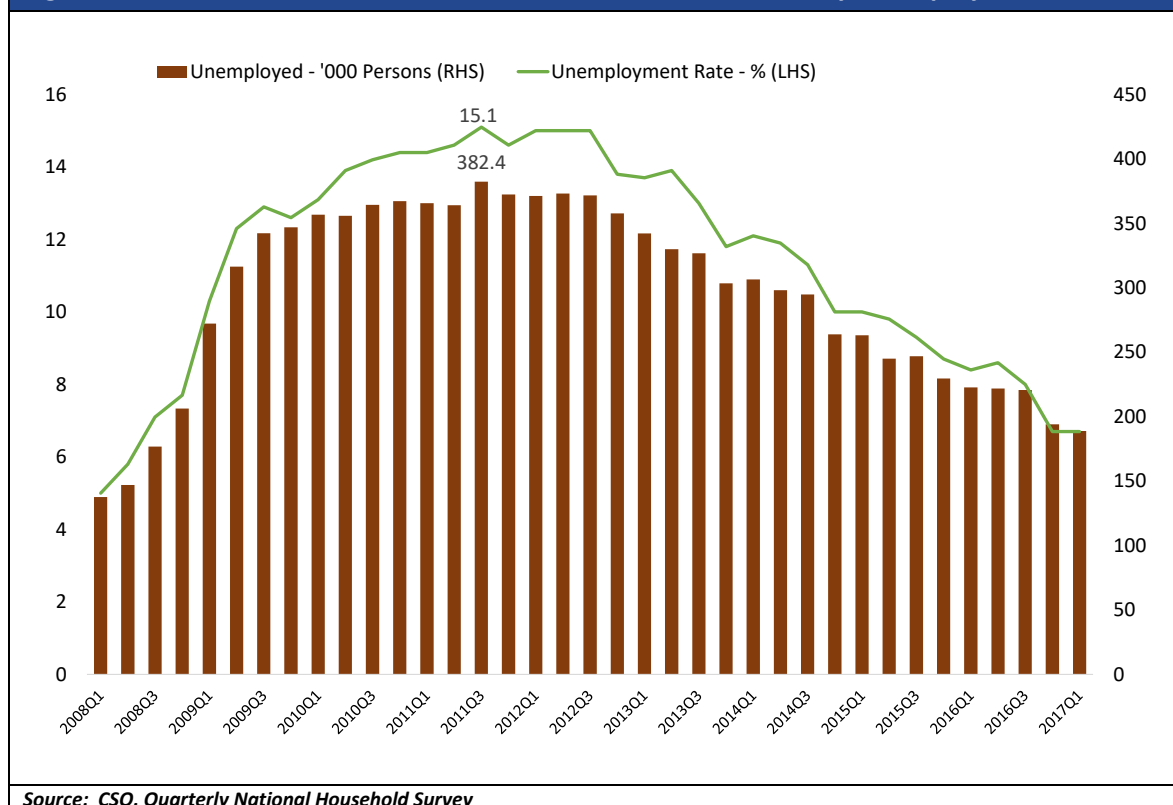
<sup>5</sup> Ulearning SkillNet supports successful 2015 Mid-West Job Shop. <http://www.skillnets.ie/events/ulearning-skillnet-supports-successful-2015-mid-west-job-shop>

<sup>6</sup> PharmaChem SkillNet launches new biopharma programmes for job-seekers, December 2015 <http://www.skillnets.ie/events/pharma-chem-skillnet-launches-new-biopharma-programmes-job-seekers>

**Figure 2.2: Labour Market Context – Recent Trends in Irish Economy Employment**

As the numbers in employment have increased there has been a decline in the level of those who are unemployed. At peak unemployment, there were 382,400 unemployed people in 2011. Unemployment fell to 194,000 persons by the fourth quarter of 2016 (see figure overleaf).

Figure 2.3: Labour Market Context – Recent Trends in Irish Economy Unemployment



The recent changes in the Irish labour market have had the effect of increasing the demand for in-employment training while reducing the demand for jobseeker training, as there are fewer jobseekers than in previous years. These developments have important implications for Skillnets' strategic positioning and operations. These issues are considered further throughout this evaluation report.

## 3 Evaluation of Training Networks Programme

### 3.1 Introduction

This section provides an analysis of the performance and outcomes from Skillnets' flagship programme, namely the Training Networks Programme (TNP). This utilises internal Skillnets data, in addition to presenting findings from Indecon's primary survey research among Member Companies and employed trainees. The analysis and assessment in this section focuses on trainees who participated in in-employment training under the TNP during 2016. Jobseeker training undertaken as part of the TNP is examined in Section 6.

### 3.2 Aims and Objectives of Programme

The below table outlines the four pillars of the Training Networks Programme, which encapsulate the aims and objectives of the programme. The four pillars involve developing skills strategies, growing the skills bases, supporting local and regional training initiatives and building best practice in learning and development.

**Table 3.1: Training Networks Programme – Aims and Objectives**

**Pillar 1: Driving Skills Strategies through Sectors and Partnerships**

The primary focus of pillar 1 is on enhancing skillsets and achieving best practice competence across Irish industries and sectors. This pillar will support employee to enterprise, and enterprise to enterprise engagement with the goal of fostering sectoral skills development.

**Pillar 2: Growing the Skills Base**

The aim of this pillar is to enhance the skills competencies of the entire workforce through the encouragement of life-long, enterprise-led learning. This will ensure Ireland's human capital maintains a competitive edge going forward and will provide employees and jobseekers with improved employability options.

**Pillar 3: Development Local Learning Responses**

The focus Pillar 3 is on supporting local and regional training initiatives to reduce the relative disadvantages present in the provisions of resources. Pillar 3 will be achieved through the creation of regional networks and local partnerships with education, government, and enterprise stakeholders.

**Pillar 4: Building Best Practice in Learning and Development**

The primary focus of this theme is the up-skilling of individuals in certain key competencies which have been identified by European policy as necessary skills for all European workers.

*Source: Skillnets*



### 3.3 Assessment of Programme Expenditure

The TNP is a co-funded programme and as such receives both public funds as well as contributions from employer organisations. The public funding element is sourced from the National Training Fund. Achieving an adequate level of industry-funding signals is a requirement as set by the Department of Education and Skills, and mitigates programme deadweight.

#### 3.3.1 Analysis of Financial Inputs

Expenditure by Skillnets on the TNP for 2014 – 2016 is presented below. Total expenditure on this programme has grown consistently across the previous three years. In 2016 TNP has an associated expenditure of €19.8 million (funded from the combined grant and enterprise matching contribution), representing a greater than 10% increase since 2014. The average expenditure per network has also increased over the period (€336,381 per network in 2016).

**Table 3.2: Financial Overview – TNP Expenditures**

	No. of Networks	Actual Expenditure*	Average Expenditure Per Network	% Annual Change in Actual Expenditure
<b>2016</b>	59	€19,846,495	€336,381	4.7%
<b>2015</b>	59	€18,964,564	€321,433	5.8%
<b>2014</b>	56	€17,918,327	€319,970	4.5%

*Source: Indecon analysis of Skillnets SONRAI data, 2015 Evaluation Report, Annual Report 2014*

The table below presents actual expenditure vis-à-vis budgeted expenditure in 2016. Actual expenditure was within budgeted levels (96.2% of budget). It should be noted that company matching funds exceeded their budgeted levels in 2016 by 3.4%. Company matching funds accounted for 54% of total expenditure.

**Table 3.3: Financial Overview – Breakdown of TNP Expenditures in 2016**

Category	Budgeted Expenditure	Actual Expenditure	Actual as % of Budget
Training Expenditure	€14,631,122	€14,764,012	100.9%
Management Expenditure	€4,986,595	€4,722,271	94.7%
<b>Total Expenditure*</b>	<b>€20,260,031</b>	<b>€19,486,283</b>	<b>96.2%</b>
<i>*Of which, State funds</i>	€9,988,195	€8,870,274	88.8%
<i>*Of which, company matching funds</i>	€10,271,836	€10,616,008	103.4%
<i>Matching as % of Total**</i>	50.7%	54.5%	

*Source: Indecon analysis of Skillnets SONRAI data. Figures for TNP and New Networks (PI & PII) \*Does not equal to sum of training and management expenditure due to overheads and training development costs \*\*Includes New Networks*

### 3.3.2 Funding Leverage

The level of funding leverage, as measured through the levels of company matching funds, is important in maximising the value-for-money for the Exchequer and minimising the possibility of deadweight. The Department of Education and Skillnets mandates that the TNP is to be funded by both public and private fund, with a maximum of 50% of funding coming from public sources.<sup>7</sup> Public funding in 2016 amounted to €8.9 million, which was less than half of overall TNP expenditure (45.5%). It should be noted this level of public funding was less than in 2015 (47.8%). Company matching funds in 2016 amounted to €10.6 million, or 54.5%. This implies in terms of leverage, for every euro of state funding, Member Companies provided €1.20 in 2016. To note is the relative improvement in leverage in 2016 relative to budgeted levels (50.7%).

## 3.4 Assessment of Programme Outputs and Outcomes

The effectiveness of the programme's financial inputs is ultimately dependent on the level of outputs and outcomes achieved by the programme. Indecon analyses these outputs in this section using internal Skillnets data as well as primary survey research of both TNP Member Companies and in-employment trainees.

### 3.4.1 Network structure and size

The table below provides data in relation to the breakdown of TNP Member Companies by size. Based on a 93% sample for which data was available, the data indicates that 92% of companies were SMEs, with 48% being micro SMEs (employing fewer than 10 persons).

**Table 3.4: TNP Member Companies 2016 - Overview of Member Company Size**

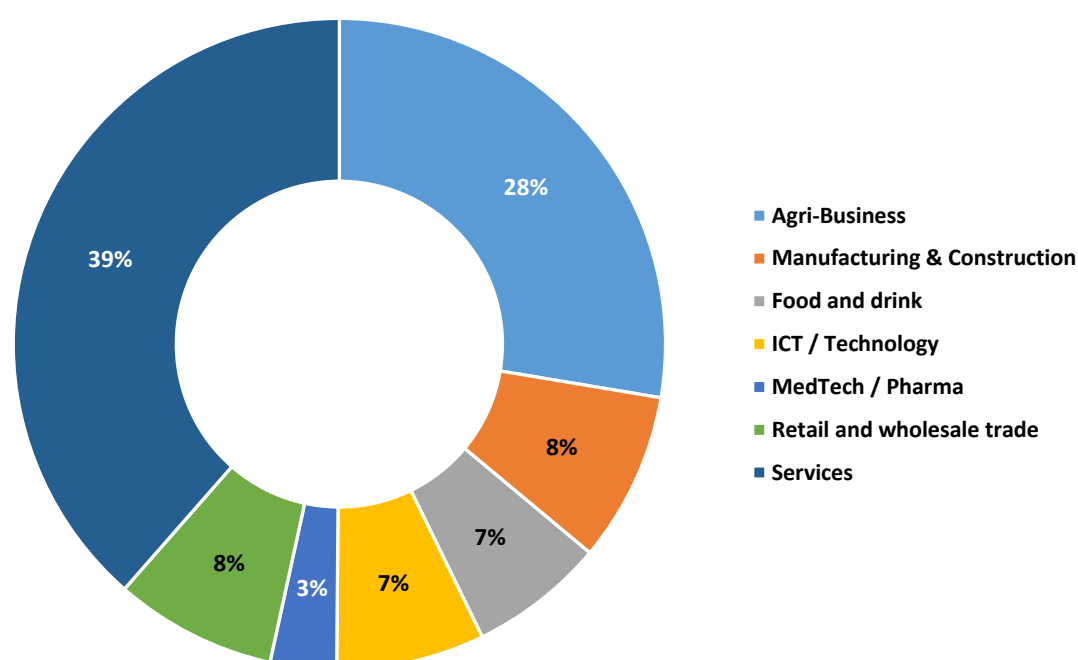
Company Size	Percentage of Total*
Micro (1-9 employees)	48%
Small (10-49 employees)	28%
Medium (50-250 employees)	16%
Large (>250 employees)	8%
<b>Total</b>	<b>100%</b>
Source: Indecon analysis of Skillnets SONRAI data	
* Based on an 93% sample for which data was available	

<sup>7</sup> Department of Education and Skills Annual Allocation Letter 2016

### 3.4.2 Sectoral profile of Member Companies

The figure below presents the distribution of TNP Member Companies on a sectoral basis. While TNP Member Companies are represented to some capacity across all sectors, the services and agri-business sectors have the largest representations (67% on a combined basis). A diverse range of other manufacturing sectors made up the remainder.

**Figure 3.1: Sectoral Profile of TNP Network Member Companies**



Source: Indecon analysis of Skillnets SONRAI data

### 3.4.3 Prior training activities

In order to evaluate the long-term sustainability of TNP it is necessary to examine the extent to which the programme attracts new member company participation. Indecon's primary research indicated that over 28% of Member Companies surveyed participated in TNP for the first time in 2016. A further 14.4% participated initially in 2015. This suggests that the TNP has been successful in continuing to attract new business participation and establishing new partnerships.

### 3.4.4 Profile of trainees

An analysis of internal Skillnets data provides insight into the pre-training qualifications of in-employment TNP trainees. As shown in the table below, 47.6% of those surveyed had a Level 8 NFQ qualification or higher. This comprises of approximately 32% with a Level 8 award, and 15.5% with a Level 9 award or higher. The relatively high levels of education seen indicate that Skillnets supports lifelong learning, which is a key learning target as set out in the National Skills Strategy.<sup>8</sup>

Table 3.5: TNP In-Employment Training 2016 - Pre-Training Qualification Levels of Participants	
Level of Award on NFQ	Percentage of Total*
Level 1	0.7%
Level 2	0.5%
Level 3	3.6%
Level 4	11.1%
Level 5	9.2%
Level 6	16.9%
Level 7	10.6%
Level 8	32.1%
Level 9	14.1%
Level 10	1.4%
<b>Total</b>	<b>100%</b>
Source: Indecon analysis of Skillnets SONRAI data	
Note: * Based on a sample of 93% for which data was available.	

### 3.4.5 Analysis of Training Outcomes

#### Training activities and outputs

TNP provided 4,612 training courses to in-employment trainees in 2016. This represents a decrease vis-à-vis 2015 levels (5,337). As will be presented subsequently, the number of trainees and training days has increased year-on-year, implying an increase in the number of trainees per training course.

#### Trainees and in-employment training days

The table overleaf describes TNP outputs in terms of in-employment training days and trainees for the period 2014-2016. The number of trainees participating in the TNP programme has growth year-on-year over the three years. In 2016 the number of training days delivered was 238,792, which represents a growth rate of 7.1% since 2015.

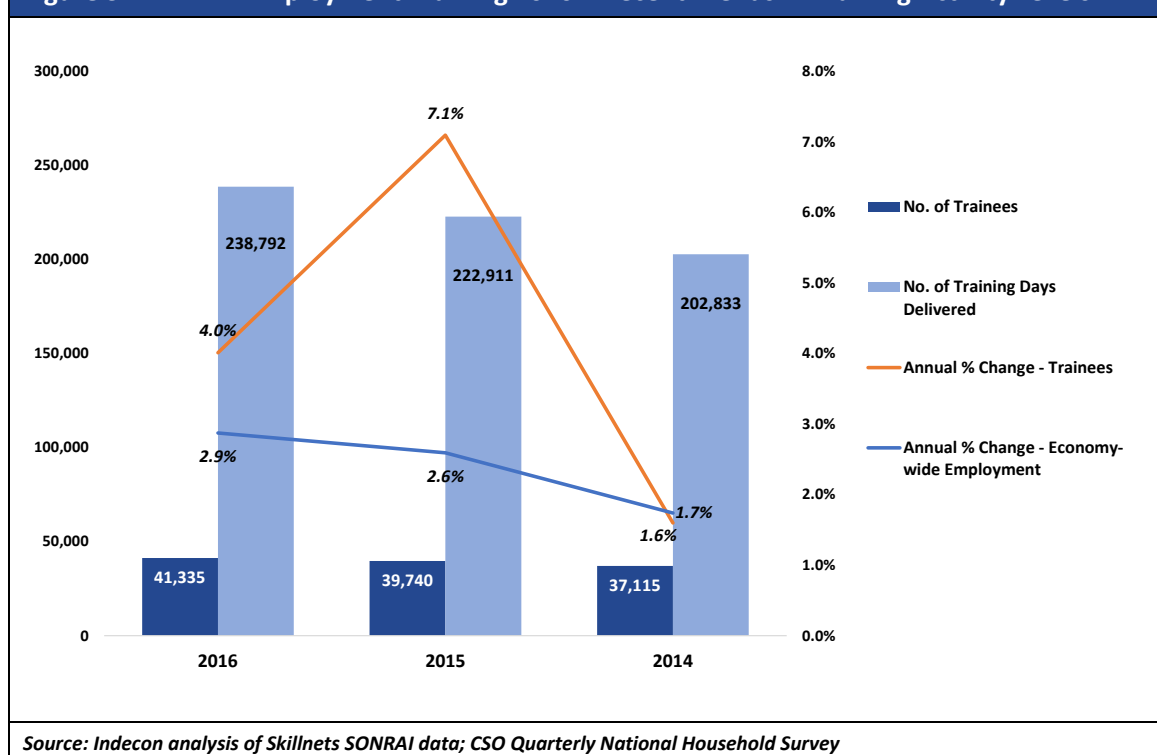
<sup>8</sup> Ireland's National Skills Strategic 2025

**Table 3.6: TNP In-Employment Training Outcomes – Trainees and Training Days**

Indicator	2016	2015	2014
No. of Trainees	41,335	39,740	37,115
Annual % Change - Trainees	4.0%	7.1%	1.6%
No. of Training Days Delivered	238,792	222,911	202,833
Annual % Change - Training Days	7.1%	9.9%	5.9%

*Source: Indecon analysis of Skillnets SONRAI data*

The figure below presents the previous table in graphical form alongside economy-wide employment trends for the same period. In both 2016 and 2015, the growth rate of TNP trainees has surpassed the growth rate of economy-wide employment (2016: TNP – 4.0%, Economy – 2.9%), suggesting that Skillnets is achieving a greater level of overall market penetration in this area. It should be noted that the Irish labour market has seen a significant uplift in the period examined and therefore the positive performance of TNP should be highlighted. Growth rates in the level of training days provided has also grown strongly.

**Figure 3.2: TNP In-Employment Training 2016 – Recent Trends in Training Activity Levels**

### Progression outcomes from in-employment training

Progression outcomes post-training are an important aspect in evaluating national training schemes. Outcomes can involve securing a more favourable job role in line with career aspirations or becoming self-employed. Indecon's findings in relation to the current status of the 2016 TNP in-employment trainees are presented in the table below. Findings indicate a high level of full-time employment retention with 75% of employees indicating they are currently employed full-time in the company they undertook the training in. Overall, almost 98% of trainees are currently in employment.

It is important in interpreting progression outcomes to take account of the profile of trainees, as of course the analysis below only concerns the current status of trainees already in employment. It is also important to note that progression outcomes are influenced by general market trends and an assessment of net impacts would require an evaluation against a counterfactual which is outside the scope of this review. Nevertheless, the fact that nearly all of the trainees are in employment is of note.

**Table 3.7: TNP In-Employment Training 2016 - Current Status**

Status	% of Respondents
Employed full-time in the same company in which I undertook my Skillnets training	75.0%
Employed part-time in the same company in which I undertook my Skillnets training	6.8%
Employed full-time in another company	5.4%
Employed part-time in another company	1.5%
Self-employed	10.1%
<b>Total Currently in Employment May 2017</b>	<b>97.9%</b>
Was employed on a short-term contract, which has now ended	0.5%
Unemployed (on Live Register)	0.8%
Pursuing further education or training	2.1%
Have emigrated	0.2%
Source: Indecon Confidential Survey of TNP Employed Trainees 2016	
Note: Figures do not add to 100% because some respondents chose more than one option.	

### 3.4.6 Benefits and impacts of training

Some evidence suggests that Skillnets training partially or primarily contributed to achievement of certain pre-defined career development outcomes among trainees.

Table 3.8: TNP In-Employment Training 2016 - Outcomes Attributable to Skillnets Training					
If any of the following specific benefits have occurred since you completed your Skillnets training, please indicate if the changes occurred as a result of this training?	Outcome has Not Occurred	Outcome has Occurred but Not Related to Skillnets Training	Outcome Partially Due to Skillnets Training	Outcome Primarily Due to Skillnets Training	Outcome is Likely to Occur in the Next 6-18 Months
I have secured a promotion	71.7%	10.4%	8.8%	3.2%	5.8%
I have received a salary increase	65.3%	20.3%	7.6%	2.1%	4.8%
I have moved to a more satisfactory job within the company	77.8%	9.7%	6.8%	1.9%	3.7%
I have moved to a more satisfactory job outside the company	90.3%	4.0%	2.3%	0.9%	2.5%
I have become self-employed	92.5%	3.7%	1.5%	0.8%	1.5%
<b>Average</b>	<b>79.5%</b>	<b>9.6%</b>	<b>5.4%</b>	<b>1.8%</b>	<b>3.6%</b>
<i>Source: Indecon Confidential Survey of TNP Employed Trainees 2016</i>					

Indecon's primary survey research of TNP in-employment trainees asked the respondents if any of the five outcomes as listed in the table below has occurred under specific circumstances. Of particular interest are the columns highlighted in orange, which indicate that the outcomes have occurred primarily or partially due to participation in Skillnets training. 12% of respondents consider the Skillnets training to be partially or primarily responsible for having secured a promotion, while just under 10% attribute Skillnets as partially or primarily contributing to receiving a salary increase. Relative to these, 2.3% of respondents attributed Skillnets to them having become self-employed.

As presented overleaf, respondents were also asked to comment on additional impacts/benefits attributable to Skillnets. Skillnets training has had the highest impact on encouraging trainees to pursue further training or education, with 74.8% of respondents indicating that Skillnets training fully or partially contributed in this area. In relative terms, Skillnets has had a lesser impact on helping trainees fast-track their career.

**Table 3.9: TNP In-Employment Training 2016 - Views on Additional Benefits / Impacts of Skillnets Training**

Did the Skillnets training contribute to any of the following additional benefits / impacts?	Fully Contributed	Partially Contributed	Did NOT Contribute
Has helped me to achieve a qualification/certification	24.8%	20.4%	54.8%
Has helped me to make better decisions about my career	19.7%	43.1%	37.3%
Has helped to fast-track my career	9.3%	27.6%	63.2%
Has helped me to keep my present job	14.4%	28.6%	57.0%
Has improved my motivation	28.7%	47.4%	23.9%
Has encouraged me to undertake further training or education	32.5%	42.3%	25.2%
<i>Source: Indecon Confidential Survey of TNP Employed Trainees 2016</i>			

Indecon has also surveyed TNP Member Companies as to the impacts resulting from participating in the TNP. These results are summarised in the table below. A significant majority (89%) of TNP Member Companies considered Skillnets to provide a positive impact in terms of addressing a skills gap within their organisation. 78% of Member Companies also considered participation in Skillnets to positively impact their service/product quality. The perceived impact on business costs was lesser in relative terms, with 41% seeing a positive impact in this area.

**Table 3.10: TNP Member Companies 2016 - Impact of TNP Membership (Percentage of Responses)**

To what extent would you agree or disagree with each of the following statements as a result of being a member of a Skillnets network during 2016?	Positive Impact	No Impact	Negative Impact
Addressed skills gaps generally within our organisation	89%	11%	0%
Increased attraction/retention of key staff	49%	51%	0%
Increased staff engagement	73%	27%	0%
Staff received certification, which benefits our business	65%	35%	1%
Enhanced our service/product quality	78%	22%	1%
Contributed to increased turnover	41%	58%	1%
Helped lower business costs	41%	57%	2%
Improved business processes and/or productivity	72%	28%	1%
Enhanced business competitiveness	59%	40%	0%
Improved customer care	64%	36%	1%
Assisted our business to develop new markets	41%	58%	1%
Helped to enhance the long-term performance of our business	76%	24%	1%
<i>Source: Indecon Confidential Survey of TNP Member Companies 2016</i>			

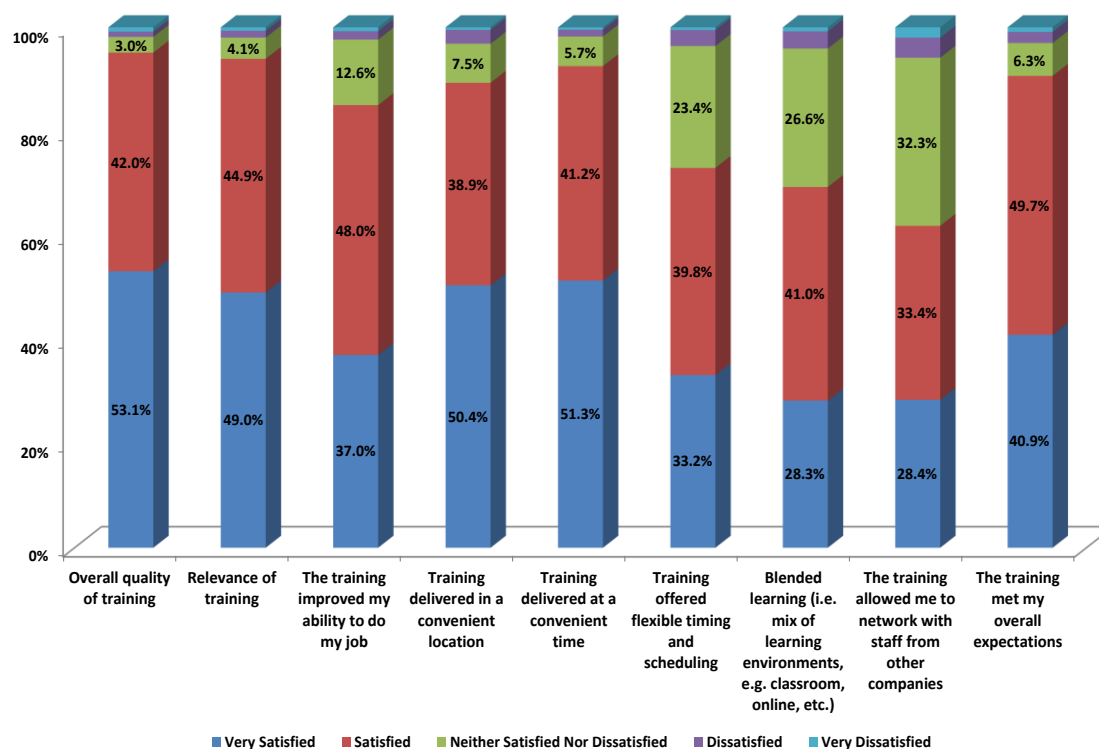


### 3.4.7 Satisfaction levels with training received

In order to effectively evaluate the quality of the TNP training it is necessary to consider participants' levels of satisfaction with various aspects of the programme. As part of Indecon's primary survey analysis of programme trainees and Member Companies, survey participants were queried concerning their level of satisfaction or dissatisfaction across a range of dimensions.

Figure 3.3 presented below outlines the responses from in-employment trainees as to their level of satisfaction across these dimensions, and generally indicates a high degree of satisfaction. Over 95% of respondents were very satisfied or satisfied with the overall quality of the training, and the training's convenience in terms of time and location were also highly rated. Relatively lower levels of satisfaction were seen in relation to the ability of the training to foster networking with employees from other companies. (61.8% very satisfied or satisfied).

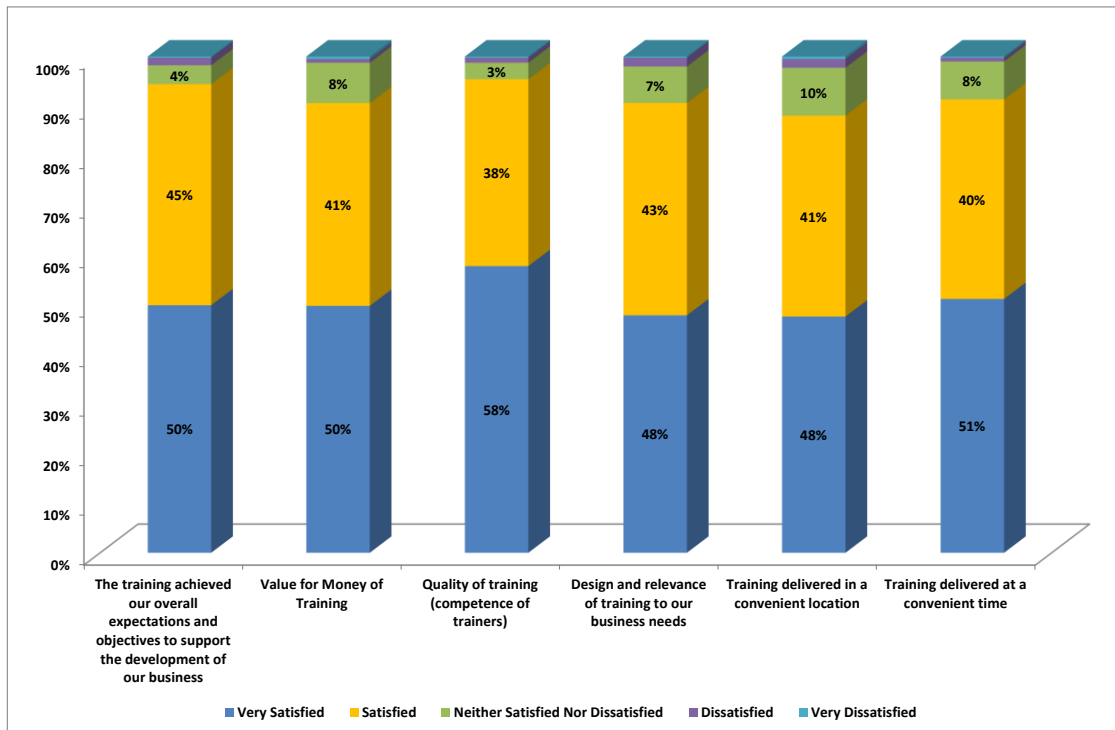
**Figure 3.3: TNP In-Employment Training 2016 – Views of Trainee Respondents on Satisfaction with Aspects of Training**



Source: Indecon Confidential Survey of TNP Employed Trainees 2016

Similar primary research was conducted in relation to TNP Member Companies, the results of which are presented in the figure below. High levels of satisfaction were recorded by this cohort across all areas examined. 95% of those surveyed were very satisfied or satisfied with the training achieving their expectations and objectives to support the development of their business. 96% of Member Companies were very satisfied or satisfied with the quality of the training.

**Figure 3.4 TNP Member Companies 2016 – Views of Member Companies on Satisfaction with Aspects of Training**



Source: Indecon Confidential Survey of TNP Member Companies 2016

### 3.4.8 Views on the Impact of Brexit

The Brexit referendum which took place in June 2016 has increased the levels of uncertainty facing Irish businesses operating in the UK or trading with UK firms. The referendum result has had economic impacts in terms of exchange rate fluctuations and other recent developments, which has further exacerbated the levels of uncertainty facing Irish firms exposed to the UK economy. Further, as the terms of the withdrawal have not been finalised, the implications of Brexit for Irish firms are not fully known.

In this context, Indecon sought the views of Member Companies operating within the TNP as to the significance of Brexit-related impacts on their business. The results of this are presented overleaf.

**Table 3.11: TNP Member Companies 2016 - Significance of BREXIT-related issues**

How significant or otherwise are the following BREXIT-related issues for your company/business?	Very Significant	Significant	Neither Significant nor Insignificant	Insignificant	Very Insignificant	Don't Know / Not Applicable
Overall level of exposure to UK market	22.4%	21.4%	29.1%	9.2%	4.8%	13.0%
Immediate/recent impacts of adverse movements in euro/Sterling exchange rate	19.5%	22.8%	29.7%	10.5%	5.6%	11.8%
Uncertainty with regard to future trading arrangements with UK	21.7%	24.0%	28.3%	8.4%	5.1%	12.5%
Business planning to prepare for BREXIT-related risks	17.1%	25.1%	28.9%	9.3%	4.7%	15.0%
Staff training needs to prepare for BREXIT-related challenges	11.1%	16.0%	38.2%	12.1%	6.5%	16.0%
BREXIT will provide opportunities for our business to expand	6.7%	11.6%	38.2%	14.0%	9.0%	20.4%

*Source: Indecon Confidential Survey of TNP Member Companies 2016*

Generally, Brexit-related issues have a high degree of significance for businesses surveyed. Over 45% of those Member Companies surveyed considered the impact on uncertainty with regard to future trading arrangements with the UK to be very significant or significant. 42.3% of companies have seen an impact from movements in the EUR/GBP exchange rate. In relative terms, fewer companies saw significant impacts in terms of Brexit providing opportunities for their business to expand.

### 3.4.9 Case study – TNP Member Company

In addition to the views and inputs provided by Member Companies via the survey research, it is also useful to consider the experience of individual companies through their involvement with the TNP. To provide a concrete example of experience 'on the ground', a case study example was prepared. This is presented overleaf, highlighting the background to the business, their reasons for participating in TNP training, their experience of the programme, and their views on the impacts on their business and suggestions for future development of training.

Box 3.1: Skillnets Training Networks Programme (TNP) Member Company Case Study	
<b>Company Name</b>	<p>Knockvicar Organic Garden, Knockvicar, County Roscommon</p> <p>The business has been a member of the National Organic Training Skillnet since it was established in 2008.</p> <p>The County Roscommon/North West area has become a center for organic farming, with a significant concentration of organic farmers.</p>
<b>Brief description of firm and its activities</b>	<p>Knockvicar grows predominately salad crops, as well as having a small seasonal element (including potatoes). Their main business is Salad Leaves. They supply mainly restaurants in the towns of Sligo and Carrick-On-Shannon, and other local customers along the North-West corridor. Farm gate customers are most welcome to visit and get advice.</p> <p>Time to market is a critical feature to ensure quality of product for their customers, and Knockvicar prides itself on harvesting and delivering to its customers on the same day. Then business operates all year 'round and presently employs five staff.</p>
<b>Reason(s) for Participation in Skillnets TNP</b>	<p>All of Knockvicar's staff have participated in courses, and new staff undergo training through the National Organic Training Skillnet. The business has participated in multiple courses offered by the Skillnet. These have included courses in the areas of salad production, pest and disease management, sector updates and best practice techniques, as well as farm visits.</p> <p>The primary reason for undergoing this training is to ensure that staff, and the wider business, are up-to-date on skills, and the training enables Knockvicar to keep business up-to-date with technological developments in the organics sector.</p>
<b>Experience of TNP / Training To-Date</b>	<p>A major benefit of the training provided by the National Organic Training Skillnet is that it offers a very good balance between theory and practice. This means that staff can transfer their learnings quickly into practice. The salad production course has been most useful – especially for new staff members.</p> <p>The Skillnet offers standard courses that are regular and accessible (including availability of weekend courses). It is also very open to developing new courses, and is open to feedback – including asking customers what they want in relation to training needs. Knockvicar has found the training to be cost-effective. It terms of alternatives it is not aware of any other provider of similar training.</p>
<b>Examples of Business Impacts arising from participation in TNP</b>	<p>Everyone who starts here gets a base a level that is consistent, and this plays an important role in ensuring that the business can provide a consistent quality of product to its customers – quality can be viewed as a direct benefit arising from the participation in National Organic Training Skillnet training.</p> <p>The training provided by the National Organic Training Skillnet has also made the business more scientific.</p>
<b>Concerns, Challenges and Suggestions re Opportunities for Improvement of TNP</b>	<p>Overall, Knockvicar believes that the National Organic Training Skillnet has provided an excellent level of service and quality of training. The demand for the training offered by the Skillnet can be seen in the fact that courses are often oversubscribed, and this would suggest that ongoing monitoring of training configuration and capacity would be beneficial in ensuring that the National Organic Training Skillnet can continue to address the needs of staff in the sector.</p>

### 3.5 Programme Cost-Effectiveness and Access to Training

Having previously discussed the TNP's level of expenditure and leveraged co-funding, it is necessary to consider the cost-effectiveness of the programme in achieving its stated goals in terms of training days and trainees.

#### 3.5.1 Cost per training day and cost per trainee

The table below outlines for the 2014 – 2016 period the total number of training days and trainees relative to the TNP's overall expenditure. The cost per trainee has marginally increased (1.4%) over the three-year period examined, and in 2016 expenditure per trainee amounted to €442.

Table 3.12: TNP Cost-Effectiveness – Costs Per Trainee and Training Day 2014 - 2016					
Year	Total Training Days	Total Number of Trainees	Total Expenditure	Cost Per Training Day	Cost Per Trainee
2016	255,965	44,877	€19,846,495	€77.54	€442.24
2015	231,213	43,661	€18,964,564	€82.02	€434.36
2014	213,185	41,079	€17,918,327	€84.05	€436.19
<i>Source: Indecon analysis of Skillnets SONRAI data</i> Notes: Both employed and jobseeker trainees and training days are included in the above figures.					

#### 3.5.2 State funding costs and member company costs per trainee

The table overleaf presents equivalent data to the above however with expenditure disaggregated based on the source of the funding. The average state cost per trainee has marginally decreased over the three-year period examined, and in 2016 was slightly above €200 per trainee. An examination of the member company co-funding cost per trainee indicates that companies have increased their contribution per trainee in 2016 (€241 in 2016).

**Table 3.13: TNP Cost-Effectiveness - State and Member Company Costs Per Trainee 2014 - 2016**

Year	Total Number of Trainees	Total State Grant Funding	State Cost Per Trainee	Member Company Cost Per Trainee
2016	44,877	€9,034,245	€201.31	€240.93
2015	43,661	€9,073,887	€207.83	€226.53
2014	41,079	€8,518,000	€207.36	€228.83

*Source: Indecon analysis of Skillnets SONRAI data & 2014 Evaluation of Skillnets*  
Notes: Both employed and jobseeker trainees and training days are included in the above figures.

### 3.5.3 Ability to access similar training elsewhere

An analysis of the deadweight associated with a programme is important to ensure a policy is addressing an unmet need or incentivising an outcome that would not otherwise have occurred. Deadweight relates to the instance where the outputs or outcomes of a programme would have occurred in the absence of the programme.

Indecon's research among trainees provides an input to the assessment of programme deadweight associated with the TNP, including possible overlap in quality and accessibility of other training programmes. As noted earlier in our review of progression outcomes, econometric analysis comparing outcomes to a counterfactual position would be required to fully evaluate deadweight. This is, however, outside the scope of this evaluation. The same point applies to all of the subsequent examinations of programme participants' ability to access similar training elsewhere.

Approximately one-third of TNP trainees indicated it would have been difficult to access other training of similar quality if Skillnets had not been available. This provides an indication of the measure of programme deadweight.

**Table 3.14: TNP In-Employment Training 2016 - Programme Deadweight as Measured by Trainees Ability to Access Similar Training Elsewhere**

If the Skillnets training you undertook had not been available, how difficult do you believe it would have been to access training of a similar quality elsewhere?	% of Respondents
Not Difficult	20.3%
Somewhat Difficult	50.1%
Very Difficult	22.3%
Extremely Difficult	7.2%

*Source: Indecon Confidential Survey of TNP Employed Trainees 2016*

While the analysis indicates some evidence of deadweight, it is Indecon's experience that some deadweight will be present in all programmes. What is crucial is that efforts are made so that this deadweight is as small as possible and its impacts are minimised.

It is also useful to consider the views of Member Companies as to the likely decisions made in relation to employee training that would have occurred in the absence of Skillnets. As with the above, this was queried during Indecon's primary research of TNP participants. Approximately 20% of those Member Companies surveyed indicated that they would have arranged alternative training sessions similar to those delivered through Skillnets. This implies that some deadweight may exist from the perspective of the Member Companies; however, the same disclaimer as above applies. A larger minority (42.5%) would have arranged a shorter or smaller training course. A large minority (21.1%) would not have arranged any training at all.

**Table 3.15: TNP Member Companies 2016 – Ability to Access Similar Training Elsewhere**

<b>In the absence of the Skillnets training, please indicate the likely decisions your organisation would have made.</b>	<b>% of Respondents</b>
We would have arranged alternative training no different to that received through Skillnets	19.6%
We would have arranged alternative training but to a lesser degree (e.g. through shorter courses and/or offered to fewer people)	42.5%
We would have arranged alternative training but at a later date	16.8%
We would not have arranged any training at all	21.1%
<b>Total</b>	<b>100%</b>

*Source: Indecon Confidential Survey of TNP Member Companies 2016*

### 3.6 Future Skills Needs Programme and New Certified Programme Development

The Future Skills Needs Programme (FSNP) and the New Certified Programme Development (NCPD) are specialised funding programmes for the development of new training programmes with specific objectives, in addressing future skills gaps and funding new certified training. Following a recommendation made by Indecon in a previous evaluation, Skillnets decided to merge both the FSNP/NCPD programmes into FSNP 2017 during the last quarter of 2016.

#### 3.6.1 FSNP – financial performance

The FSNP is designed to provide funding for new programmes with a focus on the development innovative programmes aimed at addressing future skills gaps. The programme promotes knowledge sharing and learning through facilitating collaborative activities between Member Companies and higher education institutions with the aim of developing new programmes. The FSNP is defined by significant industry co-funding as well as non-monetary supports through the supply of HR and other specialist staff to these new networks.

In the FSNP programme in 2016, six networks considered the development of 19 courses. Of these 19, 13 courses were successfully developed and either delivered within the 2016 year or expected to be delivered in 2017. The remaining six courses were not developed. The courses that have been fully developed and delivered in general have a high certification associated with the course. Four of these courses of an NFQ Level 9 award, for example, an MSc in Applied Cyber Security is offered by the ICT Ireland Skillnet.

Both budgeted and actual expenditure levels for the FSNP in 2015 and 2016 are presented in the table below. As can be seen, actual expenditure has increased by over 30% year-on-year. In 2016, companies provided just under €50,000 in co-funding to the FSNP. The programme also received state grant funding of €162,000. As per Indecon's previous recommendation in its 2016 evaluation, it is noted that Skillnets merged the FSNP and NCPD programmes into a single FSNP programme for 2017, and increased the grant investment to circa €470,000, which has been a significant investment for the organisation.

**Table 3.16: FSNP Performance, Impacts and Effectiveness - Expenditures in 2016 and 2015**

	Budgeted Expenditure (€)	Actual Expenditure (€)	<i>*of which company matching funds</i>	<i>*of which state grant funding</i>	Actual Expenditure as % of Budget
<b>FSNP 2016</b>	<b>279,135</b>	<b>211,786</b>	€49,814	€161,972	76%
<b>FSNP 2015</b>	<b>163,020</b>	<b>159,685</b>	€34,685	€125,000	98%

*Source: Indecon analysis of Skillnets Sonrai Database*

A tabulated overview of the FSNP programme delivered in 2016 or expected to be delivered in 2017 is presented overleaf. The FSNP covers a variety of industries ranging from ICT to the retail trade.



**Table 3.17: FSNP - Overview of Programmes Delivered or Expected to be Delivered, 2016**

Network Name	Name of Training Course	NFQ Level
ICT Ireland Skillnet	Masters in Applied Cyber Security	Level 9
	Masters in Applied IT Architecture	Level 9
	Higher Certificate in Networking Technologies	Level 9
Taste 4 Success Skillnet	Retail Trade Technical Skills - Hospitality & Trade Technical Skills	Level 6
	Certificate & Diploma Support Programmes in Brewing and Distilling	Level 7
Retail Ireland Skillnet	Retail Assessor Workshop	Level 6
	Level 7 Minor Awards	Level 7
	Retail Administration	Level 5
	Marketing	Level 5
Summit Finuas Network	Higher Diploma in Fintech	Level 8
	Masters in Fintech	Level 9
ISA Software Skillnet	ReBOOT Programme	-
	Postgraduate Diploma in User Experience Design	Level 7
Irish Medtech Skillnet	Fundamentals and Regulatory Affairs	Levels 8 & 9
	Productive Development Model	-
	Validation Principles for Medical Technologies	Levels 8 & 9

Source: Skillnets

### 3.6.2 Selected FSNP networks

#### ICT Ireland Skillnet

The ICT Ireland Skillnet offers a Level 9 Masters in Applied Cyber Security (MACS) as part of the FSNP. This advanced NFQ award programme was designed with the goal of addressing the need to upskill current employees of firms in need of specialised cyber security skillsets. The programme offers trainees the opportunity to gain a high level of knowledge and skill to enable them to take on immediate roles in countering cyber security threats. ICT Ireland also offers other advanced programmes including an MSc in Applied IT Architecture, and a Higher Certificate in Networking Technologies.

These specialised programmes have gained support from firms and various development agencies including IDA and Enterprise Ireland. Many of these courses are offered on a part-time basis to facilitate current employee up-skilling, and involve a mix of classroom, online, and self-study work. The courses often contain a research component, for example the MACS culminates in a major research project undertaken before the Masters award is granted. All three courses offered by ICT Ireland in the above table were designed and delivered in 2016.

### Summit Finuas Network

The Summit Finuas Network successfully designed two training courses in 2016 which are expected to be delivered in 2017. The Masters in Fintech is a Level 9 Qualification offering industry-focused training in areas such as data analytics, quantitative modelling, and cyber security. This programme is offered on a part-time schedule and takes place in the IFSC. The sectoral focus of these networks is designed to address future skills needs in the financial sector and is highly integrated within Ireland's financial industry.

### 3.6.3 NCPD – financial performance

The New Certified Programme Development aims to provide additional funding for networks in high-demand with a proven track record of interest with businesses. The development of these courses will be focused on providing certified (NFQ or Industry) training for trainees. Another focus of this programme is to provide training in areas where this is a clear gap in provision in the absence of Skillnets.

The NCPD had four networks in 2016, who collectively delivered six courses throughout the year. Similar to the FSNP, the NFQ accreditation ranged from Level 6 to Level 9. It should be noted that all of the courses in the programme were NFQ-certified, in keeping with its overarching goals and objectives.

The table below outlines budgeted and actual expenditure in 2015 and 2016, as well as the sources of funding. Expenditure amounted to €55,523 in 2016, which was 24% below budgeted levels. Actual expenditure in 2016 decreased substantially year-on-year, alongside budgeted expenditure.

**Table 3.18: NCPD Performance, Impacts and Effectiveness - Expenditures in 2016**

	Budgeted Expenditure	Actual Expenditure	* of which state grant funding	**of which company matching funds	Actual Expenditure as % of Budget
NCPD 2016	€73,450	€55,523	€44,419	€11,104	76%
NCPD 2015	€261,125	€163,121	€130,497	€32,624	62%

Source: Indecon analysis of Skillnets Sonrai Database

A summary of the training courses provided in the NCPD is presented overleaf. The NCPD offers courses across a wide variety of areas including broadcasting and construction.

**Table 3.19: NCPD - Overview of Courses - 2016**

Network Name	Name of Training Course	NFQ Level
Trainers Learning Skillnet	Developing and driving a Talent Strategy in your Organisation	Level 9
Learning Waves Skillnet	Marketing for Radio Stations	Level 6
Learning Waves Skillnet	Advanced Music Presenter Bootcamp	Level 7
Learning Waves Skillnet	Diploma in Radio (categorised in areas of work)	Level 6
CPA Ireland Skillnet	Certificate in Practice Management and Auditing	Level 8
CitA Skillnet	introductory BIM level 2	Level 7
<i>Source: Skillnets</i>		

### 3.6.4 Selected NCPD networks

#### ***CitA Skillnet***

The Construction IT Alliance Skillnet is an industry-led network with representation in all major subsectors of the construction industry. The network focuses on IT training needs, however also offered non-IT related training. Target trainees include architects, engineers, contractors, and more. Technical training in BIM (Building Information Modelling) exists across a variety of modules including foundational introductory courses to role-specific applications of the programme. These include training for architects, structural engineers, and building services engineering. The BIM Level 2 course is offered through the BRE academy, which added three additional modules to the course in 2016.

#### ***Learning Waves Skillnet***

Learning Waves Skillnet provides training to the independent commercial radio sector in Ireland and was set up in 2004. The network is industry-led and contains 30 commercial radio stations, and the organisation is based on subcommittees for different areas of training.

In 2016, Learning waves developed and began delivery of three training courses; Marketing for Radio Stations, Advanced Music Presenter Bootcamp, and a Diploma in Radio. The Advanced Music Presenter Bootcamp occurred during the summer of 2016 and had 20 participants. These trainees have since participated in work placements across the Learning Waves Skillnets member organisations.

### 3.6.5 Conclusions re FSNP and NCPD

Indecon would make the following overall observations/conclusions in relation to the FSNP and NCPD programmes during 2016:

- ❑ The FSNP and NCPD programmes have played a significant role in 2016 in facilitating the upskilling of trainees in areas with strong industry demand. Both programmes have a complimentary focus on future skills needs and accreditation to ensure the present investment in human capital is applicable in the future and facilitates transferability through qualifications. Ten networks operated across the programmes in 2016 and delivered 24 courses in 2016 or planned to deliver in 2017. These courses had a wide sectoral representation including in finance, broadcasting, ICT, and retail.
- ❑ Overall the combined actual expenditure of both programmes amounted to €267,308 in 2016, and represented approximately 1% of total Skillnets expenditure (including TNP, Finuas, ManagementWorks, and JSSP). This total level of expenditure was lower than in 2015. This decrease in expenditure has potential implications for the future provision of necessary training to address future skills gaps that may widen given rapid technological change. Enhancing the level of investment in these areas should be considered to ensure both programmes' potential is maximised. As per Indecon's previous recommendation in its 2016 evaluation, it is noted that Skillnets merged the FSNP and NCPD programmes into a single FSNP programme for 2017, and increased the grant investment to circa €470,000, which has been a significant investment for the organisation.
- ❑ The creation of new courses with specific targeted objectives is of importance in ensuring Skillnets remains an industry-focused source of training. The specialised nature of these courses allows firms to take a long-term perspective and reduces the potential of course duplication with other providers.
- ❑ Indecon would not perceive an obvious rationale for the operation of two separate programmes/channels in the form of the NCPD and FSNP to address new skill requirements, and potential re-alignment or merger of the programmes would merit consideration from the perspective of minimising fragmentation and maximising scale economies and effective delivery.

## 3.7 Pilot Networks

Skillnets seeks to regularly design and consider the creation of additional networks for inclusion in the overall organisation. These are carried out across two pilot networks (Pilot 1 and Pilot 2). In 2016, 14 networks were considered on a pilot basis across both PI and PII streams.

### 3.7.1 Pilot network – financial performance

The financial performance of the pilot networks is presented overleaf. On a combined basis, actual expenditure amounted to €1.4 million in 2016. This exceeded budgeted levels by 35%. Expenditure across pilot streams was approximately equal, with the PI stream accounting for 52% of total expenditure. It should be noted that the PI stream attracted a marginally larger proportion (54%) of total Member Company co-funding. In 2016, total company matching funds amounted to €756,618.

**Table 3.20: Pilot Programme Performance, Impacts and Effectiveness - Expenditures in 2016**

	<b>Budgeted Expenditure</b>	<b>Actual Expenditure</b>	<b><i>*of which company matching funds</i></b>	<b><i>*of which state grant funding</i></b>	<b>Actual Expenditure as % of Budget</b>
<b>Pilot Networks PI</b>	€1,036,875	€726,979	€406,398	€320,581	70%
<b>Pilot Networks PII</b>	€1,097,931	€667,899	€350,220	€317,680	61%
<b>Total</b>	<b>€2,134,806</b>	<b>€1,394,878</b>	<b>€756,618</b>	<b>€638,260</b>	<b>65%</b>
<i>Source: Indecon analysis of Skillnets Sonrai Database</i>					

A comprehensive list of the pilot programmes designed or delivered in 2016 is presented overleaf, alongside the aims, goals, and rationale for the programmes. The pilot programmes considered had a wide sectoral distribution and had representation in the primary production sector, the energy sector, and the hospitality sector. High technology sectors are also represented, e.g., the Aviation and Aerospace Skillnet proposes to expand coverage to address the needs of air cargo companies, and the IoMT Skillnet will provide training in the breakout area of connected health.

Table 3.21: Pilot Programmes - 2016	
Network Name	Pilot Programme Aims and Rationale
Aviation & Aerospace Skillnet	The network proposes to expand its offering to address the needs of air cargo companies and regional airports.
Duhallo Skillnet	Enhance the sustainability of micro-enterprises and sole traders in Duhallo (Cork).
Lean Water & Energy Skillnet	Promote excellence in sustainable water and utility management.
Macra na Feirme Young Farmers' Skillnets	Enhance the skills and knowledge of young farmers so that they can transform their farms into viable and sustainable business operations.
Shannon Chamber Skillnet	Supports companies in the greater Shannon region. These companies are operating in diverse sectors, primarily aviation, ICT, engineering, pharmaceuticals, medical devices and international and professional services.
Sligo Chamber Skillnet	Delivers a diverse range of programmes to enterprises located in Sligo town and county.
Sustainability Skillnet	Delivers programmes within the IFS and green economy in sustainability, leadership, communications, responsible investment and green finance, which are designed to address IFS 2020 objectives.
Wexford Chamber Skillnet	Wexford Chamber Skillnet is a mixed-sectoral network supporting companies in the South East, primarily in Wexford.
CILT Skillnet	Promote professionalism and enhance standards through the provision of education & services in the Logistics, Transport and Supply Chain.
Animal Health Ireland Skillnet	Improve profitability, sustainability and competitiveness of dairy and other farming.
Construction SME Skillnet	Deliver training in the areas of lean construction, health and safety and building regulations to SMEs within the sector through a new suite of shorter programmes designed to meet the needs of enterprise.
Internet of Medical Things (IoMT) Skillnet	Supply new skills in the emerging market of Connected Health.
Restaurant & Hospitality Skillnet	Offer tailored programmes covering all aspects of the restaurant, food and beverage industry to its members.
Design Enterprise Skillnet	Proposes to address the demand for new skills in the design business sector.
<b>Source: Skillnets</b> <b>Note: The IoMT, Restaurant &amp; Hospitality Skillnet and Design Enterprise Skillnet were approved for funding in November 2016. However, their activity did not commence until January 2017.</b>	

### 3.7.2 Selected pilot networks

#### **CILT Skillnet**

The CILT Skillnet was developed following a recommendation by the Expert Group on Future Skills Needs (EGFSN) which was an outcome of a report on addressing the demand for skills in freight transport, distribution, and logistics. This Skillnet was promoted by the Chartered Institute of Logistics and Transport. The aim of the Skillnet is to grow the skill base in the international trade

and domestic freight transportation sectors, ultimately with the goal of enhancing standards and services offered by the Irish market. This will be achieved through the delivery of both technical and non-technical training in areas such as supply chain management, vehicle utilisation optimisation, and financing.

### **Design Enterprise Skillnet**

The Design Enterprise Skillnet is being promoted by the Institute of Designers in Ireland, and plans to address current and future skills needs in professional business design. This is an area of interest for the EFGSN who is currently finalising a report on design skills in Ireland and the necessity for future skills investment. The aim of the Skillnet is to support the skills base in the design business sector, especially in growth areas. The design sector is a dynamic marketplace that requires ongoing up-skilling in order to remain competitive. Sectoral areas of change include user experience (UX), digital design and service design. The Skillnet proposes to offer training in both design-intensive and non-design-intensive areas.

## **3.8 Summary of Main Findings**

This section examined the funding, activities and outcomes from the TNP programme, focusing in this case on in-employment training delivered during 2016. The FSNP, NCPD, and Pilot Skillnets programmes were also examined in this section. The key findings from the assessment were as follows:

- ❑ The TNP continued to achieve its objectives and to receive positive stakeholder feedback.
- ❑ The TNP main programme expenditure in 2016 amounted to €19.8 million (funded from the combined grant and enterprise matching contribution) in 2016 (including new networks). This was used to fund 59 networks, which represents no change since 2015. However, it should be noted that the average expenditure per network rose from €321,433 in 2015 to €336,381 in 2016.
- ❑ In terms of Member Company co-funding, the funding leverage for the TNP programme increased substantially year-on-year. This implies further value-for-money from the perspective of central government. For every euro of public funds spent, TNP Member Companies provided €1.20.
- ❑ The programme served predominantly smaller firms, with micro enterprises (1-9 employees) making up almost half of Member Companies in TNP. Firms with greater than 250 employees made up 8% of Member Companies. Indecon's primary survey research found that 28% of firms participated in TNP for the first time in 2016, indicating the programme ability to continue to attract new member company participants.
- ❑ The programme provided training to 41,335 in-employment trainees, representing an increase of 4% year-on-year. The number of training days provided to this cohort also increased to an even greater degree. In 2016, 238,792 training days were provided, which is equal to a greater than 7% increase over 2015 levels. It should also be noted that the growth in trainees has outpaced employment growth in the economy over the past two years.

- ❑ 97.5% of trainees examined were employed as of May 2017. This high level is welcomed but unsurprising given the cohort examined were in-employment during their training. This implies a high degree of employment retention in this cohort.
- ❑ Indecon's survey analysis highlights the pre-defined career outcomes that TNP in-employment trainees attributed to the Skillnets training. 12% of those surveyed indicated that participation in Skillnets training partially or fully contributed to securing a promotion, though 82% indicated that this outcome did not occur or was not due to participation in Skillnets. Skillnets was also found to highly incentivise further training or education for trainees.
- ❑ TNP trainees have indicated generally high levels of satisfaction with the overall quality of in-employment training provided, however relatively lower levels of satisfaction were seen in relation to the ability of the training to foster networking with employees from other companies. (61.8% very satisfied or satisfied).
- ❑ TNP Member Companies indicated strong levels of their views as to the overall quality of the training provided (96%), while 95% of companies considered the training to meet their expectations.
- ❑ Brexit-related outcomes were associated with high degrees of uncertainty by Member Companies. 42% of firms had already seen an impact from exchange rate fluctuations after the Brexit referendum in June 2016.
- ❑ In terms of cost-effectiveness, the costs to the state per trainee fell in 2016 to just above €200 per trainee. Conversely, the average cost to Member Companies per trainee has risen.
- ❑ Some indicative evidence of programme deadweight was identified during Indecon's survey research. It is important from the perspectives of maximising net impacts and value for money in the utilisation of public funding through the NTF that ongoing efforts are made to minimise this deadweight and to mitigate its impacts through maximizing member company matching funding.
- ❑ The FSNP and NCPD programmes, as well as Pilot Networks, have played a significant role in addressing current and future skills needs in Ireland. These programmes reflect the dynamic nature of the Skillnets organisation. Proportional to overall expenditure, however, spending on these programmes is small. The creation of new courses with specific targeted objectives is of importance in ensuring Skillnets remains an industry-focused source of training. The specialised nature of these courses allows firms to take a long-term perspective and reduces the potential of course duplication with other providers.



## 4 Evaluation of Finuas Networks Programme

### 4.1 Introduction

This section of the report focuses on the impact of the Finuas Networks Programme, and includes an examination of the inputs, outputs and objectives of the programme in 2016. Indecon's analysis is based on primary survey research of Finuas participants as well as an analysis of internal datasets provided by Skillnets. This section focusses primarily on in-employment trainees.

### 4.2 Background and Programme Context

The Finuas Networks Programme is a dedicated specialist training network with the objective of enhancing the skills base and competitiveness in all areas of the Irish financial sector. Finuas provides training in niche subsectors including FinTech and financial IT, alongside traditional subsectors including fund administration, investment management, and risk.

The Irish financial services sector has flourished in previous decade due to strategic public policy positioning in this area. According to the CSO, in the first quarter of 2017, over 100,000 employees worked in the broad financial services, insurance, and real estate activities.<sup>9</sup> A narrower definition as measured in the CSO's Business Demographics Survey indicated that in 2014 over 45,800 employees worked in financial service activities (excluding activities of holding companies).<sup>10</sup>

The financial services sector is active throughout Ireland; however sectoral clusters do exist, most notably in the Irish Financial Services Centre (IFSC) in Dublin. Other clusters exist in the Shannon area in relation to the aviation leasing/finance subsector. Finuas provides training throughout Ireland.

Finuas' strategic context is outlined in the Finuas 2020 strategy document, which was developed with sight of the Strategy for Ireland's International Financial Services sector (IFS2020) which was developed in 2015 by the Department of Finance. The Finuas Networks and Skillnets in general have been cited by Government as key sectoral stakeholders in achieving the strategic priorities of the IFS2020 Action Plan for 2017, in particular in driving continuous improvement in the operating environment and competitiveness of Ireland's IFS sector.

### 4.3 Aims and Objectives of Programme

The strategic intent of Finuas is to upskill current and future employees in this high-potential knowledge-based industry in order to sustain and increase market growth, maximise exports, enhance employment opportunities, enabling it to make a significant contribution to national economic success. This strategy has two complementary aims. In the shorter term, to sustain existing growth in the industry by immediately upgrading the skills of the current workforce and addressing any current skills gaps. In the longer term, it aims to develop an expanded pool of labour with new capacity in those high-value skills which are necessary to underpin and retain a national competitive advantage.

<sup>9</sup> CSO Quarterly National Household Survey.

<sup>10</sup> CSO Business Demographics Survey. Latest available – 2014.

The objectives of Finuas, in the context of the Finuas 2020 strategy document, are presented in the table below.

**Table 4.1: Finuas Programme – Aims and Objectives of Finuas**

- ☐ To promote an enterprise-led approach to learning within the international financial services sector through the establishment of Finuas networks where groups of enterprises can develop strategic answers to their joint training needs.
- ☐ To develop the skills of existing staff and expand the pool of high value, specialised and market-appropriate skills within the industry.
- ☐ To increase the supply and mix of current training and education provision and create flexible learning opportunities.
- ☐ To make available new or revised industry-specific course materials, programmes, modules and awards that are aligned to identified business/market needs.
- ☐ To enable strategic high-level education provision, to be newly created or updated, in line with industry developments and provide opportunities for specialization.
- ☐ To put in place a flexible process to enable rapid response to industry changes or developments.
- ☐ To create value-added training by promoting best international practice within the training, including impact measurement, benchmarking and strategic approaches to learning and development.
- ☐ To support jobseekers in updating their skills, networking and increasing their employability through industry-led training.

*Source: Finuas*

## 4.4 Assessment of Programme Inputs

### 4.4.1 Analysis of financial inputs

The table below outlines the key financial inputs to the Finuas programme, in terms of total network expenditure and the number of networks for the period 2014 – 2016. Expenditure in 2016 amounted to €1.8 million (funded from the combined grant and enterprise matching contribution), representing a 6.1% increase year-on-year. In 2016, there were three Finuas networks. The number of networks has remained at this level over the last three years.

**Table 4.2: Financial Overview – Finuas Expenditures 2014 - 2016**

	No of Networks	Network Total Expenditure	% Annual Change
2016	3	€1,839,143	6.1%
2015	3	€1,734,062	9.7%
2014	3	€1,581,125	5.2%

*Source: Indecon analysis of Skillnets SONRAI data and 2014 Evaluation Report*

A further detailed breakdown of Finuas' expenditure levels is presented in the table below. Actual outturn was within 7% of budgeted levels (93.7% of budget). 82.6% of expenditure relates to the provision of training programmes, which was five percentage points higher than budgeted levels. Company matching funds was approximately 6% less than budgeted. State grant funding accounted for less than 49% of actual expenditure.

**Table 4.3: Financial Overview – Breakdown of Finuas Expenditures in 2016**

Category	Budgeted Expenditure (€)	Actual Expenditure (€)	Actual as % of Budget
Training Expenditure	€1,528,169	€1,520,725	99.5%
Management Expenditure	€347,418	€322,556	92.8%
<b>Total Expenditure*</b>	<b>€1,962,890</b>	<b>€1,839,143</b>	<b>93.7%</b>
*Of which, State funds	€926,484	€863,958	93.3%
*Of which, company matching funds	€1,036,406	€975,185	94.1%

*Source: Indecon analysis of Skillnets SONRAI data*  
*\*Total Budgeted Expenditure not equal to sum of training and management expenditure due to budgeted overheads*

#### 4.4.2 Funding leverage

As presented in the previous table, Finuas member company matching funds accounted for a larger proportion of actual expenditure than state grant funding. Member Company funding accounted for 53% of total expenditure in 2016. This represents a decrease in leverage levels relative to Indecon's 2015 evaluation (56.1%), however is still above the 2013 leverage levels (51.6%). For every euro of state funding, Finuas receives €1.13 from Member Companies.

#### 4.4.3 Network company characteristics

The three Finuas networks comprised of 857 Member Companies in 2016. This represents a significant increase over 2015 and prior levels. Based on a sample of 846 Member Companies (99%), it is estimated that 62% have fewer than 10 employees. Only 7% of companies have greater than 250 employees.

**Table 4.3: Finuas Member Companies 2016 - Overview of Member Company Size**

Company Size	% of Total*
Micro (1-9 employees)	62%
Small (10-49 employees)	21%
Medium (50-250 employees)	10%
Large (>250 employees)	7%
<b>Total</b>	<b>100%</b>

*Source: Indecon analysis of Skillnets SONRAI data*  
*\* Based on a 99% sample for which data was available.*

The sectoral breakdown of Finuas Member Companies is presented below. A large proportion of firms (72%) operated within the professional legal and taxation services subsector, while a smaller proportion of companies operated within the financial services, banking and capital markets, and air financing/leasing sectors.

**Table 4.4: Finuas Member Companies 2016 - Breakdown of Member Companies by Sector**

Sector	Number of Companies	% of Total
Air finance / leasing	61	7.1%
Banking and capital markets	25	2.9%
Financial services	37	4.3%
Funds and investment management	29	3.4%
Financial technology (FinTech)	18	2.1%
Insurance / reinsurance	24	2.8%
Professional legal and taxation services	623	72.7%
Other	40	4.7%
<b>Total</b>	<b>857</b>	<b>100.0%</b>

*Source: Indecon analysis of Skillnets SONRAI data*

#### 4.4.4 Prior training activity of Member Companies

Among the Finuas Member Companies of 2016, more than half of them were returning clients who had previously participated in Skillnets training. A significant minority (41%) were new clients, indicating that the Finuas programme continues to attract new companies with its training/service offering.

**Table 4.5: Finuas Member Companies 2016 - First Year of Finuas Participation**

Year	% of Respondents
2016	40.9%
2015	4.5%
2014	22.7%
2013	9.1%
2012 or earlier	22.7%
<b>Total</b>	<b>100%</b>

*Source: Indecon Confidential Survey of Finuas Member Companies 2016*

## 4.5 Assessment of Programme Outputs and Outcomes

### Analysis of training outputs

Finuas has seen a reduction in the number of training courses provided year-on-year. In 2016, 162 courses were offered across the three Finuas networks. This compares with 200 in 2015 and 137 in 2013.

**Table 4.6: Finuas In-Employment Training Outputs – Number of Courses**

Event Type	No of Courses	
	2016	2015
No. of Training Courses Provided	162	200
<i>Source: Indecon analysis of Skillnets SONRAI data &amp; 2015 Review</i>		

### 4.5.1 Profile of trainees who undertook in-employment training during 2016

A large majority (87%) of in-employment Finuas trainees were highly educated and held an NFQ Level 8 qualification or higher. These high levels are unsurprising given the specialised sectoral focus of the Finuas programme and consistent with the level of sector ally-specific expertise required to gain employment in the industry. This factor further compounds the need to support and incentivise continued learning and up-skilling to ensure Ireland retains its competitive offering in financial services.

**Table 4.7: Finuas In-Employment Training 2016 – Pre- Training Qualification Levels of Participants**

Level of Award on NFQ	Percentage
Levels 1-5	3%
Level 6	4%
Level 7	6%
Level 8	73%
Level 9	14%
Level 10	0%
<b>Grand Total</b>	<b>100%</b>

*Source: Indecon analysis of Skillnets SONRAI data*

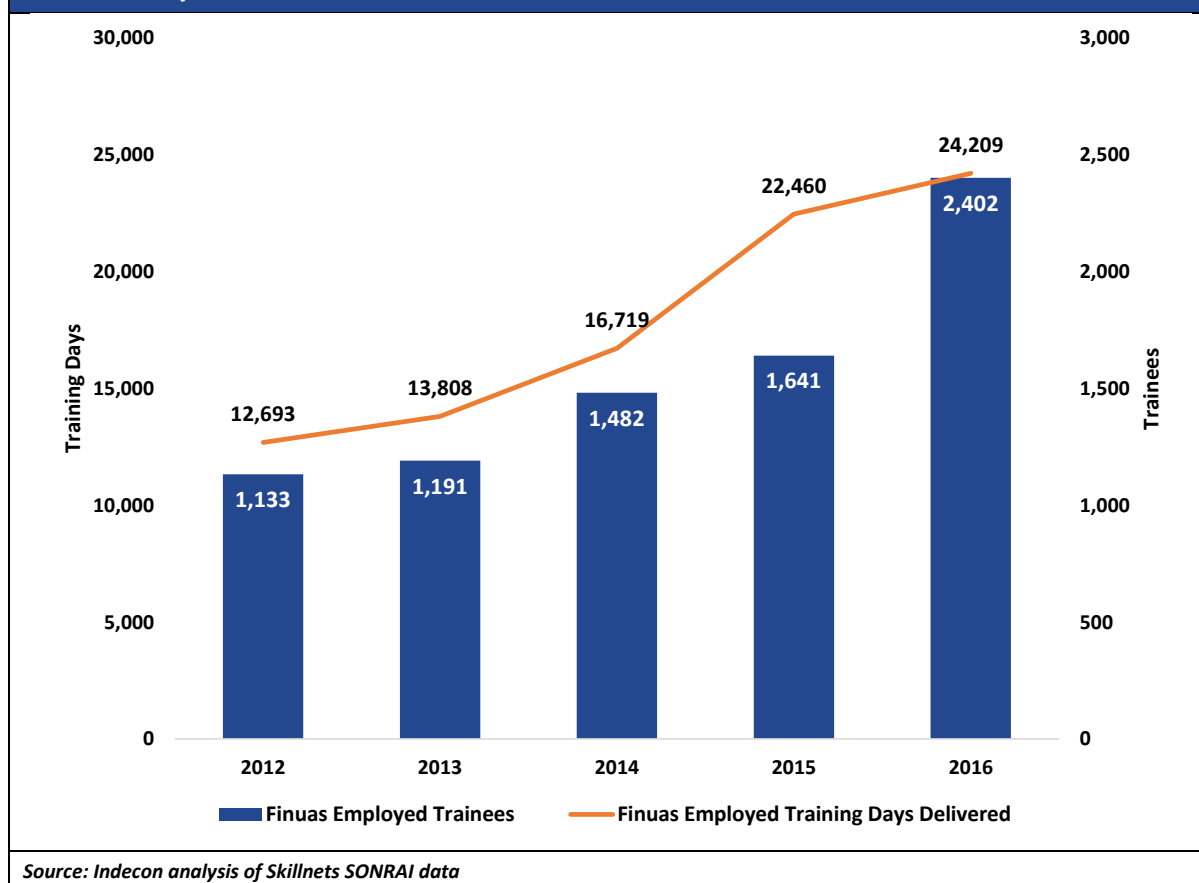
\* Based on an 99% sample for which data was available.

### 4.5.2 Training activities and outcomes

A critical output of Skillnets is the number of trainees and training days serviced by each constituent programme. Finuas training participation has increased year-on-year over the three years (see table below), reflecting growth in the IFS sector and in the wider economy. In 2016, 2,402 trainees participated in Finuas. This represents an annual growth rate of 46%. It should be noted that the number of Finuas training days delivered also increased, but to a lesser degree (8%), which indicates a reduction in the average number of training days per trainee (10.1 in 2016).

<b>Table 4.8: Finuas Training Outcomes – In-Employment Training – No. of Trainees and Training Days 2014-2016</b>			
<b>Indicator</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Programme</b>	<b>Finuas</b>	<b>Finuas</b>	<b>Finuas</b>
No. of Trainees	2,402	1,641	1,482
<i>Annual % Change</i>	<i>46.4%</i>	<i>10.7%</i>	<i>24.4%</i>
No. of Training Days Delivered	24,209	22,460	16,719
<i>Annual % Change</i>	<i>8%</i>	<i>34.3%</i>	<i>21.1%</i>
Average No. of Training Days per Trainee	10.1	13.7	11.3
<i>Annual % Change</i>	<i>-26.4%</i>	<i>21.3%</i>	<i>-2.7%</i>
<i>Source: Indecon analysis of Skillnets SONRAI data &amp; 2014 Evaluation of Skillnets</i>			

A long-term presentation of in-employment training outcomes in the Finuas programme is provided in the figure overleaf. The substantial increase in 2016 trainees is evident; however, the long-term growth in both trainees and training days should be noted.

**Figure 4.1: Finuas In-Employment Training 2012 - 2016 – Trends in Finuas Trainees and Training Days**

### **Progression outcomes among trainees**

#### *Current status of individuals who undertook in-employment training during 2016*

Indecon's primary research of Finuas in-employment trainees indicated a very high level of employment retention, with over 99% of respondents indicating they were in employment as of April/May 2017. This outcome is unsurprising given the high levels of education seen in this trainee cohort, as well as the specialised nature of the financial sector.

### Benefits and Impacts of Training

Indecon queried Finuas in-employment trainees as to their views of the benefits of participation in the Finuas programme, specifically in relation to key outcomes that may have occurred as a result of their Finuas training. The results of this question are outlined in the table below. Particular focus should be given to the shaded columns, in which outcomes are considered to have occurred partially or primarily due to participation in Finuas training. Some Finuas in-employment trainees in 2016 indicated that certain outcomes such as securing a promotion (10.6%) and or moving to a more satisfactory role within the same company (11.5%) can be partially or primarily attributed to Skillnets training.

Table 4.9: Finuas In-Employment Training 2016 - Trainee Views on Outcomes Attributable to Finuas Training					
If any of the following specific benefits have occurred since you completed your Finuas training, please indicate if the changes occurred as a result of this training?	Outcome has Not Occurred	Outcome has Occurred but Not Related to Finuas Training	Outcome Partially Due to Finuas Training	Outcome Primarily Due to Finuas Training	Outcome is Likely to Occur in the Next 6-18 Months
I have secured a promotion	61.2%	16.5%	8.7%	1.9%	11.7%
I have received a salary increase	49.0%	29.4%	14.7%	0.0%	6.9%
I have moved to a more satisfactory job within the company	70.2%	11.5%	9.6%	1.9%	6.7%
I have moved to a more satisfactory job outside the company	90.8%	3.1%	1.0%	0.0%	5.1%
I have become self-employed	96.9%	1.0%	0.0%	0.0%	2.0%
<b>Average</b>	<b>73.6%</b>	<b>12.3%</b>	<b>6.8%</b>	<b>0.8%</b>	<b>6.5%</b>
<i>Source: Indecon Confidential Survey of Finuas Employed Trainees 2016</i>					

As shown overleaf, Finuas in-employment trainees were asked to provide their feedback on the additional benefits of participating in the training. This revealed that those aspects to which training contributed the most were improving motivation and encouragement to undertake further training.



**Table 4.10: Finuas In-Employment Training 2016 - Trainee Views on Additional Benefits / Impacts of Finuas Training**

<b>Did the Finuas training contribute to any of the following additional benefits / impacts?</b>	<b>Fully Contributed</b>	<b>Partially Contributed</b>	<b>Did NOT Contribute</b>
Has helped me to achieve a qualification/certification	53.2%	15.3%	31.5%
Has helped me to make better decisions about my career	19.6%	50.0%	30.4%
Has helped to fast-track my career	4.6%	31.5%	63.9%
Has helped me to keep my present job	9.4%	30.2%	60.4%
Has improved my motivation	28.6%	49.1%	22.3%
Has encouraged me to undertake further training or education	31.2%	46.8%	22.0%
<b>Average</b>	<b>24.4%</b>	<b>37.1%</b>	<b>38.4%</b>

Source: Indecon Confidential Survey of Finuas Employed Trainees 2016

Indecon also queried Finuas Member Companies as to their views on the extent to which a number of outcomes has occurred in relation to their business as a result of participation in the Finuas programme. Among the Finuas Member Companies in 2016, 87% reported that Skillnets training had a positive impact in terms of addressing the skills gaps within their company while 70% agreed that training had a positive impact on both increased staff engagement and staff certification with benefits for the company.

**Table 4.11: Finuas Member Companies 2016 - Impacts of Finuas Membership**

<b>To what extent would you agree or disagree with each of the following statements as a result of being a member of a Finuas network during 2016?</b>	<b>Positive Impact</b>	<b>No Impact</b>	<b>Negative Impact</b>
Addressed skills gaps generally within our organisation	87.0%	13.0%	0.0%
Increased attraction/retention of key staff	39.1%	60.9%	0.0%
Increased staff engagement	69.6%	30.4%	0.0%
Staff received certification, which benefits our business	69.6%	30.4%	0.0%
Enhanced our service/product quality	65.2%	34.8%	0.0%
Contributed to increased turnover	13.0%	82.6%	4.3%
Helped lower business costs	34.8%	56.5%	8.7%
Improved business processes and/or productivity	56.5%	43.5%	0.0%
Enhanced business competitiveness	43.5%	56.5%	0.0%
Improved customer care	47.8%	52.2%	0.0%
Assisted our business to develop new markets	13.0%	87.0%	0.0%
Helped to enhance the long-term performance of our business	56.5%	43.5%	0.0%

Source: Indecon Confidential Survey of Finuas Member Companies 2016

In consideration of another set of potential benefits of Finuas membership, Member Companies were asked to consider their level of agreement with a selection of statements as presented in the table below. Generally, there was a strong level of agreement among Finuas Member Companies regarding the benefits of Finuas membership. Items with particularly strong agreement include Finuas' encouragement of future investment in staff development and training (69.6% strongly agree or agree), and that network activities are focused on the delivery of skills that meet defined skills shortages vital for growth and competitiveness in our sector/region (73.9% strongly agree or agree). Aspects with less strong agreement include Finuas' ability to enable staff to be trained for the first time (21.7% strongly disagree or disagree), and an increased number of people are now offered training at our organisation (13% disagree).

**Table 4.12: Finuas Member Companies 2016 - Views on Benefits of Finuas Membership**

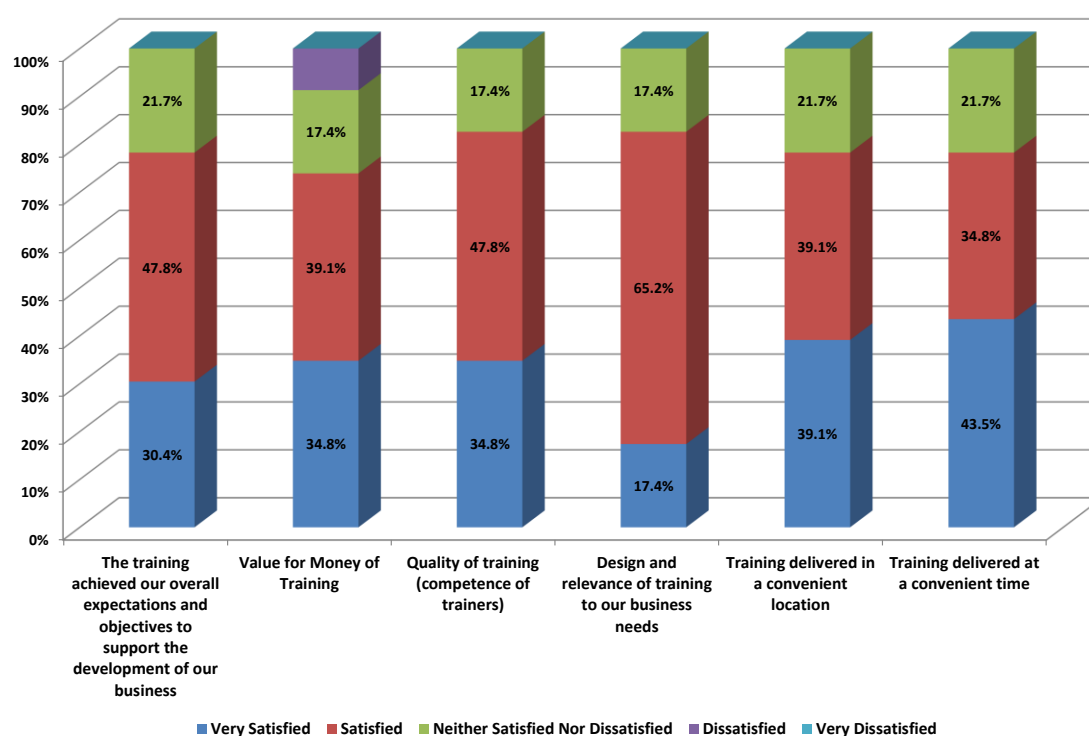
<b>To what extent would you agree or disagree with each of the following statements as a result of being a member of a Finuas network during 2016?</b>	<b>Strongly Agree</b>	<b>Agree</b>	<b>Neither Agree Nor Disagree</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
This was the first time we engaged in planned (Finuas or other) training	17.4%	13.0%	17.4%	21.7%	30.4%
Our company/business had a formal training programme and/or clearly identified need for training	26.1%	39.1%	21.7%	13.0%	0.0%
The Training Needs Analysis conducted by the Finuas network fully reflected the training needs of our company/business	8.7%	21.7%	69.6%	0.0%	0.0%
Membership helped us to meet/network with other like-minded businesses	21.7%	30.4%	34.8%	8.7%	4.3%
An increased number of people are now offered training at our organisation	13.0%	30.4%	43.5%	13.0%	0.0%
Has enabled some staff to be trained for the first time	21.7%	17.4%	39.1%	8.7%	13.0%
Has increased awareness within our company of the importance of training	21.7%	39.1%	26.1%	8.7%	4.3%
Will encourage future investment in staff development and training	26.1%	43.5%	26.1%	4.3%	0.0%
Network activities are focused on the delivery of skills that meet defined skills shortages vital for growth and competitiveness in our sector/region	13.0%	60.9%	26.1%	0.0%	0.0%
The programme design facilitated the transfer of learning to my company	18.2%	45.5%	36.4%	0.0%	0.0%
The programme design blended different approaches which reflect the modern workplace and how our employees wish to learn	21.7%	43.5%	34.8%	0.0%	0.0%

**Source: Indecon Confidential Survey of Finuas Member Companies 2016**

### 4.5.3 Satisfaction levels with training

The chart presented below considers the views of Member Companies as to their levels of satisfaction with various aspects of their Finuas training. Generally high levels of satisfaction were found, for example, over 78% of respondents were very satisfied or satisfied that the training achieved their overall expectations and objectives in supporting the development of their business. The Member Companies' perceptions of the value for money of the training had relatively higher levels of dissatisfaction (8.7% dissatisfied) however it should be noted that overall this item had high levels of satisfaction (73.9% very satisfied or satisfied). A large majority of Member Companies were satisfied (65.2%) with the design and relevance of the training to their business needs, however only 17.4% firms were very satisfied.

**Figure 4.2: Finuas Training 2016 – Views of Member Company Respondents on Satisfaction with Aspects of Training**



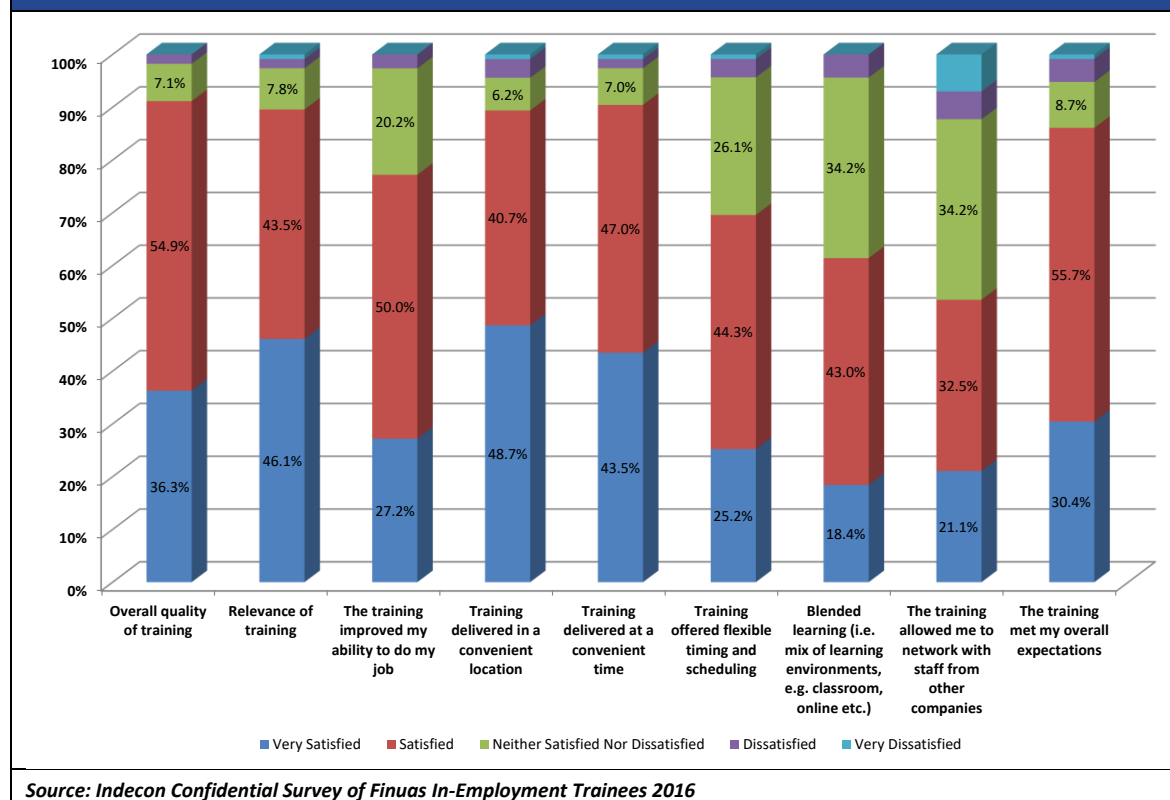
Source: Indecon Confidential Survey of Finuas Member Companies 2016

Indecon also gauged Member Companies' views on the development in the quality of training offered by the Finuas programme over time. This was answered by companies that participated in the programme prior to 2016 as well as in 2016. As shown below, 47% of Finuas Member Companies who had previously participated in training with Skillnets indicated that the overall quality has either greatly improved or improved. It should be noted that no firms considered the quality to have worsened to any degree.

<b>Table 4.13: Finuas Member Companies 2016 - Developments in Quality of Finuas Training</b>	
<b>If you participated in Finuas prior to 2016, how do you believe the overall quality of Finuas training has changed over the period since you first engaged with Finuas?</b>	<b>% of Respondents</b>
Greatly Improved	17.6%
Improved	29.4%
Neither Improved nor Worsened	52.9%
Worsened	0.0%
Greatly Worsened	0.0%
<b>Total</b>	<b>100%</b>
<i>Source: Indecon Confidential Survey of Finuas Member Companies 2016</i>	

From the perspective of the Finuas in-employment trainees, satisfaction levels with most aspects of the training were viewed as generally positive. For example, over 91% of trainees were satisfied or very satisfied with the overall quality of the training. A figure outlining levels of trainee satisfaction is presented overleaf. Among the Finuas in-employment trainees there was also a high level of satisfaction with the quality of training, relevance of training, and delivery.

**Figure 4.3: Finuas Training 2016 – Views of in-Employment Trainees on Satisfaction with Aspects of Training**



#### 4.5.4 Views on the Impact of Brexit

The impact of Brexit, as previously outlined in Section 3.4.8, is of importance for the Irish financial services industry due to competitive advantages afforded to Ireland in a scenario in which the City of London and the wider-UK financial services industry lose EU passporting rights to operate freely within the EU. While the precise outcomes of Brexit are to be determined, gaining insights into the views of Finuas Member Companies as to the expected impacts of Brexit is useful.

Table 4.14 overleaf presents the views of Finuas Member Companies as to the significance of Brexit across a variety of issues. Encouragingly, businesses generally view preparation and planning for Brexit-related issues as a very significant or significant issue (43.4%). However, there is also a large minority of firms that consider the uncertainty surrounding Brexit to be a very significant or significant issue. 21.7% of firms consider Brexit to offer a significant opportunity for their business to expand, however it should be noted that no business saw this as very significant.

**Table 4.14: Finuas Member Companies 2016 - Views on Significance of BREXIT-related Issues for Business**

How significant or otherwise are the following BREXIT-related issues for your company/business?	Very Significant	Significant	Neither Significant nor Insignificant	Insignificant	Very Insignificant	Don't Know / Not Applicable
Overall level of exposure to UK market	4.3%	26.1%	43.5%	13.0%	0.0%	13.0%
Immediate/recent impacts of adverse movements in euro/Sterling exchange rate	8.7%	4.3%	60.9%	13.0%	0.0%	13.0%
Uncertainty with regard to future trading arrangements with UK	8.7%	21.7%	39.1%	13.0%	0.0%	17.4%
Business planning to prepare for BREXIT-related risks	4.3%	39.1%	30.4%	8.7%	0.0%	17.4%
Staff training needs to prepare for BREXIT-related challenges	4.3%	13.0%	47.8%	13.0%	4.3%	17.4%
BREXIT will provide opportunities for our business to expand	0.0%	21.7%	39.1%	13.0%	4.3%	21.7%
<i>Source: Indecon Confidential Survey of TNP Member Companies 2016</i>						

#### 4.5.5 Case study example of Finuas member company

It is also instructive to consider an example of how Finuas operates in practice. As part of this evaluation, a case study example of a Finuas member company was prepared, which illustrates how businesses interact with the network and the impacts of training provided. The case study example is presented in the box overleaf.

Box 4.1: Finuas Member Company Case Study	
<b>Company Name</b>	ICBC international leasing company Dublin 2
<b>Brief description of firm and its activities</b>	ICBC is one of the top ten global aircraft leasing companies, with headquarters in Beijing, China.
<b>Reason(s) for Participation in Finuas</b>	We became involved in Finuas for the first time in 2016.  During 2016, staff within the company undertook a funded Finuas training programme targeted specifically to the needs of HR and hiring managers in global aircraft leasing companies. The course included a focused agenda, dealing with industry-specific topics and challenges, as opposed to more general HR matters.
<b>Experience of Finuas Training</b>	The experience of participation in Finuas has been positive. Staff gained in knowledge and contacts via the networking opportunity with peers who have similar challenges.  The training programme design blended different approaches which reflect the modern workplace and how our employees wish to learn, and the training has facilitated the transfer of learning to our company.
<b>Examples of Business Impacts arising from participation in Finuas</b>	The Finuas training has enabled staff to acquire greater knowledge of topics such as employment taxes, industry benchmarks, performance and KPI targets, and practical examples of a M&A in reality.  Finuas membership helped us to meet/network with other like-minded businesses. It has enabled some of our staff to be trained for the first time, and an increased number of staff are now offered training. Finuas membership has helped increase awareness within our company of the importance of training, and will encourage future investment in staff training and development. Other specific benefits for our business which can be linked to Finuas training include addressing skills gaps generally within our organisation, increased staff engagement, while staff have also received certification which benefits our business.
<b>Concerns, Challenges and Suggestions re Opportunities for Improvement of Finuas</b>	Overall, we were very pleased with the Finuas training provided. One specific aspect where training could be further enhanced in the future would be to issue the timetable of training courses as early as possible, so as to give companies time to arrange approval for attendees who need to take time off work to attend training.

## 4.6 Programme Cost-Effectiveness and Access to Training

The section provides an in-depth analysis into the cost-effectiveness of the Finuas programme in 2016 and is provided on a comparative basis across years where possible. Also considered in this section is the potential deadweight of the programme.

### 4.6.1 Cost per training day and cost per trainee

A critical component in analysing a programme's cost-effectiveness is to consider expenditure on a unit-cost basis. As such, the table below presents expenditure on the Finuas programme in terms of the average cost per trainee and per training day. The average cost per trainee amounted to €738 in 2016, representing a year-on-year decrease of 28%. The average cost per training day has fallen in both years since 2014 and in 2016 amounted to €74. The fall in the average cost per training day was less substantial relative to the fall in the average cost per trainee. This is due to a larger increase in the numbers of trainees in comparison to the increase in the number of training days.

**Table 4.15: Finuas Programme Effectiveness – Costs Per Training Day and Trainee 2014 - 2016**

Year	Total Training Days	Total Number of Trainees	Total Expenditure	Cost Per Training Day	Cost Per Trainee
2016	24,710	2,491	€1,839,143	€74	€738
2015	22,945	1,694	€1,734,062	€76	€1,024
2014	17,550	1,581	€1,581,125	€90	€1,000
<i>Source: Indecon analysis of Skillnets SONRAI data and 2014 Evaluation Report</i> Notes: Both employed and jobseeker trainees and training days are included in the above figures.					

### 4.6.2 State funding costs and member company cost per trainee

Given the significant use of public sector funds it is necessary to examine the cost-effectiveness of Finuas in terms of public and private sector funding utilisation. This analysis is presented in the table overleaf that presents the public and private unit cost of Finuas. The state cost per trainee has declined from €458 in 2014 to €347 in 2016. Member Company co-funding per trainee was higher than public funding, and amounted to €391 in 2016. This suggests an improvement in unit costs from the perspective of the State and this has been assisted through the increased contribution from matching company funding for all years in the 2014 – 2016 period.



**Table 4.16: Finuas Programme Effectiveness – State and Member Company Costs Per Trainee 2014 - 2016**

Year	Total Number of Trainees	Total State Grant Funding	Total Member Company Matched Funding	State Cost Per Trainee	Member Company Cost per Trainee
2016	2,491	€863,958	€975,185	€347	€391
2015	1,694	€762,000	€972,062	€450	€574
2014	1,581	€723,566	€857,559	€458	€542

*Source: Indecon analysis of Skillnets SONRAI data and 2014 Evaluation Report*  
Notes: Both employed and jobseeker trainees and training days are included in the above figures.

### 4.6.3 Ability to access similar training elsewhere

The ability for trainees and Member Companies to access similar training elsewhere will provide and indicative measure of the potential deadweight of the programme, however it should be noted that a comprehensive econometric model would be required to rigorously assess and estimate the existence of such deadweight. As part of Indecon's primary research, both trainees and Member Companies were queried as to their ability to access similar training elsewhere, the results of which are presented below.

Approximately 80% of in-employment Finuas trainees surveyed indicated they would have experienced some level of difficulty with accessing similar training of similar quality if Skillnets was not available. 18.4% indicated that it would not have been difficult to access training of a similar quality elsewhere.

**Table 4.17: Finuas In-Employment Training in 2016 - Ability to Access Similar Training Elsewhere**

If the Finuas training you undertook had not been available, how difficult do you believe it would have been to access training of a similar quality elsewhere?	% of Respondents
Not Difficult	18.4%
Somewhat Difficult	50.0%
Very Difficult	22.8%
Extremely Difficult	8.8%
<b>Total</b>	<b>100%</b>

*Source: Indecon Confidential Survey of Finuas Employed Trainees 2016*

An equivalent table for Finuas Member Companies is presented below, wherein companies were asked what their likely decision would be in the absence of Finuas training. 28.6% of firms indicated that they would have arranged an alternative training no different to that received through Finuas. A large minority (42.9%) indicated they would have arranged alternative training but to a lesser degree. 14.3% of firms would not have arranged any training at all.

<b>Table 4.18: Finuas Member Companies 2016 - Indicative Estimate of Programme Deadweight</b>	
<b>In the absence of the Finuas training, please indicate the likely decisions your organisation would have made?</b>	<b>% of Respondents</b>
We would have arranged alternative training no different to that received through Finuas	28.6%
We would have arranged alternative training but to a lesser degree (e.g. through shorter courses and/or offered to fewer people)	42.9%
We would have arranged alternative training but at a later date	14.3%
We would not have arranged any training at all	14.3%
<b>Total</b>	<b>100%</b>
<i>Source: Indecon Confidential Survey of Finuas Member Companies 2016</i>	

The above findings suggest that while some trainees and firms would have accessed training of a similar quality elsewhere, the majority of participants would have either accessed training at a later date, to a lesser degree, or not at all. This implies that the Finuas programme is servicing demand for training to an extent to which would not be present if Finuas did not exist. While some level of deadweight or duplication is expected, Finuas should ensure that the design and content of the training courses are frequently updated with inputs from industry stakeholders to ensure that this remains the case.

Relative to the TNP, Finuas Member Companies considered it easier to access similar training elsewhere (28.6% vs. 19.6%), however the reverse was true when considering the views of trainees.

## 4.7 Summary of Findings

This section examined the performance of the Finuas programme, focusing on in-employment trainees. A summary of findings is presented as follows:

- ❑ Finuas delivered across the Summit, Law Society and Aviation Finance networks, and involving 857 Member Companies in 2016. Participating firms were mostly SMEs, with 82.5% of firms employing fewer than 50 people.
- ❑ Finuas' total expenditure in 2016 amounted to €1.8 million (funded from the combined grant and enterprise matching contribution), which is equal to 93.7% of total budgeted expenditure. In terms of funding leverage, Member Companies contributed 53% of total expenditure in 2016, exceeding public funding by 12.9%.
- ❑ The Finuas programme saw a large increase in the number of trainees served, as well as a moderate increase in the number of training days offered throughout 2016. 2,402 trainees participated in 24, 209 training days, representing an average of 10.1 training days per trainee. This fell from an average 13.7 training days per trainee in 2015.
- ❑ Overall, Finuas trainees and Member Companies reported high levels of satisfaction with the programme in 2016. 78% of Member Companies were satisfied or very satisfied that the Finuas training overall met their expectations and addressed their business need. Similarly, 91% of trainees were very satisfied or satisfied with the overall quality of the training. A large majority of Member Companies were satisfied (65.2%) with the design and relevance of the training to their business needs, however only 17.4% firms were very satisfied.
- ❑ Finuas trainees had high levels of employment retention, which is indicative of the trainee cohorts' high qualification levels and the specialised nature of the programme.
- ❑ Indecon's primary research has highlighted the existence of positive career outcomes as a result of participation in Skillnets training. Most notable was the fact that a large number of Member Companies and trainees considered the programme as addressing a skills gap and encouraging future training.
- ❑ Findings from Indecon's survey research indicated that a minority of trainees and Member Companies would have accessed training of a similar quality elsewhere, which has implications for the programme in terms of potential deadweight.
- ❑ The impact of Brexit for Finuas Member Companies was seen as being significant, especially in relation to the level of uncertainty surrounding the outcomes of any decisions related to EU-UK trade. However, 21.7% of firms consider Brexit to offer a significant opportunity for their business to expand, however it should be noted that no business saw this as very significant.

## 5 Evaluation of ManagementWorks Programme

### 5.1 Introduction

The ManagementWorks programme was established as part of the Government's Action Plan for Jobs in 2012. This programme ultimately aims to increase efficiency and improve business outcomes among SME Member Companies by strengthening management capabilities. In particular the programme focuses on owner-managers and firms with no history of investment in management.

Table 5.1 sets out the aims and objectives on the ManagementWorks programme below, including the development of management capability and the meeting of the thematic areas of TNP.

**Table 5.1: ManagementWorks Programme Aims and Objectives**

**The following are the aims and objectives of ManagementWorks:**

- ☐ Develop the management capability of SME firms with a particular emphasis on owner managers with a view to protecting and growing employment as a result of improved business performance.
- ☐ Build engagement with management development activity amongst firms with no history of investing in management development.

**Source: ManagementWorks**

Following Indecon's recommendations as part of its evaluation of Skillnets' 2015 activities, and as part of the organisation's development of its new Statement of Strategy, Skillnets commenced the process of undertaking a full review of its Management Development training offering. Skillnets' new strategy aims to promote the criticality of Management Development to enterprise and to national competitiveness. Specifically, the new strategy will implement a two-pronged approach, namely:

- ☐ To maintain provision of a centralised suite of management development programmes in 2017;
- ☐ In parallel, to overhaul the scope of Skillnets' Management Development offering, including re-configuring the delivery model so that networks play a more central role.

Future development of Skillnets' Management Development offering will require focus on capacity building to ensure that networks are in a position to maximise Skillnets' reach and expand SME participation, and to deliver effective Management Development training and education.

## 5.2 Assessment of Programme Inputs

### 5.2.1 Analysis of Financial Inputs

As part of Indecon's overall evaluation of the ManagementWorks in 2016, an overview of programme expenditure was undertaken. Actual and budgeted expenditure for the ManagementWorks programme is presented in the table below. Actual expenditure was 85% of budgeted expenditure. The ManagementWorks programme attracted €742,674 of company matching funding. This was 79% of budgeted matching funding.

Table 5.2: Financial Overview – Breakdown of ManagementWorks Expenditure in 2016			
Category	Budgeted Expenditure	Actual Expenditure	Actual as % of Budget
Total Programme Expenditure	€1,927,902	€1,644,799	85%
<i>Of which, State funds</i>	€992,870	€902,125	91%
<i>Of which, company matching funds</i>	€935,032	€742,674	79%
<i>Company funds as % of total</i>	48.5%	45.2%	-
<i>Source: Indecon analysis of Skillnets SONRAI data</i>			

### 5.2.2 Funding Leverage

An analysis of funding leverage of the ManagementWorks programme indicates that for every €1 of state funding, Member Companies matched approximately €0.82 of private funding. This metric has increased over the past two years, with company funds now accounting for 45.2% of total expenditure (2015: 37.5%, 2013: 26.4%). While Indecon recognises the challenges faced by ManagementWorks, including the requirements to enhance SME management capacity and incentivise engagement in intensive (six-month) training among time-poor (typically owner) managers, maximising funding leverage is an important issue in the content of ensuring value-for-money in the utilisation of scarce public (NTF) funding programmes.

## 5.3 Assessment of Programme Outputs and Outcomes

### 5.3.1 Analysis of Training Outputs

The number of trainees and training days for ManagementWorks in 2016 is presented overleaf. 721 trainees participated in 14,700 training days throughout the year. 95% of the target set out for training days was met while 88% of target for employees/trainees participating was met.

**Table 5.2: ManagementWorks – Training Activity Performance in 2016**

KPI's	Actual	Target	Actual as % of Target
Employees/Trainees	721	816	88%
Training Days*	14,700	15,481	95%
<i>Source: Indecon analysis of Skillnets SONRAI data</i>			
* Training days include 'taster' events and briefing sessions			

As seen below, 73.8% of ManagementWorks has either an NFQ-level certification or other industry certification. Just over a quarter of courses offered by ManagementWorks did not offer any certification.

**Table 5.3: Certification Status of M'Works Courses**

Certification Levels	% of Responses
NFQ-certified	28.6%
Other certification	45.2%
Non-certified	26.2%
<b>Total</b>	<b>100.0%</b>
<i>Source: Indecon analysis of Skillnets SONRAI data</i>	

ManagementWorks courses underwent significant customisation in 2015 and this was reflected in the delivery of training programmes in 2016. Approximately one quarter of courses were significantly customised, while 62% had some customisation. These changes are with a view to ensuring courses meet the needs of participating businesses.

**Table 5.4: Extent of Customisation of Training Courses**

Extent of customisation	% of Responses
New course developed by network	0.0%
Existing course significantly customised by network	23.8%
Existing course with some customisation by network	61.9%
Existing course	14.3%
<b>Total</b>	<b>100.0%</b>
<i>Source: Indecon analysis of Skillnets SONRAI data</i>	

### 5.3.2 Network Structure and Size

There are 409 companies who participated in ManagementWorks in 2016. It is notable that 98% of ManagementWorks firms are small to medium sized enterprises, which is consistent with the programme's objectives.

**Table 5.5: ManagementWorks Companies 2016 - Overview of Member Company Size**

Company Size	Number of Companies	Percentage
Micro (1-9 employees)	176	43%
Small (10-49 employees)	158	39%
Medium (50-250 employees)	66	16%
Large (>250 employees)	9	2%
<b>Total</b>	<b>409</b>	<b>100%</b>
<i>Source: Indecon analysis of Skillnets SONRAI data</i>		

#### **Company participation levels**

In relation to participation levels, it should be noted that the overall number of companies/businesses participating in the programme has seen a decrease of over 21% over the last three years, with the number in 2016 (409) comparing with 491 companies in 2015 and 518 enterprises in 2013. This highlights a continued concern in relation to the effective reach of ManagementWorks, particularly when these developments are set against the context of the accelerating recovery in the Irish economy.

### 5.3.3 Prior Training Activity

Among the ManagementWorks Member Companies of 2016, more than 60% were new clients to the programme. This indicates that the programme has a significant ability to attract new participants while also retaining returning clients.

**Table 5.6: ManagementWorks Member Companies 2016 - Year of First Participation**

Year	% of Respondents
2016	62.4%
2015	13.5%
2014	12.0%
2013	9.0%
2012	3.0%
<i>Source: Indecon Confidential Survey of ManagementWorks Member Companies 2016</i>	

### 5.3.4 Business Benefits and Impacts of Training

ManagementWorks Member Companies were asked in the Indecon survey to provide their views on the benefits and impact of training.

The impacts of training reported among the ManagementWorks Member Companies were wide-scoping. Over 90% of Member Companies surveyed considered ManagementWorks to have addressed a specific skills gap within their management team, to have enhanced the long-term performance of their business and improved business processes and productivity. Areas where some Member Companies expressed that training did not have an impact included assisting business with developing new domestic and export markets.

**Table 5.7: ManagementWorks Member Companies 2016 - Impacts of Training**

	<b>Positive Impact</b>	<b>No Impact</b>	<b>Negative Impact</b>
Has addressed specific skills gaps within our management team	92.4%	7.6%	0.0%
Has improved business processes and/or productivity and enhanced competitiveness	89.4%	10.6%	0.0%
Has contributed to increasing our turnover / sales	58.3%	41.7%	0.0%
Has helped lower our business costs	46.2%	53.0%	0.8%
Has assisted our business to develop new domestic markets	38.9%	60.3%	0.8%
Has assisted our business to develop new export markets	18.5%	77.7%	3.8%
Has enhanced our product / service quality	77.9%	22.1%	0.0%
Is likely to enhance the long-term performance of our business	93.2%	6.8%	0.0%
<i>Source: Indecon Confidential Survey of ManagementWorks Member Companies 2016</i>			



Over 90% of Member Companies surveyed considered ManagementWorks to represent a 'value-for-money' investment. A minority of companies disagreed that the programme helped them to develop new partnerships. 84% of Member Companies reported that training enabled members of their staff to participate in management training for the first time. This reflected the aim of the programme to engage companies lacking a history in investment in management training.

**Table 5.8: ManagementWorks Member Companies 2016 - Agreements with the Following Statements Regarding Participation in ManagementWorks**

	<b>Strongly Agree</b>	<b>Agree</b>	<b>Neither Agree Nor Disagree</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
Has enabled some staff to participate in a management training programme for the first time	43.9%	40.2%	8.3%	5.3%	2.3%
Our company/business had a formal management training plan and/or clearly identified need for training	13.6%	40.2%	22.0%	18.9%	5.3%
We are now more likely to invest in management training	29.3%	50.4%	18.0%	1.5%	0.8%
Has improved our networking with other businesses and organisations	21.8%	41.4%	32.3%	3.8%	0.8%
Enabled sharing of up-to-date industry knowledge/market developments	24.1%	42.1%	27.8%	3.8%	2.3%
Helped us to develop new partnerships or joint projects	11.3%	28.6%	41.4%	17.3%	1.5%
Our investment in ManagementWorks training represents value for money	46.6%	43.6%	6.0%	1.5%	2.3%
<i>Source: Indecon Confidential Survey of ManagementWorks Member Companies 2016</i>					

Member Companies considered ManagementWorks to have or potentially will positively impact their business in a variety of areas. In particular, a majority of respondents believe training has had or will have a positive impact on managing self, leadership development and communicating and influencing. Conversely, a minority of Member Companies believe training impacts on IT, risk management and finance.

**Table 5.9: ManagementWorks Member Companies 2016 - Impact of Participation in ManagementWorks Programme on Skills Development**

Please select from the list below the areas of skill development where you believe your participation in the ManagementWorks programme has had, or is likely to have, the greatest impact on you and your business	% of Respondents
Managing Self	72.7%
Leadership Development	71.2%
Communicating & Influencing	68.2%
Managing the Team	62.1%
Planning & Organising	58.3%
Problem Solving & Decision Making	53.8%
Business Strategy Development	49.2%
Drive for Results	40.9%
Building & Maintaining Relationships	40.9%
Innovation & Change	40.9%
Customer Focus	32.6%
Human Resources	31.1%
Sales	25.8%
Marketing	24.2%
Operational Excellence	23.5%
Finance	19.7%
Risk Management	11.4%
IT	2.3%
<i>Source: Indecon Confidential Survey of ManagementWorks Member Companies 2016</i>	
<i>Note: Figures don't add to 100% as respondents could choose more than one option.</i>	

Broadly, Member Companies were very satisfied with the design, relevance, and quality of the ManagementWorks programmes. On average, 60% agreed they were 'very satisfied' and a further 30% agreed they were 'satisfied'. In particular, 92% of companies were very satisfied or satisfied with the programme's value for money and with the training meeting their business objectives.

**Table 5.10: ManagementWorks Member Companies 2016 – Satisfaction of the Following Aspects of ManagementWorks Training**

	<b>Very Satisfied</b>	<b>Satisfied</b>	<b>Neither Satisfied Nor Dissatisfied</b>	<b>Dissatisfied</b>	<b>Very Dissatisfied</b>
Value for Money of Training	63.6%	28.8%	4.5%	2.3%	0.8%
Design and relevance of training to our business development needs	52.3%	36.4%	4.5%	6.8%	0.0%
Training delivered in a convenient location	68.9%	26.5%	3.0%	1.5%	0.0%
Training delivered at a convenient time	64.7%	30.1%	5.3%	0.0%	0.0%
Quality of Programmes – Competence of Workshop Instructors	66.2%	25.6%	5.3%	3.0%	0.0%
Quality of Programmes – Competence of Mentors (if applicable)	62.4%	23.1%	12.8%	1.7%	0.0%
Level of Accreditation Attached to Programmes (if applicable)	48.7%	29.9%	16.2%	5.1%	0.0%
The training achieved our overall expectations and objectives to support the development of our business	55.3%	37.1%	4.5%	2.3%	0.8%
<b>Average</b>	<b>60.3%</b>	<b>29.7%</b>	<b>7.0%</b>	<b>2.8%</b>	<b>0.2%</b>
<i>Source: Indecon Confidential Survey of ManagementWorks Member Companies 2016</i>					

### 5.3.5 Impact on Employment Creation

Member Companies were asked about expansions in the size of their companies' workforce and whether any changes could be attributed in part to the ManagementWorks training. The research found that 12% of Member Companies attributed an increase in the number of employees due to their participation in ManagementWorks. It was also noted that 37% considered it likely that they will increase staff numbers in the next 6-12 months as a direct or indirect result of ManagementWorks.

Table 5.11: ManagementWorks Member Companies 2016 - Impact of ManagementWorks	
Has participation in ManagementWorks contributed directly or indirectly to an expansion in the size of your company/business's workforce?	% of Responses
(a) Yes, number of employees has increased since 2015 as a result of direct or indirect impacts of ManagementWorks	12.3%
(b) We are likely to increase staff numbers within the next 6 to 12 months as a result of direct or indirect impacts of ManagementWorks	36.9%
(c) No, we would not observe or expect any existing or likely future impact of ManagementWorks on our workforce levels	50.8%
<b>Total</b>	<b>100%</b>
<i>Source: Indecon Confidential Survey of ManagementWorks Member Companies 2016</i>	

Taking a closer look at responding companies who indicated that the size of their workforce increased as a direct or indirect result of participation in ManagementWorks, the average additional number of staff was stated as three full-time and three part-time employees. The average hours worked by part-time staff was indicated as 24 hours per week. We have estimated that the number of additional full-time equivalent staff (i.e. taking into account full-time and part-time staff) equates to 3.6 FTEs on average across responding firms in the sample.

Table 5.12: ManagementWorks Member Companies 2015 – Increase in Employment Numbers				
If you selected (a) in the previous question, i.e. staff numbers have increased since 2015 as a result of ManagementWorks, please indicate the approximate number of additional persons employed and the estimated average hours worked by these members of staff:	Number of Additional Persons			
	Mean	Median	Min	Max
Additional No. of Persons - Full-time Staff	3.3	2.0	1.0	20.0
Additional No. of Persons - Part-time Staff	2.7	1.0	1.0	10.0
Additional No. of Persons – Est. Full-Time Equivalent Staff*	3.6	2.0	0.5	20.0
	Number of Hours			
	Mean	Median	Min	Max
Average Hours Worked per Week (Part-time Staff)	24.0	24.0	10.0	37.0
<i>Source: Indecon Confidential Survey of ManagementWorks Member Companies 2016</i>				
* Based on assuming that 1 Part-Time Employee equates to 0.5 of a Full-Time Employee				

Additionally, approximately 69% of ManagementWorks Member Companies in 2016 indicated that they have plans to expand and increase staff head-count over the next 12-18 months (see table overleaf).

Table 5.13: ManagementWorks Member Companies 2016 - Plans to Expand Staff Headcount	
Does your company plan to expand and increase staff headcount over the next 12-18 months?	% of Respondents
Yes	68.9%
No	31.1%
<b>Total</b>	<b>100%</b>
<i>Source: Indecon Confidential Survey of ManagementWorks Member Companies 2016</i>	

### 5.3.6 Other Issues Identified in Survey Research

Taking market conditions into consideration, Indecon invited ManagementWorks Member Companies to express their concerns regarding existing and potential BREXIT-related issues and the significance of same for their businesses. ManagementWorks Member Companies had mixed views as to the impact of Brexit on their business. 36% of those surveyed viewed the uncertainty around future trading arrangements as a very significant or significant issue and 32% viewed overall exposure to the UK market as very significant or significant.

Table 5.14: ManagementWorks Member Companies 2016 - Significance of BREXIT-related issues					
How significant or otherwise are the following BREXIT-related issues for your company/business?	Very Significant	Significant	Neither Significant Nor Insignificant	Insignificant	Very Insignificant
Overall level of exposure to UK market	5.4%	26.9%	33.1%	12.3%	6.9%
Immediate/recent impacts of adverse movements in euro/sterling exchange rate	8.5%	21.7%	38.8%	14.0%	3.9%
Uncertainty with regard to future trading arrangements with UK	6.9%	29.2%	29.2%	14.6%	3.8%
Business planning to prepare for BREXIT-related risks	6.9%	21.5%	38.5%	12.3%	3.1%
Staff training needs to prepare for BREXIT-related challenges	2.3%	12.3%	42.3%	17.7%	4.6%
BREXIT will provide opportunities for our business to expand	3.1%	15.4%	40.8%	12.3%	7.7%
<i>Source: Indecon Confidential Survey of ManagementWorks Member Companies 2016</i>					

A large proportion of ManagementWorks companies consider it very important to invest in staff and management development in order to achieve the company's ambition. This highlights that Member Companies' and Skillnets networks' strategies are aligned.

<b>Table 5.15: ManagementWorks Member Companies 2016 - Views on Importance of Investment in Management Development</b>	
<b>How important do you believe is investment in staff and management development in the context of helping your company/business to achieve its ambitions?</b>	<b>% of Respondents</b>
Very Important	78.0%
Important	18.9%
Neither important nor unimportant	3.0%
Not at all important	0.0%
Don't Know / Not Applicable	0.0%
<b>Total</b>	<b>100%</b>
<i>Source: Indecon Confidential Survey of TNP Member Companies 2016</i>	

### 5.3.7 Case Study Example of ManagementWorks Participating Business

It is instructive to consider a concrete example of how ManagementWorks has impacted on businesses which have participated in the programme. With this objective in mind, we present overleaf two case study examples, which illustrate how SMEs have engaged with the programme and their experience from participation. The first case study describes the involvement of Kilcoyne Tree Surgery.

Box 5.1: ManagementWorks Member Company Case Study 1	
<b>Company Name</b>	<b>Kilcoyne Tree Surgery</b>
<b>Brief description of firm and its activities</b>	Kilcoyne Tree Surgery is a professional Tree Surgery and Arboricultural Company formed in 2007. They are an SME which currently has six employees, and provide a full range of professional arborist services, including: Dangerous Trees Dismantled; Firewood Sales - Please call for keenest prices; Wood Chipping Services; Tree Surgery and Pruning; Tree Risk Assessment; Forestry Clear Fell; Fire Wood Logging/splitting service; 24 Hour Emergency Call Out; Fully Insured and Certified; and All Green Waste Recycled.
<b>Reason(s) for Participation in Skillnets ManagementWorks</b>	<p>Kilcoyne Tree Surgery decided to participate in a ManagementWorks programme related to the stage of their business, in particular:</p> <ul style="list-style-type: none"> <li>• Develop greater business acumen.</li> <li>• To facilitate an expansion of the business.</li> <li>• To improve business management/strategy skills.</li> </ul> <p>The decision to attend followed attendance at a one-day course which was given by ManagementWorks.</p>
<b>Experience of ManagementWorks Programme / Training To-Date</b>	The overall experience of Kilcoyne Tree Surgery of the training provided through ManagementWorks was very positive. There was a lot of good information provided, and I learnt a great deal from attending the training sessions.
<b>Concerns, Challenges and Opportunities for Improvement of Skillnets ManagementWorks</b>	<p>I believe there should be more practice work involved. For example, in the section that covered finance, it would have been a significant advantage to clearly demonstrate how to write budgets, cash flow projections, job costing for profit etc. This more 'hands-on' approach could have been achieved, for example, by more video demonstrations for those who learn better visually.</p> <p>Overall, I found the course very informative and learned a great deal from it and have grown a lot of business knowledge. I hope to participate in one again and also bring along another director of the company to learn together. I'm also interested in doing some one to one business coaching in the future.</p>
<b>Business Impacts</b>	The training facilitated by ManagementWorks has already had a significant impact on how Kilcoyne Tree Surgery is operated and run. As a direct result of the training Kilcoyne Tree Surgery have implemented a Customer Relationship Management (CRM) approach within the business, and have also introduced an accounting system to streamline the financial management of the business.

The case study overleaf describes the participation of a business called Cognito Strategies.

**Box 5.2: ManagementWorks Member Company Case Study 2**

<b>Company Name</b>	<b>Cognito Strategies</b>
<b>Brief description of firm and its activities</b>	<p>Cognito Strategies provides strategy, innovation and enterprise development assistance to start-up and rapidly developing businesses. They:</p> <ul style="list-style-type: none"> <li>• Undertake strategy assignments for businesses. Incl. re-alignment of commercial objectives, business model innovation, stakeholder analysis, overview of organisational resources &amp; capabilities.</li> <li>• Identify innovation and commercial opportunities, research, market analysis &amp; feasibility exercises, at interpreting conceptual and abstract ideas and re-presenting in terms of commercial viability. Connects firms at C-suite, state agency, VCs, private equity, corporate finance and government level.</li> <li>• Commercialisation advisor to the Insight Centre for Data Analytics (NUI, Galway, UCD) and Invent DCU on natural language processing, A.I, text mining, video analytics and social analytics' technologies that constitute 4th level research outputs of the research centres.</li> </ul>
<b>Reason(s) for Participation in Skillnets ManagementWorks</b>	<p>Cognito Strategies had a self-identified need for training, and had been highly motivated to reengage in training. Having previously run another business, I had learnt to recognize my own deficiencies and to understand the benefit of training in overcoming them. Given the business that we are in, I also felt that it is important that we were able to 'walk the walk' and have a strong understanding of core management and leadership concepts with which to help us better advise our clients. Myself and others would not have otherwise considered embarking on the studies that we did in view of the expense associated with attending courses such as these. This was the critical factor for myself and many of my peers.</p>
<b>Experience of ManagementWorks Programme / Training To-Date</b>	<p>The ManagementWorks Programme provided me and many other course participants I got to know with access to excellent course material and tutelage; while also provided us with a path to academic qualifications (a Masters in my case). It was also very useful to engage in a community of like-minded people who were interested in sharing ideas and experiences for the common good. Some elements of the courses I undertook were not specifically relevant in an applied sense to my profession, my sum total experience was very positive.</p>
<b>Concerns, Challenges and Opportunities for Improvement of Skillnets ManagementWorks</b>	<p>The big challenge that Cognito Strategies see in the client firms that they interact with is that many small firms have a lot of competing demands on their time, and can't/won't dedicate resources to commit to training. For many technology-based firms, the key personnel often come from a very strong science/engineering background, and have a deep aversion to dealing with people and of the whole role of a manager in running a successful enterprise. As such, advertising or promoting management training to these firms is unlikely to be successful. A more fruitful approach would be to assist these companies with the management process, which may in turn encourage them in time to engage in more formalised management training.</p>
<b>Business Impacts</b>	<p>My overall impression is that the ManagementWorks initiative has provided me with an invaluable skillset with which to develop my own commercial and entrepreneurial capabilities as well as those of my client companies. I learned a huge amount and have found the Diplomas (and RIA) to have positively impacted my career.</p>



## 5.4 Programme Cost Effectiveness and Access to Training

In order to assess the cost-effectiveness of the ManagementWorks programme Indecon has considered the unit-costs of the training in relation to the number of trainees and training days. Also examined is the ability of ManagementWorks participants to access training of a similar quality elsewhere.

### 5.4.1 Cost per Training Day and Trainee

In 2016, the unit cost per training day and trainee increased relative to 2015. The average cost per trainee was €2,281 while the average cost per training day was €112. This was driven primarily due to changes in the denominator, e.g., the number of trainees and training days decreased at a greater rate relative to costs.

**Table 5.16: ManagementWorks Programme Effectiveness – Costs Per Training Day and Trainee 2016**

Year	Total Training Days	Total Number of Trainees	Total Expenditure	Cost Per Training Day	Cost Per Trainee
2016	14,700	721	€1,644,799	€112	€2,281
2015	15,911	847	€1,672,994	€105	€1,975

*Source: Indecon analysis of Skillnets SONRAI data*

### 5.4.2 State Funding and Member Company Cost per Trainee

An equivalent unit cost examination was conducted in relation to state and private Member Company funding. Interestingly, while the cost to Member Companies per trainee has increased substantially (€743 in 2015 to €1,030 in 2016), the increase in levels of state funding per trainee was minimal. This was due to the level of member company funding increasing by over 18%, while state funding decreased by 13.6%.

**Table 5.17: ManagementWorks Programme Effectiveness – State and Member Company Costs Per Trainee 2016**

Year	Total Number of Trainees	Total State Grant Funding	Total Member Company Matched Funding	State Cost Per Trainee	Member Company Cost per Trainee
2016	721	€902,125	€742,674	€1,251	€1,030
2015	847	€1,044,000	€628,994	€1,233	€743

*Source: Indecon analysis of Skillnets SONRAI data*

### 5.4.3 Assessment of Ability to Access Similar Training Elsewhere

Indecon endeavoured to assess the potential programme deadweight in respect of the ManagementWorks programme by asking Member Companies to indicate the likely decision their company would have made in the scenario where ManagementWorks training was not available to them.

Almost 40% of ManagementWorks Member Companies would not have arranged any management training at all in the absence of the ManagementWorks programme and 31% of companies would have arranged an alternative training but to a lesser degree. A minority of respondents (13%) indicated they would have arranged alternative training to the same standard as ManagementWorks and 17% would have arranged alternative training at a later date.

**Table 5.18: ManagementWorks Member Companies 2016 – Ability to Access Similar Training Elsewhere**

In the absence of the ManagementWorks training, please indicate the likely decisions your organisation would have made:	% of Respondents
We would have arranged alternative management training no different to that received through ManagementWorks	13.1%
We would have arranged alternative training but to a lesser degree (e.g. through shorter duration and/or offered to fewer people)	30.8%
We would have arranged alternative training but at a later date	16.9%
We would not have arranged any management training at all	39.2%
<b>Total</b>	<b>100%</b>
<i>Source: Indecon Confidential Survey of ManagementWorks Member Companies 2016</i>	

## 5.5 Summary of Findings

This section of the Indecon review of Skillnets activities in 2016 was concerned with the operations of the ManagementWorks programme. In particular, the inputs, outputs, outcomes and business benefits of training were analysed. The Indecon survey of ManagementWorks Member Companies informed a significant part of this analysis. The main findings from this particular programme evaluation were:

- ❑ Overall, 95% of the target set out for ManagementWorks training days delivered in 2016 was met, while 88% of the target for trainee participation was achieved.
- ❑ Overall programme expenditure on ManagementWorks, at €1.6 million (funded from the combined grant and enterprise matching contribution) in 2016 was 15% below budgeted levels. While expenditures should be assessed alongside training targets, this level of underspend would raise continued concern regarding the level of effective reach of the programme. Underspend was also highlighted by Indecon in its 2016 evaluation and this underscores the importance of implementation of Skillnets' new strategy for Management Development training if reach and increased SME participation is to be achieved.
- ❑ There were 409 companies who participated in ManagementWorks in 2016, 98% of these were small to medium sized enterprises. However, the number of companies in 2016 compared with 491 companies in 2015 and 518 enterprises in 2013, indicating a 21% drop in participation over the 3-year period. This highlights a continued concern in relation to the effective reach of ManagementWorks, particularly when these developments are set against the context of the accelerating recovery in the Irish economy.
- ❑ Over 35% of member companies that responded to Indecon's survey research indicated that they are likely to increase staff numbers within the next 6 to 12 months as a direct or indirect impact of ManagementWorks.
- ❑ ManagementWorks Member Companies reported a positive impact of training on a wide number of business priorities such as addressing skills gaps, improving business processes and productivity, leadership development, managing self and managing the team.
- ❑ Over 90% of Member Companies considered ManagementWorks to be a 'value-for money' investment.
- ❑ On average 60% of Member Companies were very satisfied and a further 30% were satisfied with the broad features of training including design, relevance and quality of trainers.
- ❑ ManagementWorks Member Companies had mixed views as to the impact of Brexit on their business. 36% of those surveyed viewed the uncertainty around future trading arrangements as a very significant or significant issue and 32% viewed overall exposure to the UK market as very significant or significant.

## 6 Evaluation of Jobseeker Training Programmes

### 6.1 Introduction

Indecon has examined the outputs and performance of Skillnets programmes in assisting jobseekers through analysis of TNP/Finuas unemployed trainees and the Job Seekers Support Programme (JSSP). Assisting jobseekers is a key goal of the Skillnets programme and is directly cited in the Department of Education's Annual Allocation Letter.

### 6.2 Background and Overview of Skillnets Jobseeker Training Activities

#### 6.2.1 Background

In conjunction with the Department of Education and Skills, Skillnets adapted its operating model in 2010 to contribute to the training and development needs of jobseekers. This was done via the enhancement of training programmes to provide relevant training to enable job activation, conversion programmes and employment progression.

#### 6.2.2 Overview of Jobseeker Training Programmes

Skillnets provides a broad range of relevant, free training to unemployed people through a number of key programmes. The needs of unemployed people are addressed through integrated training with employees as part of TNP and Finuas courses, as well as dedicated conversion courses and work placements in areas of employment potential through the JSSP, which is a dedicated, fully-funded programme.

The Training Networks Programme (TNP) supports jobseekers through its wide range of training options in a variety of industry sectors and geographical regions. The three Finuas networks deliver specialised training in the international financial services (IFS) sector to jobseekers. In the case of TNP and Finuas main programme jobseeker supports, jobseekers train alongside employees from network Member Companies and participate in the same courses.

The JSSP supports training and work placements for jobseekers covering a broad range of training in areas of high employment potential. The programme includes conversion courses to increase employability by up-skilling and cross-skilling jobseekers to re-enter previous employment sectors or transfer into alternative sectors.

This section presents a detailed description and assessment of the activities and outcomes of TNP and Finuas main programme jobseeker training during 2016 and separately, the JSSP jobseeker training programme is also evaluated.

## 6.3 TNP and Finuas Main Jobseeker Training

### 6.3.1 Aims and Objectives

Since it started supporting jobseekers in 2010, Skillnets has aimed to achieve a target that a minimum of 10% of the overall annual number of trainees on its main TNP and Finuas programmes would be unemployed persons. Eligible jobseekers participate on the main programmes in training alongside employed trainees on a zero-direct cost basis. The aim of recruiting jobseekers through this channel is to provide individuals with the opportunity to participate in training that is industry specific and relevant, as well as to avail of networking opportunities with companies and employees in their chosen sector. Training places for jobseekers are allocated based on available places once employed trainees are placed on individual programmes, with the costs of jobseeker places effectively being cross-subsidised by the employed trainee places.

Although there are no direct training-related costs associated with the provision of training to jobseekers on the main TNP and Finuas programmes, there is an indirect economic cost insofar as these training places could have been allocated to fully-paid employed trainee places. This is important in the context of the demand for jobseeker versus in-employment training, and how Skillnets responds to these demands. In addition, the costs associated with recruiting, selection and managing of unemployed trainees are also absorbed into existing network budgets for employed training. However, the main advantages relative to the fully-funded JSSP are that the marginal unit costs associated with assisting jobseekers through the main programmes are lower, while jobseekers benefit from undertaking their training alongside employed individuals within a business environment.

### 6.3.2 Profile of Main Programme Jobseeker Trainees

#### Age Profile

The age profile of trainees who participated in either the TNP or Finuas jobseeker training in 2016 is shown below. Consistent with the findings from 2015, the data suggests a wide spread of participation from all ages within the working age population. The greatest participation is among jobseekers aged 30-39 and 40-49.

Table 6.1: TNP/Finuas Jobseeker Trainees – Age Profile	
Age	% of Trainees
< 20	2%
20 - 29	17%
30 - 39	30%
40 - 49	29%
50 - 59	18%
> 60	4%
<b>Total</b>	<b>100%</b>

*Source: Indecon analysis of Skillnets SONRAI data*

*Prior Educational Attainment*

The prior educational attainment of the jobseeker trainees is an important input metric as part of Indecon's overall assessment of the progression of the trainees. Knowledge of the baseline educational levels of participants entering the training programme is essential for determining the degree of progression attributed to the training programme. 33% of the main jobseeker trainees in 2016 did not higher-level certificate or degree-level qualification prior to participation in the training programme.

**Table 6.2: TNP/Finuas Main Programme Jobseeker Trainees 2016 – Highest Level of Education Achieved Prior to Skillnets Participation**

	% of Respondents
Level 1	0.6%
Level 2	0.6%
Level 3	5.5%
Level 4	13.4%
Level 5	13.0%
Level 6	16.8%
Level 7	9.0%
Level 8	23.3%
Level 9	16.7%
Level 10	1.2%
Total	0.6%
<i>Source: Indecon Confidential Surveys of TNP and Finuas Unemployed Trainees 2015</i>	

*Previous Unemployment History*

The duration of main programme jobseekers' unemployment spell was evenly distributed. While approximately 20% were unemployed for less than three months, an additional 20% were employed for over three years. Importantly, over 40% of those trainees were unemployed for over one year and therefore designated as long-term unemployed. This high proportion is positive as the DES indicates this cohort as an important target for Skillnets in its Annual Allocation Letter.

**Table 6.3: TNP/Finuas Main Programme Jobseeker Trainees 2016 – Unemployment Prior to Skillnets Training**

	% of Respondents
Less than 3 months	19.2%
3 to 6 months	20.2%
Over 6 months and up to 12 months	20.2%
Over 12 months and up to 3 years	20.9%
More than 3 years	19.4%
Total	100%

*Source: Indecon Confidential Surveys of TNP and Finuas Unemployed Trainees 2016*

### 6.3.3 Training Outputs and Outcomes

#### *TNP/Finuas Main Programme Jobseeker Training Activities in 2015*

An examination of overall jobseeker performance in the TNP and Finuas main programmes indicate that a total of 3,631 trainees participated in the training programme in 2016, amounting to a total of 17,674 training days. On average, each participant completed approximately five training days.

The overall number of trainees fell by 8.6% from 2015 to 2016. This was driven by a 9.7% reduction in the number of trainees participating in the TNP jobseekers programme while there was a 68% increase in the numbers participating in the Finuas jobseekers programme.

**Table 6.4: TNP and Finuas Main Programme Jobseeker Training Activities and Outputs – 2016 and 2015**

Programme	Indicator	2015	2016	Percentage Change 2015-2016
TNP	No. of Trainees	3,921	<b>3,542</b>	-9.7%
	No. of Training Days	8,303	<b>17,173</b>	*
Finuas	No. of Trainees	53	<b>89</b>	67.9%
	No. of Training Days	485	<b>501</b>	*
<b>Total Main Programme Jobseeker Training</b>	<b>No. of Trainees</b>	<b>3,974</b>	<b>3,631</b>	-8.6%
	<b>No. of Training Days</b>	<b>8,788</b>	<b>17,674</b>	*

*Source: Indecon analysis of Skillnets SONRAI data & 2014 Evaluation of Skillnets*

*\*The figures for the number of training days in 2015 were not directly comparable with the 2016 figures due to the fact that the 2016 figures include non-contact training days which are now a standard and integral part of blended learning, especially in the case of accredited programmes.*

#### *Training Outcomes – Qualifications Received*

The table below presents the 2016 main programme jobseeker training days in terms of the level of certification (NFQ and Industry) for both TNP and Finuas. Finuas generally had a higher level of certified training days compared to TNP, which may reflect the industry-specific nature of Finuas. The proportion of NFQ and industry recognised training days was similar across the two programmes.

**Table 6.5: TNP/Finuas Main Programme Jobseeker Training 2016 – Certified Training Days**

	Certified Training Days	Number of Training Days	% of Total Training Days
<b>TNP</b>	NFQ	8,758	51%
	Industry-recognised	3,263	19%
	<b>Total Certified Training Days</b>	12,021	<b>70%</b>
	<b>Total Training Days</b>	<b>17,173</b>	<b>100%</b>
<b>Finuas</b>	NFQ	326	65%
	Industry-recognised	115	23%
	<b>Total Certified Training Days</b>	441	<b>88%</b>
	<b>Total Training Days</b>	<b>501</b>	<b>100%</b>

*Source: Indecon analysis of Skillnets SONRAI data*

### **Progression Outcomes of TNP/Finuas Main Programme Jobseeker Trainees**

#### *Current Status of Trainees*

45% of main TNP/Finuas programme jobseekers are currently in employment or self-employed (as of April-May 2017). This is comparable to levels identified during the 2015 Skillnets review (46%). It should be noted that survey sample size may affect cross-year comparisons. An additional 6% held employment on a short-term basis following the completion of their training, a further 18% are pursuing further education and 7% are on another employment activation scheme.

Reflected in these employment outcomes in part are the inputs which include the age profile, educational attainment and unemployment history of the participants. As mentioned above, the greatest proportion of participants were between 30 and 50 years of age, over 40% of those trainees were unemployed for over one year and therefore designated as long-term unemployed and one third did not have a higher-level qualification. Long-term unemployed individuals with low levels of educational attainment face the greatest barrier to re-entering the labour force and benefit the most from upskilling and training.



Table 6.6: TNP/Finuas Main Programme Jobseeker Training 2016 – Current Status of Trainees*	
	% of Respondents
Employed full-time	23%
Employed part-time	14%
Self-employed	10%
<b>Total Currently in Employment April-May 2017</b>	<b>45%</b>
Was employed on a short-term contract, which has now ended	6%
Unemployed (on Live Register)	34%
Pursuing further education or training	18%
On another employment activation scheme (e.g. JobBridge, Community Employment scheme, Tús, Gateway)	7%
Have emigrated	1%
<i>Source: Indecon Confidential Surveys of TNP/Finuas Main Programme Jobseeker Trainees 2016</i>	
* Status as at April/May 2017	
Note: Figures do not add to 100% because respondents could choose more than one option.	

To further investigate the longevity of the employment outcomes from the TNP and Finuas jobseeker training, Indecon asked the trainees who are presently in employment to indicate if they felt their current job would last. 58% reported they felt it was likely their job would last and a further 30% indicated it possibly could last.

Table 6.7: TNP/Finuas Main Programme Jobseeker Training 2016 - View on Longevity of Current Job	
If you are presently employed, do you think your current job will last?	% of Respondents
Likely	58.0%
Unlikely	12.2%
Possibly	29.8%
<b>Total</b>	<b>100%</b>
<i>Source: Indecon Confidential Surveys of TNP and Finuas Unemployed Trainees 2016</i>	

### Benefits and Impacts of Training

TNP and Finuas jobseeker trainees were asked to provide their views on the benefits of training with the main jobseekers programme. 73% of main programme jobseekers surveyed considered the programme to have fully or partially contributed to increasing their chances of getting a job and or has helped them to develop skills that will help them change career. Additionally, 82% said the training improved their motivation and self-confidence and 74% said it improved their CV and interview skills.

However, 46% feel that Skillnets has not helped them to develop new skills to start a business and 40% said it has not helped towards achieving a qualification/certification (see table overleaf).

**Table 6.8: TNP/Finuas Main Programme Jobseeker Training 2016 – Contribution of Benefits of Skillnets Training**

Has the Skillnets training contributed to any of the following additional benefits / impacts?	% of Respondents			
	Fully Contributed	Partially Contributed	Has Not Contributed	Don't Know
Increased my chances of getting a job	24.2%	48.7%	17.1%	10.0%
Has made me more aware of employment opportunities	25.0%	42.3%	25.8%	6.9%
Has developed new skills that will help me to change career	29.2%	43.8%	21.7%	5.3%
Has developed skills to help me set up my own business	10.9%	22.4%	46.1%	20.6%
Has helped me to achieve a qualification/certification	30.7%	24.3%	39.7%	5.3%
Has enhanced my CV/interview skills	36.3%	37.9%	21.9%	3.9%
Has improved my motivation and self-confidence	35.1%	47.5%	14.6%	2.8%
<i>Source: Indecon Confidential Surveys of TNP/Finuas Main Programme Unemployed Trainees in 2016</i>				

### *Satisfaction Levels with Training*

Satisfaction levels were generally high for the main programme jobseekers. 91% of those surveyed were very satisfied or satisfied with the quality of the Skillnets training and likewise 89% remarked they were satisfied with the relevance of the training to their chosen career. High numbers were satisfied with the suitability and flexibility of the delivery of the training in terms of timing and location. 88% were either very satisfied or satisfied with training versus their overall expectations.

**Table 6.9: TNP/Finuas Main Programme Jobseeker Training 2016 – Levels of Satisfaction/Dissatisfaction with Jobseeker Training**

How satisfied are you with the following aspects of the training?	% of Respondents				
	Very Satisfied	Satisfied	Neither Satisfied Nor Dissatisfied	Dissatisfied	Very Dissatisfied
I found it straightforward to book a place on the course	55.3%	36.2%	5.6%	2.2%	0.6%
Assistance provided by the Finuas network to secure my training place	49.8%	34.2%	13.0%	1.2%	1.8%
Quality of the training	58.1%	32.8%	6.4%	1.8%	0.8%
Relevance to my chosen career/job search	49.3%	39.4%	9.1%	1.0%	1.2%
Training delivered was accessible (e.g. convenient location or available online etc.)	55.6%	33.7%	7.6%	2.2%	0.8%
Training delivered was flexible (e.g. around timing/schedule)	40.8%	39.2%	17.4%	1.4%	1.2%
Length of time required to attend/complete the training	44.8%	42.2%	8.7%	3.4%	0.8%
The training met my overall expectations	48.4%	39.2%	7.4%	3.6%	1.4%

*Source: Indecon Confidential Surveys of TNP/Finuas Main Programme Jobseeker Trainees 2016*

Main programme jobseekers chose to train with Skillnets for a variety of reasons, for example, due to its relevance to their career, and the quality of the training. A significant number considered it important that the training was free.

**Table 6.10: TNP/Finuas Programme Jobseekers - Top Reasons for Choosing to Train with the Skillnets**

What were your top 3 reasons for choosing to train with TNP/Finuas?	% of Responses
Quality of the training	16.8%
Relevance to my chosen career/job search	26.5%
The training was delivered locally	18.3%
The training was delivered at suitable times	9.7%
The training was free	22.4%
An official from a State employment service (or similar) advised me to participate	6.4%
<i>Source: Indecon Confidential Surveys of TNP and Finuas Unemployed Trainees 2016</i>	
<i>Note: Each respondent indicated three reasons for choosing to train with the Skillnets. The percentages represent the frequency of each reason cited.</i>	

### 6.3.4 Ability to Access Training Elsewhere

89% of TNP and Finuas jobseeker trainees indicated that if Skillnets was not available, they would have encountered some degree of difficulty with accessing training of similar quality. This is an important finding from the Indecon research since it indicates the allocative efficiency of exchequer and Member Company funding to this training programme.

**Table 6.11: TNP/Finuas Main Programme Jobseeker Training 2016 – Ability to Access Similar Training Elsewhere**

If Skillnets was not available, how difficult do you believe it would have been to access training of similar quality?	% of Respondents
Not Difficult	11.4%
Somewhat Difficult	42.3%
Very Difficult	29.3%
Extremely Difficult	17.0%
<b>Total</b>	<b>100%</b>
<i>Source: Indecon Confidential Surveys of TNP/Finuas Main Programme Jobseeker Trainees 2016</i>	

### 6.3.5 Case Study Example of Skillnets Main Programme Jobseeker Training

It is also instructive to provide a concrete example of how jobseeker training under the main Skillnets programmes has impacted on individual participants. This evaluation prepared a case study example to highlight the experience of one individual who undertook jobseeker training alongside employed trainees under the main TNP programme during 2016. This case study is presented overleaf.

**Box 6.1: TNP Main Programme Jobseeker Trainee Case Study**

<b>Trainee Background</b>	<p>Peter Bracken was a professional rugby player and qualified engineer who wanted to start his own business after retiring from a lengthy playing career. Peter was keen to stay involved in the game, and he wanted to utilise his experience and skill sets gained from his time as a professional sportsman. In addition to having always played in a team environment, as a former front-row forward Peter also saw an opportunity to capitalise on his technical knowledge of a game which continues to show huge growth worldwide as both a professional and amateur sport.</p> <p>In order to make the transition from professional sport into business, Peter researched the options available to him from his base in the west of Ireland. He came across Skillnets and was very interested in the course offerings from some local networks, which were free at the time to Peter and other jobseekers. The first course he decided to complete was a Conflict Management training course with Galway Executive Skillnet. Peter chose this course as he had come from a high-performance environment where a “direct talking culture” existed. He felt that this course would be of real benefit to him in making the transition into business, as he was conscious that this was a culture which people from other backgrounds may not necessarily have been exposed to.</p>
<b>Experience of Programme</b>	<p>The aims of the Conflict Management course were to:</p> <ol style="list-style-type: none"> <li>1. Transform conflict from a potentially destructive force in personal and professional relationships into opportunities for collaboration and the deepening of relationships.</li> <li>2. Reach better solutions through collaboration and idea exchange.</li> <li>3. Equip participants with the skills and techniques that are essential for success in the interdependent organisations.</li> </ol> <p>Peter found this course to be highly beneficial. He was enthused by the learning gained, not only from the instructor but also from peers who were working in some very diverse roles and sectors and who shared their knowledge and experiences. As a result of his experience, Peter chose to engage in further Skillnets learning opportunities and he undertook a number of other training courses with Galway Executive Skillnet in 2015 and 2016. These included Business Coaching and Train the Trainer, for which he received a FETAC Level 6 certificate in both. He also went on to do a Build an Online Business course with the HPSU Skillnet.</p>
<b>Impact</b>	<p>According to Peter, the impact of these Skillnets programmes, and in particular the Conflict Management programme, was “life changing”. The practical nature of the learning gave him skills and tools which he was able to immediately apply in starting up his business. It also demonstrated the extensive learnings and experience that he had acquired through his career in professional rugby, which gave him greater confidence in his own ability to translate these into his start-up business venture.</p> <p>Peter has since set up his business, the “Scrum Doctor”, a new innovative and exclusive service in scrum coaching, which is one of the most important technical disciplines in the game of rugby union. Along with offering expert in-person scrum coaching at clubs, he is now providing word-class scrum analysis solutions to coaches and individual players and the business is thriving.</p>

Source: Skillnets

## 6.4 Jobseekers Support Programme (JSSP)

### 6.4.1 Aims and Objectives

The JSSP is a dedicated programme aimed at supporting jobseekers and differs from TNP and Finuas insofar as it focusses exclusively on achieving the employment goal of unemployed people. In this respect, the programme has been tailored to specifically address the needs of this group. A unique characteristic of the JSSP is the blended learning environment of a traditional training/up-skilling course followed by a work placement. This approach fosters greater trainee-employer interactions and allows professional relationships to develop. This was achieved through harnessing the relationships between Network Managers and Member Companies. The JSSP was launched in 2010 against the backdrop of high levels of unemployment and an economic recession. The goals of the programme are outlined below.

**Table 6.12: Jobseekers Support Programme – Aims and Objectives of JSSP**

<ul style="list-style-type: none"> <li><input type="checkbox"/> Increase employability by training the unemployed to re-enter their previous sector of employment or transfer into alternative sectors;</li> <li><input type="checkbox"/> Blend training with workplace experience so as to embed the learning and give the unemployed access to employers;</li> <li><input type="checkbox"/> Leverage the relationships network managers have with companies within their network to organise high quality work placements for the trainees;</li> <li><input type="checkbox"/> Assist member companies, particularly SMEs, to develop a talent pool of skilled people for the purposes of recruitment;</li> <li><input type="checkbox"/> Target priority unemployed groups.</li> </ul>
<i>Source: Skillnets</i>

In the remainder of this section we examine in detail the level of expenditure on the programme, the training activities and outputs, benefits and impacts, and value for money achieved by the JSSP from the perspective of the exchequer/taxpayer.

## 6.4.2 Assessment of programme inputs

### Analysis of Financial Inputs

The JSSP is fully funded through the National Training Fund; however, networks are welcome to contribute funds on a voluntary basis at their discretion.<sup>11</sup> An analysis of JSSP financial inputs is presented in the table overleaf for the 2014 to 2016 period. A total of 35 networks operated a JSSP during 2016, representing a decrease since 2015 (40 networks). The sustained decrease in the number of JSSP networks is consistent with the strong performance in the Irish labour market and decline in economy-wide unemployment. The number of JSSP networks also fell in 2015. Annual expenditure fell by over 20% in 2016 and amounted to €2.3 million, which is unsurprising given the reduction in the number of participating networks. It should be noted that annual expenditure was marginally above budgeted levels.

**Table 6.13: Financial Overview – JSSP Expenditures 2014 - 2016**

Year	No. of Networks	Actual Expenditure	% Annual Change in Actual Expenditure	Average Expenditure per Network	Budgeted Expenditure	Actual as a % of Budgeted
2016	35	€2,292,088	-20.8%	€65,488	€2,275,855	101%
2015	40	€2,895,454	-3.6%	€72,386	€2,988,579	97%
2014	42	€3,004,000	-	€71,524	€3,025,000	99%

*Source: Indecon analysis of Skillnets SONRAI data*  
*Note: In general, JSSP is 100% grant funded, with no matching company funding required. However voluntary matching contributions are eligible, and in the case of four networks (ICT Ireland, Positive2 Work Skillnet, Retail Skillnet, Pharmachem Skillnet), matching contributions were made by some companies hosting work placements.*

## 6.4.3 Profile of JSSP Trainees

Indecon's analysis of internal Skillnets data indicates that over half of the JSSP trainees had a Level 5 NFQ qualification or lower prior to participating in the JSSP (see table overleaf). This is consistent with the objectives of the programme, which include the targeting of priority unemployed groups including persons educated to NFQ Level 5 or lower.

<sup>11</sup> A list of contributing Skillnets is provided in the table note.

JSSP Trainees 2016 - Pre-Training Qualification Level of Programme Participants		
Level of Award on NFQ	Number of JSSP Trainees*	% of Total
Level 1	10	0%
Level 2	55	3%
Level 3	228	10%
Level 4	386	18%
Level 5	445	20%
Level 6	267	12%
Level 7	220	10%
Level 8	352	16%
Level 9	196	9%
Level 10	28	1%
<b>Total</b>	<b>2,187</b>	<b>100%</b>
<i>Source: Indecon analysis of Skillnets SONRAI data</i>		
* Based on a 96% sample of available data.		

#### *Prior duration of unemployment of JSSP participants*

Another priority unemployed target group as outlined in the goals of JSSP include the long-term unemployed, which is defined by those who have been unemployed for over 12 months. Indecon has queried JSSP participants as to their unemployment history prior to undertaking JSSP training. As can be seen in the table below, over half (50.3%) of the JSSP trainees were long-term unemployed prior to JSSP participation. Notably, over a quarter of respondents were unemployed for over three years prior to undertaking JSSP training.

Table 6.14: JSSP 2016 Trainees - Length of Unemployment Prior to Training	
	% of Respondents
Less than 3 months	14.1%
3 to 6 months	14.7%
Over 6 months and up to 12 months	21.0%
Over 12 months and up to 3 years	22.8%
Over 3 years	27.5%
<b>Total</b>	<b>100%</b>
<i>Source: Indecon analysis of confidential JSSP Trainees survey 2016</i>	



#### 6.4.4 Assessment of Programme Outputs and Outcomes

##### Analysis of Training Activities and Outputs

An overview of the JSSP outputs achieved in 2016 and 2015 are presented in the table below. The JSSP provided 2,284 trainees with training in 2016. The actual trainees and training days on the JSSP have decreased year on year, however the average number of training days per trainee has marginally increased. The average number of training days per trainee in 2016 amounted to 21.5, representing an increase year-on-year.

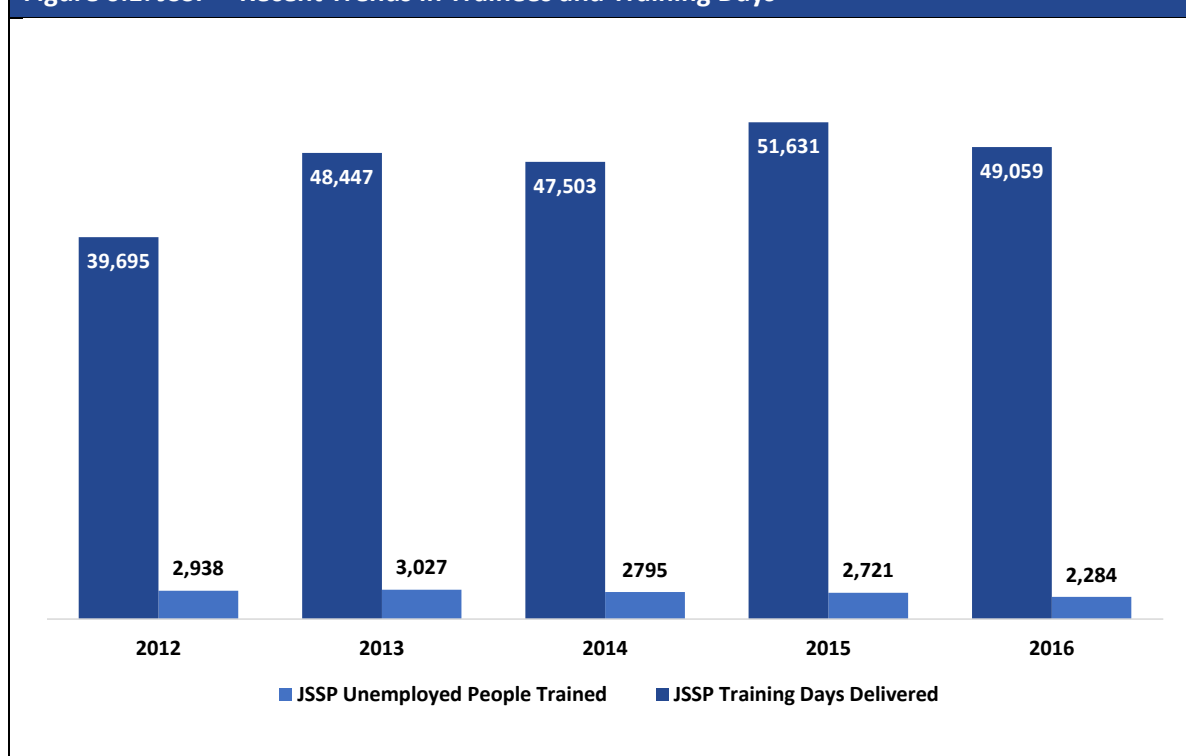
**Table 6.15: JSSP Training Outcomes – JSSP Trainees and Training Days 2015 and 2016**

Indicator	Jobseeker Trainees - 2016	Jobseeker Trainees - 2015
Actual Trainees	2,284	2,721
Actual Training Days	49,059	51,631
Average Training Days per Trainee	21.5	19.0

Source: Indecon analysis of Skillnets SONRAI data

The figure below provides a longer-term perspective, the figure overleaf presented the number of JSSP trainees and training days from 2012 – 2016. While both trainees and training days decreased year-on-year to 2016, they are still above 2012 levels.

**Figure 6.1: JSSP – Recent Trends in Trainees and Training Days**



Source: Indecon analysis of Skillnets SONRAI data

It should be noted that in relative terms, the JSSP accounts for a greater proportion (73%) of total Skillnets unemployed training days than unemployed trainees (39%). This is unsurprising given the focus of JSSP on longer duration training activities and work placements, and may also reflect a more deliberate focus by Skillnets on the JSSP due to the evident recent increasing pressures on main programme training given the improving labour market and accelerating demand for in-employment training.

#### *Source of information about JSSP*

A critical factor in determining the future demand of the JSSP programme concerns the programmes visibility among prospective jobseekers. Indecon's research queried the initial source of information for JSSP trainees concerning the JSSP programme. The findings, presented overleaf, indicated that a large minority (27.8%) of respondents learned about the JSSP through an employment service. Almost 27% of respondents were recommended to undertake the JSSP by a friend or family. Skillnets' national promotional adverts were seen by just over 15% of respondents. Interestingly, only 4.8% of respondents stated that they heard through their local Skillnets networks' promotional efforts via email/media/social media, etc, suggesting the potential for intensification of network marketing and promotional activities in recruiting jobseekers to participate in the programme.

**Table 6.16: JSSP 2016 Trainees – Source of Information about Courses**

	% of Respondents
Recommended by a friend or family member	26.9%
Recommended by a local community or voluntary organisation	9.3%
Referred by an employment service or other State agency/service	27.8%
Through an internet search	18.5%
Through my local networks' promotional efforts via email/media/social media, etc.	4.8%
Through Skillnets national promotional efforts via media/social media, etc.	15.2%
Other	9.3%

*Source: Indecon analysis of confidential JSSP Trainees survey 2016*

**Note: Figures do not add up to 100% as some respondents chose more than one option.**

### Extent of completion of training

As previously discussed, the JSSP contains both traditional learning/training as well as a work placement undertaken after the completion of this training. It is therefore important to consider the trainee successful pass-through rates for both the traditional training course as well as the work placement. Indecon's primary survey research considered these pass-through rates and found that just under a quarter of respondents completed their JSSP training but did not undertake the work placement. Encouragingly, 52% of JSSP trainings fully completed both aspects of the programme. A small proportion (8.5%) started but did not fully complete the work placement. A large minority (48%) did not complete the full training course and work placement, and therefore it is useful to consider the potential reasons for this non-completion. These may include where trainees took up offers of employment during the programme; changes in personal and/or family circumstances; financial issues (e.g., travel costs incurred while travelling to/from host organisations); refusal by some participants to undertake work placements; motivational factors; and evolving economic and labour market conditions impacting on available work placements.

**Table 6.17: JSSP 2016 Trainees – Extent of Completion of Training**

Please indicate below the extent to which you completed different elements of the JSSP	% of Respondents
Started, but did not fully complete my JSSP training	14.9%
Completed my JSSP training but did not undertake a work placement	24.6%
Completed my JSSP training but did not fully complete my JSSP work placement	8.5%
Fully completed my JSSP training and work placement	52.0%
<b>Total</b>	<b>100%</b>
<i>Source: Indecon analysis of confidential JSSP Trainees survey 2016</i>	

### JSSP Work Placements

An important difference between JSSP supports and jobseeker training provided alongside employed trainees through the main TNP and Finuas programmes is that the JSSP includes a work placement component. Work placements may be impacted as the economy and labour markets recover, and skilled JSSP participants may have a greater range of employment options and might therefore be less likely to commit to extended placements. In addition, enterprises may also be less likely to offer extended placements as they are recruiting new staff to accommodate operational demands placed on them by organisational growth. However, the availability of good quality work placements is an important differentiating feature of the JSSP and the quality and potential impact of the programme on trainees' progression outcomes, and expanding the duration of placements was among the recommendations issued by Indecon in previous evaluations.

### Certified training

Providing unemployed training with NFQ or industry-recognised accreditation is an important up-skilling and signalling device to potential employers that the quality of the training meets their expectations and the skills gained will be appropriate for and applicable in a professional environment. Two-thirds of the training days provided were NFQ-certified, while 17.5% had industry-recognised certification. On a combined basis, this represents a decrease in total certified training days relative to 2015 (90%).

**Table 6.18: JSSP Trainees 2016 – Certified Training Days**

Certified Training Days	No. of Training Days	% of Training Days
NFQ	32,672	66.6%
Industry-recognised	8,580	17.5%
Non-certified	7,123	14.5%
Not Given	684	1.4%
<b>Total Certified Training Days</b>	<b>41,252</b>	<b>84%</b>
<b>Total Training Days</b>	<b>49,059</b>	<b>100%</b>
<i>Source: Indecon analysis of Skillnets SONRAI data</i>		

### Progression outcomes - Current Status of 2016 JSSP trainees

A key programme outcome for evaluation is the career progression of trainees following their JSSP training. Tracking this outcome is a requirement as set out by the DES in their Annual Allocation Letter.<sup>12</sup> Indecon has analysed the progression outcomes of JSSP trainees in 2016 as of April/May 2017. This found that 43% of 2016 JSSP trainees were currently in employment, while 35% of trainees were unemployed. It also indicated that 15.7% of trainees were pursuing further education or training following the completion of their JSSP programme. A small proportion of trainees had emigrated (see table overleaf).

<sup>12</sup> **DES Annual Allocation Letter:** "Policy Issues – Skillnets will also endeavour in 2016 to track the progression of all jobseekers supports under the JSSP in to employment, further education, training or unemployment."

**Table 6.19: JSSP 2016 Trainees – Current Status**

Please indicate which of the following best describes your current situation:	% of Respondents*
Employed full-time in the same company in which I undertook my JSSP training	5.5%
Employed part-time in the same company in which I undertook my JSSP training	4.3%
Employed full-time in another company	13.8%
Employed part-time in another company	12.3%
Self-employed	8.6%
<b>Total Currently in Employment (April/May 2017)</b>	<b>43.4%</b>
Was employed on a short-term contract, which has now ended	4.0%
Unemployed (on Live Register)	35.1%
Pursuing further education or training	15.7%
On another employment activation scheme (e.g. JobBridge, Community Employment scheme, Tús, Gateway)	7.7%
Have emigrated	1.2%
<i>Source: Indecon analysis of confidential JSSP Trainees survey 2016</i>	
<i>*Note: Percentages do not add up to 100% due to respondents being able to select multiple options.</i>	

It should also be noted that of those in employment, 63% think it likely that their current job will last. 6% consider it unlikely that their employment will last. This indicates a high level of perceived employment retention.

**Table 6.20: JSSP 2016 Trainees – Probability of Current Employment Lasting**

If you are presently employed, do you think your current job will last?	% of Respondents
Likely	63.5%
Unlikely	6.1%
Possibly	30.4%
<b>Total</b>	<b>100%</b>
<i>Source: Indecon analysis of confidential JSSP Trainees survey 2016</i>	

#### *Update on Status of 2015 JSSP Trainees*

Indecon has considered the progression outcomes of JSSP trainees during 2015 through primary survey research into this cohort. This will provide a longer-term perspective as to the outcomes of trainees. As expected due to the longer duration since completion of the programme, a higher proportion of this cohort is currently in employment (63.5%). Interestingly, a lower percentage is pursuing further education or training compared to the 2016 cohort. Comparisons across years should however be cautioned as differences across the surveys, e.g. sample size, selection bias, etc. may result in statistically significant differences in results.

**Table 6.21: JSSP 2015 Trainees – Current Status**

	% of Respondents
Employed full-time in the same company in which I undertook my JSSP training	10.7%
Employed part-time in the same company in which I undertook my JSSP training	3.8%
Employed full-time in another company	24.3%
Employed part-time in another company	11.0%
Self-employed	14.2%
<b>Total Currently in Employment (April/May 2017)</b>	<b>63.5%</b>
Was employed on a short-term contract, which has now ended	5.8%
Unemployed (on Live Register)	18.3%
Pursuing further education or training	11.6%
On another employment activation scheme (e.g. JobBridge, Community Employment scheme, Tús, Gateway)	6.1%
Have emigrated	2.6%
<i>Source: Indecon analysis of confidential JSSP Trainees survey 2015 (Resurvey)</i>	
<i>Note: Figures do not add to 100% as some respondents chose more than one category.</i>	

### **Benefits of training for trainees**

Participants' perceptions as to the benefits of the JSSP training are useful to consider in the context of the effectiveness of the programme. Indecon has explored these benefits through primary survey research of the 2016 JSSP trainees. These were queried as to the contribution of the JSSP training to several career-related benefits/impacts. As seen overleaf, over 82% of 2016 JSSP trainees consider the JSSP training to have fully or partially contributed to helping them develop a new skill that will help them change career. Just below 80% of respondents considered the training to enhance their CV and interview skills which are important skills for helping jobseekers gain future employment and improve their knowledge of the recruitment process.

**Table 6.22: JSSP 2016 Trainees – Contribution of JSSP Training to Specific Benefits/Impacts**

Has the JSSP training you undertook during 2016 contributed to any of the following additional benefits/impacts:	% of Respondents			
	Fully Contributed	Partially Contributed	Has Not Contributed	Not Applicable
Increased my chances of getting a job	40.8%	38.4%	14.3%	6.5%
Has made me more aware of employment opportunities	40.9%	38.5%	13.9%	6.8%
Has developed new skills that will help me to change career	50.0%	32.4%	9.8%	7.8%
Has developed skills to help me set up my own business	16.3%	18.7%	22.4%	42.5%
Has helped me to achieve a qualification/certification	48.1%	29.2%	10.5%	12.2%
Has enhanced my CV/interview skills	50.0%	29.9%	11.7%	8.4%
Has improved my motivation and self-confidence	47.7%	38.6%	9.4%	4.4%
<i>Source: Indecon analysis of confidential JSSP Trainees survey 2016</i>				

### *Satisfaction Levels with Training*

Indecon also queried JSSP trainees as to their levels of satisfaction with several aspects of the JSSP. As seen overleaf, over 78% of 2016 JSSP trainees surveyed were very satisfied or satisfied with the training's work to identify and address the trainee's skills needs, as well as securing a place on the course. However, over 12% of those surveyed were very dissatisfied or dissatisfied with the quality of the work placement.

**Table 6.23: JSSP 2016 Trainees – Views on Satisfaction Levels with Training**

How satisfied or dissatisfied were you with the following aspects of JSSP training you undertook during 2016?	% of Respondents				
	Very Satisfied	Satisfied	Neither Satisfied Nor Dissatisfied	Dissatisfied	Very Dissatisfied
I found it straight-forward to book a place on the course	62.1%	29.2%	5.4%	2.0%	1.3%
Extent to which the JSSP network worked with me to identify and address my training needs, and secure a place on the course	47.8%	30.8%	16.9%	2.4%	2.0%
Quality of the training, including trainers/tutors, equipment/facilities, and balance of theory and practice	58.5%	31.1%	7.0%	1.0%	2.3%
Relevance to my chosen career/job search	53.7%	33.9%	9.7%	1.3%	1.3%
Training delivered in a convenient location	54.2%	30.8%	10.2%	3.4%	1.4%
Training delivered at a convenient time	55.6%	36.4%	6.7%	0.7%	0.7%
Length of time required to attend/complete the training	44.4%	42.7%	9.8%	2.0%	1.0%
The training met my overall expectations	47.6%	38.2%	10.5%	1.4%	2.4%
Quality of the work placement	31.9%	30.4%	25.6%	5.5%	6.6%

*Source: Indecon analysis of confidential JSSP Trainees survey 2016*

#### 6.4.5 Programme Cost Effectiveness and Access to Training

Indecon examine the cost-effectiveness of the JSSP across the period 2011 – 2016. As can be seen, the number of training days provided rose rapidly as the programme established its place in the Skillnets ecosystem and has maintained a value of approximately 50,000 for the previous four years. The number of trainees grew from 2011 to a peak in 2013, and has steadily fallen in all subsequent years. Expenditure has fluctuated between €3.4 and €2.3 million throughout the period. The cost per training day was at its lowest value (€47) in 2016. The cost per trainee was just above €1000 in 2016. These results would suggest that the JSSP has gained some economies of scale over the period and potential efficiency improvements may have occurred as the programme matured since its inception.



**Table 6.24: JSSP Programme Effectiveness – Costs Per Training Day and Trainee – 2011-2015**

Year	Total Training Days	Total Number of Trainees	Total Expenditure	Cost Per Training Day	Cost Per Trainee
2016	49,059	2,284	€2,292,088	€47	€1,004
2015	51,631	2,721	€2,895,454	€56	€1,064
2014	47,503	2,795	€3,004,000	€63	€1,075
2013	48,447	3,027	€2,796,731	€58	€924
2012	39,695	2,938	€3,392,877	€86	€1,155
2011	27,065	1,875	€2,810,561	€104	€1,499

Source: Indecon analysis of Skillnets SONRAI data and 2014 Evaluation Report

### Ability to Access Training

It is useful to consider the JSSP trainees' ability to access training of a similar quality elsewhere as an indicative assessment of the programme's deadweight, however an econometric study would be required to provide levels of certainty to arrive at definitive conclusions in this respect. The findings summarised in the table below indicate that 12% of those surveyed would not have difficulty in finding training of a similar quality elsewhere. Over 40% would have found it 'somewhat difficult' to find a similar training. It should be noted that these values do not relate to outcome deadweight in terms of progression outcomes from participation that may occur in absence of participation on the programme, which is addressed in the assessment of exchequer value-for-money in Section 6.4.6.

**Table 6.25: JSSP Trainees 2016 - Estimate of Ability to Access Training Elsewhere**

If the JSSP training you undertook had not been available, how difficult do you believe it would have been to access training of a similar quality elsewhere?	% of Respondents
Not Difficult	12.0%
Somewhat Difficult	41.5%
Very Difficult	28.8%
Extremely Difficult	17.7%
<b>Total</b>	<b>100%</b>

Source: Indecon Analysis of Confidential JSSP Trainees Survey 2016

### 6.4.6 Exchequer Value for Money Assessment of JSSP

An important issue concerns the extent of value for money achieved by the taxpayer/exchequer in the operation of Skillnets' training programmes, particularly from the perspective of the utilisation of scarce public funding via the National Training Fund. As part of this evaluation, Indecon has completed an exchequer value for money assessment of the JSSP programme in 2016 and in 2015. Consistent with previous evaluations conducted by Indecon, this assessment factors in the likely deadweight through considering what would happen in terms of trainee progression outcomes in the absence of the programme. This section sets out the approach applied in this assessment. It should be noted that this does not constitute a wider cost-benefit evaluation of the JSSP and instead focuses on a narrower exchequer impact analysis.

#### **Basis for Assessment**

The approach applied in assessing the value for money achieved by JSSP follows that applied by Indecon in its evaluations of Skillnets 2015, 2013 and 2012 operations (conducted during 2016, 2014 and 2013). Specifically, the assessment examines the extent to which the JSSP increases the likelihood that participants will secure employment and leave the Live Register. The key issue here is that not all (or perhaps even most) of the beneficial impacts of the programme should be taken into account as a net benefit. This is because for many unemployed people, unemployment is short-term in duration, and we take this into account in our estimates.

The overall value for money from the scheme is estimated by reference to the potential net savings to the Exchequer in the form of reduced social welfare payments through removing individuals from unemployment, as well as the additional tax revenues generated from employment, adjusted to reflect estimated deadweight. These adjusted benefits are then related to the costs of operating the JSSP programme. Our analysis focuses on the cohort of scheme participants who undertook training and a work placement under JSSP during 2016, but we have also completed an update assessment of the position in relation to 2015 trainees, which is informed by a fresh survey of 2015 participants and their current (April-May 2017) labour market status.

#### **Assumptions**

Consistent with Indecon's previous methodological approach, a number of modelling assumptions are applied in completing the value for money assessment. These assumptions are set out in the subsequent tables and relate to the following dimensions:

- ☐ Programme activity, including the numbers of JSSP trainees in each year (2016 and 2015) and the proportion that have completed their training and work placement;
- ☐ The estimated exit rate from the Live Register among JSSP trainees who have completed their training and work placement;
- ☐ Cost of social welfare unemployment benefit/assistance;
- ☐ Cost of weekly social welfare 'top-up' payment in respect of JSSP work placements undertaken via the JobBridge scheme (where applicable);
- ☐ Level of state funding provided to JSSP;
- ☐ Current (2017) average weekly and annual incomes among JSSP trainees in 2015 and 2016; and
- ☐ Estimated extent of programme deadweight.

### 2016 JSSP Trainees

The estimated annualised exchequer benefits arising from the operation of the JSSP in 2016 are computed in the table below.

<b>Table 6.26: Value for Money Cost-Benefit Assessment of Job Seekers Support Programme (JSSP) 2016 – Estimated Annualised Exchequer Benefits</b>	
	<b>JSSP 2016</b>
Number of JSSP Completions in 2016 (= 2,284 JSSP trainees * estimated 52% completion rate (full completions of training and/or work placement))	1,187
Assumed exit rate from Live Register post-JSSP (based on Indecon survey of JSSP Trainees)	64.9%
<b>Estimated Number of JSSP Exits from Live Register (No. of Completions * Assumed Exit Rate)</b>	<b>771</b>
Estimated Annual Savings in Jobseeker Benefit/Assistance Payments (assuming age-weighted weekly rate of UB/UA of €269 * 52 weeks)	€10,780,801
<i>Estimated Tax Revenues from Employment Income</i>	
Median current gross weekly pay (before taxes and other deductions) (Indecon Survey) - €	€400.00
Estimated annualised median gross pay - €	€20,800
Estimated Average Annual Income Tax, PRSI, USC deductions per JSSP Participant Employed – assuming Single Person Taxpayer	€1,921
Estimated Additional Annual Tax Revenues (Estimated No. of JSSP Exits from Live Register * % Exit-to-Employment Rate * Average Annual Income Tax)	€1,017,439
<b>Estimated Total Gross Annual Exchequer Benefits (Benefit Savings + Tax Revenues)</b>	<b>€11,798,240</b>
<i>Estimated Scheme Deadweight</i>	
Overall estimated Deadweight	59.2%
<b>Estimated Annual Exchequer Benefits adjusted for Deadweight</b> (Gross Annual Exchequer benefits * (100% - Assumed Deadweight%))	<b>€4,815,608</b>
<i>Source: Indecon analysis</i>	

We estimate that annual savings in social welfare (Jobseekers Benefit/Assistance) payments of €10.8 million could arise as a result of exits from the Live Register among JSSP participants who undertook their training during 2016. This is based on an estimated of 1,187 JSSP completions during 2016 (who fully completed their training and/or work placements) and assuming that 64.9% of these completions, i.e., 771 participants subsequently exited the Live Register, based on analysis of Indecon's survey research among 2016 JSSP trainees.

In addition to social welfare savings, as JSSP finishers secure employment, this will also generate further benefits for the Exchequer in the form of income tax, PRSI and Universal Social Charge payments. This will be dependent on average income levels and in our base case scenario we assume an average annualised gross income among 2016 JSSP participants of €20,800 per annum, based on the findings from our survey research among programme participants. If one assumes that all JSSP participants who secure employment are single person taxpayers, this would indicate an average tax deduction/contribution of €1,921 per person per annum based on the 2016 tax code and rates (this includes PAYE, PRSI and USC deductions). These figures would suggest an estimated total income tax contribution among employed 2016 JSSP participants of €1.017 million annually.<sup>13</sup>

Adding to this the estimated savings in unemployment-related welfare payments would indicate total exchequer benefits (savings + income tax) arising from the removal of programme finishers from the Live Register and the employment of a proportion of these individuals (it is estimated that of JSSP exits from the Live Register, 68.7% of these found employment) amounting to an estimated €11.8 million on an annual basis.

### **Outcome Deadweight**

The above estimate represents the *gross* exchequer benefit arising from the exit of JSSP trainees from the Live Register and the incomes earned among those who found paid employment. To assess the effective net impact of the JSSP, it is necessary to factor in the deadweight associated with the programme. Deadweight arises because some of these benefits will be realised in the absence of the JSSP (i.e., a proportion of individuals would have exited the Live Register and found employment in any case).

It is also important to note that individuals' progression outcomes are influenced by wider labour market trends, as well as the characteristics of these individuals, including their prior educational attainment and duration of unemployment. A rigorous assessment of deadweight would require an econometric evaluation using an appropriate counterfactual/control group, which was outside the scope of this review.

In order to estimate deadweight arising in the JSSP for the purposes of this exercise, Indecon utilised the findings from our survey research among programme participants. This entailed using a measure of deadweight based on participants' own assessment of the additional benefits that the programme provided in helping them to find a job. Our research among 2016 JSSP trainees indicates that 40.8% of trainees believed that the JSSP had fully contributed to helping them find a job. This implies an estimate for programme deadweight in relation to participant employment progression of 59.2%. Applying this estimate for programme deadweight to our estimate of gross exchequer benefits implies an estimate for *net* exchequer benefits amounting to €4.8 million in annual terms in 2016 (see Table 6.26 above).

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<sup>13</sup> Based on the estimated number of JSSP exits from the Live Register multiplied by the percentage exit-to-employment rate multiplied by the average annual tax paid on an average income of €20,800.

### Programme costs

To assess the overall value for money to the State associated with the JSSP programme, it is necessary to also factor in the publicly funded costs of operating the programme. The costs arising during 2016 are shown in the table below. The overall public funding cost associated with operating the JSSP during 2016 amounted to €2.09 million, based on the funding provided through the National Training Fund. As this represents public/taxpayer funds, the key issue, from an exchequer value-for-money perspective, concerns whether expenditure of these funds delivered a net financial return to the exchequer. This is addressed in this assessment.

Table 6.27: Value for Money Cost-Benefit Assessment of Job Seekers Support Programme (JSSP) 2016 – Scheme Public Funding (National Training Fund) Costs	
	2016 - €
JSSP Programme - State funding via National Training Fund	€2,087,207
Source: Indecon analysis	

### Estimated scheme overall net benefit/cost

The overall net benefit/cost, and therefore value for money to the Exchequer associated with the JSSP, is a function of the estimated savings in unemployment-related social welfare payments plus the additional tax revenues from employment relative to the costs of operating the programme. The potential benefits will, however, depend on how long individuals who find work remain in employment and off the Live Register. Due to the short amount of time elapsed since the 2016 cohort of JSSP trainees completed their training, it was not feasible at the time of completion of this assessment to obtain a robust estimate of the length of time participants who found employment remained in work. To account for this in our modelling, we analyse the estimated net benefits/costs of the scheme under alternative assumptions regarding the length of time JSSP participants who secure employment remain off the Live Register. The findings, based on the 2016 cohort of JSSP completions, are presented in the table overleaf by reference to the estimated net benefit/cost of the programme, if participants remain off the Live Register for three months, six months, 12 months, 18 months or two years.

Table 6.28: Value for Money Cost-Benefit Assessment of JSSP 2016 – Scenarios for Estimated Net Exchequer Benefit/Cost					
	Based on No. of Months off Live Register and in Employment since JSSP Completion =				
	3 Months	6 Months	12 Months	18 Months	24 Months
Estimated Net Benefit/Cost of Scheme	-€883,305	€320,597	€2,728,401	€5,136,205	€7,544,009
Minimum No. of Months to Achieve Positive Net Return to Exchequer	5.2				
Source: Indecon analysis					

The results suggest that under the progression outcomes and conservative/prudent estimates of deadweight levels assumed, the 2016 JSSP would be likely to achieve a positive net benefit to the Exchequer if participants secured employment and remained off the Live Register for a minimum period of about six months. The results also suggest that if on average participants stay in employment for 12 months or longer, the potential net benefits increase significantly.

#### Updated Assessment on 2015 JSSP Trainees

Indecon also completed an updated exchequer value-for-money assessment on the 2015 cohort of JSSP participants, based on applying a similar methodology to that used in the preceding analysis. The updated analysis of the estimated annualised exchequer benefits arising from the 2015 group of JSSP participants is presented in the table overleaf. Taking into account the estimated level of programme completion and exit rate from the Live Register in 2015, and assuming similar average incomes and deadweight, it is estimated that the programme was associated with €8.6 million in annual exchequer benefits after adjusting for deadweight.

<b>Table 6.29: Update Value for Money Cost-Benefit Assessment of Job Seekers Support Programme (JSSP) 2015 – Estimated Annualised Exchequer Benefits</b>	
	<b>JSSP 2015</b>
Number of JSSP Completions in 2015 (= 2,721 JSSP trainees * estimated 57.9% completion rate (full completions of training and/or work placement))	1,575
Assumed exit rate from Live Register post-JSSP (based on Indecon survey of JSSP Trainees)	81.7%
<b>Estimated Number of JSSP Exits from Live Register (No. of Completions * Assumed Exit Rate)</b>	<b>1,288</b>
Estimated Annual Savings in Jobseeker Benefit/Assistance Payments (assuming weekly rate of UB/UA of €284 * 52 weeks)	€19,078,412
<i>Estimated Tax Revenues from Employment Income</i>	
Average gross weekly pay (before taxes and other deductions) (Indecon Survey) - €	€450.00
Estimated annualised average gross pay - €	€23,400
Estimated Average Annual Income Tax, PRSI, USC and other deductions per JSSP Participant Employed - Single Person Taxpayer	€3,099
Estimated Additional Annual Tax Revenues (Estimated No. of JSSP Exits from Live Register * % Exit-to-Employment Rate * Average Annual Income Tax)	€3,126,845
<b>Estimated Total Gross Annual Exchequer Benefits (Benefit Savings + Tax Revenues)</b>	<b>€22,205,257</b>
<i>Estimated Scheme Deadweight</i>	
Overall estimated Deadweight	61.1%
<b>Estimated Annual Exchequer Benefits adjusted for Deadweight (Gross Annual Exchequer benefits * (100% - Assumed Deadweight %))</b>	<b>€8,637,845</b>
<i>Source: Indecon analysis</i>	

The direct and indirect costs of providing the 2015 JSSP are summarised in the table overleaf. Taking into account direct state funding costs and indirect costs associated with former JobBridge programme work placement transferees, it is estimated that the JSSP costs amounted to just over €2.9 million in 2015.

**Table 6.30: Update Value for Money Cost-Benefit Assessment of Job Seekers Support Programme (JSSP) 2015 – Estimated Scheme Costs**

	€
JSSP Programme Expenditure - 2015 (State-funded part)	€2,770,000
Cost of Weekly 'Top-Up' Payments - JobBridge transferees (68 transferees)	€133,770
<b>Total Exchequer Costs - 2015 JSSP Participants</b>	<b>€2,903,770</b>
<i>Source: Indecon analysis</i>	

The estimated net exchequer benefits arising from the operation of the JSSP in 2015 under different scenarios pertaining to duration of employment is indicated in the table below. The analysis suggests that the 2015 programme would be likely to have achieved a positive net benefit to the Exchequer if participants secured employment and remained off the Live Register for a minimum period of about four months. The evidence from our research among 2015 participants is that individuals who have found employment have typically been at work for between 12-13 months, suggesting that the 2015 programme is likely to have returned a significantly positive exchequer contribution of approximately €5.7 million, based on assumptions applied in relation to programme deadweight and average incomes among participants who successfully found employment.

**Table 6.31: Update Value for Money Cost-Benefit Assessment of JSSP 2015 – Scenarios for Estimated Net Exchequer Benefit/Cost**

	Based on No. of Months off Live Register and in Employment since JSSP Completion =				
	3 Months	6 Months	12 Months	18 Months	24 Months
Estimated Net Benefit/Cost of Scheme	-€744,309	€1,415,152	€5,734,075	€10,052,997	€14,371,920
Minimum No. of Months to Achieve Positive Net Return to Exchequer	4.0				
Source: Indecon analysis					

#### 6.4.7 Case study on JSSP

To provide an indication of how the JSSP operates in concrete terms, this evaluation has also developed a case study example of a JSSP programme during 2016. This case study, which is presented overleaf, summarises the key features and experience of one individual in relation to the Back2IT – Software Skillnet JSSP.



## Box 6.2: JSSP Case Study

**Name of programme:**

Back2IT – Software Skillnet

**Aims of the Programme:**

The Back 2 IT Programme is a 3 month fast-track opportunity for ex-IT professionals to (a) return to the workplace; (b) update their skills and qualifications; and (c) gain access to exciting new job opportunities in the tech sector. In particular, the programme prepares jobseekers for a number of roles which are in demand in Software Skillnet member companies. The programme sought to actively recruit women (as well as men) who were interested in returning to the sector.

**Key Programme Features blended of training, placement, accreditation if applicable, etc.:**

The programme provided participants with 8 weeks of fast-track training in key skills in demand across the sector. This included technical training in Linux, Windows Server, ITIL Foundation, VMware vSphere ICM, CompTia Network+ and Information Storage, as well as Project Management and Technical Writing skills. Workshops on CV, social media and interview skills increased the participants recruitment potential. Following training, participants learned how to apply skills in a real-world environment through 4 weeks of work experience, supported by on-the-job mentoring. At the end of the programme participants achieved 4 internationally recognised technical certifications, namely (a) VCP - VMware Certificate Professional (VCP 6); (b) CompTia Network+; (c) ISM - Information Storage Management; and (d) ITIL Foundation in Service Management.

**Programme Impact:**

17 out of 20 Back2IT participants secured employment after the programme ended.

**Challenges and Opportunities:**

60% of the participants on the programme were women. It was apparent that women who participated in a 3-month training and work placement programme faced challenges with additional childcare costs over a period where they were not paid. Finding childcare solutions during re-training was therefore a barrier to participation faced by some of the female learners. While the provision of suitable childcare options for female jobseekers during a re-training and work experience process are outside Skillnets' remit, it is an issue faced by women in particular and is a key policy consideration, given the importance of encouraging individuals to re-enter the workforce.

**Individual Trainee Experience:**

One individual who benefitted from the Software Skillnets Back2IT programme was mother-of-three Siobhan Mitchel. After working in the IT sector, predominantly in Dublin, since the late 1990s, Siobhán moved home to Cork in 2004 to start a family. "I gave up work to look after my three girls but a few years ago I decided it was time to go back. I thought perhaps my skills might be a bit out-of-date so returned to college. I completed a higher diploma in Computer science followed by a Masters in the same subject. The next step was returning to the workforce, which wasn't exactly the easiest thing to do after being out of the game for so long," she says. Last September she embarked on Software Skillnets' Back2IT programme and hasn't looked back since. "It was a little intimidating. But then I walked into the room and there were other women in the same position as me, so I felt at ease." In December Siobhan began working in technical support with the Enterprise Apps team at VMware and has embraced her new role. "It's challenging and rewarding, and now that my girls are a little older (aged 13,11 and 9) our family life and my work life fit together nicely. The 'back to work' programme was crucial in seeing me return to the workforce and so it really worked for me."

## 6.5 Summary of Findings

This section reviewed the Skillnets' provision of jobseeker training to the TNP and Finuas unemployed jobseeker trainees and the JSSP jobseekers programme trainees. The inputs, outputs, trainee satisfaction levels and value for money of the programme are evaluated. A summary of the main findings are as follows:

- ❑ The overall number of trainees in main programme jobseeker training fell by 8.6% from 2015 to 2016. This was driven by a reduction in TNP jobseeker trainees. There total training days in 2016 was 17,173 for TNP and 501 for Finuas. This includes non-contact training days.
- ❑ Indecon has undertaken a formal value-for-money assessment of the JSSP programme from the perspective of the Exchequer for the 2016 and 2015 period. This was based on primary survey research, desktop research, and internal Skillnets data. This analysis indicated that if a typical JSSP participant in 2016 found work and remained in employment for greater than 5.2 months, this would represent a net positive benefit for the Exchequer. Through our examination of the 2015 trainee cohort, the break-even point in terms of months in employment was estimated at four months. The evidence from the research among the 2015 cohort of trainees is that individuals who have found employment have typically been at work for between 12-13 months, suggesting that the 2015 programme is likely to have returned a significantly positive exchequer contribution.
- ❑ Over 40% of TNP/Finuas jobseeker trainees were unemployed for over one year and were therefore designated long-term unemployed.
- ❑ 45% of the main TNP/Finuas jobseeker trainees were either in paid employment or self-employed as of May 2016 following the completion of their training. Satisfaction levels were high among the trainees with various aspects of the quality and delivery of the training programme.
- ❑ 89% of TNP/Finuas jobseeker trainees indicated they would have encountered some degree of difficulty accessing similar training elsewhere were it the case that Skillnets was not available.
- ❑ Expenditure in the Jobseekers Support Programme (JSSP) amounted to €2.3 million in 2016. JSSP is primarily funded through a state grant; however, Member Companies can contribute to the programme on a voluntary basis.
- ❑ Over 50% of JSSP trainees were educated to NFQ Level 5 or lower. This meets the goals of the programme as this cohort is specifically cited by Skillnets as being a characteristic of a priority targeted unemployed group.
- ❑ 50.3% of JSSP trainees in 2016 were considered long-term unemployed (which is defined as an unemployment spell of greater than 12 months). Most notably, over a quarter of those surveyed were unemployed for greater than three years.
- ❑ Indecon's research suggests positive progression/employment outcomes among Skillnets jobseeker trainees, with 43% of 2016 JSSP trainees and 63% of 2015 trainees currently in employment (as at April/May 2016).

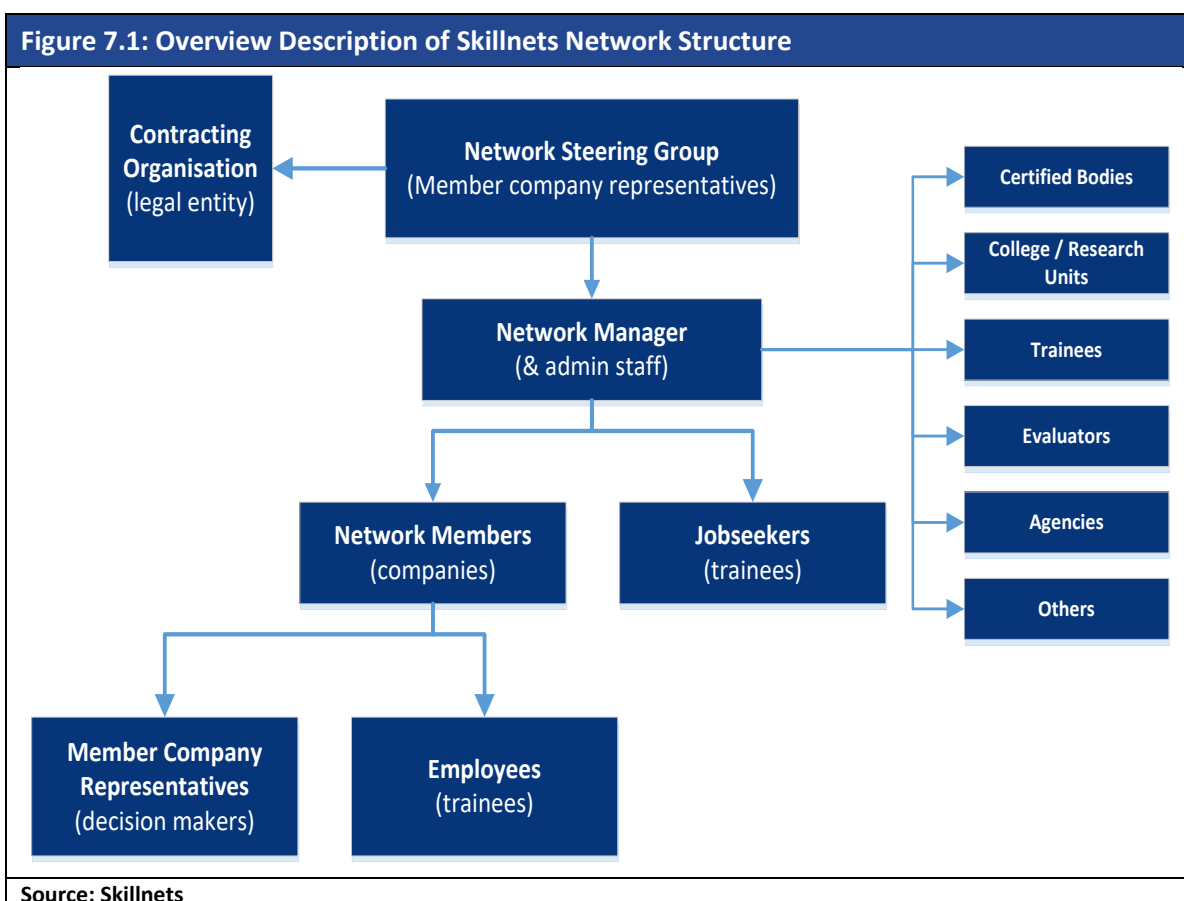
## 7 Evaluation of Skillnets Networks Model

### 7.1 Introduction

This chapter concerns an assessment of the Skillnets network model as a whole. The views of the network promoters and managers regarding the appropriateness and effectiveness of 2016 activities, as well as the sustainability of standards and future directions of the networks, informs this analysis.

### 7.2 Overview of Network Model

The structure of the entire Skillnets network is shown in the schematic diagram below. This demonstrates how the structure in place facilitates the delivery of training to Skillnets trainees. The network is an interaction of activities among the Member Companies, trainees and network staff.



## 7.3 Views of Network Promoters

### 7.3.1 Aims, Objectives and Relationship with Network

Skillnets' new strategy for the period of 2016-19 includes three high-level strategic goals, as outlined in the table below. Taking these into consideration, Indecon asked the network promoters to express their expectations regarding the level of progress that Skillnets could potentially achieve in relation to each of these goals in 2017. Almost all promoters reported that they expect Skillnets to achieve some or high levels of progress in relation to effectiveness and relevance of training, supply of specific skills impacting on growth of Irish enterprise, and driving increased participation of employers.

**Table 7.1: Network Promoters 2016 - View on Strategic Goals**

In relation to Skillnets' new Strategy for the period 2016-2019, please indicate below which of the Strategic Goals you believe your network will be able to achieve the most progress, and which goals do you judge would be most challenging to progress during 2017?	Expect High Level of Progress during 2017	Expect Some Progress	Expect Very Little or No Progress / Likely to be Challenging	Expect to be Very Challenging to Make Progress during 2017
<b>Goal 1:</b> Make training effectiveness, impact and relevance core to Skillnets activities.	57.8%	42.2%	0.0%	0.0%
<b>Goal 2:</b> Play a pivotal role in maintaining a supply of the specific skills and future skills that impact the growth potential of Irish enterprise.	55.6%	44.4%	0.0%	0.0%
<b>Goal 3:</b> Drive increased participation of employers our network's proposition, including as a key enabler in sustaining national competitiveness through the up-skilling of those in employment.	48.9%	48.9%	2.2%	0.0%
<i>Source: Indecon confidential survey of Skillnets Network Promoters 2016</i>				

As part of Indecon's research, promoters were asked about their views on the level of engagement with, and representation of, target employers on behalf of their network. Among the promoters an average of 51% strongly agreed and an additional 44% agreed that the network successfully engaged.

**Table 7.2: Network Promoters 2016 – Engagement with Target Employers**

To what extent would you agree that the network successfully engages with and represents your target employers?	Strongly Agree	Agree	Disagree	Strongly Disagree	Don't Know
By Sector / Sub-sector	64.4%	35.6%	0.0%	0.0%	0.0%
By Geographic Coverage	44.2%	53.5%	2.3%	0.0%	0.0%
By Thematic Area	45.2%	42.9%	0.0%	0.0%	11.9%
<b>Average</b>	<b>51.3%</b>	<b>44.0%</b>	<b>0.8%</b>	<b>0.0%</b>	<b>4.0%</b>
<i>Source: Indecon confidential survey of Skillnets Network Promoters 2016</i>					

### 7.3.2 Views on Network Expectations and Satisfaction Levels

Indecon investigated the satisfaction levels among network promoters regarding the Skillnets service delivery in 2016, taking into consideration employers', trainees' and the Member Companies' needs. Despite generally strong levels of satisfaction overall, a proportion of the promoters expressed that their expectations were only partially met in relation to a number of areas, in particular, "Assisting jobseekers and improving employability and job prospects for unemployed trainees". This is similar to the findings of the Indecon report in 2015.

**Table 7.3: TNP and Finuas Network Promoters 2016 – Success in Meeting Expectations – Percentage of Responses**

Please indicate the extent to which the network has met your expectations as promoter during 2016	Fully Met	Mostly Met	Partially Met	Not Met at All	Don't Know
Meeting employers' workforce development needs	28.3%	65.2%	6.5%	0.0%	0.0%
Enabling employees to participate in certified training activity that they would otherwise not have done	45.7%	45.7%	8.7%	0.0%	0.0%
Improving future career prospects for employed trainees (e.g. promotional possibilities)	47.8%	45.7%	6.5%	0.0%	0.0%
Assisting jobseekers and improving employability and job prospects for unemployed trainees	26.1%	45.7%	26.1%	0.0%	2.2%
Providing tailored training that wouldn't be available elsewhere	65.2%	30.4%	4.3%	0.0%	0.0%
Contributing to the enhancement of member companies' competitiveness and performance	47.8%	39.1%	13.0%	0.0%	0.0%
Overcoming barriers to training/making training more accessible	41.3%	52.2%	6.5%	0.0%	0.0%
<b>Average</b>	<b>43.2%</b>	<b>46.3%</b>	<b>10.2%</b>	<b>0.0%</b>	<b>0.3%</b>
<i>Source: Indecon confidential survey of TNP and Finuas Network Promoters 2016</i>					

Satisfaction levels among network promoters regarding further high-level strategic functions of the network model during 2016 are shown overleaf. Generally, TNP and Finuas network promoters were either satisfied or very satisfied (87%) with important high-level functions including communication across the network, financial support, and alignment with business objectives. In particular, a large majority (96%) of promoters agreed that the fit between the network activities and the organisation's strategic objectives and the relationships established between the network and Member Companies (94%) were satisfactory elements.

<b>Table 7.4: TNP and Finuas Network Promoters 2016 - Views on Satisfaction Levels - Percentage of Responses</b>						
<b>Please indicate your level of satisfaction with each of the following aspects of the Skillnets network model during 2016:</b>	<b>Very Satisfied</b>	<b>Satisfied</b>	<b>Neither Satisfied Nor Dissatisfied</b>	<b>Dissatisfied</b>	<b>Very Dissatisfied</b>	<b>Don't Know</b>
Overall effectiveness of the Skillnets Model	34.8%	58.7%	4.3%	2.2%	0.0%	0.0%
The relationships established between the network and member companies	45.7%	47.8%	6.5%	0.0%	0.0%	0.0%
The fit between the network activities and your organisation's strategic objectives	56.5%	39.1%	0.0%	0.0%	2.2%	2.2%
The level of financial contributions from member companies	34.8%	45.7%	19.6%	0.0%	0.0%	0.0%
The level of financial support available to networks from Skillnets	23.9%	52.2%	15.2%	6.5%	2.2%	0.0%
Communications between the network and your organisation	47.8%	43.5%	6.5%	2.2%	0.0%	0.0%
Information, communication and support from Skillnets	37.0%	50.0%	10.9%	2.2%	0.0%	0.0%
Congruence between the network's programmes and the strategic challenges and opportunities facing your sector/region	32.6%	47.8%	15.2%	2.2%	0.0%	2.2%
Network activities are aligned with national policy targeting your sector/region	39.1%	45.7%	8.7%	2.2%	0.0%	4.3%
Network activities are focused on the delivery of skills that meet defined skills shortages vital for growth and competitiveness in your sector/region	39.1%	47.8%	8.7%	0.0%	0.0%	4.3%
Network programmes address both technical competencies and generic (or behavioural) competencies	37.0%	52.2%	10.9%	0.0%	0.0%	0.0%
Network programme design is optimised for maximum transfer of learning and is blended and highly integrated with work	30.4%	56.5%	10.9%	0.0%	0.0%	2.2%
<b>Average</b>	<b>38.2%</b>	<b>48.9%</b>	<b>9.8%</b>	<b>1.4%</b>	<b>0.4%</b>	<b>1.3%</b>
<i>Source: Indecon confidential survey of TNP and Finuas Network Promoters 2016</i>						

## 7.4 Views of Network Managers

The opinions of the network managers on changes in the level of cooperation of employers with the networks in 2016 were varied. Overall, 71% of network managers reported reasonable levels of improvement in employers co-operating to identify training needs and 59% reported an increase in employers co-operating to customise or develop new courses for the sector/region. However, on average a significant number of managers felt that cooperation stayed the same (43%) and a small number reported it decreased (4%).

**Table 7.5: TNP and Finuas Network Managers 2016 - Change in Activities (Percentage of Responses)**

In relation to activity levels in your network, please indicate the extent to which the following activities changed during 2016:	Increased	Stayed the Same	Decreased
Employers co-operating to identify training needs	70.7%	27.6%	1.7%
Employers co-operating on non-training issues as a result of the network	44.8%	51.7%	3.4%
Employers co-operating to customise or develop new courses for the sector/region	58.6%	36.2%	5.2%
Employers co-operating to develop skills standards within the sector/region	39.7%	55.2%	5.2%
<b>Average</b>	<b>53.4%</b>	<b>42.7%</b>	<b>3.9%</b>

Source: Indecon confidential survey of TNP and Finuas Network Managers 2016

Indecon also sought the views of the managers on the likely direction of future activities with employers in 2017. A significant proportion of TNP and Finuas network managers reported they anticipate activity will increase in a number of areas in 2017. In particular, the network membership levels (88%), number of training days (78%) and employers cooperating to identify training needs (76%).

**Table 7.6: TNP and Finuas Network Managers 2016 - Views on Future Activity Levels (Percentage of Responses)**

Please also provide your view on what you would anticipate is likely to happen in the following areas during 2017:	Increase	Stay the Same	Decrease
Network membership levels	87.9%	10.3%	1.7%
Training being delivered (number of training days)	77.6%	20.7%	1.7%
Employers co-operating to identify training needs	75.9%	24.1%	0.0%
Employers co-operating on non-training issues as a result of the network	53.4%	46.6%	0.0%
Employers seeking accredited training	29.3%	65.5%	5.2%
Employers releasing staff for extended training	37.9%	53.4%	8.6%
<b>Average</b>	<b>60.3%</b>	<b>36.8%</b>	<b>2.9%</b>

Source: Indecon confidential survey of TNP and Finuas Network Managers 2016

TNP and Finuas network managers were asked in the Indecon survey to indicate which areas of business proved challenging to their network in 2016. 62% of managers expressed in particular that recruiting unemployed/jobseeker trainees was a very significant or significant challenge and 59% reported same in relation to follow-up with and assessing progression outcomes of jobseeker trainees. Areas that proved less challenging include retention of existing company members in the network and managing working relationships with Skillnets/Finuas.

**Table 7.7: TNP and Finuas Network Managers 2016 - Significance of Expected Challenges  
(Percentage of Responses)**

Please indicate the extent to which the following areas presented a challenge to your network during 2016	Very Significant Challenge	Significant Challenge	Neither Significant Nor Insignificant Challenge	Insignificant Challenge	Not at all a Challenge	Don't Know / Not Applicable
Recruitment of new company members – SMEs	3.4%	31.0%	34.5%	20.7%	8.6%	1.7%
Recruitment of new company members – larger firms	3.4%	31.0%	41.4%	8.6%	10.3%	5.2%
Retention of existing company members in the network	1.7%	15.5%	34.5%	12.1%	34.5%	1.7%
Securing matching funds/other financial investment from companies	5.2%	15.5%	22.4%	27.6%	25.9%	3.4%
Achieving participation of companies in training needs analysis	8.6%	31.0%	25.9%	17.2%	17.2%	0.0%
Sourcing of high-quality trainers	1.8%	10.5%	28.1%	28.1%	31.6%	0.0%
Procurement/tendering	8.8%	31.6%	36.8%	17.5%	3.5%	1.8%
Recruiting unemployed/jobseeker trainees	24.1%	37.9%	13.8%	5.2%	10.3%	8.6%
Follow-up with and assessing progression outcomes of jobseeker trainees	15.5%	43.1%	15.5%	5.2%	1.7%	19.0%
Network monitoring, record keeping and financial control	10.3%	29.3%	27.6%	19.0%	13.8%	0.0%
Building and developing working relationships with active member companies	1.7%	19.0%	36.2%	15.5%	24.1%	3.4%
Managing working relationships with Skillnets/Finuas	3.5%	8.8%	45.6%	14.0%	28.1%	0.0%
Other network-building activities (e.g. non-formal activities and networking events)	0.0%	20.7%	32.8%	22.4%	22.4%	1.7%
<b>Average</b>	<b>6.8%</b>	<b>25.0%</b>	<b>30.4%</b>	<b>16.4%</b>	<b>17.9%</b>	<b>3.6%</b>
<b>Source: Indecon confidential survey of TNP and Finuas Network Managers 2016</b>						

#### 7.4.1 Views on Impacts of Network Activities

Indecon also sought the views of network managers on the impacts of their network. Business areas where managers reported that their network made the most significant impact in 2016 included meeting employers' workforce development needs, and contributing to the enhancement of Member Companies' competitiveness and performance, among many other areas (see summary of findings in table overleaf).



**Table 7.8: TNP and Finuas Network Managers 2016 - Views on Significance of Networks' Impact (Percentage of Responses)**

Please indicate the extent of the Network's impact in the following areas in 2016	Very Significant Impact	Significant Impact	Neither Significant Nor Insignificant Impact	Insignificant Impact	No Impact	Don't Know / Not Applicable
Meeting employers' workforce development needs	27.6%	67.2%	5.2%	0.0%	0.0%	0.0%
Enabling employees to participate in certified training activity that they would otherwise not have done	15.5%	70.7%	12.1%	0.0%	0.0%	1.7%
Enhancing future career prospects (including promotion potential) for employed trainees	25.9%	63.8%	10.3%	0.0%	0.0%	0.0%
Assisting jobseekers and improving employability and job prospects for unemployed trainees	27.6%	24.1%	31.0%	8.6%	0.0%	8.6%
Providing tailored training that would not be available elsewhere	36.2%	48.3%	15.5%	0.0%	0.0%	0.0%
Contributing to the enhancement of member companies' competitiveness and performance	31.0%	60.3%	8.6%	0.0%	0.0%	0.0%
Overcoming barriers to training/making training more accessible	27.6%	58.6%	13.8%	0.0%	0.0%	0.0%
<b>Average</b>	<b>27.3%</b>	<b>56.2%</b>	<b>13.8%</b>	<b>1.2%</b>	<b>0.0%</b>	<b>1.5%</b>
<i>Source: Indecon confidential survey of TNP and Finuas Network Managers 2016</i>						

Network managers were also invited to express their satisfaction levels on aspects of the Skillnets network model relating to governance, funding, relationships and delivery of service. TNP and Finuas managers reported the highest levels of satisfaction with the activities addressing defined skills shortages (91% either very satisfied or satisfied) and technical competencies (94% either very satisfied or satisfied). The funding application procedure, monitoring and reporting requirements and the effectiveness of the steering group are areas for potential improvements considering some managers reported levels of dissatisfaction in 2016.

**Table 7.9: TNP and Finuas Network Managers 2016 - Views on Satisfaction Levels (Percentage of Responses)**

Please indicate your level of satisfaction with each of the following aspects of the Skillnets network model:	Very Satisfied	Satisfied	Neither Satisfied Nor Dissatisfied	Dissatisfied	Very Dissatisfied	Don't Know / Not Applicable
The effectiveness of your steering/management group	37.9%	46.6%	5.2%	8.6%	1.7%	0.0%
The relationships that have been established between employers in the network	37.9%	44.8%	12.1%	1.7%	0.0%	3.4%
The level of financial support available to networks	8.6%	58.6%	13.8%	19.0%	0.0%	0.0%
The funding application procedure	8.6%	24.1%	36.2%	25.9%	1.7%	3.4%
Monitoring and reporting requirements	3.5%	36.8%	45.6%	10.5%	3.5%	0.0%
Information, communication and support from Skillnets	19.0%	55.2%	20.7%	5.2%	0.0%	0.0%
Congruence between the network's programmes and the strategic challenges and opportunities facing your sector/region	19.0%	62.1%	12.1%	3.4%	0.0%	3.4%
Network activities are aligned with national policy targeting your sector/region	24.1%	63.8%	8.6%	1.7%	0.0%	1.7%
Network activities are focused on the delivery of skills that meet defined skills shortages vital for growth and competitiveness in your sector/region	22.4%	69.0%	8.6%	0.0%	0.0%	0.0%
Network programmes address both technical competencies and generic (or behavioural) competencies	25.9%	63.8%	10.3%	0.0%	0.0%	0.0%
Network programme design is optimised for maximum transfer of learning and is blended and highly integrated with work	27.6%	56.9%	15.5%	0.0%	0.0%	0.0%
<b>Average</b>	<b>21.3%</b>	<b>52.9%</b>	<b>17.2%</b>	<b>6.9%</b>	<b>0.6%</b>	<b>1.1%</b>

Source: Indecon confidential survey of TNP and Finuas Network Managers 2016

#### 7.4.2 Views on Overall Effectiveness of Skillnets Model

When asked to provide their views on the overall effectiveness of the Skillnets network model, 26% of TNP and Finuas rated the network as very effective while no manager rated it as not at all effective. Potential for improvement lies in the 21% who rated the level of effectiveness as three out of five (indicating a neutral response) (see table overleaf).

**Table 7.10: TNP and Finuas Network Managers 2016 - Views on Effectiveness of Skillnets Network Model**

Overall, how effective do you consider the current Skillnets network model to be? Please answer on a scale of 1 to 5, where 1 is 'Not At All Effective' and 5 is 'Very Effective'.	% of Respondents
1 ('Not At All Effective')	0.0%
2	0.0%
3	20.7%
4	53.4%
5 ('Very Effective')	25.9%
<b>Total</b>	<b>100%</b>
<i>Source: Indecon confidential survey of TNP and Finuas Network Managers 2016</i>	

## 7.5 Summary of Findings

This section analysed the views of the network managers and promoters in relation to the wide scope of detailed and high-level activities of Skillnets in 2016. While some caution should be exercised in interpreting the views of network managers and promoters, reflecting their position and roles, the following key findings from this assessment are noteworthy:

- ❑ Managers and promoters were generally very positive regarding the impact of the wide scope of activities of the networks in 2016.
- ❑ Managers and promoters also indicated a positive outlook for Skillnets' strategic goals for 2017 with the majority expecting some level of progress.
- ❑ The survey results indicated promoters were generally very satisfied with the Skillnets service in 2016 both at a high strategic level and a detailed delivery level. However, "Assisting jobseekers and improving employability and job prospects for unemployed trainees" was an area where room for improvement remains as some promoters reported their needs were only partially met.
- ❑ The views of managers on the level of co-operation of employers with the networks in 2016 were varied however for the most part managers expect activities with employers to improve in 2017.
- ❑ Recruiting unemployed/jobseeker trainees and follow-up with and assessing progression outcomes of jobseeker trainees were challenges in 2016 according to the network managers.
- ❑ Managers feel that Skillnets was particularly successful in 2016 with meeting employers' workforce development needs, and contributing to the enhancement of Member Companies' competitiveness and performance.
- ❑ Overall satisfaction levels with Skillnets in 2016 among network managers were strong.

## 8 Overall Conclusions and Recommendations

This section integrates the detailed analyses and assessments completed in the preceding section to present our overall conclusions from the evaluation of Skillnets TNP, Finuas and ManagementWorks in 2016. We also set out a number of recommendations designed to support the achievement of effectiveness and efficiency of Skillnets programmes in the future.

### 8.1 Conclusions from Evaluation

#### ***Overall Performance – Enterprise Participation, Expenditures and Funding Leverage***

In 2016, Skillnets was allocated €16.2 million from the National Training Fund. Skillnets operated a total of 63 networks across the Training Networks Programme (TNP), Finuas and ManagementWorks programmes during 2016. This included the associated Job Seekers Support Programme (JSSP), the Future Skills Needs Programme (FSNP) and the New Certified Programme Development (NCPD). During the year, a total of 14,263 enterprises were members of, or participated in, a Skillnets network or programme.

Overall, Skillnets remained within budget during 2016, with total expenditure, including network and other operating costs, amounting to €25.9 million (funded from the combined grant and enterprise matching contribution) versus a budget of €26.8 million. Network management costs (including ManagementWorks) remained significantly below the DES ceiling of 25% of network expenditure. At programme level, the TNP represented the majority (€19.8 million or 76.4%) of Skillnets' overall expenditure during 2016.

Skillnets achieved a matching company funding rate of 53.8% in 2016 relative to state funding of the TNP, Finuas, ManagementWorks and FSNP/NCPD programmes, implying that the state funding component for these programmes was 46.2%. This implies that in terms of leverage, for every €1 of State funding, Member Companies provided €1.16 of matching funds in 2016. While there is significance leverage at programme-level, the overall leverage ratio in 2016 was higher than recorded in 2015 (€1.05). Maintaining this positive trend will be important in maximising leverage and demonstrating value-for-money from a public expenditure perspective, but also in relation to mitigating the deadweight associated with publicly-funded training programmes.

The JSSP is a fully-funded programme (i.e. max. 100% grant available), supported through the National Training Fund. A total of 35 networks operated the JSSP during 2016, with overall programme spend amounting to €2.3 million. This was almost 21% lower than the level of JSSP spend in 2015, reflecting the declining demand for jobseeker training and the increased challenges faced by networks in finding and working with JSSP trainees.

#### ***Overall Performance – Training Activities***

Of importance in assessing whether value for money is achieved in the utilisation of National Training Fund supports concerns the activities, outputs and outcomes achieved from the expenditure of these funds. Overall during 2016, Skillnets delivered a total of 344,434 training days to 50,373 trainees across its in-employment and jobseeker training activities. These outcomes substantially exceeded – by 38% and 20% respectively – the targets set by the Department of Education and Skills of 250,000 training days and 42,000 trainees (although it is noted that the Department's targets have remained unchanged since 2015). Skillnets saw an annual increase of 3% in the overall number of trainees during 2016.

These overall achievements mask very significant variation between in-employment and jobseeker training activities. In-employment training, which represents the core of Skillnets' activities, accounted for 44,458 trainees and 277,701 training days (81% of overall training days) during 2016, and increased by 5% and 6% respectively compared with the levels recorded in 2015, while also exceeding the Department's (unchanged) targets for in-employment trainees and training days in 2016 by 31% and 42% respectively.

It is also noteworthy that the 5% growth recorded in the number of Skillnets' in-employment trainees compared with an increase of 2.9% in the overall level of employment across the Irish economy during 2016, suggesting that Skillnets increased its presence as a provider of training to those employed in the Irish economy.

In relation to jobseeker training, while Skillnets did not meet its target for the number of unemployed trainees, it did attain the DES target for jobseeker training on the basis of training days provided in 2016, surpassing the target by 21% to record a total of 66,733 jobseeker training days. The drop in unemployed trainee numbers in 2016 – which fell by 12% to 5,915 trainees – is likely to primarily reflect the continuing improvement in the labour market and the further decline in the Live Register as the broader recovery on the Irish economy continued.

### **Training Networks Programme (TNP)**

At programme level, the TNP remains Skillnets core programme delivering in-employment training across a wide range of sectors and skill requirements. Training activities are designed to meet the objectives of providing training that influences the transferability of skills, fosters company diversification or transferability within a sector or to another sector, facilitates increased performance and growth in priority sector and enhances the general competency skills of lifelong learners. Indecon's evaluation of the TNP indicates that the programme continued to meet these objectives and to receive positive stakeholder feedback during 2016. The key achievements of the TNP during the year were as follows:

- ❑ TNP main programme expenditure in 2016 amounted to €19.8 million (funded from the combined grant and enterprise matching contribution) in 2016, including new networks. This was deployed to fund 59 networks, which represents no change since 2015. However, it should be noted that the average expenditure per network rose from €321,433 in 2015 to €336,381 in 2016.
- ❑ In terms of Member Company co-funding, the funding leverage for the TNP programme increased substantially year-on-year. This implies further value-for-money from the perspective of central government. For every euro of public funds spent, Member Companies provided €1.20.
- ❑ The TNP served predominantly smaller firms, with micro enterprises (1-9 employees) making up almost half of Member Companies in TNP.
- ❑ The programme provided training to 41,335 in-employment trainees, representing an increase of 4% year-on-year. The number of training days provided to this cohort also increased to an even greater degree. In 2016, 238,792 training days were provided, which is equal to a greater than 7% increase over 2015 levels. It should also be noted that the growth in trainees has outpaced employment growth in the economy over the past two years.

- ❑ 97.5% of trainees examined were employed as of May 2017. This high level is welcomed but unsurprising given the cohort examined were in-employment during their training. This implies a high degree of employment retention in this cohort.
- ❑ TNP trainees have indicated generally high levels of satisfaction with the overall quality of in-employment training provided, however relatively lower levels of satisfaction were seen in relation to the ability of the training to foster networking with employees from other companies (61.8% very satisfied or satisfied).
- ❑ TNP Member Companies indicated strong levels of their views as to the overall quality of the training provided (96%), while 95% of companies considered the training to meet their expectations.
- ❑ Brexit-related outcomes were associated with high degrees of uncertainty by Member Companies. 42% of firms had already seen an impact from exchange rate fluctuations after the Brexit referendum in June 2016.
- ❑ In terms of cost-effectiveness, the costs to the state per trainee fell in 2016 to just above €200 per trainee. Conversely, the average cost to Member Companies per trainee has risen.
- ❑ Some indicative evidence of programme deadweight was identified during Indecon's survey research. It is important from the perspectives of maximising net impacts and value for money in the utilisation of public funding through the NTF that ongoing efforts are made to minimise this deadweight and to mitigate its impacts through maximizing member company matching funding.
- ❑ Skillnets' FSNP and NCPD programmes, as well as Pilot Networks, have played a significant role in addressing current and future skills needs in Ireland. These programmes reflect the dynamic nature of the Skillnets organisation. Proportional to overall expenditure, however, spending on these programmes is small. The creation of new courses with specific targeted objectives is of importance in ensuring Skillnets remains an industry-focused source of training. The specialised nature of these courses allows firms to take a long-term perspective and reduces the potential of course duplication with other providers.

### ***Finuas Networks Programme***

The Finuas programme provides training in specialist skills to enhance expertise in and the global competitiveness of the International Financial Services (IFS) sector in Ireland. Importantly in relation to the wider policy context, the programme is aligned with and integrated within the Government's strategy for the IFS sector, IFS2020. Finuas continued to be delivered across the Summit, Law Society and Aviation Finance networks during 2016, involving the participation of a total of 857 Member Companies. The key findings from the evaluation of Finuas activities during 2016 were as follows:

- ❑ Finuas' total expenditure in 2016 amounted to €1.8 million (funded from the combined grant and enterprise matching contribution), which is equal to 93.7% of total budgeted expenditure. In terms of funding leverage, Member Companies contributed 53% of total expenditure in 2016, exceeding public funding by 12.9%.
- ❑ Participating firms were mostly SMEs, with 82.5% of firms employing fewer than 50 people.
- ❑ The Finuas programme saw a large increase in the number of trainees served, as well as a moderate increase in the number of training days offered throughout 2016. 2,402 trainees

participated in 24, 209 training days, representing an average of 10.1 training days per trainee. This fell from an average 13.7 training days per trainee in 2015.

- ❑ Overall, Finuas trainees and Member Companies reported high levels of satisfaction with the programme in 2016. 78% of Member Companies were satisfied or very satisfied that the Finuas training overall met their expectations and addressed their business need. Similarly, 91% of trainees were very satisfied or satisfied with the overall quality of the training. A large majority of Member Companies were satisfied (65.2%) with the design and relevance of the training to their business needs, however only 17.4% firms were very satisfied.
- ❑ Finuas trainees had high levels of employment retention, which is indicative of the trainee cohorts' high qualification levels and the specialised nature of the programme.
- ❑ Indecon's primary research has highlighted the existence of positive career outcomes as a result of participation in Skillnets training. Most notable was the fact that a large number of Member Companies and trainees considered the programme as addressing a skills gap and encouraging future training.
- ❑ Findings from Indecon's survey research indicated that a minority of trainees and Member Companies would have accessed training of a similar quality elsewhere, which has implications for the programme in terms of potential deadweight.
- ❑ The impact of Brexit for Finuas Member Companies was seen as being significant, especially in relation to the level of uncertainty surrounding the outcomes of any decisions related to EU-UK trade. However, 21.7% of firms consider Brexit to offer a significant opportunity for their business to expand, however it should be noted that no business saw this as very significant.

### **ManagementWorks**

ManagementWorks has been delivered centrally from Skillnets' headquarters on a fully mainstreamed basis since 2013. The programme is designed to assist SMEs in improving their business performance through the provision of subsidised, tailored management development programmes supported by professional business mentors. The main findings from the evaluation of the programme's activities during 2016 can be summarised as follows:

- ❑ Overall, 95% of the target set out for ManagementWorks training days delivered in 2016 was met, while 88% of the target for trainee participation was achieved.
- ❑ Overall programme expenditure on ManagementWorks, at €1.6 million (funded from the combined grant and enterprise matching contribution) in 2016 was 15% below budgeted levels. While expenditures should be assessed alongside training targets, this level of underspend would raise continued concern regarding the level of effective reach of the programme. Underspend was also highlighted by Indecon in its 2016 evaluation and this underscores the importance of implementation of Skillnets' new strategy for Management Development training if reach and increased SME participation is to be achieved.
- ❑ There were 409 companies who participated in ManagementWorks in 2016, 98% of these were small to medium sized enterprises. However, the number of companies in 2016 compared with 491 companies in 2015 and 518 enterprises in 2013, indicating a 21% drop in participation over the 3-year period. This highlights a continued concern in relation to the effective reach of ManagementWorks, particularly when these developments are set against the context of the accelerating recovery in the Irish economy.



- ❑ Over 35% of member companies that responded to Indecon's survey research indicated that they are likely to increase staff numbers within the next 6 to 12 months as a direct or indirect impact of ManagementWorks.
- ❑ ManagementWorks Member Companies reported a positive impact of training on a wide number of business priorities such as addressing skills gaps, improving business processes and productivity, leadership development, managing self and managing the team.
- ❑ Over 90% of Member Companies considered ManagementWorks to be a 'value-for money' investment.
- ❑ On average 60% of Member Companies were very satisfied and a further 30% were satisfied with the broad features of training including design, relevance and quality of trainers.
- ❑ ManagementWorks Member Companies had mixed views as to the impact of Brexit on their business. 36% of those surveyed viewed the uncertainty around future trading arrangements as a very significant or significant issue and 32% viewed overall exposure to the UK market as very significant or significant.

### **Jobseeker Training Activities**

Skillnets provides a broad range of relevant, free training to unemployed people through a number of key programmes. The needs of unemployed people are addressed through integrated training with employees as part of TNP and Finuas courses, as well as conversion courses and work placements in areas of employment potential through the JSSP, which is a dedicated, fully-funded programme. Indecon's evaluation of Skillnets' jobseeker training activities during 2016 highlighted the following findings and conclusions:

- ❑ The overall number of trainees in main programme jobseeker training fell by 8.6% from 2015 to 2016. This was driven by a reduction in TNP jobseeker trainees. Their total training days in 2016 was 17,173 for TNP and 501 for Finuas. This includes non-contact training days.
- ❑ As with our previous evaluations, Indecon also completed a formal value-for-money assessment of the JSSP programme from the perspective of the Exchequer for the 2016 and 2015 period. This was based on primary survey research, desktop research, and internal Skillnets data. This analysis indicated that if a typical JSSP participant in 2016 found work and remained in employment for greater than 5.2 months, this would represent a net positive benefit for the Exchequer. Through our examination of the 2015 trainee cohort, the break-even point in terms of months in employment was estimated at four months. The evidence from the research among the 2015 cohort of trainees is that individuals who have found employment have typically been at work for between 12-13 months, suggesting that the 2015 programme is likely to have returned a significantly positive exchequer contribution.
- ❑ Over 40% of TNP/Finuas jobseeker trainees were unemployed for over one year and were therefore designated long-term unemployed.
- ❑ 45% of the main TNP/Finuas jobseeker trainees were either in paid employment or self-employed as of May 2016 following the completion of their training. Satisfaction levels were high among the trainees with various aspects of the quality and delivery of the training programme.



- ❑ 89% of TNP/Finuas jobseeker trainees indicated they would have encountered some degree of difficulty accessing similar training elsewhere were it the case that Skillnets was not available.
- ❑ Expenditure in the Jobseekers Support Programme (JSSP) amounted to €2.3 million in 2016. JSSP is primarily funded through a state grant; however, Member Companies can contribute to the programme on a voluntary basis.
- ❑ Over 50% of JSSP trainees were educated to NFQ Level 5 or lower. This meets the goals of the programme as this cohort is specifically cited by Skillnets as being a characteristic of a priority targeted unemployed group.
- ❑ 50.3% of JSSP trainees in 2016 were considered long-term unemployed (which is defined as an unemployment spell of greater than 12 months). Most notably, over a quarter of those surveyed were unemployed for greater than three years.
- ❑ Indecon's research suggests positive progression/employment outcomes among Skillnets jobseeker trainees, with 43% of 2016 JSSP trainees and 63% of 2015 trainees currently in employment (as at April/May 2016).

#### ***Stakeholder feedback from network managers and promoters***

The evaluation also considered the views of Network Managers and Promoters on aspects concerning the wider Skillnets networks model. Overall, managers and promoters continue to be positive and supportive of the enterprise-led Skillnets model, and overall satisfaction levels were generally strong.

Manager and promoters have also highlighted the impact of the accelerating economy on the demand for in-employment training, and the challenges involved in jobseeker training against the background of declining unemployment. Managers and promoters indicated a positive outlook for Skillnets' strategic goals for 2017, with the majority expecting some level of progress.

In the context of Skillnets' new strategy, of importance going forward concerns the capacity of networks to expand to meet increasing demand for training within the workforce. This will require new focus on capacity-building initiatives if networks are to be in a position to absorb any additional funding and drive new growth in in-employment training and, over time, in management development training.

### **Programme Deadweight**

As with previous evaluations, Indecon as part of this evaluation has also assessed the extent of deadweight present in Skillnets' training programmes. Deadweight relates to the instance where the outputs or outcomes of a programme would have occurred in the absence of the programme.

Overall, while the analysis indicated the presence of deadweight at varying levels across Skillnets' programmes, some deadweight will be present in all such programmes. Of importance is that ongoing efforts are maintained to ensure that this deadweight, and its impacts, are minimised as much as possible. This can be achieved through careful and appropriate design of the eligibility criteria for participation in the programme and design of the training itself. It is important that training is designed to be as specific and tailored as possible, so as to minimize the possibility that this training can be accessed from other providers.

## **8.2 Recommendations**

Based on the detailed evaluation and conclusions, a number of recommendations designed to further enhance the effectiveness and impacts of Skillnets programmes in the future have been identified by Indecon. These are set out in the table overleaf.

Table 8.1: Recommendations arising from Evaluation

No.	Recommendation
1.	Given the current rapid growth in enterprise formation and employment, a rigorous focus should be maintained by Skillnets on ensuring that the organisation can respond rapidly to provide relevant training that meets the sectoral skill requirements of the Irish economy and is aligned with government workforce and skills development policy.
2.	As part of ongoing review of the configuration of its training offering, Skillnets' Executive to ensure that training remains relevant to existing and emerging sectoral skill requirements, particularly in relation to in-employment training. This should include examination of the appropriate balance between lower and higher skills, transversal and STEM skills, retraining and customised/in-house training across different sectors, as well as responding to emerging specific sectoral needs (e.g. in the digital economy).
3.	Immediate priority should be given in Skillnets' programme configuration and funding calls to identifying and responding to staff- and management-level training needs to assist enterprises to prepare for Brexit. Given the scale and complexity of the challenge in the medium-term, consideration could be given to the establishment of a dedicated, cross-sectoral programme that exclusively addresses Brexit-related skills requirements. Any such programme should, however, be aligned with national policy, be subject to preliminary appraisal, and have a demonstrable capacity to respond to evolving enterprise needs.
4.	Additional focus and investment is required in relation to Network Capacity Building, to ensure that additional NTF funding that may come available to Skillnets can be deployed and utilised in an effective and efficient manner. This should include consideration of member company matching funding requirements, including the possibility of applying a differentiated approach across sectors to incentivise targeted capacity building, developing Skillnets brand awareness, boosting member company recruitment and retention, and enhancing network responsiveness to training demand.
5.	In enhancing its future Management Development training offering, Skillnets should place particular focus as part of its current reconfiguration in this area on ensuring effective/cohesive branding and marketing to expand reach and participation among SMEs, driving greater involvement of the networks, leveraging existing client relationships to develop repeat business, and ensuring that programme design is informed by the Skillnets SME Competency Framework.
6.	Given the changed labour market context and the organisation's transition to a reduced focus on jobseeker Training, Skillnets to ensure that future strategy in this area is designed to broaden its role in the activation space, as per the Government's Pathways to Work strategy. This should include extending the JSSP to other specific client groups who wish to play a more active role in the labour market, such as the under-employed and primary care-givers. Over time, jobseeker training strategy should also move towards a position where all such training is provided via dedicated funding channels, with Skillnets' main (TNP and Finuas) programmes focussing solely on in-employment training.
7.	Continued rigorous focus is required to ensure that Skillnets demonstrates value for money in the deployment of NTF funds. This should include continued development and implementation of measures to minimise programme deadweight and mitigate its impacts, including in relation to training design.
8.	Skillnets should ensure that appropriate Key Performance Indicators are updated and deployed to Skillnets management on an ongoing basis throughout the year to facilitate monitoring of the extent to which funding allocations are delivering on annual DES/NTF objectives and to inform decision-making on funding calls.
9.	Skillnets to maintain an ongoing rigorous focus on ensuring the quality of all its training outputs. This should include examination of quality accreditation and the application of quality measures/indicators across networks.
10.	Ongoing enhancement of the Sonraí system is required to reduce the labour-intensive nature of database inputs and to minimise or eliminate duplication of network-level inputting requirements between Sonrai and other reporting systems.
Source: Indecon	

### 8.3 Overall Conclusions

Overall, this evaluation found that Skillnets' core TNP, Finuas and ManagementWorks programmes continued to meet their broad objectives during 2016. The impact of the accelerating recovery in the Irish economy is evidenced in the increased demand and growth in training activity, with Skillnets delivering a total of 344,434 training days to 50,373 trainees – exceeding the overall targets set by the DES by 20% and 38% respectively.

The evaluation has also highlighted continued positive employment retention and progression outcomes for trainees. Indecon's research also shows that TNP and Finuas Member Companies and trainees continue to report high levels of satisfaction in relation to key aspects including relevance of training, quality, contribution to learning and personal development, and value for money. This positive feedback is important in the context of ensuring alignment with the requirements of the National Training Fund.

ManagementWorks continues to be well-received among SMEs. However, the continued decline in participation levels among SMEs indicates that demonstrating sufficient awareness and reach, and converting this into demand/participation levels, will need to be key areas of focus under Skillnets' new strategy in relation to Management Development training.

As well as expanding on its core mandate through a 6% growth of its in-employment training, the organisation also continued to contribute to the Government's Action Plan for Jobs through training provided to a total of 5,915 jobseekers. Jobseeker training has, however, continued to decline in relative terms as in-employment training has accelerated, reflecting the wider economic and labour market turnaround.

Going forward, key challenges for Skillnets will include the need for a rigorous focus on ensuring relevancy and quality of training, developing capacity within the networks to respond rapidly to increasing demand, and continuing to demonstrate value for money in the deployment of NTF funds.