

Evaluation of Skillnet Ireland in 2019-2020

Final Report

Submitted to

Skillnet Ireland

Prepared by

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Executive Summary

Introduction

This report provides an independent evaluation of Skillnet Ireland’s programmes during 2019-2020. Skillnet Ireland is the State’s business support agency responsible for advancing the competitiveness, productivity, and innovation of Irish businesses through enterprise-led workforce development. The main supports delivered by Skillnet Ireland during this period can be summarised as follows:

- ❑ The Training Networks Programme (‘TNP’), which is a core Skillnet Ireland Programme based on a decentralised model, which aims to enable industry to take a leadership role in identifying and addressing workforce development opportunities and challenges.
- ❑ The Future Skills Programme (‘FSP’), the aim of which was to facilitate the supply of the emerging and future skills required by industry, by addressing workforce skills gaps as well as gaps in existing provision.
- ❑ In 2020 Skillnet Ireland partnered with the Small Firms Association to create MentorsWork, an initiative that connects SME business owners and managers with experienced mentors to address specific business issues on a one-to-one basis.
- ❑ The Employment Activation Programme (‘EAP’) was a dedicated programme designed for people who are not in employment. The aim of the programme was to broaden and deepen the talent pool available to enterprise, and to increase the employability of learners and their potential to secure employment.
- ❑ The Clear Customs Programme was initiated in 2019, aimed at boosting capacity in the custom intermediary sector and amongst many SMEs that regularly trade with or through the UK. Clear Customs was designed in partnership with Enterprise Ireland, and industry bodies in the logistics, transport, and exporting sectors.
- ❑ ReBounce Programme was developed following the introduction of the ‘Return to Work Safely Protocol’ in 2020. The aim of the programme was to make COVID-19 protocol training available to business owners and managers throughout the four phases of the Government Roadmap.

Effectiveness and Efficiency

The last number of years have seen a significant growth in funding allocated to Skillnet Ireland under the National Training Fund administered by the Department of Further and Higher Education, Research, Innovation, and Science. This has enabled the organisation to achieve a substantial expansion in its enterprise membership base and reach among SMEs, and to provide a diverse range of workforce development supports.

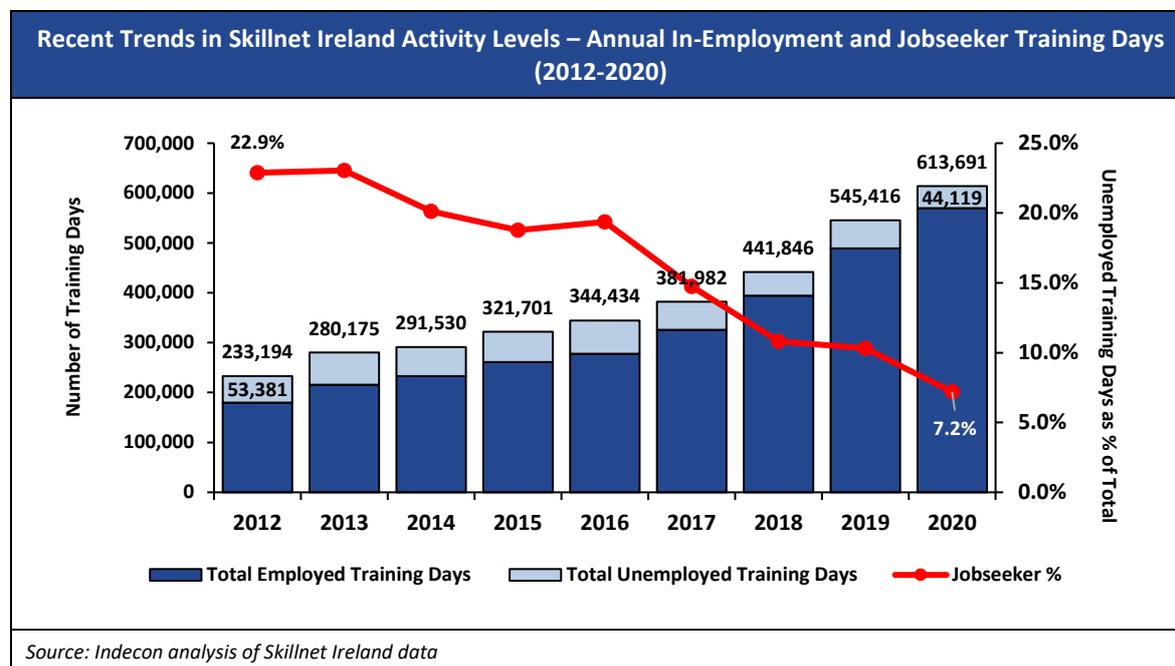
In 2020, Skillnet Ireland supported a total of 24,370 enterprises – a membership base which increased by almost 32% compared to 2019 as the organisation played an important role in channelling supports to SMEs during the COVID-19 pandemic.¹ The vast majority (94%) of member enterprises in 2020 were SMEs and these firms represented 8.3% of the overall population of SMEs in Ireland.

The rapid growth of Skillnet Ireland over the last decade has mirrored the expansion of the Irish economy and workforce. In 2020, the organisation delivered a total of 613,691 training days² to persons in employment and to jobseekers, representing an increase of 163% since 2012. 93% of training days in 2020 were provided to in-employment learners, while 7% were jobseeker training delivered through the Employment Activation

¹ These includes 2,600 companies that participated in information briefings throughout 2020, with many webinars delivered through the ‘Rebound - Back to Work Safely’ initiative.

² This includes 43,000 days related to information briefings and industry-specific events.

Programme. This was at a time of strong employment growth and falling unemployment nationally, particularly from 2013 as the economy gradually recovered from the financial crisis in 2007/2008. Skillnet Ireland's role in supporting jobseekers has evolved over the last decade as the economy has recovered since the financial crisis, with the prior education level of trainees falling as the rate of unemployment in the economy fell.



Enterprise funding accounted for 47% of total network funding in 2019 and 35% of network funding in 2020. This reflected a reduction in the required matched contribution rate from 50% to 40% of grant funding on the TNP programme. The change in the rate of matched funding was introduced in 2019 in an effort to increase firm participation and acquisition. The subsequent rise in the number of businesses who participated in training in 2019 would suggest this may have worked, though a longer time period will be needed to assess the role this has played. Assessed in terms of funding leverage, Indecon's analysis indicated that, for every €1 of public/NTF funding allocated during 2019 and 2020, member companies provided €1.15 and €0.68 of matching funding, respectively. The rate of match funding was lower during 2020 as higher rates of State support were provided to assist SMEs during the COVID-19 pandemic.

Skillnet Ireland's funding model allows Networks to apply management costs at a rate of up to 25% of the total budget. Network management costs stood at 20% and 19% of total expenditure for 2019 and 2020, respectively. Management costs increased by 10% between the two years, reflecting increases in activity levels.

An important measure of cost-effectiveness is the unit cost of training delivery. Core (TNP) training delivery unit costs have remained stable in recent years, as have those of EAP provision. The rate of increase in the unit costs of TNP from 2017-2020 is lower than other national measures of services inflation, for example the Services Producer Price Index ('SPPI') and the education components of the Consumer Price Index. In terms of Management Development training, 2020 was the first year that Mentors Work was trialled, and reliable unit costs of management training need to be assessed when the programme is more established.

Consistency with Government Policy

An important issue concerns the consistency between Skillnet Ireland’s operations and government policy in relation to workforce development. The organisation is tasked with actions in a number of government reports and policy statements, demonstrating the increasingly important role played by Skillnet Ireland in meeting various policy challenges regarding workforce development and talent availability in Ireland. These include sector-specific strategies (e.g., Building Innovation; Foodwise 2025 Together for Design); strategies which focus on technology and digital skills (e.g., Technology Skills 2022; National Cyber Security Strategy); and more general strategies relating to overall national policy goals (Ireland's Competitiveness Challenge 2020). Notably, Skillnet Ireland is referenced in the National Skills Strategy as an important model that enables employers to determine their common skills needs, as well as providing a flexible and effective framework for supporting learning outside of traditional education and training structures.

Relevance and Responsiveness

Business managers reported that the training offered by Skillnet Ireland was relevant to their needs. Most companies reported that they were adequately supported with their talent development needs, and that these supports were relevant to the company’s industry. A large majority of member companies strongly agreed or agreed that networks met their talent development needs. Network Managers also reported positive views on the impact of Skillnet Ireland training and on the impact of the Network.

Specifically of note was that the emergence of the COVID-19 pandemic in early 2020 resulted in a number of challenges to businesses, but also to Skillnet Ireland itself in the way that training could be provided given the requirements of public health restrictions, while ensuring that networks had the flexibility to boost management capacity in areas such as business continuity, cashflow management, financial planning, supply chain management, employee relations, and in the longer term, in business re-modelling, product/service innovation and preparation for the recovery. Skillnet Ireland also introduced the ‘ReBounce’ scheme to make COVID-19 protocol training available to business owners and managers throughout the four phases of the Government Roadmap. Over one-third of businesses (35%) surveyed availed of Skillnet Ireland supports to help them respond to the COVID-19 pandemic.

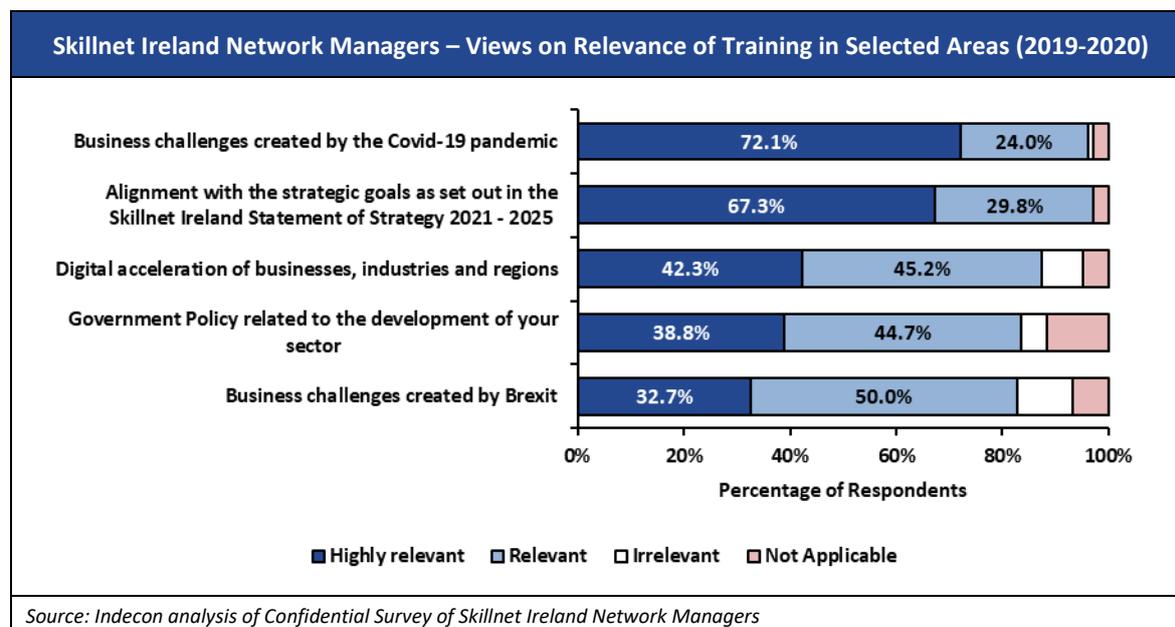
The Clear Customs Programme was initiated in 2019, aimed at boosting capacity in the custom intermediary sector and amongst many SMEs that regularly trade with or through the UK. The programme supported businesses via a mobile app with engaging and easy-to-navigate content on customs declarations completions. Most participants found the training relevant and effective, with most respondents rating the training highly. Respondents also reported that the training gave workers specific and relevant instruction for working with customs challenges.

Skillnet Ireland has made several contributions to the area of digital skills and the advancement of digital skills in the future of work. Specifically, it supported research into the demands for such skills in Ireland, including the skills outlined in the transformation agenda. Further, the Technology Ireland ICT Skillnet network has played a role in responding to skills identified in the Expert Group on Future Skills Needs research on High Level ICT Skills³, a set of studies which have also informed consequent Government ICT Skills Action Plans. Skillnet Ireland also held key roles in the development of postgraduate courses in ICT skills, with the development of Ireland’s first MSc programme in Artificial Intelligence by the Technology Ireland ICT Skillnet, as well as further programmes such as “the Internet of Things”, “Cybersecurity (the Cybersecurity Skills Initiative)”, “Cloud Computing” and “Blockchain”.

In 2020 Skillnet Ireland partnered with the Small Firms Association to create the MentorsWork programme to connect SMEs with experienced mentors to address specific business issues on a one-to-one basis. This virtual mentoring programme was designed specifically to tackle immediate issues companies faced because of

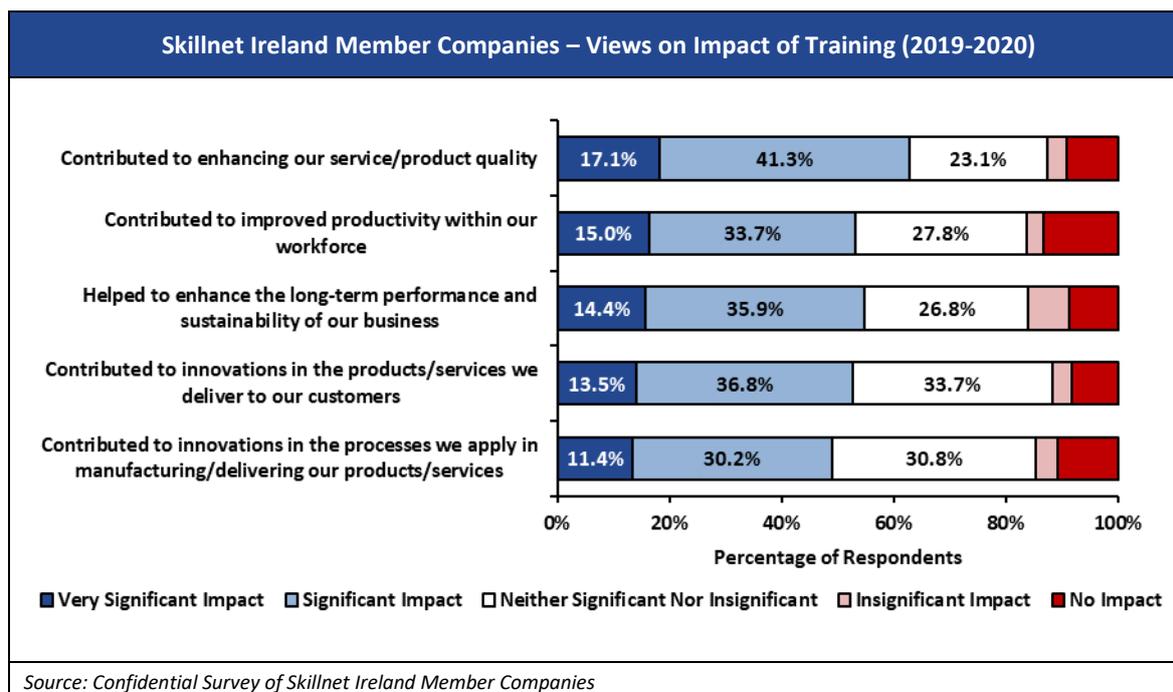
³ More information about this study is available here: <http://www.egfsn.ie/all-publications/2019/high-level-ict-demand-forecast-2017--2022.html>

COVID-19, as well as supporting them with long-term planning. In Indecon’s survey of participants, training received through Mentors Works was reported as being highly relevant to participants, with access to mentors especially beneficial.



Training Impact

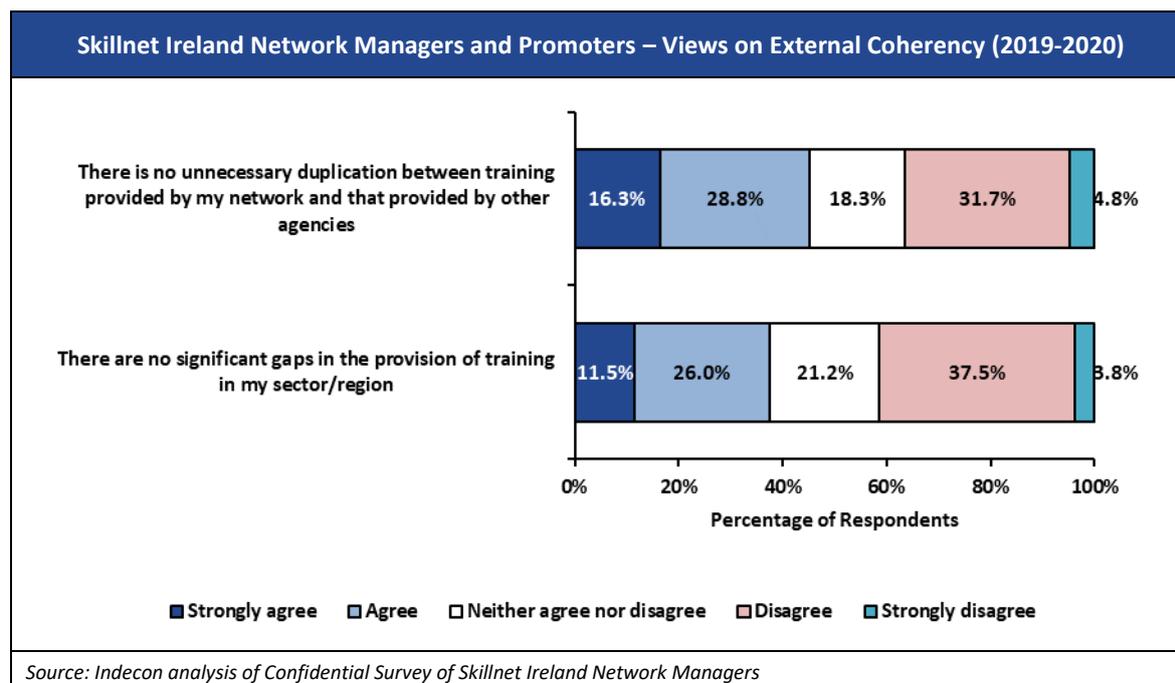
A key element of this evaluation is to assess the impact that training has had on member companies. The survey of member companies indicates that participation in Skillnet Ireland training in the 2019 -2020 period is associated with enhancing the business’s product or service quality, improving productivity, and enhancing long-term business performance. The next figure shows that 58% of managers believed that training enhanced the firms service quality or product quality. The results expressed for other measures of impact, notably in terms of product or service innovation or the long-term sustainability of the business, showed that around half of firms indicated that Skillnet Ireland training had contributed either significantly or very significantly.



The positive view on the impact of training was reported across firms of different size. The survey evidence shows that more than 80% of firms in each of the relevant size categories, from the smallest (1-9 employees) to major employers of more than 250 people, stated that they agreed or strongly agreed that supports provided by their network adequately met their talent development needs.

Coherency of Supports Delivered

The coherence of the training offered by Skillnet Ireland can be thought of as internal or external. Coherence of training can be considered as being “internal”, i.e., with respect to Skillnet Ireland’s initiatives and Business Networks. External coherence, in contrast, can be considered an indication of the level of complementarity and alignment between Skillnet Ireland and other external enterprise agencies. Network Managers and Promoters reported that there was a greater chance of duplication or gaps emerging between agencies, rather than between Skillnet networks. Almost three in five Networks Managers and Promoters stated that there was no unnecessary duplication among Skillnet Networks or other initiatives. A large majority reported that they had information within Skillnet Ireland on activities, strategic supports, etc. They also believed that they were provided with the required business advice to help their network deal with industry needs. Given the increased focus of Government investment in workforce development in the last number of years, there is an increasing possibility of duplication between Skillnet Ireland’s provision, and that of other agencies. Network Managers and Promoters, who have a key role in attracting and retaining businesses, were broadly split between those who felt that there were no significant or gaps, and those who felt that they were. This indicates a greater level of concern for external coherency (i.e., vis-à-vis external agencies) as compared with internal coherency, (i.e., between different Skillnet Networks). There is some indication that there might be more gaps in relation to the provision of training in manufacturing/construction, and agriculture.



Sustainability

An important issue concerns the sustainability of the Skillnet Ireland model over time. The 2019 to 2020 period saw significant growth for Skillnet Ireland. In this context, the sustainability of Skillnet Ireland can be thought of as ensuring that the quality and impact of training is sustained and enhanced as activity increases, as well as addressing the potential for future growth. Successive evaluations of Skillnet Ireland activities since 2013 have noted that a consistently high proportion of firms believed that they would experience a high level of difficulty in accessing training of a similar quality elsewhere. This finding has remained even as the number of member enterprises and the quantity of training delivered have expanded.

Another indicator of the sustainability of the Skillnet Network model is the extent of long-term membership among enterprises. 43% member firms surveyed by Indecon as part of this evaluation indicated that they had been members of a Skillnet Ireland network since 2016 or earlier while 52.4% were members since 2017 or earlier.⁴

Indecon's research also found that Network Managers and Promoters are optimistic about demand for Skillnet Ireland's training among employers. Almost all managers see their Network as impactful in the wider sectors in which they operate, with over 90% of managers agreeing that they have established contacts, achieved results, and supported wider Skillnet Networks in achieving their results. A large majority (72%) of managers also indicated their agreement that the current model supports the viability of their Network. They also report that they do not have a significant problem raising matching finance from business.

Employment Activation Programme

The Employment Activation Programme ('EAP') is a dedicated programme designed for people who are not in employment.⁵ The aim of the programme is to broaden and deepen the talent pool available to enterprise,

⁴ As with all surveys, the response may have been influenced by a selection effect, with firms who are longer-term members of a Skillnet Network more likely to respond to this survey than those who are not.

⁵ In 2020 EAP was re-designed into Skills Connect, a programme which is still operational but not included in this evaluation.

and to increase the employability of learners and their potential to secure employment. The total number of unemployed trainees participating in the EAP has been declining since 2015, with 2019 figures two-thirds lower than in 2015. The decline in the number of jobseeker trainees since 2015 was faster than the overall fall in unemployed numbers of 51% from 2015-2019, indicating an increased focus of Skillnet Ireland activities in in-employment training. The increase in unemployed trainees in 2020 may stem from the restrictions resulting from by the COVID-19 pandemic.

EAP Participants reported a range of benefits from the EAP programme of relevance to labour market activation. A majority of 90% believed that the training improved their confidence and their self-esteem, while 87% believed it enhanced their CV.

Many EAP participants had long spells of unemployment before taking part in the training programme. Indecon's research indicated that over 30% were long-term unemployed (defined as unemployed for 12 months or longer) prior to undertaking their EAP.

The public health restrictions introduced in the wake of the emergence of the COVID virus lockdown also impacted the participants' ability to take part in work placement. Approximately 12% of trainees could not complete work placement because of lockdown and 26% could not complete work placement because of other reasons.

Despite these challenges, the EAP brought several objective and subjective benefits to trainees. 78% of respondents to Indecon's research reported that they were in employment at the time of completing the survey. Eight percent were unemployed, while the remainder were not engaged with the Irish labour market (training, emigration, etc.). Participants also reported high levels of satisfaction with the programme and its delivery with 88% being satisfied or very satisfied with the delivery of training, and 87% believing that training met their overall expectations.

Conclusions and Recommendations

The purpose of this evaluation was to assist Skillnet Ireland in understanding its overall achievements, challenges and areas for improvement based on funded initiatives implemented between 2019 and 2020. A summary of Indecon's overall conclusions is presented below.

Key Conclusions from Evaluation	
1. Relevance	2019-2020 saw significant growth for Skillnet Ireland, despite coinciding with a period of unprecedented social and economic turmoil caused by COVID-19.
2. Effectiveness	Skillnet Ireland met and exceeded key targets set by Government, while also addressing unforeseen circumstances.
3. Efficiency	Unit costs of training were little changed in the period up to 2020 though leverage declined, while firms rated the value for money of training highly.
4. Impact	Member companies reported strongly positive views on the impact of Skillnet Ireland training, including on productivity, innovation and workforce development.
5. Coherence	Provision of training across Skillnet Ireland channels viewed as coherent, though external coherency may become a more significant issue.
6. Sustainability	Strong growth in supported businesses in recent years, with continued confidence among network managers of continued growth.
<i>Source: Indecon</i>	

A summary of Indecon’s recommendations from our detailed evaluation of Skillnet Ireland activities in 2019 and 2020 is presented below.

Recommendations	
1	Realise potential to scale further, to help drive the workforce development agenda in Ireland.
2	Enhance external coherency of training and education offer, including with a focus on middle/high level skills.
3	Facilitate development of further strategic partnerships, identifying opportunities to build new partnerships domestically and internationally.
4	Support companies to navigate training offered, through expanded advisory and other services available to companies through Skillnet Business Networks or other means.
5	Support development of micro credentials.
6	Seek to scale management and leadership training.
7	Continue to review activation programme investment levels and activities, and the appropriateness of the work placement model.
8	Continue to enhance data on company impact.
<i>Source: Indecon</i>	

1 Introduction, Background and Methodology

1.1 Introduction

This report is submitted to Skillnet Ireland by Indecon International Economic Consultants. The report provides an independent evaluation of Skillnet Ireland's programmes during 2019-2020.

1.2 Background and Overview of Skillnet Ireland

Skillnet Ireland is the state's business support agency responsible for advancing the competitiveness, productivity, and innovation of Irish businesses through enterprise-led workforce development. Established in 1999, Skillnet Ireland works with businesses to develop demanded skills and talents in Ireland by supporting businesses and sectors by providing skills and training which are hard to develop at a firm level. The agency facilitates the growth of productive businesses in Ireland by enabling workforce planning, workforce development, and workforce innovation. Skillnet Ireland receives public funding through the National Training Fund ('NTF'), which is a dedicated fund to support the training of those in employment, as well as individuals who are seeking employment. In addition to National Training Fund funding, Skillnet Ireland channels funding into its training programmes via funding provided by businesses that participate within Skillnet networks.

During 2019 and 2020 an investment of close to €100 million was made by Skillnet Ireland, facilitating participating businesses to deliver training and upskilling initiatives to over 70,000 individuals across more than 18,000 companies each year. This evaluation examines Skillnet Ireland's activities delivered under the following six programmes:

- Training Networks Programme (2019 – 2020), the main Skillnet Ireland training programme for employed participants.
- Future Skills Programme (2019 -2020), a more focused training programme which works in partnership with universities and institutes of technology.
- Mentors Work (2020), a programme designed to help SMEs with COVID-19 and Brexit challenges through mentorship.
- Employment Activation Programme (2019 - 2020), a training programme for the unemployed.
- Clear Customs (2019 – 2020), a training programme designed to help with the bureaucratic challenges of Brexit.
- ReBounce (2020), a training programme designed to help with the health and safety challenges of COVID-19.

1.3 Scope and Terms of Reference for Evaluation

This independent evaluation of programmes managed by Skillnet Ireland covers the period 2019 to 2020, which represents a departure on the previous practice of conducting annual reviews. The purpose of this evaluation is to assist Skillnet Ireland in understanding its overall achievements, challenges, and areas for improvement based on funded initiatives implemented between 2019 and 2020. The evaluation analyses Skillnet Ireland's performance across the following thematic areas:

1. Impact, as measured by the extent to which Skillnet Ireland contributed to:

- Innovation within business and at industry level.
- Business performance and productivity.
- Employee engagement and employment retention.
- Workforce capacity building.
- Talent development for the future needs of business and industry.

2. Relevance, as measured by the level of:

- Responsiveness of Skillnet Ireland to the business challenges created by the COVID-19 pandemic.
- Responsiveness to the prevailing socio-economic context including Brexit, Ireland's FDI landscape, the digital acceleration of business and changes within the labour market.
- Alignment with the needs of Skillnet Ireland's intended beneficiaries, with primary focus on enterprise and industry.
- Consistency with Government policy and strategies relating to economic, sectoral and regional development.
- Readiness/alignment of Skillnet Business Networks with the Skillnet Ireland Statement of Strategy 2021 - 2025.

3. Coherence, as measured by the level of complementarity and alignment:

- Between Skillnet Ireland and other enterprise agencies regarding business enablement, innovation, transformation, and talent.
- Across Skillnet Ireland's initiatives and Business Networks.

4. Effectiveness, as measured by the level of progress in:

- Delivering agreed activities and outputs.
- Achieving desired results/outcomes for beneficiaries with a key focus on enterprise and industry.
- Supporting Skillnet Business Networks to deliver their objectives.

5. Efficiency, as measured by the extent to which:

- Financial resources were managed efficiently.
- Skillnet Ireland's initiatives delivered good value for money.

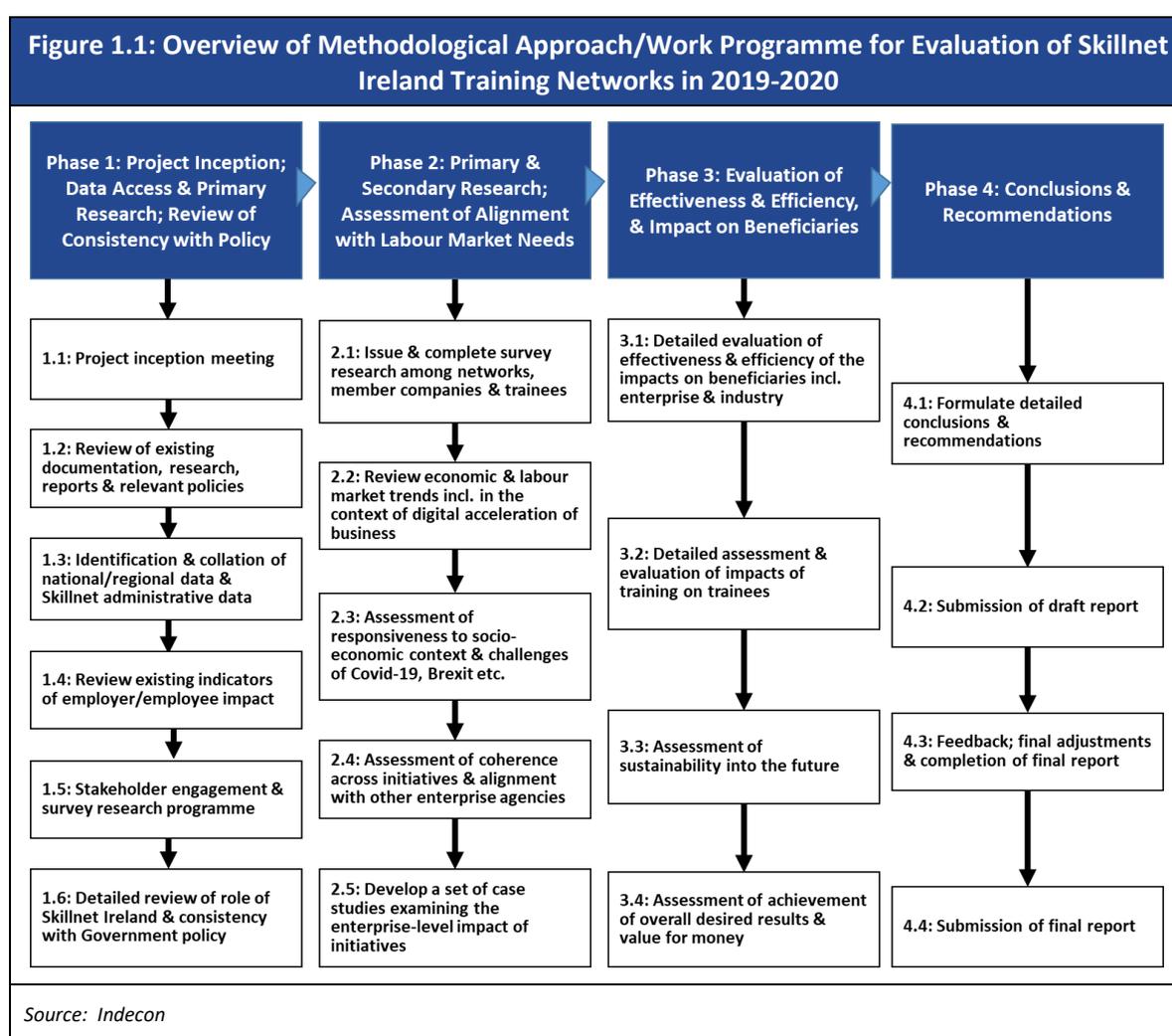
6. Sustainability, as measured by the extent to which:

- Skillnet Business Networks have been successfully supported to sustain results over time.

- Flagship Business Network initiatives supported by Skillnet Ireland have the potential to scale.
- The Skillnet Business Network model remains sustainable given the pace of change within industry, the transformation of talent development and the business implications arising from the future of work.

1.4 Methodological Approach to Evaluation

A rigorous methodology was applied in completing this evaluation, designed to ensure an independent examination of Skillnet Ireland’s programmes during 2019-2020, in line with the above terms of reference. An overview description of the methodological approach to completing the evaluation is presented in the figure below.



This evaluation has been informed by an extensive programme of consultations and primary research, based on a number of components. The key components are described overleaf.

Survey Research Programme

An extensive programme of primary or survey research has been completed across three cohorts of Skillnet Ireland stakeholders and users. The evaluation of 2019/2020 activities placed a strong focus on company-level analysis, and as such the survey research was broken down as follows:

1. Survey of Skillnet Ireland Member Companies in 2019 and 2020:
 - Detailed survey for companies who had a more significant engagement with Skillnet Ireland networks relative to their size
 - Shorter survey for companies who had less significant engagement with Skillnet Ireland networks relative to their size
 - Survey of Skillnet Ireland companies who engaged in Clear Customs
 - Survey of Skillnet Ireland Member Companies who engaged in MentorsWork
2. Survey of Network Managers and Promoters
3. Survey of Employment Activation Programme Trainees in 2020

Each survey was designed in collaboration with Skillnet Ireland and conducted online via SurveyMonkey. Survey fieldwork was undertaken between 9th May and 26th May 2022, with reminders issued during this period to maximise response numbers. A summary of the number of survey invitations issued and the associated numbers of responses and response rates achieved is presented in Table 1.1. Indecon is pleased with the number of responses and response rates attained, which provided a strong basis on which to inform the evaluation. Of particular note is the number of responses from enterprises (745), which represents a 60% increase on the last evaluation of Skillnet Ireland activities conducted in 2019, and which provides a very robust basis on which to derive conclusions.

Table 1.1: Evaluation Surveys – Breakdown of Response Numbers and Response Rates			
	Number of Surveys Issued	Number of Responses	Response Rate
1. Network Managers and Promoters	133	103	77.4%
2. Member Companies (Detailed)	3,204	178	5.6%
3. Member Companies (Short)	6,558	367	5.6%
4. Member Companies (Clear Custom)	1,264	141	11.1%
5. Member Companies (MentorsWork)	422	59	13.7%
6. Employment Activation Programme Trainees in 2020	4,146	332	8.0%
<i>Source: Indecon</i>			

The strong response to the surveys helps to ensure that the views expressed are broadly representative of members firms generally. However, it should also be noted that surveys of this

type are likely to be affected by differential response rates from different respondents (in the case of this study, businesses and EAP learners). For example, many surveys report higher completion rates among larger firms than smaller firms. To tackle this, Indecon developed a dual approach to surveying firms, with a high proportion of small firms of this size receiving a much shorter version of the survey to maximise completion rates. This appears to have had success. In the present survey, from Skillnet Ireland data 52.5% of firms had 0-9 employees, firms of this size represented only a slightly lower (44%) proportion of survey respondents. However, the very high response rate of Network Managers and Promoters (77%) is notable, with views from 86% of networks represented in the responses.

Data Sources

The analysis in this evaluation was supported by access to a range of data sources. Sources have been provided for each individual table and figure presented throughout. Sources used include data from Skillnet Ireland's Sonraí database as well as financial data.⁶ In addition, external data sources included Central Statistics Office ('CSO') labour market data, SOLAS national skills database, and the EU Survey on Income and Living Conditions.

Consultation Programme

The evaluation process included engagement with a range of internal Skillnet Ireland and external policymakers and other stakeholders. This included both meetings and written submissions. These consultations provided valuable inputs from Skillnet Ireland main board members and senior management, as well selected key government officials and senior management within state agencies, on a range of aspects of the terms of reference, in addition to potential options for the future enhancement and development, and effective management, of the organisation's programmes. Indecon also conducted three case studies to illustrate specific aspects of Skillnet Ireland activities. This involved additional contact and interviews where relevant with participants, as well as additional data analysis in terms of both Skillnet Ireland's own data as well as the survey data.

A list of key stakeholders and organisations engaged with are listed in Table 1.2 below.

⁶ Sonraí is a live system and Networks can update the information on ongoing basis, hence some differences can be observed between data in this report compared to Skillnet Ireland's annual reports.

Table 1.2: Consultation Programme – Stakeholders Engaged

Stakeholder	Role	Engagement
Marcus Breathnach, Alan Power, Don O'Connor	Department of Enterprise Trade and Employment	Meeting
Breda O'Toole, Aisling Soden	IDA	Submission
Jonathan McMillian	Enterprise Ireland	Submission
Mark Jordan	Chief Technologist, Skillnet Ireland	Meeting
Liz Thomas	Head of Strategic Projects, Skillnet Ireland	Meeting
Caoimhe O'Donnell	Development Advisor, Skillnet Ireland	Meeting
Thomas Cooney	Evaluation & Performance Monitoring Committee (Chair), Skillnet Ireland Board	Meeting
Hubert Fitzpatrick	Board Member, Skillnet Ireland	Submission
Carmel Kelly	Network Excellence Group (Chair)	Meeting

Source: Indecon

1.5 Report Structure

The remainder of the report is structured as follows:

- Section 2 provides an overview of activity of Skillnet Ireland over the period 2019-2022 and assesses effectiveness and efficiency.
- Section 3 examines the relevance of training activities, including the role Skillnet Ireland plays in helping address Government policy.
- Section 4 assesses the impacts of training, including with respect to business innovation, output and productivity.
- Section 5 assesses the coherence of training provided both internally (e.g., between different networks) and externally (given the training offered by other state agencies).
- Section 6 examines the sustainability to maintain and scale the quantum of training offered, while maintaining quality.
- Section 7 specifically examines the experience of EAP (unemployed) learners.
- Section 8 summarises the key conclusions from the evaluation and also presents recommendations.

1.6 Acknowledgements and Disclaimer

Indecon would like to acknowledge the co-operation, assistance and inputs provided by Skillnet Ireland during the course of this evaluation, in particular Dave Flynn (Director of Business Networks) and Kasia Pilat (Performance and Evaluation Manager). We would also like to thank the other members of the Skillnet Ireland Leadership Team, including Paul Healy (CEO), Simon Murtagh (Chief Operating Officer) Tracey Donnery (Director of Policy and Communications), and Mark Jordan (Chief

Strategy Officer). We would also like to express our gratitude to Liz Thomas (Head of Strategic Projects, SI); Caoimhe O'Donnell (Development Advisor, SI); Thomas Cooney (Chair of Evaluation & Performance Monitoring Committee, SI Board); Hubert Fitzpatrick (Board Member, SI); Carmel Kelly (Chair Network Excellence Group); Marcus Breathnach, Alan Power and Don O'Connor (Department of Enterprise Trade and Employment); Breda O'Toole and Aisling Soden (IDA Ireland); Jonathan McMillian (Enterprise Ireland); and Small Firms Association. Last but not least, we would also like to express our gratitude to businesses participating within Skillnet Networks, learners, and Network Promoters and Managers throughout the country who responded to Indecon's survey research. We would especially like to thank those Network Managers and Promoters who also provided inputs to the case studies, in particular Gareth Lee Sean Smith and John Phelan (Animation Skillnet), and Dee Timoney and Caroline Cawley (itag Skillnet). **The usual disclaimer applies and the analysis and findings in this independent report are the sole responsibility of Indecon.**

2 Effectiveness and Efficiency of Activities

2.1 Introduction

In this section we review the effectiveness and efficiency of the activities of Skillnet Ireland, in particular by assessing the extent to which activity and output targets agreed with the Department of Further and Higher Education, Research and Innovation were met. This includes a discussion of the extent to which Skillnet Ireland activities achieved desired results/outcomes in terms of accreditation. A full discussion of the impact of training on company beneficiaries is set out in Section 4. This Section will also assess the extent to which financial resources were managed efficiently, and that Skillnet Ireland's initiatives delivered good value for money.

2.2 Outline of Programmes Offered

In this opening section we provide a brief description of the programmes operated by Skillnet Ireland in 2019 and 2020.

- **Training Networks Programme (2019 - 2020):** The Training Networks Programme ('TNP') is a core Skillnet Ireland Programme based on a decentralised model, which aims to enable industry to take a leadership role in identifying and addressing workforce development opportunities and challenges. It aims to generate highly specialised knowledge on skills and talent related issues, to facilitate a better alignment between labour market needs and the response delivered to meet those needs. In 2020, Skillnet Ireland introduced a three-year programme, TNP 2020-2022, providing Networks with a line of sight of core funding over a three-year timeframe. TNP offers up to 60% grant funding for the delivery of a range of activities.
- **Future Skills Programme (2019 - 2020):** The aim of the Future Skills Programme ('FSP') was to facilitate the supply of the emerging and future skills required by industry, by addressing workforce skills gaps as well as gaps in existing provision. The Programme aimed to facilitate innovation and collaboration between business, higher education institutions, industry training providers and other stakeholders. Activities funded through the FSP had to demonstrate a clear demand from enterprise, identify a proven gap in supply, and represent an innovative response in terms of programme design and effectiveness. The accreditation of new programmes was not a requirement however was strongly encouraged. Costs associated with new programmes were grant funded up to 80% through the Future Skills Programme.
- **MentorsWork (2020):** In 2020 Skillnet Ireland partnered with the Small Firms Association to create MentorsWork, an initiative that connects SME business owners and managers with experienced mentors to address specific business issues on a one-to-one basis. This virtual mentoring programme was designed as 'bootcamp mentoring' specifically to tackle 'right now' issues companies faced because of COVID-19, as well as supporting them with long-term planning. It is aimed to be tailored to the priority areas of the participating business. MentorsWork is a free, structured 12-week business-support programme, comprising an integrated approach of mentoring and targeted learning opportunities. It supports private sector businesses based in Ireland with between five and 250 employees.

- **Employment Activation Programme (2019 - 2020):** The Employment Activation Programme ('EAP') was a dedicated programme designed for people who are not in employment. The aim of the programme was to broaden and deepen the talent pool available to enterprise, and to increase the employability of learners and their potential to secure employment. The programme aimed to provide skills that are in demand by industry combined with direct access to employers and the workplace. EAP Programmes incorporated training or education, and work-based learning (e.g., work placement, unless otherwise agreed with Skillnet Ireland), designed to maximise opportunities to progress into employment.
- **Clear Customs (2019 - 2020):** The Clear Customs Programme was initiated in 2019, aimed at boosting capacity in the custom intermediary sector and amongst many SMEs that regularly trade with or through the UK. Clear Customs was designed in partnership with Enterprise Ireland, and industry bodies in the logistics, transport, and exporting sectors - the Chartered Institute of Logistics and Transport ('CILT'), Irish Exporters Association and Irish International Freight Association. The programme supported businesses via a mobile app with engaging and easy-to-navigate content on customs declarations completions. Online learning was delivered by expert customs practitioners and was complemented with virtual classroom sessions.
- **ReBounce (2020):** ReBounce Programme was developed following the introduction of the 'Return to Work Safely Protocol' in 2020. The aim of the programme was to make COVID-19 protocol training available to business owners and managers throughout the four phases of the Government Roadmap. The funding was provided through Future Skills Programme call for proposals on 100% funding basis. Funding was primarily available for the delivery of training and related learning supports. ReBounce consisted of webinar training and information sessions structured across three levels, with nine unique webinar sessions. Additionally, many Skillnet Business Networks offered targeted online ReBounce programmes to assist businesses in sectors facing particular challenges.

2.3 Overview of Activity

We begin by setting out financial outlays by Skillnet Ireland in each of the two years under consideration. Table 2.1 overleaf analyses Skillnet Ireland's financial performance indicators for 2019 and 2020. Total training expenditure amounted to €34.6m and €39.0m, respectively, representing an increase of 13% between the two years. 2019 income itself saw an increase of 25% in total network income over 2018 levels (including both grant funding and matched company funding), reflecting the rapid growth of the organisation in recent years. In 2020, total Network funding increased by €6 million, and funding to Networks increased by €10 million, offset by a €4 million fall in matching funding.

Enterprise funding accounted for 47% of total Network funding in 2019 and 35% of Network funding in 2020. This reflected a reduction in the required matched contribution rate from 50% to 40% of grant funding on the TNP programme.⁷ The change in the rate of matched funding was introduced in 2019 in an effort to increase firm participation and acquisition, though remains relatively high compared to, for example, Springboard+ courses.⁸ Match funding of 20% is required for the FSP

⁷ <https://www.skillnetireland.ie/wp-content/uploads/2019/04/Skillnet-Ireland-Application-Guidelines-2020.pdf>

⁸ Employed people must pay a 10% contribution towards the course fee at level 7, 8 and 9 on the NFAQ, though level 6 courses are free. Recent graduates must pay 10% of the tuition fee for skills conversion courses.

programme. The remaining programmes can be funded 100% through grant funding that is not matched.

Skillnet Ireland's funding model allows Networks to apply management costs at a rate of up to 25% of the total budget. Network management costs stood at 20% and 19% of total expenditure for 2019 and 2020, respectively. Network expenditure increased broadly in line with income (+12%) between 2019 and 2020, which was on top of a 32% increase in expenditure between 2018 and 2019.

Table 2.1: Financial Overview – Summary of Skillnet Ireland Income and Expenditure Outcomes versus Budget (2019-2020)				
	2019		2020	
	Actual (€m)	Budget (€m)	Actual (€m)	Budget (€m)
Funding Received from National Training Fund allocated as follows:				
Grant Funding to Networks	€24.3	€25.2**	€34.1	€35.6***
Costs*	€4.2	€4.8	€5.2	€5.4
Total Skillnet Ireland Expenditure	€28.5	€30.0	€39.2	€41.0
Network Income				
Grant Funding to Networks	€24.3	€25.4	€34.1	€35.6
Matching Funding	€21.0	€19.2	€17.7	€14.6
Total Network Funding	€45.3	€44.6	€51.7	€50.2
<i>Matching Funding - % of Total</i>	<i>46%</i>		<i>34%</i>	
<i>Matching Funding – % for TNP Only</i>	<i>54%</i>		<i>42%</i>	
Network Cost Type				
Network Management Costs	€9.0	€9.3	€9.8	€10.4
Network Training Cost	€34.6	€34.0	€39.0	€38.1
Overheads	€1.3	€1.3	€1.7	€1.7
Management & Training Expenditure	€44.9	€44.6	€50.5	€50.2
<i>Network Management Costs – of Total</i>	<i>20%</i>		<i>19%</i>	
<i>Source: Indecon analysis of Skillnet Ireland data</i>				
Notes:				
*Includes operating/overhead and programme development/capex-related costs.				
**This figure includes allocation for some 2018 retention payments				
***This figure includes allocation for some 2019 retention payments				
# This total allocation includes €2m towards the Clear Customs programme				

The Training Networks Programme ('TNP') remains the core delivery channel for Skillnet Ireland, accounting for €37 million or 83.7% of overall expenditure in 2019. The Future Skills Programme ('FSP'), which facilitates innovation in design and industry-based research on the future of work and

learning, is also a significant portion of total spending (€2 million). Table 2.2 summarises the financial measures split by programme.

Table 2.2: Financial Overview – Expenditure by Programme and Funding Source					
Programme	No. of Networks	Actual Expenditure (€m)	Grant Funding (€m)	Member Company Matching Funding (€m)	Matching Funding - % of Expenditure
2019					
TNP*	68	€37.6	€17.7	€20.4	54.2%
EAP (formerly JSSP)	30	€2.5	€2.4	€0.1	5.5%
Management Development/ Mgt works	1	€0.5	€0.5	€0	4.7%
FSP	19	€2.5	€1.9	€0.5	19.8%
Clear customs	1	€1.7	€1.7	n/a	n/a
Total		€44.9	€24.3	€21	46.9%
<i>Total excl. EAP</i>	89	€42.4	€21.9	€20.9	49.3%
2020					
TNP*	69	€40.1	€24.8	€16.9	42.1%
EAP (formerly JSSP)	32	€2.4	€2.3	€0.1	5.0%
Management Development/ Mgt works	0	€0.8	€0.8	€0	0.0%
MentorsWork/SME Productivity	1	€0.9	€0.9	n/a	n/a
Rebuilding Business	69	€2.2	€1.8	€0.3	15.4%
FSP	16	€2.8	€2.1	€0.4	12.4%
Clear customs	1	€1.4	€1.4	n/a	n/a
Total		€50.5	€34.1	€17.7	35%
<i>Total excl. EAP</i>	156	€48.2	€31.8	€17.6	36%
<i>Source: Indecon analysis of Skillnet Ireland data</i>					
<i>Notes: * TNP includes FSP and FSP Research. 29 Networks received grant funding in respect of FSP Funding and 8 Networks received grant funding in respect of FSP Research Funding</i>					

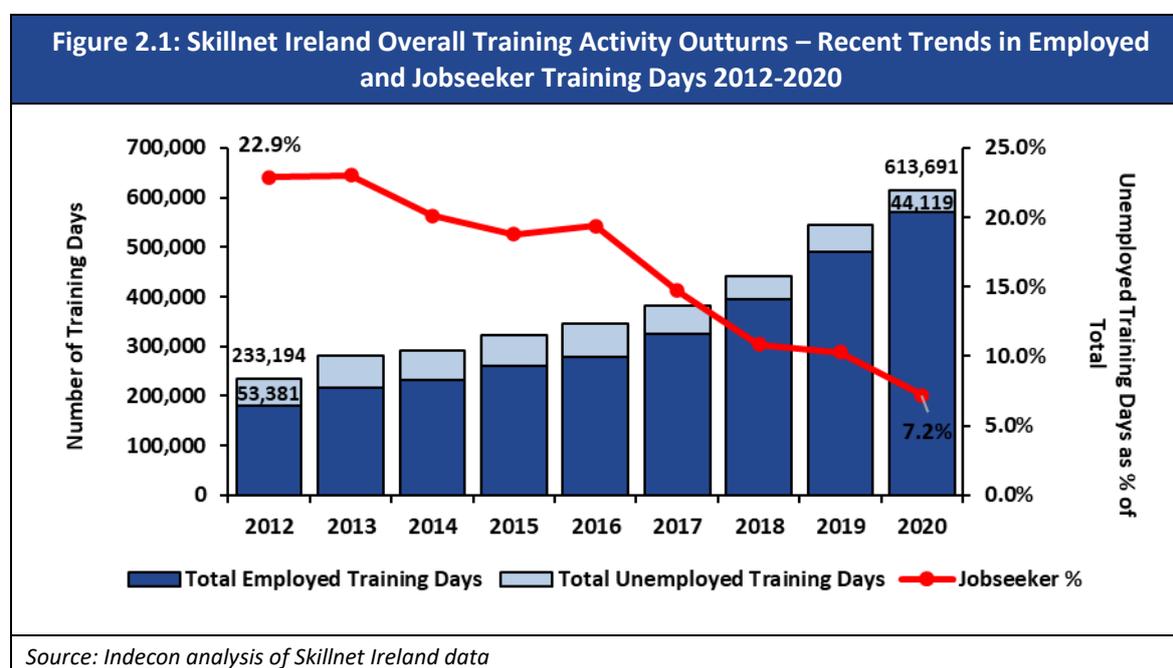
The reduction in the required level of matched funding from 50% to 40% of grant funding⁹ for TNP somewhat decreased the leverage of additional money for each euro of public expenditure. Focusing only on the TNP to provide a consistent basis for comparison, given that other programmes do not require matched funding, overall company contribution to the total cost of training was 54% in 2019 and 42% in 2020. Expressing this in another form, for every €1 of public/NTF funding allocated during 2019 and 2020, member companies provided €1.15 and €0.68 of matching funding, respectively. The table below presents the trends in funding leverage since 2017.

⁹ <https://www.skillnetireland.ie/wp-content/uploads/2019/04/Skillnet-Ireland-Application-Guidelines-2020.pdf>

Table 2.3: Funding Leverage – Company Matching Funds per €1 Exchequer Funding, 2017-2020				
	2017	2018	2019	2020
Funding Leverage of Skillnet Ireland – Level of Company Matching for Every €1 of Exchequer Funding	€1.25	€1.17	€1.15	€0.68

Source: Indecon analysis of Skillnet Ireland data

The extent of the expansion in Skillnet Ireland's activities over the last decade is illustrated in the figure below, with a 163% expansion in the number of training days evident since 2012, rising from 233,194 to 613,691. The figure also shows the change in the composition of Skillnet Ireland training days since 2012. Unemployed training days as a percentage of total training days has continued to fall, reaching 7% in 2020, from a high of 23% in 2013. This happened at a time of an improving labour market nationally, with unemployment falling from 14.6% in 2012 to 4.9% in 2019, before the impact of the pandemic. The absolute number of unemployment training days has been relatively stable over this same period despite the fall in the numbers of unemployed, though as a percentage of total Skillnet Ireland activity it has declined.



2.4 Alignment with Beneficiary Needs

In this section we assess aspects of the alignment of the activities of Skillnet Ireland with the needs of beneficiaries, whether they are firms or learners. We begin by briefly reviewing the composition of firms that participated in Skillnet Ireland training. Most participating companies were micro (0-9 employees) or small firms (10-49 employees), as shown in the table below.

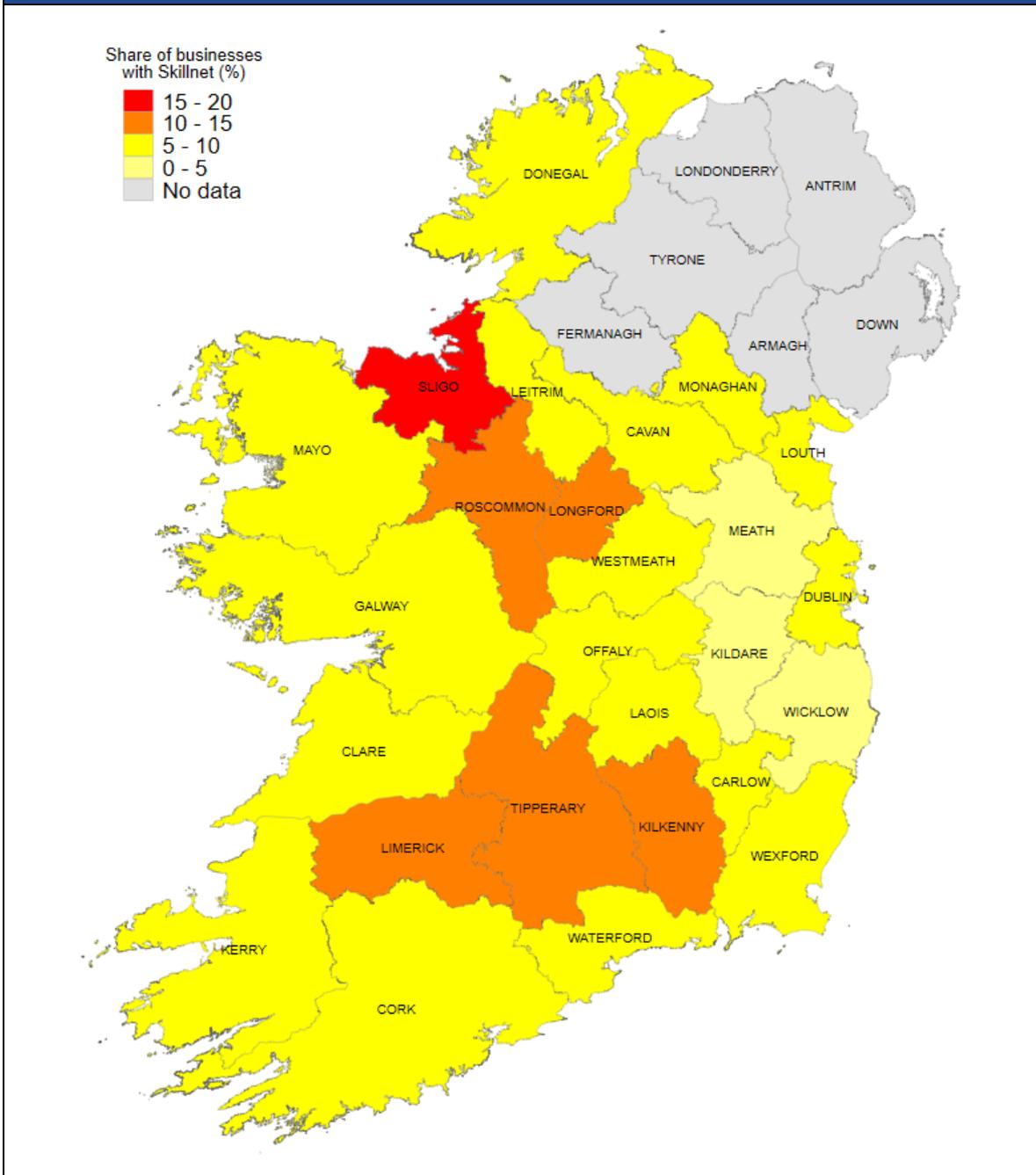
Table 2.4: Skillnet Ireland Member Companies – Size Breakdown				
	2019		2020	
Size	Number	Percentage	Number	Percentage
Micro (0-9)	9,803	53.0%	12,553	51.5%
Small (10-49)	5,074	27.4%	7,590	31.1%
Medium (50-250)	2,356	12.7%	2,872	11.8%
Large (250+)	1,272	6.9%	1,355	5.6%
Total	18,505	100%	24,370	100%
<i>Source: Indecon analysis of Skillnet Ireland data</i>				

Indecon has also examined the levels and recent trends in the extent of ‘reach’ of Skillnet Ireland among the wider population of SMEs in the Irish economy. Based on the latest business demography statistics published by the CSO, there were 273,000 active enterprises in Ireland¹⁰ in 2019, of which the vast majority (272,000) were deemed SMEs, being enterprises with fewer than 250 persons engaged. This rose to 278,000 SMEs in Ireland in 2020. Skillnet Ireland data indicates that 17,233 enterprises or 93% of its 2019 membership base were SMEs, implying that the organisation’s SME membership represented approximately 6.3% of the overall population of SMEs in Ireland in 2019. In 2020, SME participation rose to 23,015 enterprises, representing 8.3% of the number of SMEs across the Irish economy. These percentages compare with a reach of 4% of Irish SMEs in 2013 and demonstrate the growth of Skillnet Ireland’s membership base and reach among the Irish enterprise base.

The spread of firms nationally is also important. The maps in Figure 2.2 and Figure 2.3 show the concentration of Skillnet Ireland member companies as a percentage of the total number of companies in each county. The increase in penetration of Skillnet Ireland is noticeable between the two years, particularly in the West and South-West.

¹⁰ This relates to firms which are located in Ireland, regardless of ownership.

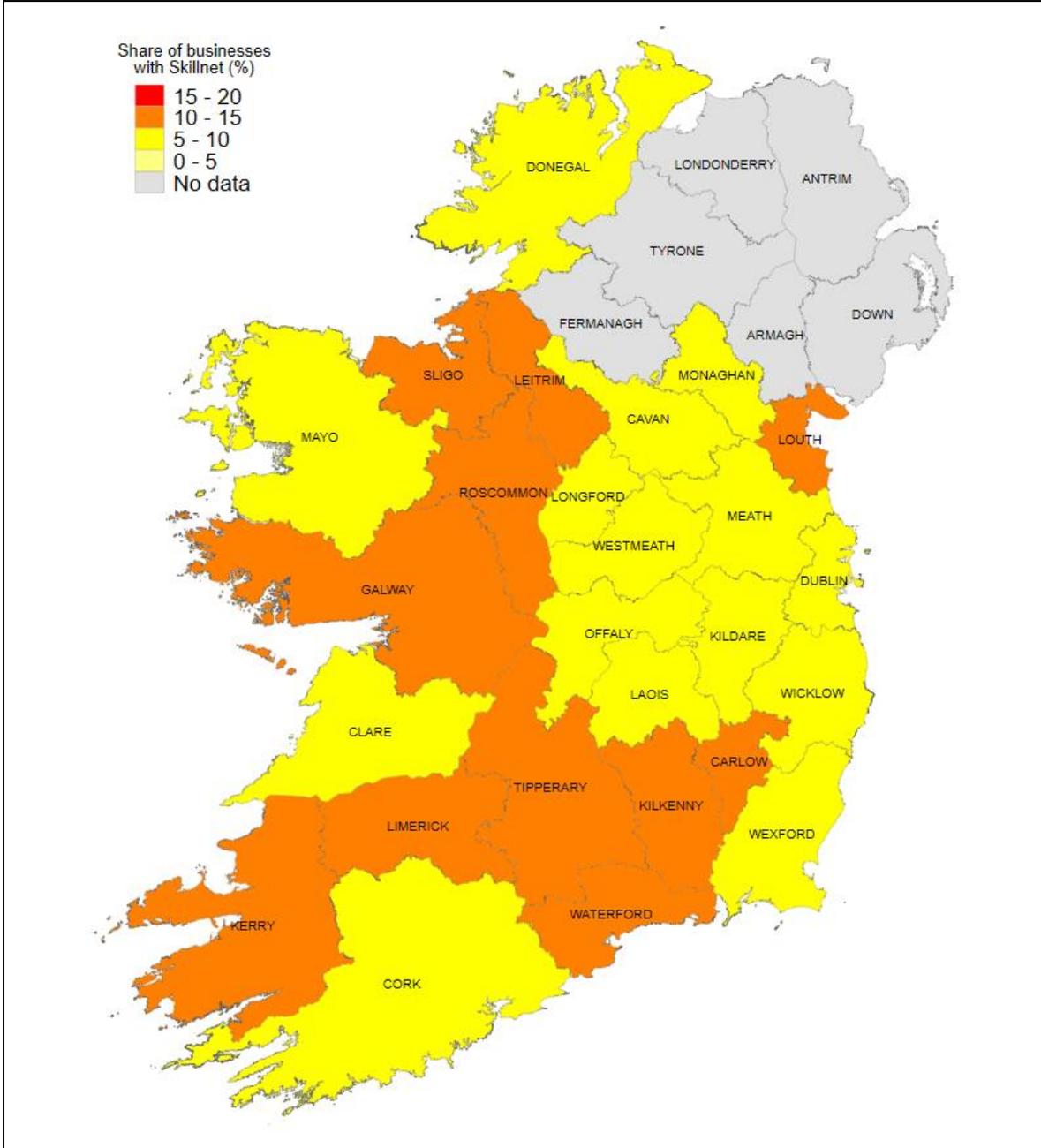
Figure 2.2: Skillnet Ireland Member Companies – Number of Member Company as a % of total companies – 2019



Source: Indecon analysis of Skillnet Ireland Data

*Note: Member Companies can be located in more than one region

Figure 2.3: Skillnet Ireland Member Companies – Number of Member Company as a % of total companies – 2020



Source: Indecon analysis of Skillnet Ireland Data

*Note: Member Companies can be located in more than one region

Skillnet Ireland saw an increase in participating firms from 2019 and 2020 virtually throughout the country, as illustrated below.

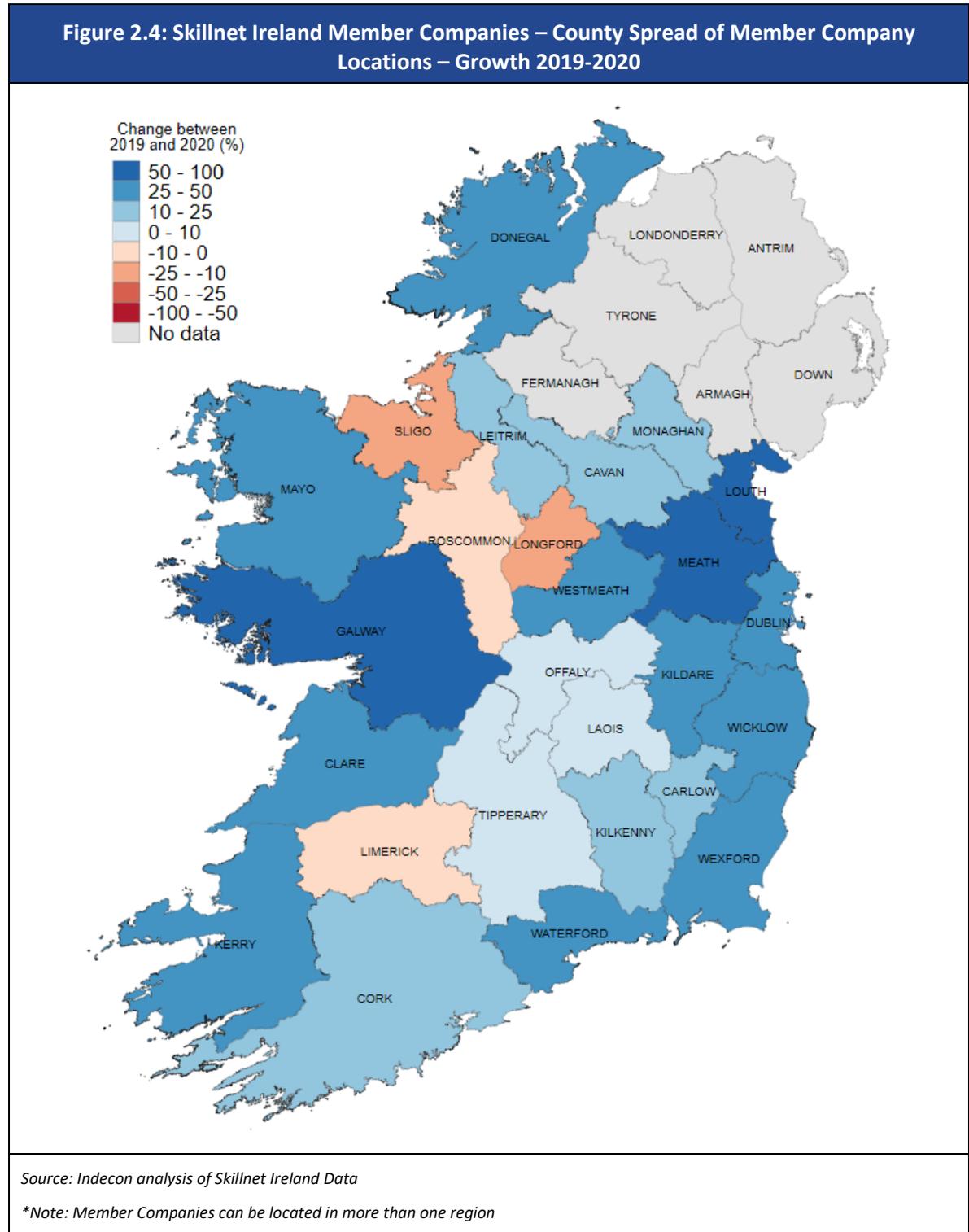
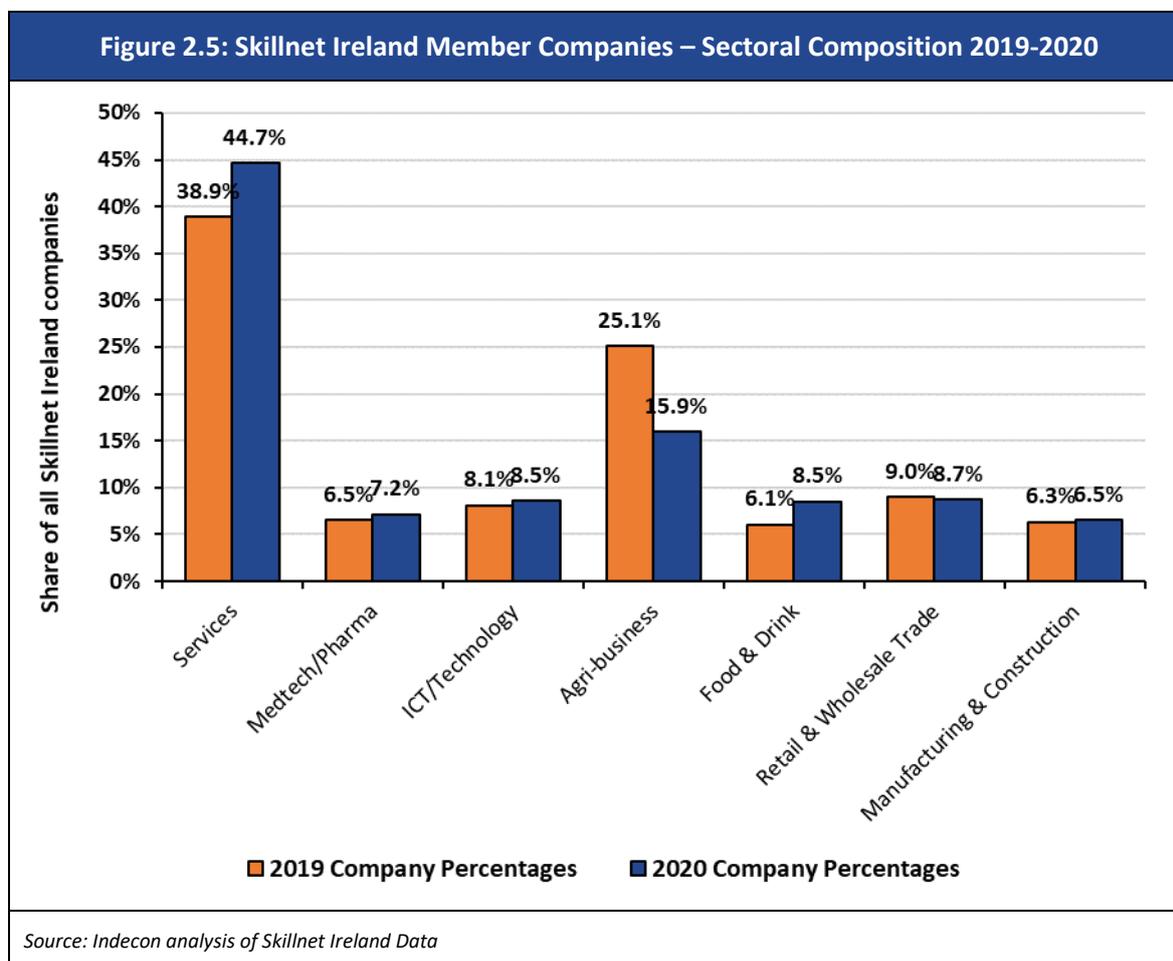


Figure 2.5 illustrates the sectoral breakdown of Skillnet Ireland member companies in 2019 and 2020. The services made up almost half of enterprises, with agri-business and the retail and wholesale sector the next largest sector in terms of percentage of member companies. Most noticeably, the agri-business sector has seen a fall in the share in overall participation between 2019 and 2020, while the services sector has seen a small increase in participants since 2020. Services employment represents a large portion of overall economy-wide employment - in 2020 the services sector represented 50.7% of enterprises and 45.2% of persons engaged, indicating a smaller than average size by employment.



We now turn to the alignment of activities to the needs of learners. DFHERIS set out targets for Skillnet Ireland in relation to the education level of its trainees and the accreditation of its courses. The table below shows that most employed trainees had a Level 8 qualification or higher, and that low NFQ qualifications were uncommon among trainees for both years considered. There is no appreciable difference between this breakdown between 2019 and 2020, despite the potential impact that COVID-19 had on the job market and the demand for training.

Table 2.5: Skillnet Ireland – Prior NFQ Level of Employed Trainees				
NFQ Level	Percentage of Trainees 2019	Number of Trainees 2019	Percentage of Trainees 2020	Number of Trainees 2020
Levels 1 and 2	1%	558	2%	1,704
Level 3	3%	1,990	3%	1,990
Level 4	12%	7,050	10%	7,058
Level 5	8%	4,809	9%	6,474
Level 6	15%	8,879	17%	12,716
Level 7	10%	5,991	12%	8,659
Level 8	33%	19,636	30%	21,803
Levels 9 and 10	17%	9,943	17%	12,441
Not given	-	9,385	-	11,288

Source: Indecon analysis of Skillnet Ireland Data

The profile of unemployed/activation trainees is different, with a greater share of trainees with lower qualifications. This is less prominent in the 2020 results, when higher skilled workers may have been made redundant because of COVID-19-related restrictions. Section 7 includes a greater discussion of the Employee Activation Programme.

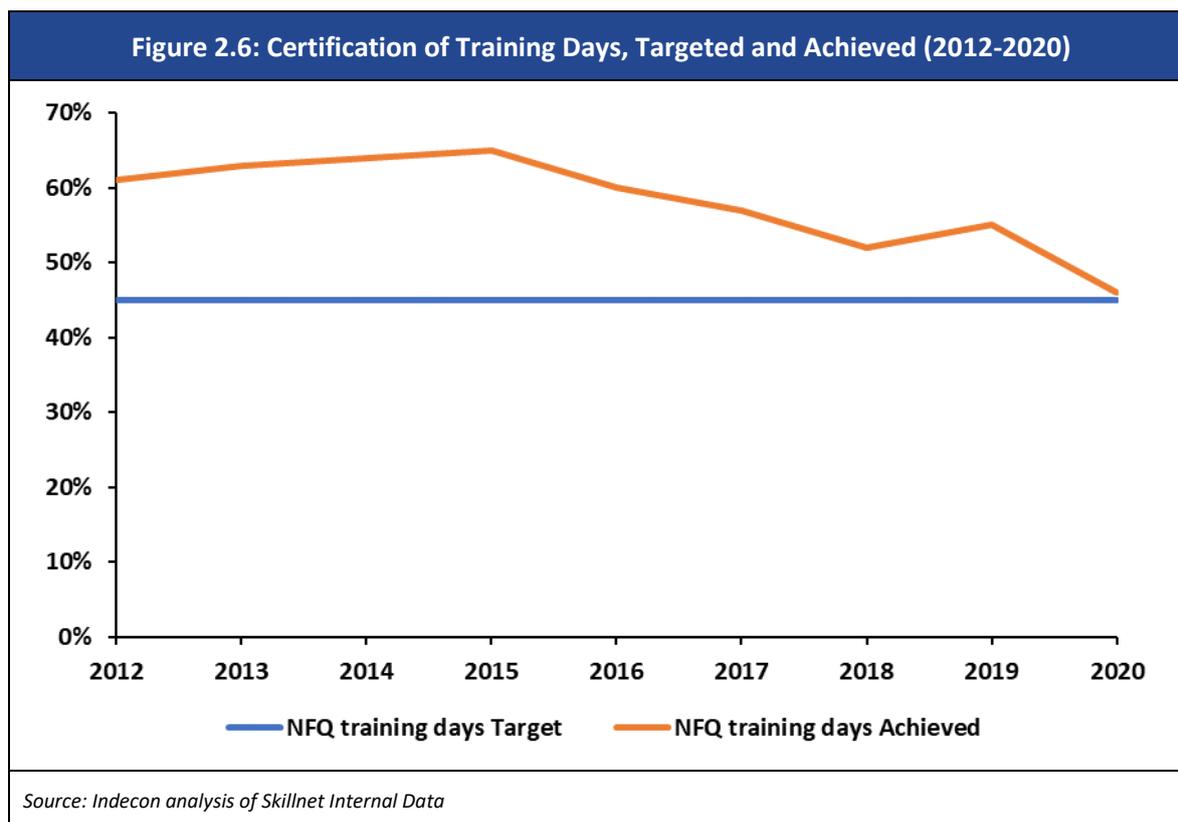
Table 2.6: Skillnet Ireland – Prior NFQ Level of EAP Trainees				
NFQ Level	Percentage of Trainees 2019	Number of Trainees 2019	Percentage of Trainees 2020	Number of Trainees 2020
Levels 1 and 2	2%	39	3%	96
Level 3	10%	214	8%	248
Level 4	17%	382	12%	378
Level 5	17%	369	19%	595
Level 6	12%	253	16%	493
Level 7	9%	194	12%	361
Level 8	21%	450	20%	613
Levels 9 and 10	13%	292	10%	293
Not given	-	58	-	1133

Source: Indecon analysis of Skillnet Ireland Data

Table 2.7 illustrates a programme overview of National Framework of Qualifications ('NFQ') training day targets and achievements. DFHERIS sets targets for the percentage of training days that are certified by industry, as well as on the NFQ. The DFHERIS target is set at 65% of training days being certified, with 45% being NFQ certified and 20% industry certified. In 2019 Skillnet Ireland provided 72% of its total training days to certified training programmes, exceeding the DFHERIS target, though fell short in 2020. In 2020, although the group exceeded its target of 45% NFQ training days, it did not meet its industrial training day target (17%). The targets were set prior to the onset of the pandemic. In 2019, Skillnet Ireland also exceeded its NFQ training day target (45%) by providing 55% of its training days to NFQ certified training days. It did not meet its industrial training day target of 20% (17%). In total it exceeded its wider training day target of certified training days, which was 65%.

Table 2.7: Programme Overview – Certified Training Days		
2019		
Certification Levels	DFHERIS Target	Total Achieved
Overall NFQ Training Days	45%	55%
Overall Industry Training Days	20%	17%
Certified Training Days as % Total Training Days	65%	72%
2020		
Certification Levels	DFHERIS Target	Total Achieved
Overall NFQ Training Days	45%	46%
Overall Industry Training Days	20%	17%
Certified Training Days as % Total Training Days	65%	63%
<i>Source: Indecon analysis of Skillnet Ireland data and Department of Education and Skills Annual Allocation Letter</i>		

Figure 2.6 overleaf shows that the certification levels were largely flat to declining up until 2019, though dipped in 2020. It will be important to continue tracking this measure in 2021 and subsequently to determine if this represents a secular trend, or if it related to once-off factors in 2020, whether pandemic-related or otherwise.



We also show that of the events assigned to NFQ levels, over 50% of these were focused on Levels 6 and 7 in 2019, and Levels 5 and 6 in 2020. Figures for 2019 and 2020 are shown in Table 2.8 and Table 2.9, respectively. Regarding training days, most training days were focused on NFQ Level 9 with 31% of these of all training days focused on this level in 2019 and 2020.

Table 2.8: Skillnet Ireland Events by NFQ Level, 2019

Level of Award NFQ	Number of Events	Percentage of Events	% of NFQ Level Accredited Events
1	4	0.0%	0.3%
2	3	0.0%	0.2%
3	27	0.3%	1.8%
4	19	0.2%	1.3%
5	40	0.5%	2.7%
6	483	5.6%	32.1%
7	421	4.9%	28.0%
8	190	2.2%	12.6%
9	179	2.1%	11.9%
10	138	1.6%	9.2%
All NFQ Levels	1,504	17.5%	100.0%
Non-NFQ	1,831	21.3%	
N/A	5,261	61.2%	
Total	8,596	100.0%	

Source: Indecon analysis of Skillnet Ireland data

Table 2.9: Skillnet Ireland Events by NFQ Level, 2020

Level of Award NFQ	Number of Events	Percentage of Events	% of NFQ Level Accredited Events
1	0	0.0%	0.0%
2	8	0.1%	0.6%
3	4	0.0%	0.3%
4	16	0.2%	1.1%
5	367	3.9%	25.5%
6	415	4.4%	28.8%
7	235	2.5%	16.3%
8	219	2.3%	15.2%
9	176	1.9%	12.2%
10	2	0.0%	0.1%
All NFQ Levels	1,442	15.3%	100.0%
Non-NFQ	1,721	18.2%	
N/A	6,284	66.5%	
Total	9,447	100.0%	

Source: Indecon analysis of Skillnet Ireland data

2.5 Progress Against Targets

A key issue for this evaluation concerns the alignment of the activities and outcomes of the organisation with the targets as set out by the Department of Further and Higher Education, Research, Innovation, and Science. Separately, it is important to know if training programmes behind those targets deliver effective training outcomes, and whether these outcomes benefit member companies and trainees. A summary of Skillnet Ireland's targeted and delivered training activities is shown in Table 2.10¹¹.

Table 2.10: Skillnet Ireland Overall Training Activity Outturns versus Target 2019 and 2020						
All Programmes	Target 2019*	Actual 2019	% of Target – 2019	Target 2020*	Actual 2020	% of Target – 2020
Trainees						
Employed Trainees	60,300	68,137	113%	67,300	83,908	125%
Unemployed Trainees	1,700	2,249	132%	1,700	4,239	249%
Total Trainees	62,000	70,386	114%	69,000	88,147	128
Training Days						
Employed Training Days	350,285	489,213	140%	394,462	569,572	144%
Unemployed Training Days	41,000	56,203	137%	41,000	44,119	108%
Total Training Days	391,285	545,416	139%	435,462	613,691	141%
Average Training Days per Trainee						
Employed no. days per trainee	5.8	7.2	N/A	5.9	6.8	N/A
Unemployed no. days per trainee	24.1	25.0	N/A	24.1	10.4	N/A
Total no. days per trainee	6.3	8.0	N/A	6.3	7.3	N/A
<i>Source: Skillnet Ireland</i>						
<i>*Relates to DFHERIS targets as set out in Annual Allocation Letter</i>						

In both 2019 and 2020, Skillnet Ireland met and exceeded the key targets as set by the Department. In terms of trainees and training days for both employed and unemployed, Skillnet Ireland surpassed the Department's targets, despite a year-on-year rise in such targets. The 2019 figures reflect a significant increase in year-on-year change, with a 22% increase in trainees since 2018 and a 23% increase in training days. While funding from DFHERIS increased by 37% between 2019 and 2020,

¹¹ The numbers below include trainees and training days associated with Information Briefings including webinars delivered through the 'Rebound - Back to Work Safely' initiative.

the number of trainees increased by 23.5% and the number of training days increased by 12.4%, as part of the increase in DFHERIS funding was accounted for by a lower matched contribution.

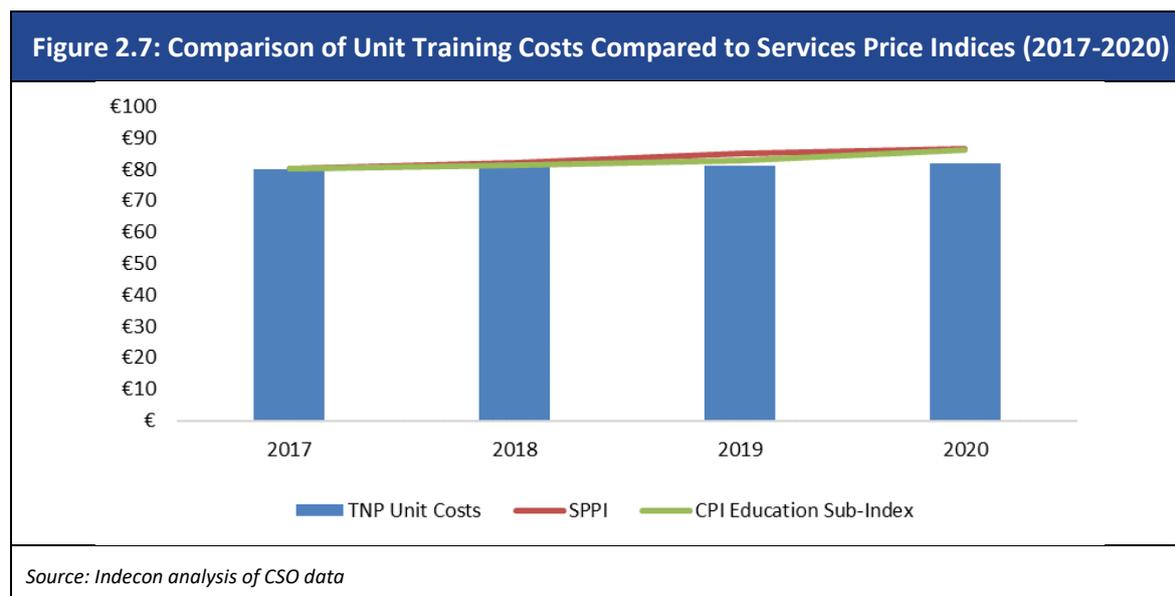
The target number of training days for employed learners for 2019 and 2020 were also exceeded. The average number of training days per trainee was eight in 2019 and 7.3 in 2020. This decrease was driven by the fall in the average number of training days for unemployed trainees, which fell from 24.1 to 10.4, and may have been related to the switch to greater on-line training following the onset of the COVID-19 pandemic and associated public health restrictions.

2.6 Efficiency

An important measure of efficiency is the unit cost of training delivery. The recent movements in the overall annual unit costs of Skillnet Ireland training, based on comparison of costs with training days delivered, are shown in Table 2.11. Core (TNP) training unit costs have remained stable in recent years, as have those of EAP provision.

Table 2.11: Cost-Effectiveness of Skillnet Ireland Programmes – Recent Movements in Annual Unit Costs per Training Day Delivered (2017-2020)				
Programme	2017	2018	2019	2020
TNP (incl. FSP)	€80	€81	€81	€82
EAP / JSSP	€47	€45	€44	€54
Management Development /Management works	€123	€150	€65	€696
<i>Source: Indecon analysis of Skillnet Ireland data and previous Skillnet Ireland Evaluations</i>				

Changes in the unit cost of Skillnet Ireland training have been lower than measures of price inflation in the area of training provision, suggesting that the training has become more competitive. The rate of increase in the unit costs of TNP from 2017-2020 is lower than relevant national measures of services inflation. Figure 2.7 shows the unit cost of provision of TNP compared to the Services Producer Price Index ('SPPI') and the education components of the Consumer Price Index.



2.7 Summary of Key Findings

In this section we reviewed the effectiveness and efficiency of the activities of Skillnet Ireland, in particular by assessing the extent to which activity and output targets were met. A summary of the key findings of this section are as follows:

- ❑ The last number of years has seen a significant growth in funding allocated to Skillnet Ireland under the National Training Fund administered by the Department of Further and Higher Education, Research, Innovation, and Science. This has enabled the organisation to achieve a substantial expansion in its enterprise membership base and reach among SMEs, and to provide a diverse range of workforce development supports.
- ❑ In 2020, Skillnet Ireland supported a total of 24,370 enterprises – a membership base which increased by almost 32% compared to 2019 as the organisation played an important role in channelling supports to SMEs during the COVID-19 pandemic. The vast majority (94%) of member enterprises in 2020 were SMEs and these firms represented 8.3% of the overall population of SMEs in Ireland.
- ❑ The rapid growth of Skillnet Ireland over the last decade has mirrored the expansion of the Irish economy and workforce. In 2020, the organisation delivered a total of 614,000 training days to persons in employment and to jobseekers, representing an increase of 163% since 2012. In both 2019 and 2020 Skillnet Ireland met and exceeded its key annual targets set by the Department of Further and Higher Education, Research, Innovation and Science.
- ❑ Total training expenditure amounted to €34.6m in 2019 and €39.0m in 2020. The Training Networks Programme remains the core delivery channel for Skillnet Ireland, accounting for 79.4% of overall programme expenditure in 2020.
- ❑ Enterprise funding accounted for 47% of total network funding in 2019 and 35% of network funding in 2020. This reflected a reduction in the required matched contribution rate from 50% to 40% of grant funding on the TNP programme. The change in the rate of matched funding was introduced in 2019 in an effort to increase firm participation and acquisition. Assessed in terms of funding leverage, Indecon’s analysis indicated that, for every €1 of

public/NTF funding allocated during 2019 and 2020, member companies provided €1.15 and €0.68 of matching funding, respectively. The rate of match funding was lower during 2020 as higher rates of State support were provided to assist SMEs during the COVID-19 pandemic.

- ❑ Network management costs stood at 20% and 19% of overall management and training expenditure for 2019 and 2020, respectively. Costs increased by 10% between the two years, reflecting increases in activity levels.
- ❑ An important measure of cost-effectiveness is the unit cost of training delivery. TNP training unit costs have remained stable in recent years, as have those of EAP provision.

3 Relevance of Training

3.1 Introduction

This section presents selected findings from Indecon’s research in relation Skillnet Ireland’s relevance to the needs of their members. In particular, this section examines consistency with Government policy and strategies relating to economic, sectoral and regional development. It also examines the responsiveness of Skillnet Ireland to the business challenges created by the COVID-19 pandemic, Brexit, Ireland’s FDI landscape, the digital acceleration of business, and changes within the labour market. Finally, this section reviews the readiness/alignment of Skillnet Business Networks with the Skillnet Ireland Statement of Strategy 2021 - 2025.

3.2 Consistency with Government Policies and Strategies

Given its role as the national agency responsible for supporting enterprise and promoting workforce learning in Ireland and reflecting its obligations in relation to the deployment of the National Training Fund, an important issue concerns the consistency between Skillnet Ireland’s operations and Government policy in relation to workforce development. These elements are discussed below.

Skillnet Ireland is primarily funded through the National Training Fund, which more than doubled from €319 million in 2011 to €718 million in 2020.¹² The fund provides training expenditure for those seeking employment, training for persons in employment, literacy and numeracy training, and training for those in the community or voluntary sector. It also provides funding for the identification of existing and future skills needs for the economy. Employers are obliged by law to contribute a fixed share of payroll, originally 0.7%, to the fund. Following a consultation process, the Government, as part of Budget 2018, decided to raise the rate of the National Training Fund levy by 0.1% in 2018 to 0.8% and by a further 0.1% in both 2019 and 2020. The increase to the levy was accompanied by a programme of reforms in how the National Training Fund is managed, evaluated, and reported on.¹³ The core objectives of the National Training Fund, as set out in the National Training Fund Act, are highlighted in the table below.

The overarching Government policy in relation to workforce and skills development is set out in the National Skills Strategy 2025. The National Skills Strategy, which Skillnet Ireland contributed to during its formulation, represents the key policy framework, and which features Skillnet Ireland heavily. The strategy supports the development of a well-educated, well-skilled, and adaptable labour force; and sustaining a strong pool of talented people living in Ireland.¹⁴ 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;*

¹² These figures are available in the Statistical Information on Social Welfare Services Annual Report 2020.

¹³ <https://www.oireachtas.ie/en/debates/question/2021-04-21/1326/>

¹⁴ ‘National Skills Strategy 2025’, Department of Education and Skills, January 2016. See: https://www.education.ie/en/Publications/Policy-Reports/pub_national_skills_strategy_2025.pdf.

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.

Skillnet Ireland is referenced in the National Skills Strategy as an important model that enables employers to come together to determine their common skills needs, as well as being a flexible and effective framework for supporting learning outside of traditional education structures:

“[T]he Skillnets model enables networks of employers in regions or sectors to come together to determine their common skill needs and procure training for their employees. Skillnets is co-funded by the National Training Fund and by employers directly and has proved to be a flexible and effective model for companies of various sizes to meet their short and medium-term skill needs.” (National Skills Strategy, page 58.)

Skillnet Ireland has been assigned two specific actions under the National Skills Strategy, which are identified in the next table.

Table 3.1: Role of Skillnet Ireland in Context of National Skills Strategy 2025	
National Skills Strategy Action	
1.	Action 1.3 – Diversity of Provision beyond School – Measure: “Support Skillnet to encourage companies to engage in their networks to assist them in meeting their skills needs.”
2.	Action 2:2 – Capability of SMEs will be Enhanced through Skills Development - Measure: “Support the further development of skills assessment resources to help companies, especially SMEs, to accurately identify their skills needs.”
<i>Source: National Skills Strategy 2025</i>	

Table 3.2 overleaf sets out a summary of specific government strategy or policy documents where Skillnet Ireland is identified as having an explicit policy delivery role. These are wide ranging in scope, and include national workforce and skills development, as well as regional and sectoral dimensions. However, in each policy Skillnet Ireland holds some responsibility, target, or an otherwise stated role set by Government policy, indicating the central role that it plays in addressing Government policy goals.

Table 3.2: Overview of Role of Skillnet Ireland in relation to Key Government Strategies/ Policies		
Government Department / Agency	Government Strategy/Policy Name	No. of Actions for Skillnet Ireland
National Competitiveness and Productivity Council / Department of Finance	Ireland's Competitiveness Challenge 2020	One
National Skills Council	Together for Design	One
Department of Enterprise, Trade and Employment	Making Remote Work: National Remote Work Strategy	One
Department of Finance	Ireland for Finance Action Plan 2021	Five
Department of Public Expenditure and Reform	Building Innovation	One
Department of Agriculture, Food and the Marine	Foodwise 2025	One
Department of Education and Skills	Technology Skills 2022	Two
Department of Enterprise Trade and Employment	Report of the SME Taskforce: National SME and Entrepreneurship Growth Plan	Two
The National Cyber Security Centre (NCSC)	National Cyber Security Strategy	One
Department of Enterprise Trade and Employment	National Space Strategy for Enterprise 2019-2025	One
Department of Education and Skills	Languages Connect: Action Plan 2017-2022	Two
Department of the Taoiseach	Brexit Readiness Action Plan	One
Department of Education and Skills	National Skills Strategy 2025	One
EGFSN	Leading the Way	Eight
<i>Source: Indecon analysis</i>		

Skillnet Ireland has played a role in helping government reach targets and benchmarks since its inception, as set out in a number of past evaluations by Indecon, including for activities in 2012, 2013, 2015, 2016, and 2017, in addition to the present evaluation. Many of these are currently live, with the implementation of specific actions an ongoing requirement for Skillnet Ireland as part of the organisations' operations. Building on Indecon's previous evaluation of Skillnet, we first focus on its role in wider policies (like the National Skills Strategy 2025). In Section 4 we set out the impact of a number of elements of Skillnet Ireland training, including:

- ❑ Response to COVID-19 pandemic (Section 0)
- ❑ Response to Brexit (Section 4.5)
- ❑ Digital Skills (Section 4.6)
- ❑ Management Training (Section 4.7)
- ❑ FDI Impact (see Case Study)

Importantly, we note that Skillnet Ireland has played a key role in public policy prior to and since 2020. However, most of the policies and strategies above are live, and their implementation is an ongoing requirement for Skillnet Ireland.

Another recent development in the skills and training space is the rising demand for micro-credentials; both in Skillnet networks and in third level institutions. Although there is no consensus on their definition, such credentials follow small units of learning, usually specific to industry, which are shorter than units of learning tied to diplomas, courses, and wider degrees. A recent Skillnet report¹⁵ suggested *“These units of learning ...provide focused ...opportunities for learners and are particularly concentrated on the development of skills and competencies aligned with upskilling and reskilling of employees to embrace the changing nature of work within and across sectors.”*

Demand for these courses has grown since the economic lockdown following the Covid-19 pandemic, but the credentials and the field is still in its early stages. As of summer 2020, the following bodies provided micro-credential courses: National Institute of Digital Learning, Dublin City University in tandem with a consortium of five Skillnet networks: Aviation Skillnet, ICBE Advanced Productivity Skillnet, ICBE Business Excellence Skillnet, Galway Executive Skillnet, and Taste4Success Skillnet. Additional courses emerged in Trinity College Dublin, Limerick University, and University College Dublin since that time. Although employer awareness of such courses is low, there is a growing interest in such qualifications among Irish employers.¹⁶

3.3 Other State Supported Provision

There are other state-supported options which provide for in-company training supports. In this section, we provide an outline of some of these options.

- ❑ **Skills to Advance (SOLAS):** Skills to Advance is a national initiative that provides upskilling and reskilling opportunities to employees in lower-level jobs and to those currently employed in vulnerable sectors. It provides a dual approach to skills development for employees and employers. The objectives of Skills to Advance are to enable targeted support for groups in the Irish workforce; to support SMEs and other organisations invest in and develop their workforce to adapt to changes in work practices, technology and markets; and to enable targeted support to those sectors and regions with particular skills needs arising from emerging opportunities or as a result of economic vulnerabilities.
- ❑ **Enterprise Ireland Mentors Network:** Enterprise Ireland’s Mentor Network has a panel of more than 400 businesspeople, comprising of entrepreneurs, founders and senior executives with international commercial business development experience. They offer

¹⁵ Skillnet’s Insights paper – Micro-Credentials: An Evolving Ecosystem is available here <https://www.skillnetireland.ie/wp-content/uploads/2020/08/Micro-Credentials-An-Evolving-Ecosystem-Insights-paper.pdf>

¹⁶ Ibid, page 11.

practical advice and guidance based on their own business experience, on a one-to-one basis. Mentors help with a range of business activities such as: Commercialisation of new products and services; targeted sales and marketing; expansion into new markets; strategic business planning; funding options; R & D, design, innovation, production and logistics; HR management; and management succession.

- **Springboard+:** Springboard+ is managed by the Higher Education Authority on behalf of the Department of Education and Skills, began in 2011 as part of the Government’s Jobs Initiative. It complements the core State-funded education and training system and provides free and heavily subsidised upskilling and reskilling higher education opportunities in areas of identified skills need. The initiative’s primary target group when it was established was unemployed people with a previous history of employment. Over recent years with the decline in numbers on the live register the focus was changed to include more people in employment and those returning to the workforce.

3.4 Alignment with Statement of Strategy

Skillnet Ireland’s ‘Statement of Strategy’ sets out the objectives and aims of the organisation that will guide it over the years 2021-2025. The main goals of the strategy are summarised in Table 3.3. Indecon note that the strategy covers the period subsequent to that which is subject to this evaluation, though the strategy is still relevant in understanding the evolution of Skillnet Ireland during this period. Engagement with stakeholders indicated a broad agreement that Skillnet Ireland’s work was aligned with multiple policy goals, and that the organisation showed flexibility when needed. However, one stakeholder highlighted the need to continue to understand and address ‘top-down’ challenges such as climate and management training, and make sure that Skillnet Ireland can help address them.

Table 3.3: Skillnet Ireland Statement of Strategy 2021-2025 – Overall Goals

- We will extend our reach by developing new operating models. We will support 30,000 businesses annually by year-end 2025, from our current baseline of 18,400.
- By the end of 2025, Skillnet Ireland will provide supports to 100,000 workers annually, from our current baseline of 70,000.
- Use our deep industry insights to contribute to a greater extent to the formation and the implementation of Government policy.
- By the end of 2025, Skillnet Ireland will have increased to €100 million its annual investment in the Irish workforce, from a baseline of €52 million.
- We will achieve a fourfold increase in innovation themed workforce development projects delivered annually from our current baseline of 25.
- Affirm our position as an enterprise support agency, with the core activities of the organisation directed towards the strategic themes of Workforce Design, People Development and Strategic Innovation.
- Drive continuous improvement in our operations so they are more customer centric and better integrated. We will address bureaucratic barriers and introduce greater digitalisation of processes where necessary, so that we can enhance supports to our partners.

Source: Skillnet Ireland

Consistent with the above strategic goals is Skillnet Ireland’s mandate with the Department of The Department of Further and Higher Education, Research, Innovation and Science. This mandate encompasses five dimensions/objectives, which are set out in the table below, and which are discussed in more detail in the relevant sections of this evaluation report.

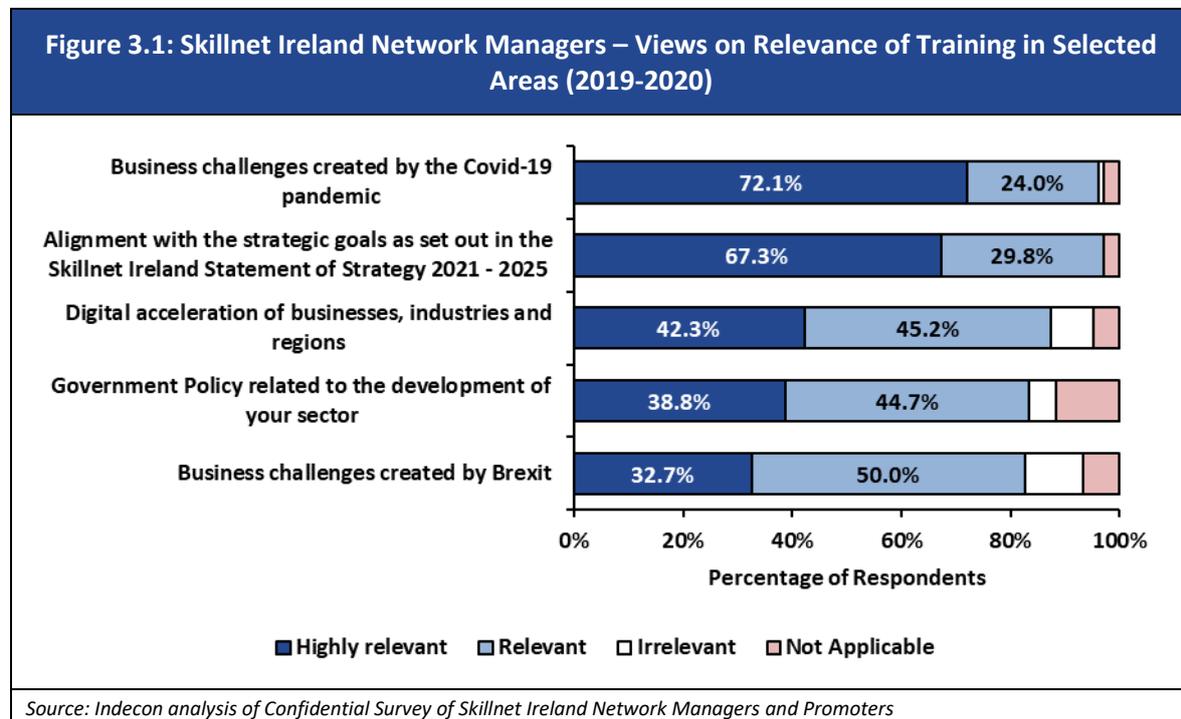
Table 3.4: Skillnet Ireland Mandate
Mandate Dimension
1. To act as an enterprise-led support body dedicated to the promotion and facilitation of enterprise training and workforce learning, as a key element in sustaining national competitiveness.
2. To increase participation in enterprise training by companies to improve competitiveness and provide improved access for workers to skills development.
3. To foster and support an enterprise-led, networked and partnership approach to the provision of enterprise training; and expand and develop that approach by supporting innovation, enhanced workplace training and workforce retention/activation-related training.
4. Using our broadly-based approach to encompass support for higher growth as well as vulnerable sectors ensuring, insofar as possible, that training is available to employees at all levels in participating private enterprises.
5. To clearly focus on the value for money, efficiency and effectiveness in the delivery of training and upskilling.
<i>Source: Skillnet Ireland</i>

Network Managers and Promoters reported that they had a clear understanding of the strategy and priorities and believed that these were relevant to the needs of their region and sector. Of all respondents, 94% either strongly agreed or agreed with both of these statements. This is illustrated in Table 3.5 below.

Table 3.5: Views of Skillnet Ireland Network Managers and Promoters on Relevance of Strategy to them					
Opinion on alignment	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
I have a clear understanding of Skillnet Ireland’s strategy and priorities	48.5%	45.6%	5.8%	0.0%	0.0%
Skillnet Ireland's strategy is relevant to business needs in my region/sector	46.2%	48.1%	3.8%	1.9%	0.0%
<i>Source: Confidential Survey of Skillnet Ireland Network Managers and Promoters</i>					

3.5 Relevance and Responsiveness of Training

The relevance of training provided through Skillnet Ireland networks and the responsiveness of networks and programmes to the ongoing training needs of industrial sectors, to enterprise in general and to the skills requirements of the wider economy, are important aspects of the alignment of Skillnet Ireland’s activities with the needs of the labour market. Skillnet Ireland Network Managers and Promoters reported that the training offered by Skillnet Ireland was relevant, and this applied to several challenges, including COVID-19 and Brexit compliance.



A case study example of the role that a Skillnet Network (Animation Skillnet) has played in promoting the digital acceleration of their sector in Ireland is shown next.

Case Study 1: Animation Skillnet

Background to the Sector

The Government has identified the audio-visual sector in Ireland as a sector with significant growth prospects. The sector includes film, TV, animation, commercial advertising and video games. A 2018 report published by the Department of Enterprise, Trade and Employment¹⁷ estimated that the sector contributed in excess of €1bn to the economy in 2016, with the potential to grow this to €1.4bn by 2023. The Government developed the 2018 Audiovisual Action Plan with the objective to provide the necessary environment for Ireland to become a global hub for the production of Film, TV drama and Animation. By its nature, the sector is a highly skilled one, and much of the focus of the Action Plan was focused on skills development, in particular given the projected medium-term growth prospects for the sector.



Animation Skillnet

Animation Skillnet was established in July 2013 to address the skills needs of the sector in Ireland. It is based on Sandyford in Dublin and is promoted by Furthr (formerly known as Dublin Business Innovation Centre). In 2013, the sector was already growing rapidly, and there was little existing Continuous Professional Development support available to facilitate that growth. This growth is evidenced in the membership of Animation Ireland, the trade association for the leading Irish animation studios, which now has over 40 members, though only had fewer than ten when the Animation Skillnet was formed. As well as animation, Animation Skillnet provides training for the Games, VFX (visual effects) and post-production sectors, though the growth in activity in animation has been particularly important. The services it provides are aimed at both member company workforces and job seekers, and include:

- Bespoke, specialist and subsidised training courses for both member companies and freelancers working in the sector.
- Subsidised in-house training, as well as on-the-job training, placements and networking.
- Key conferences and networking events which are either funded, organised and/or supported (e.g., Animation Dingle and Women In Animation Ireland).
- In cooperation with Screen Skills Ireland, they operate the Animation, Games, and VFX Graduate Traineeship Programme.
- Liaise with industry groups such as Animation Ireland, VFXAI, IMIRT, BAI, and Screen Ireland to ensure skills identified matches the needs of the sector
- Support other work-based learning initiatives such as Traineeships, Apprenticeships, and Mentoring programmes.

The Animation Sector's Skills Needs

The skills needs of the sector centre around a mix of business, creative and technology activities, though technology is central to much about what the industry does. According to Gareth Lee, Network Manager of Animation Skillnet:

"What you are trying to do with animation is replicate the real world in digital form, the physics of the real world or whatever it might be, and achieving that takes a significant amount of technology."

¹⁷ <https://www.creativeireland.gov.ie/app/uploads/2019/12/audiovisual-action-plan.pdf>

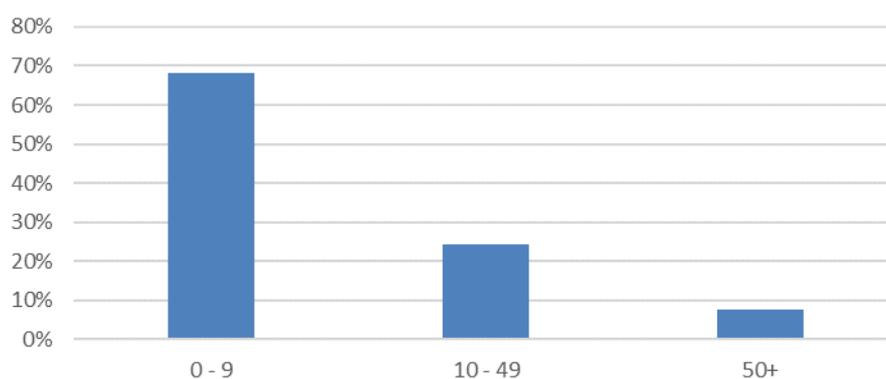
Case Study 1: Animation Skillnet (cont)

The skill needs of the sector therefore include courses for programmers and people involved in pipeline technology, but also for creative individuals who often have to engage with technology in their roles. The sector in Ireland also conducts a lot of R&D and innovation, which the Animation Network supports through a range of courses, such as courses to support pipeline efficiencies using programming tools like Python. They also run software programme training for creatives such as Toon Boom Harmony. There is not one dominant software package in use in the sector in Ireland, with a typical studio requiring constant upskilling and training in a range of packages. For example, in the area of 3D animation alone, there might be at least ten major elements of software that could potentially be in regular use, from the main software package such as Maya, additional software like Photoshop, post-production software like Avid Media Composer or After Effects, and pipeline software such as ShotGrid.

Profile of Firms Supported

Animation Skillnet supports a range of firms by size, including a number of large studios of over 200 employees, but also with a lot of mid-level firms with 30-50 staff, as well as micro enterprises, freelancers and other SMEs. Meeting the needs of firms of different sizes brings its own set of challenges for the network. For example, the larger studios often need softer skills such as leadership and business skills, while also having more complex pipelines which require an extensive set of R&D and technical skills. Most employees participating in Animation Skillnet are based in the east, particularly Dublin and Kilkenny, reflecting the distribution of companies in this sector.

Member Firm Size by Employment Numbers, 2020



Future

When Animation Skillnet started out, the immediate skills challenges faced by the sector were IT and software skills. While this continues to be the case and addressing these skills remain the core offer of the network, increasingly there is also a demand for business and softer skills, including leader and management skills, reflecting the size and maturity of a number of the businesses now operating in the sector. However, the network also remains focused on core skills which are very specific to the industry, and in which training is not generally available from other sources.

Source: Skillnet Ireland statistics, Interview with Network Manager

3.6 Summary of Key Findings

A key issue concerns the contribution which Skillnet Ireland makes to the achievement of Government policy objectives. This section examined role of Skillnet Ireland and its consistency with government policy, including with reference to workforce development and supporting the future skills agenda. The key findings from this review were as follows:

- ❑ Skillnet Ireland receives public funding from the National Training Fund ('NTF') via the Department of Education and Skills. Skillnet Ireland adheres to the high-level goals of the NTF as it is a programme specifically aimed at upskilling of individuals in employment, while the organisation also provides a targeted support for the unemployed.
- ❑ A key overall indicator of Skillnet Ireland's success in contributing to wider Government policy on workforce development has been the growth of its enterprise participation base across the organisation's networks. Skillnet Ireland worked with a total of 18,505 member companies in 2019, and 24,370 member companies in 2020. Data for 2020 represents an increase of 31% in the number of member enterprises since 2019.
- ❑ Skillnet Ireland's 'Statement of Strategy' sets out the objectives and aims of the organisation that will guide it over the years 2021-2025. Network Managers and Promoters reported that they had a clear understanding of the strategy and priorities and believed that these were relevant to the needs of their region and sector.

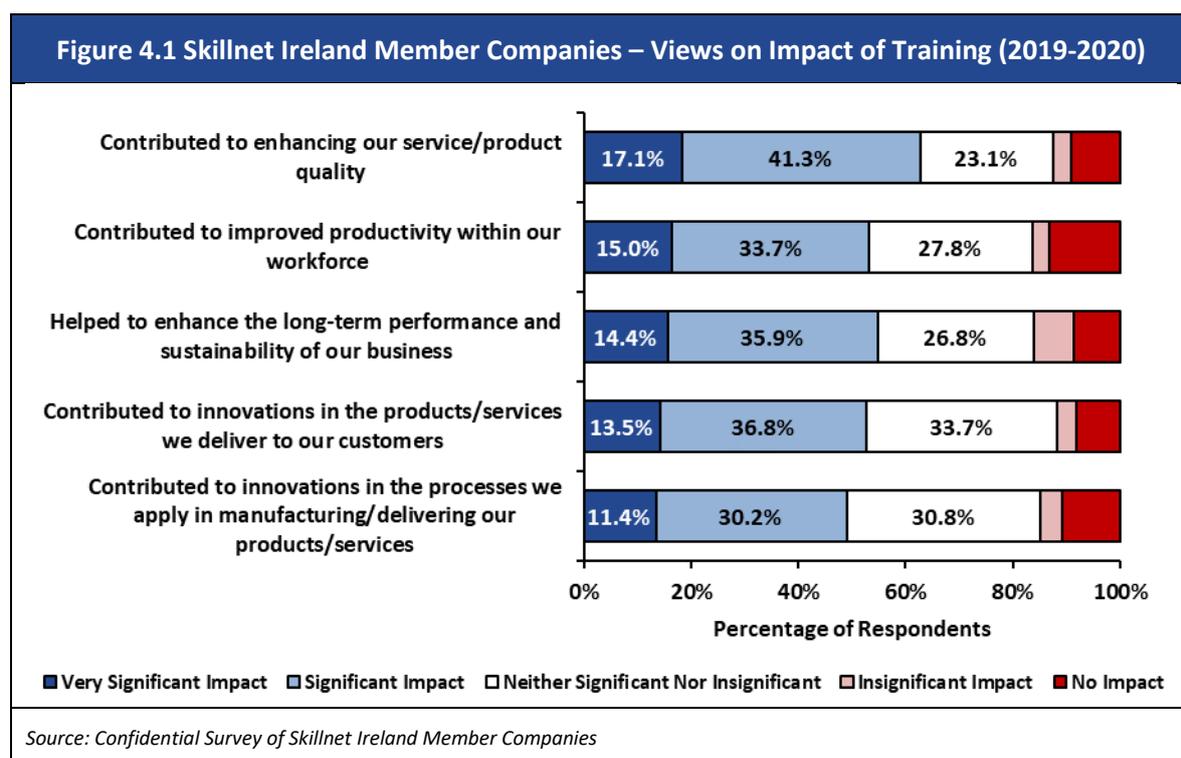
4 Training Impact

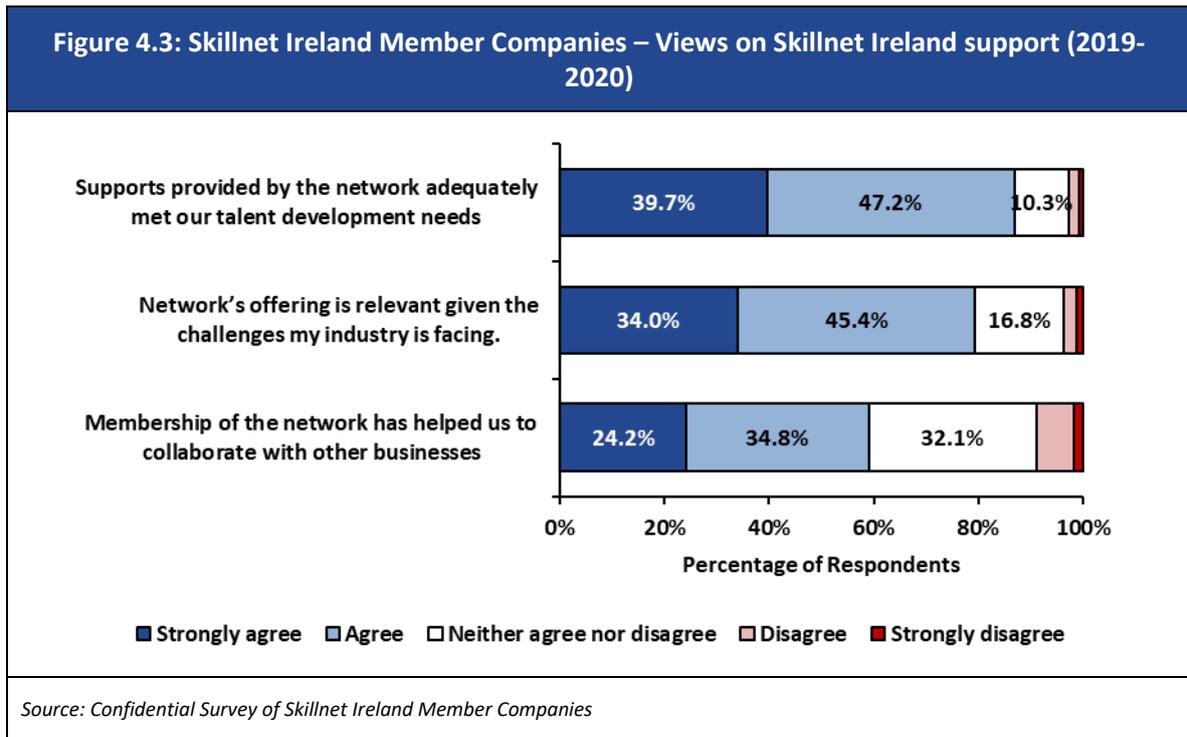
4.1 Introduction

In this section Indecon presents key findings from our research among member companies, and Network Promoters and Managers in relation to the Impact of Skillnet Ireland training, as measured by the extent to which Skillnet Ireland contributed to changes at firm level (including by promoting innovation, business performance and productivity); as well as measures of workforce development (including with respect to employee engagement and employment retention; workforce capacity building; and talent development for the future needs of business and industry).

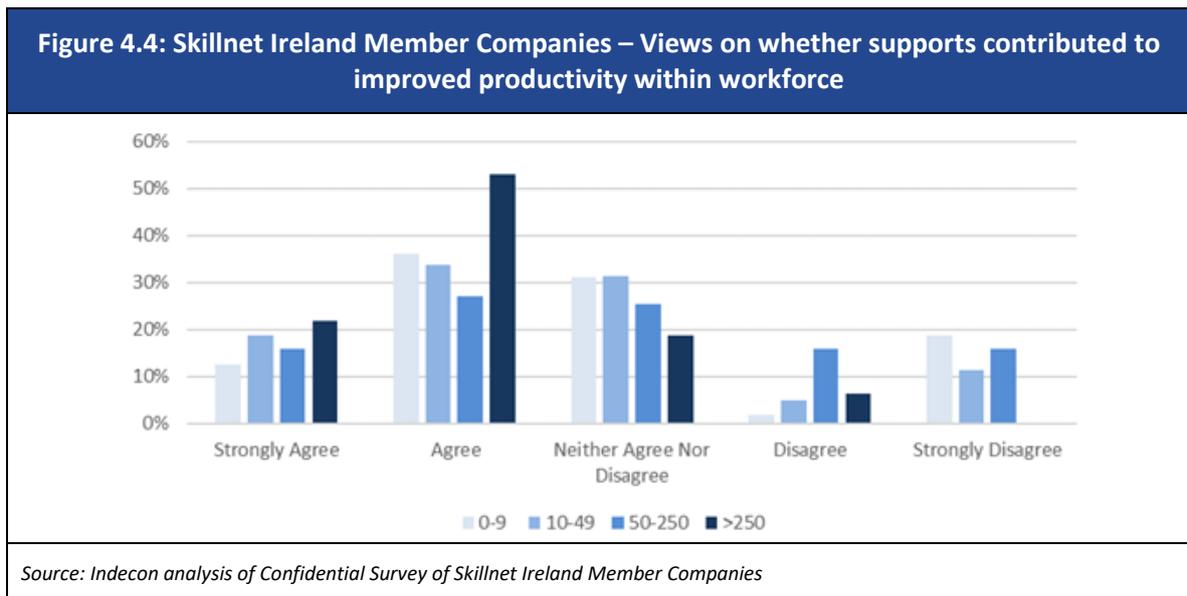
4.2 Performance, Productivity and Innovation Impact

In this section we review the reported impact that training had on firm performance. The results of the survey of member companies indicates that participation in Skillnet Ireland training in the 2019 -2020 period is associated with enhancing the business’s product, improving productivity, and enhancing long-term performance. Figure 4.1 shows that 58% of managers believed that training enhanced the firms service quality or product quality. Further, almost half (49%) believed the training had improved productivity. However, around half of companies did not report a significant impact, though a review of the comments of these firms do not suggest a single reason. It should be noted that the feedback on “meeting talent development needs” was more clearly positive, which may suggest that the issue is not with the quality of training per se, but rather that the limited extent of training that many firms receive in terms of number of learners or number of days learning may not be sufficient for many of them to link to any measure of business performance.

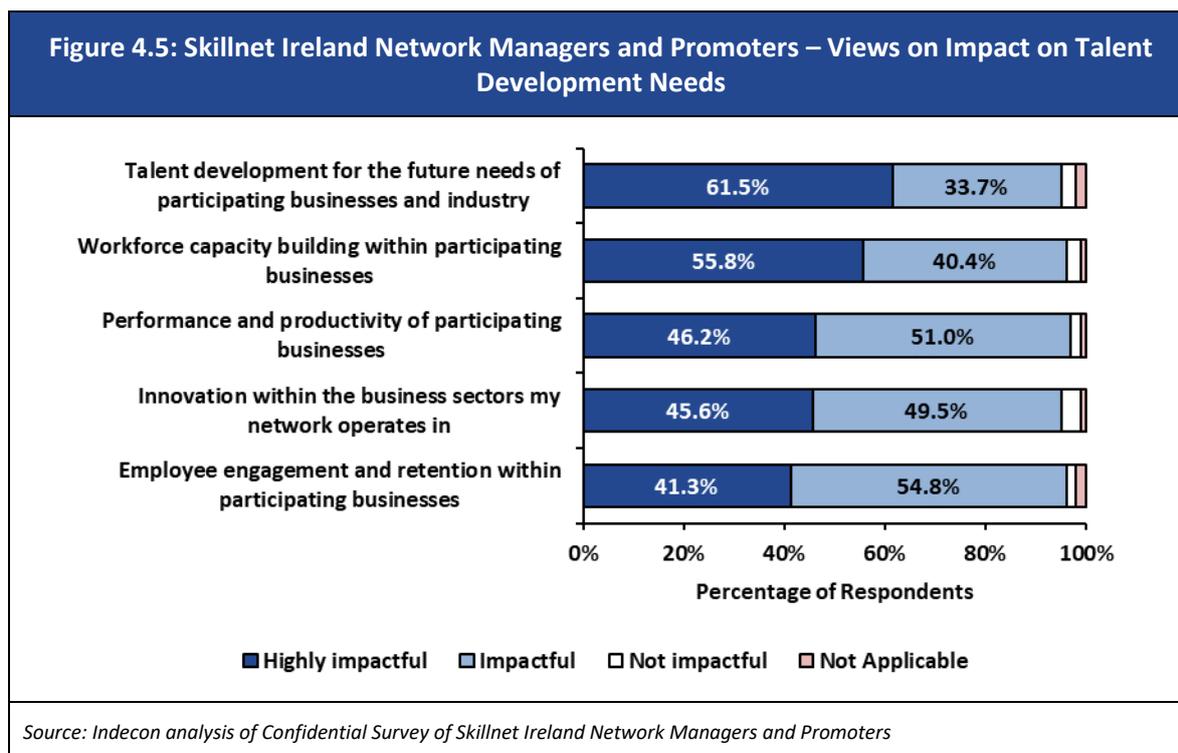




The positive view by companies that Skillnet Ireland training contributed to productivity performance was evident across firms of different sizes. A disaggregation of the results of this question, broken down by firm size, is illustrated in Figure 4.4.



Network Managers also reported positive views on the impact of Skillnet Ireland training with regard to a range of factors related to business performance, productivity and innovation. Almost all Network Managers see the Networks as highly impactful for a range of domains, including talent development and employee retention. This is illustrated in Figure 4.5.



The impact of training can also be viewed from the perspective of the extent to which it helped business build relationships with other businesses, often in their own sector. Survey respondents across all sectors reported agreement with the view that SI supports helped them in this regard. The responses were particularly strong among manufacturing/construction and agri-based business, with 72.7% and 85.8%, respectively, agreeing or strongly agreeing that the Skillnet Ireland model helped build relationships.

Table 4.1: Skillnet Ireland's supports helped our network build relationships with businesses

	General	Services	Manufacturing / construction	Agriculture
Strongly agree	21.3%	31.6%	54.5%	42.9%
Agree	42.6%	50.0%	18.2%	42.9%
Neither agree nor disagree	31.9%	13.2%	27.3%	14.3%
Disagree	2.1%	2.6%	0.0%	0.0%
Strongly disagree	2.1%	2.6%	0.0%	0.0%

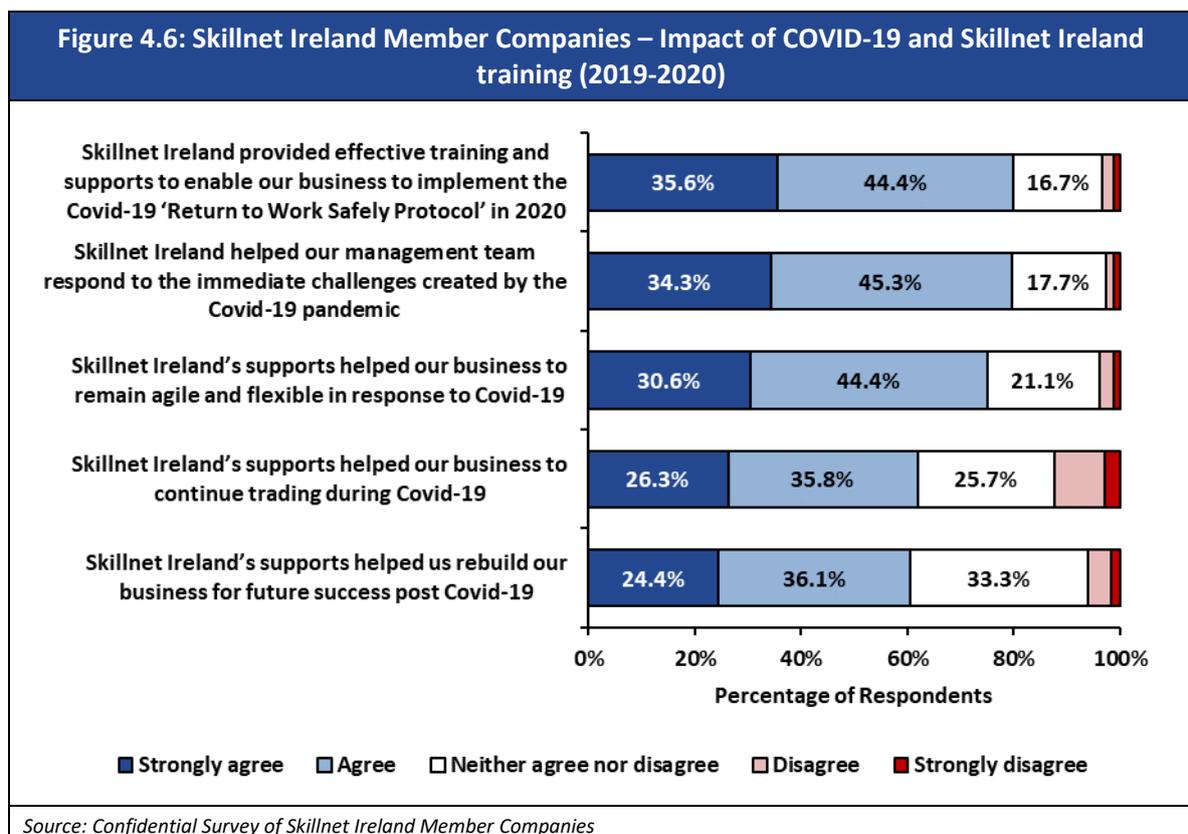
Source: Indecon analysis of Confidential Survey of Skillnet Ireland Network Managers

4.4 Response to COVID-19 pandemic

The emergence of the COVID-19 pandemic in early 2020 resulted in a number of challenges for businesses throughout Ireland. Quite apart from the need to help companies deal with the challenges introduced by COVID-19 as discussed in more detail below, it also resulted in a significant change in the way that training was provided given the requirements of public health restrictions.

In terms of dealing with issues that firms were facing following the introduction of the 'Return to Work Safely Protocol' in 2020, Skillnet Ireland introduced ReBounce. The aim of the programme was to make COVID-19 protocol training available to business owners and managers throughout the four phases of the Government Roadmap. The funding was provided through Future Skills Programme call for proposals on 100% funding basis. Funding was primarily available for the delivery of training and related learning supports. ReBounce consisted of webinar training and information sessions structured across three levels, with nine unique webinar sessions. Additionally, many Skillnet Business Networks offered targeted online ReBounce programmes to assist businesses in sectors facing particular challenges.

Indecon surveyed member companies on the role that Skillnet Ireland played in the context of the pandemic. Over one-third of all businesses (35%) surveyed availed of Skillnet Ireland supports to help them respond to the COVID-19 pandemic. Of those who used the supports, the training provided by Skillnet Ireland helped businesses adjust their operations, and most found this training useful. 80% of managers agreed that training helped to implement the COVID-19 return-to-work safely protocol, and that training helped firms respond to immediate challenges of COVID-19 pandemic. This is illustrated Figure 4.6.



In the following case study, we set out how institutionally Skillnet Ireland responded to the very rapidly changing set of circumstances regarding public restrictions in the wake of the emergence of the pandemic.

Case Study 2: Skillnet Ireland Response to COVID-19

Introduction

The outbreak of the COVID-19 virus resulted in the introduction of public health restrictions in Ireland in early 2020. The first confirmed case of the coronavirus in Ireland was announced by the NPHE on 29 February, with the first death on 11 March, the day the WHO declared a pandemic. As case numbers increased during March, the NPHE moved quickly to make a series of recommendations to Government. The first was in relation to mass gatherings, and saw the closure of schools, colleges, childcare facilities, and cultural venues and restrictions on mass gatherings, including the cancellation of St Patrick's Day celebrations, were advised on 12 March. On 24 March the recommendation was made to close non-essential outlets and services, cancel all events, limit hospitality to take-out/delivery, restrict home visits and limitations on outdoor social gatherings, and advice to work from home. Further recommendations for strict stay at home measures were made on 27 March. These strict measures remained in place until May 2020.

Skillnet Ireland Response

The immediate impact on Skillnet Ireland was on the ability to conduct training courses. The organisation had to respond rapidly as hundreds of programmes scheduled by the Skillnet Ireland networks were cancelled, with no clarity at the time as to when many of the networks could again be able to deliver training for the foreseeable future, particularly in areas such as nursing homes and the hospitality sector, though in other sectors as well. On 27 March, Skillnet Ireland issued a detailed update to allow networks increased flexibility in the face of the restrictions.¹⁸ These were:

- ❑ *Established a COVID-19 Response Fund:* Skillnet Ireland established a COVID-19 Response Fund as an exceptional measure to protect the viability of businesses and enable networks deliver training programmes at a significantly reduced, or no cost, to businesses.
- ❑ *Programme Reconfiguration:* Networks were permitted to adjust provision budget provision to facilitate areas such as business continuity, cashflow management, financial planning, supply chain management, employee relations, business re-modelling, innovation and preparation for recovery.
- ❑ *Expansion of In-Company Training Expenditure Threshold:* Networks were allowed to spend up to 30% of their annual Training Budget (an increase on the previous threshold of 20%) within the Training Networks Programme on in-company training.
- ❑ *Funding Re-allocation Between Existing Grant Funding Lines:* Networks were given the flexibility to seek to re-allocate approved grant funding between the grant lines.
- ❑ *Additional Grant Funding:* Additional grant funds to support business and workers that have been most impacted by the crisis were also made available.

Source: Indecon

¹⁸ Skillnet Ireland, "Submission Supporting Industry to Respond to COVID 19", March 2020

Case Study 2: Skillnet Ireland Response to COVID-19 (continued)

In addition to these measures, Skillnet Ireland Business Networks at this stage in late-March 2020 had already begun planning for the possibility of the switch to virtual/online training becoming a more permanent feature of the training landscape, post-pandemic. They also began promoting engagement with other industry bodies to explore collaborative and cross sectoral approaches to address the challenges presented by COVID-19.

Network Impact

One of the critical impacts that the emergency support measures did was protect the number of Networks. Following the previous economic decline following the banking crisis of 2007/2008, the number of Networks halved from a high of around 126 to 60/70 subsequently. The measures introduced to provide increased funding, particularly in 2020, allowed Networks maintain training activity at a time of extreme economic disruption for businesses in many sectors. A lot of networks were learning rapidly, working with providers to reconfigure programmes for online provision. Development Advisors were engaging with individual Networks on a weekly basis in the first months of the pandemic restrictions to understand how they were doing, which was particularly important given how isolated many of the networks were. There was also many examples of Networks sharing details of providers who could reconfigure programmes for online provision. These weekly meetings were subsequently tapered off after around four to six months in when networks no longer needed such intensive support.

As a result of the increased grant funding and the central support, the number of Networks has been stable, with 71 in operation as of November 2022. According to Dave Flynn, Director of Business Networks in Skillnet Ireland

“We could have lost (Networks) in those extreme circumstances, that are very good Networks which do a lot of really good work on behalf of industries. That responsiveness in terms of the grant funding was really important for Skillnet Ireland in the longer term.”

The flexibility to switch funding between programmes in a way that would not normally be allowed in the Skillnet Ireland model was also very important to Networks to reallocate training effort.

At the outset of the pandemic, Skillnet Ireland also started to produce a series of ‘Industry Insight’ reports to Government Departments on market intelligence in sectors like technology and food and beverages.¹⁹

Long-run Impact

While the number of Networks has remained stable, Skillnet Ireland is still seeing the effects of COVID-19 on its operations. In particular, the model of delivery of training is still (October 2022) primarily virtual, though is becoming increasingly blended, particularly for the longer programmes. In addition Skillnet Ireland are providing training in this space through a number of its member Networks in line with the Government’s Making Remote Work, the Government’s strategy in this area.

Source: Indecon

¹⁹ An example of one of the Industry Insight publications is available here: <https://www.skillnetireland.ie/industry-insights-advancing-understanding-future-of-work/>

Feedback from member companies relating to the role that Skillnet Ireland played to help their company following the outbreak of the COVID-19 pandemic highlights a number of themes. In particular, a number of companies cited the speed with which they were able to react in response to the support of Skillnet Ireland. In addition, the availability of online training was referenced by a number of firms, which was particularly important for staff who temporarily were not able to work.

4.5 Response to Brexit

In June 2018, the National Skills Council along with the Expert Group on Future Skills Needs published a report entitled “Addressing the Skills Needs arising from the Potential Trade Implications of Brexit”.²⁰ This report represents a cross-sectoral contingency analysis to identify and make recommendations on addressing the specific skills needs for the Irish enterprise base arising from the potential trade implications of Brexit. Its focus is on those skillsets associated with the facilitation of trade across international borders, and its diversification into and from new markets.

One of the main recommendations of the report is the introduction of additional customs awareness and higher-level customs clearance training and advice for third-country trading as the implications of Brexit become clearer. Skillnet Ireland has been assigned a lead role in relation to the following associated measure:

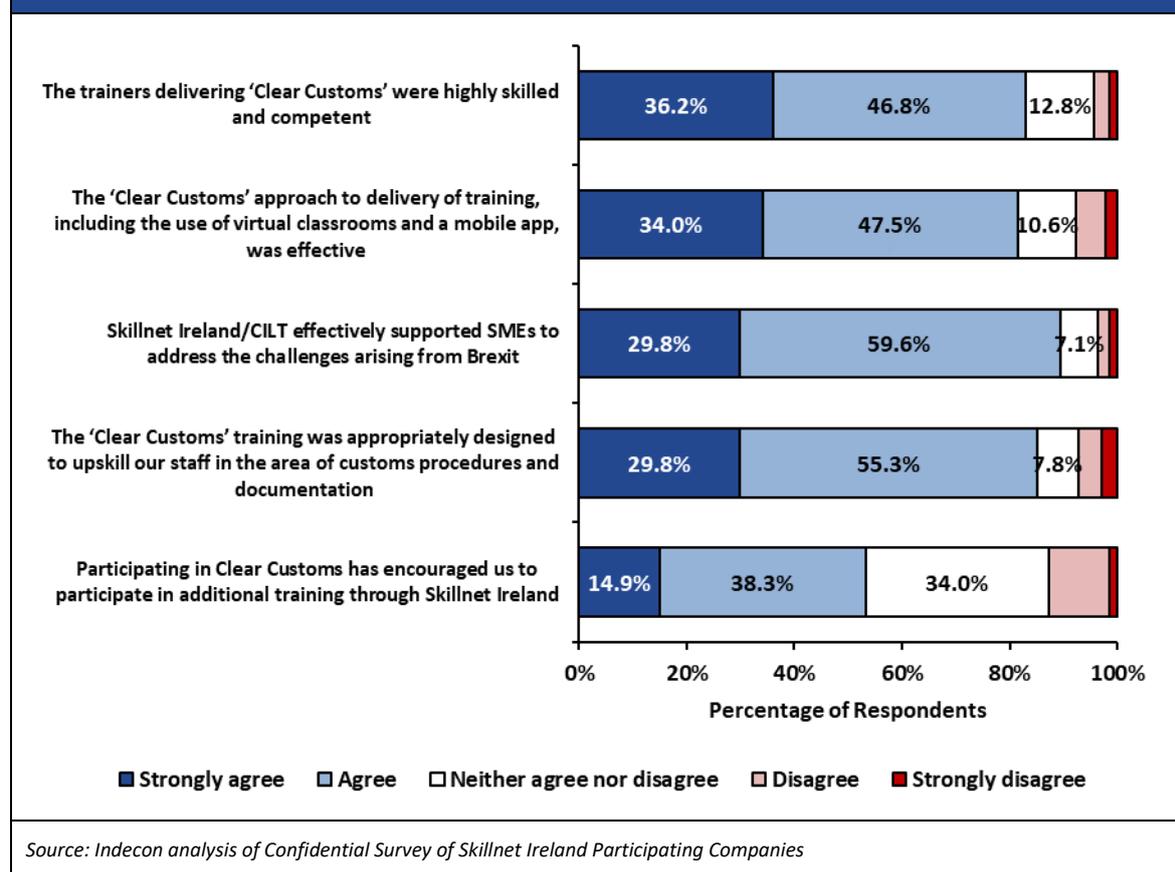
“Encourage the development of enterprise led Skillnet Ireland networks for customs clearance training aligned with sectoral needs. (Lead: Enterprise led networks with Skillnet Ireland.)”

The Clear Customs Programme was initiated in 2019, aimed at boosting capacity in the custom intermediary sector and amongst many SMEs that regularly trade with or through the UK. The programme supported businesses via a mobile app with engaging and easy-to-navigate content on customs declarations completions. Online learning was delivered by expert customs practitioners and was complemented with virtual classroom sessions. The Clear Customs training programme is now closed, though Skillnet Ireland continues to offer a range of related programmes in the area of customs and supply chain management. In the survey, of 1,264 companies who participated in Clear Customs, 141 survey responses were received.

Most participants found the training relevant and effective, with most respondents rating the training highly. This is illustrated in Figure 4.7. Respondents also reported that the training gave workers specific and relevant instruction for working with customs challenges, including in areas of customs procedures and documentation. It also appears that Skillnet Ireland were able to use this training as a way of increasing the range of training they provide some companies, with over half of companies saying that participation had encouraged them to engage in additional training through Skillnet Ireland. The detailed comments received from participants generally reflected this positive feedback, reporting that the course was very timely, and that the instructors were generally very knowledgeable. However, there was also some issues relating to the online delivery of the courses, while some students reported that they could not ultimately do the exams and receive certification because of these issues.

²⁰ National Skills Council and Expert Group on Future Skills Needs, ‘Addressing the Skills Needs arising from the Potential Trade Implications of Brexit’, June 2018. See: <https://dbei.gov.ie/en/Publications/Publication-files/Skills-needs-potential-trade-implications-Brexit.pdf>.

Figure 4.7: Skillnet Ireland Companies using Clear Customs (2019-2020)



4.6 Future Skills including Digital Skills

Skillnet Ireland has made several contributions to the area of digital skills and the advancement of digital skills in the future of work. Specifically, in response to the work of the Expert Group on Future Skills Needs (EGFSN)²¹ it supported research into the demands for such skills in Ireland, including the skills outlined in the transformation agenda. Further, the Technology Ireland ICT Skillnet has played a role in responding to skills identified in the EGFSN's regular study of demanded High Level ICT Skills²², a set of studies which have also informed consequent ICT Skills Action Plans.

Skillnet Ireland activities played key roles in the development of postgraduate courses in ICT skills, and helped with the development of Ireland's first MSc programme in Artificial Intelligence, as well as further programmes such as "the Internet of Things", "Cybersecurity (the Cybersecurity Skills Initiative)", "Cloud Computing" and "Blockchain". Beyond postgraduate courses, Skillnet Ireland has

²¹ More information about the group is available here: <http://www.egfsn.ie/all-publications/2018/digital-transformation-assessing-the-impact-of-digitalisation-on-ireland-s-workforce.html>

²² More information about this study is available here: <http://www.egfsn.ie/all-publications/2019/high-level-ict-demand-forecast-2017--2022.html>

played a role in upskilling the ICT sector, and helping other sectors develop their ICT skills, which have been identified as important aspects in the government's Technology Skills reports²³.

Skillnet Ireland has also played a role in supporting the Construction and Design sectors, contributing to innovation and productivity. Following recommendations in the Construction Sector Group's Productivity in the Irish Construction Sector report (2020)²⁴, Skillnet Ireland was involved in the Building Innovation Roadmap²⁵, which was developed to drive innovation across construction activities- including Building Information Modelling, Modern Methods of Construction, and digitalisation. CiTA, a Skillnet network has won a tender with TU Dublin, to run the Build Digital Centre course, aimed at training and encouraging the use of Building Information Modelling across the sector. The role of Skillnet Ireland in addressing emerging skills needs within the construction sector was specifically highlighted by the EGFSN's 2020 report, '*Building Future Skills- The Demand for Skills in Ireland's Built Environment Sector to 2030*'²⁶. Skillnet Ireland has also contributed to recommendations in EGFSN's Together for Design report²⁷ on strategic design skills.

Skillnet Ireland has also contributed to wider government policy, such as Future Jobs Ireland (2019)²⁸. Skillnet Ireland's role was mentioned throughout the strategy, in terms of the importance in advancing technological adoption across the enterprise sector (mentioned above), driving SME productivity, expanding labour force participation (particularly amongst women) and supporting the transition to a low carbon economy. More specifically, the Women Reboot programme²⁹ run by the Technology Ireland Digital Skillnet network has often been cited as a model of best practice for activation of labour market returners. Further, Skillnet Ireland's Employment Activation Programme³⁰, which reskills the unemployed for sectors with high labour demand, is also supportive of Pathways to Work, and the broader employment recovery targets contained in the Economic Recovery Plan.

One area with a strong demand for labour is the renewable energy sector. Skillnet Ireland has contributed through the establishment of its Climate Ready Academy³¹ in partnership with a range of industry bodies, government agencies, businesses, and other stakeholders. It is also making contributions to the Climate Action Plan³²; helping employers and sector leaders with changing business models and job roles which have been affected by Ireland's decarbonisation efforts, as well as helping workers to upskill or reskill for green economy sectors (for example, building wind energy infrastructure, solar energy infrastructure, and retrofitting residential homes). The role of Skillnet Ireland was also called out in the EGFSN's most recent report, Skills for Zero Carbon- The Demand for Renewable Energy, Residential Retrofit and Electric Vehicle Deployment Skills to 2030³³.

²³ The government's reports on Technology Skills are available here: <https://www.gov.ie/en/publication/554904-technology-skills-2022/>

²⁴ The report is available here: <https://www.gov.ie/en/publication/94929-pre-covid-19-productivity-research-in-construction-sector/>

²⁵ The report is available here: <https://www.gov.ie/en/publication/827c7-construction-sector-group-building-innovation/>

²⁶ The report is available here: <http://www.egfsn.ie/all-publications/2020/building-future-skills.html>

²⁷ The report is available here: <http://www.egfsn.ie/all-publications/2020/together-for-design1.html>

²⁸ Future Jobs Ireland is available here: <https://www.enterprise.gov.ie/en/publications/publication-files/future-jobs-ireland-2019.pdf>

²⁹ The report is available here: <https://www.digitalskillnet.ie/women-reboot/>

³⁰ More information is available here: <https://www.skillnetireland.ie/skills-connect/>

³¹ Skillnet Ireland's Climate Ready Academy is available here: <https://www.climatereadyacademy.ie/>

³² The Climate Action Plan is available here: <https://www.gov.ie/en/publication/6223e-climate-action-plan-2021/>

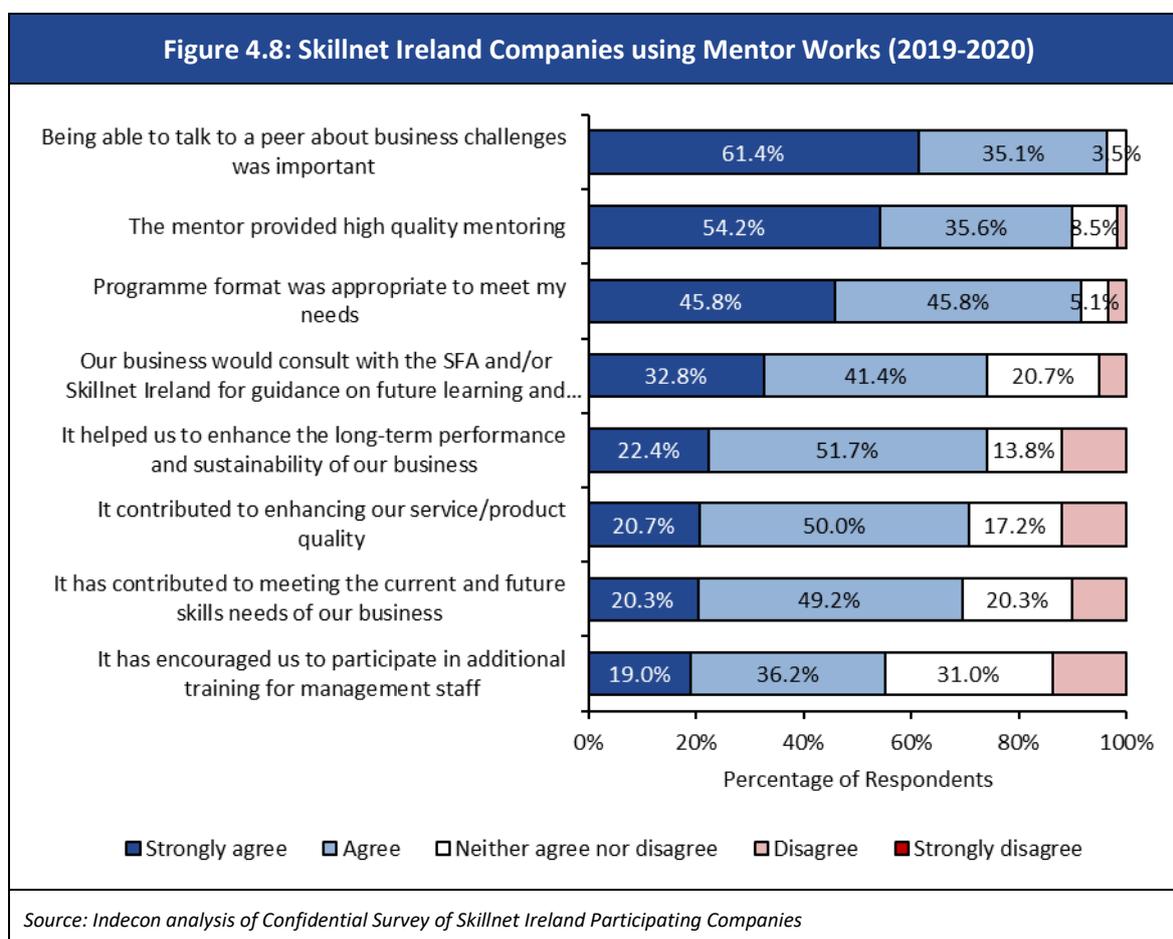
³³ More information is available here: <http://www.egfsn.ie/all-publications/2021/skills-for-zero-carbon.html>

4.7 Management Training

In 2020 Skillnet Ireland partnered with the Small Firms Association to create the MentorsWork programme to connect SME business owners and managers with experienced mentors to address specific business issues on a one-to-one basis. It was first trialled in 2020, and by May 2022 almost a thousand companies had participated. This virtual mentoring programme was designed specifically to tackle immediate issues companies faced because of COVID-19, as well as supporting them with long-term planning. In Indecon's survey of participants, training received through MentorsWork was also reported as being highly relevant to participants.

Measures of satisfaction with the MentorsWork programme and impacts on business practices is illustrated in Figure 4.8. Businesses found access to mentors especially important and beneficial, a feature which marks a departure from previous management training programmes by Skillnet Ireland. Comments written by respondents also largely made reference to the impact of the mentor (whether positive or negative), rather than any other aspect of the programme.

Respondents also reported that the training was of high quality and relevant to their business needs. Generally, the responses relating to business impact were far stronger for the MentorsWork programme than were reported for other forms of Skillnet Ireland training, as reported in Section 4.2. For example, while just over 50% of businesses surveyed strongly agreed or agreed that the training provided would enhance the long-run performance and sustainability of the business, the corresponding figure for MentorsWork participants was just over 75%.



4.8 Summary of Key Findings

In this section we reviewed the reported impact that training had, directly in terms of impacts on key business success indicators such as productivity or innovation, but also on the talent development needs of firms. A summary of the key findings of this section are as follows:

- ❑ Most participating companies in Skillnet Ireland training were micro or small firms, which provided training in 2020 to approximately 8% of the entire SME base. Virtually all areas of the country experienced growth in numbers of member firms from 2019 to 2020.
- ❑ A large majority of member companies strongly agreed or agreed that Networks met their talent development needs. The view by companies that Skillnet Ireland training met talent development needs was evident across firms of different sizes, from micro firms of fewer than 10 employees to large firms with 250 or more employees.
- ❑ Both member companies and Network Managers reported strongly positive views on the impact of Skillnet Ireland training, though not to the same extent as they reported that the training had met their talent development needs. However, an analysis of comments suggested that this may reflect the fact that the extent of training for many firms may not have been sufficient to result in an identifiable business impact.
- ❑ Over one-third of businesses (35%) surveyed availed of Skillnet Ireland supports to help them respond to the COVID-19 pandemic. A large majority of businesses agreed that training helped to implement the COVID-19 return-to-work safely protocol, and that training helped firms respond to immediate challenges of COVID-19 pandemic.
- ❑ The Clear Customs Programme was initiated in 2019, aimed at boosting capacity in the custom intermediary sector and amongst many SMEs that regularly trade with or through the UK. The programme is now closed. Most participants found the training relevant and effective, while also reporting that it gave workers specific and relevant instruction for working with customs challenges.
- ❑ In 2020 Skillnet Ireland partnered with the Small Firms Association to create the MentorsWork programme. Businesses reported that they found access to mentors especially important and beneficial, while respondents also reported that the training was of high quality and relevant to their business needs. The reported impact on measures of business performance was much more strongly positive than for Skillnet Training more generally.

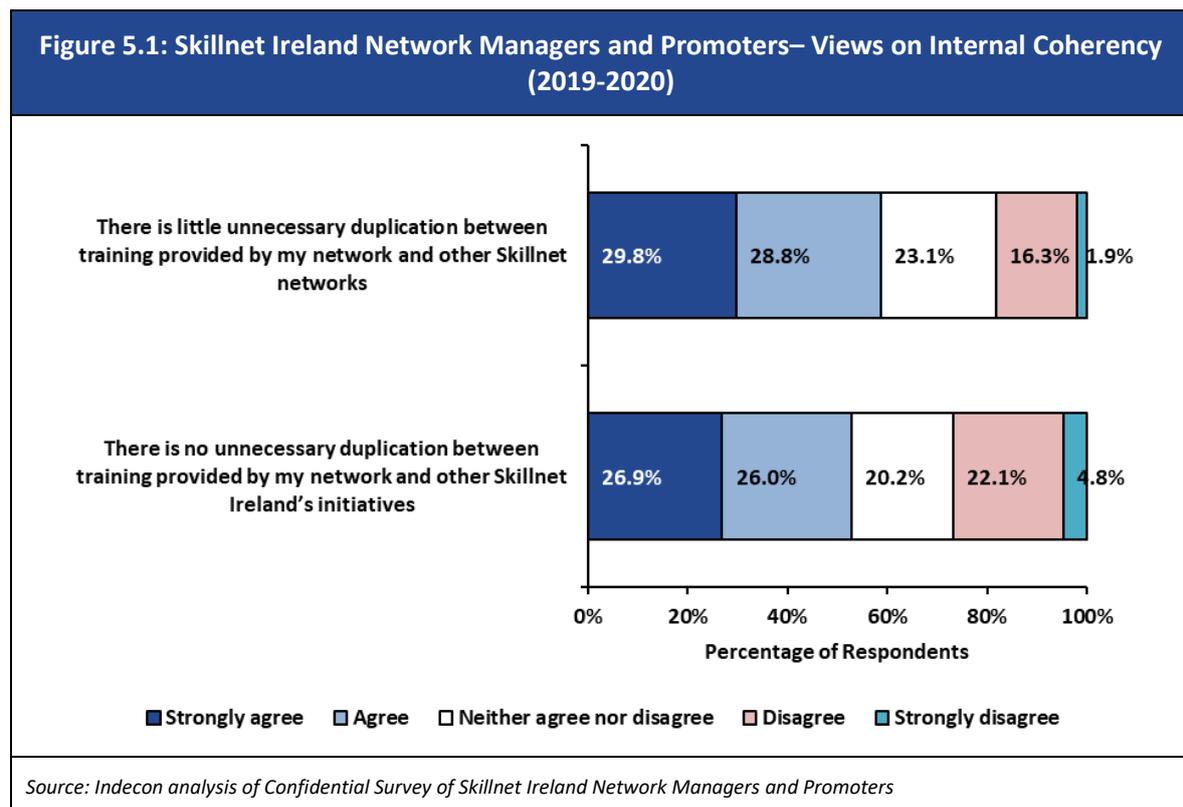
5 Coherence of Training Offered

5.1 Introduction

The coherence of the training offered by Skillnet Ireland can be thought of as internal or external. Coherence of training can be considered as being “internal”, i.e., with respect to Skillnet Ireland’s initiatives and business networks. External coherence, in contrast, can be considered an indication of the level of complementarity and alignment between Skillnet Ireland and other external enterprise agencies regarding business enablement, innovation, transformation, and talent. Coherence can also be improved by appropriate information, to ensure that firms are appropriately guided to the right training and/or resources. In this section we review both aspects of coherence with regard to the coherence of the training offer.

5.2 Internal Coherency

Network Managers and Promoters signalled that the training provided by different Skillnet Ireland Networks was ‘coherent’, though one in four respondents had the view that external coherency was. Turning first to internal coherency, almost three in five Networks and managers and Promoters stated that there was no unnecessary duplication among Skillnet Networks or other initiatives. This is illustrated in Figure 5.1 below. The stakeholder interviews did not reveal any concern regarding possible duplication or overlap between different Skillnet networks. In the Case Study shown overleaf, we examine the case of Galway, in particular how the mix of Skillnet Networks provides training across a number of different skill areas to the meet the needs of companies in the region.



The views of network Managers and Promoters can also be examined regionally, as shown in Table 5.1. It indicates that there appears to be a broadly consistent spread of results across the country. There were some differences by sector, however, with stronger agreement in manufacturing and the agri-sector than in services and 'general'. By their nature, the skills demanded of the services and 'general' sector may be more generic in nature, giving rise to greater levels of overlap between other SI activities.

Table 5.1: Views of Network Managers and Promoters on Whether There is no Unnecessary Duplication between their Network and other SI Initiatives				
	Leinster	Munster	Connacht	Ulster
Strongly agree	28.1%	24.0%	25.0%	16.7%
Agree	28.1%	24.0%	12.5%	33.3%
Neither agree nor disagree	23.4%	8.0%	37.5%	16.7%
Disagree	15.6%	40.0%	12.5%	33.3%
Strongly disagree	4.7%	4.0%	12.5%	0.0%
Total	100.0%	100.0%	100.0%	100.0%

Source: Indecon analysis of Confidential Survey of Skillnet Ireland Network Managers and Promoters

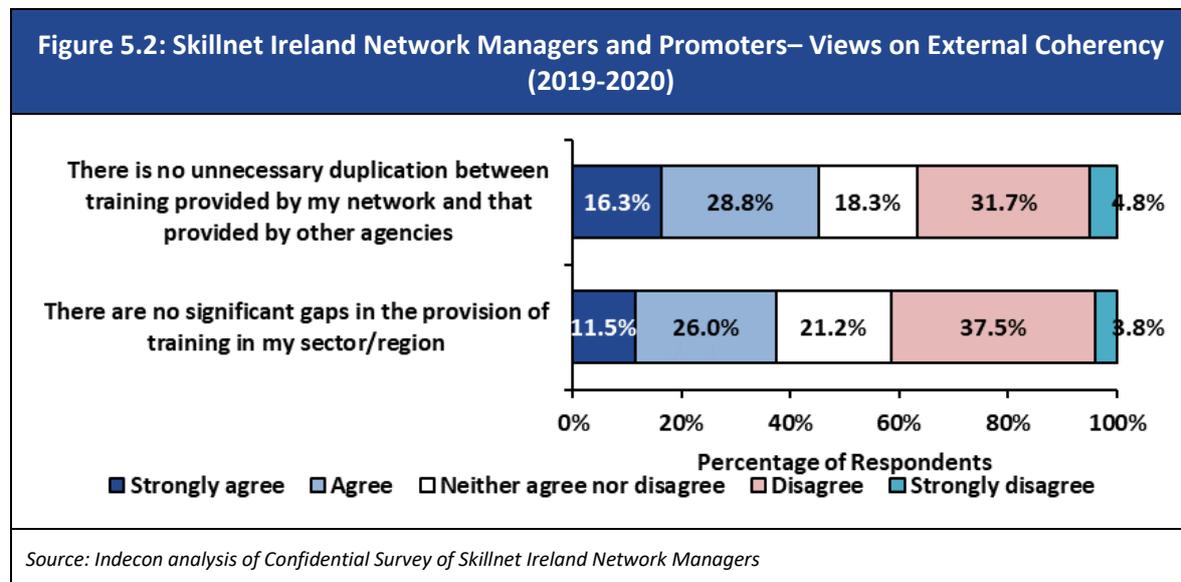
Coherence can be improved by the provision of appropriate information, to ensure that firms are appropriately guided to the right training and/or resources. A large majority of Network Managers and Promoters reported that they had information within Skillnet Ireland on activities, strategic supports, etc. They also believed that they were provided with the required business advice to help their network deal with industry needs.

Table 5.2: Views of Network Managers and Promoters on Availability of Information and Resources regarding activities					
Opinion on alignment	Strongly agree	Agree	Neither agree/ disagree	Disagree	Strongly disagree
I know where to get help in Skillnet Ireland	39.4%	46.2%	11.5%	1.9%	1.0%
I have a clear understanding of Skillnet Ireland activities, events and resources	39.4%	45.2%	11.5%	2.9%	1.0%
SI provides effective business advice to help my network effectively address industry/ regional needs	18.3%	49.0%	25.0%	6.7%	1.0%

Source: Indecon analysis of Confidential Survey of Skillnet Ireland Network Managers and Promoters

5.3 External Coherency

External coherency can be thought of as the complementarity and alignment of the Skillnet Ireland offer with those of other state agencies. Given the growth of Skillnet Ireland activities in the last number of years, there is an increasing possibility of duplication between its provision, and that of other agencies. Two in five of Skillnet Ireland Network Managers and Promoters, felt there were significant gaps in provision. This is illustrated in **Error! Reference source not found.** below. This indicates a greater level of concern for external coherency (i.e., vis-à-vis external agencies) as compared with internal coherency, (i.e., between different Skillnet Networks). Section 3.3 gave examples of other-state funded support for in-employment training. An example of an area of potential overlap relates to Enterprise Ireland’s Mentor Network and the Skillnet Ireland MentorsWork programme. While the Skills to Advance (STA) programme has some similarity to the activities of Skillnet networks, the focus of STA is more on vulnerable employees and enterprises, while Skillnet Ireland has a greater focus on higher skill levels³⁴. However, it should be recognised that firms and their employees can have skill needs at all levels, and Skillnet Ireland will need to continuing addressing those needs.



³⁴ As measured by being at levels 6+ on the NFQ.

Case Study 3: Network Activities in Galway

Introduction

An important aspect of Skillnet Ireland activities is ensuring the needs of businesses are met, both sectorally and regionally. Issues of coherence are relevant here, in particular, are the needs of key sectors of the economy in specific locations being met. In this Case Study we focus on a review of how large multinationals based in Galway access and use Skillnet Ireland network training. Galway has particular strengths in medtech, as well as in IT and the creative industries.³⁵

Use of Skillnet Networks

In all, 44 Skillnet Ireland networks provide training to companies are based in Galway, though many of these networks only have a small number of member companies. The top five most used networks in Galway account for half of all interactions, while the remaining 39 account for the other half.

For the purposes of this Case Study, twenty of the largest FDI firms based in Galway were identified from Skillnet Ireland data, and their use of different Skillnet Ireland networks during 2019 and 2020 was assessed. These companies have activities which span a range of sectors, though are particularly concentrated in pharmaceuticals, life sciences and other manufacturing.

In all, these firms accessed training from 16 different Skillnet networks, with many availing of training from multiple Skillnet Ireland networks. This is reflective of the complexity of their operations in Ireland, with a resultant broad range of skillsets and training required. The following seven networks were the most frequently used by these leading FDI firms:

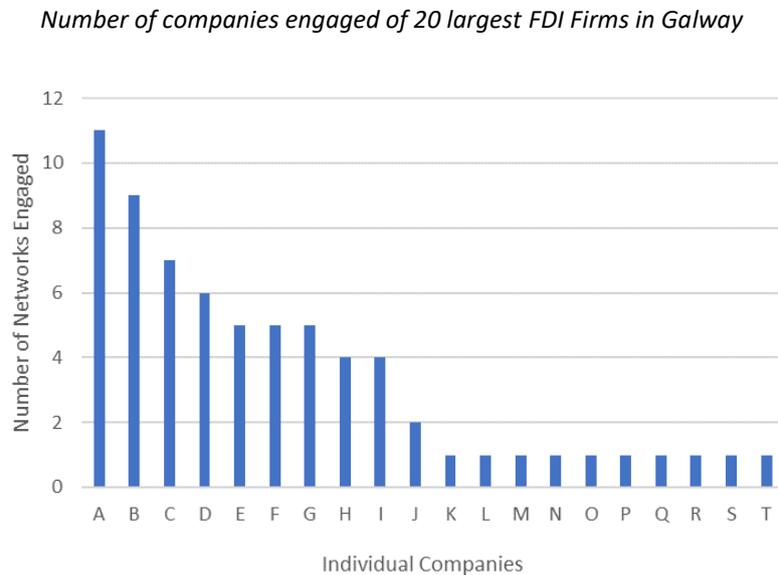
- ❑ *Irish Medtech Skillnet*: Focused on medical technology and engineering sector in partnership with the Irish Medtech Association. Examples of courses offered include Biological Evaluation of Medical Devices; Certified Quality Engineer ASQ; and Fundamentals in Regulatory Affairs for Medtech. In 2020 they worked with 271 companies and 2,085 trainees.
- ❑ *ICBE Advanced Productivity Skillnet*: This is a multi sector business network for companies within the manufacturing, food, medical devices, pharmaceutical and financial services sectors amongst others. Examples of courses include Six Sigma Yellow Belt; Lean Manufacturing Tools; and Value Stream Mapping (VSM)/ Material & Information Flow (M&I Study).
- ❑ *Galway Executive Skillnet*: Scope ranges across multiple sectors, catering for over 400 businesses, addressing both technical and non-technical skills. Courses include Disciplinary Investigations Training; Emerging Managers Programme and Certificate in Psychotherapy & Counselling.
- ❑ *ICBE Business Excellence Skillnet*: ICBE Business Excellence Skillnet is a national, multi sector business network for companies of all sizes, addressing both technical and non-technical skills needs. In 2020 they worked with 123 companies and 1,162 trainees.
- ❑ *First Polymer Training Skillnet*: FPT operates as a training network for the polymer industry, which can include plastics processors, suppliers of raw materials and equipment, and service providers.
- ❑ *ITAG Skillnet*: ITAG Skillnet focused on the technology sector in the West, North West and Mid West Regions. The Information Technoogy Association of Galway promotes ITAG Skillnet with membership also open to other enterprises in the technology sector throughout the western regions.
- ❑ *BioPharmaChem Skillnet*: BioPharmaChem Skillnet is a business network for companies of all sizes in the pharmaceutical, biopharmaceutical, medical device and chemical supply sectors. In 2020 they worked with 139 companies and 1,677 trainees.

³⁵ <http://whitakerinstitute.ie/wp-content/uploads/2020/12/Business-Clusters-in-Galway-and-the-UKrev5.pdf>

Case Study 3: Network Activities in Galway (continued)

Cross-use of Networks

The figure below shows the extent to which firms engage a range of Skillnet Ireland networks to meet their needs. It shows that one company accesses training from 11 separate Skillnet Ireland networks, while another eight accessed training from four or more networks.



The five networks that are most used by these companies are the Irish Medtech Skillnet (10 companies); ICBE Advanced Productivity Skillnet (9 companies); ICBE Business Excellence Skillnet (8 companies); Galway Executive Skillnet (7 companies); and the First Polymer Training Skillnet (7 companies). What is notable is that these Networks have different areas of focus, some being general providers of training, while others being more industry specific. An interview with one Skillnet Network showed that companies are often referred to other networks where appropriate:

"... if we have a request from a company for training we do not provide on a regular basis or if the training is outside our remit, we would always pass them on to the relevant Skillnet (network) to receive training through them."

What is notable from the offer of the most heavily used Networks, there is a significant level of industry-specific technical skills on offer from the range of Skillnet networks active in the Galway region. One major FDI employer in the region commented:

"From a highly skilled technical industry vertical, Skillnet Ireland is a valuable asset for targeted industry specific training. Additionally, the broader sweep of softer & business support courses also aides in the development of the site. This helps, in our case, the Ireland site advance the skillset of the Irish based employees thus "stand out" in comparison to our other international sites."

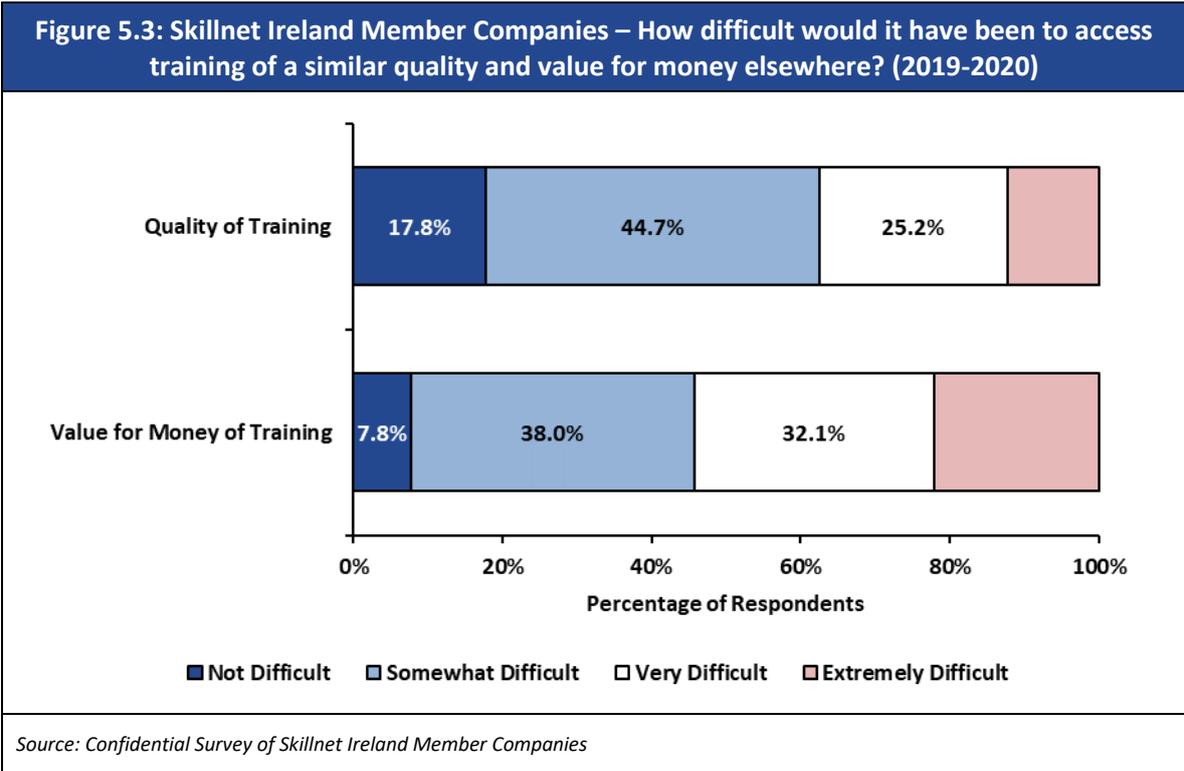
This case study highlights that an important element of meeting the needs of large FDI companies is that these companies often prefer to source from different Networks and ensuring that these different Networks are aware of each other's training offer and are willing to promote it can help them best work with these large companies to help them meet their training needs.

Source: Indecon

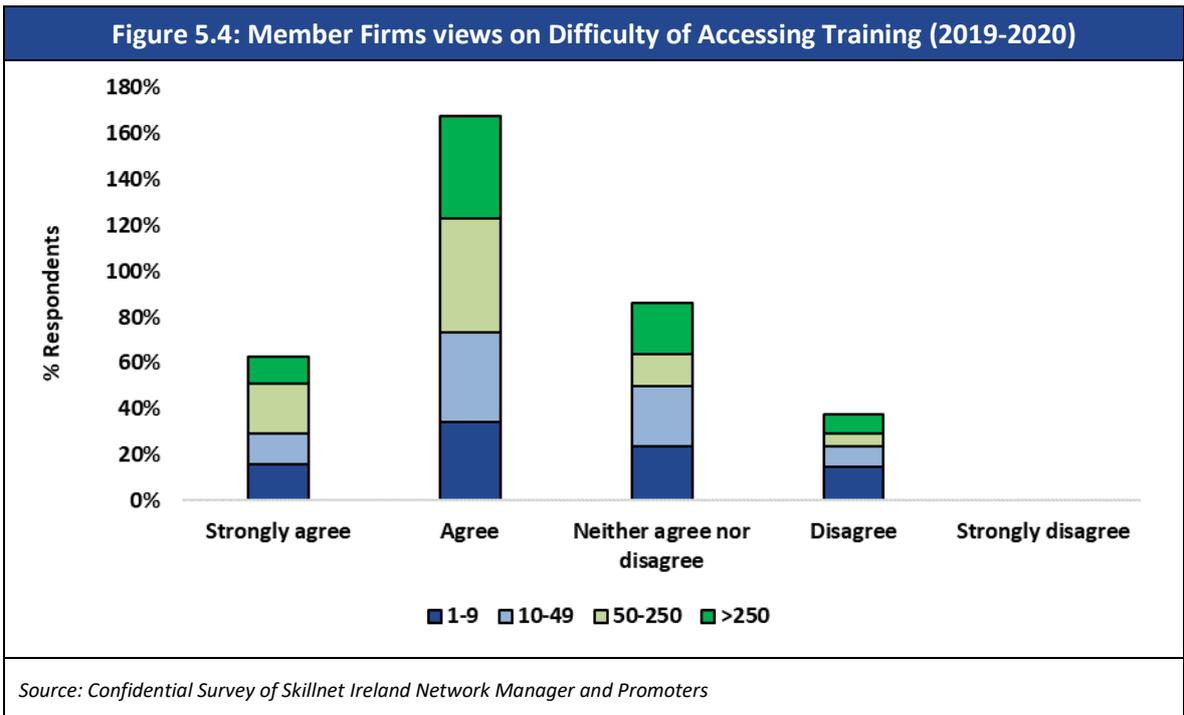
Qualitative feedback from national stakeholders indicated a strong working relationship between state agencies and Skillnet Ireland, both at a national and local level. This should be conducive to a better understanding of firms' needs, thereby addressing gaps in the training offered, and any duplication in provision which emerge. However, another issue raised during the consultations was the challenges firms faced in navigating the various training opportunities offered by various agencies. Further, some network managers/promoters reported the view that there could be more 'cross-selling' of training offered by one network by other networks. There is some indication that there might be more gaps in the provision of training in services than in industry. The views of Network Managers and Promoters, broken down into categories reflecting the broad focus of the network, is shown in Table 5.3 below.

Table 5.3: Managers and Promoters views on if there were significant gaps in the provision of training in my sector/region, broken down by broad network focus				
	General	Services	Manufacturing/ construction	Agriculture
Strongly agree	14.9%	7.9%	18.2%	0.0%
Agree	31.9%	23.7%	18.2%	14.3%
Neither agree nor disagree	21.3%	31.6%	0.0%	0.0%
Disagree	29.8%	31.6%	54.5%	85.7%
Strongly disagree	2.1%	5.3%	9.1%	0.0%
Total	100.0%	100.0%	100.0%	100.0%
<i>Source: Indecon analysis of Confidential Survey of Skillnet Ireland Network Managers</i>				

Companies generally reported that it would be difficult to find training of an equivalent quality and price elsewhere. Around three in five companies agreed or strongly agreed that it would have been difficult to source alternative training, with most of the remainder neither agreeing nor disagreeing. As such, while internal and external coherency is an issue raised by a significant minority of Network Managers and Promoters, member companies continue to report the difficulty of accessing similar training. This is illustrated in Figure 5.3 overleaf. Approximately 37% of respondents believed that the quality of training provided by Skillnet Ireland was either very difficult or extremely difficult to find with another provider. A further 44% believed that it would be somewhat difficult to find the same quality of training elsewhere. Regarding value for money, 54% of respondents believed it would be very difficult or extremely difficult to replicate the same value for money in training with another provider.



This view was shared, regardless of company size, as illustrated in Figure 5.4 below.



Over half of companies surveyed reported that if they did not have access to Skillnet Ireland training, then they would not have done the training at all or would have done it to a lesser extent. Around 40% would have arranged alternative training no different from Skillnet Ireland training, or at a later date. This is illustrated in Figure 5.5 below.



5.4 Summary of Key Findings

In this section we reviewed the coherence of the training offered by Skillnet Ireland. This should be considered also in the context of policy coherence, which is discussed in greater detail in Section 3. A summary of the key findings of this section are as follows:

- ❑ A clear majority (three in five) Network Managers and Promoters stated that there was no unnecessary duplication among Skillnet Networks or other Skillnet Ireland initiatives, while fewer than one in five felt that there was.
- ❑ External coherency can be thought of as the complementarity and alignment of the Skillnet Ireland offer with those of other state agencies. Network Managers and Promoters were broadly split between those who felt that there were no significant or gaps, and those who felt that they were.
- ❑ The extent of external coherency can also be viewed from a sectoral perspective. There is some indication that there might be more gaps in the provision of training in manufacturing/construction, and agriculture, compared to in the broad services sector.
- ❑ Feedback from stakeholders indicated that there were some areas of potential overlap between Skillnet Ireland activities and those of other agencies, for example MentorsWork and the Enterprise Ireland Mentors Network. As Skillnet Ireland activities scale further, examples such as these may increase.

- Three in five companies agreed or strongly agreed that it would have been difficult to source alternative training, with most of the remainder neither agreeing nor disagreeing. A majority of companies reported that if they did not have access to Skillnet Ireland training, then they would not have done the training at all or would have done it to a lesser extent.

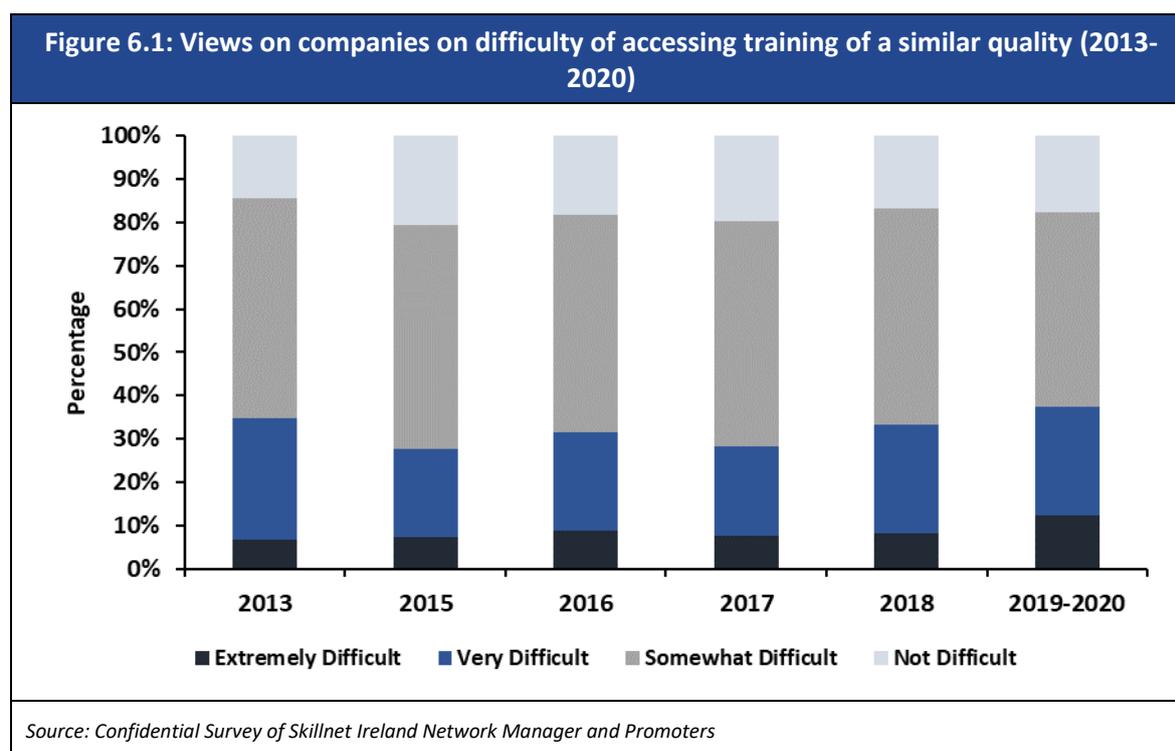
6 Sustainability

6.1 Introduction

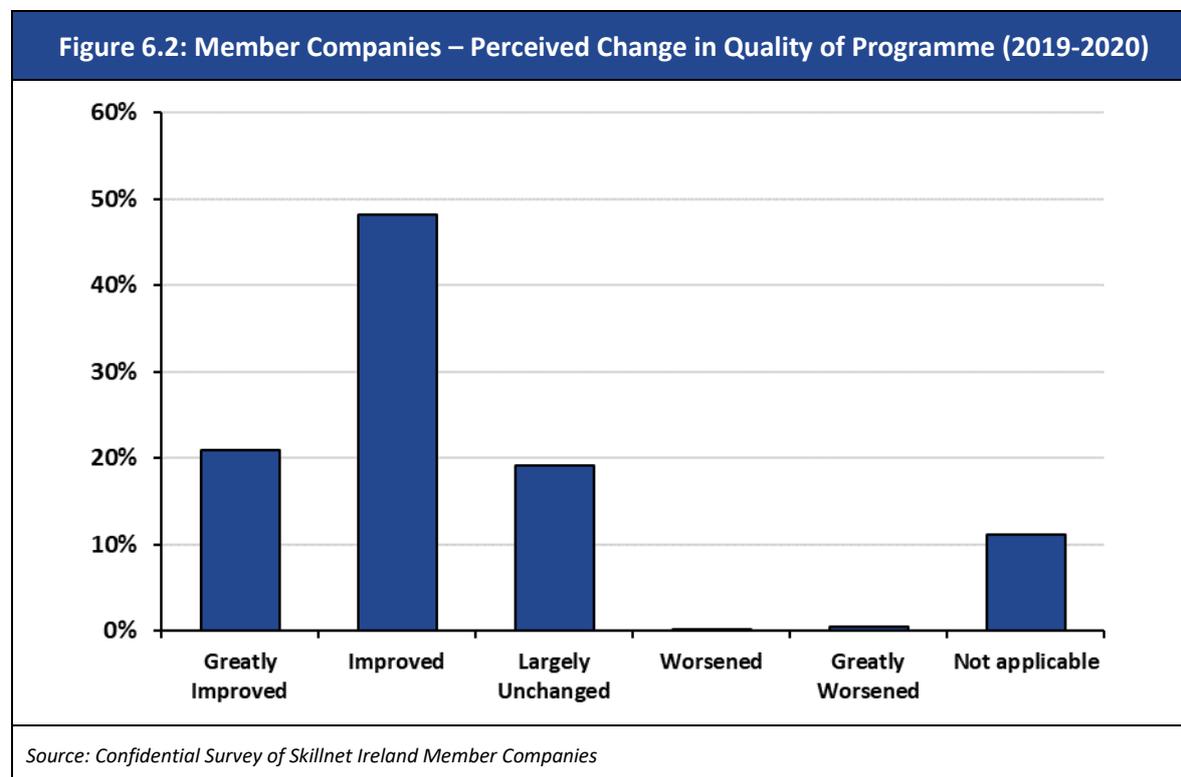
An important issue is the sustainability of the Skillnet Ireland model over time. As discussed in Section 2, the 2019 to 2020 period saw significant growth for Skillnet Ireland, with a rise in both budgeted expenditure and training activities. In this context, the sustainability of Skillnet Ireland can be thought of as ensuring that the quality and impact of training is sustained and, indeed, enhanced as the level of activity increases, as well as for the potential of the organisation to achieve future growth. This section addresses this issue, in particular by assessing the extent to which Skillnet Business Networks have been successfully supported to sustain results over time; the extent to which Flagship Business Network initiatives supported by Skillnet Ireland have the potential to scale; and that the Skillnet Business Network model remains sustainable given the pace of change within industry, the transformation of talent development and the implications from the future of work.

6.2 Sustainability of Results Over Time

It is important for Skillnet Ireland to maintain, and where possible improve, the quality of the training provided, as well as the quantity. The figure below shows results from evaluations conducted on Skillnet Ireland activities from 2013-2020 and shows that over the last number of years, companies reported a consistently high level of difficulty in accessing training of a similar quality. What is particularly notable is that this continues to hold in 2019/2020 at a time when the quantity of training was growing. 54% of respondents believed it would be very difficult/extremely difficult to replicate the same value for money with another provider.

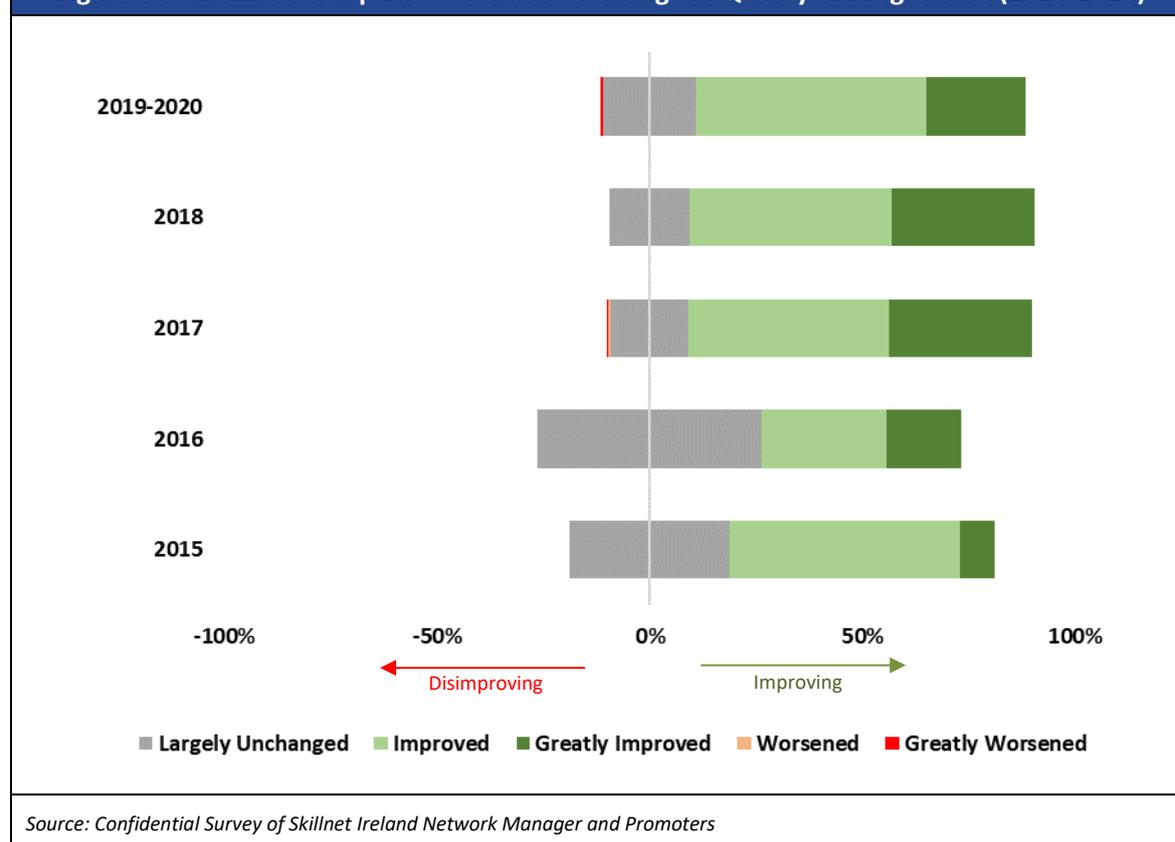


Over two-thirds of those who had availed of training with Skillnet Ireland indicated that the quality of Skillnet Ireland training provided had improved or greatly improved, as shown below. This suggests that expanding the scale of Skillnet Ireland in 2019-2020 did not appear to have come at the expense of quality, which appears to have improved.



The issue of perceptions of the change in value of training can also be reviewed from a longer-term perspective. Figure 6.3 overleaf shows the perception of the value of training from each of the last five evaluations conducted of Skillnet Ireland activities. It shows that firms report that training has been consistently improving over the period 2015 to 2020, and that the experience of 2019 to 2020 appears to be consistent with the preceding results.

Figure 6.3: Member Companies – Perceived Change in Quality of Programme (2015-2020)



In the table below we track firms' perceptions of value for money over the period 2012 to 2020, as assessed in the current and previous evaluations of Skillnet Ireland activities. The results indicate a consistently strong view of the value for money for Skillnet Ireland over the last decade, and which continues into the present evaluation period.

Table 6.1: Companies views on the value for money of Skillnet Ireland Training, 2012 - 2020

	2012*	2013*	2015	2016	2017	2018	2019-2020
Very Satisfied	41.9%	36.6%	48.7%	50.0%	53.3%	48.6%	55.4%
Satisfied	56.6%	58.5%	43.4%	41.0%	37.3%	44.1%	36.3%
Neither Satisfied nor Dissatisfied	-	-	5.5%	8.0%	7.4%	6.8%	7.6%
Dissatisfied	1.5%	4.3%	2.0%	1.5%	1.8%	0.5%	0.6%
Very Dissatisfied	0.0%	0.5%	0.4%	0.5%	0.2%	0.0%	0.0%

Source: Published Indecon evaluations of Skillnet Ireland from 2012 to the present evaluation.

* Note: In 2012 and 2013 the wording of this question was different, and the options given were 'Strongly Agree', 'Agree', 'Disagree' and 'Strongly Disagree'. The results are reported here for the sake of continuity.

6.3 Potential to Scale

In Section 2 we set out the expansion of training provided by Skillnet Ireland following an increase in budget provided. Further, the reduction in the level of matched funding from firms required is likely to facilitate further growth in the future. As such, this gives some indication that future growth is possible in the short to medium term. However, there remains a question as to whether further growth will be possible. In this section, we review evidence regarding the ability of Skillnet Ireland to further scale its activities in the short to medium term.

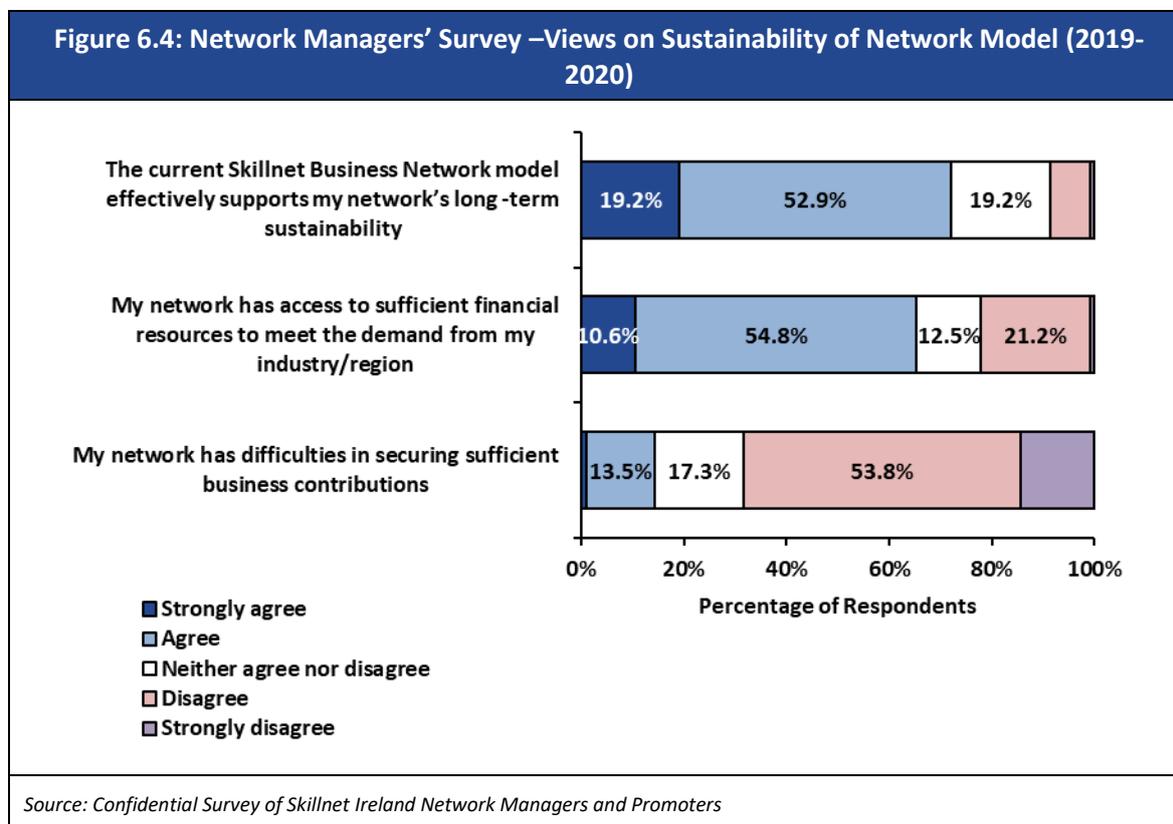
The table below shows the number of trainees across programmes from 2017 to 2020. During this time, the number of participants in Skillnet Ireland programmes have grown steadily, moving from 45,615 participants in 2017, to 84,577 participants in 2020, representing an average annual increase of 22.8%. It is worth noting that over half of this growth (62%) in recent years has come from programmes which were established for a specific purpose, and which have since closed or may wind-down. Most notably, Clear Customs was established to address issues raised because of Brexit and has since closed, though CILT Mobility and Supply Chain Skillnet Ireland continues to deliver a range of related upskilling programmes in the area of customs and supply chain management. Further, the ReBounce initiative is aimed to support Irish businesses return to the workplace, given the practical changes necessary to prevent the spread of COVID-19. While it is still in operation at the time of writing (September 2022), the need for this programme may be expected to reduce as the COVID-19 situation continues to stabilise.

Table 6.2: Total Trainees by Programme, 2017-2020				
Programme	2017	2018	2019	2020
TNP / FSP	44,768	53,587	61,411	59,502
ManagementWorks / Management Development	847	572	965	236
EAP 2018 ³⁶			1,437	138
Clear Customs 2019			965	
Rebuilding Business & Supporting Impacted Workers – TNP				5,426
FSP 2018				5,292
Rebound Initiative				13,389
Rebuilding Business & Supporting Impacted Workers – EAP				31
SME Mentor and Productivity Scheme				563
Total*	45,615	54,159	64,778	84,577
Percentage Change	2.6%	18.7%	19.6%	30.6%

*Source: Skillnet Ireland Data. *Non-unique count of trainees*

³⁶ In 2020 EAP was re-designed into Skills Connect which is still operational, but not included in this evaluation.

Network Managers and Promoters report confidence in the ability of growth over the next three years. A large majority (72%) of respondents reported that they agreed or strongly agreed that the current model supports the viability of their Network. They also report that they have access to sufficient financial resources to meet demand, and that they do not have a significant problem raising matching finance from business. This is illustrated in Figure 6.4.



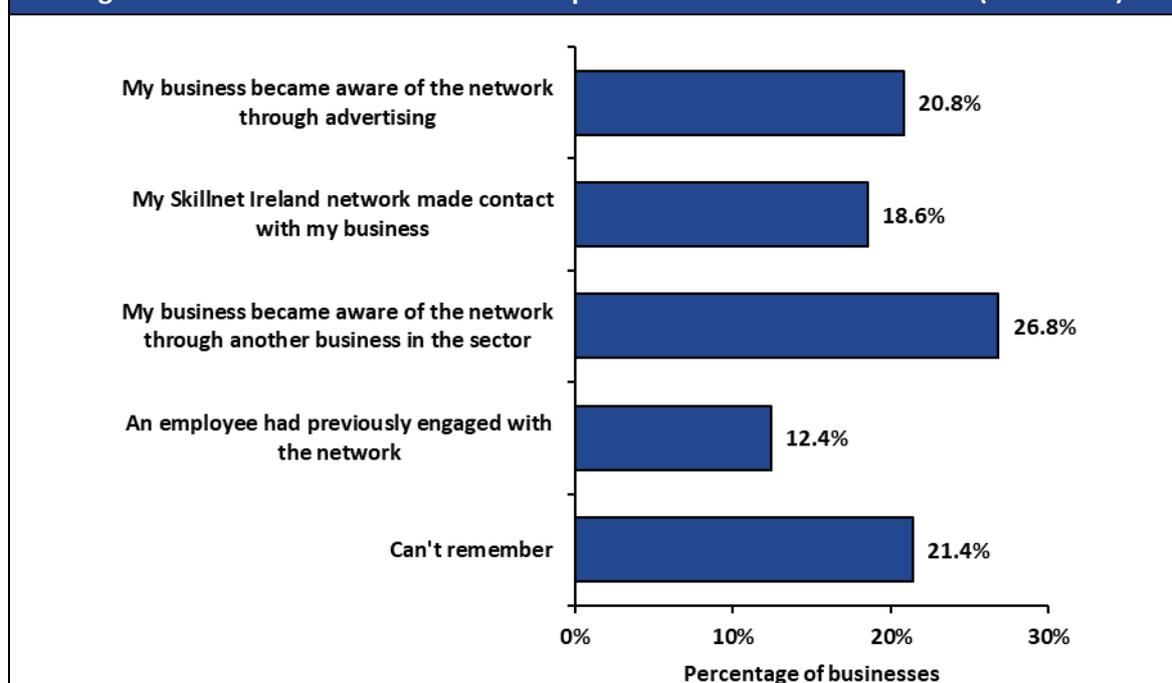
Indecon also examined the extent of belief among Network Managers and Promoters that their Network had the potential to scale in the short to medium term, which is shown in Table 6.3 broken down into the main sector of network activity. It shows that there is strong confidence in medium-term scaling potential of networks, and that this is broadly based across different economic sectors.

Table 6.3: Network managers and promoters views on ability of networks to scale over the coming three years (2019-2020)

	General	Services	Manufacturing/ construction	Agriculture
Strongly agree	57.4%	47.4%	63.6%	57.1%
Agree	31.9%	44.7%	36.4%	42.9%
Neither agree nor disagree	8.5%	7.9%	0.0%	0.0%
Disagree	2.1%	0.0%	0.0%	0.0%
Strongly disagree	0.0%	0.0%	0.0%	0.0%
Total	100.0%	100.0%	100.0%	100.0%

Source: Confidential Survey of Skillnet Ireland Network Managers and Promoters

Another way of assessing sustainability is to understand better the channels through which new business is won. Figure 6.5 below shows most companies became aware of Skillnet Ireland through another business in the sector (26%), although a high portion of managers found the Network through advertising (21%). The fact that companies are sourced through a number of different channels may be a more robust and sustainable form of accessing new members, than a very strong reliance on one channel in particular.

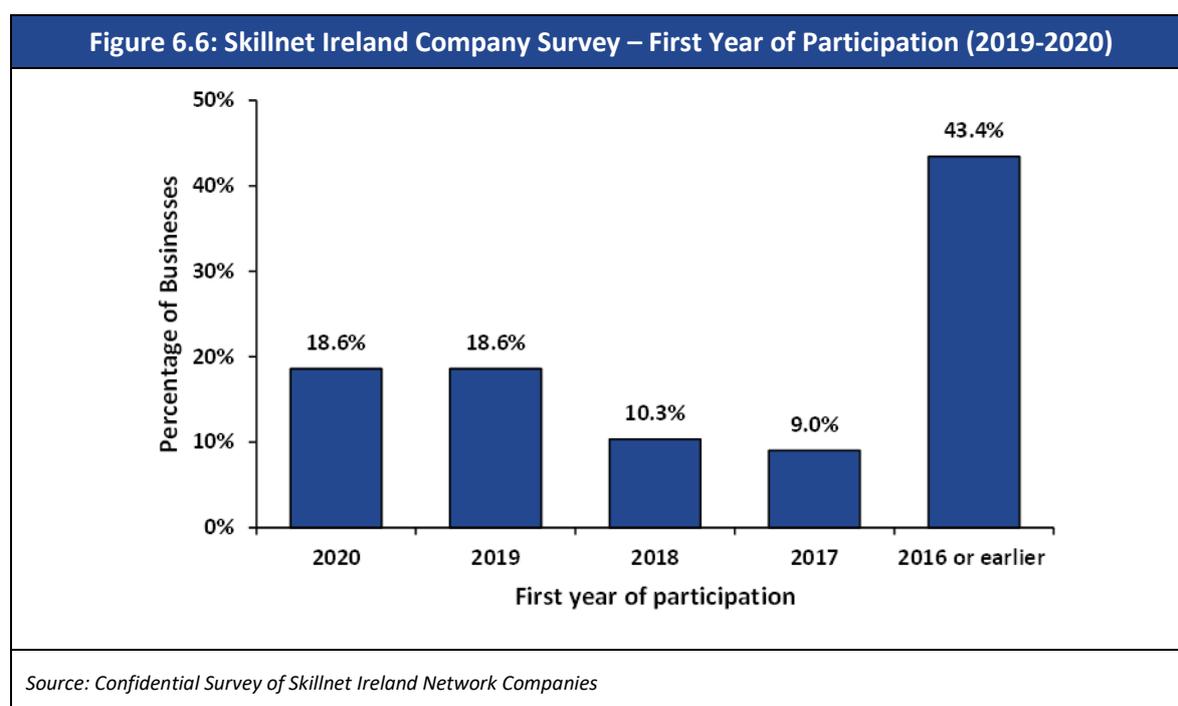
Figure 6.5: Skillnet Ireland Member Companies – Awareness of Networks (2019-2020)

Source: Confidential Survey of Skillnet Ireland Member Companies

6.4 Sustainability of Network Model

The Skillnet Ireland Network model represents a unique approach to creating upskilling programmes that are responsive to business needs. Skillnet Ireland has now been delivering a wide range of subsidised upskilling solutions for 20 years, and recent growth suggests that the model remains sustainable and, indeed, retains much growth potential. While difficult to assess with a single indicator, in this section we identify a number of indicators which can help inform a judgement as to the sustainability of the network model, particularly in the face of the pace of change facing industry, the transformation of talent development and the business implications arising from the future of work.

An assessment of the sustainability of the Skillnet Network model can be informed by an understanding of the extent of ‘repeat business’ as businesses return regularly for help in meeting their training needs. Figure 6.6 below shows that most businesses are long-term participants in Skillnet Ireland training, with 43% of respondents joining Skillnet Ireland since 2016 or earlier.³⁷



The extent of engagement with firms might also be an indication of the strength of the relationship, which in turn might indicate a greater level of repeat business. This is illustrated in Table 6.4. Unsurprisingly, micro-firms of 1-9 employees have only one (80%) or two (11%) trainees. For medium and larger firms, however, the level of engagement is substantially greater, with one in three of these firms having five or more trainees. Caution must be taken in interpreting these numbers which may have been skewed by the demand for COVID-specific training and may not reflect longer term trends.

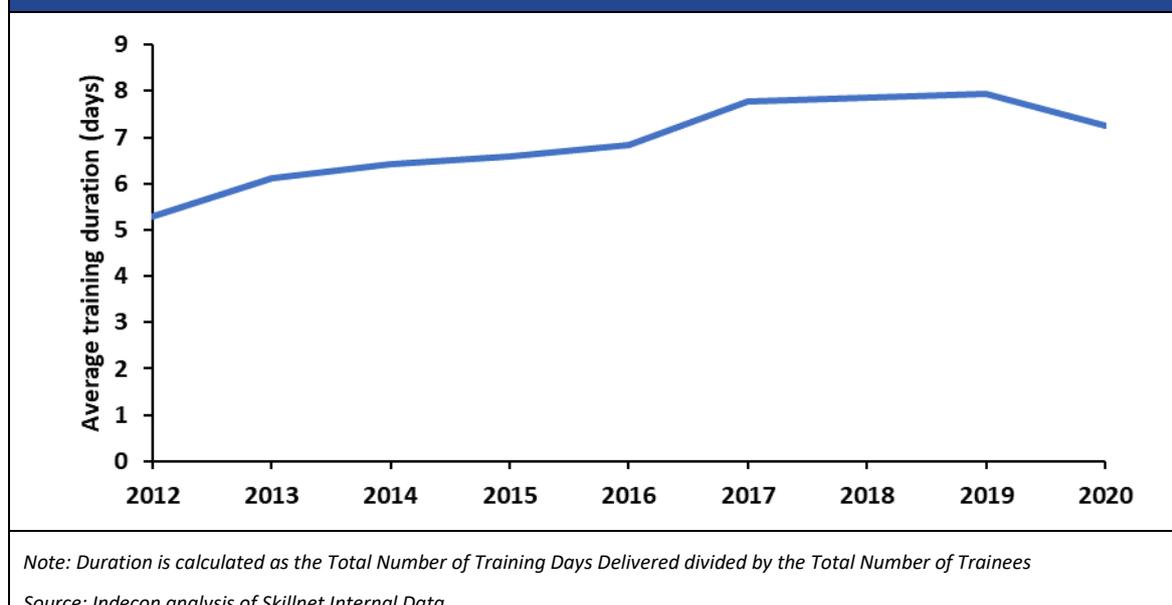
³⁷ As with all surveys, the response may have been influenced by a selection effect, with firms who are longer-term members of a Skillnet Network more likely to respond to this survey than those who are not.

Table 6.4: Level of engagement with Skillnet Ireland training by firm employment size (2019-2020)

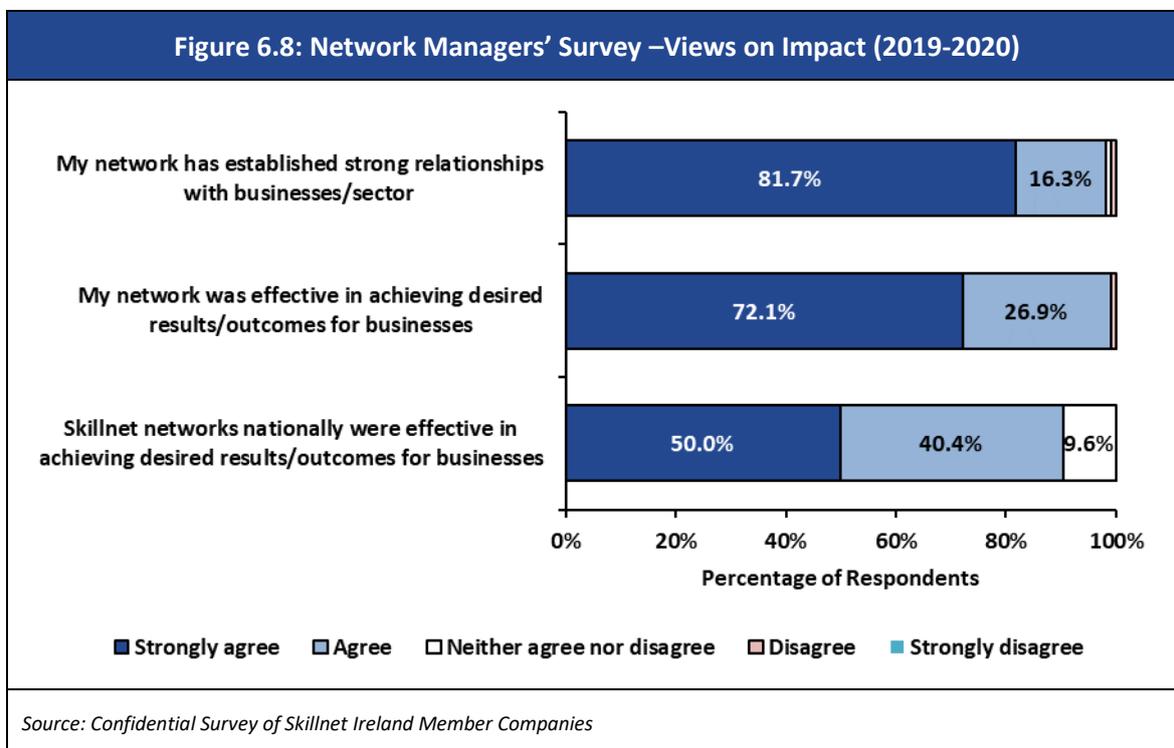
	Firms by Number of Employees			
	0 - 9	10 - 49	50 - 250	250+
1 Trainee	80%	54%	40%	41%
2 Trainees	11%	18%	15%	12%
3 Trainees	3%	7%	8%	7%
4 Trainees	2%	5%	4%	4%
5 Trainees	1%	3%	4%	4%
6+ Trainees	3%	14%	28%	32%
	100%	100%	100%	100%

Source: Indecon review of Skillnet Ireland data

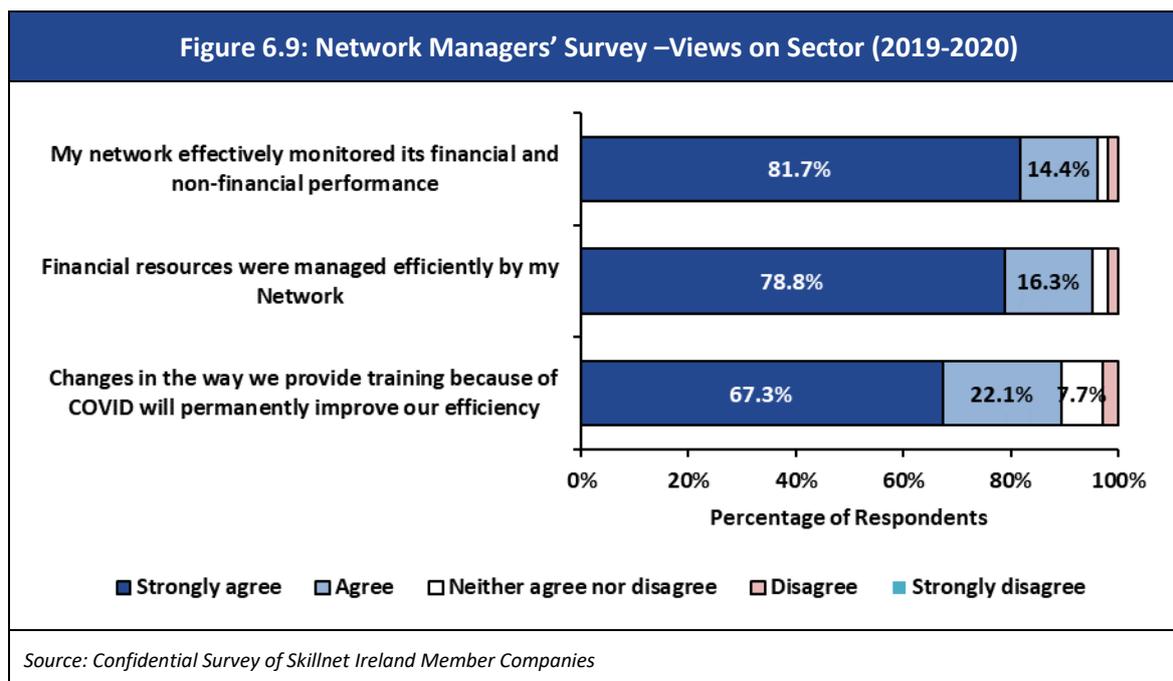
Finally, the average duration of training has generally lengthened over the last decade, from around six days on average to around eight days from 2017-2019. This is illustrated in Figure 6.7 below. There was a shortening in the average length of training in 2020, which might have been the result of temporary factors (short COVID-related training) or permanent factors (switch to online training). Longer training may indicate a higher level of training which may be consistent with a more impactful and, thus, more important/sustainable relationship with the firm, though it should be cautioned that shorter courses may often better suit business needs.

Figure 6.7: Average Training Duration (2012-2020)

Network Managers and Promoters are optimistic about demand for Skillnet Ireland’s training among employers. Almost all managers see their Network as impactful in the wider sectors in which they operate, with over 90% of managers and promoters agreeing that they have established contacts, achieved results, and supported wider Skillnet Networks in achieving their results. There was no appreciable difference in the responses received relating to impacts from managers as compared to promoters.



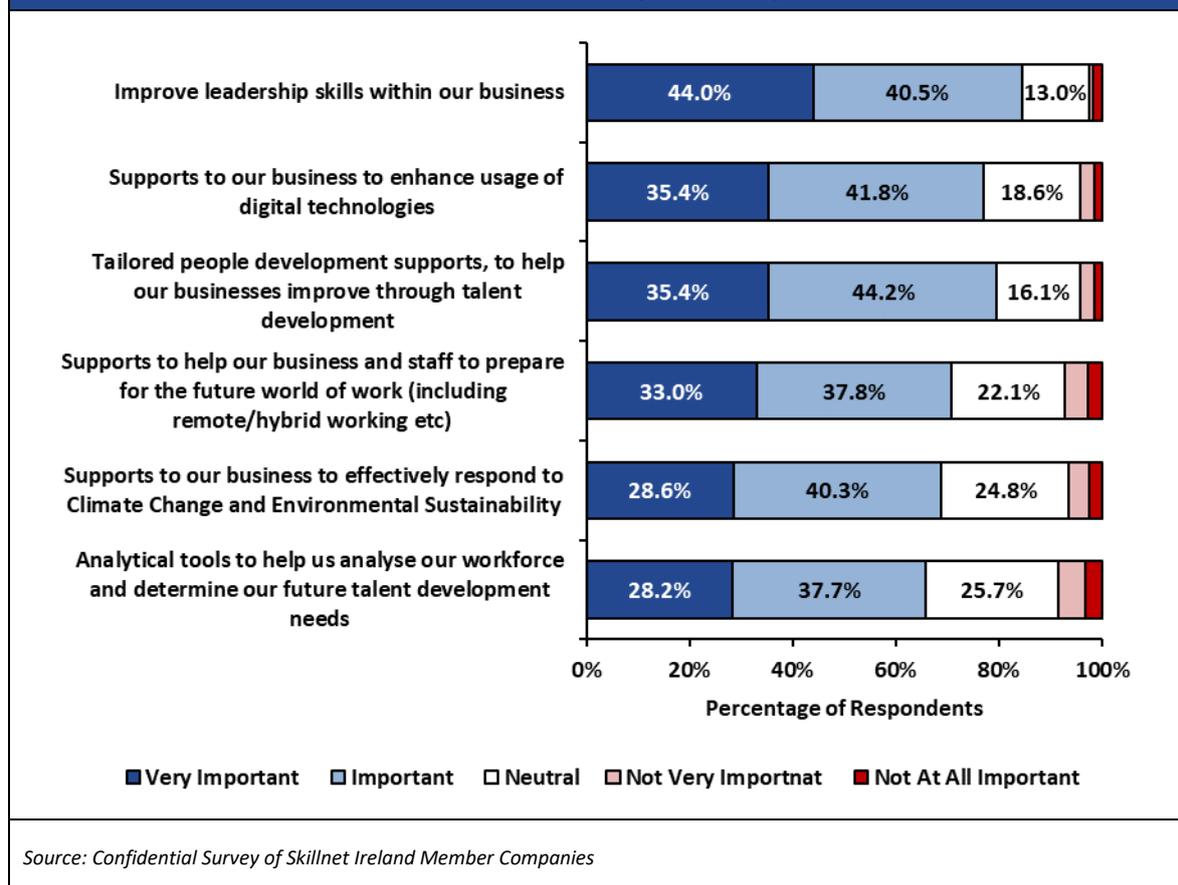
Network managers and promoters were confident about the monitoring and management of financial resources. Further, the impact of the changes in training brought about by COVID-19, particularly the greater adoption of online learning, was judged to have permanently improved efficiency by virtually all respondents. This is illustrated in Figure 6.9.



6.5 Long-Term Business Goals

Of relevance regarding the sustainability of Skillnet Ireland is a clear understanding of the long-term goals of business managers. The survey asked respondents on a number of different aspects which featured in the Skillnet Ireland Statement of Strategy strategic goals and themes as discussed in Section 3.4. A summary of the responses received are set out Figure 6.10 overleaf. Improving leadership qualities and training staff for the future of work were identified as high priorities for participating managers, which features under Strategic Theme 1 (Workforce Design) of the Skillnet Ireland strategy statement. The second most important theme identified by businesses is enabling them to enhance their use of digital technologies, which is highlighted under Strategic Theme 3 (Strategic Innovation) in the Skillnet Ireland statement of strategy. For a full list of policy commitments, see Section 3.2.

Figure 6.10: Skillnet Ireland Member Companies – How important are the following to your business's future (2019-2020)



6.6 Summary of Key Findings

This section addressed the sustainability of the Skillnet Ireland model over time. It did this through a backward-looking examination of trends in measures of training quality, reviewing sources of firm clients, as well as exploring qualitative views on the future potential of the Skillnet Ireland model. A summary of the key findings of this section are as follows:

- A review of the present and previous evaluations conducted on Skillnet Ireland activities from 2013 to 2020 shows that companies reported a consistently high level of difficulty in accessing training of a similar quality.
- Firms report that training has been consistently improving over the period 2015 to 2020, and that the strong feedback of improved training witnessed in 2019 to 2020 appears to be consistent with that observed in prior evaluations.
- The number of participants in Skillnet Ireland programmes have grown steadily, growing 85% from 2017 to 2020, though a proportion of the growth in recent years has come from programmes which were established for a specific purpose, and which have since closed or may be wound down.

- ❑ Firms report that training has been consistently improving over the period 2015 to 2020, and that the continued improvement experienced in 2019 to 2020 appears to be consistent with the preceding results.
- ❑ Network managers and promoters that their network had the potential to scale in the short to medium term, and that this view was broadly based regardless of the sector in which the network primarily operated. Respondents also reported not facing significant financial constraints that might impede their planned activities.

7 Employment Activation Programme

7.1 Introduction

The Employment Activation Programme ('EAP') is a dedicated programme designed for people who are not in employment. The aim of the programme is to broaden and deepen the talent pool available to enterprise, and to increase the employability of learners and their potential to secure employment. The programme aimed to provide skills that are in demand by industry combined with direct access to employers and the workplace. The EAP is incorporated training or education, and work-based learning (e.g., work placement, unless otherwise agreed with Skillnet Ireland), designed to maximise opportunities to progress into employment. In this section we examine the role and impact that EAP played, focusing in particular on 2020³⁸.

7.2 Activity Levels

This section examines the numbers attending EAP training from 2015 to 2020. The total number of unemployed trainees participating in the EAP has been declining since 2015, with 2018 figures almost half of those in 2017. The increase in unemployed trainees in 2020 may stem from the restrictions brought on by the COVID-19 pandemic and subsequent lockdown measures which were subsequently imposed.

For context, CSO statistics shows 234,000 unemployed people in Ireland in 2015 and 114,000 unemployed people in Ireland in 2019, which constitutes a 51% reduction in 2015 figures. The number of unemployed subsequently rose to 121,000 in Q2 2020, which is likely largely explained by pandemic restrictions which began to be rolled out in March 2020. As such, the decline in the number of EAP trainees since 2015 was faster than the overall fall in unemployed numbers, indicating an increased focus of Skillnet Ireland activities in in-employment training. As shown in Figure 2.1, in terms of training days EAP now accounts for only 7.2% of all Skillnet Ireland activity, down from 19.4% as recently as 2016.

Table 7.1: Total Jobseeker Trainees, Percentage changes annually, 2015-2020					
	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Trainees	-11.7%	-33.6%	-48.5%	11.2%	88.5%
<i>Source: Skillnet Ireland Data</i>					
<i>*Non-unique count of trainees</i>					

7.3 EAP Participant Profile

This section briefly compares EAP participants to the profile of the typical recipient of unemployment assistance as recorded by the CSO. Specifically, it compares EAP respondents' age

³⁸ Because of GDPR issues, only 2020 EAP participants were surveyed for this evaluation.

and length of unemployment to that of the wider unemployed population. The age profile of EAP participants is consistent with the age profile of Live Register, as shown in Table 7.2.

Age	% of Skillnet Respondent	% on Live Register
18-24	9.1%	11.0%
25 and over	90.9%	89.0%
Total	100%	100%

Source: Indecon analysis of survey of Skillnet Ireland EAP Trainees in 2020. CSO Data series:

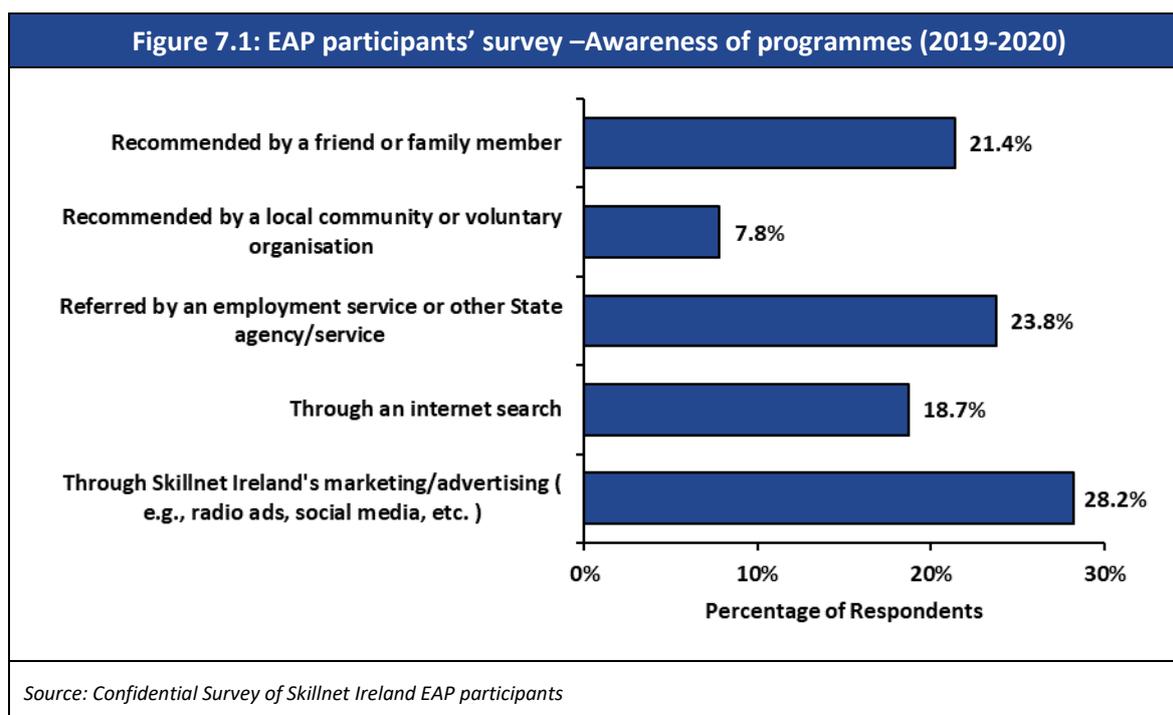
Skillnet EAP respondents were more likely to be long-term unemployed (32%) when compared to CSO's long-term unemployed (24%). This is shown in Table 7.3 below. This could reflect the need for certain long-term unemployed to get additional support and training in trying to secure a job. It could also reflect additional requirements from long-term unemployed to continue receiving support.

	Number of Respondents	% Respondents	Number Unemployed (1000's)	% Unemployed
Less than 12 months	218	68.1%	124.2	72.8%
12 months and over	102	31.9%	40.8	23.9%
Total	320	100%	170.5	100%

Source: Indecon analysis of survey of Skillnet Ireland EAP trainees

7.4 Programme Awareness

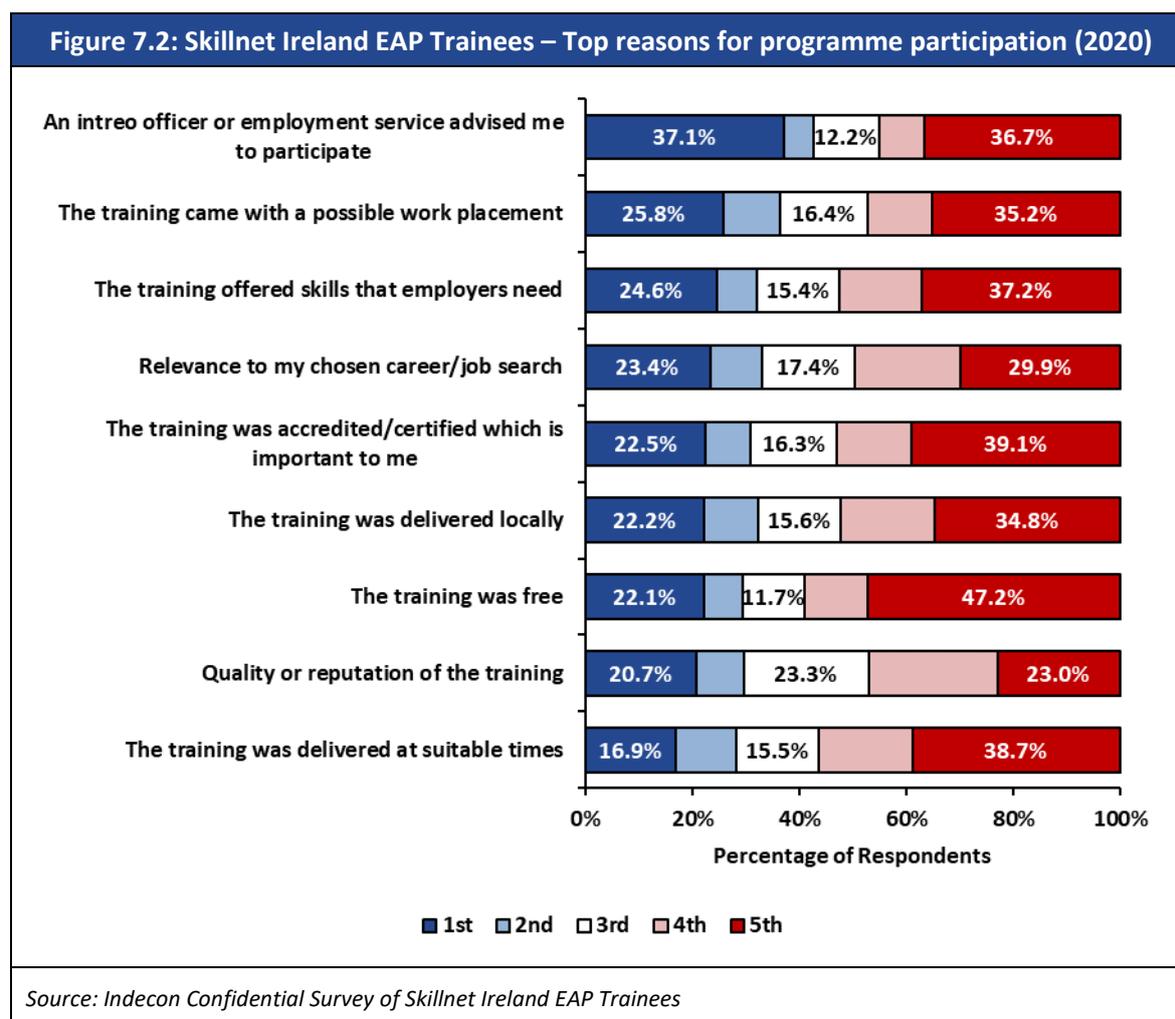
Regarding EAP, the figure below shows most participants came across the EAP programme through advertising or marketing, with state services also accounting for a large portion of participants. As such, while referral via an employment service or other state agency was an important channel, the results suggest a good level of awareness among potential trainees of Skillnet Ireland and the training opportunities in offers.



7.5 Reasons for Participation

There are a number of reasons for EAP trainees participated in EAP training, which are illustrated in Figure 7.2 below. The single most cited reason for participation was the role played by an Intreo³⁹ officer or other employment service. Just over one in three respondents (36%) of respondents listed the possibility of a work placement as the primary or secondary reason for why they chose the programme.

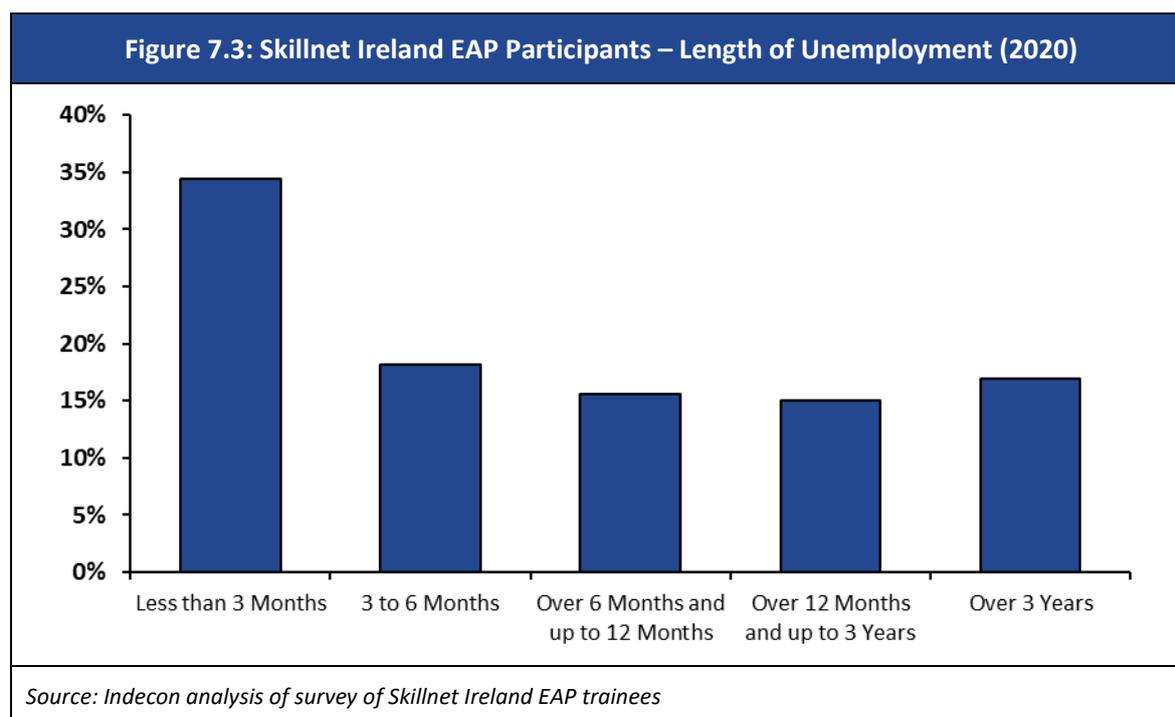
³⁹ Intreo is the name of the Public Employment Service in Ireland. It is a service provided by the Department of Social Protection. Intreo is responsible for managing a range of resources around employment and income support. It provides services to both jobseekers and employers.



7.6 Perceptions of Training

Employment Activation Programme (EAP) participants had a largely positive experience with the programme, despite complications brought on by the COVID-19 pandemic and subsequent lockdown. Many participants had long spells of unemployment before taking part in the training programme. Over 30% of respondents were long-term unemployed (defined as unemployed for 12 months or longer). For context, the long-term unemployed constituted 40% in 2019 and 20% of total employment in 2020,⁴⁰ suggesting that most unemployed in 2020 were newly unemployed.

⁴⁰ More statistics from the CSO's Labour Force Survey are available here. <https://www.cso.ie/en/releasesandpublications/ep/p-lfs/labourforcesurveyquarter42021/tables/>



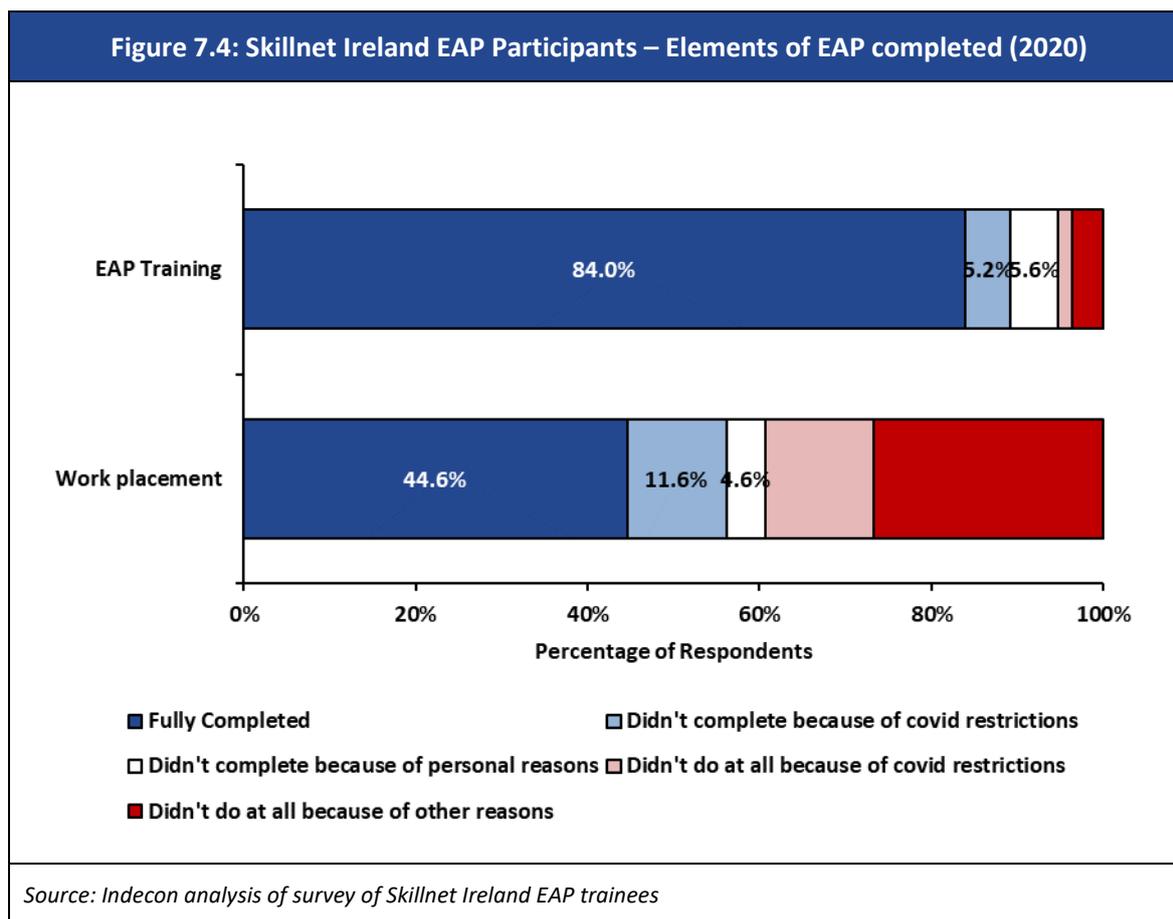
A substantial minority of EAP survey respondents became unemployed because of economic lockdown brought on by the COVID-19 pandemic (41%). Note that only 2020 EAP participants were surveyed for the purpose of this study. This is in line with the national experience as measured by the change in unemployment from 2019 to 2020, which was driven largely by the impact of the pandemic and subsequent public-health restrictions.

Table 7.4: Nature of unemployment among EAP respondents (2020)

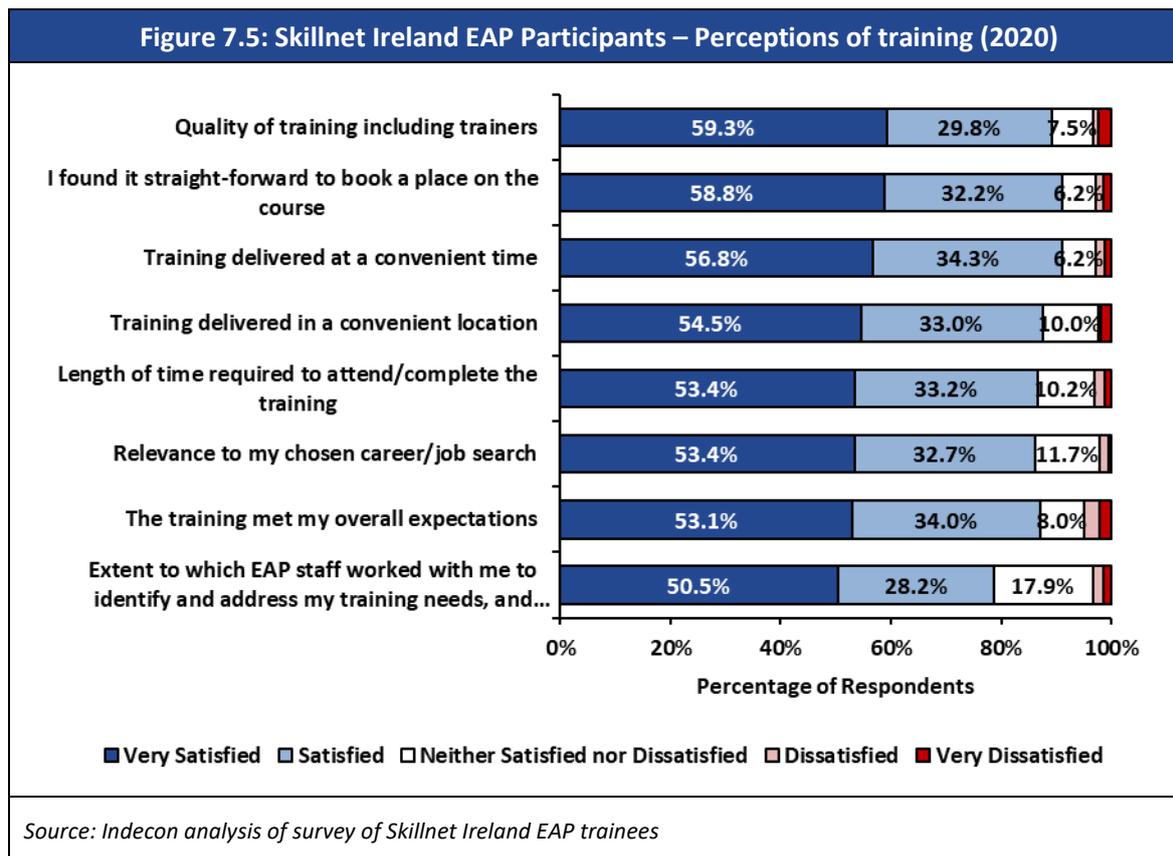
Largely as a result of COVID-19	41.2%
Little to do with COVID-19	58.8%

Source: Indecon analysis of survey of Skillnet Ireland EAP 2020 trainees

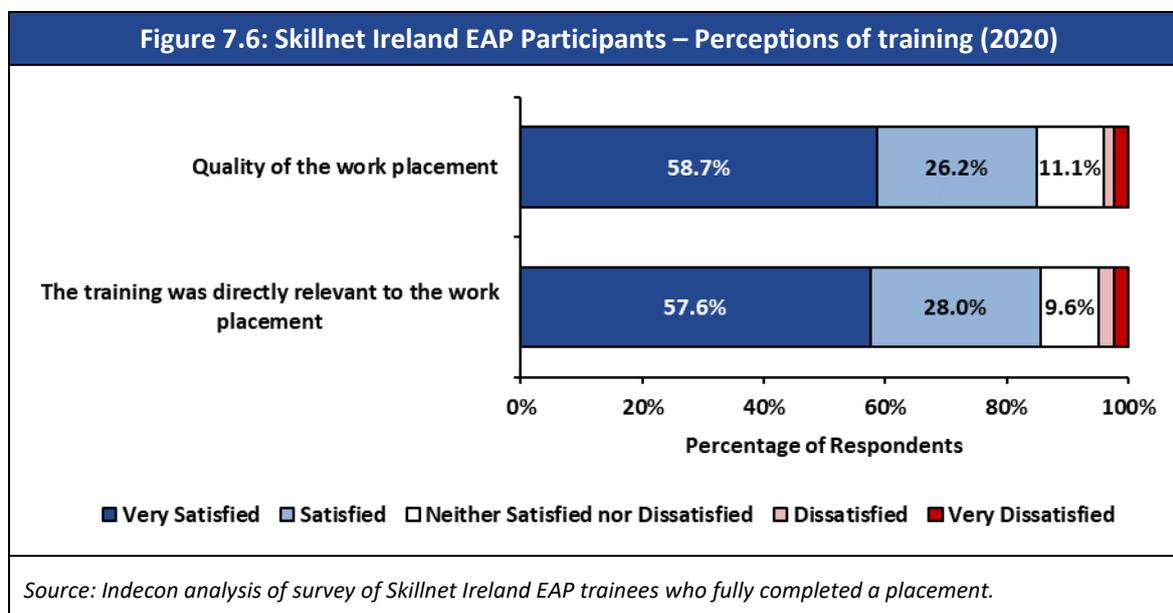
Less than half of the work placements were completed, which is an increase in the rate of non-completion from the previous years. Around half of those who did not complete (or do at all) the work placements said that this was because of COVID restrictions, with the other half saying it was for other reasons. The extent to which work placement was fully completed in 2020 (44.6%) is down in levels witnessed prior to the pandemic in 2015 (56.5%) and 2016 (52.0%). It is notable, however, the addition of the percentage who fully completed the training in 2020 (44.6%) and reported that they could not do so because of COVID-19 restrictions (11.6%) is 56.2%, which is very close to previous estimates for full completion, suggesting that there is no evidence that the ability to complete work training has permanently changed. However, this should continue to be examined closely given the potential importance of work placement to the trainee ultimately securing employment. This is particularly important given the apparent link between workplace placement and subsequent employment in that company, which is discussed in further detail below.



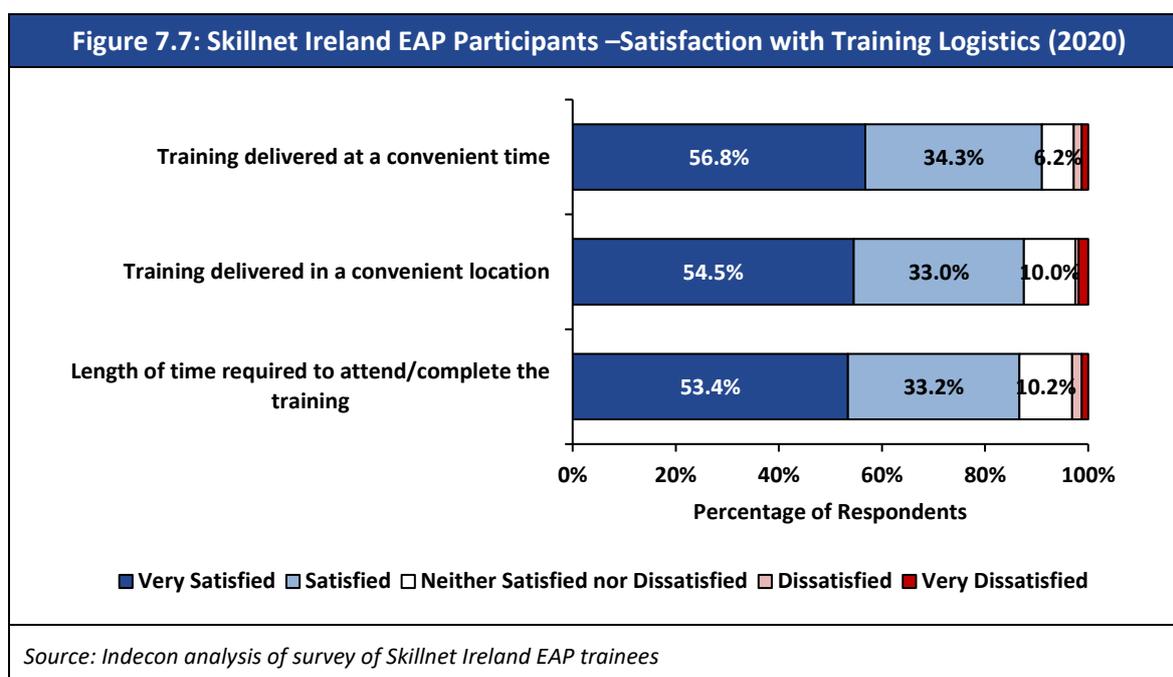
Despite these challenges, the programme brought several subjective and objective benefits to trainees. Participants reported satisfaction with the programme and its delivery with 88% being satisfied or very satisfied with the delivery of training, and 87% believing that training met their overall expectations. This is shown in Figure 7.5.



The views of respondents who fully completed a placement is shown below. A large majority were satisfied or very satisfied with the quality (84.9%) and relevance (85.6%) of the placement.

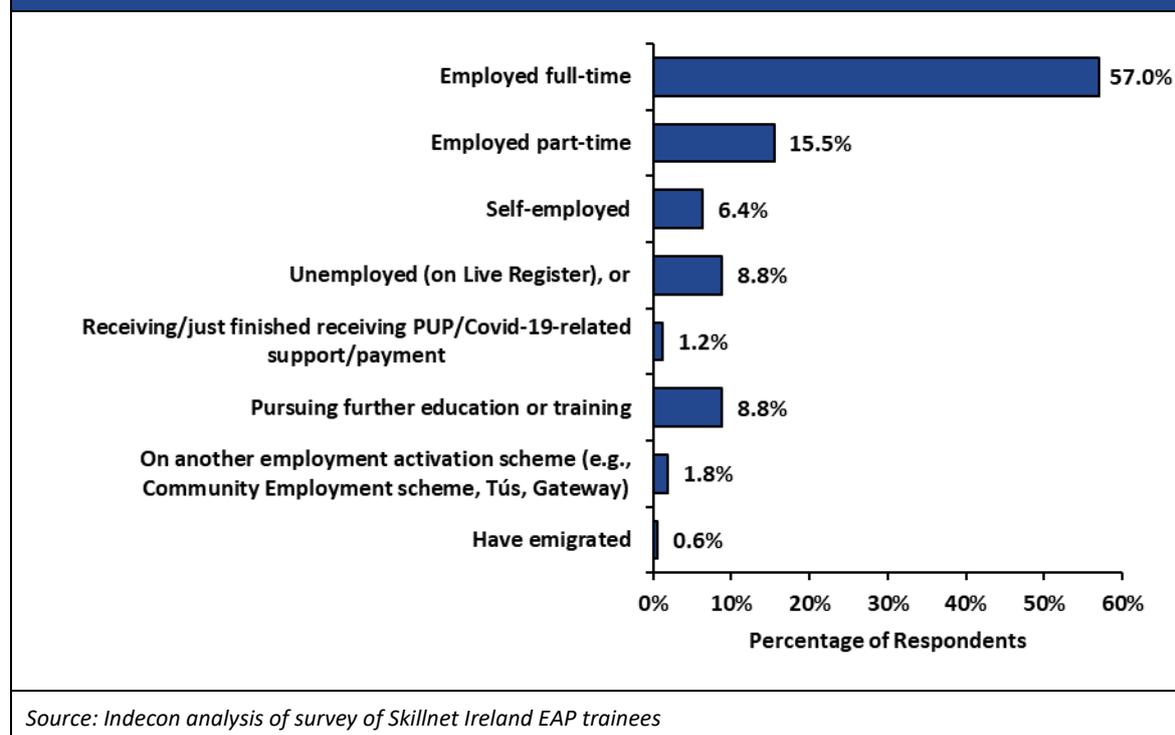


Respondents were also satisfied with the logistics of EAP training with almost all respondents being satisfied with the time, length, and location of EAP training. This is illustrated in Figure 7.7.



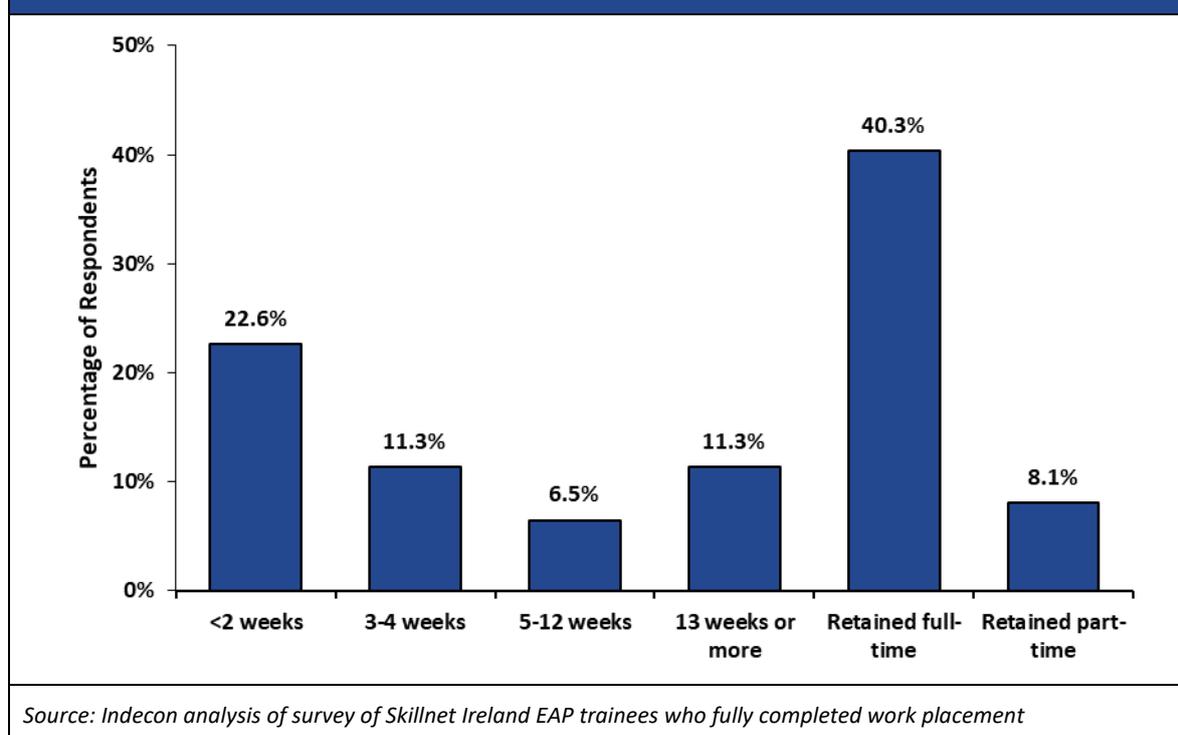
Turning to the nature of the employment gained, 78% of former participants are either employed or self-employed at the time of completing the survey. Eight percent were unemployed, while the remainder were not engaged with the Irish labour market (training, emigration, etc.). This is illustrated in **Error! Reference source not found.** below. The length of time unemployed prior to completing the course did not seem to affect the chance of subsequently gaining employment.

Figure 7.8: Skillnet Ireland EAP Participants – Employment status (2020)



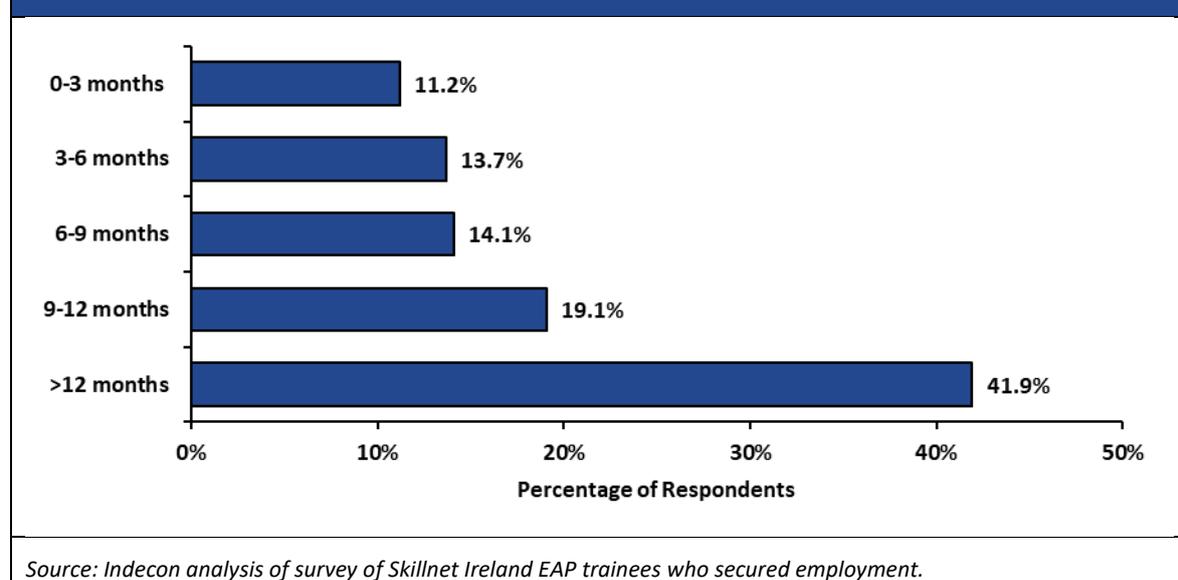
Those who completed workplace training reported a high chance of retaining their workplace position either full-time or part-time, indicating that completing work placements can be considered a predictor of the chance of securing employment. Nearly half (48.4%) of respondents who completed placements noted that they had been hired by the company in which they had received a placement from.

Figure 7.9: Skillnet Ireland EAP Participants – Length of stay of workplace organisation (2020)



Many former EAP participants have been employed for over a year (42%) since completing EAP, as shown in the figure below. It should be noted that there are a number of factors which are likely to influence the chances of someone finding employment, of which the participation in a training course is just one.

Figure 7.10: Skillnet Ireland EAP Participants – Duration of employment since EAP (2020)

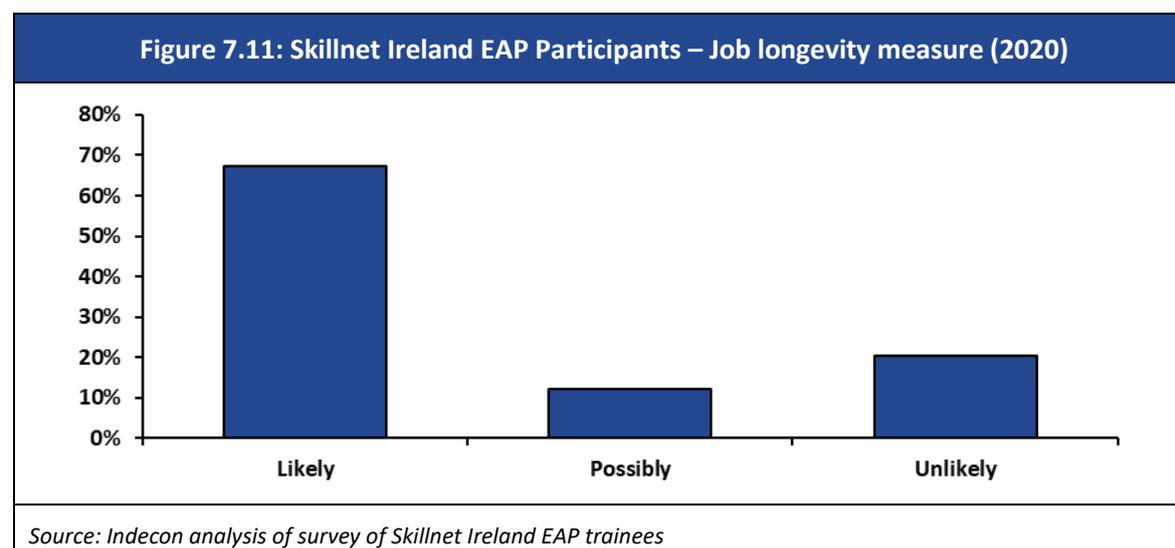


This can be broken down based on the length of unemployment prior to training, as shown in Table 7.5.

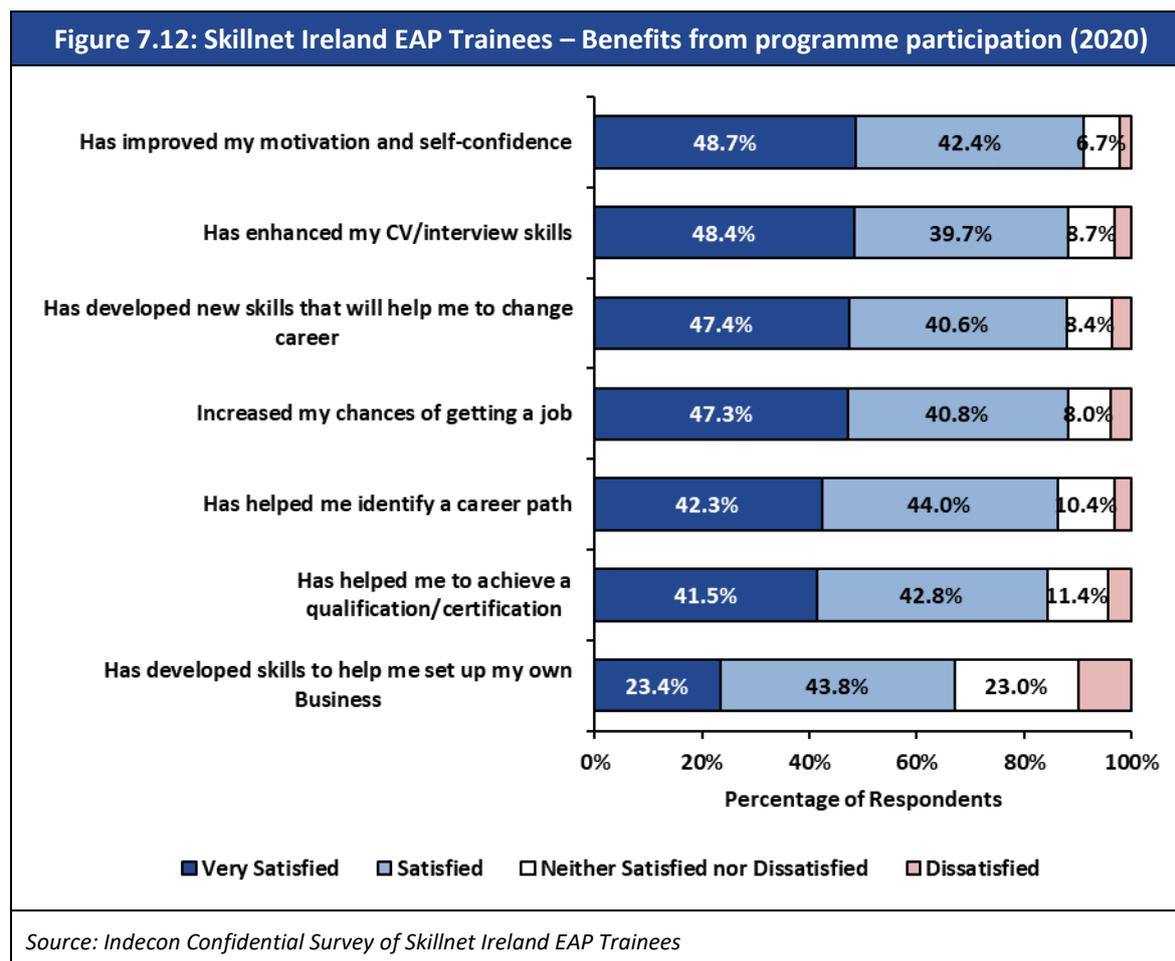
Table 7.5: Length of Unemployment of EAP Trainees Prior to EAP Training			
Length of Unemployment	Length of Employment Since Training		
	0-6 Months	7-12 months	> 12 Months
Less than 3 Months	31%	29%	40%
3 to 6 Months	35%	31%	35%
Over 6 Months and up to 12 Months	23%	43%	34%
Over 12 Months and up to 3 Years	33%	35%	33%
Over 3 Years	39%	15%	46%

Source: Indecon analysis of survey of Skillnet Ireland EAP trainees

It is also evident that participants reported feeling secure in these jobs. Approximately 67% believe their job was likely to last, and only 20% believed this was unlikely. Those in full-time employment reported that they were likely to stay in their jobs (77%) compared to those in part-time jobs (63%).

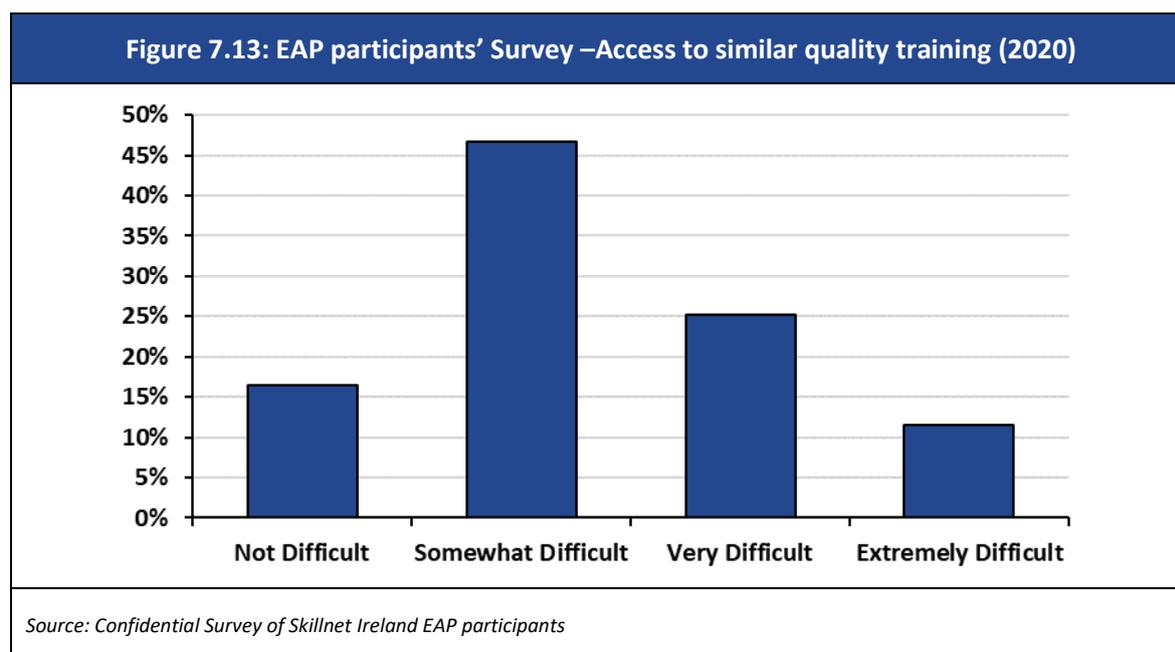


Participants reported gaining a variety of benefits from the EAP programme of relevance to labour market activation. A majority of 90% believed that the training improved their confidence and their self-esteem, while 87% believed it enhanced their CV. This is illustrated in the figure **Error! Reference source not found.** overleaf.



7.7 Programme Deadweight

Participants were also surveyed regarding the ease at which they would have been able to find alternative training of a similar quality. As shown in Figure 7.13, only 16% of participants believed it was “not difficult” to get access to similar quality training elsewhere. The remaining 84% believed in some levels of difficulty in securing a similar quality of training, with 11% believing that this would be extremely difficult.



7.8 Summary of Key Findings

In this section we reviewed the operation of the Employment Activation Programme (EAP), a programme designed for people who are not in employment to broaden and deepen the talent pool available to enterprise, and to increase the employability of learners and their potential to secure employment. A summary of the findings of this section are as follows:

- ❑ The total number of unemployed trainees participating in the EAP has been declining since 2015, with 2018 figures almost half of those in 2017. The decline in the number of jobseeker trainees since 2015 was faster than the overall decline in unemployed numbers nationally, with the result that Skillnet Ireland activities became more focused on in-employment training, which is the core purpose of the organisation⁴¹.
- ❑ Most participants became aware of the EAP programme through advertising or marketing, with state services also accounting for a large portion of participants. As such, while referral via an employment service was an important channel, there were a number of channels by which learners became aware of Skillnet Ireland.
- ❑ The single most cited reason for participation was the role played by an Intreo officer or other employment service. Just over one in three respondents (36%) of respondents listed the possibility of a work placement as the primary or secondary reason for why they chose the programme.
- ❑ EAP participants had a largely positive experience with the programme, despite complications brought on by the COVID-19 pandemic and subsequent lock-down.
- ❑ The extent to which work placement was fully completed in 2020 was down on levels witnessed prior to the pandemic, though the fall is similar to the number who reported that

⁴¹ See Section 3.2 for a full discussion.

they could not do so because of COVID-19, suggesting no permanent change in work placement rates.

- ❑ Those who completed workplace training reported a high chance of retaining their workplace position either full-time or part-time, indicating that completing work placements can be considered a predictor of the chance of securing employment.
- ❑ Participants indicated that they would have difficulty accessing training of a similar quality elsewhere. Only 16% of participants believed it was “not difficult” to get access to similar quality training elsewhere. The remaining 84% believed in some levels of difficulty in securing a similar quality of training, with 11% believing that this would be extremely difficult.

8 Conclusions and Recommendations

8.1 Introduction

This independent evaluation of programmes managed by Skillnet Ireland covers the period 2019 to 2020. The purpose of this evaluation is to assist Skillnet Ireland in understanding its overall achievements, challenges and areas for improvement based on funded initiatives implemented between 2019 and 2020. The evaluation analyses Skillnet Ireland's performance in terms of relevance, effectiveness, efficiency, impact, coherence and sustainability. In this section we set out the key conclusions of the study under each of these headings, before setting out some recommendations to support the continued successful operation of Skillnet Ireland.

8.2 Overall Conclusions

A summary of Indecon's overall conclusions from our detailed evaluation of Skillnet Ireland activities in 2019 and 2020 is presented in Figure 8.1 below. Each of these conclusions is subsequently discussed.

Figure 8.1: Key Conclusions from Study	
1. Relevance	2019-2020 saw significant growth for Skillnet Ireland, despite coinciding with a period of unprecedented social and economic turmoil caused by COVID-19.
2. Effectiveness	Skillnet Ireland met and exceeded key targets set by Government, while also addressing unforeseen circumstances.
3. Efficiency	Unit costs of training were little changed in the period up to 2020 though leverage declined, while firms rated the value for money of training highly.
4. Impact	Member companies reported strongly positive views on the impact of Skillnet Ireland training, including on productivity, innovation and workforce development.
5. Coherence	Provision of training across Skillnet Ireland channels viewed as coherent, though external coherency may become a more significant issue.
6. Sustainability	Strong growth in supported businesses in recent years, with continued confidence among network managers of continued growth.
<i>Source: Indecon</i>	

1. Relevance

The overall relevance of Skillnet Ireland can be assessed based on the scale and penetration of training activity in terms of the overall Irish economy, as well as the nature of the training that was provided. 2019-2020 saw significant growth for Skillnet Ireland, despite coinciding with a period of unprecedented social and economic turmoil caused by COVID-19, which required great flexibility on the part of the organisation to support Networks to deliver training in a period of unprecedented health restrictions. This builds on the growth experienced over the last number of years, with a doubling of the number of trainees annually since 2012. The demand for Skillnet Ireland training among businesses is an indicator of the relevance of training for their needs. Further, the extent of engagement in a wide range of Government policy programmes is indicative of a responsive organisation which is sufficiently agile to respond to changing economic circumstances. The relevance of Skillnet Ireland training can also be seen in the positive feedback from member firms on the extent to which the training provided addressed their needs, and the needs of their sector and region.

2. Effectiveness

Skillnet Ireland met and exceeded key targets set by Government, though the rapidly evolving COVID-19 pandemic posed significant new challenges for both the State and for agencies such as Skillnet Ireland. In both 2019 and 2020 Skillnet Ireland met and exceeded the key targets as set by the Department. In terms of trainees and training days for both employed and unemployed, Skillnet Ireland surpassed the Department's targets, despite a year-on-year rise in such targets. The average number of days training per trainee has shown a long-term increase, though dipped slightly in 2020, potentially as a result of COVID training. The target number of training days for employed learners for 2019 and 2020 were also exceeded. The average number of training days per trainee was 8 in 2019 and 7.3 in 2020, though in the period from 2012 it has generally increased. Skillnet Ireland also developed and implemented specific programmes aimed at addressing specific policy needs, notably with respect to Brexit (Clear Customs) and in response to the COVID-19 pandemic (ReBounce). Finally, four out of five networks surveyed indicated a strong willingness to recommend Skillnet Ireland training to other companies.

3. Efficiency

Unit costs of training of Skillnet Ireland courses were little changed in the period from 2017 to 2020, at a time when other measures of economy-wide cost inflation were starting to rise. Network management costs remained an unchanged share of overall costs. Grant funding was €35.6m in 2020, which was matched by €14.6m from companies. There was a reduction in the rate of funding leverage of public funds, though this was the result of a policy-measure to reduce the matched funding rate required of member businesses, which should help promote the future acquisition of new member firms and thereby increasing reach within companies. The increases in 2019/2020 continue a strong trend of expansion which can be observed in Skillnet Ireland training since 2012. Firms continued to rate the value for money of training highly, in particular reporting that they would have significant difficulty in accessing training of a similar quality and value for money elsewhere.

4. Impact

Member companies reported strongly positive views on the impact of Skillnet Ireland training. The results of the survey of member companies indicates that participation in Skillnet Ireland training in the 2019-2020 period is associated with enhancing the business's product, improving productivity, and enhanced long-term performance, as reported by around half of firms. The fact that many firms do not report an impact on business performance that they can attribute to Skillnet Ireland training may be related to the fact that many firms send only a small number of staff, and the length of training can be short. A large majority (86%) of member companies strongly agreed or agreed that networks met their talent development needs, while 79% agreed or strongly agreed that training helped managers with the challenges that their sector was facing. Skillnet Ireland also played an important role in supporting businesses through recent economic changes, notably Brexit and the COVID-19 pandemic.

5. Coherence

Provision of training across Skillnet Ireland channels viewed as coherent, for example across different Skillnet Ireland Networks. Generally national stakeholders reported good working relationships with Skillnet Ireland at both local and national level. The growth of Skillnet Ireland may increasingly raise the possibility of future overlap with other providers, including State providers such as Enterprise Ireland and SOLAS. The increased move to online training may also increase competition from private sector providers. However, only one-in-five firms said that they would have been able to source training of a similar quality, indicating that Skillnet Ireland's offer remains distinctive and, in many areas, unique. Some stakeholder feedback on need to ensure overall State 'offer' is clear to firms, with some confusion expressed as to where a company should go to identify training.

6. Sustainability

Strong growth has been delivered in the number of businesses and the level of training activity in recent years, with continued confidence among network managers of continued growth. This appears to have been achieved while maintaining, and even improving, levels of quality. The reduction in the matched rate of funding required of businesses should help to continue to support expansion in the near-term. Network managers and promoters stated that their network had the potential to scale in the short to medium term, and that they did not face significant financial constraints that might impede future growth.

8.3 Recommendations

A summary of Indecon’s recommendations is presented in Figure 8.2, and each of the recommendations is discussed in the subsequent text.

Figure 8.2: Recommendations	
1	Realise potential to scale further, to help drive the workforce development agenda in Ireland.
2	Enhance external coherency of training and education offer, including with a focus on middle/high level skills.
3	Facilitate development of further strategic partnerships, identifying opportunities to build new partnerships domestically and internationally.
4	Support companies to navigate training offered, through expanded advisory and other services available to companies through Skillnet Business Networks or other means.
5	Support development of micro credentials.
6	Seek to scale management and leadership training.
7	Continue to review activation programme investment levels and activities, and the appropriateness of the work placement model.
8	Continue to enhance data on company impact.
<i>Source: Indecon</i>	

1. Realise potential to scale further, to help drive the workforce development agenda in Ireland.

Recent years has seen impressive growth in the client base of Skillnet Ireland, which has been accomplished while maintaining and improving the quality of training on offer. As of 2020, Skillnet Ireland provided training for 8% of all SMEs, and the provision of training in response to once-off national training priorities such as coping with the COVID-19 pandemic restrictions or Brexit have resulted in Skillnet Ireland developing a relationship with firms it might not otherwise have done. Further, the reduction in the matched funding rate will likely increase the demand for Skillnet Ireland training in the coming years. There remains potential for Skillnet Ireland to extend its training further in the coming years and help drive the workforce development agenda in Ireland, in particular among SMEs.

2. Enhance external coherency of training and education offer, including with a focus on middle/high level skills.

The continued growth and expansion of Skillnet Ireland activities increasingly raises the possibility of overlap with other national agencies. Already, around 35-40% of Network Managers and Promoters see a risk of duplication or gaps emerging vis-à-vis Skillnet Ireland and other providers. The possibility of overlap is greatest in lower skill areas, given the particular focus of Skills to Advance (provided by SOLAS) on vulnerable workers and firms. Already Skillnet Ireland’s focus is on middle/high level skills for employees with prior training at NFQ 6+. Skillnet Ireland should continue to scan the market for training and ensure that there is sufficient external coherency of training

offer as the organisation grows. A continued focus on strong stakeholder communication, for example with agencies such as IDA Ireland and Enterprise Ireland, can also help to ensure the coherency of the training offer.

3. Facilitate development of further strategic partnerships, identifying opportunities to build new partnerships domestically and internationally.

Feedback from key national stakeholders indicates that Skillnet Ireland has played a very positive role through partnership and engagement between it, central Government and key agencies working with businesses in Ireland. As Skillnet Ireland continues to grow in the coming years, it will be important to continue and further develop these strategic partnerships, and to ensure that there is clarity as to roles and responsibilities of each body, with a clear understanding of what differentiates Skillnet Ireland and other agencies, and how they can work together.

4. Support companies to navigate training offered, through expanded advisory and other services available to companies through Skillnet Business Networks or other means.

The skills ecosystem in Ireland is increasingly complex, with a large range and variety of offers and supports in the training and education system to address enterprise skills needs. While this is very positive, there is a risk that firms will increasingly find it difficult to navigate the system and find training solutions most appropriate to them. Skillnet Ireland should continue to work towards having user-friendly mapping of offers and clear pathways of engagement for companies, expanded advisory services or other means to ensure that companies can access the right training for them.

5. Support development of micro credentials.

Another recent development in the skills and training space is the rising demand for micro-credentials. Demand for these courses has grown since the economic lockdown following the COVID-19 pandemic, but the credentials and the field is still in its early stages. Although employer awareness of such courses is low, there is a growing interest in such qualifications among Irish employers. This should also be viewed in the context of the fact that 37% of training days in 2020 were not accredited. Skillnet Ireland should continue to play a role in developing micro-credentials in Ireland, including in terms of awareness among business.

6. Seek to scale management and leadership training

When asked about their long-term business goals, the single most important issue identified by respondents was improving leadership skills. During the period covered in this evaluation, Skillnet Ireland successfully partnered with the Small Firms Association to create MentorsWork, and the initial results of which as set out in this report are very positive. In particular, participants appear to have valued very highly the access to a business mentor, which has often led on to subsequent engagement in formal training. In addition, networks already deliver a significant number of leadership programmes. A challenge for Skillnet Ireland in the medium to long term will be to scale this and other forms of management and leadership training to meet the needs of business.

7. Continue to review activation programme investment levels and activities, and the appropriateness of the work placement model.

Workforce placement is an important element of the experience of unemployed (EAP) learners. Unemployed trainings who completed workplace training reported a high chance of retaining their workplace position either full-time or part-time, while nearly half had been hired by the company in which they were placed. However, the appropriateness of the work placement model depends on the availability and willingness of firms to offer meaningful placements, and this needs to be kept under review in a post-COVID environment.

8. Continue to enhance data on firm impact

Skillnet Ireland has experienced a period of rapid growth, while nationally other programmes such as Skills to Advance are also expanding and scaling. It would be recommended that future evaluations of training programmes such as Skillnet Ireland, Skills to Advance or others would be able to provide a comparative analysis. Consideration should be given to developing an evaluation framework which would allow for the comparison of similar programmes aimed at addressing skills gaps within companies.