



Northern Ireland
Assembly

Committee for Employment and Learning

OFFICIAL REPORT (Hansard)

Steps 2 Success NI: DEL Briefing

26 September 2012

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Mr Basil McCrea (Chairperson)
Mr Thomas Buchanan (Deputy Chairperson)
Mr Jim Allister
Mr Sammy Douglas
Mr Phil Flanagan
Mr Chris Lyttle
Mr Fra McCann
Mr Pat Ramsey

Witnesses:

Mr Colum Boyle	Department for Employment and Learning
Mr Gerry Lindsay	Department for Employment and Learning
Mr Brendan McCann	Department for Employment and Learning

The Chairperson: Colum Boyle is the director of employment services in the Department for Employment and Learning (DEL) and is no stranger to us. He has his team with him. No doubt, Colum, you will introduce us and take us through what you need to say.

Mr Colum Boyle (Department for Employment and Learning): We have embarked on a consultation process on the new employment programme, which we are provisionally calling Steps 2 Success Northern Ireland or Steps 2 Success NI. Prior to embarking on that process, we sent correspondence advising the Committee of it and outlining it. I know that the Committee is interested in understanding a bit more about the consultation document. That is my understanding of what you are trying to achieve in today's session.

The Chairperson: I can set parameters. The issue is that you have moved from a process that is fairly prescriptive to one that is more free-ranging. You are moving from 10 suppliers locally to three regionally, with the potential for people from outside Northern Ireland to become involved. There is also a move from process to outcome payments. That raises issues about financial viability and your targets, and so forth. We are interested to hear your thinking on those issues and on where you think the risks are. That is what struck me.

Mr C Boyle: We can walk you through that using our document. Brendan McCann is heading the new employment programme project, and Gerry Lindsay is ably assisting him in that process.

I just want to touch on the fact that this is not simply a matter of saying goodbye to Steps to Work and replacing it with Steps 2 Success; I think that you need to see this as a much wider transition. I think that it will impact very significantly on our front line. I will give you a bit of an overview of what the

delivery framework may look like, and then I will run through some of the programme's key objectives, such as eligibility, content, duration, and so on. That will touch on some of the things that you alluded to, such as supply-chain management and the funding model. I will discuss the pre-programme client support and the overview of the delivery framework, and then I will hand over to Brendan. I am more than happy to pause at any stage if you have particular issues that you want to probe a little more.

The fact that we are in a live consultation process means that we are receiving returns from consultees. We have had a very extensive and public consultation process and a fair degree of interaction with a number of interested parties. Most of those interested parties are either existing providers with a view to becoming providers of the new programme, or prospective providers perhaps from other areas or, indeed, from Northern Ireland.

Where the pre-programme client support is concerned, we are talking about an employment service offer. I know that the Committee has been frustrated at times by the number of layers of initiatives that we have, and I am trying to simplify that. The pre-programme client support is, effectively, what happens when someone who is unemployed comes to our front line and we work with them to try to get them back to work as soon as possible. We are putting in place what we call an employment service offer. That offer is about creating a bank of adviser time during which the adviser tries to remove any challenges or barriers to employment that the individual may have and uses things such as, for example, the youth employment scheme, which is a very good opportunity, plus the support contract that will go hand in hand with the new employment programme.

Someone who goes to an employment service adviser in a front line office may have very little or a lot of work experience, or they may have health conditions or personal issues such as alcohol problems, family problems or transport issues, or a combination of those things. Our advisers operate at EO2 grade. It is vital to understand that the really good ones are really good, but a lot of them, I think, have a little bit further to travel with development. So, we are putting in place development that will allow them to provide much more enriched support at the very front end. To give you an illustration of that, when the downturn first happened, the Department was very keen to push volunteers on to the Steps to Work programme at the earliest possible opportunity. I would not hold to that view at all. We are paying £30-odd million for our front line services, and I want that front line to provide the best possible advice at the earliest possible opportunity. Any research will tell you that the vital issue is to have an opportunity to get the person back to work as early as possible. Therefore, our front line services have enriched adviser support and better tools, such as the youth employment scheme, as well as the specialist support that we will get from outside from a variety of organisations. We have not procured that support yet, but we will, and that will help us to provide some of the specialist services. When you put the universal credit perspective on this, I think that you will see that we will have people coming through our doors with debt problems, financial issues and the other myriad things that I talked about. We cannot be the answer to all those problems ourselves. We need to know who the experts are that we can refer those clients to, but, at the same time, keep them with us on the front line.

My submission also details the delivery framework, which is really an attempt to depict what I just described. Clients find themselves unemployed and come to us, and we call that a new customer diagnosis. Effectively, that is an assessment of that particular client's employability issues. During that initial period, we draw up the jobseeker's agreement with them and do some level of job search. We test the relationship with that client to see how much of the job search they can do themselves, and, if they are unable to do that, we tier it up to make that search much more directive during the following three months. Beyond that, if the client has still not succeeded, we will move into much more of a supportive mode with the job search.

We are still working through the mechanics of the delivery framework, and the employment service's offers to clients and employers are still being framed. They are pretty dynamic because of what is happening with the advent of universal credit. However, the key point is that we will work in whatever way we can, with whatever expertise we have, and with whatever support that we can get from outside to get people back to work as early as possible. We will also do that in a way that offers the best value for money. It is only after we have exhausted that possibility at the front end that people will go on to the new programme. Only some groups of clients with particular issues, for example, employment support allowance clients whom we want push on at an earlier stage, will have voluntary access and will be able to leapfrog on to the programme at an earlier point.

The Chairperson: Colum, we have a lot to get through. Members have indicated that they want to ask questions. They are keen to get stuck in because they know what they are about. I could tell you — what's up, Pat?

Mr P Ramsey: You are probably right.

Mr C Boyle: Listen, if you want to cut to the chase, we will cut to the chase. There is no problem. We are happy.

The Chairperson: Members have the tabled papers, and if there is anything particular that you want to refer to when you take the questions, we can do that. People are interested in this matter. I suppose I will set the scene for you, Colum, because you have presented to me a number of times.

Mr C Boyle: Yes.

The Chairperson: I think that you put forward a really cogent and excellent case. However, there are concerns about where you are going with this, not least of which is that it looks good on paper, but, as you probably heard from the previous contribution from the Prince's Trust, the experience heretofore has maybe not been as rich as necessary. I am not having a go at anyone who is doing their best, but I will just put that in as a caveat.

Mr C Boyle: That is one of the reasons why we are always trying to evolve this and make it better.

The Chairperson: I know that. I want to bring in others, so I will wrap up, but the basic thing that I want to say is that, sometimes, we need to be honest about what the problem was so that we can say why we are offering a solution. I understand that that is part of what you are doing. Will you just take that on board? I think that the Committee would certainly be vexed and concerned about the level of unemployment generally. I do not know what the exact numbers are, but we have heard about how generous the scheme that is coming in is in comparison with others. The questions are whether it offers value for money and whether it is effective. I have no doubt that those issues will be brought up.

Mr P Ramsey: First of all, Chair, it would be remiss of us not to say how good the event earlier today at Titanic Belfast was. Colum, the passion that you showed in your contribution for the new youth employment scheme was magnificent. Could you send us a copy of your presentation at a later stage? That would be good to see. Certainly, the Committee wishes you well in making the necessary inroads so that, as we all talk about, this generation and the next have a greater understanding.

Mr Boyle: Thank you for that.

Mr P Ramsey: There are a number of deep and worrying concerns over the Steps 2 Success programme. Recently, I had a meeting in my constituency with DEL officials where I highlighted those concerns. The abolition of the £15 top-up is a punitive measure that will put further pressure on the most vulnerable families. It will be of little benefit to participants. Those arguments are being put to me by those at the coalface who work with people on a steady basis. It has been put to me that the scheme offers literally free labour to employers. Employers may use the occasion to keep on Steps 2 Success staff but allow other staff to go. So, those who are training providers in my constituency have identified a number of clear obstacles. Those are deep, worrying concerns.

There is also a big concern in my constituency about the new contractual arrangements that are in place. The north-west has the One Plan, which has been accepted radically by the Office of the First Minister and deputy First Minister and all Departments. Given its uniqueness, one would imagine that Steps 2 Success cannot be just a paper scheme. We have to be unique in providing creative and innovative programmes of employment opportunities that are not lifted off the shelf from England. I am not suggesting for one minute that Steps 2 Success has been, but it gives that impression.

I do not want to go on too long. There is clear —

The Chairperson: Do you have a question?

Mr P Ramsey: I asked a couple of questions — the abolition of the £15 top-up and the contractual arrangements.

The Chairperson: Just hold on; you can come back. Colum, go ahead.

Mr C Boyle: I can draw Brendan and Gerry in on this. The 30 hours benefit-based training allowance is the basis. It is nothing to do, per se, with the new programme; it is to do with availability for work. In the existing programme, when people are on work experience or whatever it happens to be — the back to work strand — we expect them to be there for 25 or 30 hours a week. Given that they are not available for work, they are eligible for the benefit-based training allowance. Universal credit is coming along at the same time as this at the back end of 2013. There is no requirement under universal credit for people to do that for 25 or 30 hours a week. In fact, the universal credit argument is that, if anybody who is looking for a job or in work and looking for more work is doing 4 hours, 6 hours, 8 hours or 10 hours, that is great.

Mr P Ramsey: There was a top-up in the Steps to Work programme. My information is that, under the new Steps 2 Success programme, that top-up is disappearing.

Mr C Boyle: There would still be a facility for —

Mr P Ramsey: Those two people beside you are shaking their heads.

Mr C Boyle: There would still be a facility for someone to receive a benefit-based training allowance if they were not available to sign on for benefits.

Mr Brendan McCann (Department for Employment and Learning): For the vast majority of people, it is true that they will not be doing 30 hours a week. We set the limit of 30 hours, and that was part of the Department's prescription for Steps to Work. We are abolishing prescription. We are giving freedoms and flexibilities to providers. So, the expectation is that clients will not have to attend for 30 hours a week. Where a client is required to attend for 30 hours a week or more, they will still be eligible for the £15.38 top-up.

Mr P Ramsey: I have raised with the Minister the uniqueness of the contracts and the One Plan in the north-west. I have met officials and put to them suggestions and proposals, and I said that there is concern that the smaller training bodies will lose out with three main providers.

Mr C Boyle: I suppose it depends on the way that you want to look at it. From our point of view, we have had 10 contracts. If you were to talk to the lead contractors and their supply chain, you probably would get that feedback. They say that their world is going to change.

Mr P Ramsey: Colum, do you accept that in every region — whether it is Belfast, east, west, or north-west, in my situation — there are different and complex needs that have to be looked at differently?

Mr C Boyle: Absolutely. We see that there are differences, but we would expect a prime or lead contractor to be able to be versatile enough and use a really well-groomed supply chain to do that.

The Chairperson: You could argue that the success rate with the current providers in Lisburn or north Down is 23%, whereas in Foyle it might be 18%. That difference is not because of the ineffectiveness of the providers, but because of the challenging employment prospects in that area or other more specific areas. I think that is the point that Pat is making.

Mr C Boyle: You could make that argument.

The Chairperson: Your rationale is that you want to go to three contracts, because that will guarantee uniformity. However, I am not sure that I buy that argument. Is that not the point?

Mr P Ramsey: *[Inaudible.]*

The Chairperson: Just hold on a minute, Pat. Let him answer that. You can come back in afterwards.

Mr C Boyle: We are looking for uniformity with the contracts, but uniformity does not mean that you will get identical provision in every location. We went to England and had a really good hard look at places where there are high levels of deprivation. The programmes over there are struggling because of the shape the economy is in, but we still saw a very strong drive by the prime contractors to utilise

their own capability and the capabilities of their supply chains and Jobcentre Plus. They work together to drive out the best job outcomes. If we were to work on the basis that Derry is so unique that we have to put a specific, totally different contractor in there, it would sell the concept of the capability of some of those providers short.

Mr P Ramsey: I did qualify it. I said the north-west; I did not actually say Derry. Aside from that, another point that is hugely important is the £4 million support fund. Who is going to benefit from that £4 million?

Mr C Boyle: Are you talking about the providers?

Mr P Ramsey: Yes. Who is going to benefit from it? When we look at the complex needs of young people who are not in education, employment or training (NEETs), for example, where is the £4 million going to go to, to make the difference? Who can access that £4 million support fund?

Mr C Boyle: As I said at the beginning, we are looking for organisations that are able to support our front line. We are talking about the support contract being broken down into three separate regions. We are looking for organisations that, in real terms, have very strong community links and understand the needs in their areas and how the front line in those areas works, and can build those relationships. In actual fact —

Mr P Ramsey: I am not sure about the process of identifying who can access that funding, who can make applications from it and who determines where that money goes.

Mr C Boyle: I do not understand your question.

Mr P Ramsey: That £4 million support fund is a pot of money that is going to be distributed. Who can access it?

Mr Gerry Lindsay (Department for Employment and Learning): I do not think that it is actually about distributing a £4million pot of money. We are going to procure three contracts. As Colum said, our front line staff will identify individuals and their particular needs — for example, somebody with a confidence or motivational need — and they will then go to one of the contract providers to see whether they can meet that individual's need.

Mr P Ramsey: Who assesses or objectively looks at, for example, any of the previous contributors from the Prince's Trust? Who determines fundamentally or audits a young person's vulnerability to say that they are in more need than someone else? Who does all that?

The Chairperson: OK. We have got a question. I know the answer.

Mr B McCann: Our front line staff will make that assessment. That is part of their ongoing role. They use a diagnostic tool to determine an individual's barriers and what the particular needs are that, perhaps, the contracted provision can address.

Mr P Ramsey: So can you share with us, Chair — sorry, I will stop

The Chairperson: I am happy for you to ask it but I do not want people bringing up —

Mr P Ramsey: See the diagnostic end of things — can you share with us the module that you are going to use to diagnostically look at a young person to decide that that young person needs more help than another young person.

Mr C Boyle: Our advisers do that every day of the week.

Mr P Ramsey: Can you share what data or matrix you use to determine that?

Mr C Boyle: Sorry. Share what?

The Chairperson: Can we just hold the question? The question arises — one of the fundamental changes you are making, I think, is enriching the experience from your professionals. You want to give them better training and support. The Committee will want to have some reassurance, at some stage, about how that will actually be effected. There are concerns that, maybe, we are asking too much of people who are overworked, underpaid, and all the rest of it. That is the point. If we can just hold that point.

Mr P Ramsey: I am trying to determine that, if it is hitting the most vulnerable, how are we targeting it?

The Chairperson: OK, Pat. We have given you a fair bit, and you can come back at the time, because this is important. I want to bring in Phil next, then Jim, and then back to Fra.

Mr Flanagan: Gentlemen, you are very welcome. It is great to see you here while the consultation is ongoing. Hopefully, there will be members of the public listening to this who will become engaged.

First, I will take you up on the name of the new programme. Given that the funding model has changed to encourage providers to get clients to get a job, why the move from Steps to Work to Steps 2 Success? I know that it is not a name that you are set on.

Mr C Boyle: The term "success" is a general branding that the Department has been using for other programmes. It was to tie in with that brand. It was as simple as that.

Mr Flanagan: It must not be a great brand; I have never heard of it, but then I am a new member of the Committee.

How much will the new programme save the Department?

Mr C Boyle: We are preparing the business case, and we are out consulting early to find out the reaction to the programme. Probably the answer to that — it is difficult to give you an answer. If we were working on the basis of a funding model, as in the consultation, there could be one answer. However, if that funding model changes, it could be another answer. I would be happy to give you an answer to that when I have finished the work on the business case, which has not been completed yet.

Mr Flanagan: Based on the proposal in the consultation, how much is the Department aiming to save through this overhaul?

Mr B McCann: We are not actually aiming to save money. There are complexities regarding the funding model that will enable us to draw on benefit savings to fund higher levels of performance. We are using the existing budget allocation to fund the programme up to a certain level. If that level is exceeded — say we expect to achieve job outcomes of 30%, and providers hit above that — we will draw on the benefit savings that will happen by the person being off benefit and into employment.

The Chairperson: How can you do that when those are not part of the block grant? Have you come to an arrangement?

Mr B McCann: We are seeking to put in place an agreement with the Treasury, as has been done in Great Britain, that will enable us to spend some of the benefit savings. That will actually mean that there will be a greater pot of money to fund providers who achieve very well under the programme. Again, however, that will be subject to separate consultations through the Department of Finance and Personnel.

The Chairperson: Can I take it, in answer to Phil's question, that you are preparing a business case.

Mr C Boyle: Yes.

The Chairperson: We would like to have a look at that when it is completed. I think, Colum, that you made that offer to us. Is that possible when you have gone through your proper ministerial —

Mr C Boyle: Once we have taken it through the normal process, yes.

The Chairperson: I know the difficulties that you are going to have on this with the Treasury. I was going to say this at the end, but I will say it now: I applaud you for taking a creative, challenging and different stance. I know that that is what you are doing, and I do not want to knock you off that. However, you have a job of work to do here, because people are not convinced about a large number of those areas. I am trying to be helpful and supportive, but you need to help us on this. There are issues about the financial side of things, and I am sure that my colleagues will bring that up. Phil, do you want to carry on? You have got that assurance.

Mr Flanagan: That is grand.

The Chairperson: It is recorded in the Hansard report that we are concerned about the financing model on this, and we would like, as soon as possible — I just want to say, Colum, that the difficulty for me is that contracts are coming to an end before you get processes to replace them.

Mr C Boyle: There is an onus on us to dovetail that, and we need to make sure that we manage the risks and dovetail that.

The Chairperson: But it is a concern. I am just looking at the timescales. All it says is that that will put pressure on it. This is all done. Forgive me: we will be doing a business case; we will be looking at this process; we will be looking — there are a whole lot of things. You are working pretty hard just to keep your head above water.

Mr C Boyle: The business case is in train. We have been working on that for a while.

The Chairperson: I do not want to go on too much, but I put it for the record. You know the point that I am making, and we will come back to it at the end.

Mr Flanagan: I have concerns about treating the whole area as one contract and just having three providers. Pat and the Chair alluded to the fact that not every area is the same, and providers might be unwilling to go into areas of higher deprivation and higher unemployment where there are fewer job opportunities if that is how they are being targeted. I also have concerns about the fact that the Department proposes to simply get three large providers who are then being encouraged to subcontract this out. I do not understand why the Department cannot just engage with every provider directly. I think that would be a much better system.

The Chairperson: That is a good question.

Mr C Boyle: We already have subcontracting. The Steps to Work contractors already use subcontractors. Looking at the model in GB, there are some organisations that are very hands on in the work programme. Other organisations subcontract out very heavily. I personally like to see organisations putting their roots down in the community and delivering but being backed up with a very strong, well-managed supply chain.

Mr Flanagan: What you are going to see is companies coming in from England, Scotland and Wales to take this contract from DEL, not putting any staff here, but subcontracting the whole lot out and simply lifting 10%, 15% or 20% of the revenue and profits for themselves. How will that deliver a better scheme for anybody here?

Mr C Boyle: That is one particular perspective, but I have a very different perspective. I can see Northern Ireland organisations coming through and winning this contract, and I can see Northern Ireland organisations framing consortia that could win a contract. There is absolutely no question in my mind that that could happen.

The Chairperson: The question is this: what is the benefit? When you did the audit of Steps to Work, the result was that there were bigger regions in other parts of the United Kingdom, so we came back and said, you know, the charge is that this is just administrative ease for the Department. It is hard for you to control 10 primes or 10 leads, and you are going down to three, but all that you are doing is putting in a layer of management that will take a cut off the top. What benefit do you get by doing that, other than it being easier for the Department to manage metrics? There must be some other reason for doing it.

Mr C Boyle: It is to give that organisation the flexibilities that it needs to do the things that it believes will work across the piece. If you look at situations in Steps to Work, we see organisations that have done exceptionally well in certain locations, and you say that it would be fantastic if that same methodology and those same approaches were applied in a much wider way. However, there are differences, and there are variations. Different organisations have different approaches and strengths. They use different people for some of the delivery. What we are trying to do is get the best possible expertise and the best delivery in Northern Ireland that will help to secure people's return to work at the earliest possible opportunity.

The Chairperson: I take that point.

Mr Flanagan: Finally, running through the consultation document and the theme about risk, we are moving from a 90:10 model to a 40:60 model, based on outcomes instead of processes. We would all support a greater reward for outcomes instead of just rewarding processes. However, who actually takes the risk? Will it be the main contractor or the subcontractor?

Mr B McCann: That is really a commercial issue for the supply chain. However, the Department is saying that it is conscious that there is a need for a code of conduct in how supply chains operate, and we are working on developing a code of conduct that will try to ensure that the risk is evenly spread.

The Chairperson: I know that the construction industry is not your Department, but the subbies were always at risk to the primes. The Department cannot wash its hands of that. I will just tell you here and now.

Mr P Ramsey: That is fair.

The Chairperson: You will need to find — I have looked at the stuff that you have got and the annexes and all the rest of it, and I think that the Department needs to take a more hands-on approach about how it is going to work in terms of payment and cash. We will come on to the actual overall model in a moment, but I just wanted to mark your card on that point.

Mr Allister: I want to make two quick points, not least because, unfortunately, I have to go in a minute or two. Is Steps 2 Success modelled on the work programme in GB?

Mr C Boyle: It is probably fair to say that it is the next iteration of it in some senses. What I mean by that is that we have looked at what we think are the best aspects of Steps to Work that we could keep and tried to marry them with the new employment programme here. One of those is that a large contract works particularly well in areas of deprivation. We have looked at places in the north-east of England where there is a lot of deprivation and where people find it hard to get and sustain work. We have been impressed by how some organisations there have applied themselves to try to secure people's return to work quickly. From that point of view, yes, there are aspects of it that we certainly draw upon.

Mr Allister: And yet the work programme in GB has not exactly been seen as a rip-roaring success, has it?

Mr C Boyle: No, I do not think it has, but it has some —

Mr Allister: The National Audit Office has had some adverse comments to make.

Mr C Boyle: Which it made very early. It did not exactly wait to see —

Mr Allister: They are not perfect, but there have been some media reports indicating that a very small percentage of people are actually finding work through it.

Mr C Boyle: I will give you an example to illustrate where we are going with it. In GB, people are on the work programme for two years. There are concerns that, for example, when you are in the second year of the work programme you are effectively parked as a client and do not get an awful lot done for you. In our programme, we are looking at an 18-month situation. Normally, we expect most clients — people whom we consider to be jobseekers — to be through in 12 months. In the last six months, we are building in an extra kicker — an extra bit of support — for those people who are hardest to help, so

that there is a very specific piece there for people whom you call the most vulnerable people, Pat — people who have perhaps got significant health conditions and need extra help. We really want to make sure that the programme responds to their needs.

We worked with the Centre for Economic and Social Inclusion, which is involved in evaluating the work programme in GB. It has been a strategic partner to us in looking at this. It has helped us to navigate some of the problems that are dragging the work programme down. That issue of people being there for two years is a problem. We are also aware of a number of other concerns. We are alive to the issue —

Mr Allister: There is a difference between tinkering with it and following its main thrust. If you are following its main thrust and it is not seen to be working, it does not fill one with a great deal of confidence that Steps 2 Success will fare any better.

Mr B McCann: Although the thrust may be the same overall, there are a number of fundamental differences in relation to the funding model, which was producing problems in Great Britain. The funding model there is a 70:30 split, with a move to complete outcome-related funding after year 3. We are maintaining a 60:40 payment model, with payment of the upfront fee continuing throughout the life of the programme.

The time that people spend on the programme is different as well. We have a minimum service guarantee in relation to the clients. The lack of prescription and giving providers the flexibility to do what works with the client is in line with best practice and research evidence. Indeed, one of the issues that was raised in the Steps to Work evaluation was that the Department needed to be less prescriptive and to free up the providers to do what works for the client.

Also, in Steps to Work there is a gap between people getting into employment and sustaining it for a period of time. We want to try to close that gap by giving incentives for providers to work with the individuals for a sustained amount of time. We hope that, in that way, we will provide better value for money for the interventions.

In the round, our programme has a number of risks, but we have tried to mitigate some of the aspects of the work programme that have been criticised. We are open to suggestions, and that is why we have consulted on the proposals. We are getting some quite rich feedback, and we certainly welcome the Committee's comments today.

Mr C Boyle: If you are asking whether we would just take the programme in GB and put it in Northern Ireland as it is, the answer is absolutely not.

The Chairperson: OK, Colum, hold on. We will just take it through the Chair at the moment. The point will come back.

I want to put on record a personal view, because that is a benefit of being the Chair. I am not in any way alarmed about you taking risks. I want to see you taking challenging positions, and it is right that we consult and get involved in all this. However, there are a lot of issues out here that need to be addressed, and I am just marking your card for you. I do not mind if you want to come back and address us. I will make room in the work programme to come back to do those things, and I will deal with those issues.

Are you finished, Jim?

Mr Allister: Yes, thanks.

The Chairperson: Chris has indicated that he needs to leave because he has to chair a Committee for the Office of the First Minister and deputy First Minister thing. I want to finish this session, and there is an item on the monitoring round and cash. I will try to get through the business as quickly as I can for you. I am just telling you that, when those two go, we are down to a quorum, and I would prefer that everyone who can stay will do so. I know that Jim and Chris have to go.

Mr F McCann: I have another meeting later on. I will do my best to stay as long as possible.

The Chairperson: If you could, because we may have to bring people back. This is important, and I have certain things that I need to —

Mr F McCann: I appreciate that. A number of serious questions have been asked at today's meeting, and we need to take note of them and ensure that they are answered. Some of the stuff that a number of people have said — I know that it is not an easy task or an easy job. This morning's event was worthwhile and well presented. However, as has been said a number of times, it is the outcomes six months, a year or 18 months down the line that will prove the point.

Since I joined this Committee, I have said continually that I am concerned not only that there is a large section of people out there who do not tap into what may be available, but that the Department does not tap into them. That is to do with the whole question of NEETs, and that will require a heavy concentration.

I have a couple of questions. I have spoken to a number of training advisers across the Department who have expressed concern about the level of training that they have been given to be able to cope with people who may come in with mental health problems or serious illnesses.

The Chairperson: OK, got that point. You could go on, but I want to get the answer to that question. People training? Mental health problems?

Mr C Boyle: We have used specialist mental health organisations to come in as part of our core skills development for our staff. Many of our staff are trained specifically for Pathways to Work. I was in the Shankill centre on Friday morning and sat in for five hours on a number of interviews. I watched someone handling a person with not just a number of physical conditions but mental health issues, and handling it exceptionally well. I have absolutely no doubt that the way in which we use our skilled staff and build on their training will allow us to handle that.

Mr F McCann: I have spoken to a number of advisers about that. It would be helpful information for us if we had a breakdown of what level of training those people get — I am not saying today — and the organisations that provide it.

The Chairperson: OK. There is a general point here, Colum. I think that you need to inform and manage the Committee in the same way that you would manage your staff. We have legitimate concerns and members need to be reassured or should, at least, have the opportunity to examine those issues. You might consider, as Fra suggests, how best we would do that at another session. It may not be in Committee. It may be that we will have a workshop, but I will leave it with you.

Mr F McCann: A point was raised earlier in relation to the larger contract. I have spoken to some people in the voluntary sector, and I know that they are working up a consortium to make an application. However, there is growing concern that if we do not get it here, we will have a scheme that is completely controlled from England. People are concerned that it will be top-sliced and that most of the administration will be done in England and that it will be a loss to here. That is another question that we need to look at.

The Chairperson: Just hold that point. I think the criteria, or your thinking about why you want, or what you are expecting the prime contractors to do, because you have talked extensively in the document about wanting to have subcontractors with a local base, and all of that. I can imagine a situation where people are saying that they would like to draw expertise in at least one of the contracts from other places. You could look at that, but there is always the fear, which was raised by Phil, that all you will do is bring in a bigger company that takes a top slice and does not add any value. You need to tell us what you are looking for in the added value.

Mr F McCann: Chair, you mentioned the construction industry. It is certainly a complaint that I have had for a while, that people have come in, brought their workforce with them and then left, and there have been no economic benefits to people here. Can you build into the tender documents that everything has to be run from here?

Mr Douglas: My question is linked into your questions. In terms of what Phil said about training organisations coming from GB, is that a legal requirement, and is it much wider? Would you have to advertise it in the EU, for example? Can we use a local training organisation with local knowledge? Would that be part of the scoring metrics?

The Chairperson: People who understand contracts will know what you can and cannot do in a European context. Are you able to devise a tender in a way that ranks links with existing experienced people in the region? Can you construct a thing that actually gets around the EU prohibition on saying that you have to employ locals? How can you write it in a way that encourages building on the experience base that we have?

Mr C Boyle: We cannot do that.

The Chairperson: Well, there is the answer.

Mr Flanagan: We have seen from the recent Go For It tender, Chair, that it cannot be done.

The Chairperson: At the same time, I am getting sick, sore and tired of asking why we have to leave ourselves wide open. Do we have no ability to say that this is what we want from a provider, and we know where our strengths are? I think that it is absolutely right that we can say that we want people who have a proven track record or you can give some ranking to people who have a proven track record in dealing with our particular issues.

Mr F McCann: Can you say that the whole operation has to be run from here?

Mr Flanagan: You could divide it down into smaller contracts. It is then less attractive for somebody to come from elsewhere to run it.

The Chairperson: OK. Anyway, there is an issue for us, regardless of how you frame it. We understand the legal context that you are operating in. I want to move on, but you know the issues that we have raised, and I will be interested to know the sort of criteria or things that you are looking to do, which would be open, fair and transparent to everybody but would get us the best possible outcome for the people of Northern Ireland and the taxpayers' pound. To my mind, that would certainly not have throwing the baby out with the bath water as a criterion.

Mr F McCann: I know that it probably cannot be answered today, but I have two other points. One is about employment in the Department. Surely, if this goes out the way that it is seen, there will be serious job losses in the Department.

Mr C Boyle: Absolutely not.

Mr F McCann: There will be no job losses.

Mr C Boyle: Hold on, let us be very clear. I spent the first 10 minutes of this session telling you about the need to invest in that front line. That need to invest is not about protecting jobs but about providing a service in Northern Ireland that will be there and sustainable. If the Executive see universal credit coming in to Northern Ireland, you will need that front line operating absolutely at its top level. There is no question about that. You will also need an employment programme that is able to churn out results over and above what we are getting through Steps to Work.

The Chairperson: OK. We got the answer to that. We will come back to that issue, because time is short. Your consultation is in, and you need to take on board what the elected representatives, as representatives of the people, have to say. I am sure that you will.

Mr C Boyle: Chair, we have absolutely no issue with that. We are happy to take the feedback on board; there is no problem with that.

The Chairperson: I am glad that the peace process is safe in your hands, Colum. Fra, did you have one last question?

Mr F McCann: I will let it go and pick up on it again.

The Chairperson: OK. You will pick up on it again.

Mr F McCann: Chair, just one thing — *[Laughter.]* When we get the replies back, can we have them in plain speak rather than having them talking around all the questions?

The Chairperson: The issues are complex, and I will summarise them.

Mr F McCann: Some of the answers are more complex than the questions that we asked.

The Chairperson: Fra, I agree with you. Part of the problem is that we have so much information. We had the presentation earlier, and we now have this session. We need to do this the right way, and I will try to structure it in the way that you suggested.

Mr F McCann: I am not actually asking you to structure it; I am asking the Department to do it that way when it returns the document.

The Chairperson: Hold on, Colum. You see, the way that it works, Fra, is that I have to do this bit. I appreciate your help, and we will get this sorted.

I want to bring in the Deputy Chair, who has been waiting very patiently. I must get through the monitoring round, because it has to be in. We will come back to this issue. Hopefully, I will be able to do something that meets your requirements.

Mr Buchanan: Very briefly, Chair, we have heard a lot about the programme from you folk today. It will come into force from 1 October. What are your targets for its first year? How many people have you targeted to get into employment?

Mr B McCann: We are looking at what the targets might be. The feeling is that around 25% of clients were sustaining employment under Steps to Work. Under the new model, we hope to achieve a higher percentage, so we are looking at something around 30%. A total of 30% are gaining employment from Steps to Work, but they are not sustaining it for 13 weeks. That is why we have the figure of 25% sustaining employment for 13 weeks. Given the incentives and the more streamlined administration that comes with a larger supply chain, we hope that the supply chain will work together to help to drive and improve the employment outcomes to around 30%. One of the advantages of a larger supply chain is that there should be a more streamlined administration.

Mr Buchanan: How do you propose to address the six-month gap between Steps to Works ending and Steps 2 Success kicking in?

Mr B McCann: We are looking at the transition arrangements. There are a number of options that we are looking at, and we will take those to the Minister. We will come back to the Committee on that issue once it has been discussed internally.

The Chairperson: I think that we will write to the Minister to ask him whether he wants to deal with that issue. No doubt, he will want a briefing from you fairly quickly.

Mr Buchanan: The gap is concerning, given that youth employment is on the increase. The Committee has hammered at that issue for quite some time, yet the rate seems to continue to spiral. So, that needs to be addressed.

Mr B McCann: Yes; we recognise that.

Mr C Boyle: We will not leave the cupboard bare. We will make sure that we have cover arrangements.

The Chairperson: Sammy, did you have anything else to add?

Mr Douglas: No. My question was answered.

Mr Flanagan: Can I ask a completely off-the-wall question? Earlier, we heard Susie's first-hand testimony of her experience in the jobs and benefits office. Are there any plans to change the name to "benefits office"? It is clear that it is doing nothing for people who need a job.

The Chairperson: You do not have to answer that.

Mr Flanagan: Was it not off the wall enough for you?

The Chairperson: There is a serious point, and we will want to hear more from Colum and his team about how we are going to provide the required service. I think that you should tackle that separately. However, you can comment if you like.

Mr C Boyle: I will just make a comment. Whenever people walk into our office and get help from us, it is very difficult to know whether they got the job outcome directly because of what the adviser did or because of something else that happened. That is the difficulty that we have, but we are meeting our targets.

I think that we will come back on that point, because there seems to be an issue bubbling through here that we have a front line that is somehow not up to its task. I am very alive to the need to bring that front line's capacity up.

Mr F McCann: I have to say that nobody here is indicating that the front line is not up to it. We are saying that the front line needs training to meet the needs of the increasing numbers of people with difficulties who are coming to seek its advice.

The Chairperson: OK, point taken, Fra. We are in agreement on that. I just want to draw in some members' points, because we are going to come back and deal with those issues.

I want to make a few quick comments, because not everything was brought out. However, I am sure that you will be aware of that.

There is a concern that the reduction to or the change in the loading to encourage more success towards the end is going to make the programme financially unviable for voluntary or smaller organisations. We need to know how that is going to be addressed and whether any larger organisations that you were looking to come in as needed are going to front-load the investment.

I am not sure about this "let the market take care of itself" or grey-box approach whereby the only thing that we need to know is that in two years' time we will have got people into jobs and that it will be like a magic button — it will either have worked or it will not.

There is an issue about giving people skills even as they go through the programme, whether those are presentation skills or whatever. If you are not paying people a lot of money to get such skills in the early stages, you can say that the service will not be as rich as perhaps it should have been. You would need to address that.

Other issues have been brought up about the fact that this scheme, perhaps by design, is taking the low-hanging fruit, that is, those who are closest to the job market and who are ready to get in. That means that other people with different challenges will be placed on different programmes and pushed away. We need to know whether that is the intention and that we are going to look at it as an overall package.

A question came up about whether you are robbing Peter to pay Paul. That emerged not just with this presentation but with the earlier one. Some other people who were on job placement schemes will say that there are schemes that are more advantageous because they offer more cash. I wonder whether that has been addressed.

There is an issue about allocating people randomly to any one of the three providers. I know that you looked at different options, but if your aim is to produce a provider, by competitive means, that is better than others, I am not sure that I am convinced that randomness is the appropriate way to do that. Perhaps you are trying to have different styles of delivery, which will suit some people or some areas better than others.

There is an issue about whether we can get the 10 providers to form some sort of consortium. That goes back to the earlier point that we would be interested in the sort of tender document that you are going to draw up, because people will need to know whether they are going to put effort into this. Quite a few people are saying that they are going to exit the market because it is simply not worth their while to do the programme. That has happened over in England.

So, there are a number of things that we would like to put forward to you. This session has been an opportunity to engage, and I want to conclude by reiterating that it is not a bad thing to look at innovative, creative and challenging situations. That is a personal statement; I do not know what colleagues will say about that. I applaud you for saying that there are problems in certain areas and that we have to recognise them. We need to be hard on the problems and soft on the people. That is the point that Fra was making. We need to have a look at these things.

We will treat you with generosity if you come and talk to us about the real problems that we face. If you are going to make the step changes that you want, you need to have buy-in from all sections of the community, including elected representatives.

I am not sure about the 30% target. I would really like to see how you are going to meet that, given that, in certain areas, you are not going to do it. I worry that that means that it will not be financially viable for people, in that, if they are not going to hit the 30%, they will go bust. That will do nobody any favours.

Those are the issues that we would like you to consider. You can talk with the Committee Clerk about how you will do it within the timescale, because, as the Deputy Chairperson said, you will want to go to tender with this before Christmas.

Mr C Boyle: Yes; it is not far off it. There is a lot to be done.

The Chairperson: Right. We need to engage, and, if necessary, I will call a special meeting of the Committee at a separate time so that we can do this properly.

Mr C Boyle: Yes, that would be welcome from our point of view.

Mr Flanagan: I would also be keen to be kept updated on the negotiations that are ongoing between the Department of Finance and Personnel and the Treasury about benefits, and so forth.

The Chairperson: Those are all issues to consider. You will have a copy of the Hansard report, and I have no doubt that you will go through it and try to make some sense of what we said. The views that the Committee expressed are heartfelt and genuine. These issues concern Committee members and their constituents, so it is really important that we get this right. As the Deputy Chairperson said, unemployment, whether it is youth unemployment or general unemployment, is going bad. We need to do something. We are on a downward trend as far as employment is concerned. We will be in the spotlight, and we really need to address the issue.

You can take the good and the bad from the meetings, and I know that there has been some robust questioning. You will have found that members are passionate and want to help and support. If that is all, I will let you go, because I want to get through the monitoring round session. Do you want to say anything, Colum?

Mr C Boyle: No; I expected the session to be robust, and I find that constructive. We are in the midst of consultation, so we are happy to take any issues on board.

The Chairperson: Thank you very much indeed. We appreciate your time. Congratulations on the launch and presentation earlier today. We will look at that as well, and the numbers and the way that you put it across were first class. Thank you.