



Northern Ireland
Assembly

Committee for Employment and Learning

OFFICIAL REPORT (Hansard)

European Issues: DEL/OFMDFM Briefing

5 June 2013

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Mr Robin Swann (Chairperson)
Mr Thomas Buchanan (Deputy Chairperson)
Mr Jim Allister
Mr Sammy Douglas
Mr David Hilditch
Mr Chris Lyttle
Mr Fra McCann
Ms Bronwyn McGahan
Mr Pat Ramsey
Mr Alastair Ross

Witnesses:

Mrs Patricia McVeigh	Department for Employment and Learning
Mr Gordon Browne	Office of the First Minister and deputy First Minister

The Chairperson: Our next briefing is our quarterly briefing from the Department's thematic desk officer in Brussels. I welcome Mr Gordon Browne, the Barroso task force competitiveness and employment thematic desk officer in the Office of the First Minister and deputy First Minister (OFMDFM) and Mrs Patricia McVeigh, the head of European policy branch in the Department for Employment and Learning (DEL). You are very welcome, folks. Over to you. You have heard tasters of some of the questions that will be coming.

Mrs Patricia McVeigh (Department for Employment and Learning): Thank you, Chair. First, I apologise for the lateness in sending the paper on the update from the desk officer. I will comment on the desk officers' updates before Gordon talks to his paper. I do not know whether members are aware that there has been a review of the initial review of the desk officers' initiative carried out by the economic policy unit, and one suggestion was for quarterly updates from the four desk officers to go to the Office of the First Minister and deputy First Minister and for the Committee of the Office of the First Minister and deputy First Minister to share those with the other Committees. I want to alert you to the process of informing you about the work of the desk officers in totality. That is the way we think we will communicate in future.

The Chairperson: Is that not adding more layers? Will that not slow down the flow of information?

Mrs McVeigh: Currently, each desk officer does a report to the Department that leads on the thematic groups. Gordon does one for the Department for Employment and Learning, and the others do them for their particular Departments. There is overlap in some of the work of the thematic groups. For example, competitiveness and employment has a close link with IT, the technology one. We thought

that it would be useful for all the Committees to get an overview of all the work of the desk officers and to see it in a more co-ordinated way.

Mr Gordon Browne (Office of the First Minister and deputy First Minister): The Department sits on the social cohesion group, and so it is a cross-departmental structure. Committees have made a lot of visits to Brussels. They get a briefing from the desk officers and are starting to hear more about that. They are very keen to hear what is going on, how Departments are working together and how their Committee's remit goes across several groups. The draft paper for the first three months of this year has gone to the Committee for the Office of the First Minister and deputy First Minister, and the last I know is that it is still sitting with the Minister. It is seen as a way of trying to inform the Committees of the Barroso task force initiative in its totality.

The Chairperson: If the paper is sitting with the Minister, do you mean that it has not made its way out yet? So, this is slowing it down.

Mrs McVeigh: I cannot comment on that.

Mr Allister: Why can you not comment? Is it not self-evident? It is the report of the first quarter, and we are at the end of the second quarter of 2013 and we have not had the first quarter's report.

Mrs McVeigh: You have received it from the competitiveness and employment desk officer, because, from Gordon's perspective, we are still maintaining that.

Mr F McCann: It is unfair to ask the two people in front of us to speak for other people.

Mr G Browne: One issue with the initiative is that it is being run by OFMDFM yet each thematic group has a chair Department, which is DEL in this case. In our group, we have separate entities: Invest NI, the Department for Regional Development, the Department of Education and the Department of Enterprise, Trade and Investment (DETI). So, it is generally about trying to work out the best mode of communicating, and the desk officers know that they are required to do the three-monthly reports. It is a case of watch this space.

Mr Allister: Will the new means of communicating impinge on your quarterly availability to the Committee?

Mr G Browne: That is yet to be seen. We previously did a monthly update to our thematic group. This is almost an amalgamation of that. I cannot see it being an issue. This is being seen as a way of trying to inform you about the totality of the thematic group.

Mr Allister: Who will decide whether you will come to us every three months or whatever time it is that you presently come?

Mr G Browne: It will probably be DEL.

Mrs McVeigh: The Committee would make a judgement on the report that OFMDFM sends to you and look at that. DEL does other things in the EU with, for example, the European social fund (ESF), and so on. So, from a DEL perspective and from a Committee's perspective, you might find that the report from OFMDFM gives you an indication of the work of the desk officers. It might be more beneficial to have a wider view from DEL on EU policy in general. Whether you then attach the Barroso task force to that would be up to the Committee.

The Chairperson: I want to bring this discussion to a close, and I know that it was me who started it. The report we are receiving today is for the first quarter. Is that correct?

Mr G Browne: It covers January to March.

The Chairperson: The first quarter. So, if I had to go to OFMDFM, it would probably be into September before I would receive it.

Mrs McVeigh: I have —

Mr G Browne: There will be another one done at the end of June.

The Chairperson: I am sorry, Patricia, I interrupted you there. Please go ahead.

Mrs McVeigh: It was just to alert you to that.

The Chairperson: I appreciate that.

Mrs McVeigh: The paper has been circulated among you. Gordon will now briefly update you and talk to the paper.

Mr G Browne: Picking up on one of the points that I heard about state aid earlier, DETI has responsibility for that. There is a meeting on 16 June in Brussels at which they are hoping to finalise a lot of the detail on that. From some discussions with my other side of the house on that group, I know that that issue is very much on the radar.

Mr F McCann: I take it that the Department will be well prepared. You hear sometimes of disasters —

Mr G Browne: The negotiations for that have been going on for two years.

Mrs McVeigh: That is why it is useful for this Committee to have the four desk officers' reports. If you had had those reports, they probably would have highlighted that state aid is being discussed.

The Chairperson: We touched on the recommendations for structural changes in universities and research institutions. What involvement has the Department had with its higher education and further education bodies in Northern Ireland?

Mr G Browne: Minister Farry was due to attend the Council in May. Unfortunately, there was a reconvened Executive meeting, so he could not attend. One aspect on the agenda was the social dimension of higher education (HE), equality, and so on. So, there have been some papers on that issue. The HE division in DEL was made aware of them as well, Patricia, were they not?

Mrs McVeigh: Those papers were not specifically on the issues of research and gender. Obviously, the Department is aware of all those issues, and the Minister did articulate yesterday the importance of addressing gender imbalance. The issue is about encouraging women. The Minister said yesterday that 60% of the student population are women, yet there are fewer women involved in science, technology, engineering and maths (STEM). The Department is aware of that and is looking, with the universities, at how we can encourage women to be more active in STEM, and at any of the other issues in conjunction with the universities that have been highlighted.

The Chairperson: I understand all that. Given the Minister's statement yesterday, it is obvious that the Department is acknowledging the issue. The EC recommended structural changes, which, I assume, have already started and are progressing through Europe. Has the Department engaged with our higher or further education institutions to discuss any proposed changes?

Mrs McVeigh: Not that I am aware of.

Mr F McCann: The youth guarantee seems fairly attractive because it lays out a number of things for which people on this Committee have argued for a considerable period of time. The British Government and a number of other Governments have asked for some degree of flexibility to work around that. Were the resources and finance available to implement the guarantee? To guarantee somebody a training placement, a job or an apprenticeship is near enough at the heart of what we are discussing. To offer a degree of flexibility seems to —

Mr G Browne: The degree of flexibility sought by the UK was around the time frame of when it would be implemented. The Commission recommended that a young person would be offered a training place or a job within four months, but the UK's jobseeker's allowance figures showed that the majority of young people flowed off the benefit, around 90%, within six months. That is because of the nature of jobseeker's allowance: after six months, the entitlement slightly changes according to your contributions. So, they argued for six months because they felt that resources could be focused more on people who are still unemployed at six months. As to whether money is available for that, I think it

was recommended that the ESF, and so on, can be used as tools. It was agreed only recently, so it is back to member states to see how they implement it.

There is an additional €6 billion fund for areas in which youth unemployment is above 25% to help them to implement youth guarantees. The most recent figures for Northern Ireland were received by the UK representation to the EU, and only five UK regions will benefit from the fund, and Northern Ireland is not one of them. Our youth unemployment rate is 23.5% or so. So, as it stands, Northern Ireland will not be able to avail of the youth unemployment initiative, which is a set fund to help those regions.

Mr F McCann: Why is that?

Mr G Browne: We are probably up against Greece, with a 62.5% youth unemployment rate, and in Spain it is over 50%. At the time, areas with a 25% youth unemployment rate were seen as being hard done by. Since then, unfortunately, a lot of regions have moved into or close to that category.

The European Parliament agreed recently that the youth unemployment rate should not be 25% but 20% and for people aged up to 30. That will have to be agreed between the Council and the Parliament. Going by the general feeling from a lot of member states, that will not be popular, especially in those areas of Greece and Spain that are hard hit. They will feel that a small slice of the pie will be getting ever smaller. That is one of those "watch this space" issues.

Mr F McCann: The youth guarantee seems to be a more-focused approach to dealing with unemployment than what we do here. People will be offered training places, but long debated around this table is the quality of those training placements, moving people into apprenticeships and then into work and further education. That seems to be how we are dealing with the issue. It just seems strange that that degree of flexibility has been removed.

Mr G Browne: The Department has its own version of the youth guarantee, which is for 16- and 17-year-olds. That was looked at closely by a lot of other member states and was almost a version of the youth guarantee, albeit for a younger age group. However, we will, hopefully, be seeing that on a grander scale.

The Chairperson: Tying into that, one of the Europe 2020 flagship initiatives is an agenda for new skills and jobs. I take it that we will be bidding for that.

Mrs McVeigh: It is not necessarily a specific fund. The funding available from 2014 has not been agreed yet. There has been an outline of what will potentially go to each programme, but that has not been signed off yet. There will be subsets below that, should those be lifelong learning funds or Horizon 2020. There will be specific programmes below that overarching badge. Element of that will be the ESF and lifelong learning programmes, whatever they are badged under, Erasmus for all. The Department would be entitled to bid for some of that funding directly but we will be encouraging other organisations, such as universities, further education colleges or whoever, to bid for European funding.

The Chairperson: Sorry, Fra, were you finished?

Mr F McCann: It seems that the ESF has been handed over to the regions to negotiate. However, the youth guarantee is being maintained by the British Government, who are negotiating on behalf of the regions.

Mr G Browne: A lot of those negotiations are at Council or member state level. Northern Ireland has every opportunity to comment on it, and does so, as do Scotland and Wales. However, we are probably a small region within the UK. With some of the youth guarantee stuff, I think that Northern Ireland was of a similar opinion on the time frame. They felt that they needed a greater flexibility to target. There are obvious a lot of schemes that target those not in education, employment and training (NEET), and so on, and those who are furthest from the labour market. At times, people feel that the Commission can be a bit prescriptive, and having to do this within four months did not suit every member state. Other member states did not agree with the four-month limit, so it is one of those ones. However, it has now been agreed by the Council and is moving forward. It is now back to the member states to see how they will implement it.

Mr Allister: I want to take you back to the regional aid guidelines. From the DEL perspective, are we expecting much impact given the social fund's involvement, etc?

Mrs McVeigh: My understanding is that the ESF is not part of and does not fall under regional aid. In developing a new programme, it is our view that the ESF would still not be under regional aid.

Mr Allister: Will there be no impact from those guidelines?

Mrs McVeigh: Not if we continue to develop the programme in the way that we want to. If it is similar to the last programme, it will have no impact on the ESF.

Mr Allister: You are entering a bit of a caveat on that.

Mrs McVeigh: As the programme has not been fully developed and has not gone out for consultation, I cannot say that this is the guaranteed programme. However, if it is constructed in a similar way to the previous one it would be exempt from regional aid. However, because the programme has not been totally described, is not prescriptive and has not been consulted on —

Mr Allister: The consultation on the regional aid guidelines has closed, so we know what shape it is.

Mrs McVeigh: Yes. I am saying that depending on how we shape our ESF programme and if we shape it in the way that it has been shaped in the past, regional aid will not have an impact on it.

Mr Allister: Is it the ambition to make sure that it does not?

Mrs McVeigh: That would be our preference?

Mr Allister: Why is that?

Mrs McVeigh: It is our preference. However, as I said, it has not been out for consultation yet. If people were to say, for example, that we should consider giving employers more say or more money, we would have to look at those comments and see whether that was the right thing to do. However, if money were going directly to employers or whatever, we would also look to see whether that has any implications for regional aid.

Mr Allister: Gordon, this is not in your brief, but there has been some work going on at a European level on action on undeclared work.

Mr G Browne: Yes.

Mr Allister: The Department obviously has an interest in that. What involvement have you had in it?

Mr G Browne: I have not had any involvement in that in the past six months. However, I was at a meeting about it towards the end of last year. It is part of the employment package that came out in 2012. In Europe, they made a special reference to cleaning assistants and so on. I have not seen an awful lot on that in very recent times.

Mr Allister: I think that particular attention has been given to, maybe, cross-border undeclared work, which might be of interest to us. Have you picked up anything in that that we should be alerted to?

Mr G Browne: I have not picked up anything on it, but I can revisit it to see what is happening. As I said, it was on the agenda around six months ago, but it seems to have gone off it. Obviously, the Irish presidency came in and certain objectives that it had slightly shifted. It would be interesting to see what happens under the next presidency and whether it will be back up the agenda.

Mr Allister: According to the Assembly's Research and Information Service briefing that we have been given, something will be up for adoption in the third quarter of this year. So —

Mr G Browne: Right; OK.

Mrs McVeigh: Certainly, the Department would be aware of that —

Mr Allister: — it must be reaching fruition. I would be interested to hear what is unfolding on the crackdown on undeclared work.

Mr Douglas: My question has been answered.

The Chairperson: As there is nothing else, Patricia and Gordon, thank you for your time.

Mrs McVeigh: Chair, I would like to clarify the issue of partnership agreements. My understanding — Eóin outlined it — is that Northern Ireland will have a chapter on partnership agreements. Really, it is about identifying indicators and measurements and a common framework. The Department has been working on that. The idea of a common framework is that there will be some harmonisation in the various sources of European funding, like the ESF and the European regional development fund (ERDF), so that that funding will collectively support the European strategy 2020. It is to ensure that they are not working in silos and that there is some harmonisation between them. That is the idea behind creating a common framework. The Department has been involved in looking at the ERDF and working with the Department of Agriculture to create that common approach.

Mr G Browne: It is the first time that they have got this common strategic framework in which each of the structural funds and the rural development programme all have the same goals that will feed towards the Europe 2020 strategy. It is a new area for a lot of people this time round.

Mrs McVeigh: People bidding for European funding, and all that, will not be affected. This is just a strategic approach to harmonisation and to trying to get a better approach to these funds.

Mr Allister: Of course, under the 2017 strategy, we might hopefully exit the EU by then.

The Chairperson: OK. Again, Patricia and Gordon, thanks very much.