



Northern Ireland
Assembly

Committee for Employment and Learning

OFFICIAL REPORT (Hansard)

Copius Resources

9 October 2013

NORTHERN IRELAND ASSEMBLY

Committee for Employment and Learning

Copius Resources

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Members present for all or part of the proceedings:

Mr Thomas Buchanan (Deputy Chairperson)
Mr Sammy Douglas
Mr Phil Flanagan
Mr David Hilditch
Mr Fra McCann
Ms Bronwyn McGahan
Mr Pat Ramsey

Witnesses:

Mr Brendan Carlin	Copius Resources
Mr Nigel Hamilton	Copius Resources
Mr Andrew Watson	Copius Resources
Mr Tommy Walker	Welding Institute

The Deputy Chairperson: I welcome to the table Mr Brendan Carlin, managing director of Copius Resources Northern Ireland; Mr Andrew Watson, business development officer; Mr Nigel Hamilton, head of marketing and training; and Mr John Welsh, divisional director of Pyeroye. Gentlemen, you are all very welcome to the Committee this morning. I ask you to give us a short presentation, and we will then open it up for members' questions.

Mr Nigel Hamilton (Copius Resources): Chairman, thank you very much. On behalf of the team, I thank you for giving us this slot; we really appreciate it. It is quite timely, given some of the issues that we want to discuss. I have to correct your information. One of our colleagues, John Welsh, was not able to attend because he got detained on business in Aberdeen. As a result, we took the opportunity to bring a gentleman who consults with us, Thomas Walker, who has considerable experience in the engineering field. He was in charge of Felden Government Training Centre, acts as a consultant to the engineering industry in Northern Ireland and, for his troubles, is a member of the Welding Institute.

We will use the opportunity of meeting you today to highlight a number of issues that are very pertinent to the potential to develop employability and employment skills that are transferable in the Northern Irish workplace. Although we sit on the apron of Europe, we, as an organisation, are very much involved in supplying human resources to the offshore oil and gas industry in UK waters, in the North Sea and offshore Europe. Oil and gas is a very important aspect of manufacturing. It is the highest payer to the Exchequer.

We talk about the supply chain for local people. That is absolutely crucial. We talk about it providing resources. That is a very important element of what we try to do. As you can see from our second slide, we are a relatively experienced organisation. We have experience and expertise in a number of

different fields in Northern Ireland and outside it. We specialise in getting it right for the client and interfacing with industry and the public sector. The importance of that is quite clearly that organisations in the industrial base need capable and equipped resources. Our area of expertise is providing recruitment services and training. To that end, we interface with a number of major organisations that value the opportunity to bring people from this island into that workplace. You can see quite clearly that, across a number of areas onshore and offshore, there is the potential for transferable skills. Even when you are on a rig, it is necessary for people to eat. Catering is just as important as the guys who are working out in the field.

We have put our third slide together purely and simply to give an indication of our credentials. We work very closely with Invest NI, and we have all the necessary accreditations for the marketplaces in which we provide service. That is absolutely essential, because you have to instil confidence in not only your client but the country in which you are working.

The next slide shows our sectors and disciplines. You can quite clearly see the sectors involved in the offshore industry. The opportunity has developed in more recent years for the potential in offshore and onshore renewables. We are talking about issues relating to the Marine Bill and the legislation about the use of a very busy waterway between the UK mainland and Ireland. We also provide services, and we recognise the demand that high-end clients place on getting the right skills for onshore construction and offshore on a day-to-day and a contractual basis.

Included in our disciplines are sheet metal workers, painters and sprayers, scaffolders and cherry picker and forklift truck drivers. A lot of those skills are transferable. The crucial factor is that we, as a community, need to give our people the opportunity to develop those skills, harness their potential and earn at the level at which they have the potential to earn. In real terms, the opportunity for taking those transferable skills and applying them to the oil and gas and renewable sectors is very much in demand, given the shortages that exist in oil and gas, in particular, in the North Sea and across the board.

One area in which the UK and Ireland has not been expert is in the development of high-tech wind technology. Siemens is one company that has developed that. Even though there are a number of very well known names, they are still on the R&D element, and they have not developed and contracted. So, there is almost a monopoly in that marketplace. The people with those sorts of skills who we have working for such operations as Siemens, and we refer to people who are working through ourselves and through other partners in relation to the DONG site in Belfast harbour, are getting a very high-quality opportunity through their employment to meet the very high-spec standards that companies such as Siemens expect. That is the sort of thing that will drive up the standards that we require within our training base, and it will give the people with that experience the potential to move elsewhere.

In our next slide, we have highlighted a number of our clients. Some of those names will mean something to some of you. I do not think that all of them will mean something to everyone. In real terms, those organisations are very heavily involved — not exclusively — in the provision of resources and service supply for oil and gas and renewables. We have also highlighted a number of local companies, in which we see the opportunity to service clients' requirements, particularly in engineering. That provides an opportunity to transfer people who are skilled into higher-end opportunities in oil and gas and renewables.

One of the big downturns that we have experienced is in the capacity to maintain our development and metamorphosis of the engineering industry. We have lost a lot of skills. They are lost, and they will not return unless we treat them. The most effective way to treat them is to look seriously at how we can compete. We can compete particularly well. There is a desire among a number of our clients to seek, North and South, people who have ability and the right aptitude. That is what they are looking for in that sector, primarily because they want people who are willing to make it a career. I can assure you that it is not purely a part-time thing; it is very much a career builder.

Looking specifically at some of the pilot programmes that we have run, I can say that the initial jewel in our crown was through the Department for Employment and Learning (DEL). We received considerable support with Bridge to Employment. Staff were particularly helpful. Both we and they realised that there were some hurdles to get over, but we managed to do that. We did it in a very amicable and practical way. They listened to what industry was telling us, and we provided them with the necessary requirements and criteria for specific jobs that we had through our clients. The trust existed to enable us to share that information and to put together effective training packages for skill

sets. The skill is particularly important before you even consider taking people and placing them into the offshore survival aspect of their certification. So, we worked through several programmes.

As you can see from our next slide, Bridge to Employment was followed through for scaffolders and pipe fitters but not for welders. We had difficulty with welders, simply because we found that the potential for high-end trainers to meet the requirement was not there. That deficit exists not only here but in the South and in the other regions of the UK. We feel, as industry tells us, that we are lagging behind. We will go into that in a little depth and are happy to respond to some of your questions to clarify that.

In relation to other programmes, we trust that we will provide specialist training provision under Steps 2 Success. We have worked through and built a number of potential relationships as we await the next phase of Steps 2 Success. We have also developed a relationship with Fás and have done some training with the offshore survival facility in Falcarragh in Donegal. We are also about to start a programme in partnership with Fás at the National Maritime College of Ireland in Ringaskiddy in County Cork, in which we will be the commercial partner with Fás and that public sector body.

The next slide details some of the issues that are very pertinent to what I have said so far and that have drawn us to our conclusions. The engineering and offshore sectors in the industry are facing a chronic shortage. There are two reasons for that. The primary reason is the process of decommissioning. A number of rigs, pipe facilities, etc in the North Sea are beyond their lifespan and need to be removed or treated and replaced. There is an opportunity with that because of the massive skills shortage that is developing.

That skills shortage has been recognised by a number of organisations that speak on behalf of the oil and gas industry. A survey carried out by NOF Energy and Oilandgaspeople.com — two of the surveying organisations and, I suppose, in real terms, the umbrella organisations — identified serious issues and problems with shortage and skills and stated that that would only be exacerbated further because of the problems with demand, as the £100 billion spend that is required over the next 15, 20 or 30 years develops.

There was a delay with the decommissioning process. However, it has now kicked off, and, with the support of government, approximately £70.1 million has been invested in companies. As a result, the process is now under way, and a number of programmes have started to be developed. That further exacerbates the problem.

In the next slide, I highlighted an example of training. It shows the DEL programme package that we looked at but decided to shelve. However, it shows the sort of schedule of certification that is required. There is a potential to revive that package over the next six months.

We then go into some other issues. Obviously, those DEL programmes were particularly successful from our point of view and that of the employers. As you see from the slide, the percentage speaks for itself, with 90% of those involved in the pilot now employed offshore. My two colleagues have also developed relationships with companies in the field in what has become the green hat system. However, I will not steal their thunder and will allow them to explain that to you. We work closely in partnership with clients. That is absolutely critical, because confidence is essential when you are placing resources on contract offshore. Our candidates can earn more than 50% above their onshore income. By the way, from the surveys that I have related, the average income in the North Sea is £73,000 per annum. That highlights the fact that they are concerned that salaries are rising too quickly. They are rising too quickly because there is a shortage, and there is a shortage because there is insufficient training and not enough people are being told that there is an opportunity. We should be advising people that they should not just go into academia but should take the opportunity to go into a more technical profession.

That is our presentation. Thank you for your patience as I ploughed through it.

The Deputy Chairperson: Thank you, Nigel for the presentation and for coming to the Committee. How many people do you train in Northern Ireland each year to go into employment?

Mr Brendan Carlin (Copius Resources): If you like, I can give you a quick synopsis of our company. Copius has trebled its turnover in the past three years. We have gone from five permanent staff to 15 permanent staff, and another two positions are supported by Invest NI.

We have an office in Holland. Our head office is in Glengormley, and we are opening offices in Great Yarmouth and Aberdeen. Yearly, between 250 to 300 people are working through Copius with major clients in the North Sea, Holland and further afield as far as such places as Canada.

We brought our pilot scheme to DEL last year and decided to put 12 individuals from Northern Ireland through it — eight scaffolders and four pipe fitters. As Nigel said, welding was the main demand at the time, and we went and looked around the different facilities in Belfast. Unfortunately, there are no facilities in Northern Ireland that are fit for purpose to train welders to the requirements of our clients in the North Sea, Europe and worldwide. My colleague can come in at any time with his experience of welding, but one of the particular issues that was brought to our attention was that there are an awful lot of short-term training courses, and it is made quite clear to industry and clients that those who participate in those courses are not trained to the required levels.

We decided to shelve the welding course and go back to pipe fitters and scaffolders. Those trades had the same problems, and, again, none of the facilities in Northern Ireland train to the required levels. So we devised the green hat system. That allowed us to train the guys to level 1. As most of those who go out to the rigs go in groups of four or six, we proposed to the clients that we would put in two green hats at a reduced rate for three months, and when they were at the required level after three months, they would transfer to the normal rates for the marketplace. Even on green hat rates, the average salary for a scaffolder is £40,000 a year. The average salary in Northern Ireland is £18,500.

I have been in the industry and recruitment for nearly 25 years, and I have dealt with many of the major clients. Every week, we are being told that the big problem in oil, gas, renewables and construction is that they cannot find the correct individuals with the correct skills. There is a chronic shortage in the market, and nearly 50,000 people will be required in next five to 10 years just in the North Sea. Forget about renewables; that is just in oil and gas. Those are facts.

There are two major reasons for that shortage. First, the average age of a lot of individuals in the oil and gas industries is now 56 years of age, and that is a major problem. There is no youth, and that is where we are coming from. Nobody between the ages of 18 and 24 is being brought through to those industries. There is nowhere to put them in the training organisations in Northern Ireland, and they are not being educated properly in schools. No one is going out to schools to tell them about those opportunities; everything is about IT, finance and medicine. Nobody is doing the education that is required, and that is the major problem.

As an organisation, we saw that problem, put together some pilot schemes and have had some great success stories. They have not been devised by people from universities but by those from the industry. They have told us what courses and qualifications they need. When we do that it works.

The Deputy Chairperson: You said that there is no place here that can train the welders to the standards needed. What about Bombardier or Harland and Wolff or some of those places? Are they that far below the standard that they cannot train them to the level that is required?

Mr Carlin: I will bring in my two colleagues, who are my technical gurus. You mentioned Harland and Wolff, and, do not get me wrong, we have dealt with it. We spoke to Harland and Wolff and another client in the past six months about potentially using and transferring skills. Harland and Wolff has been going for many years, and it has had many tradesmen. However, it has just brought in 35 Polish people. That is happening all the time. The other company said that it would love to use us and recognised that we had done the programme with DEL. However, it brought the programme to the board and came back to us and said no. It then brought in an English agency that flew over another 25 Poles from Gdańsk. The problem is that, in the training programmes that are out there, the skills levels are not fit for purpose. We have been saying that for the past five years. Harland and Wolff, which is one of the biggest companies here in Northern Ireland, is going to places such as Poland and bringing the workforce here. It is putting them up in the Europa Hotel and paying an arm and a leg for them. That is happening right across the industry in Northern Ireland.

The problem is very simple. It is because of the courses that have been running for the skill sets that are required. You have got to remember that onshore welding or pipe fitting is completely different from offshore welding or pipe fitting. However, that, in itself, is what we are trying to say: the skills of many individuals with trades in Northern Ireland — pipe fitters, welders, platers; you name it — could be transferred for the offshore market. As I said, when you are doubling or trebling salaries, and those people are away for two weeks and back home with their families for two weeks, right away, that

stimulates the economy with the extra surplus cash that they have. All of the companies that we deal with are saying, "Please give us these individuals."

The Deputy Chairperson: This is, perhaps, the first time that the matter has been brought to our attention. Obviously, it is somewhat alarming. Have you been working with the Department on this?

Mr Carlin: We had the pilot. Obviously, we have already met Minister Farry.

Mr N Hamilton: We met Minister Farry through the South Down MP, who kindly facilitated that meeting. We have tried to develop a network of our membership — certainly, in the Energy Skills Training Network (ESTN), which covers organisations in the supply chain that train from Access Rescue Consulting at Height (ARCH), down in Lisnaskea, to Ridgeway, at the harbour, right opposite the gates of the DONG Energy site. We have talked to Minister Foster. We have endeavoured to develop the concept. Some ears have been very open to us. Some have not. However, that is the nature of lobbying: you push at the door and, hopefully, it will finally open. Andy has more than 20 years' experience of managing oil rigs. Tommy has training experience. They have both seen, at the sharp end, how things have gone into decline with regard to the potential to train at the right level.

Mr Tommy Walker: My role is technical adviser. I run a small company called Teach Weld Training. I have been running it for the past 12 years since I left the government training centre where I was assistant manager. Throughout the past 10 years, I have seen a steady decline in the skill level of all types of welders. There is also a skills shortage among fitters and fabricators throughout Northern Ireland. I want to bring the offshore scheme to our local needs. You mentioned Harland and Wolff. Currently, it is on the up and up with work that it is doing for Kvaerner in Norway. It has also developed a new monopile foundation for the offshore wind turbines. At present, it has a chronic shortage of skilled welders, fabricator welders and fitters across the whole scheme. In a couple of weeks' time, it will bring in an oil rig. It does not have enough men to man it. Obviously, it will go continental-wise, right across Europe. It needs that facility because it will face time penalties.

My role is to do on-the-job welding training with a lot of local, smaller structural steel companies. Even they are facing skills shortages because of the lack of good training in the current system of regional colleges. Regional colleges are no longer called technical colleges. They are called regional colleges. They have become polytechnics. Their primary role is merely to get young people up to a NVQ level 2 or QCA. They do not go and seek out work or facilities for them.

I have left you a wee report that I did recently for Michael Gould regarding the regional colleges, what they are currently doing and what it is hoped the way forward would be. I advocate a centre of excellence for practical skills training, because there is a chronic shortage of that for the youth. We are trying to target the youth. As I mentioned, the age profile is too high. I am working with the Shankill through Lanark Way, and they were training a couple of welders — former Harland and Wolff welders — to meet the requirements of the skills level needed to get a job in Harland and Wolff. The four guys failed it. One of the reasons for that was that they had been too long away from working in Harland and Wolff and had lost all those particular skills. They were given only a very short training period, but, with a longer training period and more finances, they may achieve it. There is a real need to meet that.

I am the chairman of the Northern Ireland branch of the Welding Institute. Through our institute, which is based in Cambridge, skills shortages have been identified right across the UK. There are a lot of reports on skills shortages, and the 'Financial Times' has come up with a lot of things about skills shortages. However, the UK Government have moved towards university technical colleges, and they are linking that in closely with companies and developing that throughout the UK. It is UK-based only. It does not apply to Scotland or Wales or Northern Ireland.

The Engineering Construction Industry Training Board, which is the sector skills council for the whole of the petrochemical industry, power stations and all those industries, recently received £4 million from the UK Government to upskill welder training within the UK only. If companies from Scotland and Wales want to join, they have to pay a fee, so there is a grant.

We now have Caterpillar in Northern Ireland, and it has a joint consortium in its particular area to develop apprenticeships in the UK. Therefore, it is moving forward and identifying the skills shortages, and it is doing something about it. We just seem to have stopped in Northern Ireland. It is NVQ and QCA, and if you get a young person up to NVQ level 2, then it is up to that individual; we have empowered them, but it is up to them to go and try to find a job. Something is wrong; we need to

develop a practical skills college with a consortium of companies coming together. It is for that reason that Harland and Wolff needs a lot of practical people.

I will leave the papers with you, as you may want to read them.

The Deputy Chairperson: That was very interesting.

Mr P Ramsey: I agree with the Chairman. You have raised some very challenging issues. As someone who was a teenager in the 70s, I have been through the apprenticeship, been a fitter and done some welding, and I found it most interesting. I take your point about the training centres of old. They were fit for purpose in that era, and they provided for small engineering companies across the board. That was not just on the engineering side but on the construction side as well. I agree with you about bringing forward new models. You have made a number of criticisms, and I am sure that the Department will see Hansard and respond to those criticisms.

You referred to the Bridge to Employment programme and Steps 2 Success. How many people did you bring forward on the Bridge to Employment programme, and how many young people did you bring forward on Steps to Work?

Mr N Hamilton: Steps 2 Success is the programme that, as you know, Pat —

Mr P Ramsey: But the Steps to Work is now —

Mr N Hamilton: We did not engage in Steps to Work, because, at that stage, we were looking seriously at meeting the demand that we had for the offshore. That demand has obviously increased, and the potential to look at developing through Steps 2 Success will give us a chance to place people into onshore training for welding and for commercial paint spraying, for argument's sake. They can then take those skills, with some experience, on into the next stage. Those guys — fellows and girls, because there are some very good female welders — have the potential to move from there across into a Bridge to Employment programme. That is where the skill lies.

Mr P Ramsey: How many people from Northern Ireland have you trained with accreditation over the past two years?

Mr Carlin: We have trained about 50 people over the past two years. When we advertised the pilot scheme with Bridge to Employment in the papers, we had over 500 applications, which had to go through DEL. We went through the applications according to the set criteria and, from that, decided to bring in 120 individuals aged from 18 to 60. We had an open day at the Ramada Hotel to which those 120 people turned up, but unfortunately the funding that was available was for a maximum of 12 people, so we had to sift through those applicants. We could easily have taken all 120 people, trained them to the level required and had them all out working with clients in Northern Ireland, the UK and Europe.

Mr P Ramsey: Of the 50 people that you trained to accreditation, how many are in work?

Mr Carlin: They are all still working.

Mr P Ramsey: What conversations or discussions are you having with Colleges Northern Ireland and all the regional bodies and employers, in particular?

Mr Carlin: I can give you an example of what we are doing with employers. In the past two weeks, I have been to five local companies, one of which is Mivan, which you know very well; I was with them the day before yesterday.

There is a difference between a welder and a fabricator welder. Mivan told me that they had just lost three great guys who were being put through their training and asked me whether I could replace them. They have been trying to replace those three individual fabricator welders for the past six months, but they cannot find anyone. They went to the colleges, and they advertised in the press, but they cannot find anyone at all.

We went to Mivan again with a slightly different idea. We put it to them that we could go to DEL with the exact criteria for a new pilot scheme for a training course in partnership with Mivan. They said that

if we could come up with that they would take the guys tomorrow. As part of the original pilot scheme, we had two major clients who were willing to put it in writing that, if those people were trained to the appropriate qualification, they would give them a job. I could go now to 25 companies throughout the UK and Europe and put those letters out, and if I could put those courses together for 100 people — I am talking not just about welders but about all disciplines, onshore and offshore — I can guarantee that those companies would put a letter together to say that they would have those people.

Mr P Ramsey: I sense the frustration, and I am sure that we are going to have to revisit this and get a departmental briefing. How many people, onshore or offshore, do you reckon have got work because of the oil rigs, for example?

Mr Andrew Watson (Copius Resources): I worked offshore from 2001, and when I was offshore, there were only a few guys from Northern Ireland. I reckon that Copius has 50 guys working now. I have also farmed them out to other companies such as Bilfinger Salamis and Stork Technical Services. The guys left me after training and did, perhaps, six months offshore with us and then moved on to different companies. That is fine, because they are still in work. I was a rig manager on the Atlantic Labrador rig and we had trouble with the Russian mafia, so I replaced the whole crew with guys from here.

Mr P Ramsey: The Irish mafia took over. *[Laughter.]*

Mr Watson: Exactly. *[Laughter.]* That was exactly what my boss said; he said that we had the Irish mafia on board. They worked very hard everywhere they went, and they are still there. They have become chief engineers, offshore coordinators and supervisors. There are a lot of painter blasters, scaffolders and pipe fitters, but they are all there. I spent £136,000 of the company's money on training the guys from here. At that time, my boss asked me why I did not bring people from eastern Europe where they come fully qualified with a pack of qualifications when our men come with a bit of paper saying that they worked in the shipyard for a year.

Mr Carlin: In answer to your question about facts and figures, Pat, there are probably around 2,500 individuals from Northern Ireland who travel and work in oil and gas at the moment. Aberdeen has said that, over the next 10 years, it is going to need 100,000 individuals for oil and gas, renewables and decommissioning. The facts are there, and everyone is saying it; every one of the main companies, including Petrofac, Shell and Total, is saying the same.

Mr Watson: In the past week, we have put 10 guys from here offshore.

Mr N Hamilton: The nature of that marketplace is such that the major primary companies do not want to carry the burden of staffing, so they lean heavily on organisations, such as ours, that can provide the resources that they want on a contractual basis when they need them. Some of those guys go out and are on back-to-back. Others will go out for periods and then come off and move on to other rigs. Looking at some of the figures, I calculated that, at the moment, somewhere in the region of 45,000 people are working just out of Aberdeen on those rigs. They come through that port.

Mr Carlin: We keep talking about oil and gas. I know that time is of the essence for the Committee, but it is not just about oil and gas companies. Local companies also need people. Let us make that quite clear. Our logo is:

"Finding local jobs for local people".

I have been in recruitment for 20 years, and that is what it has always been. I do not want my company to have to do what so many other Northern Irish recruitment agencies have done; go out to Poland, Romania and Lithuania to bring back workforce. However, supply and demand is out there. If someone stands up and looks, it is very simple. There is a huge shortage in the marketplace. It is quite clear that fit for purpose in the UK, not just in Northern Ireland, does not have the training facilities to bring it through. As Tommy said, in the UK, they have put £4 million aside. Other countries have decided to move. We have to start moving on this now, otherwise, all of a sudden, you are going to have another influx of workforce from eastern Europe. I have nothing against people from eastern Europe. At the moment, Poland is spending a fortune on training. A lot of their folk are in London. Denmark is doing it; Norway is doing it. They are spending a fortune with local government and private investors in setting up training institutes to get their people fit for purpose for work requirements out there.

I have had five local companies — one is from Portglenone and there are others — that have won construction contracts in London and places like that, which is great to hear. They approached us and asked whether we could find them labour. We have gone back to them, and they have asked why. I am talking about people like cherry picker operators and telehandler drivers — none of them has the right qualifications. They are very small courses to take. CITB offers some of those courses, but only to NVQ level 2. A lot of those courses are not sufficient; they need to be at higher levels. So, it is not just oil and gas companies; we are also talking about local construction companies, some of which are starting to win contracts in the UK again. I am glad to hear it. I have already mentioned Mivan.

Mr N Hamilton: Part of this involves developing a practical network of partnerships. We are looking at developing a relationship with the Letterkenny college, which operates out of Killybegs and Letterkenny, and we are well on our way. Two German companies are specifically involved in the facilities that Letterkenny college has to help provide employment. They put 12 people out in apprenticeships every year and have at least 10 employed. I was up there with them when they were interviewing. They do not go for just complete novices. They are talking about people who have transferable skills: electricians, etc. That is the name of the game; getting people skilled up and giving them an opportunity to make a choice, or a number of choices.

Let me say this of Poland. One of Poland's biggest and most valuable exports is its labour force. You cannot fault it for that.

Let me come back to Pat, as well. You asked us about the Bridge to Employment programme. Perhaps we have not given you a clear indication. As part of what we do with the DONG site and with a number of the offshore wind farms, both in the UK and Europe, we have to bring up certain accreditations because some of the guys have some of the skills but not others or they need accreditations renewed. Those accreditations do not last forever. So, we are working and negotiating with a number of local companies to try to achieve that. If we cannot do it here, we have to do it elsewhere.

Mr Walker: Local companies, the likes of Wrightbus, are experiencing skills shortages. They now make chassis for the buses, and they need fabricator welders. At that end, the skill level is fairly low. When we talk about oil and gas pipe welding, that is high-end, quality welding. At the lower end, where what is needed is just a simple, straightforward chassis for a bus, Wrightbus is having trouble getting the skill levels up to meet that particular need. The local college trains only to a certain level, because it is only needed to meet the needs of NVQ/QCA. The funding mechanism for the college ensures training only to a certain level of fitness for purpose. They are getting only a certain amount of money to do that. It is all about bums on seats, and that whole scenario is wishy-washy.

The work ethic also comes into it. A lot of companies are refusing to take in work-experience or work-placement students because of the young people's attitude to work, including a lethargic attitude to turning up for work and timekeeping. That all builds into the need for a labour force that is conscientious and which turns up on time. Although the skills of the continentals are no better than any of the locals, their work ethic is much more appreciated. The work ethic needs to be built in from leaving school. In an academic setting, the attitude is that you turn up at 9.00 am and if you want to go home early, you do so because it is up to you to take responsibility. I am sorry to harp back to it, but under a government training system, you had to go there at a certain time and you were run on industrial lines. Companies liked that, and that was how the work ethic was built up. That is more or less the way that it has happened, because, in 10 years, things have moved on, and we need somewhere for young people, who are being disadvantaged chronically in Northern Ireland. That applies right across Northern Ireland, not just around Belfast.

Mr Hilditch: That was quite a lengthy answer to the question, but a necessary one. I also want to talk about welders and associated trades. It really is not a new issue to the Committee, because, during the careers inquiry, we touched on the concern about apprenticeships. From time to time, you have heard me banging on about the plight of agency workers, and that is not aimed at you guys. We are in the situation where we have had a flashing amber light for some time and are now moving onto a red light on the issue of upskilling guys. In my constituency, there are guys who have been trained as welders and who have no work to go to. They are watching Portuguese and Italians heading to Ballylumford power station to do work that local people should be engaged in. The question is probably not for the delegation today but for the Committee to say what we will do about it. It has been hanging there for a considerable time, and, although other work has perhaps been more urgent, this is something that we really need to get our teeth into at some stage in the future. There are trained guys and disillusioned apprentices, and, luckily enough, they are maybe on the lines at FG

Wilson and Caterpillar doing line work and so on. There is a real urgency to try to fill this void, and I can only agree with the guys here today.

Mr Walker: I have been at this since 2009, and I have a letter here through Robin Newton that I have been pushing to try to get Bridge to Employment going, and nothing has been done. A colleague and I have made representations to local MPs in East Belfast and West Belfast, and, as David rightly said, people are turning a blind eye. Something needs to be done and done urgently. Harland and Wolff would take local people if local people were coming up to the required standard.

The Deputy Chairperson: You have thrown up a number of challenges, and, no doubt, the Committee, with the Department, will look at that.

Mr Douglas: Thank you for the presentation. Frankly, Tommy, you should not be complaining about a colleague of mine who is not here. If you have problems with him, you should speak to him directly.

Mr Walker: Sorry. Apologies.

Mr Douglas: You mentioned Robin Newton. I do not think that you should be criticising —

Mr Walker: Do not get me wrong, I am not criticising Robin Newton. I am working through Robin Newton, who has been very helpful.

Mr Douglas: So, you are not criticising him?

Mr Walker: No, and apologies if it came across that way. I am working along with Robin Newton. I did not criticise Robin for doing nothing. He did something, but it fell by the wayside in other areas. It was not necessarily Robin, and I am sorry if it came across that way.

Mr Douglas: I thought that the presentation was very good, but, again, this is not new. David is right. A number of months ago, I was down at Harland and Wolff with the First Minister, and I went through a lot of these issues. Nigel, you mentioned the decommissioning of old ships and oil rigs across the world, particularly in the Middle East. I saw a video that showed ships being decommissioned on a beach somewhere. It was absolutely horrendous. David is right to say that we need to step this up. It is very complex and is not just a matter of saying that there are shortages here and let us deal with them, because a number of people have been looking at this for the past few years, and Tommy is right. I spoke to a taxi driver who is an ex-welder. I asked him whether he could get retrained, and he said that he would prefer to stay as a taxi driver than get retrained for maybe two or three months' work. There are those sorts of issues, Nigel.

Quite a number of organisations, whether in Newtownabbey, east Belfast, west Belfast or Carrick, are involved in training and are linking to the big industries and recruitment companies. However, there is something going amiss — we will be talking about NEETs later — if we are not joining up the dots and linking in those young people. When we met Harland and Wolff, it said that it had a very good relationship with DEL. Obviously, it is working with other officials as well. Something definitely needs to be done about it. The question is what we do about it. David is right: we have reached a red light and have opportunities. For example, somebody from one of the companies said to me that they were bringing one of those decommissioned ships to Belfast to create hundreds of jobs here, never mind offshore. However, that is dirty work for companies that might want to bring that across. Perhaps they do not want that image.

Mr N Hamilton: There are obviously big environmental issues as well.

The Deputy Chairperson: Sammy, you asked what we need to do. We need to change the mindset from academic to vocational to address some of the issues.

Mr F McCann: We have heard this morning and through a number of presentations about the level of training. You touched on this: if people are coming from Poland, Italy or wherever, they obviously have been skilled up to be able to take the jobs. We need to look at what the blockages are here to that. I do not know whether it is the cost of individuals putting themselves through the training. Sammy said that Harland and Wolff stated that it had good relations with DEL. Every company that comes in here says that it has a good relationship with DEL. However, there must be something happening that does not allow a flow through. I do not know whether it is in the training organisations.

We are getting a presentation next on the youth employment scheme, which talks about 6,500 work experience opportunities and 3,600 training opportunities through the skills development strand. How many of them will be trained up to allow them to apply for some of the jobs? We have said time and again that there are major problems. I do not know whether they are in the Department or whether it is the level of skills, the finances or the resources. Is it a resource thing? Is it a financial thing? Or is it a blockage between the Department and others?

Mr Walker: I think that it is a resources thing and a financial thing. Sammy said that he came across an unemployed welder working as a taxi man. I have come across unemployed welders on the dole. All the contracts in Harland and Wolff seem to be short term. People are reluctant to come off their benefit to take a job for a short number of weeks because, when they go back on benefit, the whole regime is changed and they will lose a lot of things. They ask why they should give themselves hassle. If they take on four weeks' work, they will be working 12-hour shifts and the money is extremely good. However, they will weigh that up over what they would bring in by year. That is the problem, because they take themselves off the labour market.

A number of young people in the 26-plus to 40 age group have missed the opportunity of apprenticeships or whatever. They could be targeted and brought on better. However, the Government, in their wisdom, stopped adult apprenticeships recently. That stopped that funding, and that did not progress. There are now a number of funding mechanisms through the youth training programme. There is such a plethora of them that it becomes difficult to ascertain which is the best one to do. We would like to see an overarching fund, with funding going to a company that recruits apprentices or young people right across the board: hairdressing, catering, everything. There are so many different levels in the current youth training programme structure. It goes right back to Reg Empey days. It is something that has been regurgitated and renamed over the years. No thought has been put into it to try to develop young people, as a whole.

Mr Carlin: Fra, I will try to answer your question and to simplify it. Yes, as you have said, a lot of companies out there say that they work along with DEL, but, when it comes down to it, they do not. That is an issue that we have seen. It is not as difficult as individuals think that it is. By the sounds of it, the red tape has been discussed in the Chamber many times. From a simplistic point of view from our end, we have gone to companies and asked them what their problem is. They have said, "We cannot find these skilled individuals." They give us a list and the details of the requirements and the qualifications. They had nowhere else to go before that. We have gone out to the industry and spoken to the clients, and we have got the training courses from Europe and the UK. We have come back and said, "There's the training course." We can provide that training course and a breakdown of cost, depending on the skill set. Welding courses are a lot more expensive. It would cost £8,000 to put a 6GR flux core welder through survival [*Inaudible.*] and basic offshore survival induction and emergency training (BOSIET). If you were putting him through a bog-standard fabricating course for MIG welding, it would cost about £1,500. At the moment, a lot of training and money is being put into a lot of the colleges where the courses are costing a lot more than that. The individuals are being put there for three months, six months or 12 months, and, at the end of it, they are coming out with a qualification that is not fit for purpose for the client.

We proved it with the course that we ran with DEL. We took four pipe fitters and eight scaffolders. I think that it cost about £70,000 for 12 individuals, and those 12 individuals, bar one, got a job and are still working. They are earning an average of £40,000 a year. I know that there is a lot of red tape to be gone through, but, from a simplistic point of view, it is not as difficult as individuals try to make it out to be.

The other problem that we have had is that we have gone to clients and said, "Here is an opportunity." I do not want to mention names, because it is unfair. They have said, "Yes." However, they have not got the foresight to look at their planning for the next six or 12 months. Everything is about now, or that they need five people for next week. They do not want to look forward. Yet, when we go back to them in six months, they say, "We should have listened to what you said six months ago."

Mr N Hamilton: We have not kept those arguments to ourselves or to a small group. We have talked to Damian Duffy from Belfast Metropolitan College. Everyone knows Damian. We have also spoken to William Greer in the Southern Regional College. By chance, I have a meeting, following a funeral that I was at yesterday, with Brenda Crotty from the Northern Regional College. So, it is not as though we are not bending ears. We are, and we are doing it in such a nice way. In real terms, we are trying to extend the concept and to get people to buy into the concept. You can train people and can fire

certificates at them, but all they can do is paper the walls with them unless they can use them to benefit themselves and their community.

Mr Carlin: That is where we come in. We are the link. If we can get people trained to a level, we can guarantee that there are clients out there in the areas that we have talked about this morning who will offer people full-time jobs. That is a fact. They are not jobs for a week or for three or four weeks. Yes, there is some seasonality, but, at the moment, seasonality in oil and gas is eight months in the year. They earn more money in that eight months than somebody in Northern Ireland would earn in three years. Those are the facts.

As an organisation that has been doing this for years, collectively and individually, we would love to see a centre of excellence, but we understand the financial implications, etc, of trying to get a centre of excellence in the present climate.

Moving on to the next level, we are looking for education. We need to educate our younger people. We need to meet people going round. We have done it, privately, in schools and told them that it is not just about IT and finance. We have told them that there are huge opportunities in construction, oil and gas, and renewable energies. We explain how it works and tell them about the types of life, etc. That is not happening at the moment. That is one thing that we would love to see happen, and we would love to be part of developing it.

Obviously, we would love the support of some funding that we have had from DEL. We would love that support for another pilot scheme with another client. We have been told by DEL already, on that level from Bridge to Employment, that if we go back with that, they will support us because the first one was a success. However, we need to get that to a bigger level.

Ms McGahan: Thank you for your presentations. When you talked about defining problems, you mentioned finance and resources. Perhaps it could be the policies and strategies that need to change. I come from Tyrone, where we have a large manufacturing and engineering sector, and I see jobs for welders advertised regularly. I am not quite sure why those jobs cannot be filled; whether it is because people see no career prospects, or whether it is due to poor pay or training.

We had a presentation before the summer from the electrical sector. They said that there were a lot of jobs for electrical engineers but that they cannot get them filled. Again, there is no training. What do you feel needs to be done with the policies and strategies, separate from finance and resources?

Mr Watson: I have been into the Belfast Met and north Down regional colleges and had a look around their workshops, and they are not fit for purpose. I will not knock the colleges, because they are doing their best. However, if you bring a guy up to the standard of an NVQ level 2 welder, you may as well not have trained him at all, because he will go straight out of the college and sign on. He is not getting a job.

We went to Canada and trained people for Crosby. We did a painting and blasting course that had a 100% record and 100% employment afterwards. Our idea about Crosby's was to bring fully trained people from here to there because they will earn in excess of £90,000 per year over there. They work six weeks there, come back home for six weeks and go back out.

As you say, there is a large engineering and manufacturing sector in Tyrone. There are a lot of good tungsten inert gas (TIG) welders there but because some of them are unemployed and drawing different benefits, it is beneficial for them to stay on the buroo. That is the bottom line. East Belfast is the same. I come from east Belfast. I have a lot of guys trained now and they are all working out there for £40,000 to £50,000 per year, and it is all coming back in.

West and north Belfast are the same. I have taken people from everywhere. I got a lot of help from the Greater Shankill Job Assist Centres through DEL, and we have a 100% record for every guy who went through it. The word from north, west and east Belfast is that they all went there because they were able to access funding for the training. They did that and everyone is working. Coming from the minimum wage, they are now on around £20 per hour off-shore, so it is working.

Mr Walker: I was a City and Guilds external verifier for west Tyrone, and they registered some good work for not only welding but also fabricators. The problem is that the local regional college brings young people up to only NVQ level 2. The next stage that they want is NVQ level 3. The college is just moving young people to a level and stopping. They ran insight days, or welding courses, for

companies in that area but they had poor take-up from people who were unemployed. The problem there is probably that the benefits outweigh what people would normally get in a company.

Mr N Hamilton: There are other aspects in relation to this. As we are slowly but surely climbing out of a morass and into a situation in which there is greater confidence, you have to balance that against the fact that a previous, I believe, Assembly's economic unit was taken up recently by the University of Ulster. They are identifying that between now and the end of this financial year there will be 0.7% growth and then 1.5% or 1.6% over the following year. That focuses minds in business, and people are concerned.

Strategically and policy-wise, there has to be a more all-embracing approach. I see two or three Departments working together on this, and they need to come out of their silos. I am not suggesting that they are not working together on it, but that is not evident because it is not coming out at ground level. The Department of Education, the Department for Employment and Learning, and the Department of Enterprise, Trade and Investment need to work together to focus on specific policies to generate the right training, educate the right people, give people an opportunity to see their real potential and allow them to harness that in employment. A lot is involved in this. It is not an easy strategy to put together. However, I think it is where we need to go.

One other element of this is that it is pretty evident that the colleges have a policy and an approach — I am not knocking it; a lot of people say that, but I am not —

Mr P Ramsey: You are doing your best.

Mr N Hamilton: What I am saying is that perhaps it needs to be more technically based. Perhaps it needs to focus a bit more on what it can actually achieve in laying down the grass roots and the basic skills required to take people into the choice position where they are able to say that they can go here or there or that they can move in a particular direction.

We are not a private training house; we are a facilitator. We pull the package together and make the equation that puts people into employment. Although we have elements of training in our programme, we effectively identify organisations that are private sector training houses that have had staff who have been with the regional colleges or the previous colleges or have had people who have come in from industry.

As they talk to us, those people do not feel that have the opportunity to be treated equally, shall we say. They feel that perhaps the Department — I would not suggest it looks down at them — is less willing to support what they are doing and more willing to support the regional colleges. The regional colleges have a blooming big budget, and one can understand why, but to really appreciate what colleges and training houses are offering there needs to be a proper analysis. A root and branch change is required so that we can bring together all the resources that we have and apply them to do what we are supposed to be doing as custodians for the next generation; get people employed, give them a future, and get this place back to where it needs to be.

Mr Buchanan: OK. No one else has indicated that they wish to speak, so I want to thank you for your presentation today. It has raised some challenges and given us food for thought. We will forward copies of the Hansard report to the Department and to Colleges NI for their responses.

Mr Carlin: The challenge for you, from our point of view as an organisation, is that we are speaking to around 15 companies that would have access to 50 to 75 permanent jobs if there were a proper training course in place in Northern Ireland. On top of that, we are dealing with around 25 companies in the UK and Europe that we could potentially supply 250 to 500 individuals from Northern Ireland for jobs in the oil and gas market if there were a proper training course. I am talking about 10 different types of trades: that is a fact. The challenge out there is trying to find out how we as an organisation can facilitate that. We have the experience and we are dealing with clients at the coalface, and we want to work with government. In six months, 12 months or two years' time, another company will come to the Committee and people such as yourselves will say that you have heard this a year or two years ago. That is the challenge that has to be put out there.

The Deputy Chairperson: OK, folks. Thank you very much.

Mr Carlin: Thank you very much.