



Northern Ireland  
Assembly

Committee for Employment and Learning

# OFFICIAL REPORT (Hansard)

Economic Inactivity Consultation:  
Department for Employment and Learning

28 May 2014

# NORTHERN IRELAND ASSEMBLY

## Committee for Employment and Learning

Economic Inactivity Consultation: Briefing by Department for Employment and Learning

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**Members present for all or part of the proceedings:**

Mr Robin Swann (Chairperson)  
Mr Thomas Buchanan (Deputy Chairperson)  
Mr Sammy Douglas  
Mr David Hilditch  
Mr Pat Ramsey  
Ms Claire Sugden

**Witnesses:**

Ms Yvonne Croskery	Department for Employment and Learning
Mr Rory Muldrew	Department for Employment and Learning
Mr Jim Russell	Department for Employment and Learning

**The Chairperson:** We move to our third briefing of the morning. Once again, I welcome Yvonne Croskery, director of youth policy and strategy division, and Jim Russell, deputy director of youth policy and strategy division. They are joined by Rory Muldrew from the economic inactivity strategy team. Yvonne, over to you.

**Ms Yvonne Croskery (Department for Employment and Learning):** I am sure that you are tired looking at me by now. Sincere apologies, Chair and members. *[Laughter.]* I want to take your view before I begin. Would you like me to do a quick whistle-stop tour?

**The Chairperson:** A whistle-stop tour would be grand.

**Ms Croskery:** By way of background, you know that the Northern Ireland Programme for Government gave a commitment between two Departments — Employment and Learning; and Enterprise, Trade and Investment — jointly to develop and implement a strategy to reduce economic inactivity. You will know that we carried out the independent literature review on economic inactivity, and we had the baseline study back in April 2013. Research has been carried out. We developed a strategic framework to tackle economic inactivity, which concluded in December with the Executive agreeing the draft strategic framework, which went out for a 10-week consultation. The consultation commenced on 23 January and ran until 17 April. We were very heartened by the 58 responses. We offered a few extensions to accommodate people who were keen to respond. We received a response from one political party. We held three public-awareness events, which were very well attended; over 120 people attended those. We also held an event specifically for the Northern Ireland Council for Voluntary Action (NICVA), which was very encouraging.

Obviously, you are our super-consultee, if I dare use that term; yourselves and the Committee for Enterprise, Trade and Investment. After we finish taking your views today and we feed them in, we have some more consultation to do around focus groups, which Rory has been leading. We have been working with an inactivity client group. Who better to tell us what the issues are than those who fall into those categories? Obviously, we are interested in hearing more from the business sector, because we need to get it engaged. It is like a circle, and if that is not there, this will not work. We envisage that being complete around the end of June. We then intend to come forward with a final summary document, including those additional findings, which we will publish in early July if everything goes as planned.

I will give a very quick whistle-stop tour before I pass over to my colleagues. Generally, there is a very strong consensus in favour of our strategic approach. You know that we did not have any preconceived ideas; we genuinely want to get it right this time. We are all about listening because, if we do not get it right, it is going nowhere. Therefore, because of that, we have not been pushing ourselves to beat a deadline.

The potential key areas for further consideration are the scope for the pilot projects; building on effective existing provision — we do not want to lose the good practice that we already have; and considering some innovative alternatives that we have not looked at previously. There are a lot of questions around the task force membership and structure, as you would expect. People are keen to feed into the terms of reference for the comprehensive audit to see what it would look like and what it might ask. Another question is how we are going to assist the inactive, and there will be a wee bit on the outworkings with the employers on the subsidy model and how that would work. I will stop on that note because I think that I am doing a disservice to my colleagues. I will pass over to Rory.

**Mr Rory Muldrew (Department for Employment and Learning):** I think that Jim is going to start.

**Mr Jim Russell (Department for Employment and Learning):** The Committee has the paper. It is a fairly comprehensive document with a lot of detail. I will pull out some of the headline stuff if the Committee is happy with that.

The target groups were the long-term sick, the disabled and those with family commitments. There was 90% agreement that those were the groups to target. There was a big emphasis on making sure that any participation in any of the initiatives that we might bring forward will be voluntary; there will be no compulsion or conditionality attached in respect of benefit payments and so forth. Some people suggested that we might also think about looking at people with short-term illnesses or injuries, and that we might think about some specific groups like ex-prisoners and groups with very specific needs, which is a point that we will pick up on.

The consultees suggested that the most important factors affecting the employability of the target groups were things like employer attitudes, qualification levels, the quality of available jobs, and people's confidence. Other factors drawn out were the geographical profile of inactivity in Northern Ireland, the interface between the welfare system and the labour market, slow benefit reassessment processes and fear of losing benefits on taking up work. Rory is going to pick up from there.

**Mr Muldrew:** We propose to contribute to an increase in the employment rate in Northern Ireland to 70% by 2023. To put that in context, the employment rate at the moment is 67.8%, so reaching that 70% target is going to require the transition of 30,000 people from inactivity or unemployment into employment. The employment rate across the UK at the moment is nearly 73%, so there is quite a differential. There was over 70% agreement with the strategic goal. There was 9% disagreement, but there was no strong consensus; some felt that the goal was unrealistic and others felt that it was overly ambitious.

We proposed four strategic objectives to help to achieve the strategic goal. Those centred around helping those with work-limiting health conditions or disabilities to move into employment and doing likewise for people with family commitments by helping lone parents into employment, and reducing the inflows to inactivity from people currently in employment who develop health conditions. We will work with them to prevent them from moving into the inactive categories. Our fourth strategic objective was to try to contribute to a reduction of the unemployment rate to pre-recession levels, which was just under 4%. Again, there was very strong agreement — over 80% — with those objectives.

A couple of respondents made the point about objective 4 that the focus of the strategy should really be on reducing inactivity and that the unemployment rate is, arguably, beyond the scope of the strategy — the inactivity rate is a separate entity to the unemployment rate. That is something that we need to be cognisant of. Perhaps we need to look at that again in a little more detail.

Job creation came through quite strongly as an additional objective, as did the possibility of a geographically based partnership model, which Jim alluded to.

**Mr Russell:** There was 95% agreement that the strategic task force was a good idea. The downside was that everybody wants to be on the task force, so it is going to be a huge group if we bring everybody into it. It was generally agreed that it was a good idea.

It was also suggested that we do further research into what is available at the moment for the target groups and what works. We had 88% agreement on that. There was a strong emphasis on getting at the root and branch of the provision to really see what works and what does not. There is a need for robust terms of reference to help to identify duplication, what works and what does not, and scope some work for the future.

Some people suggested that, perhaps, there was another approach we could take in doing some area-based work and looking at the profiles of inactivity in particular areas. Some other folks suggested that we should focus on some other matters such as what constitutes a living wage and what it would take to help people to move back so that work pays for them. Some good ideas emerged in that area as well.

**Mr Muldrew:** In the consultation document, we set out a framework for action that takes a cyclical approach to tackling inactivity in Northern Ireland. It starts with increasing engagement and support for individuals who are inactive, and moves to creating and increasing job opportunities for those people to move into when they are ready. It also looks at addressing wider labour market barriers faced by inactive groups to complement the work done on increasing job opportunities. Then, finally, it looks at breaking the cycle by stopping people moving into inactivity in the first place. There was very strong agreement on that from consultees; almost 80% agreed. A small number disagreed, and one respondent made the point that personal development and the personal journey were more important than the government investment required to achieve those outcomes. However, generally, there was a strong consensus in favour of the approach.

Another alternative that was suggested goes back to an earlier stage in people's lives by increasing educational attainment. The argument was made that, if young people emerged from the education system with higher levels of qualifications, they would be statistically less likely to find themselves in inactive categories in later life.

We also included in the paper a section on existing government provision for the economically inactive. The purpose of that was to take people's opinions on what works on the ground, what are the main barriers to accessing provision, and how the service could be better linked together. The purpose of that is to inform future pilot projects that we might want to take forward to engage inactive individuals on a voluntary basis when they are ready. Again, a very rich and diverse range of provision, government and non-government, was put forward by respondents. That ranged from employability schemes for individuals with mental health conditions to entrepreneurial programmes for younger people and volunteering programmes. As Jim mentioned, one of the key proposals in the document is to undertake a comprehensive mapping exercise of what is out there and agree robust terms of reference so that that provision can be consistently evaluated. If that is the direction of travel, a lot of the provision put forward will be independently assessed.

There was a consistency in the barriers that were identified by respondents. Those included ineffective communication about the government provision that is out there, coupled with the complexity of accessing and navigating government services. That is a big barrier for a lot of people. Again, if you add in low confidence and motivation levels, a very difficult picture emerges for some people. There is also a fear of losing benefits, and that seems to be linked to communication. Indeed, at one of the public events that we held, a training provider said that he had actually lost clients because of the perception that clients would not be eligible for disability living allowance whilst they continued on the scheme. That information was incorrect, but it was having a real effect on the ground.

With respect to linking services better, there was unanimity that government services need to be simplified both for the client and the employers, who obviously play a key role in this.

**Mr Russell:** I will move on to some of the more detailed proposals. We suggested that, as well as looking at what we have currently and how well it works, we should try to find new and innovative approaches that we have not tried before. If you recall, we proposed a pilot-testing approach, whereby we would go out and ask people to come forward with ideas, and we might allow them to test those via a range of pilots to see whether we could identify some additional good practice which we could scale up and use more widely. We found that 56% of respondents agreed with that approach. Some 38% of them were more neutral, so this is an area that perhaps we need to think about in more detail. Some people asked, "Why reinvent the wheel? Why not identify what works and just make it work more widely?". Others thought that the whole idea of scalability was not quite right and that, sometimes, what works in a very specific area is needed for that area or what works for a specific group is needed for that group and does not necessarily lend itself to being scaled up to wider application. There is certainly more thinking to be done around that area.

A number of ideas for pilot proposals were put forward. Suggestions included soft skills development via volunteering; government-funded child and social care centres staffed by inactive individuals; expansion of the condition management programme; and raising mental health awareness in the workplace. Therefore, people are already beginning to think about some ideas on what we might propose.

I will move on to the area of increasing employment opportunities. This is the area of offering subsidies, skills progression, and so forth, to people. Some 60% were in agreement that that is the way to go, and 30% of people were fairly neutral on the idea. About 10% did not think that subsidies are the way to go at all and are thinking more of a supported employment model. Among the issues that emerged from that discussion was a suggestion that subsidy levels should be dependent on individual circumstances. The suggestion was that it should not be a one-rate-fits-all subsidy, but size depending on need.

There is also the issue of the structure of the payment. It is not just a case of a subsidy that creates a job; it is about structuring it in a way that makes sure that that job is sustained. There was very strong consensus that the subsidy should be linked to guaranteed skills progression for the individual who is employed. Therefore, you do not just get a job; you get a job and you get training so that you can progress and develop your skills. Other ideas that people suggested included that we should think about rates relief and tax relief for businesses to encourage them to create jobs. The idea of a living wage and the use of social clauses in public procurement also came up in that discussion.

On in-work support for individuals, there were ideas around having a mentoring or buddy system; adjusting the workplace to meet the needs of the individual; external support from experts; building people's soft skills; and making sure that they have childcare provision. From the employers' perspective, there were ideas around free access to HR resources; training for employers; free access to an occupational health service; and an employers' forum to share knowledge. A rich range of ideas came forward around how we can increase employment opportunities. We will have to analyse those in more depth.

**Mr Muldrew:** As part of the framework for action, we propose to address wider barriers. The focus is on tackling labour market disadvantage faced by two key inactive groups: older workers and individuals with mental health conditions. There was very strong agreement that those are the right target groups to assist with wider labour market issues. A small number disagreed. Assistance was also proposed for some alternative groups, such as people with criminal convictions and younger inactive individuals, for whom the intervention could come before other issues, such as mental health conditions, are exacerbated.

A number of other measures included in the consultation document were supported by the majority of respondents. There was a good level of support for an age-positive media campaign to promote to employers the benefits of employing older individuals in the workplace. That could be complemented by employing older people's champions to keep up the profile of that issue and ensure traction in the right places. There could also be promotion of case studies of older workers, with those possibly evolving to create a narrative.

On addressing mental health stigma, respondents highlighted the need for awareness training in the workplace for employers and staff. Similar to the case of older workers, it was suggested that mental health champions be appointed to keep up the profile of that issue and give it a public persona. It was also suggested that there be a positive media campaign. There was strong support for all those measures.

We sought ideas on who would be effective delivery partners to help deliver both of these streams. There was strong support for the voluntary and community sector and some employers and employer representative bodies and a view that government and local government, along with healthcare professionals and older people's representative bodies, would also need to be involved.

The final strand of the framework for actions is breaking the cycle of inactivity. We propose that that is focused on health and work outcomes and reducing inflows to inactivity by helping people who develop a health condition to stay in work. There was almost unanimous support for this: 96% agreed with that approach. One respondent disagreed, and that was the respondent who made the point that increased educational attainment at school was a key intervention in breaking the cycle.

We proposed two key recommendations for health and work. One of those was to undertake a scoping study of the potential to establish a health and work assessment and advisory service in Northern Ireland that would provide employers, employees and healthcare professionals with an independent assessment of an individual's occupational health needs and then make recommendations on how to manage that, whether that be through workplace adjustments, signposting them or putting in place alternative support mechanisms. The second main recommendation was to establish an expert panel to look at other options to better integrate health and work services. Again, there was a strong weight of consensus behind that.

On integrating health and work, a number of respondents suggested that we needed a holistic service, possibly co-located, to bring all the health and work services together and that we need to consider making provision for free occupational health advice to employers and structuring that in such a way that employers will engage and it will actually be meaningful and effective on the ground.

We sought suggestions on membership of the expert panel. The popular suggestions were healthcare professionals, health sector bodies, government, voluntary and community sector employers, employer representative bodies and independent experts as and when required.

On alternative approaches to breaking the cycle, suggestions included increased educational attainment at school, expanded use of the conditioned management programme and better promotion of health and well-being in places such as schools and workplaces. It was also suggested that having interventions targeted at NEETs could well reduce inactivity at a later stage in an individual's life and that we should support communities in promoting the health benefits of employment.

**Ms Croskery:** As you can see, we have had a wealth of positive feedback from this consultation. There are an awful lot of lessons for us that will inform our thinking. It has been a really good dialogue with the public. It was not just yes and no answers but the public actually coming forward with solutions. On that note, we are here to get into a conversation with you. Chair, we would now like to open the floor to you and the members.

**The Chairperson:** Strategic objective 1 is to:

*"Reduce the levels of economic inactivity due to work-limiting health conditions or disabilities".*

How you do that is something that we have continually discussed here. How much of that strategic objective is about reducing the number of economically inactive people and preparing for welfare reform?

**Ms Croskery:** We have no agenda here. There is no link between those two areas. We are genuinely looking at it because we have a higher number of people who are inactive in our labour market in Northern Ireland than there are in the rest of the UK. We really want to do something about it, because these are people who could and, we believe, will contribute to society if we get these activities right. There is no hidden agenda.

**Mr Russell:** No. Whether we reform welfare or not, we will still have the 27% economically inactive that we need to intervene with. Whether the welfare system is as it is or changes to something else, we will still have to address the problem. In fact, absolutely everybody who responded to the consultation said that we needed to do something about this. The debate is about what we do.

I know that you need to be careful about welfare reform because it is an emotive issue, but, if we were able to get to a situation where we had universal credit that made work pay, that would solve a lot of the problems that people have with understanding the benefits system and fears such as "If I take a

job, it will cost me money" or "If I take a job and then lose that job, I will be worse off". In some of the work in our consultations with the target client groups, we have seen that that is a big issue for people, and we will talk about that this afternoon. There was a fear that, if they were to do this, it would impact on their benefits or that, if they were to take a job and then lose the job, they might be worse off. There is a lot of fear about that, and we need to help people to understand better not just what they are entitled to now but make sure that work pays for them. Whether we have this system of welfare or a new system of welfare, the issue is the same.

**Mr Muldrew:** There are two key points to add to that. I appreciate the perceptions in some quarters that this is being driven by a welfare reform agenda, but it is being driven by the Programme for Government. It is a commitment that was agreed by the Executive. The second related point is that this is all based on voluntary participation. There is nothing in here that we propose to mandate; it is entirely voluntary.

**The Chairperson:** That is where I was going, Rory. In your background paper, it is clearly set out in the second paragraph that this is purely voluntary, and you have highlighted that. When welfare reform comes in, possibly the worst situation that we could face is that it might not be purely voluntary. Will there then be an amendment to this to make it mandatory?

**Mr Muldrew:** Irrespective of any changes to the welfare system, there will be different numbers of people who are in employment, who are unemployed and who are in the inactive category. Irrespective of how those numbers stack up, the overriding purpose of the strategy will be to help those inactive individuals when they choose to make a transition. That will be a very personal transition for a lot of these people towards the labour market, so it really is a separate entity to other changes that are going on in government.

**Mr Russell:** You touched on a big issue that emerged in this consultation when we were running through the issues. A lot of this is about confidence and motivation. If people are not confident and motivated, no amount of compulsion or mandate will make a difference, so we need in place measures that people are content and happy to sign up to because they think that it will make a difference for them. I think that the only programme that is compulsory is the Steps to Work programme once you reach the trigger point; everything else that we have is voluntary.

**Ms Croskery:** Some of this cohort are not declaring themselves as actively looking for work, and there are some that are not benefiting from the benefits system either. We need to bear that in mind, and we need to get to the bottom of and bottom out the issue. These are people who could genuinely contribute, and we need to find out why they are not and what we can do about and put steps in place to bring them gradually into the world of work and upskill them to give them the skills that they need to really contribute. We need to help to take single parents on the journey to see how they can contribute and manage their child-minding. They have a valuable role to play in society.

**Mr Muldrew:** Our analysis looked at the structure of inactivity in Northern Ireland, and, from month to month, generally only around 10% of individuals might want to consider work at some stage. Primarily, that is the core that we will try to engage with to see how we can help them. We think that they are around the 30,000 mark. That will still leave 90% for whom, for a range of reasons, employment is not a viable option.

**The Chairperson:** One of the other recommendations that was made was to expand the use of the condition management programme. Where is the funding for that? That would help the 30,000 people you are trying to target.

**Mr Muldrew:** Condition management is co-funded between us and —

**Mr Russell:** We fund it at the moment, and the Health Department delivers it. That is the current arrangement. I know that there are discussions about how much we pay for it and what we get from it as far as efficiency and so forth is concerned. Certainly, in this consultation, there was a strong view that CMP would be part of an overall package of occupational health services that we could offer to employers and individuals.

There is absolutely no issue with the condition management programme and what it can do. It is how it can work with other things that we might put in place for people and how it would fit in to this bigger concept of an occupational health service or a health-in-work service that we may want to put in place.

**Mr Muldrew:** One of the things that came through consistently in the consultation was earlier intervention of the condition management programme. At the moment, I believe that it is triggered only when an individual is in receipt of certain out-of-work benefits. The case was made that this intervention could be much earlier, certainly to break the cycle while individuals are still in employment. Condition management could be engaged at the stage an individual encounters an illness or develops a disability.

**Mr Russell:** It is available to DEL staff at the minute, confidentially, and has been for a number of years. We have tried to encourage other Departments to use it for ill employees. It is a good programme to help people manage their health and to understand it in the workplace. It will certainly be a big part of the thinking as we go through this.

**Mr P Ramsey:** There are good themes and programmes coming out of this. Correct me if I am wrong, though, was this not a result of NISRA figures over recent years in this mandate that highlighted some hotspots of high levels — increasing high levels — of the economically inactive across Northern Ireland, rather than the Programme for Government target? It was more about figures that came out which resulted in two Ministers getting together to create a programme around it. Would that be fair?

**Mr Muldrew:** Certainly, my understanding is that it stems purely from the Programme for Government. The Executive have never before taken the decision to develop a strategy to specifically —

**Ms Croskery:** In answer to your question, in fairness, it would be quite possible for the Executive's thinking to be informed by that. It is very likely.

**Mr P Ramsey:** OK. Given the key elements of this and the pilot project, how much money is on the table to fund it?

**Mr Russell:** There is no money on the table at the moment. Once we work out or get agreement from the Executive on what precisely they want to do, we will have to attach the budget to that and seek their commitment to fund it.

**Ms Croskery:** We are not yet at that stage. I do have to share with you why my portfolio includes economic inactivity, apprenticeships and youth training: it is because we have to watch that we do not have unintended consequences to our incentives approach. You can already see how we need to join that up so that it is clear to the employer. Even talking about the disabled, where there might be higher premiums for helping people who need more help, that is those who are economically inactive at the minute. So, we have all of those things to bottom out, but, in answer to your question, we have to bid for the money. We are not at that stage. Today is about taking your views and getting this right in how we take steps to intervene to help these people get from where they are.

**Mr P Ramsey:** So, in essence, you hope, by having a public call, people, communities, councils and businesses to come forward with pilot projects that you would then fund.

**Mr Russell:** Yes.

**Mr P Ramsey:** That is your optimum, ideal achievement.

**Mr Russell:** By way of funds, we need the initial funding to allow some pilots to be tested. We also need funding — it would not be much — to put together the various expert groups, the task force and so forth that we have talked about to do more thinking around this and pay for the additional audit work and research that we talked about. As we gradually accumulate better knowledge and information about what might work, we would then start to scale up. However, you would not want, Pat, to go in with a huge bid for x millions, put all your money on one horse and find that, in five years' time, that we have not got anywhere. We do not want to make the mistakes we made before.

**Mr Muldrew:** The model of procurement that we proposed is a small business-based research initiative, which is a technology-based procurement model to develop innovative solutions to technology-based programmes. We took advice and are confident that can be applied in a social policy setting. Basically, it is a low-risk procurement model to test and seed-fund ideas. You are going along in a sort of iterative process. The benefits to government are that there are no big, upfront costs.

**Mr P Ramsey:** This is something I have an immense interest in because I have already met Arlene Foster on this engagement with your own Minister at different levels and I am seeking another meeting. Is it fair to say that these calls for pilot projects will be aimed at particular geographical areas?

**Ms Croskery:** We have not reached that consensus but, based on the consultation, it has been coming out that we need to be looking at them geographically. We will be looking at that. You will help inform that today when we take your views back. Do you think it should be?

**Mr P Ramsey:** My initial comments when NISRA gave us the figures were that there were clear, distinctive areas, some in Belfast, some in the north-west, where there are clearly higher levels of economic inactivity. As a result, an aim and objective would be to prioritise those areas.

Listening to groups out there, and taking away the politics and the individual needs of the programme, it really and truly has to be flexible and tailored to individual needs. The Chair was right to reference the welfare reforms. There are much higher levels of post-traumatic stress in Northern Ireland than possibly anywhere in Europe. As a result of that post-traumatic stress as a result of the conflict, there are people with complex needs. Their confidence is gone and there is a culture of fear.

As well as trying to secure them employment, it will be necessary to have specialised people and advisers talking to them, encouraging them and mentoring them as best we can. There will be two different areas to this. One is pilot programmes but another involves health, for example. There is going to be a mentoring programme similar to the projects we have known.

The area of young offenders, for example, needs to be examined. There is no baseline for them and without a baseline you cannot have targets in terms of those young offenders, so we need to be focussed on those. It clearly has to link into the NEET strategy. I was glad you mentioned the flexible or living wage because one comment that I get at present is about zero-hours contracts. In Northern Ireland, 37% of people on zero-hours contracts are aged between 18 and 24, so we need to home in on that, too. The Minister made some announcements to the House in terms of zero-hours contracts.

Beyond that, it is welcome that you are going to have distinct areas: champions for older people, for people who have mental health issues and for young people. That is necessary because a large percentage of the people we are talking about are young. Champions for disabled people as well.

**Mr Muldrew:** We are conscious of some of the labour market conditions, so we are proposing a key stipulation of increasing employment opportunities. There will be stipulations on employers because this has to be a good experience for individuals coming from vulnerable backgrounds and with low confidence and motivation levels. We need to ensure they are moving into the right type of environment to meet their needs whilst still providing a benefit for the employer. That is something we are very cognisant of.

**Mr Russell:** You are absolutely right. What we want to try to find here is not one answer. What we want to find is a range of answers that might work in different places and areas. We might find that we get some people come through with proposals that they might want to try in Belfast. They could be very different from proposals that people might want to try in Derry, and that is fair enough. If it works for Derry and works for Belfast, we are not going to say no.

**Mr Douglas:** Rory, you touched on employer subsidy. Could you talk a wee bit more about that because I think the majority of people questioned thought that was a good idea?

**Mr Muldrew:** Basically, we are proposing a subsidy approach to promote the creation of employment opportunities for individuals in the target inactive groups. We wanted to consult on the model, and we asked respondents how that should be weighted in terms of cost in relation to other subsidy schemes that exist and how it should be structured. As Jim mentioned, a consensus came through that we needed to structure the subsidy very carefully, because it needs to be appealing enough to create employment opportunities at the front end, but it also needs to be backloaded to some degree to ensure that those are sustainable employment opportunities and to minimise the risk of exploitation of a scheme or any displacement effect. This needs to be a good experience for the individual, and it needs to be meaningful employment. So, any subsidy should be linked to a guaranteed skills progression route for that individual. It was almost unanimous that that was the correct course of action. We now need to look in some detail at what all of those elements might entail.

**Mr Douglas:** Have you seen any other good models of practice in other countries?

**Mr Muldrew:** Slightly closer to home, the youth employment scheme subsidy approach has been very effective. It is a different cohort, but a similar principle: you create an intervention that allows a relationship to be formed between an employer and an individual, and we are starting to see the effective outworkings of that with the youth employment scheme.

**Mr Buchanan:** Chair, I will pass, as my question has been covered.

**Mr P Ramsey:** I have just a quick question. It would be a much stronger programme if those who are economically inactive were participating and preparing the programme and had a stake in it. I think that it is crucial that you talk to young people, those who are sick and those who are disabled.

**Mr Muldrew:** We were conscious, Pat, that we needed to engage with the people we were trying to help, so we monitored very carefully our public events and the responses received and found that we were not reaching out enough to those people we were trying to help. Therefore, we commissioned an agent to undertake specific focus groups with a number of inactive groups and to go out and chat and look at the barriers and find out what we could do to help their personal circumstances. We are meeting them this afternoon to discuss how we report —

**Mr P Ramsey:** If they are involved in the design of the programme, they are more likely to participate.

**Mr Muldrew:** Absolutely. The purpose of the exercise is to let them influence us.

**The Chairperson:** Yvonne, Jim and Rory, thank you very much.