



Northern Ireland
Assembly

Committee for Employment and Learning

OFFICIAL REPORT (Hansard)

**Dissolution of the Department for
Employment and Learning: Queen's
University Belfast and University of Ulster**

29 February 2012

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Mr Basil McCrea (Chairperson)
Mr Thomas Buchanan (Deputy Chairperson)
Mr Jim Allister
Mr Sammy Douglas
Mr Fra McCann
Mr Barry McElduff
Mr David McIlveen
Mr Pat Ramsey
Mr Alastair Ross

Witnesses:

Professor Tony Gallagher	Queen's University Belfast
Professor Sir Peter Gregson	Queen's University Belfast
Professor Richard Barnett	University of Ulster

The Chairperson: We will move on to a briefing from Queen's University Belfast (QUB) and the University of Ulster (UU). We invite the august panel to come to the table. I want to remind members that the session, as with all evidence sessions, will be recorded by Hansard. Papers are in members' packs. There is a joint response to the Committee's consultation. We welcome the following witnesses in no particular order: Professor Richard Barnett, Professor Sir Peter Gregson and Professor Tony Gallagher. You are all very welcome. You are all very well known, so we look forward to hearing what you have to say.

Professor Sir Peter Gregson (Queen's University Belfast): Perhaps I could start by making three points from our joint response. The first is that the most important aspect of all of this from the universities' perspective is our commitment to support delivery of the Programme for Government (PFG). I think that we have made that point very strongly in the opening paragraph.

Obviously, as we stand now, we have a dedicated Department for Employment and Learning (DEL). In the main, we deliver our support for the Programme for Government through that Department. However, it has to be said that both universities work very closely with many other Departments as well. A recent event at which Professor Barnett and I were present was the opening of the new Northern Ireland Advanced Composites and Engineering Centre (NIACE), which is a joint venture

between Queen's University, the University of Ulster and Bombardier. Both the Minister for Employment and Learning and the Minister of Enterprise, Trade and Investment were present. That is just one of many examples upon which we would draw to highlight the way in which we currently work closely with a number of Departments, particularly the Department of Enterprise, Trade and Investment (DETI), alongside the Department for Employment and Learning.

The thrust of our evidence is based on the fact that, over recent years, with the expectation emerging from the review of public administration (RPA) and the desire to streamline government, there has been a recognition that, in time, the Department for Employment and Learning would likely cease to exist and an expectation that further education (FE) and higher education (HE) responsibilities would transfer to the Department of Enterprise, Trade and Investment as a matter of course. That is probably predicated on three elements. The first is the fact that, while the Programme for Government is central, central to it is economic development. Clearly, the universities' role to support economic development in the Programme for Government is at the heart of what we do. Secondly, there are two sub-themes in that; the work that we do to ensure that there are appropriate graduate-level skills and our research activities that directly support the Programme for Government, whether that is through inward investment or support of indigenous companies or our own spin-out companies. That so-called golden thread of innovation very much links higher education and our research and education missions to economic growth and, therefore, to the Programme for Government. Those are the key arguments that we have put in the response, and we are happy to pick up on any issues that you might have.

Professor Richard Barnett (University of Ulster): Clearly, the Programme for Government must be central. That is what it is all about. The revision of the strand one institutions is coming up, and I hope that this issue is looked at as part of the whole and not on the basis of one Department at a time, because sharing out one Department now could lead to an imbalance when the overall package is looked at. I hope that it is done in that rational way. The Departments are not there as an end in themselves; they are a means to an end. They are there to deliver an effective and efficient Programme for Government, and I hope that that is considered. As Sir Peter said, creating a sustainable economy is your number one priority in the draft Programme for Government, and I guess that it is likely to be in the revisions as well. That is where the priority is being put. That will not be a quick fix; we know that. It will be a very long, hard slog. It is important that the strand one institutions do their utmost to support that priority of the Programme for Government, which is developing the economy.

As Peter said, the universities play a key part in supporting the economy through research and innovation. However, we need to look at the skills side as well. At the moment, who is responsible for skills and training? It is split between two Departments, and there is some confusion there. It is important that the demand for skills and the supply of skills are, as much as possible, linked. We are a small economy, and the one thing that we should be able to do is benefit from that smallness by being agile and by working together and being very responsive. It is important that no rigidity in the support administrative system gets in the way of being responsive. For example, we both worked with Citigroup as it was thinking of coming in. We work through the officials in DEL, and that working relationship has improved recently. It would be much better if the function were in the same Department so that, when there is potential investment, be it indigenous investment or foreign investment, we are working together to make sure that we have the work-ready skills to link through. Given the priority in the Programme for Government, it seems that HE and FE should be with a central economy Department.

The Chairperson: That is a reasonable starter for 10. We will find out what way the questions go now.

Mr Ross: A couple of weeks ago, we heard from the colleges, and their views were very much in line with what you are saying today about a Department for the economy that matches the needs of industry. Understandably, perhaps, you have not spoken about some of the areas of the Department that would not fit as naturally in a new Department for the economy or in DETI. There is an argument that teacher training would perhaps fit better in the Department of Education (DE) than in DETI or in a new Department for the economy. I suppose that you are looking in particular at teacher training at the University of Ulster in Coleraine. Where do you see teacher training fitting in once DEL is dissolved?

Professor Barnett: The situation is, in a sense, similar to the situation with the Department of Health, Social Services and Public Safety (DHSSPS). Both universities have large contracts with DHSSPS, which commissions and funds the numbers, so we continue to work there. At the moment, teacher training is a halfway house in that the Department of Education commissions the numbers that we supply, but it is funded by DEL. It is not so clear-cut. It is an issue of linking the skills and requirements there to workforce planning, although I think that that is fraught with dangers. At the moment, the Department of Education is involved in commissioning the numbers of teacher training places in the same way as the Department of Health, Social Services and Public Safety commissions the numbers of nurses.

Mr Ross: I appreciate that, but where do you see teacher training going ultimately? I appreciate that it is not clear-cut at the moment, but if we are moving towards a position where we can realign certain functions of this Department, where do you see that fitting? A couple of weeks ago, we were told that we are, arguably, training too many teachers, so it is not fitting the needs of the economy. That was the argument for having the function in DETI. As you say, the numbers are set by the Department of Education. Do you have a view on that? If you do not, that is fine.

Professor Sir Peter Gregson: We speak for the two universities. As Richard said, education is essentially driven by DE at the moment, just as our health contracts are essentially driven by DHSSPS. One of the important points to make is that, in delivering for the Programme for Government and all our priorities, it is the relationships between the Departments that are so crucial. Whether they are between DETI and DE, as you highlighted, or between DETI and DHSSPS, those linkages and relationships between Departments are crucial. At the moment, there is no doubt that our respective universities would see significant parts of our activity in health and education essentially being driven by two Departments. However, the central missions of the two universities are very much more concerned with the innovation agenda and linked with the priorities of DETI.

Mr P Ramsey: I asked Barry what the word is for a group of professors; I am sure that somebody will tell us. [*Laughter.*] You are very welcome. I want to follow on from Alastair's question, which was reasonable. Stranmillis University College and St Mary's University College have made it clear that they wish to be within the Department of Education, and one can understand that. You would imagine that, going forward, there would need to be some synchronisation in order to have all teaching training within one Department. Setting that aside, another question has come up about higher education and further education. Do you see further education becoming part of the economic driver, and should both FE and HE transfer to a single Department of the economy?

Professor Sir Peter Gregson: Further education and higher education are inextricably linked in terms of the skills agenda. I explicitly referred to graduate-level skills because that is the part of the agenda that we contribute to. Much has been done over many years to ensure close working on the skills agenda and to ensure that there are suitable linkages between the further and higher education colleges and the universities. It would certainly be our view that, if you are going to drive innovation and deliver that golden thread of innovation to which I referred, you need that whole skills agenda, together with the research agenda.

Professor Barnett: I support that. We work very closely with the colleges of further and higher education. It is the graduate-level skills but also the higher technical skills — the old higher national certificates (HNCs) and higher national diplomas (HNDs) — and the foundation degrees that are a key part of economic development, and it is important to make sure that they are employment-related. Both universities also have a strong commitment to widening access. Many students come to us through the FE sector, having first done a foundation degree. Those progression routes can be full-time or part-time. So there is that natural link to the economy. Having said that, we are aware of that 16 to 19 age range, although a lot of the FE sector is not about that; it is about mature and part-time activity. However, that 16 to 19 age range is more confused. There is a continuum, and, as with any continuum, it is a question of where you make the break. The natural break is to have FE and HE together.

To go back to Alastair's point, it could be the case that the Education Department will follow the model that we have with the Health Department, whereby it commissions and funds places. Perhaps DE should commission and fund. At the moment, it commissions but does not fund. A lot of workforce planning for education assumes that we are a small, closed society. We are not. We have excess demand for our postgraduate certification in education (PGCE) places. Those who do not get in go off and train, typically, in Liverpool and then come back into the labour force here. So if you cut the numbers substantially here, the only thing you are doing is boosting the economy in Liverpool. You are not changing the supply of teachers to the system here. However, that is an aside.

Mr P Ramsey: Would it create management or governance difficulties for universities if teacher training were linked to the Department of Education?

Professor Sir Peter Gregson: No. As you know, the two university colleges are academically integrated with Queen's. There is no difficulty with them being academically integrated with Queen's and being funded either in the current way or in the way proposed by Richard. We have those mechanisms in the health arena already. Again, it comes back to reiterating the importance of not seeing the boundaries as hard boundaries but as permeable boundaries, because, at the end of the day, the important priority is to deliver on the Programme for Government.

Mr Douglas: Thank you for your presentation. The response that you sent to us was succinct, direct and to the point, and that shows clearly that there is no ambiguity in that you see higher education as being within the DETI framework.

We undertook a range of visits, including one to the Northern Ireland Science Park. I was very impressed by what it is doing with spin-off companies and the links with universities. In your response, you mention: "*an expectation that higher education would, at some stage, be brought within DETI. Such a move would reinforce the importance of flagship joint ventures such as the Northern Ireland Science Park*". How would a move to DETI improve and reinforce your involvement with the Science Park and make it even more successful?

Professor Sir Peter Gregson: The work at the Science Park is only one example. I have already referred to the Northern Ireland Advanced Composites and Engineering Centre as another example. The Northern Ireland Science Park is one of the outstanding successes of recent years. It has emerged as a true science park from a rather small property company. Earlier, you discussed San Diego, from which the CONNECT model has been imported to the Northern Ireland Science Park as NISP CONNECT. Now, we have a truly functioning science park that has both the infrastructure part and the people and services part, which is so crucial. At the end of the day, we should not be measuring success by numbers of bodies or people going in but by the success of the companies, whether we are supporting them in the right way and so on. The universities have a crucial role to play and so do other organisations. NISP CONNECT is one, and the Halo Business Angel Network is another. There is also the property dimension. As a director of the Northern Ireland Science Park, I have been very pleased to see the way in which that joint venture has developed into a proper science park in recent years.

Mr Douglas: In the unlikely event of your proposals not happening, you mention that higher education would fit best with a Department for the economy. Can you make a few remarks about that, Professor Barnett?

Professor Barnett: Sammy, that goes back to my first point. I do not think that it is rational decision-making to decide what will happen to the functions within DEL without considering whether, as part of the strand one reviews, there are other aspects of other Departments that will be merged and got rid of as well. We ought to have a view about what those other areas might comprise. "Department for the economy" might be the title, but, in the main, I envisage that it would include the current DETI activities and a large part of DEL. In rational policy, I cannot see the employment side going to either DETI or DE; it is a work and pensions issue. If the decision is to split DEL between those two Departments, it does not seem to make any sense to give either that function. However, that is not a central concern to me, although it would not help to have such services in a Department for the economy, because you would get a lot of things that are not central. That Department needs to focus on getting the job done; it should not have everything thrown into it. There may be other functions from other Departments that would fit in a Department for the economy. That needs to be looked at as a whole, or, at least, when

you get rid of DEL, you need to think where you are headed to in the longer term so that you are not diverted from the longer-term target.

The Chairperson: I am secure in the knowledge that Jim will come in with some very to-the-point questioning. I will tee that up a wee bit because, so far, the discussion has been a little tame. There is a line of argument that says that education is a continuous spectrum and that we should have primary school, secondary school and then tertiary education. Why should we not put universities and FE colleges into the Department of Education?

Professor Sir Peter Gregson: I will kick things off, and my colleagues will chip in. First, we have a dedicated Department, and there are risks in moving away from that, whatever the decision is. There are clearly different options. Higher education is an end in itself, when you think about individuals, and it is a means to an end, when you think about delivering for the Programme for Government and so forth.

Secondly, the synergies that we have tried to refer to in our response to the Committee cover the innovation thread that I have already mentioned and the international thread. One of the things about the Department for Employment and Learning and the universities and the way in which they are linked with DETI is that we are all working for Northern Ireland by working beyond Northern Ireland. When DETI sends missions overseas, the universities are well represented on them because we are an integral part of that important element when it comes to foreign direct investment (FDI) or selling or developing a company overseas. Internationalisation is as central to the universities' mission as it is to that of DETI.

The third point is that we, as institutions, are also responsible for leveraging the Government block grant. The Queen's University block grant from the Department for Employment and Learning is currently £110 million, and our turnover is £300 million. Much of that is from companies or bodies that are linked to economic development. Culturally, from the perspective of working for Northern Ireland by working beyond Northern Ireland, or from a perspective of leverage and successful delivery to the innovation agenda, there are close synergies. However, at the end of the day, there is a risk whichever way you go. The point that I will come back to is that, whatever you do, you have to have close synergies and relationships between education and DETI, because those boundaries have to be permeable.

Professor Tony Gallagher (Queen's University Belfast): The biggest risk of all would be if there were a wholesale division of responsibilities for higher education, with, say, the Department of Education funding the education side and DETI funding the research side. In that situation, there is a real risk that, with no one looking at the bigger picture in education and how it works in the Programme for Government, a wholesale split could cause real difficulty.

Professor Barnett: I will go back to your point. There is a continuum; as Peter said, there is no natural break in this across government. Where is the centre of gravity of government priorities at this time? It is about developing the economy. That is what you have set as your number one priority. You cannot then have a system that does not support that. It is natural that higher and further education should go to a Department of the economy to support that. Having said that, it does not and cannot mean that there must not be important relationships with the schools sector, because the whole skills sector permeates down, as does the science, technology, engineering and mathematics (STEM) agenda. I can see that, from your point of view, if they are all in the same Department, that is made easier, but then you lose the close interactions with the economic development arm. There is a weakness in where it goes, but there is a bigger weakness if it goes to the Department of Education, because the direct link to economic development is weakened.

The Chairperson: I will come back to that in a bit. I would like to bring the members in first. When we come to the end, I want to ask you what a Department of the economy would look like. Should we put in more Departments, such as the Department of Culture, Arts and Leisure (DCAL)? Should we even consider putting in DE and DETI? Why not put them all into one Department? That would create continuums all the way round the place. I will put you on a warning that that is where I will be heading.

Mr Allister: I would like to tease out a little more the dichotomy around teacher training. I am quite clear about, and I understand and do not particularly dissent from, your mutual view that Queen's University and the University of Ulster ought to be aligned with DETI. However, equally, we have heard a strong view from teacher training colleges that it should be with the Department of Education. So, not least in the context of Queen's University's avaricious ambition to take over Stranmillis, can you help me to understand why teacher training colleges would take a view that is diametrically opposed to that of the universities?

Professor Sir Peter Gregson: I have to say that their view does not surprise me at all, because, at the end of the day, as we have already said, essentially, teacher education is already driven by DE. DE sets the numbers, and all of the linkages are with DE. So, in exactly the same way, as Richard and I have highlighted — including the number of times that we meet Ministers and what have you — we would be very strongly displaced towards the Department of Enterprise, Trade and Investment. It is inevitable that that particular part of our activity and all the activities of the university colleges are linked inextricably to the Department of Education. So it does not surprise me at all. The links with Queen's with regard to accreditation, academic integration and so on would not change in any way.

Mr Allister: You have expressed the view that not only higher education but further education should go to DETI. Are you now embracing the view that teacher training should be an exception within that, or are you saying that, in the greater good, it, too, should go to DETI? That is what I want you to clarify.

Professor Sir Peter Gregson: I do not think that we are here to speak for the university colleges. You have highlighted that they have expressed a view.

Mr Allister: Yes, but, for example, if you succeed in your ambition of merging Stranmillis with Queen's, you would be speaking for them.

Professor Sir Peter Gregson: That still does not change things in the slightest. Clearly, that is a political decision.

Mr Allister: If higher education and further education go to DETI, can the teacher training element of that be outside the ambit and with a different Department?

Professor Sir Peter Gregson: Yes, just like how, at the moment, our two universities are working with the Department of Health, Social Services and Public Safety on the provision of contracts that cover medicine, dentistry, nursing and physiotherapy.

Mr Allister: OK. It can be outside the ambit. Is that the ideal world?

Professor Sir Peter Gregson: I do think that there is an ideal here. At the end of the day, it is —

Mr Allister: It does not matter?

Professor Sir Peter Gregson: It probably does matter.

Mr Allister: Well, if it matters, which is better?

Professor Sir Peter Gregson: I think that our submission has made it clear where we think the universities are best placed. We are not here to speak on behalf of —

Mr Allister: In terms of further education and higher education as a whole, which is the better solution?

Professor Sir Peter Gregson: It is for further education and higher education to remain linked and to be linked in a Department that is focused on economic development and the Programme for Government, whether it is DETI or any other Department to which you might want them to belong.

Mr Allister: Would Stranmillis and St Mary's be included in that ambit?

Professor Sir Peter Gregson: My understanding is that they have expressed a preference.

Mr Allister: Yes. I am asking you which is the best option for the overview of further and higher education.

Professor Sir Peter Gregson: I would be very comfortable with either. I have absolutely no —

Mr Allister: It does not matter?

Professor Sir Peter Gregson: No, it does not. It is a matter for them to express their views on.

Professor Gallagher: If further education and higher education went to DETI, DE would still have a very important role in setting numbers for teacher education places. The process currently operates between two Departments on a contractual basis. The logical thing would be for that to continue, because teacher education numbers are closely linked —

Mr Allister: Stranmillis claims that that does not work.

Professor Gallagher: Well, everyone has issues with the nature of the formula that is used and how that process operates. However, that role would still continue. The extent to which DE would have formal control over teacher education policy overall would be a matter for the Assembly to decide on. However, as the vice chancellor said, we could happily live with that situation because, as we said earlier, the relationship between both Departments is crucial no matter what happens. If DE had a bigger role in teacher education, not just in colleges but with regard to numbers on PGCE courses in the two universities, we would be quite comfortable with that, as long as that relationship was good.

Mr Allister: I want to raise one final point on a different subject. Your ambition is to be aligned with DETI, and your focus and emphasis are on research and development and all of that. Would it be an unfair observation to suggest to you that there is a motivation of following the money?

Professor Sir Peter Gregson: I do not think that finances come into the discussion at all today. Certainly, that has been no element of our discussion.

Mr Allister: You do not see DETI, with that orientation towards research and development, being a better listening ear to your requirements?

Professor Sir Peter Gregson: I will pick up what Richard and Tony have said. At the end of the day, it is about an integration of the skills agenda, education, the graduate skills agenda and the research agenda. It is not about a division of those.

Mr Allister: It has never crossed your mind that it might be?

Professor Sir Peter Gregson: At the end of the day, we, as a university, will work with whatever Department —

Mr Allister: Of course you will. It has never crossed your mind that, financially, DETI might be a more comfortable place to be?

Professor Sir Peter Gregson: It does not come into the discussion at all.

Mr Allister: Right. Thanks.

Professor Barnett: I am making the assumption that, in the short term, the current higher education budget would shift across to wherever. If you go beyond the short term, it is a matter of where it best fits, given the Programme for Government. We cannot predict the political players or where the money will go, because, under d'Hondt, we do not know who the Minister will be.

The Chairperson: I think, Jim, we will call this a nil-nil draw.

Mr Allister: I am just in pursuit of information, as ever.

The Chairperson: As ever. It is great to see the clash of intellects; it is wonderful. Speaking of which, Barry McElduff.

Mr McElduff: In response to Pat's question, a troika of professors is my offering.

The Chairperson: Are they not involved with the banks?

Mr McElduff: They are indeed. *[Laughter.]* There is a linkage here. There are linkages and synergies all around the place.

First, the universities have extensive dealings with various Departments, as outlined in your paper and submission. What are those extensive dealings with DE? What is the extent and character of the universities' dealings with the Department of Education at this time?

Secondly, can anybody offer any insight into why the Department of Education and Science down South became the Department of Education and Skills in, I think, October 2010?

Professor Barnett: The main dealings of the universities with DE are indirect. As I said, DE says how many places it requires for PGCE courses, and we provide those places, although they are funded by DEL. We offer teacher training for the further education sector as well. There are no dealings with DE on that; it is done directly with DEL. That is the link between the further education sector and the University of Ulster.

Our other link with DE is through our school of education, and it involves educational policy issues. Through our school of languages, work is being done on the language agenda and the language review, for instance. We have been actively involved in that. Other than through teacher training, our links with DE are as they are with other Departments. Professional experts in the university work with colleagues in the Department, mainly on educational strategy. More recently, our staff were instrumental in helping the Minister draft the languages strategy.

Professor Gallagher: We have a very close relationship with the Department, the inspectorate, the Council for the Curriculum, Examinations and Assessment (CCEA), other bodies, school principals and career teachers around the entitlement framework and the processes of change within the school system. We are trying to blur the edges, in some senses, between school and university so that young people who are making decisions about going on to higher education have good information as early as possible, in a rapidly changing environment, about what their choices are and the consequences of their choices. That relationship is very close and is growing.

Mr McElduff: This past couple of weeks, I have been trying desperately to get some insight into why the Department of Education and Science down South changed its emphasis from science to skills. It is now the Department of Education and Skills. What was the thinking behind that? I do not expect you to know, but can you throw any light on it?

Professor Sir Peter Gregson: I cannot throw any light on it. The only important thing is that we provide a Northern Ireland solution that is right for Northern Ireland. You can look at different models around the place and so on, but it is the principle of what is right for Northern Ireland that is important.

The Chairperson: There is a research paper being done for you on that, Barry. I think that there will be a report within the next week or two.

Mr D McIlveen: I think that Barry is suggesting a junket to the Dáil. *[Laughter.]* I am not so concerned about what a Department of the economy will look like, because that decision will probably be taken well outside this room. However, I would be interested in what your universities will look like wherever they go and what potential changes that could make to the general running of universities and colleges.

You may disagree with me, but I think that it is probably fair to say that, within DEL, the universities and colleges were the dominant players, certainly when it came to funding and budgets. An example of that would be that you pretty much pulled off the impossible, in that a £40 million gap in your budget was, effectively, filled at the last minute, which I agree was the right thing to do. Regardless of where you end up, whether in the Department of Education or the Department of Enterprise, Trade and Investment, ultimately, you will probably lose that dominant edge as far as size is concerned. In a bigger Department, you will be competing against other players who perhaps already have those networks in place. When it comes to jobs, Departments and the long-term sustainability of both our universities, where do you see the threats and the opportunities, but particularly the threats? The unions have raised concerns that your choice — or, I suppose, delegation — of Department will have a knock-on effect on the long-term viability of certain jobs and positions. I will not show my hand on whether I agree with the unions on that, but I am keen to hear your views and opinions on how you ultimately see the colleges and universities looking on the other side of any move.

Professor Barnett: It is for the universities to demonstrate, wherever we are, how we can contribute to the delivery of the Programme for Government. I am confident we can do that, and it shapes the kinds of things we do, certainly in the University of Ulster. We are an applied and vocational university. We are a university that has a lot of workplace placements and that concentrates on getting people employability skills across the board. You may say, "If we are about the economy, do the arts and humanities lose out?" They certainly do not, in that a high proportion of jobs are not graduate-specific. What employers want are good graduates with employability skills. I am not sure of the current figure, but CBI said recently that 50% of all graduate jobs are not specific about the discipline. Employers want good graduates with good skills. So it is important that we get the best students and continue to widen access to do that.

The fundamental nature and philosophy of the University of Ulster will not change wherever we are. We can demonstrate our importance wherever we are. In what we are doing and in the job that you as politicians have set, we can do better and contribute more to the economy, but that will not influence other things. Clearly, we will work constructively with whatever Department we are put in and with whatever Minister we have to work with.

Professor Sir Peter Gregson: From Queen's perspective, I do not disagree with anything that Richard said. Working on the assumption that the public funding for higher education moves with wherever responsibility lies, I do not think that the move changes the opportunities or threats at all. At the end of the day, both universities are autonomous institutions. We have increased the leverage on Government funds. We must continue to do that to maintain our growth in providing world-class education and research.

With regard to delivering on the Programme for Government, we will absolutely continue to respond to our education mission. We are the only university in the UK that has secured four successive major awards from 'The Times Higher Education', ranging from entrepreneurial university of the year to most innovative teaching of the year. That is absolutely linked to our determination to provide the graduate level skills, whatever the type, to support the economy. Equally, Queen's is becoming increasingly recognised for the quality of its translational research, whether that is in securing a centre of excellence for secure information technologies, which is a £30 million inward investment to Northern Ireland; the inward investment of a global corporate such as Petronas in Northern Ireland; the support of our small and medium-sized enterprises (SMEs) through the knowledge-transfer partnership scheme; or, indeed, the spinning out of our own companies through our different vehicles and on to the Science Park. At the end of the day, those are the priorities for the universities. We want to continue to deliver that and to support the Programme for Government. None of that, I believe, changes with this change in position.

Professor Gallagher: Could I add very quickly, David —

The Chairperson: I do want you to be quick, because I want to ask a question as well.

Professor Gallagher: I just want to reinforce a point that I made earlier. The biggest threat to us would be if our two core functions of education and research were split across Departments. That would be a real challenge.

Mr D McIlveen: This question will have a yes or no answer. We are in public session here. Do you feel that, by going into the Department of Enterprise, Trade and Investment, the staff in your universities have anything to fear?

Professor Sir Peter Gregson: Absolutely not.

The Chairperson: If you were to ask the man in the street where universities should go, he would probably say DE, because there is perhaps not an appreciation of the role that the university sector plays in the economy.

Mr McElduff: What would the woman in the street say? *[Laughter.]*

The Chairperson: I have not asked her yet, Barry, but that is my next question.

Professor Sir Peter Gregson: I expected a member to raise that.

The Chairperson: Did you want to come in with another supplementary question, Barry?

Mr McElduff: If you want, I will chair this section.

The Chairperson: Thank goodness you are here, because I was at a loss as to what to do next.

The gender-neutral person in the street has a view that universities are about education and students. So, if we decide to put universities into a Department of the economy, that will surprise some.

Professor Barnett: Since the universities are not in the Department of Education now, I am not sure why people should be surprised if they are not there in the future. I think that they will understand the role. I am sure that, if we asked the average person in the street, they would understand and appreciate the role that universities play in supporting the economy.

The Chairperson: The issue that comes up regularly is that we produce the wrong type of graduates. For example, there are huge skills shortages in information and communication technology (ICT). We talk repeatedly about STEM, yet many of the decisions on STEM subjects fail because people make decisions in school too early. For example, they do not take single award science, and that therefore limits them. Surely there would be some advantage in the universities being the flagship of this funnel into the type of education that we can offer. We need to provide the skills. We are not doing a good job of that at the moment.

Professor Barnett: As I said, there is a continuum. At the end of the day, everything needs to be integrated with everything else, and there has to be some role for the Executive and interdepartmental committees to make sure that, whatever administrative structure you put in place to support the delivery of the policy that you, as politicians, want delivered, it works in the most effective way, bearing in mind that there is no perfect answer. So there will be obvious areas where links are needed, one of which will be the skills link between the schools sector, the FE sector and the university sector. That will be done, no doubt, through the Executive subcommittee on the economy — if it continues — which is chaired by the Minister of Enterprise, Trade and Investment. You might think that the whole roads infrastructure is crucial to the development of the economy, especially in getting those connections within the economy, so would you put all of the Department for Regional Development (DRD) in a Department of the economy? In one sense, you could do all of that and end up with one Department. However, we cannot do that, so where is the centre of gravity of the policy? Through things such as the Executive subcommittee on the economy, which the Minister for Regional Development, the Minister of Education and other Ministers sit on, those connections are made. For administrative purposes and to make it manageable, you need to make the break, and I think that it is better, given the current focus —

The Chairperson: Let us call a spade a spade: the universities are big enough and independent enough to thrive in whatever environment they are put in. However, I picked up the assertion that Tony made twice that you do not want to split research from teaching in tertiary education. However, there

is another question about you being supportive of higher education and further education going to a Department of the economy. I think that I have heard you express that view. Would there be a benefit in splitting higher education and further education so that one is more to do with education and the other is more to do with the economy?

Professor Sir Peter Gregson: We have already addressed that in respect of the integrated approach to the whole skills agenda. We have responsibility for graduate-level skills, and it is important that the close links that already exist between universities and further education colleges are not disadvantaged whatever way things go. So we would argue strongly that it is important that further education and higher education go together.

To come back to your comment about skills shortages and imbalances, it is important that we recognise how extremely hard universities work to try to make sure that those balances are changed. Our curriculum changes year in, year out to reflect the supply side from the students and the demand side from business. At the end of the day, there are large and competing challenges. If we go through some statistics from Queen's University this year, we can see that we are reflecting the desire of the Assembly to see more Northern Ireland students doing STEM subjects in order to support economic growth. Therefore, by 2014-15, we will have nearly 900 more Northern Ireland students. The majority of those additional students will move into STEM subjects, and application rates this year reflect that. That is because of the very hard work being done by many of my colleagues and many of Richard's colleagues to ensure that we respond to that need.

The ICT issue is very important. There was another headline in the media yesterday that was quite unhelpful, because it is the ICT sector that is short of skills. We are increasingly hearing from employers that they want more graduates who are well qualified in mathematics and computer science, not ICT as perceived at school level. It takes time for the message that we are hearing to be reflected in the programmes that have been put on. Some decisions have been unwise. There is no doubt that there has been an emphasis on young people picking up ICT as a qualification, but that is not being fed through into the high-demand jobs that are out there. Both our universities are working very hard to address that. We are changing our curriculum and our entry qualifications to ensure that those needs are met, but we cannot undermine the enormously hard work that many of our colleagues are doing to address exactly that.

The Chairperson: There is a key issue here. Every high-value-added company in Northern Ireland that I am aware of cites a shortage of skilled labour, whether it is in life sciences or software engineering, and I understand the distinction between some of the softer areas of ICT or whatever. Central to our economic proposition to the world is the message, "Come to Northern Ireland because we have a pool of intelligent, well-educated people that your business needs", but the reality is that we do not. We have to import people from all sorts of places.

Professor Sir Peter Gregson: The reality is that we do, but it is not big enough.

The Chairperson: I will clarify that, because the meeting is being recorded by Hansard. I mean unallocated resources. When you are trying to attract people from outside to come in, you want to say that there is a pool of talent here, and actually what they get here is that it is a very competitive world.

Professor Barnett: We can do that, and we can do it even better with universities linked into DETI, so you are making the point that we were making. I will say two things about your observation, Chairman. First, no employer will say that there are plenty of skills out there. It is not rational for them to do so. They want you to encourage us to invest in more skills so that there is an excess supply in their area. It is rational for them to do so. It is not rational for them to say that there is plenty of supply. It would be crazy for any business to say that.

Secondly, we face the difficult issue of feasts and famines, and we have spoken about that before. That is one of the areas where we need more links with the Careers Service, which is currently with DEL. At the moment, the University of Ulster has a lot of provision in the area of civil engineering and building. Civil engineering is in recession, and kids are not going into that area. Students on those courses will not graduate for three or four years, and there will then be a shortage in that area. A few years back, there was bad news in computing, so people were not going into computing then. Now that

there is good news, they are all charging in, and, in three years' time, there will be a glut. Overcoming that is an issue, and that is why there is a sense that you should get good graduates irrespective of the subject. In the past, through DEL and linking in, we have been able to offer short conversion courses, which overcomes that problem.

The Chairperson: I will not go on. To be honest, it was more of a chance for you to air your position than for me to get questions answered.

Mr F McCann: This morning I read a letter to a newspaper from Pat O'Neill, who is, I believe, the managing director of Powerscreen. He was severely critical of the education system and said that most people who come out of universities are too academic, have not been skilled up and are not getting the jobs. There is a lack of training in the skills that are needed to allow them to take up any positions that may be there and any that may come in. This is from a guy who has built a fairly successful company, and he makes a fairly severe criticism of the system.

Professor Barnett: I have not seen that article.

Mr F McCann: I just picked up on it this morning.

Professor Barnett: Clearly, there are those kinds of issues. Because Northern Ireland is small, you can talk directly and address those issues, but I would point out that, at the University of Ulster, virtually all of our engineering students complete a full year of work experience before they complete their degrees, so I have difficulty with the idea that they do not have that work-ready experience. However, if there is a serious concern there, I would take it very seriously indeed.

The Chairperson: It is the closing bit that we need to focus on. Richard, it is not just a case of, "They would say that, wouldn't they?" First Derivatives, for example, tells me that it is scouring the country to find people with certain skills. I understand that it may be looking for people who are a few years further on than those who are exiting tertiary-level education. When I was in Boston and San Diego, I noticed that there is a perception that there is a huge shortage of people with technical skills here, and I find that wherever I go in the world. We need to address that. I take on board your point about feast and famine, but there must be some role for manpower planning. Earlier, we talked in some length about manpower planning for teacher training, and, as an economy, we need to look at how, strategically, we can produce a pool of talent that investors will follow. There is a role for universities in that.

Professor Barnett: I agree. I mentioned workforce planning rather than the title that you used, but it would be workforce planning. I know where you are going with that: the issue is whether there should be differential fees and some encouragement. There are things that we need to look at.

On Peter's point, people have done ICT in schools, but that is not computer science. They come to university ill-equipped to do computer science. There has been a big growth in the areas that do not require programming, for example, and we are not equipped for that. So there is a problem there that we need to join up.

Professor Sir Peter Gregson: I want to reassure the Committee that the universities work extremely hard with employers and schools to bridge that enormous gap. We will never ensure that every single company's needs are satisfied, but the two universities are working extremely hard to try to close that gap. Equally, less than a month ago I was with Michael Ryan of Bombardier, and I explicitly asked him about the quality of the graduates that he is getting from Queen's University at the moment and whether they are satisfying Bombardier's needs. His response was that they are better than ever. The challenge for us is to meet the changing needs of society and companies, and they are changing. The growth of companies such as First Derivatives has been truly exceptional. It is working with both universities to make sure that its growing demand is met. However, that demand is different from the demands of other companies three years ago. We have to work together with the demand side and the student side, informing students and giving them the right choices. At the moment, there are far too many students who think that they are doing computer science but who are, in fact, doing ICT. That does not provide them with the background to get into either of our universities so that they can

provide the computer science or maths-literate graduates whom a lot of companies are crying out for. That takes time.

The Chairperson: Time has gone on, but the benefit of this discussion has been that others will read the Hansard report rather than us winning any great point of principle. Young people's decision-making at age 14 or 15 is usually done on the basis of imperfect knowledge. Although we have a Careers Service that does its best, the people with the authority and the brand, the people to whom they are listening, are, by and large, the universities and, perhaps, the FE colleges. You need to have better outreach to our secondary schools so that you can explain to them what you think they should be doing. Ultimately, of course, it is up to them; they make their own decisions. We have not had the chance to explore the difficulty that you have in responding to demand. You made the point, Peter, that, if we do not have enough teacher training places, people will go to Liverpool and come back. Similarly, a lot of people are going to university to do subjects that they think are a good idea but which, ultimately, turn out not to be the best choice. Whatever structures we end up with, the universities, as the leading brands in our educational establishment, have a responsibility to take on more of that outreach in schools as part of a wider remit.

Professor Barnett: I agree with you. The University of Ulster is probably unique in that it has recently established a schools liaison team. I have merged that with our careers service, because the careers service knows where the current jobs are. The head of the careers service runs the schools liaison team in order to overcome the very issues that you mentioned.

Professor Sir Peter Gregson: I will express Queen's University's commitment to that as well. We have an annual conference, which this year will take place on the first weekend in March, at which we have always gathered together careers teachers from Northern Ireland to explain what the challenges are and the openings for the future. This year, we have first-hand information, because we have invited a number of key employers to share with careers teachers what the opportunities are for the future, working with our academics. We would certainly want to say that we are absolutely committed to the path that you have highlighted. We will continue to raise our game.

Professor Gallagher: We have even produced a junior prospectus, which is targeted at 14-year-olds to give them a sense of some of the consequences of the decisions that they will make. It is key that, when they are making decisions about their GCSE subjects, they have a sense of the doors that those subjects will either open or close further down the line.

The Chairperson: The Committee would be interested in having a look at that junior prospectus and your amalgamation initiative. I thank you very much for coming along. We realise, or at least I certainly do, that you tread a fine line in expressing an opinion. However, there are decisions that will, obviously, be made by other people. I want to encourage you. We have not really talked about it, but it may come out in another forum: it is not just about whether DEL should take over DETI, because, of course, DEL is the bigger Department —

Mr Allister: I think that it is DEL that is disappearing.

The Chairperson: Hold on a tick, Jim. *[Laughter.]* DETI is a wee small Department that has less than the FE budget. It is a reverse takeover, as far as I am concerned. There is a fundamental issue about whether we should be developing a real Department of the economy. What would that look like? You mentioned other Departments. Should we be putting DCAL, a tourism-orientated Department, into DETI as well? Should we end up with eight Departments or four Departments? What way should we do it? If we are going to do it, we should do it in a planned way and have a format. You should not be so nervous that you cannot lead the debate in society. After all, you have a pivotal role in it, and you are a major stakeholder. I realise that you will all smile politely at me when I say that and carry on as you were. However, I think that you should lead the debate; you have a great responsibility and a great opportunity. Thank you.