



**Northern Ireland  
Assembly**

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**COMMITTEE  
FOR EMPLOYMENT  
AND LEARNING**

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**OFFICIAL REPORT  
(Hansard)**

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**October 2011 Monitoring Round**

5 October 2011

**NORTHERN IRELAND ASSEMBLY**

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**COMMITTEE  
FOR EMPLOYMENT  
AND LEARNING**

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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  
Ms Michelle Gildernew  
Mr Chris Lyttle  
Mr Barry McElduff  
Mr David McIlveen  
Mrs Sandra Overend  
Mr Alastair Ross

**Witnesses:**

Mr Andrew Hamilton                    )        Department for Employment and Learning  
Mr John Smith                            )

**The Chairperson:**

We welcome Andrew Hamilton, who has stayed with us from the previous session, and John Smith, the newly appointed director of finance in the Department for Employment and Learning (DEL). Is there any point in talking about this subject, Andrew?

**Mr Andrew Hamilton (Department for Employment and Learning):**

Of course there is. We are happy to take your views and submit them to the Department of Finance and Personnel (DFP). We do not set the timetable for this matter. There will always be

little hiccups along the way where we have to respond by a certain date. However, we can still accommodate your views and make sure that DFP is fully aware of them.

**The Chairperson:**

Early in the Committee's life, we discussed the importance of members being aware of the financial implications of decisions. You organised a meeting for us to give a basis of understanding of what finance means, but admittedly, not everyone could go to that meeting. Decisions that are made on certain areas in the next two or three years will impact directly on our bottom line. It is very disappointing that we are dealing with this information now. You may be aware that the Committee for Education held an emergency meeting to discuss the fact that it was getting information late. This Committee was not given that opportunity, and I am not satisfied with that. If it happens again, there will be real problems.

This Committee has a statutory responsibility to scrutinise. We need to know what the monitoring figures mean. When we talked about the impact of tuition fees, it was suggested that the slack might have been taken up by the monitoring rounds or whatever. I am making it clear to you that we need more positive, proactive engagement in sufficient time for the Committee to scrutinise the bids that are being made and to understand the implications if we do or do not get them.

**Mr Allister:**

I think, Chairman, it is more than a little hiccup. Our being treated in this manner is an attack on the Committee's integrity and purpose. I really do wonder whether there is any point in us wasting the next half an hour talking about something that is a fait accompli as far as the Department is concerned.

**Mr A Hamilton:**

Let me say that there was no motivation along the lines that you are suggesting, Mr Allister. We tried to get the information to you much earlier this time.

If you remember other monitoring rounds, you will know that we have been in a position either to table the information to you or to get it to you the day before the Committee meeting. This time, we tried to meet the standard of five days before the Committee meeting, and we sent it out last Thursday. I had to change the procedures to deal with that. Normally, we base our

monitoring round on the very latest monthly information. However, to accommodate the Committee's timetable, I had to rely on the previous month's information. We changed our timing to accommodate the Committee so that we were in the position of being able to get the information to you last Thursday. That was my commitment. I do not determine the date by which DFP requires the information. Unfortunately, that date was yesterday. That is the unfortunate aspect of all this, but rather than present the information on either the day before or the morning of the Committee meeting, our intent was to get it to you as early as we could so that you could have time to consider it.

**The Chairperson:**

Do any members want to speak before I go on to deal with the business, or have I said enough for you?

**Mr Douglas:**

I am a bit frustrated. You will be aware, Andrew, that there was a debate in the Chamber yesterday about additional student places. Figures of 300, 600 and 1,000 were talked about. Even if we agreed, would there be an opportunity for us to go for 750 or 1,000 places? Are you saying this morning that there is a possibility that we could influence that?

**Mr A Hamilton:**

I think that it is important that we do not get confused. The issue of places is not a 2011-12 issue; it is a 2012-13 issue. The maximum student number (MaSN) issue is not one for the current year. That is an important point. However, there is still influence to be had. The Committee's support for our main bid is very important to us, because if we do not get it, it will, ultimately, impact on what we can do for people who are suffering more than most in the economic downturn.

**Mr Douglas:**

Mr Allister said that it was a fait accompli. Are you saying that it is not?

**Mr A Hamilton:**

If you were to support the bids, it would be important that the Executive were aware of that. We have submitted the bid, but, at the moment, it is competing against probably many other deserving causes. The level of support that the bid attracts is important, because the decisions have not yet been made.

**The Chairperson:**

Do any other members wish to speak? In that case, Andrew, take us through the bid.

**Mr A Hamilton:**

I will ask John to do that, if you do not mind, to give him the opportunity to present to the Committee for the first time.

**The Chairperson:**

OK, John. I am not normally as cuddly as this.

**Mr John Smith (Department for Employment and Learning):**

The priority bid for the Department and the Minister is the £9.2 million Steps to Work bid. That is in the context of the Department's statutory duty to provide for mandatory Steps to Work clients. The bid is directly linked to the increasing numbers of people who are joining the jobseeker's allowance register. You may be aware that claimants on the jobseeker's allowance reach their entry point to Steps to Work after six months if they are aged between 18 and 24 and 18 months for those who are aged over 25.

Jobseeker's allowance numbers have gone up by approximately 145% in the two years from April 2009 to April 2011. At that point, around 13,000 people were on the register. That, in turn, fuels a 75% increase in those who migrate to the Steps to Work programme. About 16,000 people are now on that programme. Clearly, that puts a significant pressure on the Steps to Work baseline. The employment service is already contributing significant efficiencies to manage that increased demand. The forecast at this stage, based on the previous trends and the numbers who are on Steps to Work at the moment, leads to a pressure in the order of £9.2 million for this financial year.

The second bid is for a programme called Step Ahead and is for £3 million. That is in the area of employment services, and, in common with Steps to Work, it is about getting more people back into work. We have a statutory duty to provide employment services, including a work-focused service, to those people who are in receipt of certain working-age benefits. So, in this programme, we will target certain sectors, including young people, lone parents and those who are migrating from incapacity benefit to jobseeker's allowance and employment and support

allowance. Those groups of people are being particularly hit by the prolonged economic downturn, and that is why we are proposing this work programme. Initially, we will look to help around 500 people, and we will give them up to six months' work experience with the potential for some training as well. The intention is that that will help them to improve their job prospects by giving them a recently acquired track record of work experience that they can demonstrate to potential employers.

The final bid, which, again, is current expenditure, is for £1 million and is in the area of employment services. It is called Individual Place and Train. That programme will specifically target those people who will move from incapacity benefit to employment and support allowance. In that group of people who are on incapacity benefit, particular people will need additional support to get back to work. The programme will involve the community and voluntary sector, with which there will be some targeted work placements and an element of support and training.

**Ms Gildernew:**

John, you are very welcome; congratulations on your new role. I worked with John previously. The Step Ahead programme, which is the second bid, aims to get 500 people up to six months' work experience. Is there a way of targeting that towards people who have long-term or second- or third-generational unemployment to ensure that the people who need it most get that opportunity?

Secondly, I want to ask a question that is somewhat outside the remit of October monitoring, so indulge me, please. Where are we with the capital commitments for the Enniskillen campus of the College of Agriculture, Food and Rural Enterprise?

**The Chairperson:**

I want to keep on the monitoring round, but I will bring you back at the end, Michelle, to discuss that point. So, just deal with the first bit, please.

**Mr Smith:**

We are looking to target a certain group of people who have been hit particularly hard by the economic downturn, including young people aged 18 to 24, lone parents and those who will be affected by the welfare reforms that are bringing people off incapacity benefit and into jobseeker's allowance. Initially, we are looking at 500 people, and the programme will start in

November. It is on a smallish scale at this stage. Broadly speaking, those are the three target groups that we are aiming for. By nature, some of those people will have been unemployed for long periods.

**Ms Gildernew:**

Is there no plan at this stage to try to target it towards the most hard-to-employ unemployed people?

**Mr A Hamilton:**

The programme has not started, Michelle. I see your point, and we will bring that to the attention of the policy staff who will develop the programme if the resources flow.

**Mr Allister:**

I have two questions to ask. You told us what the three bids are. What might they have been? What else did you decide not to bid for that is under pressure? Your paper explains how, in the previous monitoring round, you said that you needed £3 million for ApprenticeshipsNI. You did not get it, and it turned out that you needed only £1 million. That is three times over the estimate. What does that tell us about the veracity of some of the other calculations that were made? Does the fact that the Department can get it so wrong not reflect badly on it, and does it not undermine its credibility when it comes to make a bid?

**Mr A Hamilton:**

There are different ways of looking at that. We have to look into the unknown and into the future and make the best estimates that we possibly can with the information that we have available. The information at that time indicated a pressure of £3 million. Time moves on. We were able to identify that, essentially, we had a pressure of £1 million in that area, which we were able to cover internally.

**Mr Allister:**

So how did you ever think it was £3 million?

**Mr A Hamilton:**

We make forecasts about numbers and the future, about which there is a certain uncertainty. That is always the case. I could go into —

**Mr Allister:**

There is not a big difference between £3 million and £1 million, but there is a big difference in percentage terms.

**Mr A Hamilton:**

In the totality of the spend, we are looking at a budget of somewhere between £80 million and £100 million a year.

**The Chairperson:**

If you do not mind me interjecting, is ApprenticeshipsNI just for young apprentices? What happened to adult apprenticeships? I recall that they were to be done away with altogether but that they were then to be brought back at half the level. Does that have any impact? Perhaps we do not have any commitment simply because we did not ask for numbers. Are we still seeing a reduction, or should we have applied for more apprenticeships?

**Mr A Hamilton:**

At the time of the previous bid, we were satisfied that we could deal with the numbers in the system. It was the potential growth for which we were bidding last time round. That is what we believe that we can accommodate in our current financial position. Like any Department, we could always spend more.

**The Chairperson:**

I think that this Committee would welcome more expenditure on apprenticeships. If that is not the case, members should please say so. We are concerned about the reduction because of pressure elsewhere. It is surprising that that has not been dealt with. Perhaps the monitoring round is not the right place to do it, but, if more money could have been applied for and the Committee had the chance to influence the monitoring round, I think that you would have found agreement to return the adult apprenticeships to their previous level.

**Mr A Hamilton:**

I appreciate and understand that. The difficulty is that that is not an in-year issue. It is a commitment for 2012-13, 2013-14 and 2014-15, and the monitoring rounds cannot deal with that. It is an annual budget issue, because, once you start someone on an apprenticeship, you make a

commitment to them over a number of years.

**Mr Allister:**

If I could come back to my second point, the £3 million for the apprenticeship programme turned out to be only £1 million. Is that because there was not the uptake in apprenticeship applications that you expected?

**Mr A Hamilton:**

Perhaps it is that, but there is a volume issue as well. We have used our resources. We have used in-year flexibility as part of the quarterly monitoring process. We also look at easements and pressures. There is a detailed discussion, and moneys would have been identified that have helped us to deal with that problem.

**The Chairperson:**

I hope that Jim does not mind me helping in his questioning — the questions are still his — but the argument could have been that apprenticeships were completed earlier than anticipated. People could have been on a two-year programme but were rushed through for whatever reason. That could well be why the budgets are down. Those are questions that we would like the answers to. That is the point that I think Jim is on about. Would that be the case?

**Mr A Hamilton:**

I would need to check with the division that is responsible for managing that programme.

**Mr Allister:**

My first point was about why those three programmes were chosen. Why are they the bids rather than other things? What else might we have considered?

**Mr A Hamilton:**

The quarterly monitoring process is an opportunity to either secure resource for programmes that are under significant pressure or to deliver time-limited new projects. The area in which we, as a Department, are under most pressure in the current financial year is the employment service. So, this is an issue of prioritisation. We could have presented numerous bids for the further education (FE) sector, the higher education (HE) sector or skills and industry. However, we have to be conscious of, and sensitive to, the overall Budget position. The opening position is that there is a

£40 million overcommitment across Northern Ireland that has to be addressed in the financial year. Money is tight, which is why you get a prioritised list of bids such as this that focuses on —

**The Chairperson:**

We do not get at the pressures. The information that you have provided us with is not letting us understand or feel the issues that you have to deal with. We are asking questions blind. Frankly, Andrew, it is not good enough.

**Mr A Hamilton:**

We need an engagement about what information you need. We are not denying you this information deliberately. We are presenting you with the information that we feel will help you to form a strategic view on our bids. Our priority bid is the one for £9.2 million. We have set —

**The Chairperson:**

We understand that. It is inescapable and a legislative requirement.

**Mr A Hamilton:**

It is a legislative requirement, and there is major pressure. We have demonstrated the significant additional pressures that we are under to accommodate that. That is the driving force of that bid.

**The Chairperson:**

Although you mentioned it in passing, you have not dealt with employability services. The Minister informs us repeatedly that it is geared towards 30,000 people. The current uptake is 60,000, and, with an influx following the change in the benefits system, that may go up to 80,000. Regardless of the fact that we do not have sufficient resources to deal with the services that we offer to those people, we do not, as I understand it, have enough resources for staff to actually provide that service.

**Mr A Hamilton:**

I suppose that this reflects the distillation of the pressures that we face. We are managing the staffing pressure. The purpose of the quarterly monitoring process is not to present to DFP all the detail of the pressures that you are managing. Departments have a responsibility to manage their budgets and to present at quarterly monitoring rounds only the very significant pressures that it cannot —

**The Chairperson:**

The Committee could accept that if we knew in detail what the budget lines are and how you are dealing with issues that are of concern to us, never mind what you are going to do in the monitoring round. We could deal with that information ourselves in some detail, and you could then distil only the bit that goes off for the monitoring round. We can get that, but not when that is the only information that we get. Members have questions about this, that or the other. All that we get is an assurance that we should not worry and that you have it under control. Frankly, we could ask whether we know what is going on, and I have to say that, on the basis of this information, we do not. We have to find a way around that.

I am sorry to have interrupted. I want to make sure that I do not leave anyone out, because I have intervened a little bit. Jim, are you still —

**Mr Allister:**

No, I am happy enough.

**Mr Douglas:**

I wish John all the best in his new role. This question may be for Andrew to answer. We are putting £3 million into the new Step Ahead programme. I am well aware of the present Step Ahead programme, which seems to be very successful. You said that finances are tight. I want to check with you about people who have been placed in the private sector, such as in the likes of Tesco or Asda, for six months. Does the private sector put any money into that or do those companies get someone free for six months?

**Mr A Hamilton:**

I do not know that level of detail about that programme, Sammy. We will come back to you on that.

**Mr Douglas:**

If that is not the case, we are losing income. I know that it is only for six months, but big businesses could get someone free for six months.

**The Chairperson:**

We will have a more detailed briefing on 19 October, and we need to think collectively about how we get the appropriate information and detail to deal with this. However, we will deal with that specific area in writing. Do members want to deal with any other monitoring round issues, given that we have to accept the inescapable pressures? There will be support for the other issues raised. We have made our point and are OK on that. Michelle, you wanted to make a point about capital.

**Ms Gildernew:**

It is not completely off the wall. Have the capital commitments on the Enniskillen campus been considered as part of the October monitoring round?

**Mr A Hamilton:**

The issue with capital is that it is too late in the year to make new bids and to spend the money before the end of the year. We asked whether there was any scope to extend our capital programme and bid for additional resources, and we thought that, if we did bid for resources, there is a risk that we would be unable to spend the money by the end of the year.

**Ms Gildernew:**

I ask that question with a view to keeping the matter on the agenda and to ensuring that we deal with it early in the next financial year. Presumably, everything else is in place should the money become available and no other issues around planning permission and so on are likely to hold it back. I am very keen for that to be moved forward, Andrew.

**Mr A Hamilton:**

I will take that back.

**The Chairperson:**

Andrew, I am sorry if you feel that we have been a bit pointed in our questions. We need to work together to find an acceptable level of detail and information to enable the Committee to understand the issues that you are struggling with. If we do not understand, we cannot hold you to account or scrutinise what you are doing, and it is a fundamental part of our role. We need to find a way of tackling that. With the Committee's agreement, I will write to you to explain the issues that we have raised here about the need for more detailed and timely information. I

understand some of the pressures that you are under because you and I have talked about that in the past. However, there must be some way around this, even if it is by talking to DFP about the timescales or having emergency meetings on particular issues. We are not able to do the job that we are being asked to do without timely information at a level of detail that lets us ask sensible questions.

**Mr A Hamilton:**

We want to help you do your job. We are clearly struggling to meet your expectations, and we want to improve that. We have not had this difficulty with the Committee before, and, if we understand your expectations, we will do our best to meet them.

**The Chairperson:**

Just to be clear: perhaps the reason why there has not been so much difficulty in the past is that the Department is now under severe financial pressure because of the issues with tuition fees and the general increase in unemployment, for which we have statutory obligations. We are in a different place now than we may have been in a previous mandate. Regardless of that, it is something that we need to address. We have to find a way around it. We will write to you and then see what we can do by 19 October, when you are coming back up.

Andrew, you should do what civil servants normally do to us: send us so much information that we cry for mercy. We want to see the budget lines and what they mean. When we are up to speed, we will be able to compare. We, likewise, want to support you and the Minister in getting the most appropriate level of resources for the people of Northern Ireland. Thank you both very much. John, I hope that coming here was not too onerous for you. We look forward to seeing you again in the future.