



Northern Ireland
Assembly

**COMMITTEE
FOR EMPLOYMENT
AND LEARNING**

**OFFICIAL REPORT
(Hansard)**

**Teacher Training Issues, Additional
Places in Higher Education and
Economic Strategy**

5 January 2012

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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 Barry McElduff
Mr David McIlveen
Mrs Sandra Overend
Mr Pat Ramsey

Witnesses:

Dr Stephen Farry)	The Minister for Employment and Learning
Ms Catherine Bell)	Department for Employment and Learning
Mr Andrew Hamilton		

The Chairperson:

Good morning, Minister.

Dr Farry (The Minister for Employment and Learning):

Good morning.

The Chairperson:

The Minister is very welcome. He also has some familiar faces with him: Andrew Hamilton

and Catherine Bell. Catherine, congratulations on your news over the new year.

Ms Catherine Bell (Department for Employment and Learning):

Thank you.

The Chairperson:

It was very well received and very well deserved.

Minister, we are happy to hear from you. The issue of your schedule has been raised. How much time do you have for us today?

Dr Farry:

We will work on the assumption that I will be available for around two hours. We will proceed on the basis of doing three separate sessions on three topics. We want to give folks the maximum chance to discuss each topic individually, rather than wrapping everything into one session. We will try to spread the time reasonably evenly between the topics. We will see how things go.

The Chairperson:

Some members were concerned that, as we have added the economic strategy to the end, we would be unable to discuss the important issues in the first two items on the agenda. It is just a question of making sure that those issues are covered, but, from what you have said, I think that we will have adequate time to do so. On that basis, Minister, it is over to you.

Dr Farry:

Thank you very much, Chair. Happy new year to you and the rest of the Committee. Hopefully, we have a productive number of months coming up.

The first topic is the future of teacher training provision. It is probably best if I do not take the opportunity, at this stage, to make an opening statement on the topic. I gave a very detailed statement to the Assembly at the end of November, and anything that I would say today would simply repeat what was contained in that comprehensive statement. I am happy to go straight to questions.

The Chairperson:

Thank you very much, Minister. I suppose that it was remiss of me not to wish you a happy new year, but you can tell from my welcoming smile that I am pleased to see you.

Dr Farry:

Yes.

The Chairperson:

So, questions to the Minister on the issue of teacher training. Jim.

Mr Allister:

OK. I do not know why I got the short straw, but there you are.

Dr Farry:

Alphabetical order.

Mr Allister:

Minister, I want to start by taking you back to what you told the House on the day that you made your statement. In answer to me and in reference to the merger, you said:

“It also has the overwhelming support of the staff in Stranmillis and the support of the unions. The people in Stranmillis are not the ones who are against the merger; the people in this House are the ones who are against the merger.” — *[Official Report, Vol 69, No 3, p119, col 2]*.

On what basis did you tell the House that the merger had the support of the unions?

Dr Farry:

We had discussions with representatives of the unions, and they made their position clear.

Mr Allister:

Was it one of support?

Dr Farry:

Yes.

Mr Allister:

Did you read the consultation replies that you got?

Dr Farry:

Yes.

Mr Allister:

Did you get one from the Northern Ireland Public Service Alliance (NIPSA) and one from Stranmillis University College?

Dr Farry:

The first thing to say is that the merger issue is supported by the board of governors of Stranmillis.

Mr Allister:

I know that.

Dr Farry:

I am aware that there are issues among the staff and that a number of staff members have expressed concern on a wide range of issues in relation to the merger. We must also draw a distinction between branches of unions and unions overall. However, ultimately, it is important to recognise that there is a groundswell of support in the college and the wider community for the merger to proceed.

I have taken the opportunity to meet with staff, when they have asked to see me as part of delegations. I have extended that opportunity, and we have had those discussions. I intend to go back to Stranmillis in the next couple of weeks to meet again with staff. It is my understanding that the position of staff has been fluid. As various issues have been raised and addressed, perspectives have been changing.

Mr Allister:

Minister, you made a statement to the House giving your response to the consultation responses. You had 55 responses to the consultation, and you know that only 15 of them supported the merger. You know that you had union responses from NIPSA and the University and College Union (UCU) branch at Stranmillis, both of which were very robustly against the merger. So what possible basis did you have for telling the House that the merger had the support of the unions, when you had sitting in front of you, as I have sitting in front of me today, two responses from two union branches saying the very opposite?

Dr Farry:

First, the statement that was made to the House covered a range of issues. It was not simply a response to the consultation, although that was obviously a key duty that we had to discharge.

Secondly, you quote that there were 55 responses to the consultation. However, there are considerably more than 55 members of staff at Stranmillis. Thirdly, those comments were made between March and June last year, and the statement was made in the context of November last year. My understanding is that there is growing support among the staff body at Stranmillis for the merger to proceed.

Mr Allister:

Had any of the union representations been withdrawn? Had they retracted anything that they had said?

Dr Farry:

A response made to a consultation is a response made to a consultation at a particular moment in time. I am not sure that those are things that you necessarily withdraw.

Mr Allister:

No; so they stand.

Dr Farry:

Yes, but —

Mr Allister:

So I am still puzzled as to how we get to the point where a Minister stands up and tells the House that the proposition of a merger has the support of the unions when he has on his desk — regardless of whether or not he has read them — two responses from unions saying the very opposite.

Dr Farry:

My understanding of the current situation is that there is support among the staff for the merger —

Mr Allister:

I am talking about the unions, which, of course, represent the staff.

Dr Farry:

Yes.

Mr Allister:

Are you disputing that the formal response of NIPSA members and UCU members at Stranmillis was that they were against the merger?

Dr Farry:

Those were the comments that came in from the branches at that time.

Mr Allister:

Are you suggesting that they retracted or changed them?

Dr Farry:

Opinions may be changing.

Mr Allister:

Sorry — “may be changing”? Let us not —

Dr Farry:

If you want to invite the unions along at some stage —

Mr Allister:

I am inviting you to justify how you told the House that you had the support of the unions.

Dr Farry:

The information that I had when I made the statement led me to conclude that there was sufficient support within the staff body for the merger to proceed.

Mr Allister:

Sorry, we are not talking about sufficient support. We are talking about your unequivocally, unconditionally telling the House that you had the support of the unions.

Dr Farry:

Yes, and I stand by the comment that was made in respect of the support. At the time when I made the statement, that was my understanding, and I still believe that to be the case.

Mr Allister:

So it must, then, have been your understanding that those two documents had been withdrawn.

Dr Farry:

No. The two —

Mr Allister:

You cannot face in two directions at the same time, Minister.

Dr Farry:

The two do not necessarily follow.

Mr Allister:

Sorry, they do. Those two documents are emphatic and unequivocal in their opposition to the merger. You come to the House and tell us that the people from whom those documents came, in fact, support the merger.

Dr Farry:

Those documents were lodged between March and June last year.

Mr Allister:

Minister, you misled the House, did you not?

Dr Farry:

I think that that is a very strong statement that you are making.

Mr Allister:

Yes, it is, because that is what you did.

Dr Farry:

With all due respect, Chair, in terms of protocol, the term “misleading” applies just as much to Committees as it does to the Floor of the House. I —

Mr Allister:

But you are the Minister who told the House —

Dr Farry:

Excuse me, Mr Allister. You have made a comment that I have misled the House.

Mr Allister:

Yes.

Dr Farry:

That is actually unparliamentary. In terms of Standing Orders —

Mr Allister:

Not if it is true.

Dr Farry:

Well, it is not true.

The Chairperson:

Hold on a tick. Just let me intervene. I was quite happy for this to —

Dr Farry:

And I am happy for discussion to proceed as well but not for comments to be made about misleading.

The Chairperson:

Minister, I am going to sort this matter out. I was happy to let the conversation run, but we have now reached the point where Mr Allister's point has been made and your response has been made. We do not need to get into particular accusations in the manner there has been. I am happy to deal with the matter if that has to be the case, and I will do so afterwards. This is a point of information. However, we have reached the point where there is no more fruitful discussion on the point. Your point has been made, Mr Allister, and the Minister's response has been received, so I suggest that we move on to some of the other points. You may want to pick up on other things, unless the Minister wants to deal with the issue of —

Dr Farry:

I just want to reinforce the point that the term "misleading" is an unparliamentary comment, and it should not be made in Committee.

The Chairperson:

I agree that that is the case. I will speak to the Speaker about it.

Mr Allister:

Chairman, I must say that if the Minister tells the House, as he did —

Dr Farry:

Are we on the brink of the comment's being repeated?

The Chairperson:

Excuse me, Minister —

Dr Farry:

I made the point that an unparliamentary comment has been made.

Mr Allister:

Are you uncomfortable, Minister?

Dr Farry:

I am uncomfortable with people breaching the procedures of the House.

Mr Allister:

It is, certainly, breaching the procedures of the House to mislead it.

The Chairperson:

Gentlemen — I am not sure if that word applies — would you please respect the position of the Chair. I am trying to resolve the issue as best I can in our first meeting after recess. Mr Allister, I understand that it is not appropriate to say that. The Minister has made a statement about how he has interpreted facts, which you disagree with. Certain elements have come forward. For all I know, the Minister may well have had other meetings with or information from the unions that have led him to his conclusion. You have asked him a pointed question. He has replied. Please do not go down the route about misleading anybody on anything. It is unparliamentary language. If we do go down that route, it will have to be dealt with by other authorities. Can we move on in a more constructive manner, please?

Mr Allister:

As you please, Chair. However, you will note that I was careful to ask the Minister whether there had been any notification of a change of attitude by the unions.

The Chairperson:

Mr Allister, I let the discussion go while you made your point. When you move to using certain types of language, I do not think that it is helpful to our trying to gain information. Other members will want to raise other matters. You may have a point that you wish to take up with the Minister separately. You can look at that in your own time. However, for now, in the Committee, which is in public session, we are having an exchange of information. The points have been made by both sides. Unless either of you wants to add something, I suggest that, having made your argument, you move on.

Mr Allister:

Very well. Minister, one of the notable points of your statement was when you told the House that:

“Therefore, until the merger takes place, Stranmillis University College must manage its own affairs as best it can.”
— [*Official Report, Vol 69, No 3, p108, col 2*].

What did you mean by that?

Dr Farry:

Stranmillis University College has a job to do and to continue to do, which is to train teachers.

Mr Allister:

Yes, but what did you mean by:

“until the merger takes place, Stranmillis University College must manage its own affairs as best it can”?

What does that mean?

Dr Farry:

As things stand, I do not believe Stranmillis University College to be financially viable going into the future. We all need to be incredibly conscious of that. There is no case for additional resources for Stranmillis because it is already heavily subsidised. It is still the Department’s official policy that the merger will proceed. There you go: there are the three aspects of that statement broken down.

Mr Allister:

Was that a threat?

Dr Farry:

Certainly not. Stranmillis's board of governors and the Department agree on the strategy for the way forward. So, how can that be a threat?

Mr Allister:

It is a threat to suggest that until those who oppose the merger come to their senses, Stranmillis will be starved of funds. Is that what you suggest?

Dr Farry:

Are you saying that those who oppose the merger do not have sense? That is what you have just said.

Mr Allister:

That seemed to be the inference of what you said to the House.

Dr Farry:

No, that is what you have just said a few moments ago, Mr Allister.

Mr Allister:

That seems to be your view.

The Chairperson:

Gentlemen, maybe we could take a deep breath. This is not a courtroom. This is an information briefing. Perhaps, we could ask some questions, which the Minister could respond to, to try to clarify particular positions. I ask both of you to act with a certain generosity. Serious points are being raised, which I think require an opportunity for expansion and reply. If we were to do that, we might make a bit more progress.

Mr Allister:

Chairman, I am trying to tease out what the Minister meant by saying that:

“until the merger takes place, Stranmillis University College must manage its own affairs as best it can.”

The Chairperson:

I will stop you there. The point has been made. You have asked a question. The statement is in Hansard. Minister, if you wish, I invite you to —

Dr Farry:

I have answered that question fully already.

The Chairperson:

OK. Mr Allister, any more questions?

Mr Allister:

There does not seem to be much point, does there, Chairman?

The Chairperson:

Actually, that is not the case. I have been generous in giving you the time to ask questions, and I have tried to let things move forward. I am happy to come back to other points. However, as long as I am in the Chair for this Committee, people have to treat each other with a certain amount of respect when asking and responding to questions. I will move on. Jim, if you want to come back, there will be another opportunity.

Mr P Ramsey:

Minister, Andrew and Catherine, happy new year to you and to all Committee members.

As regards some of the points that Jim Allister made, we are receiving representations from different sectors out there, whether it is the trade union body or employers. I do not think that, in genuinely going forward, Minister, you are reflecting the concerns and the mood out there with regard to St Mary's and Stranmillis.

In the House recently, you referred to the premiums paid to St Mary's and Stranmillis, and you also referred to funds received by both colleges for the diversification work that they carry out — liberal arts, early childhood studies and health and leisure studies at Stranmillis. However, there is a worry out there that it is your intention to manipulate and create a situation of social engineering that will force both St Mary's and Stranmillis into serious financial hardships, thus forcing their hand. Is it your intention to reduce student places or is it your intention to stop the diversification work that is being carried out at both those colleges, particularly the premiums that were introduced by Sir Reg Empey? You intimated that in the House. Will you make it clear to us whether it is your intention to stop and remove them?

Dr Farry:

I think that people are jumping ahead very rapidly and reaching conclusions as to what is or is not going to happen. We have launched a two-stage process. The first is to look at the financial model behind the two university colleges, at this stage, in terms of what they are doing. As things stand, considerable funding goes to both Stranmillis and St Mary's, which is, in effect, a subsidy. Almost 50% of the revenue funding for both colleges does not directly relate to teacher training. You said that I am trying to socially engineer some sort of outcome. If anything, we have a very socially engineered system at the moment, where, in effect, we are diverting resources to maintain colleges that would not otherwise be viable. That is the stark reality that we face as things stand.

With regard to the second stage of the process that I have set out, I want to take the facts that we have and to look to the future to see what type of model we could have going forward. While I have a personal idea and my party has an idea as to what that should be, I am not here to impose that on anybody. It is important that we move ahead on the basis of forming a consensus between all the stakeholders. I want to sit down with them in due course to negotiate and hammer out the best way forward for the system as a whole in Northern Ireland, and you can envisage a whole range of potential models under that.

Mr P Ramsey:

I accept that, and I appreciate that you are not fundamentally going to progress an Alliance Party agenda, which is the concern of some people. I am glad that you placed that on record.

Dr Farry:

To be fair, Pat, I have my views, and I am not going to shy away from expressing and arguing my views. However, we respect everyone's point of view on this, and we have to find something that will be sustainable into the future.

Mr P Ramsey:

I am concerned that two small universities are themselves being creative by diversifying, but you have not been very clear about the two levers of funding — the two key areas where the premiums are paid: diversification and student numbers. It is your intention to stop that?

Dr Farry:

That is not something that I have determined. However, I have to say that we must ask serious questions about those particular funding streams, as against all the other priorities, not just of my Department but of the Executive as a whole.

The Chairperson:

When might you determine that?

Dr Farry:

We are on the brink of launching the first phase of the process as set out in the statement made in November. We will look at the financial model behind the university colleges. The intention is to launch that within the next couple of weeks and to report, potentially, around the end of April.

Mr P Ramsey:

I will follow on in a similar vein. Jim Allister's point is that the majority of those who responded to the consultation were opposed to the mergers. That is a fact. I am not going into the rationale of trade unions and everything else, but their opinion is formally there. Have you given consideration to alternative ways forward in the management of the two universities, such as shared management?

Dr Farry:

Yes.

Mr P Ramsey:

That is clearly an option that may be looked on more favourably by those who made representations and who formally partook in the consultation.

Dr Farry:

To reinforce my point, I will go back to the issue of the consultation. We had 55 responses to the consultation. Obviously, we take them all extremely seriously. However, we do not necessarily jump to the conclusion that that is representative of opinions then or, indeed, of opinions today.

As we move forward, I am very happy to engage with stakeholders in whatever format is appropriate. I have spoken to the board of governors of Stranmillis. Shortly, I will speak to the staff of Stranmillis in a different format. I will attend a meeting of the board of governors of St Mary's in the next couple of weeks. Those processes of engagement with people are under way.

As to the way forward, my personal preference may well be for a single integrated system,

but we may be talking about a shared system. Within the concept of sharing, there is a whole range of different models and issues over which we can contemplate sharing.

Mr P Ramsey:

I accept that. I will finish with a couple of points. It appears, Minister, that there is a greater political appetite in the House for going forward. The First Minister has written to you about going forward with a shared administration and shared management framework. I encourage you to work very clearly and to let the Committee know of meetings that you have with Stranmillis and St Mary's about options. That includes the option of the shared facilities that we talked about. I believe that you would get more of a consensus in the House on that way forward, rather than on the one that is not favoured by the majority of people who responded to the consultation.

It is, clearly, a very contentious matter. You now sit as Minister. The members of this Committee are getting different opinions all the time. People are making representations to us, seeking meetings with us and e-mailing us. There are obvious concerns that you are misunderstanding, or not understanding, the complexity of the issues.

Mr D McIlveen:

I hope that you will bear with me. I have a few questions. I wish you all a happy new year.

Minister, you mentioned briefly that there will be a meeting with the staff in a different format. Will you elaborate on that?

Dr Farry:

I made the offer, through the board of governors, to meet the staff. I believe that an event has been organised to take place in a couple of weeks' time so that I can do that. I am not sure that the fine details of exactly how that will occur have been ironed out. However, in principle, a date has been set aside for it.

Mr D McIlveen:

That is fine. You also mentioned earlier — I do not wish to quote your words back at you too much, as has already been done — that the college is “not financially viable”. That is the term you used. Where does that information come from?

Dr Farry:

There is the business case for the merger and also the Department's estimate. By 2014-15 —

keep me right here, Andrew — we are talking about a revenue deficit approaching £1 million. Those are the grounds on which I argue that Stranmillis is not financially viable. Currently, bearing in mind that there is a considerable public subsidy for Stranmillis University College, it is not running to deficit, but it will quickly be tipped into a significant deficit that will represent a very large proportion of its current running costs. That would be an extremely serious situation, which is why we have to intervene at this stage.

Mr D McIlveen:

Where did the deficit figure of £1 million come from?

Mr Andrew Hamilton (Department for Employment and Learning):

It came from our discussions with representatives from the college. The first-stage review will cover all this territory again, because we recognise that there is some debate about these issues and that people are looking at the figures again. What we want to do in the first-stage review is to produce one view of the truth. It will produce income and expenditure projections over a period of time and deal with the capital requirements of the college. All of this will be presented so that it can be clearly seen, and it will be in an open and transparent way. The review will be carried out by an independent consultant so that it cannot be seen to be heavily influenced by the Department or the board of governors: it will be a fully independent review of the financial position of both university colleges.

Mr D McIlveen:

In your view, Andrew, would the Grant Thornton report produced in November 2011 be considered independent?

Mr A Hamilton:

All of the information will be brought into the pot, including the work being done by both university colleges.

Mr D McIlveen:

One of the big, fundamental problems that I see is on the information side of things. There are huge discrepancies in the information coming out. To quote one very short paragraph from the Grant Thornton report:

“The scope of our work has been limited both in terms of the areas of the business and operations which we have reviewed and the extent to which we have reviewed them. There may be matters other than those noted in this report which might be relevant in the context of the review and which a wider scope review might uncover and as such affect our report.”

In effect, Grant Thornton is saying that it has used the information that it has been given. However, my accusation — and I use the word guardedly — is that the information provided has been given by a management team intent on, and consumed by, a merger that, as far as it is concerned, will happen. What I am hugely concerned about is that whenever there has been the slightest question mark over the future of St Mary's University College, its principal has sat in front of this Committee, clearly with the full blessing of the board of governors, to extol its virtues. He did a very good job. I am concerned that we have not had a presentation, either in open or closed session, from the principal of Stranmillis University College. I would like to know why.

Dr Farry:

Have you asked?

The Chairperson:

No, we have not asked. We can ask.

Mr D McIlveen:

I do not want to pre-judge the outcome of that request, but I am convinced that it will not happen.

Dr Farry:

I would like to think that if the Committee were to ask for a meeting with the board of governors, that request would be granted.

Mr D McIlveen:

The board of governors is not an issue; it is the principal.

The Chairperson:

With the Committee's agreement, which I will request at the end of the session, we will ask him, and we will deal with that particular issue.

Mr D McIlveen:

I will wrap the point up by discussing the reports that we are getting about the figures. Grant Thornton is a huge and well-recognised organisation, and I think that if most people had this report put in front of them, they would say that it is kosher and would accept it. However, there are problems with the information being given. For example, there is an income of £300,000 a year coming through the halls of residence of Stranmillis University College from

Queen's University that is not mentioned in this report. I believe that there are other sources of income that are not being explored or exploited by the college. I am the first to admit that it is not the Department's responsibility to tell Stranmillis University College how to run its organisation; but, clearly, wings are being clipped. Income sources are not being exploited and are not being used to their full potential, and the Department needs to look seriously at giving the college a change of regime so that it can be run with the intention of self-sufficiency, not with the intention on merger, for a specific period of time.

If the college cannot run on a self-sufficient basis and with the freedom to do so, we will have to have this conversation again and look at how it moves forward in a viable way. I am not convinced that it can do so under current management. It will take a lot of convincing to suggest that the college has been run in a way other than with the intent of merging.

Dr Farry:

First, there is an issue over certain figures being disputed. There is also an issue where, over time, the robustness of figures will be diluted. So, there is a discussion to be had on some of those matters. The study that we are about to launch will, I hope, address those issues more conclusively. That said, it is important to stress that the Department and the board of governors agree that there is a major issue regarding the financial sustainability of Stranmillis University College. The study may address the scale of that matter. There may be an overestimate and, equally, there may be an underestimate. However, the margin of error would need to be considerable to fundamentally change what we are currently facing as far as the future of the college is concerned.

There is a similar situation with St Mary's University College, where it is raising issues regarding its financial sustainability. The situation is not close to that in Stranmillis University College, but, clearly, St Mary's University College is conscious that it has issues on the horizon that have to be addressed.

Mr D McIlveen:

I struggle with that, because only 8% of St Mary's University College's budget comes from self-sufficient income while, already, 19% of Stranmillis University College budget is self-sufficient. That does not even take into account buildings that are not being used. Therefore, the figures do not stack up.

Dr Farry:

Even with this, you have to extrapolate trends. For example, the funding streams of St

Mary's University College may be viable currently, but that is based on an initial teacher education (ITE) intake of 150. Even a very small change in ITE numbers could affect that position fundamentally. We are all acutely aware that there is a problem with job opportunities for teachers in Northern Ireland, and there are declining enrolments. That situation will not get better; if anything, it will get worse.

The Chairperson:

Minister, it seems to me that that is a key point in trying to summarise where we are at the moment. Mr McIlveen's colleague Mr Craig brought a debate to the Floor of the House illuminating the fact that only 5% of teachers are getting employment. It seems to me that there is a gross overpopulation, if you like, in producing teachers for the foreseeable future. That is the argument that needs to be brought forward.

Dr Farry:

That is very much part of the mix. It is not the case that we are planning for a steady state situation; we have to plan for the future. Obviously, my Department and the Department of Education have to work closely together. The latter sets the ITE numbers, and we respond to that.

The Chairperson:

For three or four years, and perhaps longer, we have been hearing about the 50,000, 60,000 and 70,000 empty desks in our schools. There must be a knock-on effect on teacher employment. We have known about that. The issue comes from the fact that we do not need as many teachers as we are producing. That will have a knock-on effect on the financial viability of both institutions, and, therefore, the response needs to be about what we are going to do about that. Are we to look at some integrated solution, as you suggest, or are we going to find additional revenue from somewhere and say that we want to keep these organisations going for reasons other than the number of teachers that we need?

Dr Farry:

All of those points can be on the table, but a word of caution is needed about the additional revenue aspect. There may well be some aspects, for example commercialisation of premises, where one could bring in additional revenue, and we can be open-minded on that. However, if you are talking about shifting resources to the colleges from elsewhere, then you have to look at that in respect of other potential uses of government money. If we look at liberal arts funding in St Mary's University College and early years funding in Stranmillis University College, we could make the case to expand those or further diversify what the two colleges

are seeking to do. However, we have to consider the needs of our economy and our priority skills in investment areas. We have a very clear message about the need to invest in science, technology, engineering and mathematics (STEM), but these areas do not qualify under STEM, and it would send out a very strange and mixed message. Rather than following through on all of the well-thought-out economic plans that the Executive have set out, should we diversify into areas that do not meet those tests in order to keep colleges open?

The Chairperson:

I thought that you might have wanted to make that argument. However, let us look at things from the creative perspective. You may not think that early years or liberal arts fit in with the overall scheme. However, people are saying that our teachers are not STEM oriented enough, careers oriented enough or information computer technology (ICT) oriented enough. There are areas in which we could look to do other things that would fit in with the Programme for Government. The review should be looking at creativity as well.

Dr Farry:

There are synergies to be had with early years and liberal arts. They are not sitting in silos. However, we have to look at investment in the round and with all of the other competing priorities. It is a discussion that we need to have.

The Chairperson:

I take your point about where you are with these issues. I am just saying that creativity may come from other spheres and that it needs to be discussed.

Mr McElduff:

The Minister used the term “subsidised provision” to describe liberal arts programmes at St Mary’s University College and early childhood studies at Stranmillis University College. The feedback that I am getting is that students and lecturers find that term very demotivating and insulting. They point to the fact that in London, Birmingham and Leeds, teacher training colleges deal with applied liberal arts-type degree programmes. Those in Dublin and Limerick do likewise. I think that there is a strong feeling that people would like the Minister to stop using the term “subsidised provision” for those courses that add value.

Dr Farry:

Looking at recent history, I reinforce the point that these are, in effect, a subsidy. I appreciate that this can be taken as a very pejorative term; but, in effect, any objective analysis of the situation would show it in those terms. Liberal arts funding was pushed as being something

to address the situation in which the original core responsibility for teacher training was becoming increasingly difficult when it came to balancing the books. It was argued that we should diversify more into liberal arts. Even today, St Mary's University College wants us to consider additional liberal arts places as a further response to what it sees as pressure on teacher training. It is fair for it to make that response.

Equally, however, I have to ask whether that is what we want to do for higher education provision in Northern Ireland. Over time, colleges will drift further away from what most people view as being their core responsibility — training teachers — and will become, in effect, more rounded and comprehensive providers of higher education. That may well be where we want to go, but does it stand up to what the Chairperson referred to as our economic narrative of increasing investment in our priority skill areas, in particular, STEM, to reflect the future needs of the economy in Northern Ireland? Are we simply putting money in to keep colleges viable that would not otherwise be so — with respect to their core responsibilities — or are we going to ask what we need for the future of our economy and society in Northern Ireland? We need to make the proper investments and follow those investments with the institutional format, rather than have an agenda in which we look first at the future of institutions and then decide what we want to do about courses to back up what we want to do for those institutions. That is not the right way to go.

Mr McElduff:

Are you and the Department opposed to the current concept of university colleges?

Dr Farry:

That is not what we are saying, Barry. We have to have that conversation, and I have set out what I perceive the issues to be. A study will look at this over the coming months, and we will move into the second phase of a wider debate on future provision. However, I stress the point that we need to focus on what we need as an economy and a society and then ensure that the format follows that, rather than have the institutions as our starting point, as much as I respect those institutions.

Mr McElduff:

Do you agree that this type of course provision has created life-changing opportunities for people, including many from low-income backgrounds?

Dr Farry:

Absolutely; there is no argument or dispute about the quality of what both university colleges

are doing through the discrete courses provided, and I respect and acknowledge that. However, we still have to ask the broader question about our priorities as we move ahead.

Mr Douglas:

I have a few questions but I will cut them down because I know that we —

The Chairperson:

You are all right. I have indulged others; so, Mr Douglas, you are welcome to continue.

Mr Douglas:

Minister: happy new year to you and your colleagues — especially Catherine. She will have a happy new year this year in particular. I wish you all the best when you head off to London, Catherine.

Andrew, when you talked about the first-stage review, you used the phrase “one view of the truth”. What did you mean by that?

Mr Hamilton:

Everyone here has different views about the future. We want to set out, once and for all and in a very transparent way, the current position, the situation in the future, and take a strategic view on that. As we said, the number of teachers that needs to be trained is a critical assumption. Another part will be the potential to generate additional income, and we want to take that issue and make some assumptions as well. However, there will be one view of the truth once and for all that will set out the future income and expenditure projections, and we will all be able to see them. That will help the debate to move on because, once there is one view of the truth about the position, you can then start to look at the options.

Mr Douglas:

Hopefully, the truth will set us free from any bickering.

The Chairperson:

That is very inspirational, Sammy.

Mr Douglas:

Minister, when you made your statement, I mentioned that there was no political support in the Assembly for your proposals, and I think that you recognise that. However, you also said:

“The status quo can no longer be accepted in the light of the subsidy and the waste of resources, so we have to talk about a shared system.” — *[Official Report, Vol 69, No 3, p117, col 1]*.

As I mentioned, we had a presentation from St Mary’s University College, and I was very impressed with some of its work, particularly in low-income and disadvantaged communities. I spoke to some people from Stranmillis University College and they were keen to have a much stronger working relationship with St Mary’s University College. You said:

“Let us talk together about how we shape that”. — *[Official Report, Vol 69, No 3, p117, col 1]*.

I am not sure whether you were talking about you and me, or us as an Assembly. *[Laughter.]*
Do you have any more views on that, Minister?

Dr Farry:

I am very happy to talk to anyone about this matter, particularly at political level. It was my judgement in November that there was not sufficient political support for the merger to proceed. However, I would differentiate and say that I am slightly more optimistic in that there seems to be a groundswell of support, including at political level, for the concept of shared education. We may all have fundamentally different views on what shared education means, but it gives us a starting point that we can bank, to an extent, and say that there is an acknowledgment that the status quo in Northern Ireland as a whole — and I am not just talking about teacher training — is not sustainable and that we need to discuss how we move forward. Obviously, people bring different perspectives to the table in that respect. However, teacher training will have to be part of that discussion. We are happy to have discussions, whether at a political level, with stakeholders, with the staff concerned or with current and future students. At the moment, those discussions are happening in an ad hoc manner, but the intention is that, when we get into the second phase of the process that I outlined to the Assembly, we will have a structured approach to discussing what the future model will be. That discussion will be informed by the financial study that we will have concluded at that point. At that stage, everything can be on the table as to how we move the situation forward. I have my view. No doubt, Sammy, you and your colleagues will have your own views; other parties will have their views, and stakeholders will have their views. We will try to find some mechanism for the future that is sustainable.

Mr Douglas:

I have a quick question relating to Barry’s point about liberal arts. What are your views on

liberal arts per se? Over Christmas, I read an autobiography by a guy who was very committed to liberal arts and was involved in them himself — Steve Jobs of Apple. I thought to myself that there could be a number of Steve Jobses in Northern Ireland. How do we make sure that we reach people who want to go into the liberal arts and have an economic focus and are driven to creating jobs and wealth?

Dr Farry:

You are straying into a much broader philosophical and political policy discussion that we will have to have over coming weeks, particularly focusing on the higher education strategy. I am conscious that I am speaking as someone with a politics degree and an international relations doctorate that would not necessarily fall under the heading of STEM. There is a debate to be had about the merits of a general academic education to teach people how to think and to apply those techniques in whatever setting they may find themselves in the world of business, the economy, the public sector, or wherever we are talking about, versus more vocational training or focusing people on more specific STEM-based academic subjects. Like many things in the world, there are elements of everything that you have to bear in mind. As regards how we balance everything; we are talking about what will be marginal changes. I have no difficulty with the concept of liberal arts — you will appreciate that, given my academic background — but I am equally conscious that we are in a much more straitened financial context at present. That applies to higher education as much as anything else. We need to think about how we are using our resources to the best effect, both for the individuals concerned and for the future of the economy. That is a long way of answering your question.

The Chairperson:

We will come back to that.

Ms Gildernew:

Thank you, Cathaoirleach. I add my thanks to the panel for coming to talk to us today, and to wish everybody a happy new year. When we asked for this meeting, Minister, you said that it would be towards the end of January, and I appreciate the fact that we are having it today, because it is a very important discussion. It was interesting to listen to comments around the table this morning. I was also very impressed with Peter Finn's account of himself to the Committee. He showed that he was very passionate and committed to St Mary's University College. That model seems to be working to provide education, not only in teacher training but in liberal arts, and, as Sammy pointed out, may possibly find more Steve Jobses. That is reflected in the statistics for the college, and I am sure that the Minister will want to join me in commending it on 'The Times' higher education poll, because the satisfaction rate for the

college stands head and shoulders above the rest in relation to what it does for the students who go there.

I apologise, Chairperson, for being late. I came in when it was fairly intemperate, and I do not want to say anything that could change the tone back to how it was earlier. However —
[Laughter.]

Mr Douglas:

It has not stopped you before, Michelle.

Ms Gildernew:

One could be forgiven for thinking, Minister, that you are doing a bit of political cherry-picking to try to achieve a political objective, and that you may be trying to force St Mary's University College into financial instability and possible closure or merger to deliver on the Queen's University takeover of the land, buildings and student numbers at Stranmillis University College. When Andrew mentioned there being one view of the truth, I wrote that down as I felt it was an interesting comment. It seems to me that the view of the truth will continue to be sought until all that remains is the Queen's University view of all of this. That is not healthy. It does not recognise or value the work that both university colleges have done over generations in turning out excellent teachers.

Apart from the importance of the liberal arts degree, early years training is something that I have consistently raised in the Committee. We are now dealing with the results of poor early years training in children's formative years. Those children are now finding it difficult to fulfil their full academic potential because of having a poor start. The Stranmillis University College course on early years training is very important.

The Chairperson:

Having thrown the Minister a fast ball, you might let him —

Ms Gildernew:

OK. Well, come back on that, Minister, because I think that there is consensus in the Committee that there is a need for our teacher training colleges to remain as they are. I am not in favour of Queen's University hoovering them up. We all know that young people who are determined to do teacher training will go elsewhere to seek out those courses if there are no places here. If they are focused on teacher training and have gone through GCSEs and A levels to take up that training, and there are no places here, we must find educational

opportunities for them.

We scheduled a couple of meetings with Stranmillis University College, one of which I was most interested in going to, and I have constituency letters against its takeover. One of those meetings was with people who oppose the merger, and that did not come off. I am very keen to hear from people at the college. We heard representatives from St Mary's University College give a very good account of their college. However, I worry that you are trying to achieve the Queen's University ideal view of the world, which I do not necessarily share.

Dr Farry:

First, I do not frame the issue as Queen's University's takeover of Stranmillis University College. It is important to bear in mind that the college wants the merger; it is not an unwilling partner, and the board of governors was unanimous in its view that it would move ahead with the merger. When I spoke to the board at the beginning of December, it was still very clear about that. The governors are conscious of their financial situation.

Ms Gildernew:

Just a minute, Minister: may we tease that out? I think that David asked you whether you have looked at everything. Was the college happy to go along with the merger because it felt that its back was to the wall and that there was no other option? I will try not to be too controversial: has the board of governors been stacked with people who want this to go through?

Dr Farry:

I have not stacked the board of governors in any shape or form.

Ms Gildernew:

I am not accusing you of doing so. Have you looked into that possibility?

Dr Farry:

No. I very much doubt that that was the case. My two illustrious predecessors would not have done that in any shape or form. This is the board of governors' clear objective and understanding of what is in college's best interests. I respect the traditions and history of both colleges: Stranmillis University College has a 90-year history and St Mary's University College has one that spans over 100 years. I do not think that anyone, particularly at Stranmillis University College, would take lightly that they would be merging and losing that legacy. However, it is important to stress that the merger is not simply an issue of finance; it

is also an opportunity to get synergy with Queen's University to do something that will be much greater than the sum of its parts by creating a world-class school of education. Therefore, Stranmillis University College will not disappear in any merger. We are talking about there being a Stranmillis school of education at Queen's University.

In my statement to the Assembly, I referred to what had happened in the United States, where the Peabody College of Education and Human Development merged with Vanderbilt University in Tennessee. That school, within that university, is now the number-one rated teacher training facility in the United States. I quote Vanderbilt because of the Queen's University and Belfast City Council relationship with Nashville.

It is an interesting example, and it is very much part of the mindset behind the merger. This is not purely about trying to plug a gap financially. That is one aspect, but there is a much more positive story to be told around all this.

Ms Gildernew:

Will the land and the buildings go into the Queen's estate? Is that part of the deal? Is Queen's paying for them?

Dr Farry:

That will be part of it.

Ms Gildernew:

Queen's has an awful lot to gain out of this, do you not think?

Dr Farry:

Both sides will gain: Stranmillis will clearly gain from it and Queen's will gain from it.

Ms Gildernew:

Who will gain most?

Dr Farry:

It is not for me to speculate about that. This is not about winners and losers. This is —

Ms Gildernew:

If everything is on the table, Minister, you need to think about all these things.

Dr Farry:

This is about an outcome that is a win for teacher training in Northern Ireland and Northern Ireland society as a whole. I do not think it is not productive to break it down into who is a winner, who is loser and who has more to gain.

On your wider point, going back to what I inherited as a Minister, the consultation document talked purely about a Queen's and Stranmillis merger. When I took over as Minister, it was not about me trying to drive a political agenda or impose my political views for the way forward, although obviously I have my own view on the future. I drew the conclusion that, first of all, there was a much wider issue on future teacher training than simply the merger between Queen's and Stranmillis. There are probably two or three different aspects to that.

First, there were equality issues that had not been raised in the consultation document but were alive and had been identified by me in the area of equality of opportunity across the community in teacher training opportunities.

We also had the issue of wider financial viability of the system. St Mary's is conscious of that; it may have a different view on how its financial sustainability may well be achieved, but, as things stand, it is conscious that the status quo for it will not be sustainable in the future. So, something will have to change in one direction or another.

Thirdly, there is a need to move ahead in sharing. I have my own view, but everyone is talking about sharing in education being something that we have to address. That applies to teacher training as much as anything else. We can have a very loose model in what we do with sharing or we can have a much deeper model. Those are all issues that we will discuss in due course, hopefully.

Ms Gildernew:

Would you say that St Mary's feels that there seems to be a downward trajectory in numbers, etc from the Department? How is the relationship between the management at St Mary's and the Department?

Dr Farry:

We have had a number of frank and robust exchanges, but relations are constructive. We are its sponsoring Department —

The Chairperson:

Will you just clarify that it is the Department of Education and the Minister of Education that set the number of teacher training places and that that is the basis of the financial projections for both colleges?

Dr Farry:

Yes, but we also have the bizarre situation where the Department for Employment and Learning (DEL) entirely funds the outcome of a decision that is taken by a different Department.

The Chairperson:

I do not want to stop Michelle in her tracks, but it is important that people understand that the financial projections, whatever view of the truth they hold, are based on the fact that the status quo will not last because 95% of the teachers we produce do not get jobs in teaching. They may get jobs elsewhere, which is an argument that has been put forward, but as a teacher training issue, you are going to have to do something different. The question is: what? That is where I think that there is a viability issue for Stranmillis and St Mary's as things stand. You need to make it clear, Minister, that the numbers for the teacher training element come from the Minister of Education.

Dr Farry:

They do indeed.

Ms Gildernew:

We also need to recognise and understand that, whatever amount of places there are here, there are additional opportunities for young people to study at teacher training colleges. Friends of mine who could not get into St Mary's went, for example, to Strawberry Hill in London. So, our teachers who have trained here are competing with teachers who have trained elsewhere as well. So, a glut of teachers is not necessarily the fault of any of us.

I know that the funding model that was agreed in 2008 included a recognition of the additional costs associated with smaller colleges, with a measure of support for the very valuable contribution that they make to higher education. That is only right. I do not believe, necessarily, that big is always best, and that ranges across the piece.

As to the needs of our economy, the Minister mentioned the STEM subjects. My nearest higher and further education college is at Dungannon, which has an excellent STEM resource

centre. However, our economy has other needs. I return to the likes of the liberal arts degree, and to the fact that young people from disadvantaged areas come out of that college with a degree that is recognised and has, I understand, a good employment rate. Maybe you could furnish me with details of that.

Dr Farry:

That probably jumps ahead to the economic strategy discussion that we will have later. It is important to draw a distinction between employment rates and the contribution that that employment is making to our wider economic objectives in closing the productivity gap. All the evidence suggests that we need to invest more in STEM subjects in order to grow our economy, create a more affluent society in Northern Ireland and address the productivity gap that it has with rest of the UK and the rest of the European Union. We have to ask ourselves that question. This is not just about whether people are getting employment; it is about how we change the profile of our economy and make it more sustainable and productive in the future.

Ms Gildernew:

The majority of people who are employed in the STEM industries are engaged in agrifood. That is one of the biggest employers.

Dr Farry:

We certainly recognise that.

Ms Gildernew:

Those people are not necessarily trained by those colleges. There are other educational institutions here that produce very good people to contribute to the economy.

Dr Farry:

Yes. I think that I made that comment in response to Sammy's question. We are talking about marginal change. We are not trying to ban any subjects that are not STEM subjects, but we need to make some corrections to encourage and incentivise people to go in a direction that we have identified as a priority investment area for the economy. However, that is not to say that anything else is of no use or relevance.

Ms Gildernew:

I appreciate your indulgence, Chair. I will finish. David made a good point about Stranmillis and the amount that is received in rent. I suggest, Minister, that you need to keep

an open mind on all this and ensure that all the information is on your desk. As Andrew said, there is that one view of the truth, and we could all write the book on that.

Dr Farry:

That is fine.

Mr A Hamilton:

On a point of detail: the figures that St Mary's produced on its position include a significant increase in non-training income through the diversification of its activities to generate additional income. That has been given considerable strategic consideration by St Mary's.

Mrs Overend:

I trust you all had a restful Christmas. We are certainly starting 2012 by getting into the work.

I want to pick up on something you said in your statement. You said that you believed the merger should proceed, and that:

“It will be a significant first step towards a more rational, shared and integrated system”.

Now that that has been put on hold, I think we should take the opportunity to look at equality of opportunity. What are your plans to do that, with regard to entry to teacher training, the Universities and Colleges Admissions Service (UCAS) system and the whole religious education certificate issue? Will you raise that when you meet St Mary's within the next fortnight? What are your plans to address that issue?

Dr Farry:

I would not say that the merger is on hold. I am happy to proceed with legislation as and when I believe that there is sufficient political support to carry it through. Obviously, the views of the Committee —

The Chairperson:

You do not think that there is sufficient political support. So it is effectively put —

Dr Farry:

Unless members want to put their hands up now to disabuse me of that opinion, that remains my conclusion. If that were to change, there would be no reason why we could not proceed

with that merger. I do not believe that it would prejudice much wider discussion on issues that we need to talk about, such as sharing and the equality of opportunity issues.

Mrs Overend:

Do you not think that we should have looked at those issues first?

Dr Farry:

With all due respect, those issues were not part of the consultation document that went out from the Department in March. I was not the Minister in March; a different party held the post back then, and that party did not raise those issues at that stage as part of the process. However, Sandra, you have expressed them today, as has Basil in his party capacity, and your party leader has also expressed them. Obviously, they are things that we are all conscious of at the moment. I raised those issues with St Mary's and will continue to do so. I also set them out in detail in my statement.

I believe that there are two fundamental issues that we have to address. One is about access. There is a danger of inequality if one institution is using UCAS and another is not. The second issue is the differential in employment prospects depending on the ease of access people have to the certificate of religious education. If they have that certificate, they can apply to all schools, if they do not, the range of opportunities is much narrower. Those are fundamental issues that will have to be addressed in the second stage of the process that we outlined as regards the future model of sharing. For me, that includes addressing and reaching a conclusion on those two aspects and any other aspects of equality that people want to raise as part of that process. Those issues will have to be addressed as we move forward with a new model.

Mr Buchanan:

Thank you, Minister, and your team, for coming to discuss this issue today. I wish you a happy new year.

As I have listened to the debate, there is no doubt, Minister, that it is your objective, if at all possible, to press forward with the merger of Stranmillis and Queen's. That is clear from what we have heard discussed around the table today. Indeed, in your statement to the Assembly, you said:

“it has long been my view that there should be a single integrated teacher training system in Northern Ireland. There is no reason that our teachers should be trained in separate institutions.”

In order to gain equality, do you not agree that the only way to move forward on an equality basis if there were to be a merger would be for Stranmillis, St Mary's and Queen's to all merge together, rather than seek to press forward with one and then hope that maybe the other would come into that merger some time down the line — four or five years, or maybe much longer, or maybe never at all? Do you not feel that, in order to gain and move forward with equality — let us remember that equality is a big issue today and that other parties like to use equality as a stick — the only way to do it is for the two colleges to merge with Queen's if we are going to go down the road of merging?

Dr Farry:

I certainly think that we have to address the issue of equality. However, that can still be addressed as part of phase 2 of the process that we have set out as to how to reach a model of shared education that we can all agree to. I do not think that moving ahead with a merger prejudices that. If we moved ahead with a merger of Queen's and Stranmillis, it would not be my intention to simply say, "Thank you very much", and bank it and forget about everything else. I very deliberately titled the statement the future of teacher training, not the future of the Queen's and Stranmillis merger, because I see that as being one aspect of a much wider process that we have to address. However, it is a step that we can proceed with without prejudice to the wider discussions.

That process where we talk about sharing is the area where we are going to address the issue of equality. At present, I do not see that being addressed in any other format. Even if we were to go down the line that David was potentially suggesting and find some means by which Stranmillis would become more sustainable on an independent basis through other sources of revenue and by our querying of exactly what is happening, that would be, in essence, the status quo rolling forward. With that approach, we would not be addressing wider sharing opportunities in the system, and we would not be addressing the wider equality issues in the system. What we have set out has the potential to address all the needs in the system, including the system's financial sustainability; addressing equality and promoting sharing; and preserving and, indeed, enhancing the quality of the system.

Mr Buchanan:

On a few occasions during the discussions today, you were at pains to make it clear that all the members of the board of governors of Stranmillis were in favour of the merger. How many of the members of the board of governors at Stranmillis are not in favour of the merger?

Dr Farry:

The entire board is in favour of the merger.

Mr Buchanan:

The entire board is in favour of it. Have you then spoken to the vast number of teachers and others at Stranmillis who have told us that they are forbidden, if you like, from making their representations clear? Have you got their views, concerns and take on the merger? Let us remember that the members of board of governors are a handful of the people in Stranmillis. There is a vast amount of people who are not in favour of the merger at all, but it appears that, maybe, you have not spoken to them, taken their concerns on board and sought to address their concerns and the other options. There are other options that could be looked at in moving forward outside of a merger. Have you met them, listened to them, taken on board their concerns and sought to address those?

Dr Farry:

I met delegations of staff, both in favour of the merger and against it. My door remains open to receiving delegations of staff who want to meet me. I have also had indications that people have been listening to the debate and that opinions are changing as the issues are being more closely publicly analysed.

Going back to what David said, it is also fair to say that there is a degree of confusion about the situation. As things become clearer over time, people become more confident on the way forward. It is my intention to go back to Stranmillis in the next couple of weeks to meet staff again. We are working on the format of that meeting, which will be open to all staff. We can have further discussions. The process of meeting staff has been happening and remains ongoing.

Mr Buchanan:

When you are meeting the people who are opposed to the merger, are you doing so with an open mind? Do you have a pathway set out irrespective of the concerns that people have and are you facilitating meetings and listening to the folk who are against it simply because the board of governors at Stranmillis is fully in favour of a merger?

Dr Farry:

Every meeting that we have is with an open mind, and we always respect everyone's opinion.

Ms Gildernew:

Can I get clarification on something that Thomas said? I think I heard him say that, if a merger were to go ahead, it should be with the two colleges. St Mary's values its autonomy very strongly, and we did not hear any mention of a view to St Mary's merging with Queen's. I want it put on record that, as far as I understand it, St Mary's has no view —

The Chairperson:

That point is noted.

Dr Farry:

I clearly understand St Mary's position. Its autonomy is important to it, but I stress again that there is no preordained outcome to the process and that all options should be on the table.

The Chairperson:

That point is noted.

Mr Allister:

The view of the staff is much debated. Some of us have had all sorts of reports about the bullying of staff. It is not within your gift, but, as Minister, would you support a secret ballot of staff so we can definitively find out their views?

Dr Farry:

Ultimately, the views of staff are relevant to this, but the decision-making body in Stranmillis is the board of governors.

Mr Allister:

Yes, but we know what they think. I am interested in knowing what the staff think.

Dr Farry:

I am not sure what it adds to the process.

Mr Allister:

Do they not matter?

Dr Farry:

Of course they matter. I just said that they matter and that we are going back to listen to their views. It is not for me to organise a ballot of the staff, in any event.

Mr Allister:

I acknowledged that in my question. However, as a Minister giving leadership to try to defuse the controversy that attaches to what the staff think, would you recommend to the board of governors, to the principal or whoever makes that definitive decision that there should be a secret ballot of staff?

Dr Farry:

What I have done is meet any delegation of staff who sought to meet me, and I am going back to Stranmillis to meet the staff within the next few weeks. That is the process that I have undertaken.

Mr Buchanan:

That issue gives me concern, Minister, because you have said that you are listening to the staff, but that irrespective — more or less — of what the staff say, the board of governors will make the decision. Therefore, you may listen to staff concerns with an open mind, but you are certainly not acting on what they are saying. At the end of the day, you are saying that, irrespective of what the staff say, it is the board of governors who will decide.

Dr Farry:

Obviously we pay close respect to the views of staff. They are an important stakeholder in this. However, ultimately, the board of governors is the decision-making body. That applies in any organisation, and, with all due respect, Tom, if you are suggesting that an approach of “let’s have a ballot of staff” is followed by government across the piece as the means by which we determine future organisational change in this society, I think that you would open a Pandora’s box.

Mr Allister:

Yes, but, Minister, you told the House that the merger had the overwhelming support of the staff. That is what you said.

Dr Farry:

Yes. That was my opinion.

Mr Allister:

On what basis?

Dr Farry:

When I made the statement, that was the view that I had, which was based on conversations.

The Chairperson:

We addressed that point. In fairness, a range of views is coming from people. I have had representations from people on both sides of the argument. The point has been discussed. If there any issues on that, take them up in another place.

Mr D McIlveen:

Minister, you mentioned respecting the autonomy of the people who manage St Mary's. What about the staff at Stranmillis who wish to keep their autonomy? Would you have equal respect for their view?

Dr Farry:

We certainly respect their opinions, but ultimately the board of governors has to decide the way forward. I am not quite sure how you can have a situation where people break away from a decision that is made about the future of the institutions.

Mr Douglas:

I have one quick but important question. Excuse my ignorance, but from a legal point of view, if, at the end of this process, it is clear to you that you still want to go ahead with this merger, for which you do not have support around this table or in the Assembly, can you, effectively, go ahead and make the decision without cross-party support?

Dr Farry:

The formal process would be that an Order would need to be introduced that requires affirmative resolution. Keep me right, Andrew. That Order would need to go through the Committee and the Assembly. So the merger cannot proceed without a vote in Committee and the Assembly.

The Chairperson:

The problem, of course, is that cash may become short. Anybody else want to speak before I say a few words? I am checking because I am in benign mood until we get to the next topic, which I will rattle through.

Dr Farry:

We have 35 minutes for two topics.

The Chairperson:

Actually, I let this discussion run because it is an emotive issue. I will share a few points. Just for Mr McElduff: I try to Chair this impartially on the issues, but I will express an opinion now, not as Chair but to make sure that there is no abrogation of my responsibilities. That should be reflected in the Hansard report, or whatever.

First, Minister, I think that it would have been useful for you to take advantage of the opportunity to make opening statement. I know that things have been rehearsed. However, it seems to me that the argument that needs to be made is that neither college's financial sustainability can be proven if we go along with the current set of numbers and what is likely to happen. That point has to be stated. The answer is not to do nothing. The answer is that we must do something. The question is: what? Whether it is liberal arts, STEM subjects, a merger or whatever, that is a debate that we have to have.

Secondly, we tend not to talk about the elephant in the room, though you touched on it and put it forward as Alliance Party policy. However, it would not just be an Alliance Party policy. There might be support from other areas. In our society, we talk about integrated education, which there is movement on, and yet, at the same time, we talk about defending the ethos of Stranmillis or the ethos of St Mary's. It is quite difficult to see how you can reconcile those two political statements. I think that that is an argument that needs to borne out, front and central, to determine where we want to go.

There is an issue about equality. The fact that one college is in the UCAS system and one is not is having a disproportionate and unfortunate effect, and I think that we need to address that. I also think that, if we are genuinely going to move forward, we have to find some way of dealing with the issue of a certificate that provides employment opportunities for some people but not for others. Those issues need to be addressed, and it is a debate that you have to have.

Finally, people have talked, in some ways, about there being consensus. There is no consensus among the Committee. You have support from certain elements for the points that you talked about. On behalf of my party, I will say that we have been convinced by your arguments on certain issues. However, you have to make the argument, and we have to come forward and do this.

My final question is about the suggestion — if you read Hansard, you will see that this

point was raised by, I think, the Deputy Chair — that additional funding might be found for Stranmillis or St Mary's if you approached the Minister of Finance and Personnel about it. So, I was just wondering whether you have done so.

Dr Farry:

First, I chose not to make an opening statement because I would have been reiterating what I said in the Assembly. Chair, the points that you made at the start were things that have, effectively, been said. We have spent an hour and a half on this, and me making a statement would probably have added another 10 minutes or 20 minutes to the length of the session. I, therefore, thought that it would be more productive to go straight to questions.

The Chairperson:

I understand why you did it.

Dr Farry:

That is fine.

The Chairperson:

I am just saying that as the thing has evolved —

Dr Farry:

Fair enough. OK. First, I just want to address some of your other points. I have my political and party perspective on the issue, and I am qualified to comment on that. I can comment on the views of my Department in that respect as well. Obviously, it is for other parties to come out with their comments, and when they do so, we will see where the common ground lies.

I have not gone to the Finance Minister to seek additional resources and have no intention of doing so for this reason: we need to know what the facts are, and until we conclude the financial viability study, we will not know what they are.

Secondly, I have major difficulties with seeking additional resources for a system that seems to be already heavily subsidised. Pumping more resources into that system rather than facing up to the potential decisions regarding sharing, as difficult as those may be in respect of working out the practicalities, would make an already inefficient system more inefficient. We would not be addressing the fundamental problem.

The Chairperson:

I understand that you are charged with looking after teacher training, and I respect that, but —

Dr Farry:

I am also —

The Chairperson:

Let me just make my point, because we are dealing with the same issue.

Your Executive colleagues, however, may decide for wider holistic issues that there is more to Stranmillis and St Mary's than just teacher training. They may decide that the colleges are outposts to reach hard-to-reach people. In that case, they may decide to provide additional funding for those colleges for reasons other than the specific issues that you are charged with looking at.

Dr Farry:

You have to take any decisions about how you use resources in the round. What you are advancing would not stack up as a rational policy analysis of the way forward. Why would I advocate additional resources for teacher training, as important as it is, when we have other pressures in the system?

In a moment, we are going to have a discussion about MaSN. I have no doubt that people will say that they would like some more MaSN places. That requires money that we do not currently have. We will have a discussion next week about the future and the work of the employment service, which, as we stand, moving towards the end of this financial year, is running with a deficit of several million pounds due to rising numbers of unemployed people in this society. We have a growing problem with youth unemployment; we have to invest in that. The UK Government are investing very heavily in that on the back of the Chancellor's statement at the end of November. The Committee has done a lot of work on NEETs. We are working towards a NEETs strategy; we hope to have that agreed by the Executive and published by the middle of the spring. At present, there is no budget for any investment in additional programmes for NEETs.

Whenever we are talking about addressing disadvantage in this society, we have to do it across a very broad front. There are clear areas in my Department in which I do not currently have the resources to do things that are critical to the future of this society. People are asking me to invest further in a very heavily subsidised system, rather than being prepared to take difficult decisions about sharing.

The Chairperson:

I do not disagree about the challenges that face you. I am sympathetic. However, you said:

“I have secured the extra funds from the Executive for tuition fees”. — *[Official Report, Vol 69, No 3, p113, col 1]*.

If you can ask for additional funds for tuition fees, can you not ask for additional support for Stranmillis and St Mary’s? If there is a political issue coming around here where different parties say that they would like to keep St Mary’s or Stranmillis, why not make the case?

Dr Farry:

Because there was a very solid policy rationale for the decision to freeze tuition fees in Northern Ireland. It was about maximising the number of people who go in to higher education. The Executive also have a very clear agenda of encouraging more of the people going in to higher education to go in to STEM. We have a skills strategy that says that we will need more people qualified at level 4 and above in the future. Our skills profile is going to change very rapidly over the coming decade as our economy evolves, particularly if we have a lower rate of corporation tax. There is an imperative to ensure that our young people can go to university in Northern Ireland, stay here and invest in the future of our economy.

That Executive decision, as difficult as it may have been financially, was backed up by an extremely solid policy rationale that justified what we did. What you are suggesting, Chair, as a way forward is not backed up —

The Chairperson:

Actually, all that I did was ask a question.

Dr Farry:

You may have wanted to play devil’s advocate. There is no policy rationale for what you have suggested as a way forward.

The Chairperson:

The various comments indicate that there is a feeling that, effectively, we have hit a logjam. The Stranmillis merger cannot proceed because of what you said to Mr Douglas about the need for support from the Committee or the Assembly, both or either of which, as you say, appear to be unlikely at this stage. It is not going to move, but the financial situation in Stranmillis, for definite, from what I understand, and St Mary’s, potentially, is likely to deteriorate. That is going to have a really unfortunate impact on morale, teacher training and various other issues. What steps are you taking to deal with that particular set of

circumstances?

Dr Farry:

We may have a logjam, as you say, on the specific issue of the Queen's/Stranmillis merger, but I have set out a clear policy on the way forward, which is a two-stage process. We are having a financial sustainability study, and then we are going to move, on the back of that, to a wider process looking at whether we can find agreement on a shared way forward. I am happy to move ahead with the merger if the political parties are prepared to give their consent to that happening at this stage. If not, I believe that, in trying to find agreement on a shared model, we will hopefully find a consensus on which to move ahead and address, not just the financial sustainability arguments, but also the equality issues, as well as the future of sharing and the quality of the system.

The Chairperson:

In her contribution to the debate in the House, Mrs Overend brought up the continued funding — the £1.1 million that was going to each college for either early years or liberal arts. Those were temporary measures. What are the funding pressures in your Department for the following years? Will that money continue to be made available to the institutions for the life of the comprehensive spending review?

Dr Farry:

No decisions can be taken on the future financial model until we conclude the study and move into the second phase.

The Chairperson:

You can still identify what the financial shortfall is, because that is an absolutely appropriate exercise. However, you could have a policy statement on whether you are going to carry on funding liberal arts at St Mary's and early years at Stranmillis.

Dr Farry:

There are no immediate plans to change what we do with the financial profile of the money that is given to the colleges, but there are issues that we will have to examine to identify the best use of the scarce resources available both to the Department and the wider system.

The Chairperson:

If I were at either St Mary's or Stranmillis, such a statement would fill me with horror; it threatens the entire viability of the institutions. I cannot understand how we can let

Stranmillis, in particular, struggle on looking at a financial black hole without supporting it in any way. This seems to me to be a Mexican standoff in that we are not tackling the issues. I understand that you will be going through a process that has been put in place, but while we are looking at that process, people are still trying to do a job.

Dr Farry:

If I was in Stranmillis specifically, I would be keen for the Assembly to proceed with the merger to give certainty as to what the future will be. In a more general sense, if I was in Stranmillis or St Mary's, I would not be fearful of the future; I would be looking forward with great interest and enthusiasm to the potential to have a world-class system of teacher training in Northern Ireland, where we can build on existing strengths and develop new linkages and synergies through a shared system. I think that the future can be very encouraging for teacher training. What we currently have is not sustainable, and it will only become a problem if we do not find agreement on the way forward. However, if we do agree, the future for the system is a very positive one.

The Chairperson:

OK. On that note, we can move on to student numbers and MaSN.

Dr Farry:

Grand.

The Chairperson:

Sorry, I did not see you, Pat.

Mr P Ramsey:

No, no.

The Chairperson:

You are first in for this one.

Dr Farry:

I was planning to make an opening statement on this one, because we have not had the opportunity to fully set out the situation. Members will appreciate the wider context, and it was part of the agreement that the Executive had over higher education funding and tuition fees back in September. I was always clear that any decision to freeze fees in Northern Ireland while we had a different system of fees in Great Britain was going to create additional

pressure on places in Northern Ireland as local students more naturally gravitated towards local places because they were going to be less expensive. That was recognised in the proposals that we made to the Executive. Initially, I wanted to use the potential savings from the national loan subsidy, which we were going to create by having a lower level of fees, to have a much greater expansion of MaSN. The Executive view at that time was that it was better to wait and see the reality of student flows before making an investment. Nevertheless, we did secure an initial funding package of £1 million, £2 million and £3 million over the next three financial years to allow for an initial expansion of university places in Northern Ireland.

I think it is fair to say that, in the context of a fixed budget for Northern Ireland and, indeed, the pressures that we have had right across the board, being able to freeze tuition fees and also to sustain the funding of the universities, which is critical, are both major wins. To have a large expansion of university places was probably a very tall order at that stage. Nevertheless, we did achieve some initial resources, which allows us to make a start. All of those places are going to be based in STEM subjects, which ties into discussions that we had earlier. The Executive were keen to ensure that we were focusing on areas that were economically relevant, which indicates the cross-party consensus of the Executive.

We also have the option of going back to secure additional resources for a further expansion of MaSN based on the evidence of what transpires. I am willing to go back to the Executive to seek additional funding in that regard based on solid policy and statistical evidence. In relation to decisions about how we are to distribute things, and what people's expectations were of how much this was actually going to produce, it is important to be clear that £3 million only creates 401 places across the board. That is all that the £3 million obtains. That was distributed across the higher education institutions based on the current profile —

The Chairperson:

Can I just check, for accuracy, that you said 401?

Dr Farry:

Yes.

The Chairperson:

But you have got —

Dr Farry:

I am coming to 700, yes.

The Chairperson:

“I am confident that at least 700 additional places” —

Dr Farry:

Yes, I am coming to that. You jumped the gun there.

The Chairperson:

Sorry. It is just that even I can see that there is a difference in those two numbers.

Dr Farry:

I am trying to explain for members that there are two different strands to the 700, so that people can understand the rationale as to how those places were distributed across the higher education institutions. The £3 million in additional resources that we secured from the Executive only produces an additional 401 places. Those places were distributed based on the existing profile of MaSN. In that context, 70 places are going to higher education in the context of further education, because that is a pro rata distribution. I wanted the allocation to be fair across the system and to recognise and respect the fact that the money was given by the Executive to address what has been a pressure across the board, rather than as an investment in a particular institution or a campus of any particular institution, as some people wanted us to do, as much as I buy in to and respect those wider objectives and the implications that they would have for the economy of the city in question.

The additional 300 places, which gives you 700, come from a reallocation of places that are currently taken up within MaSN by GB students, in the context of freezing fees for local students but allowing universities to charge different fees for students coming in from Great Britain. That allows us to remove the GB students from the MaSN. On the basis of that, we are confident that we can allocate an additional 300 places.

The Chairperson:

Run that by me again.

Dr Farry:

Basically, at present, GB students are part of MaSN. We are freezing fees for Northern Ireland-domiciled students but allowing the universities to charge higher fees for students

from Great Britain. That allows us to remove the GB students that are currently counted within MaSN from the MaSN headcount. That allows us to free up an additional 300 places, which we have added to the 401 places to give us the 700 figure.

The Chairperson:

Can I put that in layman's terms to see if I have got it right? Will those students who currently come from Great Britain to study in Northern Ireland — who now pay full fees — not attract a charge from us?

Dr Farry:

We will go into the specifics of the finance behind that in a moment. They are not entirely self-financing.

The Chairperson:

Is that the group of people that we are talking about?

Dr Farry:

Yes. We will finish the opening statement first and then go straight to that point to explain the precise financing behind that. However, because those additional 300 places are coming off the existing universities, they are redistributed to the two universities, and that is why the higher education figure is 70. That is 18% of the 401 places, but, of the overall 700, it is only 10%. That is why there is a slight misunderstanding about why higher education is getting 70 places; it is actually a disproportionate allocation in favour of FE in terms of what it was eligible to receive.

You will see that the Programme for Government target was originally 540 for additional MaSN places, so we are now in a position where we can exceed that because of the additional work that we have done, and, no doubt, that figure will be updated in the final Programme for Government. That is clearly a good news story for Northern Ireland. Obviously, we would have wished to do more for university places, but this is a very good start and is more than the additional £3 million would have produced in its own right. So, we have managed to stretch the situation as far as we possibly can to produce the 700. That is the largest single increase in university places in Northern Ireland in over a decade.

I will pass over to Andrew, Chair, to answer your question about the finances and explain the 300.

Mr A Hamilton:

Simply, when we take the GB students who would have previously counted against MaSN out of MaSN, it leaves vacant MaSN posts, which we are telling the universities they can fill with Northern Ireland students.

The Chairperson:

Where is the financing coming from? If they were GB students who, in the old regime, were paying £3,000-odd and their local education authority had to pay a £1,000 charge, it was their charge. It was not a charge for us; it was nothing to do with us. You now have those extra 300 students coming in — not the GB ones, but the ones we are backfilling with Northern Ireland people — and we will have to take a charge over budget of the £1,000-odd. So, the Department will be taking an additional charge for those people.

Mr A Hamilton:

In total, 300 new students are coming into the system —

The Chairperson:

Your Department has to fund them.

Mr A Hamilton:

We do have to fund them, and we will have to finance additional student support costs. However, the infrastructure for teaching those 300 students is there. That is where we are. The funding is coming from the GB students, who are paying fees between £6,000 and £9,000.

Mr P Ramsey:

I am under pressure due to another meeting.

The Chairperson:

Thank goodness for that.

Mr P Ramsey:

Jim Allister made the point that the economic strategy is coming. We may have less than five minutes. I am not sure, Chair —

Dr Farry:

I will stay longer. If we are constructive, we will try to get through both items.

The Chairperson:

I am going to try to rattle through this bit. Fire ahead, Pat.

Mr P Ramsey:

I am not saying that I am going to rattle through it.

The Chairperson:

I will try to encourage you.

Mr P Ramsey:

There is no doubt that the relaxation of the MaSN cap was well welcomed. However, in my constituency over the past number of years, through the Ilex regeneration plan, the Office of the First Minister and deputy First Minister and the Department for Social Development empowered a local group to bring forward regeneration plans for the city. As you mentioned, those plans, which are now the One plan, are now incorporated in the Programme for Government. The economic driver of the One plan is clearly the extension of the Magee campus of the University of Ulster, and there has been huge disappointment in the city among stakeholders about that. You have heard about that disappointment from businesses, the voluntary sector and political leaders.

Under the two previous Ministers, Sir Reg and Danny Kennedy, it was absolutely insisted that Magee and the University of Ulster produced a business case for the numbers on the campus. That went through a number of years and went through the Department and was approved, et cetera. I find it disturbing that, when the announcement was made — and I am not saying for one minute that any other campus should not get increased numbers, but at no stage over the past number of years did Queen's University ask for increased numbers of students, either in writing or as part of a business case. In fact, my understanding is that over the summer period departmental officials approached Queen's directly to ask whether it would consider taking an increase in numbers.

So, you can understand the frustration and anger when there are less than 1,000 students and the campus at Magee gets 300. Worse again — and this is an issue that will come up further, but maybe not today — while the University of Ulster has announced over 300 new students for the Magee campus, it announced at the same time that a centre of excellence in the study of Irish history at Magee, which offers over 40 courses, was being relocated to another campus. That flies in the face of trying to make an economic difference to the Foyle

constituency.

I am saying to the Minister, although he may say that other Executive Ministers decided to await the outcome of the evidence base in terms of student pressures in Northern Ireland, we had evidence of increased pressures in Northern Ireland for the past number of years. I will ask you one simple question: how many young people in Northern Ireland fail to secure a place at university? That information should be widely available. I have submitted a number of questions about that. If you look at that figure over the past number of years, it has been consistently increasing.

The Chairperson:

I am happy for you to ask more, but the Minister has got the gist.

Dr Farry:

The first thing to say, Pat, is that I secured the additional resources from the Executive based solely on the premise of addressing additional demand pressures across the board due to a decision to have lower fees in Northern Ireland than in the rest of the UK. I am honour bound, first of all, to reflect that and, secondly, to be fair to the system overall. That is not to do down the Magee campus or the wider plan for the redevelopment of the north-west. I certainly support that plan, and I want to see the expansion of Magee in the future.

Equally, I was very clear that the £3 million that we secured from the Executive was not going to achieve the objectives that people were setting out. To be fair, I went up and spoke to representatives of Magee directly and told them that. I have spoken to representatives of Ilex and told them that directly as well. I also did various interviews on Radio Foyle to explain the reality. I am not running away from that. I also want to be clear that, even if I put all the places created by the £3 million into Magee, it would only achieve 400 places; it would not come anywhere close to the overall figures for expansion in the plan. Through the additional 300 places that we have from the reallocation of the GB students, 322 places are going to Magee, which is not far off what the £3 million would have produced.

With all due respect to your party's position, Pat, going into the election your manifesto was based on freezing tuition fees and paying for it by taking money from the reserves of the universities. First of all, the money from the reserves could not have been used for that purpose, and secondly it is only there once and is not a way of funding an ongoing revenue pressure. If you were to follow through on that logic of taking money from the reserves of the universities to fund a freeze in tuition fees there would be fewer places available in Northern

Ireland across the board, not more places. So, Magee would have had places taken away from it instead of having an expansion if what your party had suggested as an approach to funding higher education in Northern Ireland had been followed through on.

Mr P Ramsey:

I have one final question. You indicated that the Executive would, at some stage, look again at the evidence that a number of students in Northern Ireland could not secure a place. You now have that evidence. When do you hope to make a further presentation to the Executive for increased numbers?

Dr Farry:

We will get the evidence shortly, in mid-January when the UCAS applications close, and we will then sit down and look at that evidence. We do not have a clear timetable at this stage. I have been clear all along that I am willing to go back to the Executive and to make the case for additional resources. However, to be clear, as much as I will make that case robustly, we are in difficult financial times and there is a whole host of pressures on the Executive. We will make the best case, but it will only be a successful case if others are prepared to weigh in behind it.

Mr P Ramsey:

Accepted.

Mr Buchanan:

Minister, 700 additional places — a tenth of those will go to further education providers. The further education colleges have lobbied us and have cried out for more places. How did you come to the decision that only 70 of the 700 will go to further education colleges? How will those 70 places be distributed throughout the colleges in Northern Ireland?

Dr Farry:

First, it is not 70 out of 700. I accept that people will automatically jump to that conclusion, but it is important that the 70 is counted as part of the 401 places that the £3 million will provide. The additional 300 places will come from the reallocation of existing places in the two universities, and those places must go to the universities to deal with.

When we talk about the 401 additional places, we must be fair across the board, and, if anything, it has been weighted in favour of further education. At present, further education gets 14% of the allocation, and 70 out of 401 is 18%. We are talking about a small number,

401, and, to be fair across the board, you are talking about 70. They will be distributed across the sector.

Ms C Bell:

Not on the higher education side. There is a formula for allocating the places in further education. That follows the Department's and the Government's priority that places should go into STEM-related areas rather than general higher education places.

Mr Buchanan:

How much will the other 300 places cost the Department?

Mr A Hamilton:

There is a potential cost for student support of £2,500 a year. However, we could save that if those 300 people would otherwise have gone to university in Britain and we would have been paying them anyway.

The Chairperson:

That is a brilliant answer, Andrew; it means that you do not know.

Dr Farry:

We are confident that the 300 places are affordable in the system. We are trying to make a judgement call and a move that we can stand over. We are confident that the 700 places are financially viable.

The Chairperson:

All right. Catherine mentioned formulas, but you could have decided to allocate the places to different universities and encouraged that to happen. You have taken the view to encourage STEM subjects within a policy framework. That is your decision, rather than something that is set in stone. You wanted to do it.

Dr Farry:

Yes. Sure, I could have decided to do something differently. However, I decided to be fair rather than unfair.

The Chairperson:

No, you decided to allocate it in the way that you thought was most appropriate, which is not necessarily fair. However, we will leave it at that.

Mr McElduff:

Thank you, Chair. Following on from Tom's question, I think that 18% of higher education is provided through regional colleges.

Dr Farry:

It is 14%.

Mr McElduff:

OK. The figure that I have heard is 18%.

Dr Farry:

That is what we are giving them.

Mr McElduff:

OK. Some of the regional colleges have more catch-up to do than others, and some are well below average. They also make the point about the economic contributor that MaSN places give to local communities.

There is a lot of talk about economic rebalancing. What ministerial and departmental thinking is there on how to increase the figure where colleges are below average?

Dr Farry:

First of all, Barry, we need to make a distinction between, on one hand, investment in respect of MaSN to address a particular distortion that will be created on the back of the decision to freeze fees and, on the other hand, the Department's wider policy objectives. That investment is banked; you have 18% on a 14% profile going into further education. Beyond that, we have an objective in the Department to increase significantly the uptake of foundation degrees, which are, essentially, higher education in the context of FE. When you talk about a much more flexible approach to higher education, we believe that employers may well want to buy into that. However, there is a major problem with regard to the profile of foundation degrees. People do not completely understand what they are or their utility. We believe that there is significant untapped potential to expand foundation degrees in Northern Ireland. That will, very much, be rolled out as part of the implementation of our skills strategy. I am sure that Catherine is hungry to make a further point on that.

Ms C Bell:

I understand the point that the question is coming from. Sorry. Excuse me.

The Chairperson:

That water seems to be off; it has made your coughing worse.

Ms C Bell:

When the colleges were merged, the policy for higher education in further education was based on the size of the colleges, the areas that they served, and vocational and occupational areas. In bringing colleges together to create the six area-based colleges, obviously, some benefited more than others because they already had existing full-time higher education places. The Department is currently trying to rebalance that so that every —

The Chairperson:

You agree that that is the analysis of the problem. We understand that. I suspect that Barry's position, from looking at the numbers, is that having 70 additional places in further education is not great for further education. I know why you have done that because you have explained it. However, it does not look as though it has actually increased. There will also be regional disparities with regard to certain colleges. You could have taken the opportunity to deal with those issues.

Ms C Bell:

I do not think that the 70 places have actually been allocated. We are trying to redress the balance over time. We could not do it all at once because we would be taking a lump of higher education places from one college and putting it into another. We are doing it over time. We are also doing it on evidence from colleges that are developing STEM subjects very successfully. For example, the South West College has done extremely well in STEM areas. We are trying to redress the balance because we know that the South West College is under-provided. However, it will take us time to get there.

Mr A Hamilton:

Perhaps, I could add to that. The 70 places very much represent a marginal increase over time. The scale is simply not there to adjust any regional imbalance. However, the bigger picture, as set out in the economic strategy, is a massive increase in foundation degrees. We hope to address regional imbalance through the implementation of that strategy.

The Chairperson:

If Barry does not mind my reiterating his point, I think that it is worth noting that that particular allocation — although I understand the formulaic way in which you have done it —

has not addressed the other policy issues that will be picked up.

Dr Farry:

Nor was there any expectation on our part that it would address those issues. I have set out the rationale for the additional places, which was simply to address demand across the board.

The Chairperson:

As we are dealing with that issue, will you tell me when the review will come forward on foundation degrees? What is that part of? When will you actually bring forward a strategy?

Ms C Bell:

It is foundation degrees as part of higher education.

Mr A Hamilton:

The higher education strategy should emerge over the next few months. It will reflect a changing role for further education.

The Chairperson:

We have had a presentation on that changing role. The Committee will be interested in that issue.

Dr Farry:

We are seeking to conclude that by March. I think that it is fair to say that, is it not, Andrew?

The Chairperson:

We will check that. Are you content, Barry?

Mr McElduff:

Yes, thank you.

Dr Farry:

Sammy has given us more food for thought, so it may be delayed now.

The Chairperson:

Sammy: no more food for thought.

Mr D McIlveen:

Foundation degrees must be affected by the change. Have we any idea of what the impact on foundation degrees will be?

Dr Farry:

At this stage, we do not have any real indications of the uptake. We will get that in due course, David. It is important that we disassemble that. We expect an uplift in foundation degrees over the coming years. Some of that may well be because of a degree of displacement of people. People who might originally have planned to go to university might decide to go to an FE college and do a foundation degree instead, which may be just as relevant or even more relevant to the career path that they want to go down. Equally, as we promote foundation degrees a lot more, that may produce a significant uplift in foundation degrees. Around 1,100 students are currently doing foundation degrees, and, over the next few years, we will be looking at 1,300 or 1,400 students doing them each year.

Ms C Bell:

The skills strategy looks at the apprenticeship programme so that a person doing an apprenticeship at level 3 has the opportunity to progress to a foundation degree, which is a natural follow-on. We hope that many more people, particularly young people, will come through that route.

Mr D McIlveen:

Is there a plan to re-establish the Foundation Degree Forward body, which, effectively, has been mothballed?

Ms C Bell:

At the time, Foundation Degree Forward was useful in promoting foundation degrees. As foundation degrees become more embedded and are offered through the two universities in Northern Ireland, the colleges and the two universities have the opportunity to promote them themselves.

Mr D McIlveen:

So you do not anticipate a replacement for that body?

Ms C Bell:

No, not at this stage.

Mr D McIlveen:

Catherine, you mentioned another issue that I was coming to — apprenticeships. You must have been looking at my notes. The Committee has debated a lot the important issue of STEM subjects. Apprenticeships hold close to equal weight. You mentioned going up to level 3 and progressing after that, which takes you into the territory of level 4 and level 5. How many places are there currently for level 4 and level 5 in Northern Ireland?

Ms C Bell:

At the moment, we do not have any under the apprenticeship scheme. As part of the skills strategy, we are just about to start — in fact, it may have already started — a pilot scheme at level 4 and level 5 with engineering and the ICT industry.

Mr D McIlveen:

Will that be done through HE as opposed to our further education colleges?

Ms C Bell:

No, it will be done through the further education colleges as foundation degrees are done there.

Mr D McIlveen:

So the target is to increase that at least by one.

Ms C Bell:

At least by one, yes.

Dr Farry:

That is the very clear direction of travel that we want to go in.

Mr A Hamilton:

The advice is pointing us to look at the skill requirements. That is where the demand is increasing.

Ms C Bell:

The difficulty with apprenticeships is that people have to be employed and, in the current economic climate, that is extremely difficult. It is an equally important route to a person going to university on a full-time basis.

Ms Gildernew:

We have heard that the University of Ulster is getting 322 places, and we know that further education is getting 70 places. That is 392 places, but, when you subtract that from 700, there are 308 additional places. Who got those places?

Dr Farry:

Queen's.

Ms Gildernew:

All of them went to Queen's? Even though, as Pat said, Magee has been doing business plans for years and has been trying to get its numbers up, Queen's just gets handed those places? I did not get up this morning thinking that I was going to have a go at Queen's today, but it is rapidly becoming like that.

The Chairperson:

It could be in your DNA.

Ms Gildernew:

Some 308 places automatically go to Queen's.

Mr Allister:

[Inaudible.]

Ms Gildernew:

No; not at all. That seems to be a disproportionate hike for Queen's. It has hoovered up all of the reallocation of MaSN places from students across the water.

Dr Farry:

It is proportionate. The University of Ulster (UU) is getting 322, and Queen's is getting 308.

Ms Gildernew:

UU has been tormenting you for years about getting additional places.

Dr Farry:

It has. First, UU is slightly bigger than Queen's in terms of current enrolments, so that is in line with the current pattern. This goes back to the point that I tried to stress at the start. Much as I respect and buy into the desire to expand Magee as part of the regeneration of

Derry — the Executive themselves recognise that desire — this particular investment, modest as it is, was secured purely on the basis of addressing additional pressures from a different fees regime in Northern Ireland as compared with the rest of the UK. We must meet anticipated pressures across the board. Not every student who would have gone to Great Britain but now decides to stay in Northern Ireland will want to go to Magee. Such students will want to consider options across the board. So, this was a very discrete amount of funding for a very particular purpose, rather than something devised to significantly socially re-engineer the provision of higher education in Northern Ireland. It is important that people understand the premise on which the money was secured.

Ms Gildernew:

Would it not have been more reasonable to take the 308 places and split them between Queen's and the University of Ulster? You would expect the University of Ulster to have a larger enrolment; it has three campuses.

Dr Farry:

You are taking me into the realms of speculating what students will want to do.

Ms Gildernew:

You are speculating that they will all want to go to Belfast.

Dr Farry:

No; I am not.

Ms Gildernew:

I am talking about the 308 places.

The Chairperson:

You are speculating that they will all want to go to Londonderry and do STEM subjects. That is what I read from it.

Dr Farry:

We are trying to encourage a wee bit of STEM.

This is done on a pro rata basis between the two universities. We are awaiting confirmation of the UCAS applications in the middle of January, and we will see what the flows will be. We have anticipated that there will be an increased demand for local places

from local students. We are not in a position to anticipate that that will be distorted in any way, such as by people disproportionately wanting to go to UU as opposed to Queen's. All we can do is to roll things forward based on the current distribution. I maintain that that is the only fair way to do it. People are trying to put a lot of pressure on a very small bit of money, which has secured a modest increase of MaSN, to right a whole host of wider issues, and it is not capable of achieving that.

Ms Gildernew:

I can understand the frustration in Derry around the need to increase the number of student places there. Look at the number of students who live in Belfast, or who are part of the Belfast economic structure, and travel out to Jordanstown to study there or study at York Street. There are a significant number of students in Belfast. I say that from the point of view of someone who has one niece at Magee and another at Queen's. The more places —

Dr Farry:

I pity the poor niece at Queen's, for she will have a hard time of it.

Ms Gildernew:

She will be grand. She is well able to stick up for herself.

The fact is that there are a disproportionate number of students and a better student product, if you like, in Belfast because of the critical mass of students in Belfast that is not in place in Derry. I can very much understand the frustration in Derry. It had to fight to get those places, and then Queen's swooped in and picked up 308 places without —

Dr Farry:

Queen's is not swooping in, Michelle. You cannot change the world based on 401 places in higher education in Northern Ireland.

The Chairperson:

Minister, Magee was looking for only 1,000 places. Giving it 700, which is what you had, would have been pretty close to meeting its aspirations.

Dr Farry:

It depends who you talk to in Magee as to whether it wants 1,000, 2,000 or 10,000 places.

Ms Gildernew:

It got nowhere near any of those figures.

The Chairperson:

The point is made, and Michelle is going back on it. For reasons that are defensible, you have made a particular decision. You have explained the formulaic way in which you have done it, and I understand that. The real issue is that you did not have to do it that way. You could have just said, as Minister, that, having got those places, you would allocate them in a particular way, and you did not. We are trying to find out why you made that decision.

Dr Farry:

This may be useful in relation to the wider context, and Michelle will be able to verify it given that she is a former Minister: under the previous regime, as part of the comprehensive spending review (CSR) process, Danny Kennedy made a bid to the Executive for resources for the expansion of Magee. The Executive, at that stage, in their wisdom, declined to accept that. There were other competing priorities. That question was asked of the Executive, and, back in March, they said no.

The Chairperson:

But you are not bound. Mandates do not transfer.

Dr Farry:

Certainly not. I am sympathetic to the expansion of Magee happening, but I secured that money for a very particular purpose. Equally, however, my lobbying secured those additional resources from the Executive; not many other voices from other political parties, on the back of the whole issue around tuition fees, said that we should also invest further and get more money to have an expansion of student places. If anything, the whole tenor of debate at that stage was that we all agreed on the need to freeze fees but how on earth were we going to pay for it and where would we find the money from the universities at present. If we had followed the advice of others and taken that money from the universities as things stood, there would have been fewer places in Northern Ireland for students rather than the additional 400 and 700 that we have now secured.

Ms Gildernew:

When money was secured, it is very unfair that 322 places went to the university that was looking for 1,000 places and 308 went to a university that was looking for none. That does not seem fair, but —

Dr Farry:

How is that unfair?

Ms Gildernew:

It is clearly unfair that Queen's got what Magee was looking for. There is still a shortfall — I accept that — and you got money —

Dr Farry:

It reflects the choices that Northern Ireland-based students will want to make.

Ms Gildernew:

No; you go where the courses are. You do not necessarily say that you want to study in Belfast or Derry; you study where the course is. If the course is not in Derry, you will not go there.

Dr Farry:

People make decisions about where to study for a range of factors, Michelle. The course may well be important, but it is not the only factor.

Ms Gildernew:

The course is —

The Chairperson:

Hold on a wee tick. I want to move the discussion on. There is a question about why the system chose to allocate the places in such a way, which the Minister has explained. You can quite rightly make a counterargument and say that you would not have done it that way. That is where we are with the argument. The answer has come forward, and you have made your point that you would not have done it that way.

Ms Gildernew:

I also concur with Tom, Barry and others about the 70 further education places. I know that you say that it is not 10% of 700; it is whatever percentage of 401. The further education sector does very important work in constituencies such as mine. I was very pleased to be at the South West College graduation before Christmas. We have heard in the Committee before that something like 90% of the world's quarry plant is manufactured in Tyrone. Part of that is around the relationship that Powerscreen and other big firms have had with the

college in Dungannon, which has provided the education for those students to excel in their field. The 'E' part of STEM — engineering — has been very beneficial to the economy in Tyrone.

Dr Farry:

Michelle, two minutes ago, you were arguing for Magee, and now you are arguing for more for FE.

Ms Gildernew:

As I said, I did not get up today to Queen's-bash, but a better geographical spread of 700 places would have been much better for the wider economy, Magee and the colleges.

Dr Farry:

All we have done is simply to reflect the existing distribution. That is the only fair way in which we can do it. When we see evidence of people wanting to go to Magee exclusively, we can make an argument for that differently.

Ms Gildernew:

There are inequalities west of the Bann. Do you want to change that or to continue the status quo?

Dr Farry:

That is a much wider debate.

Ms Gildernew:

Well, that is the one that you are involved in.

The Chairperson:

I want to move on to the bit on the economic strategy. Although we have had a bit of levity, it is a serious point. What I draw together is that you are going to address those issues in the higher and further education review that will come forward in March and that you did not feel that there was sufficient scope, for whatever reason, to do it in the current allocation, even though you accept that people will have been disappointed about the way that it has worked out.

Dr Farry:

We are arguing over the fine details of exactly how 700 places are to be allocated. It is

important that we do not lose sight of the fact that 700 places is a very significant increase in our higher education provision in Northern Ireland. It is certainly the biggest jump that we have had in well over a decade. That means that we have students from Northern Ireland who would have been pushed to go to Great Britain if they could afford it, or who would have otherwise dropped out of the system, who can now go to higher education in Northern Ireland. That is the big win; let us not forget that.

The Chairperson:

By the way, it was not the case that everybody was not saying that we need more places for students. I still think that we need more.

Dr Farry:

I concur with you, Chair.

The Chairperson:

I am just saying that there were arguments made at the time, and I am sure that they will come out in January. Are people content to move on from that point? Jim, do you want to say anything else on it?

Mr Allister:

No; I am fine.

The Chairperson:

Thank you, Minister, for that. We will move on now to the economic —

Dr Farry:

Strategy.

The Chairperson:

Strategy — that is the word. Thank you. That is the benefit of having a PhD.

Dr Farry:

I will assume that you have all read it from cover to cover.

The Chairperson:

I have just looked to see whether there are any action points for us.

Dr Farry:

Obviously, the economic strategy was agreed by the Executive back in November, and it needs to be viewed as part of a series of documents, including the draft Programme for Government (PFG) and the draft investment strategy for Northern Ireland (ISNI). I understand that officials will be back next week to talk about the PFG and ISNI, but the economic strategy is the much more detailed strategy as it pertains to the work of Departments, so we are happy to have a detailed discussion today.

The strategy is the product of a subcommittee of the Executive, which is chaired by the Minister of Enterprise, Trade and Investment, but on which my officials and I have played a very active part. There are two strands to the strategy that people will have picked up. That reflects the ongoing split in priorities that we have in Northern Ireland in relation to the way forward. One is to rebalance the economy, which is to increase the overall productivity levels, to increase the wealth, to close the various gaps, to have a much more productive knowledge-based private sector economy and to increase levels of exports, etc. Those are all very clear objectives that we have to work towards over the coming years. The second strand relates to rebuilding, which is a much more immediate pressure that reflects the current context of the economic downturn and the stalled recovery and, particularly, the need to address the high levels of unemployment, including youth unemployment, and levels of economic inactivity. That is a very immediate pressure. There can be synergies between both strands, but, at times, there may well be a certain cut-across between the two, and it is important that members are conscious of that.

As things relate specifically to the Department, I am certainly happy that skills, innovation and employment issues are central to the economic strategy and, indeed, to the economic vision and future economic success. The various stakeholders in the process to date have reinforced the point about skills being central to everything that we do. The strategy recognises the importance of a trained, skilled workforce and the need for upskilling right across the board.

There are also a number of more specific departmental strategies that will feed into and fit under the economic strategy. The skills strategy, which was published back in May, is a critical document in that respect, as is the forthcoming higher education strategy. My Department is also undertaking research into the potential skills needs that will arise from having a different level of corporation tax in Northern Ireland, if that is something that we do achieve. It is important to stress that, if we have a different set of incentives, there will be subtle changes in the nature of investment and growth in Northern Ireland. That may produce

different skills needs, so we are very alert to those needs. We are currently researching those, and we will make whatever policy changes are necessary on the back of that.

The other thing to stress is that skills are very much central to the narrative of what the Department does. All the divisions in the Department fit under that umbrella. We have a very dedicated skills division that focuses on engagement with employers and the needs of the workforce as things stand. The further education sector seeks to address skills across a very broad spectrum, from essential skills through to vocational training and foundation degrees. Higher education needs to be much more focused on skills in the future. It is also important to stress that the employment service is not simply about helping people into employment but is about giving them employability skills and the confidence and tools to access and to sustain themselves in employment. Skills are something that cut right through everything that we do in the Department, and that is well reflected in the strategy.

That is all that I have to say in my opening statement, Chair. It is over to you for questions.

The Chairperson:

I want to take you to some of the things that are to do with us particularly. With regard to paragraph 2.18 on page 16, is it really coherent for us to talk about increasing R&D business expenditure when the industrial profile of Northern Ireland is completely different from that of places such as Finland, Sweden and the US? Surely we do not have the necessary number of high-tech industries to do that. How are you going to increase research expenditure when you do not have a base on which to increase it?

Dr Farry:

Give us that reference again.

The Chairperson:

Paragraph 2.18 on page 16.

Dr Farry:

Is that in the economic strategy? That relates to regional aid.

The Chairperson:

What I am looking at?

Dr Farry:

I think that we are probably working off different documents. You are working off the consultation document, and we are working off the actual strategy, as published by the Executive in November.

The Chairperson:

Can we find where paragraph 2.18 is? I am sure that it is in there. It states:

“Co-ordinated action will be needed in a number of areas to secure an export-led growth strategy. These will include skills, education, innovation and R&D, inward investment, business growth”.

Have we got it? Good thinking. Get that noted in the minute. There was a tremendous use of initiative there. Well done. Congratulations. You will be Chair before you know where you are.

I hear about increasing R&D, particularly business expenditure in R&D. Yet, we have only a modest number of companies that are able to do that. Therefore, is it a genuine aspiration?

Dr Farry:

At this stage, it is useful to caution that the strategy cuts across a number of Departments and is being led by the Department of Enterprise, Trade and Investment (DETI). Some of the questions will cut across both Departments and some will be better answered by DETI. However, we will endeavour to reflect how things fit in with our direct responsibilities.

Mr A Hamilton:

On the R&D issue, we are conscious that Northern Ireland plc spends less on R&D and that the university sector consequently accounts for a much higher proportion of total R&D spend. As part of two initiatives — one being the higher education strategy itself — we will want to see over time, up to 2020, better engagement between SMEs and universities in order to encourage and widen the R&D base.

The other issue is about pursuing European funding opportunities. We want to see greater participation from local Northern Ireland companies, working in partnership with our universities.

The Chairperson:

That is really the point that I am putting to you. In my opinion, it is difficult for Northern Ireland to substantially increase private sector R&D because those who are delivering R&D are already doing a lot. There could, therefore, be a role for DEL to play in university-led R&D expenditure. As a Committee, we have already talked to you about how we draw down more from either Horizon 2020 in Europe or ESF. We would like to see concrete proposals on how you are going to increase university R&D expenditure.

Dr Farry:

We can explore increasing the university expenditure on that as an absolute figure, Chair. It is also important that we stress what Andrew said, that, in the relative picture, universities can carry a fair proportion of the load but that our profile is wrong in that respect. We need to see the uptake —

The Chairperson:

It is not necessarily wrong.

Dr Farry:

It is different.

The Chairperson:

Yes, it is different. However, you could look at the R&D expenditure in Boston and say it is completely skewed because Harvard is in the middle of it. You could say that that would be different to our R&D expenditure. What I am looking for is a regionally oriented competition strategy for R&D for these issues.

Dr Farry:

DETI has responsibility for R&D in the private sector. When we begin to address the fundamental weaknesses in the Northern Ireland economy; when we move from a profile that is disproportionately based on small and medium-sized enterprises, and companies scale up; when we encourage companies to focus more on exports and we change our investment profile, based on a lower rate of corporation tax, the nature of companies will change and we will see a change in the emphasis that they place on R&D. There are specific measures that DETI will take to support R&D in companies. Those are in the action plan. I can cite them, but I am conscious of straying into another Minister's territory.

The Chairperson:

I am not asking you to do that. I am saying that there is a target in this paper that describes R&D as a driver of innovation in Northern Ireland. I accept that DETI will look after the private sector. I am asking you about what is, in my mind, an underperformance by Queen's University and the University of Ulster in drawing down research funds. That is not to be critical of them; it is to say that they have recognised it themselves. In fact, I know that both universities have made dramatic improvements. However, significant funds are available. We get only £50 million from the framework settlement in Europe. That does not seem to be —

Dr Farry:

I think that you draw —

The Chairperson:

Sorry Minister, I just want to say that we looked, and I do not know the exact reason, but we never got to the bottom of why Wales seems to be able to collect money by the bucket load for R&D, whereas Northern Ireland was comparable with Scotland, and might have done more. Given that we do not have concentrations of heavy industry, I am just saying that our universities — our premier brands — have got to step forward and find ways to collect such funds. I think that that is where your Department could usefully take the lead.

Dr Farry:

Yes; and indeed we are doing so. I plan to head out to Brussels in the next few weeks to further discussions about maximising the use of European funding in that regard.

I draw a distinction between underperformance and unfulfilled capacity. Targets in Framework 7 were, in effect, met. You may, equally say, that those targets —

The Chairperson:

Yes, but those targets were not high enough.

Dr Farry:

Absolutely, and that was the point that I was about to make: we underperformed on 12 targets and have the capacity to do a lot more. This feeds into a host of policies that we will have; for example, what we do in higher education, the purpose of universities, etc. Are universities to focus more on research and on how they engage with business, or should they maximise the number of undergraduates coming through their doors? We must discuss issues such as

prioritising the scarce resources available to change the very nature of what higher education seeks to do.

The Chairperson:

You asked for this matter to be on the agenda. What was your objective? What would you like us to do?

Dr Farry:

I am not sure whether we asked, but the Committee was keen to have a discussion with me on the economic strategy, so we were happy to facilitate that.

The Chairperson:

We had this scheduled for next week, you see.

Dr Farry:

I think that you wanted to have a discussion at ministerial level about it. That is why we are here today.

The Chairperson:

I was just checking. So, as we have you here: when we come to things such as specific action plans, there is one in here — I do not know what it would be called — it is B28.

Dr Farry:

Do you mean the current action plan?

The Chairperson:

I do not know whether it is —

Dr Farry:

Is it in the current action plan? It is in the old one. OK.

The Chairperson:

What was it?

Mr Allister:

It is the one dated 21 December.

Dr Farry:

Is it the current one? OK. That is the live one. So, it is B28.

The Chairperson:

Yes. B28 deals with the European social fund (ESF), which is being reconfigured as we speak. What specific initiatives and interactions will you carry out in Brussels on the ESF? Previously, when the issue came to the Committee, we were told that it would be dealt with when Europe sorts it out. However, all of the advice that we have received tells us that we are better to be in there now shaping those discussions, so that the fund suits what we want to do. Given that the fund is such a big part of your Department's funding, what is your plan for the ESF?

Dr Farry:

To be clear, are you talking about employability measures rather than research and development?

The Chairperson:

Yes. We have moved on that. We do not have all day.

Dr Farry:

Fair enough. Clearly there are a number of pressures that will be coming up. Currently, the ESF is fully committed. It covers a whole range of employability investments, particularly in the community and voluntary sector that simply would not happen in the absence of European money.

As we look forward, there are a number of big strategic issues that we must address. One of is NEETs, on which the previous Committee produced a report that the Department has taken on board. We are set to produce a NEETs strategy in March, but there is not yet a dedicated budget for that. We also need to look at what we are doing about youth unemployment. It is a common issue across the European Union, but we have particular issues here that we need to address. Those are two clear looming issues in which ESF money has the potential to play a role. There is no argument about the need to get in early and try to shape things to our best advantage.

The Chairperson:

When we were over with the Assembly Business Trust, we had a cross-party discussion on the ESF, and Tom was also a party to a meeting about the ESF. We must be aware that that

fund is being debated. Everyone will have problems with NEETs and youth unemployment and we will all be financially constrained. The ESF is a pot of money that will be available between 2014 and 2020 and it is being configured now. The Committee wants to know how you plan to engage beneficially in those discussions, so that we can get some more money.

Mr A Hamilton:

It is important to mention that DFP, as the “member state”, takes the lead in this matter. A multi-departmental group will be assembled to influence, through DFP, on a UK-wide basis, how resources might ultimately be used. We are keen to ensure that they can continue to be used to support our training and apprenticeship programmes, because a significant contribution from Europe goes into those programmes.

The Chairperson:

Without being too brusque about it, the Executive have decided to put more people into the Brussels office and your Department is assisting in that. I am not convinced that the ESF issue is being fully appreciated. Has the working group led by DFP been set up?

Mr A Hamilton:

Yes.

The Chairperson:

How does it report? Given that your Department is the major recipient of ESF funding, how do we get to see your plans and strategies?

Mr A Hamilton:

We can come back and share those with you at an appropriate time, Basil.

The Chairperson:

I want to bring other members in, so I will just flag that up at this stage. The main areas that the Committee is concerned about — and there are other issues — are youth unemployment, NEETs, and maximising R&D through our universities and FE colleges. It seems to us that the Department, with our assistance, might take a lead role in the economic strategy while colleagues are dealing with other things. We would really like to get into those areas.

This is my final statement, and it is not meant to be in any way difficult. This is not about just sitting down with glorious aims and such like. What is the nitty-gritty? What are we going to do to get more money or ESF for R&D, or how will we work with those not in

employment, education or training?

Dr Farry:

We will come back with a specific briefing on that.

The Chairperson:

That will be fine. I will take that as a signal to move on to Sammy.

Mr Douglas:

I thank the Minister for his opening remarks. Arlene Foster, the Minister of Enterprise, Training and Investment, said a year ago, and it is included in paragraph 1.5 of the consultation paper:

“On too many occasions there has been a lack of clarity on how the respective strategies interact with, and depend on, each other.”

She was really saying that all the various Departments should work together. From my experience over the years, that has been the biggest problem. The only way for the economic strategy to work is for Departments work together. Very often, this Department has been the poor relation, particularly with respect to employment strategies. Would it be OK for me to pay tribute to Queen’s University? *[Laughter.]*

The Chairperson:

Both you and Michelle, by the sounds of things —

Mr Douglas:

We are into rebalancing this morning. *[Laughter.]*

We were at the cancer research centre recently, and I was very impressed with the research. I was also impressed with the way in which they have linked into the Northern Ireland Science Park and R&D. However, the process also involved job creation and stimulating the economy. I was a bit disappointed to learn that funding had been cut every year.

The Chairperson:

Yes, the number of PhDs has been cut.

Mr Douglas:

That is an example, and it is something that we should look at. I thought that it was a success story, but we are starving it of the ingredients that it needs.

It is key for us that the employment strategy is at the heart of this; it should not be on the edge. The Chairman talked about youth unemployment, low-income families and disadvantaged areas. I remember talking to you about community business and social enterprise 20 years ago, Minister, and we have seen some excellent examples. Inward investment is important, and job creation and self employment are crucial. Recently, we looked at the fascinating work that Wrightbus is doing. However, in the midst of that, let us rebalance those areas that have suffered most. The welfare reforms coming from London will have a major adverse impact on many families in many communities. We have been sold out with regard to the social economy and social enterprise, and that is a very important element for us.

Dr Farry:

I will take that in two chunks. First, I fully concur with the statement in the document regarding the importance of Departments working together. We have a very good relationship with Invest NI and DETI. We have no difficulty with them and will freely collaborate on the areas that require joined-up action.

With regard to the document, I do not think that we are the poor relation. The skills narrative has been recognised as being utterly central to everything that we are doing and it is very well woven throughout the strategy as it stands. The importance of skills and the working of the Department will increase over the coming months and years. Skills are the only real natural resources that we have in Northern Ireland. We are in a rapidly changing global context. The euro zone, the European Union, and the United States may be in difficulties. However, the rest of the world is not. Other countries do not have the same government debt issues. They are expanding and upskilling rapidly. Northern Ireland's ability to compete, based on low wage costs, or even a combination of some skills and low wage costs, is rapidly being eroded, so we have to focus a lot more on skills.

I am very clear in that when we talk about skills we are not talking about the higher end exclusively. There is a lot of talk about the need for more productivity and more highly paid jobs and a refocus on the R&D, the finance sections and ICT, which are major growth areas. However, we have to invest across a very broad front, upskill across a very broad front, invest in individuals and make sure that they have the ability to make a contribution to the economy.

If we have unemployment at 7% or 8% and economic inactivity at 28%, then 36% of the adult population are essentially not making any contribution to Northern Ireland. That is a huge waste of resources in people as well as being a social problem.

The Chairperson:

Sammy led with the issue of cancer research. We were struck — and this is the other bit in relation to the science park — by the spin-off jobs created. It is not just people in white coats: if you get some work with them, then they need mechanics and technicians. Sammy highlighted a useful thing, and we need to convince people that when we are talking about higher-end jobs, we are not just after those, we are also after the support services as well.

Dr Farry:

Absolutely; we are talking about a general uplift of the entire economy across the board. You are quite right; there will be huge spin-offs from every investment. That is the whole point of what we are trying to do with individual inward investment projects, which will, in turn, create a local supply chain.

Sammy made the point about the employment strategy. I am very clear — and this is accepted in the Department — that the employment service is not just a means of processing individuals through a system, holding interviews, listing a few jobs, and telling people to apply for them. This is very much part of our skills narrative. The employment service is at ground zero and deals with people who often have very low or basic skills, encourages them into employment, and gives them the confidence and techniques to access and sustain jobs. So, what it does is critical, especially given the current figures with which we are dealing.

Mr McElduff:

Action point B22 refers to specific employment strategies for urban areas. Is there likely to be a specific strategy for rural areas, especially given the decline in the construction industry and the engineering sector over the past few years and the forced emigration of many people from rural places? It does not seem to have won its way into this document.

Dr Farry:

The document is the result of collaboration among many areas. Our Department has very specific responsibilities. However, there are wider issues in balancing the Northern Ireland economy that DETI and the Department of Agriculture and Rural Development (DARD) are probably better placed to take forward. The Minister of Agriculture and Rural Development was central to this process as well, and there are a number of action points elsewhere in the

strategy that relate to the rural economy.

Mrs C Bell:

The reason that that action point is in the paper is because we need to focus on the two major cities to bring people together and develop skills. We are also part of the neighbourhood renewal strategy and the work that DARD is doing in rural areas.

The Chairperson:

You must have some focus on rural stuff as well.

Mrs Bell:

Our provision is across the board; it is not just in Derry and Belfast. All of our provision is equal across the 35 jobs and benefits offices, and the work that we have in our colleges is across the piece. If you take Derry, for example; Ilex is working to try to bring Departments together and initiatives together. So, we are doing the same now in Belfast, particularly with the Titanic Quarter and the work that is ongoing in north Belfast and in the university in York Street. It is not disadvantaging rural areas; we are working there, and our provision is equal across the piece. However, we are also working on two specific projects in Belfast and Derry.

Mr McElduff:

I am particularly concerned about what is now called the construction industry. In my younger days, it was always known as the building trade. In every village and town, we hear stories of young people emigrating or considering emigration. I am sure that Sandra, Tom and, in particular, Michelle, are hearing such stories. I do not know whether it is an urban phenomenon to the same degree. There is so much economic inactivity among people who previously worked in the building trade and in engineering. We want to hear specific plans and strategies to deal with that.

Ms C Bell:

This morning, we talked about youth unemployment, particularly in the 16 to 24 age group. The Minister has asked us to bring forward specific things that we can do in the current economic climate for that group. In the Chancellor's autumn statement, he talked about a youth contract and the money that went into backing that. That is the kind of thing that we are considering and will have to consider in Northern Ireland as well.

The Chairperson:

I think that Barry's point is that rural youth unemployment is a different type of problem from

urban youth unemployment. There is a serious issue in rural areas that needs to be addressed.

Ms C Bell:

That is where we work through the neighbourhood renewal areas and the colleges, which are there to support the districts and communities that they serve. Our provision is equal across the piece. What we have in Belfast, we also have everywhere else.

The Chairperson:

We have raised the point.

Mr D McIlveen:

I want to come back to the subject of R&D, which is much talked about, and rightly so. I think that we are at the stage where we can very much set our own course for R&D. Ultimately, it boils down to two paths; one that will benefit us, or one that will probably not make a huge impact on how we move forward. Just because a country appears to be doing well in R&D does not necessarily mean that it is, which is an issue that the Chair raised earlier. I will explain what I mean by that: excelling in the back office and laboratory side of research and development is one thing but commercialising it into a product that can be exported is another. A lot of countries are well up the list as far as the Organization for Economic Co-operation and Development (OECD) is concerned. They appear to be doing very well in research and development, but their commercialisation of that R&D is substandard. I will pay tribute to Queen's University as well: one company that came out of the university and is commercialising its R&D extremely well is Andor Technology. It developed out of the university and turned its research and development into commercial products. I am all for altruism through sharing skills and exporting knowledge. However, knowledge is usually pretty cheap when exported, whereas a product can generate a fair amount of revenue. One country that excels in that — and I am conscious that I am probably veering into the territory of sounding like a Zionist — is Israel. Not only can Israel innovate, it has an amazing ability to commercialise that innovation and turn it into products that can be sold, exported and used. The result of that has been that the effect of the world recession in Israel was just a blip; it was not even a recession. Ultimately, that is where we need to get to — and this is where I disagree with the Chair on his general assumption of research and development. Yes, it is about high-tech, venture capital and the high-end industries, but look at the example of Israel. One of its biggest research and development markets is in agriculture. Every May, it holds the largest agricultural exhibition in the world. It is leading the world in research and development and in agricultural technology.

I believe that we have fantastic opportunities. We are beginning with a cold start, but we are in the position whereby we can make the decision as to the direction we are going to take. Are we going to tell everybody that we are very good at R&D and make very little from it, or are we going to take our R&D, commercialise it, export it and turn ourselves into a world leader? I genuinely believe that we can do that, but we need to set the course now and make sure that we are going about it in the right way.

Dr Farry:

I do not disagree with anything that you have said. There is a purpose to R&D: is not just done for its own sake; there has to be something economically and commercially applicable down the line. The whole tenor of the economic strategy reflects the need to fill, or develop, that aspect. Targets A12 and A13 are definitely Invest NI targets, which indicate the importance placed in the document on the commercialisation of research. Quite a number of the funding streams available for R&D are based on linking business needs with what is happening in the universities.

Mrs C Bell:

The work that MATRIX did some time ago was very worthwhile. MATRIX looked not only at where we were good and, in fact, world-class in R&D, but equally, where we were good at turning that into markets. The Department was then asked to work with our colleges in particular, so that if an organisation or a group of organisations — because we are looking at research across a number of disciplines — was successful in research and development, we would have a skills pipeline ready so that a product could be taken to market. That has been done in the FE sector, and we have shared that with the College of Agriculture, Food and Rural Enterprise (CAFRE). If we get an opportunity, the same template can be used across the piece. DEL is represented on MATRIX, the science panel, and is looking at the issue from a skills perspective and making sure that we are in a position to exploit opportunities as they arise.

Mr Allister:

Staying with theme A, which is innovation and R&D; you were asked about that by the Chairman, and you said that most of it is DETI- or Invest NI-led and so on, but action point A35 in the action plan addresses DEL's involvement in the establishment of an innovation council, which would draw together business, academia and the Executive. Now, the last thing any of us wants is another quango, but does the fact that you have not mentioned that indicate that it is just there for the optics and it is not really expected to fly? Who has been doing that work and why do we need it?

Dr Farry:

I do not want to do justice or otherwise to any particular aspect, so I was not trying to highlight or downplay any aspects. Catherine mentioned some specifics; but, to answer the question, there is a whole host of areas in which we bring different stakeholders together to discuss and find solutions to particular problems. Those are not quangos or standing bodies; they are just points at which we bring people together in a room to hammer things out and make sure that government is responding to the needs of business, and vice versa, where appropriate. That is a very healthy approach to governance.

One specific example is that next week, I will convene the first of a series of meetings of an ICT working group. Concerns have been expressed in that sector that there are problems because of skills shortages and mismatches of people coming through the formal system. So, we are trying to create a situation where business representatives can sit down with further education and higher education providers and relevant Departments to talk through the issues and see where we need to make those corrections.

Mr Allister:

If that is being done on an ad hoc basis, what will an innovation council add to it? I am not saying that it is a bad thing, I just want to understand.

Dr Farry:

That is one example of how collaboration works with the different sectors in society. It is not a justification of the individual council.

Ms C Bell:

This is at a very early stage. It is coming out of the revamped work that MATRIX is doing, and, in fact, when I leave this meeting, I have a meeting with DETI, and I suspect that that will be on the agenda. We are looking at the Foresight and MATRIX work at the moment. I am not aware that DEL has been involved at this stage, but I suspect that the work is being taken forward at the moment more by DETI than by anybody else.

Mr Allister:

Should we have confidence in it? What will it do that the ad hoc arrangements are not doing?

Dr Farry:

That example I gave was about a very discrete issue of potential skills issues in one sector.

An innovation council would look at R&D issues. There are apples and oranges, but that was an example of the positives that come from collaboration with government. I would not necessarily imply that, because it says innovation council, there will be massive bureaucracy around it all. The whole approach of government at the moment is to minimise the creation of needless additional layers of bureaucracy. Equally, we should not run away from the notion that we need to bring together the private sector and government to work out the way forward for the economy. There is absolutely nothing wrong with that. Indeed, it is essential.

The Chairperson:

It seems that we are lacking any great idea. There is no big idea here. Other people told me that they had 2,378 job shortages in IT. They are technician jobs, not what your man Jobs or whatever would have been doing. I saw the Invest NI strategy some time ago, and it showed me that we are overproducing graduates in business administration and other areas and that we have too many doctors and too many lawyers but that we are short of 1,000 ICT graduates a year. However, when you go to ICT, people tell you that they have the courses but that nobody applies for them. There ought to be a strategic bit to say to people, such as the Software Federation or whatever, that these are the jobs and this is what we want. However, I have had some meetings and my understanding is that they are not after graphic web designers — we have plenty of those — but they are after software engineers and people who can code in Java and that sort of stuff.

Dr Farry:

C++.

The Chairperson:

Whatever. I can vaguely remember it.

Dr Farry:

You should not; it is very contemporary.

The Chairperson:

It was not contemporary when I was doing it. We need to drill into specific issues. If we are able to say that we want 140 such and such or this, that and the other, should a strategic driver for your Department not be a need to increase by 1,000 the number of software engineers? I am using that figure because that is what Invest NI said we were short; I do not know whether it is 1,000 or whatever. Where are we integrating? There has been talk about STEM and the courses that we are putting forward. When they cut places in the universities — as they have

to do because of the efficiencies that have been brought forward — they do so in areas like electronic and electrical engineering. They are making redundancies there yet we have a shortage of students in that area. There does not seem to be a big picture that shows where Northern Ireland will make its money in the future or how we will integrate. I think that you and your Department have a role to take the lead on that. Frankly, although DETI is important, the future is more likely to be in skills and innovation than in inward investment.

Dr Farry:

I will take that in reverse. First, there is no disagreement here: skills are essential to the future. In some respects, as you can see in the Youth Service, DEL addresses a lot of the supply-side issues whereas DETI addresses a lot of the demand-side issues. However, both are absolutely critical to taking the economy forward.

A lot of work is in progress, and it is important that we look at the economic strategy as part of a wider package of government documents. In conjunction with this, we have the PFG and the investment strategy. However, below it, in specific Departments, we have a series of other strategies. In DEL, there is the skills strategy and the forthcoming higher education strategy, all of which are critical to delivering, in more detail, some of the specific targets and commitments that are made in the economic strategy.

I accept what you said: there are problems of skill mismatches in the economy. That is what we are trying to drill down to and to fix. We have talked briefly about what is happening in the ICT sector, which is probably the one that most people will be familiar with, because it is the most talked about. There may well be others in the system.

We in DEL are trying to achieve a system that is flexible and enables us to move rapidly to address and change policy and provision to meet the evolving needs of business. Frankly, if we get a lower rate of corporation tax, the need for us to do that will become even more acute. There is a clear understanding of the need for flexibility in the system.

Specifically on ICT, we are trying to drill down to see what is going on; whether there are problems in the education system not encouraging people to apply for the right courses; whether it is something that is happening at universities; or whether is something that is happening in the business sector's appeal to further education or higher education graduates. So there are issues there that we need to drill down in to.

On the other point, about how things are taken forward in rationalising higher education,

you probably raise a much more fundamental issue that we have to get our heads around. We are keen to push and encourage people to invest in priority skill areas to meet the future needs of the economy, as we anticipate them today. However, a very flat funding model — with the message being to encourage and maximise the throughput of students — incentivises providers to go for cheaper courses, which are not STEM, to maximise the number of students they get through their doors.

The Chairperson:

I agree with all that. I will not reopen it, but it touches on the debate we had on the first item on the agenda. If we have talented young people, we want to give them skills that will give them a good wage and provide the economy with what it needs. There has to be some sort of guidance that those are the areas that we need to go into. What is really strange, to me, is when I come across areas throughout the world where unemployment is 10% or higher, and yet there are skills shortages, particularly at the level 3 and level 4 of the technical edge.

This is the first meeting of the year, and because we have had a number of contentious issues, I do not want to get into it now. However, I want to say to you, as benignly as I can, that this all seems to be about putting down what we can on a spreadsheet. There is no real impetus or forward movement to say, “You know what? We are going to grab Northern Ireland and make it, for example, the ICT capital of western Europe.”

People tell us that they cannot get training to be energy technicians because the firms that are doing it all — the wind farms — are from Scotland. We apparently cannot fund our two because they are not companies in our jurisdiction. At the same time, Arlene announces that we are building a big wind farm at Queen’s Island. There has to be something that we can join up to say, “Let’s take a stab at where we think that we need a workforce.” Then we can go out and convince people of the skills that they need. It is strategic leadership that comes forward. I am not having a go here, I am just saying, with the greatest respect, this is a paper exercise and we are looking for something a bit more inspirational from you and your Department.

Dr Farry:

It is fair to say that all these things are paper exercises unless their followed up by action. I certainly believe that the economic strategy is a good document and a coherent one. In the Department, we have even more specific documents, particularly the skills strategy, which seeks to deliver on much more specific targets. I am very happy to drive forward the skills agenda. I know that the Committee also recognises the importance of that, and that it is a

single coherent agenda that touches upon virtually all aspects of life in Northern Ireland. There is still a lot to be done to improve our skills profile. We have a legacy of too many people with low or no qualifications. Even though we are producing people at the higher end, there are still skills mismatches that we need to address. There is a big agenda of work to be done.

The Chairperson:

It is useful to have you here to talk about this, because members occasionally feel frustrated that you cannot talk about the things that are of interest to them. You will have picked up the various issues. There is quite a bit of support coming through from different areas. We would like to help and contribute where possible. Having had the initial discussion about this, we need to find a way of getting information to the Committee that is agreeable to both sides so that we can say what is going on. Generally, the Committee reflects what members of the public tell it. They come along and say, “Why can I not do this?”, “What is happening here?” or “This is not the right way forward.”

Time has moved on, and you have been very generous, Minister, in your time with us. I am sorry; Michelle has indicated that she has one more point.

Ms Gildernew:

I am sorry; did I indicate that I wished to speak a good while ago. I think that Basil —

The Chairperson:

If this is to have a go at Queen’s, we —

Ms Gildernew:

No. It is not. I will be very brief. One thing I have to say is a comment; the other is a question. Both will be short.

I thought Barry’s line of questioning was very interesting. It showed a lack of understanding in the Department about the issue that he was talking about, the 16 to 24 age group. We had a robust session on NEETs with some officials before the Christmas break. What Barry talked about were not the young people of 16 to 24 who are not in employment or training. They are young people who, from when they were 16 to 24, 28, or 30, were working, and for whom there is now no employment. That is not just an issue for DETI or DARD, but for many Departments, or all of them together, to recognise that we have young people who have mortgages and children, and who are now packing up and leaving this

country, probably never to return.

So there needs to be serious consideration given to the unemployment profile in rural areas in particular where there is no employment available. I spoke to somebody recently who has been involved for a lifetime in building. He is now working 16 hours a week making home deliveries for ASDA. That is the kind of people we are talking about. There are not the jobs to encourage people to stay.

My question is about action point B28 and the European social fund. Have you considered the secondment of a member of staff to work full time and permanently in Europe to develop our full potential to tap into European grants?

Dr Farry:

That is now in place. Four members of staff have been added to the office in Brussels in the past —

Ms Gildernew:

Those are general staff.

Dr Farry:

One of them is fairly heavily focused on DEL issues. Andrew will expand on that.

Ms Gildernew:

It is very hard. We need someone who has been steeped in DEL issues for years, who knows all the issues across the Department and who can bring that knowledge with them to Europe and transport information back here. We need someone who has a very specific DEL focus. Having four people spread over 10 Departments is not really good enough. I believe that we need someone on secondment from your Department.

Mr A Hamilton:

One of those individuals will have a focus on the employment and competitiveness agenda, which is essentially the skills agenda. He will be working very closely with my team in Belfast. He will be based in Brussels for part of the time, but will also work locally. His job will be to find opportunities to open doors and help us improve our networks. We agree with what the Committee is saying: more can be done here. We need to invest the time.

The other point is a small point of detail: already in Brussels there is someone who works

full time who has a background in DEL. That person is one of the full-time staff in the office, so we are plugged into that as well.

Ms Gildernew:

They are not full-time on DEL issues in Brussels either. DARD got it right a number of years ago through the secondment of a member of staff to work in Brussels full-time, and that was hugely beneficial. Jim will have worked with that person during his time in Europe. That relationship is hugely beneficial. It provides in-depth knowledge of the Department at home and an in-depth knowledge of what is going on in Europe. I think that you are only twiddling with that.

Mr Buchanan:

That is my concern, and it is not a criticism of the Department. With ESF, it seems to be that we are always coming in second best, rather than being in there with the key drivers to seek to get in, to lobby and to negotiate to get that money back over to Northern Ireland. When we were over there, it appeared that the finger was being pointed back here. It was not seen as their fault in Europe but as your fault in Belfast that you were not doing your work and the job that you should be doing. That is where my concern lies. Have we somebody there who is going forward with the key drivers and knows exactly what they are looking to get tapped in and get the funding back here to address the needs of Northern Ireland?

The Chairperson:

Before you respond to that, I will bring in the bit that Michelle was referring to. We understand that, when you look for the appointment of four people, you have to put a general call out. However, there is the difficulty that you may not get someone in post who has in-depth knowledge of the Department and Europe. You really need to build up a long-term sustainable resource that understands how Europe works and how the Department works rather than getting someone in for a three-year secondment. Although that person may be a civil servant of some standing, their previous expertise might have been in policing or something. It is about really getting to the core of the matter very quickly, and that is the point that the Deputy Chairman made. That is the message that we took out of it. We seem to wait until things happen, and the Europeans were saying that they were happy to consult and do this way before but nobody ever turned up.

Dr Farry:

Can I rise to the defence of the poor civil servants, who are very good generalists? There will be people who move across the system from job to job and pick up a range of

experiences. You need people who are qualified and able to pick up a brief very quickly and to become expert in it.

The more relevant point that you made is on the importance of someone in Brussels focusing as much as they can on specific DEL issues. We have someone who is looking at the general economic and competitiveness brief, and you will recall that Barroso has four different strands following that model. The Department leads on that area in wider co-ordination between other Departments, so DEL issues have a disproportionate amount of attention in that strand. So, I do not think that we are necessarily short-changed in that respect, but, Chair, the point that you and other members made about the need to engage more with Brussels to ensure that we have everything right in Northern Ireland to ensure that we get the most from it is well made. We are not disputing that, and we are very much seized of that.

Mr Allister:

Minister, it is not just about having the right people in the Office of the Northern Ireland Executive in Brussels but, from time to time, there have been opportunities to have short-term, year-long secondments into the cabinets of various commissioners. For a while, we had that with Commissioner Hübner, but I do not think that we have ever had anyone on secondment to the cabinet of the Commissioner holding the social affairs portfolio or of anyone who touches upon social fund expenditure. That is worth looking at.

Dr Farry:

We can certainly look at that.

Ms Gildernew:

There are other areas of your work, Minister. The point that I am making is that it needs to be somebody who can not only pick it up but who understands. There may be programmes in Europe on, for example, NEETs, which are specific to that area of work but are not being looked at by the person who is involved in skills. There may be a programme coming forward, for example, that offers training and employment opportunities for young people who have come out of special education. Unless you have somebody with a holistic view of the Department and who knows the areas that will be of interest to officials back here and to be a conduit for a two-way flow of communication between here and Brussels, you will miss out.

Dr Farry:

That is a fair comment. It cannot be a case of sending people to Brussels, forgetting about

them and waiting for them to phone.

Ms Gildernew:

No. Absolutely not.

Dr Farry:

It has to be two-way dialogue, with us expressing our needs and the complexities that we face and them understanding and seeing the opportunities that exist.

The Chairperson:

I will draw the meeting to a close, because it has run on. Sammy has a final question.

Mr Douglas:

Chairman, you mentioned the experience of Wales. When officials came over from Brussels, we asked them why Wales has been so successful. Minister, you mentioned our linking with Brussels. As a devolved Assembly, can we not also link with Wales to find out how it has been successful and whether there is anything that it does that we are not doing? That has been ongoing for some time; it has done very well in drawing down ESF moneys over a period of years.

The Chairperson:

We actually asked for clarification.

Mr Allister:

Unless I am mistaken, Sammy, that is because the valleys of Wales are in transition out of objective 1 status, which is the situation that we were in five years ago. With that, there comes some added benefits. I think that that will expire in 2014. I think that that is probably the reason.

The Chairperson:

I think I can talk for the Deputy Chairman — please, feel free to clarify my comments — when I say that we found it most interesting when we engaged with the European Employment Forum. It gave you a different perspective on a whole range of issues and initiatives that are going on. With regard to ESF, the debate is raging on how to deal with youth unemployment, which is the particular point that you raised. For example, the Germans and the French, talking in English, which was quite an interesting exercise in itself, said that they now know that Europe cannot provide enough jobs for its young people and that they

will have to find jobs for themselves; in other words, become self-employed. That is the sort of statement that was being made. The Germans talked about how they tackle youth unemployment earlier through proactive intervention in schools. A young person will be told that they are more likely to become an engineer, so they should go to a certain firm for training. They have different ways of doing it. We should look at those initiatives.

Unfortunately, I was not here for the meeting at which it was discussed, but the Swedes went through a deep audit of NEETs. When they actually aligned their hospital records, social records and records from all areas of government, they discovered that the number was twice as big as they first thought. A colossal number of people are not in our system. If they have no skills or jobs, they will end up having a fairly difficult time, as indeed, will we.

All that I am saying is that you and I, Tom, found some interesting lines of enquiry that we think that we should be engaged in. However, specialist knowledge is required. I think that is the point that Michelle was making: there is no point in our going and saying that something is really interesting. We need to know what we are doing and, for example, what Catherine deals with in one particular area and what someone else deals with in another. There is a way around it. We would like to direct some of your attention towards the learning and funding opportunities that are coming from Europe. We think that there is a role to play in that regard.

As regards putting flesh on the bones of the strategic direction of the paper, all of us need to put our hands to the pump and try to look after skills and employment in the Province.

I will bring the meeting to a close. Minister, you have been extremely patient with us. Thank you very much for coming along.