



Northern Ireland
Assembly

Committee for Employment and Learning

OFFICIAL REPORT (Hansard)

**Young People Not in Education,
Employment or Training (NEETs)/Youth
Unemployment**

21 March 2012

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

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

Witnesses:

Dr Stephen Farry	Minister for Employment and Learning
Mr Colum Boyle	Department for Employment and Learning
Mr Colin Jack	Department for Employment and Learning

The Deputy Chairperson: I welcome the Minister, Dr Stephen Farry, Mr Colin Jack, director of strategy and European and employment relations, and Mr Colum Boyle, director of employment services. The Minister has indicated that he needs to be away at 10.45 am, so I ask him to give us a brief report and members to be brief and focused in their questioning as we want to respect the Minister's time here.

Dr Stephen Farry (The Minister for Employment and Learning): Thanks, Chair. We will try to push things as far as 11.00 am, because this is a very important issue that has received a lot of interest from political parties and members of the public. We can try to push the time boundaries a little bit more.

I welcome the opportunity to brief the Committee on the progress that we are making. I have a fairly detailed statement to make, because I want to go through with the Committee exactly what we are talking about. What I will go through may be at times fairly technical and detailed, and we will make a written copy of what we have achieved so far available to members of the Committee for reference after the meeting, so you do not have to purely rely upon what I am verbally reporting to you and what is subsequently published in the Official Report.

Mr Allister: Can we not have that now?

Dr Farry: I am making a verbal statement to members. You can have it afterwards, and you can take notes as you go along.

The Deputy Chairperson: Do you have a written copy of that now?

Dr Farry: No, we do not. That is the practicality of where we are. That is my offer to help members. I am reflecting on what I have before me, which can be fairly technical, so I am trying to be helpful and give members as much detail as I possibly can as quickly as I can. Those are the parameters within which we are operating.

To set out the context of this, you are aware of the problem that we have with youth unemployment in Northern Ireland. We have a youth unemployment rate of around 18.5%. That may be lower than the UK average, but in absolute terms it is a major challenge for us and amounts to something like 20,000 young people. In many respects, those are young people who, if it were not for the current economic situation, would be in work. We have to respond to the situation that we find ourselves in due to the economic conditions, and we have put together a paper for the Executive. I am pleased to report that the Executive have endorsed that paper, and I want to go through its different elements with the Committee.

However, it is important that I put our achievements so far in context. The Executive have agreed to the policy framework, but this has to be viewed as a two-stage process. The second element will be the agreement on the financing and resourcing of the policy, and we cannot finalise the policy until we have clarity on that. Therefore, after the Executive have agreed the policy framework in terms of what type of initiatives we want to invest in, my officials will have to discuss the financing of those with the Department of Finance and Personnel (DFP). Those discussions are under way, and I do not foresee any huge issues as there is a consensus that we need to do something on the issue. It will be for the Finance Minister to bring forward the resourcing issues to the Executive and, on the back of that, we will be able to finalise the policy and make a full statement to the Assembly. In the spirit of reporting to the Committee, I think that it is important that we share what we have agreed so far.

Mr P Ramsey: Sorry for interrupting you Minister, but you mentioned in the House yesterday that you are hoping to take a paper to the Executive in April. Unless I have misinterpreted you, today you seem to have indicated that the Executive have approved a paper.

Dr Farry: We are confusing two things here. We have a paper on youth unemployment, and that is the primary thing on which I am reporting to the Committee today. You have also asked me to report on young people not in education, employment or training (NEETs), for which there is a separate strategy. The requirement for that strategy goes back a lot further, and, indeed, a report was commissioned by your predecessor Committee on the issue. We are on course to table the NEETs strategy to the Executive in April. However, as part of the paper on youth unemployment, we have highlighted in advance some of the areas that my Department alone may be able to address in terms of NEETS. There is a major interface between NEETs and youth unemployment; both have young people at their heart. The wider strategy on NEETs is interdepartmental in nature, and what I will report today on NEETs are, essentially, my suggested departmental initiatives.

Let us focus on the issue of NEETs. The Committee is aware that the Department is leading interdepartmental work to develop a strategy to reduce the number of young people who are in the NEET category. Those young people are largely aged between 16 and 18, are furthest from the labour market through the presence of an identified barrier and need specific support to reach their full potential. Following up on the consultation document 'Pathways to Success', the Department is in the final stages of formulating a strategy to focus and co-ordinate effective cross-departmental action to reduce the number of young people who end up in the NEET category. I will bring that strategy to the Committee in due course.

Existing provision for that age group includes full- or part-time education at schools or FE colleges, the Training for Success programme, apprenticeship programmes and a range of community and voluntary sector programmes. Although that provision is comprehensive and the overall level of activity is demand-led, it is clear that it is failing to meet the needs of some of our most vulnerable young people.

I propose, therefore, to introduce a range of new measures as part of the package to address youth unemployment. Those will include: a community-based access programme that will provide mentoring and signposting and lead to progression to mainstream provision of training, education or employment; the further promotion of the development of individual action plans that are already in operation in Training for Success and FE programmes, so that young people can have personalised plans that identify their individual starting points and needs and allow them to plot a pathway through education or training to employment; the testing of a community family support programme to work across the needs of the most disadvantaged families and enable young people to re-engage with education, training or employment; and the development of an innovation fund to test new approaches that are based on sound evidence.

The wider youth employment measures proposed for the 18- to 24-year-old age group are in addition to the range of provision already delivered by the Careers Service and Employment Service; contracted providers, including those from the voluntary and community providers; and FE colleges. The focus is on early intervention for young people aged 18 to 24. The specific aim of the intervention is to help that group to gain work experience, develop additional skills and achieve recognised, relevant qualifications needed by those sectors that have the potential for future growth in both jobs and gross value added.

While operational arrangements will be worked out in detail, we propose to put in place the following additional measures for 18- to 24-year-old working-age benefit claimants from the point of claim. The first measure is diagnosis of need in the first four to six weeks of a benefit claim. Building on the work that the Employment Service already does, we will provide an initial detailed diagnosis of need, including the development of basic employability skills such as CV building, application writing, interview skills etc. That diagnosis will include identification of young people with NEET characteristics with a view to a referral to immediate support. The second element, which will be in weeks five to 13 of a benefit claim, is two to eight weeks of work experience. Lack of work experience is the single biggest barrier to work-facing young people. Early opportunities for the work-ready to experience the world of work will be offered through volunteering opportunities in charitable organisations and through a new two- to eight-week work experience programme brokered by the Employment Service.

There has been a lot of media coverage recently about the work experience proposals, and it is important to note that participation in those schemes will be voluntary and that participants will retain benefit entitlement and will continue to be subject to the conditionality regime attached to their benefit. In line with Great Britain, there will be no sanctions for early withdrawal from the scheme. Sanctions will only be considered in cases of gross misconduct. Participation will provide opportunities for young people to further develop employability skills and allow them to trial particular types of work to determine future suitability. While on placement, participants will be paid travelling expenses and childcare costs. Depending on the nature of the placement, employers may be eligible for a support grant to help with induction costs associated with issues such as health and safety, food hygiene and clothing costs. The key purpose is to connect young people with the labour market at an early stage.

The next element is skill needs assessment, which will be weeks five to 13 of a benefit claim. On completion of the placement previously referred to, young people will be offered further careers advice from a qualified careers adviser to identify possible further training opportunities. That will take the form of an initial one-to-one interview and personal assessment to determine current skills and competences.

The next element is a sector-based skills development, which will be from week 14 of a benefit claim, and further work experience with a flexible six- to nine-month training opportunity. A new scheme will offer additional sector-specific work experience and will flexibly blend with skills training. Fundamental to that approach will be opportunities for young people to achieve additional, and build on any existing, relevant qualifications in the qualifications and credit framework. That will be coupled with further work experience in sectors identified as having potential for future jobs growth. Sectors with future jobs growth potential include tourism, engineering, manufacturing, health and life sciences, and the creative industries. The Department will determine the needs and opportunities in detail at a local level, source work placements and provide relevant training opportunities locally to allow young people to prepare for future job opportunities. That spatial approach will allow for a more specific intervention and better targeting of resources.

The programme will last between six and nine months and will combine relevant work experience with an employer alongside training with a college or training provider. That element of the scheme has been heavily influenced by the JobBridge scheme that is currently offered in the Republic of Ireland. Those two elements of the new provision should add 6,000 extra work experience and employment opportunities by the year 2014-15. Indeed, that was highlighted in the economic strategy. In terms of employment opportunities that are available at any time from the start of the benefit claim, employers offering full-time jobs to young people in the priority skill areas will be able to avail themselves of an employer subsidy for a year, provided that they allow the young people to continue with their skills development to gain qualifications while in employment. By increasing the subsidy to a year and adding the skills development condition we will secure much greater commitment from employers and employees. If an employer offers a young person an apprenticeship, the full range of support for apprenticeships will be available. Training for apprenticeships is free up to the age of 24, and apprenticeships can last for up to three years.

The success of the 18 to 24 initiative in particular will depend on the commitment of a large number of employers. The Department is putting in place a strategic approach to engaging employers in the private sector, the social economy sector and the public sector to secure the necessary work placements, training placements, and, potentially, job opportunities and apprenticeships. We will initially target major indigenous employers and seek to recruit high-profile champions from key sectors to help secure commitment to the initiative. The public sector must also play a role. Therefore, a variety of work placements will be sought in key parts of the public sector, such as health, education and local government. The focus of the whole initiative is to ensure that young people who are currently unemployed are provided at the earliest possible stage with the skills to gain jobs, compete for jobs created in the future, retain employment and progress in jobs. Thank you very much, Chair. I am very happy to field questions. You know Colum Boyle, from our Employment Service, and Colin Jack, who leads on the issue of NEETs for the Department. We are happy to field any questions.

The Deputy Chairperson: Thank you, Minister, for your presentation. I will open it up to the floor.

Mr P Ramsey: Minister, you are very welcome this morning. Clearly there are a lot of processes and technical detail there that it maybe was not necessary to let us know. Can you let us know how much money has been invested in this initiative to date?

Dr Farry: We need to be careful in understanding the processes around all of that. Ultimately, resourcing is the critical issue that will determine how far we are able to go in providing assistance to young people. Members will be aware that there is a significant Barnett consequential that flows to the Northern Ireland block grant from the launch of the youth contract in Great Britain by the Chancellor at the end of November. However, that is unhypothecated money, which is for the Executive to invest in line with their own decisions and priorities. Ultimately, the resourcing of this is a matter for DFP to consider and for the Finance Minister to make a recommendation to the Executive.

Mr P Ramsey: Can I ask, then, how much you have asked DFP to provide to your Department to create this youth employment initiative?

Dr Farry: I appreciate that members will want to know how much we are bidding for and how much we are getting, but we have to respect the fact that there is a negotiation going on behind the scenes around that. I do not think it would be constructive to throw figures into the air today in terms of how much we are seeking and how much we are going to get around this. It is a very fluid process, but members are aware of the scale of the Barnett consequential flowing to Northern Ireland. That should give some idea of the parameters and expectations around which we are hoping to operate. What I am doing today is trying to brief the Committee on the policy. That is what we want to do, and what the Executive have now agreed that we should be doing, so we have clarity on what additional schemes for young people we are now going to do in Northern Ireland. Most of the members here belong to political parties that are represented around the Executive table. It is fair to say that there is consensus right across all of the political parties, on or off the Executive, that addressing the needs of young people, particularly in the current economic situation, is a major priority. I have no doubt that the other aspect of what we are trying to achieve will fall into place reasonably quickly.

Mr P Ramsey: I have a couple of other questions. Is the initiative a short-term fix, separate to what we are hoping will be a major initiative on the NEETs strategy? Is it a short-term fix until such times as the NEETs strategy is brought forward by the Department? For example, on youth employment, what are the targets for bringing young people into work, education and vocational training?

Dr Farry: There are two elements to this. First of all, the NEETs strategy is intended to be a long-standing strategy for the Executive for years into the future. NEETs are a structural problem in our society and economy, so there is an obligation to address that. What we are suggesting in the paper that has been cleared by the Executive is not so much a short-term fix but something that is primarily devised as being a response to the current economic conditions in Northern Ireland, which, unfortunately, are likely to be with us for a number of years as we recover from the recession. What we are presenting is expected to cover the remainder of the comprehensive spending review (CSR) period. So, it is not a short-term injection of projects that we will wind up in a number of months; these projects are intended to run over the lifespan of this CSR period. What happens beyond that is open for discussion, and we will have to make an assessment of the underlying economic conditions at that time. However, at this stage, we are dealing with a trap, in that young people have a good basic level of education or training but cannot get on the first rung of the work ladder because they do not have experience. Employers are saying that people need to have experience in order to get a job, but you cannot get that experience unless you have a job. So people are caught in a situation in which they lack those very basic employability skills because they lack experience. That is why we are putting that strong emphasis on work experience as part of the measures that we are announcing. That is the critical intervention that is required to give young people a fair chance.

Mr P Ramsey: I have a couple more questions. There is so much involved in this issue. For example, during the previous mandate, when an initiative came forward from the Department, the Committee had to create a forum to bring employer bodies into a meeting to encourage them to work with apprentices, for example, at a time when they were telling us that they were not being consulted. Nobody spoke to them about the initiatives, but the previous Committee Clerk and its members successfully created a forum that the Department then followed through on. It begs the question — this includes Colleges Northern Ireland, too — given the focus on NEETs and trying to bring forward needs assessments, apprenticeships, training and education, what discussion has taken place with the business community? What consultation has taken place with Colleges Northern Ireland or any other training body in bringing forward this initiative?

Dr Farry: First, you are right to identify that this will not work without the co-operation of employers. Again, I stress that, when we talk about employers, we are talking about employers across the three sectors — the private sector, the public sector and the community and voluntary sector. We have had very productive discussions with employers to date.

Mr P Ramsey: On this initiative?

Dr Farry: Yes, on this specific initiative. Employers are very much up for the challenge. They recognise that they need a healthy economy in Northern Ireland if they are to prosper in the future. We could end up with a lost generation of young people. We have invested in their skills through the formal education system, but, if we do not give them a chance to deploy those skills, those skills will get rusty. Therefore, we will lose out, as we will have spent that money for no real outcome. The economy will also lose out as resources will not have been properly utilised. Therefore, business understands the importance of maximising employment across the piece. Colum, do you want to say anything about the discussions that we have had?

Mr Colum Boyle (Department for Employment and Learning): The discussions have been very fruitful. We did a bit of probing in the six to nine months before that with local employers to find out the level of interest, particularly in respect of the taster work experience — the two- to eight-week period. We got a lot of uptake, and employers were coming forward not from the point of view that they were getting free labour but from the point of view that they can give something back. We will be very careful about using employers who are going to provide good-quality placements and make sure that the young person actually takes something away from it.

Dr Farry: I will give an example of the type of feedback that we have been receiving. You will have noticed that, in my opening remarks, I referred to some upfront costs that we would help businesses with. One of the comments that was made concerned people coming in for a short two- to eight-week taster, because some businesses have some quite rigorous health and safety regimes and requirements around uniforms, clothing, etc. So, we are moving the parameters of our scheme as it was initially drafted to reflect those practical concerns that employers were raising.

The final point on that is that a number of Ministers have also been very keen to stress that the public sector is involved in this. They are very willing to communicate it down, whether through their own Departments or the arm's-length bodies that they work with, that they want the scheme to be supported.

Mr P Ramsey: I am just not happy that there are no targets for the numbers of young people in work. The issue is youth employment, and I am not satisfied; we are not hearing how many people you expect to have employed over what you now you tell me is the CSR period. I do not want to dwell too much on this or hog the meeting, but at some stage we need to get the targets.

Dr Farry: There is a target of 6,000 placements in the economic strategy. I will say two things about the number of those placements that we turn into jobs. First, it is premature to set targets until we have certainty around the financing. It would be irresponsible for us to do that. Secondly, you will be aware that we run a number of different types of employment scheme. The evidence from other jurisdictions suggests that the type of work experience scheme that we are now proposing would have a much higher retention level than other types of scheme. So, what we are suggesting will be good value for money.

Mr C Boyle: We are looking at the Steps to Work scheme, which has been getting 25% or 26% sustainable job outcomes. In trying to deal with this particular category of young people, it would be fantastic to be able to say, particularly in the climate we are in, that, of the 6,000 placements, we got 25% into work. However, the Minister is right that nailing that down now as a target would be premature. We need to do a wee bit more work and suss it out first. Money is obviously a key element in that.

Mr F McCann: Thank you, Minister, for the presentation. Pat touched on some of the stuff that I was going to raise. You said that there is an 18% youth unemployment rate across the board, but, in many areas, the rate is far higher than 18%. It is my understanding that that was where the NEETs strategy was to come in.

You mentioned the community and voluntary sector. There is a lot of disquiet in that sector about the fact that tackling the NEETs problem stops at a certain level of government-run schemes rather than getting right in to deal with the people that the community and voluntary sector deal with. So, there is disquiet about that.

What would the monetary incentives be for companies to take on young people who are NEET?

Dr Farry: There are two levels to that. There is some upfront support for companies. The main layer of support will be the potential for an employer subsidy. You are probably going to ask me how much that would be, and you can anticipate that my stock answer is that we cannot speculate about that until we know precisely the financial funding arrangements that we will have for the policy. However, it is something that needs to be sufficient to make it worth the employer's while and to make a difference. We often hear from employers that they are very willing to take on additional people but that, in the current financial climate, it is too big a risk to their balance sheets to take on the full costs.

Colin, do you want to say anything about the community and voluntary sector and NEETs?

Mr Colin Jack (Department for Employment and Learning): One thing that the Department has firmly established in all the work that has been done on developing the NEETs strategy is that the voluntary and community sector is already making a major contribution to addressing the NEETs issue; for

example, through the Department's European social fund programme. Without pre-empting the NEETs strategy too much, one thing that we have identified is that the voluntary and community sector is uniquely placed to track down some of the young people who do not engage readily in provision without the signposting that the voluntary and community sector can offer. Certainly, the elements of the package that the Minister has outlined today that are about that kind of re-engagement will involve the voluntary and community sector quite significantly. It will signpost to voluntary and community sector provision but will also put young people in touch with the Department's mainstream programmes.

Mr F McCann: I just want to come back on that. It would probably take us too long to debate the rights and wrongs of what you are saying. I am heavily involved in the community sector in the constituency that I represent, and that approach does not work for all community and voluntary organisations. It might be that there is a gap between the level that you work at and the way that things operate on the ground. As a matter of fact, in some communities, it works to a disadvantage. Those are the hard-core areas of deprivation and unemployment. I would not mind if, at some stage, the two of us could sit down and go over that.

Any strategy that tries to get young people back to work has to be commended. However, one concern that has been raised here a number of times — Barry raised it a couple of weeks ago and some of the engineering companies raised it — is that people will not be trained to a level that allows them to go through apprenticeships. The focus is elsewhere. When will we be in a position to know the take-up of work placements in the private, public and voluntary sectors and the quality of the placements that people are going into?

Dr Farry: Again, the volume will, to an extent, be governed by the resources. However, we are not expecting any difficulty in finding young people who want to volunteer to go on work experience placements. Most young people are extremely hungry to get into work; they understand the importance of that and are very frustrated at the underlying economic situation. Therefore, they should be very forthcoming. We anticipate demand will be considerable. From our discussions with employers so far, we know that they equally understand the importance of this. I anticipate that they will be very forthcoming in offering placements. The placements will be quality placements and will be carefully monitored by the Department. However, it is important that we are realistic about what the world of work actually means. The placements will include a range of activities, provided that young people are not being exploited, which is what we want to avoid. At the same time, young people need to be realistic about what is involved in the work placement and get a sample of what existing employees do on a regular basis.

Mr F McCann: I have one final question. In November or December, there was mention of £1 billion being invested in schemes in Britain to draw young people back to work. If my memory serves me right, the talk was of paying people at the minimum wage. It was said that the Barnett consequentials from that would run into millions. Are we in a position to offer the same scheme?

Dr Farry: You are referring to the youth contract that was announced. I will ask Colum to talk about the precise details of the minimum wage payment in a moment. That money flows to the Northern Ireland block as part of the wider pot. It is for the Finance Minister to address what flows from that, from, essentially, the June monitoring round onwards. A considerable amount is accrued for Northern Ireland as a result of that.

We have been very mindful of looking at best practice elsewhere. We have examined very closely the youth contract. That youth contract is available in other parts of the UK because employment law is not devolved in either Scotland or Wales. However, it falls to us in Northern Ireland to do our own thing. We have been mindful of the youth contract and have followed certain elements of it. However, what we are doing here is different in some respects. We have put in additional measures and an additional emphasis on skills. We are trying to link what we are doing to the evolving needs of the Northern Ireland economy.

Colum, do you want to talk about the specifics of the payment?

Mr C Boyle: As we discussed when we took the matter to the Committee for Social Development, participants will receive their benefit payments during the two- to eight-week taster work experience that happens early on in the scheme. The more detailed piece that I think that you are referring to as part of the youth contract is the six- to nine-month work experience placement, the training and skills development element. We would be paying a premium to the individuals going through that.

Mr F McCann: What is the premium?

Mr C Boyle: I am not at liberty to talk about the sums, but let us put it this way, if you are looking —

Mr F McCann: If the press, rightly or wrongly, can talk about people being paid the minimum wage under the youth contract and we are developing a similar type of scheme, surely, as elected representatives, we are entitled to know how much participants will be paid.

Mr C Boyle: It is whatever their benefit is plus a top-up premium.

Mr F McCann: So it is a secret?

Mr C Boyle: No. It is not a secret.

Mr F McCann: Well, it must be a secret if you are not going to tell us.

Dr Farry: Fra, with all due respect, the problem that we have is that we have come here today to report on the progress that we are making on youth unemployment. At the start, we made it very clear that we have before us a policy framework that contains the types of initiatives that have been agreed by the Executive. Until we have certainty about the financing, we cannot give you the full details. What we are saying is that there will be the existing payment of jobseeker's allowance (JSA) to people on the schemes, and the work experience regulations allow us to do that. There will be a top-up payment beyond that, but the level of that payment is subject to the outcome of discussions on the financing.

Mr F McCann: So, that is not available for the Committee. The reason I ask is that I am trying to tease this out. As you know, Colum, at the Committee for Social Development, I raised the point that there seems to be a scheme unfolding in England, an element of which we will operate here. We may take it in a different direction, but the indications were that each person who signed up for that scheme would be paid at least the minimum wage throughout the nine months. This morning, we are being told that, although everyone in Britain knows how much those people will be paid, we cannot be told.

Dr Farry: The first thing to say, Fra —

Mr F McCann: I am not asking for the sake of having an argument; I am just trying to get information.

Dr Farry: No, I know. We are a devolved Assembly, so we take our decisions in Northern Ireland and do not slavishly follow what happens in Great Britain.

Mr F McCann: I am glad to hear you say that. I am arguing that I also do not want people to receive any less of a payment.

Dr Farry: We are not keeping anything back from you today. We are not sitting on a figure that we are not prepared to give to the Committee. We are saying that, until we are able to conclude discussions with the Finance Minister and until he makes recommendations to the Executive and announces those to the Assembly, we cannot finalise the figures for all aspects of the scheme.

Mr F McCann: When will we have those figures?

The Deputy Chairperson: Fra, we have to move on. We have other members who wish to speak and the Minister's time is limited.

Mr F McCann: Chair, I am just trying to make the point that there is information that I believe the Committee should have but is not getting.

Dr Farry: To be clear, we are not holding anything back on that front. This is the nature of how government works in Northern Ireland, whether you like it or not. You like it; others do not.

Mr Allister: Minister, there has been a lot of playing of cat and mouse this morning. That started with the fact that, for 15 minutes, you read us a statement that you are not prepared to give us until you have been and gone. I do not understand your attitude of wanting to be co-operative and helpful to the Committee yet refusing to hand us a paper so that we can follow it, look back on what you said and question you on it. Do you not want to help the Committee?

Dr Farry: First, I find that comment to be way off the mark. It probably reflects my innocence that, in trying to be helpful to the committee, I suggested that it would be a good idea to pass a copy of the paper to everyone. I was asked here today to give evidence on the issues of youth unemployment and NEETS, and it is custom and practice for Ministers to come to Committees to give a verbal statement and answer questions on that statement. I took it upon myself to volunteer to be helpful to members and to circulate a copy of what I have set out for your information because I appreciate that I am unfolding a fairly complex set of matters. So, it was done in the spirit of trying to be co-operative and helpful to the Committee rather than of holding anything back. I am actually going beyond the normal protocol.

Mr Allister: It would have been more helpful to have furnished us with the paper that you had.

Dr Farry: I am actually going beyond the realms of being helpful. Frankly, I am regretting having even offered that at the start of the meeting — maybe I should have done it at the end — because of the way it has been received by members, which I find slightly bizarre.

Mr Allister: Other things that we might find bizarre include the fact that you have an employment strategy now approved in some abstract form by the Executive but with the spend attachment not yet approved. You cannot tell us what it might cost the Department or what the spend might be, but you must have done costings. Without yet asking you what they are, you must have costings for this programme. Would that be right?

Dr Farry: Yes.

Mr Allister: Right. Those costings you are not prepared to share with us; is that right?

Dr Farry: Those matters are under discussion with DFP, and it is not productive for us to put those figures in the public domain today.

Mr Allister: Let me just draw an analogy. We go through a process of in-year monitoring three times a year. We all know what the pot of money is across the Departments. The Department comes and tells us, "This is our definitive bid." In this situation, we know that there is a definitive pot of money from the Barnett consequential. So, why the diffidence in coming and saying, "This is what we are bidding for in respect of this excellent scheme because we want to maximise its impact."? Why not take the same attitude as you take with in-year monitoring?

Dr Farry: OK, there are two aspects to that. First, there is this notion that we are here today with half a presentation and that somehow this is a slightly bogus exercise for us to be going through. Again, it is a question of what the Committee wants from us. We can batten down the hatches and say that this is still a policy under discussion, that until everything is agreed nothing is agreed and that we will therefore not brief the Committee until we have the resourcing in place and can give you the full package on everything. However, we chose to brief the Committee in the spirit of ongoing dialogue between members on what we have agreed to date, so you see —

Mr Allister: But all we have, Minister, is that we know that there is a scheme.

Dr Farry: Yes.

Mr Allister: We do not know how many people it might reach.

Dr Farry: Yes.

Mr Allister: We do not know what the financial consequences are. We do not know what it will cost the Department.

Dr Farry: Yes.

Mr Allister: So, knowing there is a scheme does not add a great deal to the sum total of our knowledge.

Dr Farry: OK, well, I am sorry if we are wasting your time today. We can just sit back on this for another couple of months until everything is agreed. However, I think that most people would quite like to understand what we are talking about doing in Northern Ireland, even though we are not in a position yet to announce the funding around all that. It is important that members understand the direction of travel that we are talking about.

You raised the specific issue of the process around monitoring rounds. It is important that we draw a distinction between what normally happens in a monitoring round, which is that underspends that are surrendered by Departments are then reallocated to others, and other measures that may be announced as part of monitoring round statements about wider issues regarding funding into the future. What we are talking about here is not a simple monitoring round bid by the Department. This is a more fundamental discussion in which we will be looking for certainty of resourcing over the lifespan of the CSR period rather than simply a one-off injection of resources on the back of a monitoring round.

It is important to understand that monitoring rounds do two things: they redistribute money, which is the general nature of the bids that you as a Committee will see, and they look at the wider, ongoing structural financial issues facing the Executive over the months and years to come.

Mr Allister: I could debate that with you, but I want to move on.

With regard to the unknown costing of this scheme, you know what you would like it to cost and how far you would like it to go. If you end up getting less money than you want for the scheme, does that mean that the scheme contracts with regard to the number of people it reaches or does it mean that the payments to, for example, the employer contract? What are the machinations of that in relation to the costings?

Dr Farry: You are right that there are variables. It could go in two different directions if we have a smaller cash envelope than we would ideally want. I think that our preference — this is not a firm view at this stage until we have greater clarity on the financing — would be to protect the overall integrity of the type of policy that we are putting in place. The consequence of less funding would be fewer numbers going through. Rather than simply trying to maximise the headcount going through but compressing the nature of the scheme, I think that we want to do the scheme properly and offer it to as many people as we can afford to put through it.

Mr Allister: If that is right, I do not understand why Mr Boyle could not answer Mr McCann's question about what the level of payment would be.

Dr Farry: Because that is a preference at this stage. Both elements are still under discussion, and a final decision has not been made on that. I simply stated that that would perhaps be one way of going and, indeed, might be the preferred way of going, but it is not the final decision that we have taken.

Mr Allister: Can you give us a timeline? We know that a draft NEETs strategy was approved by the Executive last March and now, this April, a more definitive strategy will hopefully be approved, and a year has passed in between. What is the timeline on this project?

Dr Farry: My hope is that the issue will be addressed within the June monitoring round.

Mr Allister: So, it is the monitoring round?

Dr Farry: Yes, but, as I explained previously, the June monitoring round will do a number of different things.

Mr Allister: So, there will come a point when we will be told what your bid is.

Dr Farry: There will come a point when there is clarity around the financing, and we will be very happy to give a full and comprehensive statement.

Mr Allister: But, Minister, if it is part of the monitoring round, then we know from past performance that we are going to be told that this is the amount available, this is the amount we are bidding for, this is the amount that comes from scheme X, this is the amount that comes from scheme Y, etc. You are going to come to a point when you will tell us, if it is in the monitoring context, how much you are bidding for in order to fund the programme. That just adds to my bemusement as to why we cannot be told that today.

Dr Farry: We may well reach that point, but, at this stage, discussions are under way with the Department of Finance and Personnel around that. As frustrating as it may well be for some, we cannot speculate further than what we have said so far on financing, but I believe that it is in the wider public interest and the interest of the Committee that we set out, as far as we can, what we intend to do in terms of new schemes and initiatives.

Mr Douglas: Thank you, Minister, for your statement. Colum has highlighted some of the detail of the work experience schemes that you talked about. Are they different from the Step Ahead programme, for example? Are they in addition to that?

Dr Farry: They will be additional. Everything that I have set out today relates to new initiatives that are on top of what is currently offered. We have a full suite of initiatives to address young people's issues, but we have a major cyclical problem in our economy that we have to respond to. Those are all additional measures.

Mr Douglas: Last November, the youth contract was announced, and you mentioned that. I think nearly £1 billion was invested to help youth unemployment right across the United Kingdom.

Dr Farry: Apart from Northern Ireland.

Mr Douglas: We are hoping to get £26 million from the Barnett formula; is that right? Has any progress been made on that? In the Chamber, we talk about youth unemployment. It is a big subject. We are all signed up to try to support that. Most of the parties are saying that, if we can get £26 million, it should go towards youth employment and schemes. Will you give us a progress report on that?

Dr Farry: I think that we have a strong moral claim to a large element of that Barnett consequential. That announcement applied to all of Great Britain, including Scotland and Wales, notwithstanding the fact that they are devolved regions. That money — around £26 million — then accrues to the Northern Ireland block grant, but it comes across as unencumbered money. That is purely at the discretion of the Finance Minister to recommend and the Executive to agree.

Mr Douglas: Is that new money coming to Northern Ireland?

Dr Farry: That is new money coming to Northern Ireland, but it does not automatically follow that it will flow to a similar scheme in Northern Ireland. Indeed, today, the Chancellor may well announce additional spending and a Barnett consequential may accrue to Northern Ireland. Again, we do not

need to follow what is happening in Great Britain, but we will take the money and make our own decisions on that. I think there is no doubt that there is a strong view across all political parties that this is something that they want to do. It is important that Members continue to make clear that they would like to see something like this happen in Northern Ireland.

It is also useful to stress that the youth contract money included an element of spend around NEETs. In some respects, that gives an indication as to why we have tried to address some additional NEETs elements as part of the youth unemployment paper. Obviously, there is a very strong overlap between the different categories of young people. We are trying to integrate those to a certain extent, which is why some elements were announced in the paper today ahead of the wider Executive NEETs strategy in April.

Mr Douglas: Minister, as you will know from the discussion this morning, we are here to support you; we are on your side.

Dr Farry: Or to hold me to account; whatever way you want to call it.

Mr Douglas: But seriously, is there anything that we can do as a Committee to support you in trying to attract these funds?

Dr Farry: It is fair to say that the Executive as a whole are very clearly aware of the importance of this. Youth unemployment was the biggest single issue to come across in the consultation on the economic strategy. However, it would be useful if Members from all parties kept raising the issue, whether that is formally through the Committee or individually, and how important it is that the type of schemes we are discussing today are properly resourced.

Mr McElduff: Minister, have you learned from the flaws of JobBridge in the South and the Work Programme in England? What measures will the Department take to ensure that employers cannot abuse the scheme? What actions might be deemed sanctionable?

Mr C Boyle: What was the first part of the question?

Mr McElduff: The first part relates to the flaws of JobBridge and the Work Programme in England.

Mr C Boyle: We have had a look at JobBridge down South, at your prompting following the previous Committee meeting. We have not really gone into detail, other than to look at the mechanics of it. At the top level, the mechanics look fine. What we have done is a really detailed forensic job on the Work Programme in GB. At this stage, the Work Programme in GB is, in our view, pretty untested. Job outcomes — what they expect for sustainable employment — have not been communicated. The ideology is that the programme will try to get people into work at a rate of about 40% in sustainable employment. That compares very favourably to our own Steps to Work at 25%. You mentioned flaws in the Work Programme. There are things about the programme that we like and there are other aspects about which we are still a little concerned. We need to make sure that we understand all the mechanics of it. I do not know that we would accept yet that they have laid themselves so bare that we would agree with you that there are flaws as such.

Some elements of the funding mechanisms are a key area for us to probe further. One area that we are really testing is that of those who are hardest to help, those with multiple barriers; for example, people with serious health conditions or whatever. Those are the categories about which we are concerned. People with those kinds of issues should not be left behind. Although the funding mechanisms in the Work Programme pay a very tasty premium for getting people with those types of barriers into work, the chances are that they may still be parked and not helped sufficiently in time. That is a concern that we have. As you are probably aware, in Steps to Work we deal with all those categories of clients in any case. We want to make sure that, in whatever move we make towards the new employment programme that will replace Steps to Work, we take the very best of what we have in Steps to Work and the very best from the GB Work Programme.

Mr McElduff: OK.

Mr C Boyle: Your second point was on abuse of the scheme. We have been running Steps to Work for a while, and I think that we have a good track record in monitoring the effectiveness and quality of the placements. We have done that previously in the New Deal programmes as well. There was a lot of concern in the media about what would happen in relation to the two-to-eight week work experience. During that time, young people who are on work experience will be signing on every two weeks with us and will see their advisor on the front line. We will also make sure that we visit the employer premises. There will also be a commitment to be signed off between the employer, us and the individual before they go in. When they do go in, it will be purely voluntary and there will be no penalties imposed if they leave at any point. The only penalties by way of a sanction on benefits would be, as the Minister said, for gross misconduct.

We want to pick up on as much of the indigenous employment base as we possibly can. There is an interest in employers bringing young people on board. That will be at their own cost, I have to say, because when you bring someone on board you are going to train them and take time with them. If employers are not taking that time, we want the young people to go ding-a-ling to us very quickly or us to be in very quickly to understand what is going on.

As part of the placement, there will be a profile of what you will be doing and what you can expect to learn while you are there. The old idea of work experience being washing dishes, washing floors, stacking shelves or packing the backs of lorries will not be how this operates. We want people to learn something. This is about trying to get young people on the right path, not just for the here and now but for whenever the upturn and the recovery comes. We want to make sure that people have skills and experiences, have fleshed out their CV and have got, not just hope for the future, but genuine skills that make them employable, whether they are employability skills or technical training that they have received.

The Deputy Chairperson: Minister, Colin and Colum, I thank you for coming today and giving us the presentation and briefing on this issue.

Perhaps I can take the liberty to ask you one question, Minister, not related to this at all. Our next briefing is from Stranmillis University College about the merger with Queen's University. Some time back, you informed the Committee that you were carrying out a review of teacher training and the merger of Stranmillis and Queen's. What stage is that at? When do you hope to report on those reviews?

Dr Farry: We announced a two-stage process. The first aspect of that is the financial issues in relation to the two university colleges. That is out for procurement as we speak. Once we have that resolved, the first stage will commence. That should be a fairly swift exercise and will hopefully be concluded in the late spring. I would be happy to brief the Committee on the outcome of that in due course.

The Deputy Chairperson: Again, thank you for your time. I know you are a bit over your time, but thank you for the leeway.

Dr Farry: That is OK. We will catch up. Thank you very much, Chair.