

Committee for Employment and Learning

OFFICIAL REPORT (Hansard)

European Issues: DEL/OFMDFM Briefing

20 February 2013

NORTHERN IRELAND ASSEMBLY

Committee for Employment and Learning

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Members present for all or part of the proceedings:

Mr Thomas Buchanan (Deputy Chairperson) Mr Jim Allister Mr Phil Flanagan Mr Fra McCann Ms Bronwyn McGahan Mr Pat Ramsey Mr Alastair Ross

Witnesses:

Mr Colin Jack Mrs Patricia McVeigh Mr Gordon Browne Department for Employment and Learning Department for Employment and Learning Office of the First Minister and deputy First Minister

The Deputy Chairperson: We will now have a briefing from the thematic desk officer in Brussels, who will provide a quarterly update on European issues via a conference call. I welcome Gordon Browne, the thematic officer in Brussels, and two officials from the Department for Employment and Learning (DEL): Colin Jack, the director of strategy in the European employment and relations division, and Patricia McVeigh, the head of the European policy branch. I thank you folk for coming today. Remember that this session is being reported by Hansard, so I ask you to make sure that all your devices are switched off.

Mr Flanagan: Is the TV being used, Chair.

The Deputy Chairperson: It is.

The Committee Clerk: We cannot get a picture today. It is not working. We will just have sound.

Mr Flanagan: All right. We will listen.

The Deputy Chairperson: I hand over to you, Colin.

Mr Colin Jack (Department for Employment and Learning): My understanding of what will happen is that we will get an initial briefing from Gordon. I am head of strategy in the European employment and relations division in the Department. Joining me today is Patricia McVeigh, who has recently taken up the post as head of the European policy unit. Gordon works with us and supports us on the competitiveness and employment theme of the Barroso task force working group. Gordon is the desk

officer who is based in the Northern Ireland Executive Office in Brussels. I hope that he is on the phone, because I have not heard him yet.

The Deputy Chairperson: Gordon, while we cannot see you, we hope that you are with us. We will hand over to you.

Mr Gordon Browne (Office of the First Minister and deputy First Minister): Good morning. Thank you, Chair. It is worth stating that the following update refers to the DEL side of the competitiveness and employment thematic group. Work for other Departments that make up the group is not covered.

My remit in Brussels is a three-pronged attack: funding opportunities, policy, and engagement with networks and building contacts.

I will cover the funding opportunities first. Between November and February, since my last appearance before the Committee, there have been limited calls for proposals for the DEL side of the group. This is to be expected, as the general Commission flow of events is for funding calls in the first six months of the year. The most notable area of interest was in and around the lifelong learning programme. A member mentioned the Erasmus programme, which would fall under that. There was a 2003 call for proposals, for which the majority of subprogrammes has just closed. Between November and February, I also forwarded some 20 separate partnering opportunities for other member states for organisations in Northern Ireland. We have previously indicated that Northern Ireland has performed very well in that programme in the past, and that is seen as an area that can be maintained and hopefully improved on in Northern Ireland's drawdown of funds.

At my previous appearance before the Committee, I noted that there remained one key call of interest to the Department: that was the Directorate General (DG) for Employment, Social Affairs and Inclusion's call for social policy experimentation under the Progress programme. That has now passed, and unfortunately we were not able to progress it. There was quite a bit of work on the issue. It needs to be kept in mind that the nature of these calls is that they are often resource-intensive. Ultimately, however, you are in a competitive process, and you are not always successful. Some of the key events around this were the discussions we had with a number of organisations in Northern Ireland funded by the European social fund (ESF) that expressed an interest. I have subsequently carried out two partner searches for this call, and interest was shown from a region in Strasbourg. It was seeking a junior partner, but unfortunately it was not in a position to proceed at this time.

At the turn of the year, I held discussions with the Northern Ireland European regional forum to discuss its proposal for social policy experimentation. The proposal was from a consortium of members, including Belfast City Council and Belfast Metropolitan College. They were looking at aspects such as apprenticeships and unlocking the potential for apprenticeships in the public sector. From these discussions, DEL agreed to be involved in the project and to provide a commitment for the matched funding element. However, the application ultimately could not proceed because of a technicality late in the process.

Some other work for the Department in the past couple of months has been around policy. Prior to my previous Committee appearance, I met DEL officials in Belfast to discuss policy areas of interest. Subsequently, I made contact and provided policy briefing updates in respect of interested areas on the posted workers directive, the pregnant workers directive and the working time directive, which Eoin mentioned to you.

In December, I provided a briefing and analysis to the Department on the Commission proposal for a package of measures for youth employment. Also, out of the recent visit to Brussels by the First Minister and deputy First Minister, the office has secured a meeting on 27 February with the secretariat general of the European Commission on the area of youth employment and youth guarantee. At present, the deputy head of office and I are down to attend, and I believe that a DEL official will also be attending. It is hoped that we will get a steer on the emerging youth employment strategy in the Commission and the youth guarantee, and we will give some information back on what Northern Ireland is doing on the issue at present. It is hoped that this should improve future linkages and synergies above the EU and Northern Ireland levels.

Since the start of the new year, I have been keeping a watching brief on some of the key working groups during the Irish presidency of the EU that are of interest the Department. Those include working groups on education and youth employment/youth guarantee.

Some of the other work is as follows. I believe that the Committee is due to get a briefing on the European priorities of the group, and obviously we will be very much involved in that process and helping to develop it in line with the Commission's work programme for 2013. Discussions have taken place around ideas for the thematic group's involvement in the EU Commission's Belfast office 2013 policy seminar programme.

In late October, I produced a final draft paper for the Department on the further education (FE) sector in Northern Ireland. It details the key EU policies and directorates general that may impact on further education in Northern Ireland. The paper contains information on networks to be explored, and current and future funding opportunities for the sector.

A further paper details an overview of future funding has now been finalised and was forwarded to the group in late January 2013. The paper was produced jointly by all four desk officers and is aimed at informing all the thematic groups and, indeed, wider Northern Irish society of the future opportunities in the next programming period.

Other opportunities are emerging. At the last Committee meeting that I attended, a member mentioned that Ulster Supported Employment Limited (USEL) representatives were coming to Brussels, and we subsequently met those officials. We have passed on information on the Erasmus for All programme and recent research funding opportunities for social enterprises. There was some correspondence about football academies between the Committee and me. We recently met representatives from the Irish Football Association (IFA), and they are keen to hold an event, perhaps in September. We are looking at that youth and sport dimension.

That is a brief overview, and I am happy to take questions on any areas on which members may want more information.

The Deputy Chairperson: Thank you very much, Gordon, for your presentation this morning. We thank you for the work that you are doing in Europe, even on behalf of the Department and the Committee. Before I open the meeting to questions, do any of you folk want to make comments?

Mr Jack: We do not have very substantive comments to make. Gordon mentioned the draft European priorities for 2013-14. I understand that the Committee received that document as correspondence from OFMDFM. We have been involved in developing the competitiveness and employment element of that document. We had not intended to brief you in detail on that today, but we welcome any comments on it from the Committee.

The Deputy Chairperson: That is fair enough. I will open up the meeting to questions.

Mr P Ramsey: Good morning, Colin and Patricia, and also Gordon, who is in faraway fields. Good to hear from you again. We had an earlier discussion on Erasmus and another programme, Transversal. Is there a tracking mechanism in place so that we can see where these young people go after they conclude the Erasmus programme and whether they secure employment? That would be one benefit of keeping a database, and it would be a scientific way of finding out how many employment opportunities exist for the young people involved in it. Are we absolutely certain that we are maximising opportunities for all third-level education students to avail themselves of this? Can you give me a wee bit of information on the Transversal project?

I am meeting a couple of companies in my constituency this week, one of which is a sole trader. Those companies are keen to find out about small research grants under Horizon 2020. I am preempting that meeting, but I know what information they are looking for. Perhaps somebody could enlighten me on that. I am talking about small companies with five employees or fewer.

Mr Jack: I will take Erasmus first. I am not aware of a tracking mechanism of the sort that you mention or that we have information about the destinations of people after they have been on Erasmus. We have information about the relative uptake of Erasmus in Northern Ireland compared with other UK regions. We are trying to develop some more detailed information about how we compare with regions elsewhere in Europe. We know that the higher education institutions in Northern Ireland have been relatively successful and proactive in promoting Erasmus. The uptake here per head of population is higher than in other parts of the UK. As part of the Executive's commitment to increase uptake of competitive funds by 20% over the current CSR period, we are also tracking the trends of uptake of Erasmus and other programmes such as Youth in Action. We are

working with the British Council to try to find out what more we can do to encourage further uptake of the funds.

Mr P Ramsey: Colin, given the amount of money involved and the importance of this, I am surprised that you do not have a tracking mechanism to find out about the end product. Might you consider that for future reference?

Mr Jack: The thing is that it is an EU programme. I would be very surprised if it has not been evaluated at EU level with that type of qualitative information. We will seek to find out what information of that kind we can get. I do not know whether Gordon is aware of anything more specific.

Mr G Browne: You raise a valid point. You are getting to the end of the current programming period. As is the way in Europe, there are ex ante evaluations, mid-term evaluations, and there will be ex post evaluations. The lifelong learning programme, which Erasmus and so on falls under, is managed by Ecorys in the UK. It would be your first port of call. There is quite a bit of information available. Eoin was asked about Erasmus and figures. There is information at a UK level that shows that Northern Ireland is punching above its weight for lifelong learning programmes. The most full year of data is for 2012, and it shows that Northern Ireland drew down 8% of the UK's funding for a population that represents 3%. So, as Colin rightly says, per capita, we are doing quite well at a UK level.

Mrs Patricia McVeigh (Department for Employment and Learning): To clarify: the British Council is the agent for the Erasmus programme. It manages the programme on behalf of the UK, and it has the data. Ecorys is the UK agent for the other lifelong learning programmes.

Mr Jack: I turn to your other point about maximising opportunities for all under Erasmus. The new programme being developed for the 2014-2020 round of funding has, up to now, had a working title of Erasmus for All. That signifies a strategic shift in broadening the types of young people who will take part in the programme. To some extent, there are existing programmes for students who are not in higher education. However, those are less well known. Erasmus is the programme that has a public recognition. Although I understand that there is some debate in the negotiations about whether Erasmus for All will remain the title, I know that the UK Government support that title because people understand what the name will mean.

Mrs McVeigh: Obviously, we will be more proactive to encourage people to avail themselves of these programmes. The British Council held an event to which it invited the further education sector to explain Erasmus in more detail. We feel that there are opportunities in FE that are perhaps not being utilised under Erasmus.

Mr P Ramsey: You can get back to me about small research grants.

Mr Allister: Good morning, Gordon. I think that you were to be given notice that the Committee wanted to hear about the utilisation of the globalisation fund elsewhere in Europe.

Mr G Browne: I believe that Colin Jack will update the Committee on that.

Mr Allister: We will certainly be interested to hear about that.

Mr Jack: My understanding is that the request was for information about the use of the globalisation fund in Northern Ireland and the UK. So I am in a position —

Mr Allister: I think that the request was also what could be learned from its utilisation elsewhere, which is why I directed it to the Brussels office.

Mr Jack: I think that that request has not come through as clearly as it might have, and we can have a further look at it. However, we have been seeking to learn from experiences elsewhere, certainly in the Republic of Ireland, where there have been a number of successful projects under the European globalisation fund. For example, when there were redundancies at Dell, the computer manufacturer, and in the construction sector, a sectoral approach was taken.

The UK's position is that there has not been an application to date under the European globalisation adjustment fund, and there are a number of reasons for that. The issue was raised specifically

recently on the FG Wilson redundancies. The threshold for eligibility is 500 redundancies, and it is not clear at this point whether we would qualify under that criterion.

Mr Allister: We passed that threshold, however, with Seagate.

Mr Jack: At the time of the Seagate issue, the threshold was higher and has reduced from 1,000 to 500 redundancies. The information that we have at present is that 216 former FG Wilson staff have claimed jobseeker's allowance. So there is a —

Mr Allister: Is that by virtue of excluding the agency workers?

Mr Jack: Obviously, agency workers were employed by FG Wilson. We understand that about 160 agency workers are still employed there. However, one issue with the use of the European globalisation fund in Northern Ireland, and in the UK more widely, is that many of the activities that are eligible for support under the fund are core provision by our employment service. There are issues about additionality and eligibility for support for activity that the Department would be providing in any event.

In the FG Wilson case, the Department was able to move in immediately on finding out about the redundancies.

Mr Allister: Are you saying that there is nothing extra that the globalisation fund can offer?

Mr Jack: I understand that there were cases elsewhere where retraining was funded under the globalisation adjustment fund, so there may be more scope to make a case for additional support.

Mr Allister: In a climate in which, sadly, we have redundancies, should we not be already equipped with that knowledge?

Mr Jack: We are aware that there have been cases when that happened, but with the globalisation adjustment fund, there are strict criteria for meeting and monitoring it. We understand that there have been instances in the South in which an application has been successful but people have not been in a position to draw down all the money because of technicalities about timescales for using it and so on.

Mr Allister: So is it more trouble than it is worth? Is that what you are saying?

Mr Jack: A bit of that message is coming through in whether the benefit to be accrued from the globalisation fund would outweigh the cost. There are issues about the relationship between the globalisation fund and the UK abatement, for example, from EU —

Mr Allister: So you never see us using it?

Mr Jack: I would not say that I never see us using it.

Mr Allister: Under what circumstances do you think we might use it?

Mr Jack: That would be speculation. Ministers probably need to talk about it.

Mr Allister: You advise the Ministers.

Mr Jack: UK Ministers have the say, ultimately, on whether an application --

Mr Allister: It has to be a UK Minister.

Mr Jack: — could be put forward for Northern Ireland. They have not put forward applications in the past. I also understand that they have not ruled out the possibility of an application in the future, should the circumstances be right and should there be —

Mr Allister: There were circumstances in GB in the car industry that were eligible.

Mr Jack: I am not aware of the specific case. Is it a recent one?

Mr Allister: It was two or three years ago. They decided not to apply.

Mr Jack: I was not aware of that case. There have been cases in the past in which the consideration of an application has gone a certain distance and then the decision has been taken not to proceed with an application, whether because of changing circumstances or —

Mr Allister: I will ask something totally different. The European institutions are a huge source of employment; thousands of people are employed. What efforts do we make to introduce our graduates and young people to the potential employment opportunities in the European institutions? How are we faring? I am not talking about secondments from the Civil Service but about actual recruitment competitions. Do we take any steps with our universities or employment facilities to make sure that people are aware of the jobs?

Mrs McVeigh: The European Institutes for Advanced Study (EURIAS) is the employment organisation in Belfast. It is based in Gloucester House. It highlights opportunities in Europe and the European Union. Weblinks are also highlighted to graduates about major opportunities in the EU not only for people with a foreign language but for English-speaking students. We want to emphasise that more; we want Northern Ireland to embrace that European outward-looking thing.

Mr Allister: Have we any indication of success rates?

Mrs McVeigh: We do not have ---

Mr Allister: Could we find out about that?

Mr Jack: We can seek to find that out. You mentioned direct employment by the European institutions rather than secondments. Part of the Barroso task force working group agenda is very much about getting more people from the Civil Service —

Mr Allister: Yes, but that is only a marginal issue. I am talking about direct recruitment.

Mr Jack: In the past, the Northern Ireland Civil Service participated in the European fast stream. I am not sure whether that exists at the moment, but I can make enquiries to the Department of Finance and Personnel (DFP) to get the most up-to-date position. It was designed to get people experience in the UK Civil Service that they would then use to get permanent jobs —

Mr Allister: My perception is that we always have been, and still probably are, missing a trick with job opportunities in the institutions. In my experience, one regularly met people employed in the institutions from other parts of the British Isles but rarely met people employed in the institutions from Northern Ireland. OK, we are small, but it did seem disproportionate.

Mr Jack: We can feed that back and seek to find out what the current arrangements are, aside from secondment, to encourage that.

The Deputy Chairperson: I know that Alastair wants to come in on the back of that, but it would be fair to say that, on issues such as this, Northern Ireland punches well below its weight, and we need to seriously consider that.

Mr Ross: I want to return briefly to the globalisation fund. There are ideological reasons why the current Government are uneasy about using or applying for it, but, in the Northern Ireland context, I want to clarify two points. First, does the qualifying number of job losses exclude agency staff? Is it correct to say that agency workers who have lost their jobs are not included in that total?

Mr Jack: The threshold is 500, and my understanding is that the agency workers would not necessarily be excluded from being considered as qualifying for the fund —

Mr Ross: Even though, and it is an argument that we have often heard, they are employed not by the company but by agencies?

Mr Jack: My understanding of the rules of the programme is that, for example, subcontractors and people in the supply chain of an employer making redundancies may be taken into account in determining eligibility for an application to the European globalisation fund (EGF). So one could come up with an argument for that.

Mr Ross: Is there evidence of anywhere else in Europe successfully applying to the globalisation fund if the numbers involved included agency staff? You may not have that information now, but it would be useful to have. It was my understanding that agency staff were not included.

Mr Jack: The number of direct redundancies announced in September was 490, which is below the 500. As I said, we are aware of 216 former FG Wilson staff who have been claiming jobseeker's allowance (JSA). So there is an issue with whether we are at the 500 level. FG Wilson brought in a private recruitment company to help the workers who were to be made redundant to find other opportunities. There is an argument that, with such support being provided by the company and the Department, it would not be eligible for support from the EGF because it would not be additional.

Mr Ross: Information on whether there have been any successful applications elsewhere in Europe would be useful for the Committee to have.

In a circumstance in which we would successfully apply to and receive money from the globalisation fund, is it not again the case in Northern Ireland that the Treasury would claw that back from the block grant? Therefore, we would not benefit because there would be no net gain.

Mr Jack: I understand that the Treasury would seek to claw back a substantial proportion of any receipt.

Mr Ross: So where would the benefit be in our applying for the globalisation funds?

Mr Jack: That balance would have to be struck. Ministers have not ruled out there being a case in which the balance of advantage would be to apply for the fund. However, to date, there has not been a case where that was adjudged to be the case.

The Deputy Chairperson: I think that we need clarity, Colin, on agency workers and on whether, were we to get globalisation fund money, the Treasury would claim it back. Would it claim back some or all of that? Would it claim back a percentage and, if so, what percentage? Only when we know that will we know the benefit of going down that road, and the Committee needs you to clarify that further.

Mr F McCann: I want to touch on Jim's point about local people obtaining employment in Europe. We advise people through the website about available jobs, but do we also encourage people to try to take up other languages so that, when they go to Europe, they are able to tap more easily into those opportunities? A number of years ago, I had a conversation with someone from the North who worked in Europe. He said that one of the biggest barriers to employment in Europe was the lack of people who take up other languages, and that was especially true of English speakers.

My second question is on Erasmus for All. Is there any information that we can see on it, or is the programme at too early a stage?

I thank Gordon for the presentation and you, Colin and Patricia, for the information. Gordon touched on youth employment schemes and how they are operated. I have raised the point here that, sometimes, when we see a new scheme, it is more or less the same old scheme repackaged and launched in another guise. Are there any examples in Europe of employment schemes that have worked and delivered on what they were supposed to, as opposed to starting off with one scheme and developing another to take its place?

Mr P Ramsey: Go for it, Colin.

Mr Jack: I was hoping that Gordon might reply. [Laughter.]

Mr G Browne: I have not come across a specific scheme yet. The vocational educational training systems in place around Europe are quite interesting, especially the German and Austrian models. Those countries have a youth unemployment rate of 7% or 8%. They have very low school dropout

and a very high success rate of gaining employment ultimately. I have sent back some information on these systems, but their whole schooling system is different, in that some pupils will, at the age of 13 or 14, go down the vocational route rather than taking the higher education and university route. Again, Germany and Austria have the benefit of large industry such as BMW being based in their countries. Vocational education and training are held in much higher regard and seen as much more important in those countries, and their apprenticeship schemes are very well thought of.

Mr F McCann: Certainly, in the past, we often heard about how Scandinavian countries also handled training possibilities for young people. Rather than spending millions and millions of pounds here on these schemes that deliver almost nothing, there must be something that has delivered.

Mrs McVeigh: Gordon is saying that a holistic approach is taken in those countries. There is a different school education system, and people place value on apprenticeships and vocational qualifications. We need a change of mindset in Northern Ireland.

Mr G Browne: It is widely recognised in Brussels that the UK puts an awful lot of importance on its young people attending university compared with other member states. In Austria, 20% of people go to university, and the rest take a vocational route.

Sweden brought in some measures to tackle youth unemployment, such as employers getting national insurance breaks for hiring people under 25, and those seem to have worked. Member states have employed various measures, but, as a region in a member state, we will obviously have limited opportunities for such measures.

Mrs McVeigh: That said, Northern Ireland is ahead in some of its youth policy. You heard Gordon talk about a youth guarantee, which the rest of Europe is looking at. In Northern Ireland, we already have that. A young person leaving school will be offered a training place or whatever, so, in some areas, we are ahead of the game.

Mr F McCann: The whole argument there is about the worth of the training place and what lies at the end of it.

Mrs McVeigh: That is it.

Mr Jack: Everyone in society has a part to play in raising esteem. The same goes for languages because the lack of a second language has been a barrier to working abroad for people from here. The enlargement of the European Union has increasingly made English the main working language in the European institutions, although it is clearly not the only working language or official language. That has probably made things a bit easier for people, but there is no room for complacency. When we send people to work in Brussels, language training is part of what is provided when they get there, in recognition of the fact that the lack of another language can often be a barrier.

Mrs McVeigh: There is recognition of that now, in that the Department of Education (DE) recently issued a language strategy, and there is a reference to languages in the recent higher education strategy. It is not necessarily the case that people should go to university to do a language degree, but, on other courses, for example, engineering, students should be offered a bolt-on or an opportunity to study languages so that they have technical qualifications in engineering as well as some fluency in a foreign language.

Ms McGahan: Thank you for your presentation, Gordon, and thank you to the others for being here. When it comes to encouraging business growth, investment in the replacement of machinery is a big issue for the manufacturing and engineering sector because it would help to create and safeguard jobs. It is my understanding that the sector employs at least 5,000 people in County Tyrone. I am told that the EU cohesion policy provides an option for grant aid for investment in machinery. Has that been explored? We are always being told that success is not a destination and that we have to keep improving and building on our processes.

Mr Jack: That sounds like something that belongs in the remit of the Department of Enterprise, Trade and Investment (DETI), Invest Northern Ireland and, perhaps, the European Regional Development Fund (ERDF) rather than anything for which DEL would be responsible. We can certainly explore what those opportunities are. I do not know whether Gordon is aware of that.

Mr G Browne: I think that you are right, Colin. I believe that certain measures under the ERDF are governed by very stringent procurement issues. I think that DETI would be the best port of call. I can also make some enquiries with contacts in DG Regio here about what is coming out of the current proposals.

Mr Jack: It is worth saying that, in the overall European policy field, we are working to prepare the next programme for the European Regional Development Fund and the European Social Fund (ESF). That will be a co-ordinated process led by DFP but with DETI, DEL and other Departments feeding into it. We want to make sure that we have the right balance between support for the infrastructure through DETI and support for the people through DEL. We will engage further with the Committee on the proposals for the next ESF round.

The Deputy Chairperson: We looked at the issue of agency workers. The Committee Clerk has obtained some information on the subject. It is clear that a temporary worker agency (TWA), as the dismissing company, would not be covered if its workers were subsequently offered work with another employer through that TWA. So it appears that agency workers are not included in this type of funding, if it were being looked for.

Mrs McVeigh: We have been advised that, if agency workers have been made unemployed by a contractor as a result of the main redundancies, they may be included.

Mr Jack: The other issue is whether they have subsequently found work elsewhere. That is one of the issues with the European globalisation adjustment fund. The support for activity that is not already part of our mainstream provision would be for retraining, and so on, which would not be necessary if someone was successful in getting another job relatively quickly. You could, in theory, get an application through for a certain number of people and then not need that provision for people if they have been re-employed relatively quickly. That is one of the issues with agency workers.

The Deputy Chairperson: Fair enough. However, the Committee would like some written clarification on the entire issue because there has not been full clarity today, and we would appreciate some —

Mr Jack: If I may come back on an issue that you raised previously, Chairman, on the level of clawback from the Treasury, my understanding is that that would be in the region of 70% to 80%.

The Deputy Chairperson: Thank you, Colin and Patricia, for giving your time to brief the Committee and thank you, Gordon. Although we have not seen you, we have heard you, and perhaps we will see you next time round. The Committee will follow up on this session and look for further information on these issues.

May I have agreement from the Committee to send a copy of the Hansard report to the research team?

Members indicated assent.

Mrs McVeigh: I apologise for my phone ringing. I thought that it was switched off.

The Deputy Chairperson: OK. Thank you.