



Northern Ireland  
Assembly

Committee for Employment and Learning

# OFFICIAL REPORT (Hansard)

PFG Commitment to Help People into Work:  
DEL Briefing

20 February 2013

# NORTHERN IRELAND ASSEMBLY

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**Members present for all or part of the proceedings:**

Mr Thomas Buchanan (Deputy Chairperson)  
Mr Chris Lyttle  
Mr Fra McCann  
Ms Bronwyn McGahan  
Mr Pat Ramsey  
Mr Alastair Ross

**Witnesses:**

Mr Michael Gould	Department for Employment and Learning
Mr David Rogers	Department for Employment and Learning
Mr Jim Russell	Department for Employment and Learning

**Mr Buchanan:** I welcome Dave Rogers, Jim Russell and Michael Gould. I want to point out that the Committee did not receive a paper for this presentation. Therefore, members, as you do not have a paper that you could have read previously, you will have to listen to the presentation.

Perhaps, Mr Gould, you will explain why the Committee did not receive a paper in advance of your presentation.

**Mr Michael Gould (Department for Employment and Learning):** Thank you very much. We thought that we had been invited to give an oral presentation. I hope that what we have to say will be clear and that the Committee will be able to follow it.

Dave Rogers, from analytical services, will explain how the Programme for Government (PFG) target was set and the process by which the commitment to help 114,000 people into work was set. Michael Gould, from the employment service and skills and industry division, and I will talk about what we are doing to try to meet that target and update you on how we have progressed in what will soon be the first two years of the Programme for Government period. If you are happy with that, Dave will talk about the statistics and the analysis.

**Mr Dave Rogers (Department for Employment and Learning):** We in analytical services work very closely with Jim and his colleagues in the employment service to look at estimates of numbers that might affect us. Those might be PFG targets, information for complementing; or targets below the PFG level. So we have an ongoing relationship in which we look at those numbers from time to time. The period that we are talking about is the run-up to the setting of the PFG commitments in 2011. We examine the data on off-flows from unemployment and on-flows to unemployment because they influence how many people we will be working with. We analyse that information and then discuss it with Jim and his colleagues. It is our job to provide the bullets, so to speak, and it is the job of Jim and

his colleagues to fire them because, at the end of the day, it is their target. We can give advice. We are in a very privileged position because we have power without responsibility.

First, we look at and model the data, which is what we did on this occasion. We looked at the historical flows. We also took into account the state of the labour market, which we have to do because we are talking about moving people into employment. When we were doing that, in the middle of 2011, the economy had been in recession and unemployment had been rising for about three years. At that time, international organisations, such as the International Monetary Fund (IMF) and the Organisation for Economic Co-operation and Development (OECD); national forecasters here, through the Office for Budget Responsibility (OBR); and local forecasters were all saying that they expected a bit of an upturn in the economy and labour market in 2011, 2012 and 2013. Obviously, that has not happened, so that is one of the factors that we had to bear in mind when looking at these targets.

There is an irony in this: it is almost what I would call a counter-intuitive position. If the labour market improves, it can, in some ways and in the short term, make the achievement of the target more difficult. That is for the very good reason that fewer people would be becoming unemployed. During an upturn, it is also more likely that the strong industries will not be losing labour, so we will not be getting people who are working and experienced in those stronger industries. You get the strange position in which, sometimes, an economic downturn can improve our chances of achieving the targets.

We looked at the experience in the three-year period of the previous Programme for Government, when about 96,000 people moved into employment. We applied a number of models to that and came up with our best estimate at that point, which was that about 106,000 people would be able to move from jobseeker's allowance (JSA), which is the bulk of the welfare-to-work moves, into employment over the period of the PFG. We also thought that that number would be front-loaded and that more people would move into employment in the first two years of the PFG — over 30,000 in the first year and nearly 30,000 in the second year.

We then looked at how that might fit with the general economic models that, at the time, we were expecting. As I said, we were expecting a bit of an upturn in the economy and labour market in 2012-13, lower unemployment and, therefore, fewer people coming on to the register and, subsequently, fewer people eligible for our interventions. The figure of 106,000 was a starting point. Jim and his colleagues then had to consider what their interventions would be and whether the situation made it easier or more difficult to help people into employment than it had been a few years ago. From that, the figure of 114,000 emerged as the best estimate that would be achievable with the interventions that we were planning to achieve over the Programme for Government period. Unless there are any questions on that, I will hand over to Jim, who will explain what has happened. He will talk about the fact that the interventions have not stayed the same; there have been additional interventions.

**Mr Jim Russell (Department for Employment and Learning):** Based on Dave's modelling of the expectations of how the economy might perform or improve over the four-year period, we fixed our target of 114,000. First, I want to say that targets drive behaviours, so when you set a target and people see it, they aim for it, but the risk is that, in achieving that target, you sell yourself short and could have done better. As Dave said, we set the target, and we front-loaded it. We thought that we would see an upswing in the economy over the four-year period. Dave made the point that it is ironic that, when things are improving, it gets harder for us to achieve a target, so we front-loaded it. Of the 114,000 target, we sought to achieve 65,000 by the end of year two, which is the end of March this year, leaving 49,000 for 2013-14 and 2014-15.

The latest position that I have is to the end of December 2012. The data that we have suggests that, over the two-year period, we have moved 68,000 people into employment. The exact number is 68,222, which is 5% above the target and three months ahead of schedule. I will not shout and scream that that is a fantastic performance. We do not know how good that is in this situation because, as Dave said, the target was based on assumptions that the economy might improve. Although, at the end of December, we appeared to be 5% ahead of target three months early, that does not mean to say that we will be in that position in another two years' time. If things get tough, it might become more difficult to maintain our current level of output. On the other hand, if the economy is still limping along the way that it is now, we might still see that volatility in the market, with more job turnover and our helping more people than the target might suggest. On the face of it, it looks as though we have done well, but we will be able to judge exactly what we have and have not achieved at the end of 2015.

I want to explain how and why we intervene in the way that we do; what we have done differently; and what is new since the target was set. We need to be clear about a couple of things. First, many people move into work without the need for very much intervention at all. Secondly, the labour market is volatile. People come in and out of work regularly, even in a recession, so the labour market is fluid and mobile. Even in December 2012, in our current difficult economic situation, 46% of people in Northern Ireland moved off benefit within the first 13 weeks of a claim. That jumps up to 65% after six months. By the time that you get to a year, 80% of people will have moved off JSA. They move off JSA for a number of reasons: they go into work, retire, move to a different benefit, die or move to another jurisdiction. So, things are always moving. What we need to do when we design programmes and interventions is take account of the fact that we need to balance the need to intervene with the cost of that intervention. We need to time our interventions and spending in order to secure the optimum return on investment. If you intervene too early, you waste money on deadweight. If you intervene too late, you waste money on welfare benefit payments.

In the early months of unemployment, then, our intervention is a light touch, like the fortnightly job search review. Evidence shows that it is efficient to call people in every fortnight to ask them face to face how they are getting on. That intervention alone moves on an awful lot of the people whom we have just been talking about with regard to percentages. The longer people stay on, the more difficult it is to move them off it. You have to pick a time when you decide to intervene with something more intensive, which is why, for 18- to 24-year-olds, the mandatory trigger point for moving into the Steps to Work programme is six months. For the 25-plus category, that mandatory point comes at 18 months. That is the basic spine of the system.

Given the current climate and the fact that things have not improved as had been predicted, and that within the overall numbers, there are groups who have particular problems — young people being one of them — we have, certainly in the last year, put in place some new interventions, such as the youth employment scheme, which you probably know all about. It helps job-ready or nearly job-ready 18- to 24-year olds to move into employment or training in preparation for employment when the economy improves and jobs become available. We have put that in place to help young people. We have also put in place, through the jobs and economy initiative, the First Start initiative, which, again, is targeted at 18- to 24-year-olds who have been unemployed for six months. It gives them six months' subsidised employment in the voluntary and community sector to help them to gain experience. Recently, we have put in a Step Ahead 50+ initiative. People will remember the Step Ahead initiative. We have reintroduced that for the 50-plus category. It has only just kicked off. It should have more impact, hopefully, next year when the numbers build up.

So, we have been changing our interventions. We have been adding to the suite of provision that is available, the intention being to try to help people to move back to work or into work as quickly as they possibly can. However, until we see a general improvement in the economy and jobs beginning to be generated, we might still find ourselves in a situation where our ability to move people into work and off JSA is outweighed by the numbers that are coming into the system through redundancy, closures and so forth. That is as simply as we can describe it. Perhaps Michael wants to add something on some of the training schemes that we have put in place again to prepare people for opportunities when they come. It might be worth saying a word.

**Mr Michael Gould (Department for Employment and Learning):** As Jim says, our focus within skills and industry is with companies. So, we are very much looking at it from a company perspective. When they have a vacancy or a number of vacancies, we will work with them through a number of the schemes that we manage to get people into work. We work with three main segments, one of which is those who are in work. ApprenticeshipsNI is one of the biggest schemes for that segment. We have customised training for staff who need to be upskilled or reskilled in the workforce. We also have management and leadership provision for current workers.

We have two schemes to train people to get into work. One is called Bridge to Employment, which is very much a focused intervention on behalf of the company and will get people into work, and the other is Assured Skills, which is a new programme that we spoke to the Committee about in the middle of last year. We are doing that jointly with Invest NI to support foreign direct investment and the expansion of indigenous companies to get people into work.

The third segment of people who we work with are those who want to progress. We provide vocational training for those who want to progress into the world of work or into full-time education. I will happily take any of the Committee's questions.

**The Deputy Chairperson:** Thank you for your presentation. We will open it up to questions, but, Jim, I would not get too hung up on being over your target of 5%, because if a business makes a profit over its target, that is a bonus. Obviously this is a bonus, and we appreciate that things can change, but, at the moment, that is to be welcomed.

You talked about getting 68,000 people into employment by the end of December, but we do not have a breakdown of the type of employment. Is it long term or short term? What percentage of that is youth employment? Is some of it only a six-, eight- or 10-week course or whatever? I think that would give the Committee a much clearer picture as to the 68,000 people that have moved into employment.

**Mr Russell:** We do not have a detailed breakdown of whether it is long-term or short-term, full-time employment or fixed-term contracts. We do know that a lot of those people — well, not a lot of them, but some — will be on short, fixed-term contracts because of the nature of things at the moment in business terms. People are not confident about the long-term investment and about being able to keep people in employment for the long term, so there is an element of short-term contracts in there.

The sectors that are growing are things like retail and the sectors that have the growth potential. There is retail, hospitality and catering, and some manufacturing, particularly in and around agrifoods. There is stuff in financial services. The two biggies are retail and hotels and catering — stuff associated with tourism. It is still hard to put on construction jobs; that is where we lost the most jobs in the recession. Certainly in terms of where we see the opportunities coming through, I would say that substantially more than half are in retail and in hotels and catering.

**Mr F McCann:** Thanks for the presentation, Jim. It was interesting and gives us an idea. I understand that we are in difficult times, and there does not seem to be any end in front of us. It cannot be easy trying to deal with that. It is one of the questions that the Chair raised: you talked about the increase in employment coming up to Christmas. You get that every year, because most of it is casual employment. Is there any way to get a breakdown to give us an understanding of the types of employment, the length of time they work, whether it is full-time or part-time work and the geographical spread of the employment? It may be a long list.

We spoke a while ago, Michael, about the three schemes that you mentioned. There are quite a number of schemes out there, and most of them have been discussed at this Committee. We asked a while ago if we could have — and it may not rest at your door — a breakdown of what schemes are out there and a paragraph on each of them. Can we get that?

**The Committee Clerk:** We have written. We have not got a response yet.

**Mr Russell:** It is on its way.

**Mr F McCann:** We need that to understand what is available and how many people are involved. The important thing is, one of the schemes that has been pushed, certainly at this Committee — and the Committee has asked quite a number of questions on it — is the whole question of how NEETs are dealt with. We spoke at the thing in west Belfast, and there are communities out there where unemployment is getting worse, which has a knock-on effect for other parts of the community.

**Mr Russell:** Well, most —

**Mr F McCann:** Sorry, Jim. The other thing — sorry for cutting across you. You said that there are people who move towards, under some of the schemes, the voluntary and community sector. How does that work? How many are there? Who in the sector runs it?

**Mr Russell:** First Start and Step Ahead 50+ are delivered through the voluntary and community sector. Any voluntary and community group in any area can deliver those programmes. Basically, the call from the Steps to Work providers to those organisations is, "Can you provide us with six months' temporary employment to do a job for you, which otherwise you could not get done?" For First Start, we are subsidising the wage cost to the tune of 80%. So, the voluntary and community organisation has to find the other 20%. For First Start it is 100%; it is the full subsidy. Those are schemes that we got through the jobs and the economy initiative from DETI. On the youth employment scheme, we are working more with the private and public sectors to get the placements and opportunities, so we are not mixing and matching them.

A lot of the data that you asked for, Fra, about the sectors etc, is in the labour market report, which is published every month. Certainly, we can extract from that some more detail in the types of things you are looking for.

**Mr F McCann:** When we get our minutes, there are piles of reports mentioned, so it is hard to work it out. If we had a list in front of us of what schemes are available —

**Mr Russell:** Correspondence has come to the Committee about the schemes, and we are responding to that. I do not know if the Committee sees the labour market report every month or gets some extract from it, but it covers the ground that we are talking about in detail. We wait for it every month with bated breath to see what change is happening, whether things are improving and whether there are signs of recovery.

**Mr F McCann:** Or, as David says, not improving.

**Mr D Rogers:** I do not wish to be seen as clutching at straws, but the labour market stats were actually published today and, for the first time in a long time, the adjusted figure for claimant unemployment has not risen. It is a case of looking at a glass half full rather than half empty: it is only one month, so we would need to look at it next month.

We have obviously had this drip-drip over the past four or five years. There were very big rises in unemployment at the start of the recession, and, after that, there were smaller but constant rises in unemployment of 100 or 200 a month, which cumulatively has meant that our unemployment levels — people on JSA — have risen to about 65,000. The figures were, as I say, flat — the most recent figures published earlier today. The one thing I would say about tracking people who move from unemployment into work is that the data sources are not great. People are not obliged to tell us where they go. We can pick some of them up, but we are almost certainly under-counting them, because there will be people who enter work that we do not know about. We have better information on people who have actually gone through our particular programmes, like Steps to Work. On that one, of course, one of the things that we do does not quite measure permanent against temporary, but there is an emphasis on measuring sustained employment.

The other thing I would say on this is that a lot of research evidence shows that one of the biggest predictive factors for being unemployed is the length of time that you are unemployed. The longer you are unemployed, the more difficult it is to get into work. So, I am not quite saying that any job is better than no job, but I am almost saying that. If you can keep people engaged in the labour market, it increases their chances of getting a good job: maybe not the first time, maybe not the second time, but in the long run. If they become disengaged from the labour market, and certainly if that lasts more than three or four years, it becomes increasingly difficult to get them back into the labour market, even if you address skills issues. So, breaking the cycle of unemployment — to use perhaps a trite phrase — is in itself a valuable thing in these circumstances, almost no matter what the job is.

**Mr F McCann:** I understand that. Over the years, you follow the schemes that different Governments and different Departments bring in, and you try to keep in touch with or on top of how effective they have been. You spoke about the 50-plus scheme and about the long-term unemployed. They are all short-term schemes of six months to a year, or, at most, 18 months, and they only deal with small amounts of people. The 50-plus scheme is like a six-month ACE scheme, in many ways. I remember being on the committee of a group that had 100 ACE workers and, for many of them, at whatever age — some of them were in their late 20s or 30s — it was their first opportunity to go into work. They worked locally. There were problems with ACE at that stage, but it opened the door for people to work in a community setting to allow them to go into employment. Many of the ACE schemes had good records of people going from ACE into other employment. I was on a scheme in Divis, which had generational unemployment, and I could see the impact that that had. If something like that was done over a three-year period, with proper training and focus, you could start to see big improvements in dealing with the NEETs areas especially, at all ages of work. That is my rant over for the day.

**Mr D Rogers:** Can I come back on that issue? The real issue with those schemes is whether they actually work. Looking back, one of the factors of ACE is that it was actually doing two things. It was providing great services to the community, in many cases, and it also, in a time of very high unemployment — it is bad now, but it was a lot worse back in the '70s and '80s — provided a buffer that the normal market simply could not provide. I do not want to bare my stripes, but I was involved in the evaluation of ACE when it happened, and my feeling is that it probably went on a bit too long. It is

easy to start those programmes, but less easy to end them, especially where they are providing a service.

What was beginning to happen with ACE — and it was also the same with the community work programme that was introduced in the '90s — was that it was beginning to actually keep people away from the labour market, because ACE providers wanted to provide good service, which is understandable, so they tended to start creaming off the better workers. The irony is that those are the very workers who could often have got jobs in the "normal" labour market. That is one of the conundrums of a scheme like this. You want to make sure that it works, but you do not want it to work too well, because, if it does, it can, ironically, get in the way of progressing people into the labour market. That is the circle that we have got to square on this one. The other risk is having people with very long periods of unemployment. In a labour market that is struggling, people are not going to get work, and then the question is what you do for those individuals to try to get them engaged.

**Mr Russell:** I just want to pick up on that. When ACE was operating, unemployment was 14% or 15%. Even today, the figure is 7.8%.

**Mr F McCann:** Jim, sorry, but where I live, it is more than 14% or 15%, and it is continuously like that.

**Mr Russell:** Yes, but I want to come back to two good points that you made there, Fra. One was about the duration of schemes and programmes for the people who are very hard to help, are most distant from work and have issues beyond work experience, skills or qualifications. We need to think about something that is much longer and deals systematically with a whole range of issues that people have. What you guys are trying to do in the Falls is a start on that. The other thing is about penetration. You are right: there are a lot of schemes, and a lot of those schemes are quite small-scale. Although they might impact on work for the number of people that they deal with, they are not big enough to make a step change in the overall problem. A lot of what is happening there is testing things out and trialling things — does this work, and is it scalable at a cost that we can justify? As I said before, the longer people remain disengaged and out of work, the more costly it becomes to help them back again. If we are talking about spending tens of millions of pounds on something, we need to be as sure as we can that it is the right thing, and we need to find the answers before we do it.

Essentially, we have talked here about people who are claiming jobseeker's allowance. They are people who are active in the labour market and looking for work. We have not talked about the whole economic inactivity group, which is a substantial percentage as well. It is somewhere around 26% or 27%, and it has stuck at that for years. The Executive have put a commitment on DEL and DETI to come up with a strategy on that, and we are working though that at the moment. Hopefully, Ministers might have something to say about that before the end of March. We are trying to tackle this from every angle, we really are. I know that the Executive — everybody — are absolutely doing their level best to try to find solutions for this. What we are doing today and what our thinking is now may change two or three years down the line when we may be trying different things. However, we are trying to find solutions that will make a long-term difference.

**Ms McGahan:** Thank you for your presentation. Do you work within the Delivering Social Change (DSC) framework?

**Mr D Rogers:** Yes, we are developing links with the DSC programme board.

**Ms McGahan:** That is grand. We had a presentation from the Confederation of British Industry about two weeks ago. They talked about the current economic downturn and youth unemployment, but they also talked about the skills shortages out there. The question is this: how well are you analysing and engaging with the labour market to try to serve our young people well in getting them into employment?

**Mr Gould:** It is always a challenge to match supply and demand in any labour market. Even when there is a downturn, certain sectors will have skills shortages, but they tend to be very specialised. From our conversations with the CBI, they are mainly around ICT and, even with ICT, it is within software development. It is looking at graduate-level jobs. We have been working with employers, trying to encourage them to look at alternative mechanisms to allow young people in particular into those jobs and to accept a lower entry level of qualifications to see whether we can help match better those people who want to get into that type work with the employers who want to take them on. We have had some success by using apprenticeships with ICT companies for the first time, including some of the big software houses, and we have also worked in a scheme called the software testers

academy, where we have taken non-ICT, in this case, graduates, and converted them into software testers. I accept that there will be skills shortages in every labour market, but they tend to be very specialised.

**Ms McGahan:** Well, they are not all ICT, because the CBI flagged up the fact that there were skills shortages in NIE, and they do not all have to be graduates.

**Mr Gould:** No, and we are working with NIE, and we have worked with it through the Bridge to Employment scheme that I mentioned. We have done a lot of work with NIE over the years and got it people such as linesmen, who are qualified to work with down-cable lights.

**Ms McGahan:** What other industries are you working with where there is a skills shortage, apart from those that you have mentioned? You have spoken to NIE.

**Mr Gould:** We are also working very heavily with food and drink manufacturing, because that is one of the sectors that has been resilient through the current recession. It has labour shortages, particularly at operative level, and it has labour shortages at management level where it is looking for food scientists or food technologists, and we are working very closely with that sector and the organisations around it.

**Ms McGahan:** Have you had any successes in your engagement with those sectors?

**Mr Gould:** Oh yes.

**Ms McGahan:** Give me an example.

**Mr Gould:** On ICT, we have a new master's programme so that individuals can go on after graduating. Again, this is a very specific type of employment that they are looking for. We base it on what the employers want. There is a master's degree programme. We have got them to look at apprenticeships. There is the software testers academy, which is bringing on a new stream of people. We are working with the Department of Education to try to look at the A level, because there is a mismatch with the current A level, which is an ICT users' qualification as opposed to a software or coder qualification. We are working with Belfast Met to reconfigure our training programmes. We ran a successful programme called the software professional course two years ago. We have reconfigured it, and it is with the awarding body at the minute. The Minister chairs an ICT action group, and he is very close to this. He wants more to happen to meet what the industry wants. He sits on and chairs an advanced manufacturing and engineering services group, and is doing the same with the engineering services organisations such as NIE. A third sectoral group is operating on food and drink manufacturing. It is chaired by an industry leader and populated out by both the industry and the education folks.

**Ms McGahan:** Everything that you have outlined sounds very high-functioning, but do you include the people who have been in long-term unemployment in those success stories?

**Mr Gould:** Yes. Through programmes such as Bridge to Employment, which will take someone who has been unemployed, we will help a company to recruit them and give them pre-employment training so that they then will have the skills to go into the jobs. That cuts across any sector. Typically, 400 to 500 unemployed people get jobs through that scheme every year, and that has been running successfully since 1997.

**Mr Russell:** Just before Christmas, the relevant sector skills council for NIE approached us under the youth employment scheme. In the next number of years, NIE is bringing in smart metering, which is a different system than currently exists. I do not know how it works, but basically everybody's electricity meter is going to be changed between now and 2018 to 2020. Every electricity meter in the country is going to be turned into something different, and there will be a different means and a different system for reading and measuring the consumption of electricity. NIE has identified a need to recruit people to learn how to do the smart metering, because its current workforce is ageing and, generally, over the next number of years, will retire. It is looking to recruit young people to go through a training programme on this smart metering so that they are ready to take the jobs when the change takes place. It is talking about somewhere between 100 and perhaps 120 jobs, and it wants to start training young people for these opportunities this autumn. It will work with us on that, and we will support that.



**Mr F McCann:** Is that NIE?

**Mr Russell:** NIE.

**Mr Gould:** Power NI.

**Mr Russell:** Energy and Utility Skills was the sector skills council that came to us with the proposition, and we are quite happy to work with it on it. It is not graduate level work or advanced work, so it is helping people who are lower skilled, but it is certainly a skill.

**Mr P Ramsey:** It was a good presentation. The more questions we ask, the more we trigger. Fra raised a reasonable point about what he described as geographical spread. You have subregional differences in terms of what that region would require. For example, one imagines that, in Belfast, you will be looking to the financial services end of things. In rural settings, you might be looking to agrifoods. In other areas, you may be looking to ICT, for example. How does that link up with the existing business community and Invest Northern Ireland in trying to determine the graduate needs of the future? Is there collaboration to determine that, in the north-west, there will be a need for 30 highly qualified software jobs? All I am hearing is that we do not have the trained workforce to meet those needs. What link is there to ensure that the campuses and universities are meeting the needs of industry by having the graduates coming through? Will you explain where the link-up is with the end collaboration?

**Mr Gould:** There are linkages from the very senior levels of both Departments. The permanent secretaries of the Department of Enterprise, Trade and Investment, our Department and the chief executive of Invest NI have quarterly meetings. Below that, there are operational meetings to discuss and develop progress and plans for exactly what you are saying, Pat, in looking at where a company is coming in or where there is an area with a project that they or we will lead on. It comes right down to the operational level, where people will work together on projects with companies to try to develop and use the most appropriate scheme.

**Mr P Ramsey:** Since that seems to be a reasoned approach, can you share the information and action points coming out of those meetings?

**Mr Gould:** I am sure that that can be shared, yes. I am sure that it is in —

**Mr P Ramsey:** I was talking about graduate-level jobs. Taking it to the lower level of regional and sub-regional needs, one would imagine in my constituency that the need with all the theme days will be hospitality, tourism and the hotel industry. What additional efforts will be put into my constituency to ensure that people are qualified and trained? That would reduce long-term unemployment among young people. I see hospitality and hotels as a new industry in the north-west.

**Mr Russell:** Certainly from the employment service perspective, in the past year we substantially increased the employer engagement arm of our business. We talked today about dealing with unemployed people. We are now putting increased emphasis on engaging with employers and asking them what they need, whether they see their businesses shrinking or growing, and how many jobs they think they may be bringing. That intelligence is brought back to us so that we can tell our customers that the future industry in, for example, Mid Ulster will be agrifoods, and in the north-west it could be hospitality and tourism. We can tell our customers that that is where the jobs will be, so let us think about getting you the work experience and qualifications that you need to take advantage of those opportunities.

**Mr P Ramsey:** I think that you accept that there are regional disparities in needs and that regions can be unique. Why do we bring in training programmes off the shelf that are not bespoke to the conclusions that we are agreed on? For example, the new Steps 2 Success does not have sub-regional training projects. Why are programmes taken off the shelf in England?

**Mr Russell:** I do not think that the schemes are so inflexible. If you put in a successor to Steps 2 Success, and the provider is looking at moving people into employment in a particular area, they will look at what is available here and at what people need to be prepared for.

I will give you an example, although not from Steps 2 Success but from our own employment service. Our Portadown office exclusively handled recruitment to the new Asda project there. The office

identified interested individuals and helped them through the company's training programme in Belfast. As a result, Portadown beat its employment target over the past two years by 50%.

**Mr P Ramsey:** I think that you are moving round the issue. I was getting focused on a pet subject. I am sure that some Committee members believe that we should have bespoke sub-regional training programmes, which we do not have at present. That is prioritising and focusing on certain areas, which I do not believe is happening.

**Mr Russell:** It is led by business; it is led by employers telling us what they need, and we will work with them to meet that need. I cited the Asda example, which was specific to Portadown. I also talked about the NIE example — the smart metering scheme — which will be all across the country. I do not know what an employer might approach our employer-engagement team with during the next week; it could be something specific to Enniskillen or Ballynahinch, for example. We will try to take their need; look at our range of initiatives; try to make those initiatives work for them; try to find among our customers people who are looking for such work; make the right match between them and the employer; and do anything else that we need to in between to get them into work.

**Mr P Ramsey:** I accept that, Jim, and my apologies, Chair; I will finish after this. In certain areas, it is the community and voluntary sector that is taking the lead in providing training initiatives and programmes to regenerate communities, to ensure that there is self-employment and to ensure that there are social economy projects. However, you refer to business all the time. What collaboration is there with the community and voluntary sector in the Foyle constituency to develop projects for training needs?

**Mr Russell:** On Friday, there is a huge youth opportunities fair in Derry. At that fair, we will have employers, training organisations and anyone else who wants to put their wares on the table for the young people of Derry. Hopefully, we will have the young people to match those wares.

**Mr P Ramsey:** That is an employment fair; it is not a training fair. I have been at those fairs. There could be companies and retailers, such as Asda or Tesco, seeking employees. I am talking about looking specifically at bespoke programmes. You tell me that you have huge collaboration with the business community in determining future needs, but you are not convincing me that you are having that same discussion with the community and voluntary sector.

**Mr Russell:** If a company tells us that it wants to recruit 25 people with particular qualifications, we will work with it to get those people; if a community and voluntary organisation says that it wants to recruit people who are qualified in something in particular, we will work with it on that.

**Mr P Ramsey:** Chair, I am not happy, but I am not going to —

**Mr Russell:** Perhaps I do not understand the question, but —

**Mr P Ramsey:** Jim, I think that you have missed the point, but I will park it for now.

**Mr F McCann:** I can pick up on that, because, a while ago, there was a drive in the service industry in areas such as hotels and tourism in west Belfast to encourage people to pick up on the targeted training. We were in Vancouver for the World Police and Fire Games, and from the minute you walked off the plane you saw people who had been trained; they were in shops, hotels, pubs and restaurants. As soon as you walked through the door, you were made to feel special. That guaranteed repeat business. It is how you train people in those skills.

Tourists sometimes say that, by and large, people are very friendly, but that there are very few skills in meeting and greeting. A couple of weeks ago, we heard that 550 skilled jobs could not be filled. I think that it was Pat who said that many of them were confined to the service industry in the north-west.

**Mr Gould:** We did a great deal of training, specifically in recognition of 2012 and the tourism that will come through the World Police and Fire Games and the UK City of Culture in Derry. The world host training has been rolled out, and I think that well over 2,500 people have already been trained in it, and there are also some novel interventions in Derry. It is the first time that we have moved into retail; traditionally, it has been carried out in the hospitality sector. It is now offered to taxi drivers, and I know that many of them have taken it up in the city; it has also been taken up in retail, particularly in

the store at the Diamond. We have moved into schools since it may prevent some young people from becoming NEETs if they have the skills and the qualifications to approach a caterer or an establishment to say that they are already trained and that they have front-of-house skills. We are doing it in the hope that it will prevent them from becoming NEETs, in addition to what they achieve at school. We recognise that there is a big tourism opportunity, and we recognise that we can do a better job of presenting ourselves to our visitors. That is why we have invested a great deal in the training to date, and we continue to do more.

**The Deputy Chairperson:** We want to bring the session to a close, but before we do so, may I ask a question? How is the youth employment scheme progressing?

**Mr Russell:** As of last Friday, 721 short-work experience opportunities were available; that is, two- to eight-week experience opportunities. One hundred and seventy-five of the six- to nine-month skills development opportunities were available, and 180 jobs were advertised that would attract the enhanced employer subsidy. Of the 721 posts, we have filled 115; of the 175, we have filled 26; and of the 180, we have filled 106. Therefore more than half the jobs advertised have been filled. The skills development programme is longer term; it is six to nine months, so it will be a while before we see any job outcomes from it.

Of the 115 people who have either completed or are on work experience, 19 have moved into work directly. Those figures tell us that employers are more than willing to offer young people opportunities. By the end of March, we will have met the targets for offering opportunities. We will be a bit behind in converting opportunities offered to opportunities filled. We are looking at ways of streamlining or cutting out some of the bureaucracy to allow that process to happen faster. If an employer offers us something today, we will be able to guarantee that within two or three weeks we will have filled that. Speed is important here.

We are also learning that some young people need a great deal of support, help, encouragement and a bit more hand holding through the process because of their lack of experience and confidence, and we are putting that in place as well. I would like to think that, in six months' time, we will have substantially turned the conversion rate round into something closer to 80% filled.

**The Deputy Chairperson:** Do you have a positive employer uptake?

**Mr Russell:** Yes; employers have been more than willing. They have seen not just the value to their business but the value to the community and the economy as a whole. When we designed this we had two big risks: one was whether employers would engage in sufficient numbers to make the scheme viable; the other was whether the young people would engage to make the scheme viable. The risk of employer engagement is nil; however, we need to work on the young people. That is our focus.

**The Deputy Chairperson:** Thank you for your presentation; it opened up quite a bit of questioning.