



Northern Ireland
Assembly

Committee for Employment and Learning

OFFICIAL REPORT (Hansard)

Department for Employment and Learning:
Ministerial Update

29 May 2013

NORTHERN IRELAND ASSEMBLY

Committee for Employment and Learning

Department for Employment and Learning: Ministerial Update

29 May 2013

Members present for all or part of the proceedings:

Mr Robin Swann (Chairperson)
Mr Jim Allister
Mr Sammy Douglas
Mr Fra McCann
Ms Bronwyn McGahan
Mr Alastair Ross

Witnesses:

| | |
|--------------------|--|
| Dr Stephen Farry | Minister for Employment and Learning |
| Mrs Catherine Bell | Department for Employment and Learning |
| Mr Andrew Hamilton | Department for Employment and Learning |

The Chairperson: This is an update on current issues. Whether your scope is better than our scope, I am not sure this time.

Dr Stephen Farry (The Minister for Employment and Learning): We will see how this goes. Chair, I am happy to come to the Committee regularly and have, essentially, an open forum for members to raise issues. In return, I ask members to appreciate that, as you will be raising issues from all different directions, we may not have all the answers to hand. However, we will follow up by writing to the Committee to answer any specific questions that we cannot answer at the time. It is useful to have that free-flowing exchange regardless.

I will touch briefly on a few rough headings. We do not need to be restricted by these, and we can go off in any direction that we want, albeit with that minor health warning at the start. The first thing to report is that, as you might have picked up in the press, Alan Shannon is officially retiring as permanent secretary of the Department at the end of this week. Derek Baker is the new temporary permanent secretary of the Department. He is not an acting permanent secretary. He is a full permanent secretary but is on a fixed appointment, and that starts in the middle of June. No doubt, Derek will be keen to have an interaction with the Committee in the very near future.

We touched on apprenticeships in the previous session, and I reiterate that that to me is probably the biggest and most important piece of work that the Department is currently undertaking. We do not need to return to that in any particular detail.

Last week, we had a statement on teacher training, and we are happy to discuss that in greater detail with the Committee as part of a more formal session. I understand that you are keen to talk to Grant Thornton directly. You can feel free to pursue that, and, no doubt, you may wish to talk to some of the

stakeholders. In the next number of weeks, we will come back and hopefully announce the way forward on the person or persons who will take forward the second stage of the review.

Mention has been made of the issue of granting non-departmental public body (NDPB) status to the further education (FE) sector and the university colleges. We are in discussions with the Department of Finance and Personnel (DFP) around how, in practice, we can make life easier for those organisations. Although we are not ruling out putting through legislation either in relation to the FE sector or in relation to the university colleges, it is not something that we are moving to that quickly. We need to consider a number of aspects in that regard, in particular the fact that proceeding to changes in governance ahead of a review of the university colleges probably does not make a lot of sense. Furthermore, I caution members that, even if we were to go through a lot of hoops to change the governance relationship between those institutions and the Department, that in itself is not a guarantee that the Office for National Statistics will reclassify any of the organisations as being — what is the term? It is the non-public sector, and there is a technical term for it that Andrew will try to remember in the next few minutes. It will make an assessment of a number of different aspects, one of which could be the level of public sector funding that goes to an organisation. If we entirely cut all the strings of a governance relationship with an FE college or, say, Stranmillis, the Office for National Statistics can still come back and say that, given the amount of public money going into that body, it is still an NDPB. Those are some of the issues that we need to wrestle with. The goalposts are shifting to an extent, but we may have a solution through DFP that, in practical terms, gives a degree of relief.

I will report on employment law. A paper is with the Executive with a view to launching a public consultation on potential legislative changes in that regard. Given that it is before the Executive, I am not in a position to report much more than that at this stage, but we will do a full statement in the Assembly and come back for a further evidence session with the Committee if and when that is cleared by the Executive. It is fairly detailed and an area that is controversial because of the different viewpoints. We will see how that progresses.

We have mentioned ICT to an extent already. As members know, we have an ICT working group. We will meet at the end of June with members for a stocktake and to see what further steps we now need to take. Momentum, whose representatives were with you last week, is having its own digital summit in the autumn, and we are happy to work with that.

We have mentioned careers, and we are looking forward to the outcome of your review. We will take that on board for our review with the Department of Education (DE) of the careers strategy in early 2014. You will have another briefing later with Colum and his team on Steps 2 Success.

Finally, the biggest recent development is the United Youth proposal from the Office of the First Minister and deputy First Minister (OFMDFM). I appreciate that members of the Committee are very keen to get a sense of where that is going and what is happening in that regard. To be straight with members: it is no surprise; that was not devised in consultation with the Department. I do not want to linger on that point, but, before you ask me the question, we were not consulted on that. At present, our officials are working with their counterparts in OFMDFM, and a working group has been established to discuss how we can take that forward across the relevant Departments. OFMDFM and us are two key players, but the Department of Education, the Department for Social Development (DSD) and the Department of Culture, Arts and Leisure (DCAL) are also potential partners in that initiative. There are a number of issues that we will need to tease out, and I imagine that members will want answers on similar issues today. However, we do not yet have answers to a lot of the questions on issues such as the budget, how it sits alongside other programmes, how the stipend will work and the value of that. Those will all be worked up behind the scenes over the coming weeks. We are happy to come back to the Committee at the earliest opportunity to give a full briefing on that programme. If people want to ask questions today, feel free, but that is the environment in which we are operating on that point.

That is a rough sketch of some of the more immediate issues facing the Department at present. I am happy to take any questions.

The Chairperson: Thanks, Minister. You have nearly answered every question on the United Youth programme by saying that you do not know or that you know as much as we do. Is that a fair assessment?

Dr Farry: We are working on that. There will be another meeting on Friday in the Department. We are keen to ensure that we build on the existing provision and create proper forms of progression for young people. I would welcome the ability to upscale what we are doing with young people. We have

a number of existing projects, including the youth employment scheme, Pathways to Success — our strategy for young people not in education, employment or training (NEET) — and Training for Success, and we are doing a review of youth training. From my perspective, we are happy to see how we can upscale what we are doing and how we can build in more elements to that. The key issue is to ensure that, when we move forward, everything is reconciled and we are building a wider product for young people rather than cutting across and duplicating things.

The Chairperson: That is the biggest concern, especially in regard to the 10,000 NEETs. I refer to the First Minister's statement on 14 May. He is going to blow the Programme for Government targets out of the water with this initiative. It will be to supplement the overall aims of your proposals, but the training element will be your responsibility.

Dr Farry: Yes.

The Chairperson: Our biggest concern is in regard to NEETs. In Steps to Work 2008-2012, of the 36,300 NEETs who left Steps to Work, 61% or 22,260 went straight back on to benefits. How do you engage or use that?

Dr Farry: That becomes a critical question in the future design around all this. For example, the initial figures from the youth employment scheme indicate that we are having a better success rate in placing people into sustainable employment than some of the more general employment programmes. That is good, but there is still a long way to go. One of my concerns is that we do not create a system where we provide a one-year placement for young people. That essentially becomes the equivalent of parking young people. This has to be a means for young people to progress into different forms of training or directly into employment on the far side of it. If this is simply about putting people into activity for a year and, at the end of that year, scratching our heads about what to do with them next, that is not in the interests of the young people and it is not in the interests of the economy.

One of the key elements that was mentioned in the statement made by the First Minister and deputy First Minister was around the issue of how we can progress, how we can provide a skills element to this and how we can look to provide an accredited qualification. That takes us into the territory of linking this in with current provision, building on current provision, putting in pathways for progression, linking it in to the priority skills sectors in the economy and trying to create a pathway where we are picking up young people but, ultimately, turning them into people who are going to have jobs at the far side of the different interventions.

The Chairperson: Let us move on. I am finding it hard to keep up with all the reviews, but you have decided that it is timely to refresh the vision for FE Means Business. You cannot do that until you have completed the reviews of apprenticeships and youth training. Where are we on that timescale?

Dr Farry: On reflection, there are probably elements of FE 2020 that we could deliver piecemeal, but the overall outcome of that needs to be driven by what we do in respect of apprenticeships and youth training. The FE sector will be key delivery partners in that regard, but it might be putting the cart before the horse if we were to finalise a review of the FE sector and then, a few months later, have the outcome of a review of apprenticeships that fundamentally reopens what we have said about FE. Without overly worrying our colleagues in FE, let us go back to what happens in Switzerland. They do not have a dedicated FE system. They have a vocational education system, and there is not a like-for-like comparison. It is important that we get the sequencing right around these issues.

Mrs Catherine Bell (Department for Employment and Learning): It is not that we have stopped working on it. Some of the stuff that we are currently looking at is about how further education colleges can engage better with employers not just on apprenticeship schemes but on upskilling in the workplace. So, there is a lot of work ongoing on that, particularly on higher-level training for employers. Although the apprenticeship scheme is critical, we have continued to work with the colleges to refresh the employer support programme.

The Chairperson: With regard to the teacher education infrastructure in Northern Ireland — I am sure that other members will touch on that, too — in the statement, you referred to an educational expert and the possibility of a board as well. Can you give us any indication of your terms of reference, board make-up, and how and when you will select members?

Dr Farry: It will be either an individual or a panel of three. I will bring in Andrew to talk about this in a moment. We may be looking for a panel that is led by a person of international standing. We are looking for someone who is primarily an educationalist. People may have got the impression from my statement to the Assembly that this process is financially driven. It is not. Finance is only one leg of three in what we want to achieve from this. There are issues to do with sharing. Virtually all parties talk about the importance of increased sharing in our education system, and that should also apply to teacher training. There is also the matter of educational outcomes. It is wrong to suppose that the logical changes that a finance-driven process would make are different from the conclusions that an education-driven process would reach. There are advantages in the critical mass and bulking that can come from a different type of arrangement. That reflects some of the trends that are happening elsewhere, both in these islands and in the world.

We would like to have this person in place from September. The terms of reference will be fairly open as regards how they go about doing their work. The expectation is that they will engage with all the stakeholders, including all the providers and the business community. This is not something to be done in a bubble; it is part of a wider training environment in Northern Ireland, and we must take account of the wider needs of the economy. We would like the person or group to produce a range of options. The Department would then consider that, in 2014, and talk to the stakeholders to see whether we can find an agreed way forward in all this. Do you want to add to that, Andrew?

Mr Andrew Hamilton (Department for Employment and Learning): No; I think that you have summarised that very well, Minister. I would just emphasise that, in all these things, it is about getting the professional buy-in and reflecting a position where the quality of the system, rather than finance, is driving the options. That is where we want to get to.

The Chairperson: As you know, we have asked Grant Thornton to come before the Committee. We have also engaged with the stakeholders. I just want to make it clear that, although we are touching on these subjects now, the Committee will be returning to them.

Dr Farry: This is just a very brief skim through issues at a high level. I accept that.

Ms McGahan: I want to take the opportunity to ask the Minister for an update regarding the post-19 special educational needs sector. As elected representatives, we have been invited to a meeting tonight at Sperrinview Special School in Dungannon, so it is something that we will be asked about. I have here the Hansard report of the briefing that we received from the Department. In particular, I am looking for an update on actions that have been taken on the Dungannon situation. Is that possible?

Dr Farry: I am not sure that I am in a position to give you a very detailed comment on the specifics of Dungannon. I appreciate that that area is generating a lot of comment and drive around this. However, I can say that, on the back of the debate that we had in the Assembly and the Adjournment debate, I have asked officials in the Department to carry out a review of our post-19 provision with respect to disability employment. Potentially, we may be looking to develop a strategy in that regard. We recognise, Bronwyn, that the system at present does not fully address needs and that there can be variance in the provision. As part of that, we are doing an audit through the FE sector to ensure that there is sufficient equality of standard. Issues have been raised about the Dungannon campus of the South West College, as compared with some of the other campuses. We are conscious of that. Catherine, do you have something to add?

Mrs C Bell: We are at the stage where we are collecting the information from the colleges to assess what provision there is.

Ms McGahan: That is grand. Can I ask a question — Are you finished, Minister?

Dr Farry: Yes. Anything you wish.

Ms McGahan: Can I ask about the Grant Thornton report? It states:

"Whether this quality" —

i.e., the colleges' quality —

"is deemed value for the additional funding provided ... is open for debate and needs to be considered by policy makers."

What importance do you attach to the case made by St Mary's University College for a small, specialist, faith-based institution in west Belfast which reflects the pluralist school system here and the obvious diversity of our society?

Dr Farry: The first thing to say is that we respect the quality of the training that is provided by St Mary's, and it has a very high satisfaction rating from its students. The issue here is that we have to make a decision as to whether, as a society, we want to justify a fragmentation or a range of different small providers of teacher education and the associated costs that arise from that relative to other pressing needs that we have in training and employment. The stark reality is that we do not need to train the number of teachers that we train at present. That, in part, is driven by the needs of the colleges as opposed to those of the economy or education system in Northern Ireland. The challenge that faces us is how we can look to the future and respect the diversity that exists within the education system. That includes the different sectors and, in many respects, the faith-based system that we have. There is a desire for people who are trained in that.

I must say to you that it is conceivable that we could acknowledge that we have a diverse education system but train teachers in a range of different formats. We can still respect our diversity by, in theory, having a single system rather than a multitude of providers. What is critical is that, within the curriculum in which teachers are trained, they are adequately trained to be sufficiently flexible to teach in any particular situation and that they are alert to the particular faith requirements of certain sectors.

Speaking from a personal perspective, part of what I would like to see is, rather than teachers receiving a certificate in religious education to teach in the Catholic primary and nursery sectors, all teachers being trained in diversity and faith issues, so that a person coming through, whether in a single system or with the current range of providers, is capable of teaching in any school and has flexibility to move around the system. As we have greater competition among trained teachers for jobs, that probably would level the playing field for everyone as well, and it is fair. I think that we can respect faith-based education through a whole range of different approaches to teacher training.

Mr Allister: The First Minister's announcement touched on NEETs. Obviously, that is an issue that is very central to the work of your Department. You are telling us that there was no consultation whatsoever, either with you as Minister or with the Department at official level, before the announcement was made?

Dr Farry: Yes.

Mr Allister: Does that surprise you?

Dr Farry: To be fair, that is not news today to the Committee.

Mr Allister: I know that it is not news.

Dr Farry: We have said that already. Jim, I do not particularly want to linger on what has happened. I have said already, on the record, that I did not feel that that was the best way of going about the issue. They would, in turn, say that that was an OFMDFM paper, and it was their announcement to make. We have a difference of opinion around all that.

Mr Allister: Do you know whether other affected Departments were consulted?

Dr Farry: Let me put it this way: that announcement was made by the First Minister and deputy First Minister — from their perspective — within the confines of their particular ministerial responsibilities, and OFMDFM was putting forward their vision of a number of different projects that could be taken forward. My understanding was that there was no discussion with other Departments either. Therefore, I am not taking it personally, nor it is some sort of snub to me or the Department.

Mr Allister: Has there yet been any consultation?

Dr Farry: Yes. Since that announcement, there have been a number of meetings between officials in the relevant Departments.

Mr Allister: With regard to the centrality of NEETs — as you had envisaged NEETs with your Pathways to Success and your Training for Success, you had budgeted for that and you had a vision of how that would work and how it would help people, etc — can the superimposition, if that is what it is, of this new tier of 10,000 places, with additions such as volunteering and experiencing different sports, etc, be worked into the existing NEETs programme, or will it sit alongside and separate from it? Have you any vision of how that works?

Dr Farry: That is probably the key issue as we go forward. I am of the very clear view that we need to find a means of reconciling what has been announced with the existing provision. If I have a situation where that sits alongside what the Department is currently doing without any cross-referencing, that would be duplication at best and quite disastrous at worst with regard to people talking across each other and different people talking to businesses. That would just confuse the situation to no end. From my perspective, these issues can be reconciled with each other. However, it is important to build on the existing provision. I can see a situation where we can upscale what we are doing. We have a fixed budget, whether it is the youth employment scheme or our Pathways to Success strategy. Therefore, there is always more that we can do.

Mr Allister: Yes. However, your Pathways to Success and your Training for Success anticipate five-day involvement by trainees. As I understand it, this scheme would involve a couple of days a week doing actual hard training and other days doing extra-curricular matters. Will your NEETs scheme be dumbed down in that sense, because it will lose that five-day focus in order to fulfil what the First Minister and deputy First Minister have decreed? Are you going to lose your independent right to make the choice and what you think is the best choice for five-day training and have to proffer two-day training with the bells added to it?

Dr Farry: Only this Department can legally provide training with the duties under, I think, the 1950 Employment and Training Act, as transferred historically to the Department. We also must acknowledge that what was announced is not just simply a training project for NEETs. Its genesis lies in an initiative that is about building a shared future. I may well have difficulties with some of the detail of that, and I may have issues as to how ambitious it is. Nonetheless, the project itself fits within the community relations framework, and the starting point is to increase contact with young people from different backgrounds. Employment opportunities, training opportunities, sporting opportunities and volunteering are all different angles through which that contact can be taken forward.

We need to ensure that the training element actually fits in alongside the other programmes and that we can try to create some sort of hierarchy or progression route for young people. If we have a situation where someone is already on a scheme and is involved in five-day training, whether that is through a formal statutory system or something that is provided through the voluntary sector, we do not want to see that young person slipping back into doing less training. This has to be something that picks up people who are not in training at present and gives them an opportunity, alongside other types of engagement and, in due course, either sends them into work or, in practical terms and which is more likely, on to a different form of training.

Mr Allister: So, if it is a different track for different young people —

The Chairperson: Jim, I am conscious —

Mr Allister: — are you going to have extra funding to fund that?

Dr Farry: That is one of the critical issues. I am working on the assumption that there will be additional funding from this. Although I have concerns about the manner in which this was announced, the First Minister and deputy First Minister have been very clear that additional resources will be provided for this. They have also been very clear that they recognise that they have to ensure that this fits alongside existing provision.

Mr Allister: When are you being told that you have to provide this for?

Dr Farry: At this stage, the issues of targets, timescales, budgets and how it works with other programmes are all under discussion. I am conscious that the Committee is very keen to have a briefing on this, and that is why, in some ways, we engineered having this free-for-all to begin that dialogue. However, we are not in a position, Jim and others, to give you answers on those. Those

are all being discussed. We will come back to the Committee when those elements fall into shape to give you a further briefing.

Mr Allister: Chairman, I have one question for a yes or no answer on a different topic. Perhaps Andrew, given his involvement, might know the answer. Was the person who was appointed as the chair of Stranmillis approached to apply for the job?

Mr A Hamilton: Absolutely not.

Mr F McCann: I have a couple of points. Going back to the previous question, it may be difficult to try to divide up 10,000 placements, but we should not look upon it as an imposition. We have the opportunity, again with that blank sheet, to try to create something that allows people to take up different aspects of training. I wrote something down at the start that might fit in with this. You spoke earlier about the design of schemes. When you set about designing something to meet the needs of young people, how do you go about it at the start? I am conscious that, in England, there are a number of schemes that leave a lot to be desired and which have failed miserably.

Dr Farry: Do you mean for NEETs?

Mr F McCann: Yes, for NEETs.

Dr Farry: We have gone through a very constructive process around the development of Pathways to Success, which, in many respects, involved the predecessor to this Committee. You were on that Committee, Fra, and it produced a detailed report of recommendations. We referenced all of those in the strategy, and those went a long way to informing us of the best way forward. It is also important to bear in mind that the NEETs strategy is not only of this Department but is a cross-Executive strategy that we lead. Other Departments bring things to the table as well. Throughout this process, we have engaged with stakeholders, and, today, we have a NEETs advisory forum that meets.

To go back to what you said at the start, Fra, I do not view this as being an imposition. This can be an opportunity for us all. What is important, obviously, is that we ensure that we get it right and that we work it in to ensure that our aspirations to expand our engagement with NEETs are followed in a workable way and in a way that provides proper pathways and progression routes for young people. That is where the discussion lies. It is not over whether this happens or does not happen or whether it is an imposition or not. We are past that type of discussion.

It is fair to say that the stakeholders will probably share the view of the Department that, although they see this as an opportunity, they also want to ensure that it is done right and that we are conscious of the good practice that already exists on the ground and that that is built upon rather than cut across.

Mr F McCann: One of the reasons why I raised that is because, as you know, I have been fairly critical of the approach to NEETs over a lengthy period.

Dr Farry: Only fairly?

Mr F McCann: I do think that there is an opportunity there, because there is a whole section of young people who are not touched by the NEETs strategy at all. I am sure that you are glad to hear that I do not intend to speak for too long.

The Chairperson: So am I.

Mr F McCann: I know, Chair. A number of weeks ago, there was a meeting in relation to one of the areas that I represent, and the Department brought together all of the providers. I can see some of them sitting in the room today. One of the things that concerned me was that there were quite a number of people there who provide training and who deal with NEETs, and there did not seem to have been a conversation between all of them to work out exactly what it was. That is under the direct control of the Department. If we are ever to move this forward, that needs to change.

Dr Farry: There is probably a similar point about employers. We believe that we have good relations, but there will always be a few gremlins in the system, and we want to capture as much as we can from that.

Mr F McCann: I have another question about the Grant Thornton report. There is an opinion right across the West Belfast constituency that you are moving to close St Mary's.

Dr Farry: There is no predetermined outcome. I have said clearly, Fra, that I have a personal opinion on what the future holds, but we will have to see where it goes after discussions with the stakeholders. We could see a range of different models. The status quo could continue, and we could pump in resources disproportionately to the different institutions. That is a decision that we could take. That will be cost us the opportunity to invest in things such as ICT and engineering, but that is a choice that we can take as a society. Equally, we could see a single system with a number of different campuses, or we could see some sort of confederated arrangement, where institutions remain autonomous to greater or lesser extents but work more closely whether through joint teaching or something else.

There are a range of different models to consider on the way forward within which St Mary's can have a future. Equally, it is important to stress that we cannot simply put our head in the sand and support the status quo at all costs. Things are not sustainable as they stand, and even if we do nothing, St Mary's will face choices about its future down the line. St Mary's today is viable because we pay premia and because we fund liberal arts degrees in the college. If it were surviving purely on the training of teachers and even with the premia on top of that, it still would not be viable without the liberal arts stuff. So, we have to consider a range of different things. St Mary's should engage with the process to find a sustainable solution for the system as a whole in Northern Ireland.

Mr F McCann: At the end of this, do you require political consensus to ensure that it moves ahead?

Dr Farry: It would be good to have political consensus.

Mr F McCann: Are you saying that it is not required?

Dr Farry: It depends where it goes, Fra. Let us work on the optimism that we will find a meeting of minds.

Mr Douglas: Minister, I will go back to the 10,000 NEETs. The Step Ahead programme was very much about targeting some of those young people. At the time, I suggested that it might be a good idea in my area of East Belfast for some of those young people to be involved at a local level with their councillor, MLA or MP, but they said that there were no opportunities there for young people to be involved in politics. There is a great opportunity now to encourage young people to get more involved in voting and in the whole political scene as well. Is it possible that you could look at that 10,000 again?

Dr Farry: Sure. At present, Sammy, there is no difficulty in MLAs, as employers, availing themselves of any of the current schemes.

Mr Douglas: I was told the opposite locally, Minister. I have a young fellow who works with me on a part-time basis. He came in on work experience and was so good that I kept him on.

Dr Farry: If Colum is here, he might address that in due course. He is up next, and he can answer on the specifics of that. If I am wrong on that, I apologise, but I would have envisaged that there are certain schemes that you could probably interact with. We have Step Ahead as well for those who are over 50. That intervention is for those who are having difficulty returning to work and have been long-term unemployed. We value that.

Looking to the future, it is important to stress that we want to avoid those 10,000 places becoming a reinvention of the Action for Community Employment (ACE) schemes. A lot of people have a memory of ACE from the 1980s and say that we should try to reinvent that. The difficulty with ACE was that it paid people a wage, but the outcomes — the chance of sustainable employment at the far end — were very low. There was no progression for those people or any linkage to potential employers on the far side. So, people were employed for a year at a huge cost to the state, but the outcomes on the far side were very low. Although it took people off the roll for a while, it did not really change anything, and people just rejoined at the far side. If this is an exercise in parking people, it is utterly counterproductive and a waste of time. However, if it is an exercise in empowering people, starting to work with them and giving them the confidence and the tools to move into other areas, it could be a big success.

Mr F McCann: On that point, I think that the problem here was ACE. People have fond memories of it, but there were difficulties and problems with it. A lot of the responsibility for the problems with the training outcomes, however, lay with the Department, because it did not focus properly on training. We have moved on 20 years, and people's expectations of what they require are completely different. You have the opportunity at the moment to do something that would give people longer-term training in a local setting while getting a wage.

Dr Farry: That is useful, Fra, and that is what we want to achieve. This has to be linked to progression and the needs of the economy. ACE probably predates all of us in the Department, even Catherine. Do you want to add to that?

Mrs C Bell: Yes; it predates me.

Mr Douglas: Minister, I just want to go back to the Grant Thornton report. You made a statement in the Assembly recently, and that night, St Mary's College put a statement on Facebook. Let me just highlight a couple of things in that statement. First, St Mary's said that, in respect of financial viability, around £9,000 per student compares favourably with the £9,000 fees charged in England.

It also said:

"The funding comparisons quoted in the report are already 'redundant' according to Grant Thornton."

Finally, it said that the sensitivity analysis assumes:

"Dr Stephen Farry MLA, would deliberately take action to undermine the financial viability of the Colleges."

That is a very strong statement. Those are just a few of the things that it came out with.

As I said in the Assembly, I get the impression that St Mary's is not going away. However, I do not get the same impression from Stranmillis. There does not seem to be that sort of fight from Stranmillis College at the moment; it seems to be heading towards the merger with Queen's University. Can you envisage a scenario where Stranmillis College merges with Queen's University and St Mary's remains as a standalone college?

Dr Farry: I will take those in reverse order. I can envisage that scenario. With all due respect, Sammy, that offer was on the table in autumn 2011. Your party was very clear that it would use a petition of concern —

Mr Allister: You need to get on message, Sammy. *[Laughter.]*

Dr Farry: — to kill off that option. It was either full system-wide reform or the status quo. From your party's perspective, that was the position at the time.

St Mary's and Stranmillis are in different places, and people should not see them as being a mirror image of each other, whether it is in respect of their governance, the balance of their enrolments or their students' backgrounds.

In respect of our attitude about the future, St Mary's has traditionally been very clear that it wants to retain its autonomy, and I understand that. Stranmillis is in a different position. It was and still is keen to take forward the merger with Queen's. That is what the board of governors at Stranmillis unanimously decided. That option is still technically on the table, but, in many respects, we have moved passed it, and we are now looking at much wider system-wide reform. However, it is conceivable — whether this is the right outcome is debatable — that the merger could take place with the support of the DUP, because it would require legislation. Alternatively, you could see different models emerging; for example, some sort of asymmetric confederation, with Queen's and Stranmillis merging and having a much closer working relationship, and St Mary's remaining as a separate institution. So, you can see a range of different outcomes.

I will now turn to the financial issues. On the sensitivity analysis, even if you ignore the potential for the Department to change any of the funding streams, all things being equal, they will, within a period of years, be in difficulty unless other decisions are taken around that. When you get Grant Thornton in before you, you can have a detailed discussion around finances and so on. For example, St Mary's refers to student fees of £9,000, but, to my knowledge, the institutions in Great Britain are not charging £9,000, so that comparison does not stand up. Was there another financial angle?

Mr A Hamilton: Sammy, you talked about the £9,000, but there was a second point.

Mrs C Bell: St Mary's said that the figures were out of date.

Dr Farry: The research was conducted in 2011-12. We did not release the report straight away in the form of an Assembly statement, because I wanted to have some degree of separation between the Stranmillis appointments and this report, and I did not want either to affect the other. The fieldwork was done in 2011-12, and things will have changed from the 2012-13 academic year onwards. In part, you begin to see the effect of the efficiency savings that the Department has passed through to the colleges in the same way as the rest of higher education.

Mr Ross: Employment law reform sits with the Executive, so, obviously, you will not be able to give us any detail on it. Your aim was to keep the employers and the unions happy. To what degree have you achieved that?

Dr Farry: We will see. There has been some good engagement between the employers and the unions through the LRA forum. We are seeing some emerging consensus, albeit around, shall we say, the easier issues on the agenda.

Mr Ross: On the more difficult stuff, who is happier?

Dr Farry: On the more difficult stuff, it will be more of an uphill struggle. That remains a useful process for engagement, so it is producing results. It is something that we in Northern Ireland have that our counterparts have not had to shape the way forward on this. Obviously, if something comes forward from them, I will give that very serious consideration as being something that, hopefully, will have buy-in. Obviously, if we get to a public consultation phase, that creates a much wider opportunity for people to comment. I imagine that that stakeholder engagement will continue alongside that.

Mr Ross: On a similar theme, obviously, we want to have employment law that will encourage job creation, particularly given the level of employment. Is there any other work going on in your Department to identify existing legislation or dormant legislation that could be removed to give more flexibility to employers and to encourage them to take on more staff? Has anything been identified?

Dr Farry: As part of this, we are doing a review of regulations, and we are looking at working time as the first one. There was also a review of the agency workers directive implementation, so there is a piece of work on looking to see where we are, shall we say, gold-plating needlessly or whether there is confusion or overlapping regulations where we can simplify things for employers. Yes, there is work as part of this exercise in that regard.

Chair, can I raise one final issue?

The Chairperson: You mean we missed one?

Dr Farry: I did miss one. Shame on me. It is to give members an idea ahead of next week. You have probably not picked this up formally yet from the Business Office. We are planning to make a statement to the Assembly on gender issues relating to skills, employment and learning. Essentially, it is about trying to raise awareness that there are a number of differentials that we need to be conscious of as we move forward. I will highlight one particular area to encapsulate this. A lot of good work is being done around the priority skill sectors and the priority sectors for growth in the economy, such as ICT, engineering and agrifood. Although we have improving figures of participation by gender across the economy as a whole, we need to be aware that those particular sectors are male-dominated. So, as we grow, we are growing in areas where employment is male-dominated, so we need to be conscious of what steps we begin to take to redress those issues. There will be a statement next week, which is not so much about launching a new strategy or programme, but it is

important that we bring this to the attention of the Assembly to raise awareness about some of the different dynamics in the labour market. Members of the Committee and the wider Assembly need to be conscious about those, and, again, if you want to have a further discussion with our statisticians on that over the next number of weeks, we will be very happy to arrange that. That is so that you are aware of what that is all about.

The Chairperson: Minister, thank you very much for your time this morning. It is greatly appreciated, and the second session has been useful to members because they had the chance for "a free-for-all", as you called it. We were not too rough on you. Catherine and Andrew, thank you for your time.

Dr Farry: Thanks very much, everyone. See you soon.