



Northern Ireland
Assembly

Committee for Employment and Learning

OFFICIAL REPORT (Hansard)

The Term Ahead (Ministerial Briefing)

11 September 2013

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

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

Witnesses:

Dr Farry	Minister for Employment and Learning
Mr Derek Baker	Department for Employment and Learning
Mrs Catherine Bell CBE	Department for Employment and Learning

The Chairperson: Minister, thank you very much for taking the time to come before the Committee. It is appreciated. I introduce and welcome Derek Baker, the new permanent secretary. You are very welcome, Derek; we promise to go easy on you on your first day. Catherine, you are also very welcome. Over to you, Minister.

Dr Farry (The Minister for Employment and Learning): Thank you very much, Robin. Thanks to the Committee for the opportunity to address you this morning. I will be here for two sessions, and my colleagues may be here a little longer. I understand that you have a packed opening meeting, which is a very healthy sign. I will deal with matters in two chunks. The second part will be a focused discussion on apprenticeships and youth training. As you know, we are undertaking a major review of both, so I think it would be useful to have a concentrated session on that. However, I want to take the opportunity to give the Committee an initial briefing on some of our current priorities and give the Committee the opportunity to have a free-flowing discussion in which members can ask questions and give their views on what they consider important aspects that they would like to explore. I say that with the proviso that we do not know exactly where the discussion will go. We will do our best to give answers today but if we cannot fully address any points, we will come back in writing to the Committee as soon as possible.

I note a change of personnel on the Committee, in that David McClarty has joined you. Hopefully, he will act as an advocate for Coleraine and be a counterbalance to the Derry lobby on the Committee. That will be an interesting departure for us.

As you recognised, Chair, Derek Baker has joined us as the new permanent secretary for the Department. This is Derek's first appearance before the Committee. It might be useful at this stage, before I continue, for Derek to say a few words to introduce himself and his background, and tell us what he is going to be up to.

Mr Derek Baker (Department for Employment and Learning): Thank you for that, Minister. You have caught me by surprise and put me on the spot. Chair, I am very pleased to be here and am grateful for the opportunity for an early engagement with the Committee. I am relatively new in post, having been in the job for just over two months. For part of that time, I was on summer holiday, so I am very much the new boy. I do not think that, on this occasion, I may be of very much value to the Committee. I think that everybody around the table will know more about the issues than me. Nevertheless, I am very pleased to be here. It is an exciting and very important agenda, and I hope to be able to help the Committee in whatever way I can in driving that forward. My previous post was as a deputy secretary in the Department of Education. I was there for only five months. Before that, I was at the Department of Finance and Personnel (DFP) for six years. I should add that I am a bit of an odd beast in that I am a temporary permanent secretary, if that is not an oxymoron. I will be in post until such time as Departments are reorganised. I will then revert to my previous grade.

Dr Farry: Thanks, Derek. I will highlight a number of the key themes that will come up over the autumn. Obviously, you are aware of the review of apprenticeships and youth training, which we will come to shortly. One of the most important pieces of work that we will be bringing to the Committee, subject, of course, to Executive approval, will be the draft strategy on economic inactivity. I know that the Committee will take a keen interest in that. Members will appreciate that economic inactivity is perhaps the hidden form of unemployment in Northern Ireland. We have the official figures, but there are also those who are outside the labour market entirely and are inactive. Historically, Northern Ireland has had a very high rate in that sector, certainly the highest rate in a UK context. That has been with us over the past 30 years, irrespective of the economic cycle. It is a structural problem in our economy that we must get to grips with. This Department, in conjunction with the Department of Enterprise, Trade and Investment (DETI), has been tasked by the Executive to draw up the draft strategy. We are close to finalising it for consideration by the Executive. Subject to the timescale for Executive approval, which is not my prerogative, we will brief the Committee on that at the earliest opportunity.

We are mindful of the Committee's inquiry into careers advice and guidance. We very much look forward to receiving that report, which I believe you will be considering later today. No doubt, there will be a debate in the Assembly on that. We take joint ownership of the careers strategy with the Department of Education, and we are committed to a review of careers services in Northern Ireland. That is scheduled for 2014 but if we can bring it forward, we will seek to do so. I certainly give the Committee an assurance that the recommendations that you will make in due course will be very carefully considered as part of that review, and we will systematically go through what is brought to us.

I turn to employment law. Two separate pieces of work are ongoing on that matter. The first and more discrete one is the parental leave and flexible working consultation, which is now closed. Officials are finalising the summary of responses to that, which we hope to bring to the Committee in the very near future, with a view to moving ahead to legislation. Subject to the approval of the Executive, that may well be the first formal Bill that the Committee will consider during this session. The wider consultation on employment law is still live; it runs to the end of October or beginning of November. It is unlikely that we will be bringing that to the Committee this side of Christmas, although it is a major priority for the Department. We will bring that to the Committee in the new year.

I am conscious that issues around disability, including learning disabilities, have been very much at the forefront of concerns of the Committee and, indeed, on the Floor of the Assembly. A lot of work is happening behind the scenes on that. It is perhaps useful to view that issue in two respects. We have a discrete responsibility in relation to the disability employment service, which is about how we can support people to, first, get into the world of work, and, secondly, to sustain their position in the world of work. We are conducting a review of that provision and, again, we are happy to engage with the Committee on that.

We are also alert to a much broader issue, namely what happens, post 19, to young people with special educational needs (SEN). Obviously, that issue cuts across a range of Departments, but my Department is a key player. The main focus for us is probably further education (FE), and, although we need to be careful to ensure that we respond to and address the needs of young people for whom further education is a relevant opportunity, that has to fit into a wider cross-departmental approach in which others take their share of responsibility. I think that there is a growing recognition that the

system as it stands does not meet the needs of everyone. We are undertaking an audit of further education to ascertain where the provision currently stands and to see whether there are any gaps that we need to address. I ask members to note that we have allocated an additional half a million pounds of funding for student support in the FE sector, which, hopefully, will make a difference.

The Department also has a number of key strategies in place, and it is useful that we take stock of those over the autumn. Those include Pathways to Success, the NEET strategy, and, of course, the Committee has a particular interest in that given your previous inquiry into the matter. We also have the higher education strategies, which are now well bedded down and in place. It is also worth highlighting that, on the back of the apprenticeships review and the knock-on consequences that flow from that, we are commencing a review of further education, with the purpose of having a fresh further education strategy in place in the very near future.

That is only a sample of the main themes that will be to the fore over the autumn. Work will continue on areas such as investment, assured skills and dealing with unemployment, particularly youth unemployment. We are happy to engage on all those issues and anything else that members wish to raise this morning. We will do our best to answer any questions and respond to any points that you wish to make.

The Chairperson: Thank you very much, Minister. You touched on our current inquiry into careers. Over the next few weeks, we will bring that to finalisation and share relevant recommendations with the Committee for Education before we bring our report to the Floor. You seem well briefed because our next inquiry will deal with post-19 SEN and how we can address that issue. We are due to consider and clarify the terms of reference for that inquiry before we go any further on that. I am glad that you indicated that you are aware of that and that you have looked towards an audit of what your Department is already doing. That will be beneficial to us.

Minister, there was a lot of reference to consultations that are live and others that you are planning. Is there any reason why you published the consultation on the European social fund 2014-2020 without first coming to us?

Dr Farry: I think that it was probably just an issue of timescales. That went out to consultation over the summer. Hopefully, we fulfilled the criteria of giving advance notice to the Committee of that, but I think that you are making a wider point in the context of there not having been a briefing in advance on where that was heading. I think that that is simply a reflection of the timescales to which people were working. The work was not really finalised until mid-July, so it was not really logistically possible. We are under pressure to coordinate the activities of the Department with those of other Departments that act as managing authorities for European funds, including DETI and DFP. There is, therefore, a pressure on us to close our consultations by the end of October. We will see whether we can give you a briefing in advance of the close of that consultation to make up for that deficit.

Mr Baker: It was purely a matter of the time constraints, Chair. We have to synchronise our consultation and decisions on the European social fund with the European regional development fund, and we were up against it, time wise. However, your point is well made and well taken.

The Chairperson: It was just to make you aware. The Committee has been proactive and supportive of the Department in its consultations. We are keen to be involved more in the development of consultations, rather than just having finished documents presented to us.

Dr Farry: We will look to see whether we can schedule a briefing session for the Committee on that consultation. It is a large document, but the issues are fairly discrete. It is about the balance of funding, looking to the future. It looks promising that the European social fund will be with us in a significant way; we do not expect any reductions in funding. It can make a huge difference, particularly for the community and voluntary sectors. We are mindful of that, and we are also conscious of it in considering the future of apprenticeships. Those are two key aspects of what we wish to do with that fund. Again, we will touch further on apprenticeships during our second session.

The Chairperson: I have another quick question before I open the floor to other members: how far down the road are you with the appointment of an international expert on the options for teacher training?

Dr Farry: We are still finalising the panel. It is likely that we will have a panel comprising five members. I do not want to name the full panel at this stage, but the chair is likely to be a gentleman named Pasi Sahlberg, who is a Finnish educational expert who was involved in a similar review in the Republic of Ireland in the past year. He brings a wealth of experience to the matter. We are still finalising his colleagues and getting a final commitment from them before we can announce their details. It is important to stress that we are talking about people who will bring an international perspective to our situation in Northern Ireland. They are coming from the point of view of what teacher training infrastructure should look like in the 21st century to meet the needs of a modern education system.

Mr P Ramsey: Good morning, Minister. You are very welcome. Good luck, Derek, in your new post.

Mr Baker: Thank you.

Mr P Ramsey: It is always good to see you, Catherine.

Mrs Catherine Bell (Department for Employment and Learning): Thank you.

Mr P Ramsey: An issue came up before you came in, Minister, namely that of crèche facilities at the Magee and Jordanstown campuses. Do you not accept that it is quite disturbing that one of our universities is the only one in these islands — Ireland and Britain — that does not have crèche facilities? I know that we have spoken privately about that matter, so I will park it there. Maybe you could make a comment.

I was delighted to see, over the summer, the increase in student support for disabled people. Can you give me an example of how that will be delivered? How will people be made aware of that through schools and colleges so that people who have a learning disability or a physical disability will know that there are measures in place to encourage them to participate?

Mrs C Bell: Our careers and transitions staff work to help young people who are moving from special schools into further education or employment, so they will be well aware of what is available. When they go to the college, the college will assess need and put the additional support in place. That is done through the Careers Service and the special schools. Obviously, we put articles in the papers; there was an article last night about the support fund.

Mr P Ramsey: It is tremendously good work. Perhaps we could, at some stage, get some further data from the colleges and universities on actual participation across the constituencies.

I have one further point to make. Clearly, youth unemployment is the one issue that will always be on your desk, whether it is to do with economically inactive young people or young people who are NEET. We know that you have a dedicated NEETs team, which I presume is still intact. I will not say too much about the Post 19 Lobby Group, but the Committee's greatest worry, given the amount of worry and stress around welfare reform, is that, although youth unemployment is bad enough now, it could get much worse, with a tsunami of young people coming off benefits.

As I have asked previously, are dedicated, specialised disability advisers available to help motivate, encourage and stimulate those who may have mental or physical disabilities but are forced on the new track? Will you commit to having the same level of collaboration that was a key element of the recommendations of the NEETs inquiry?

Mr Baker: Yes; absolutely.

Mrs C Bell: We have the disability employment service, which works specifically with young people and adults who have disabilities to help them to engage in work. However, we also have front line specialist disability advisers for people coming into jobs and benefits offices or our job centres. We have trained people right across the piece so that our personal advisers can deal with people who present themselves with a range of pressures and problems. It is never enough, however, and we could do more. We keep reassessing the situation, and that is part of the review of the disability employment service.

Mr P Ramsey: It would be good to keep the Committee informed of those pressures and of any staff increases just to reassure us that everything possible is being done.

Dr Farry: To follow up on Catherine's point, Pat, it is worth noting how all these pieces of work fit together. None of them are free-standing issues. When we look at the issue of NEETs, for example, there will be people in that category who have particular barriers or perceived barriers to employment, and some of those may well include various forms of disability. We need to be conscious of and sensitive to that. For example, some of the projects that we fund under the Pathways to Success strategy deal specifically with those types of issues. We also use the European social fund to invest in some of that work, including dealing with people with various disabilities.

The youth unemployment figures are moving downwards, which is very encouraging. People have begun to talk up our economy a lot more over the past few weeks. That said, we are under no illusions that there is still a very long journey to be travelled in tackling that issue.

We are keen to highlight the continuing work of the youth employment scheme. It is worth noting that our scheme has been significantly more successful than its equivalent in Great Britain, which is the youth contract. That is an area where we can take note of the benefits of devolution. We did not simply copy what was happening in Great Britain and apply it to Northern Ireland; we sought to do things slightly differently here, learn our own lessons and think through our own local needs. The front line staff have been very proactive in working with employers. We have created a significant number of opportunities. We are doing well in placing young people into those opportunities. There is still much room for improvement, and we are very mindful of that. However, it is important to note that the youth employment scheme is very much a glass half full that is filling rapidly.

We very much welcome the Committee's intention to carry out a post-19 SEN inquiry. We will be working in parallel on a range of issues. My intention is to highlight that at the ministerial subgroup on the Bamford review into mental health and learning disability in November. A number of Departments have a role to play in that area. We are more than happy to share our emerging thoughts and conclusions about how we can do some things differently and, in turn, pay very close attention to the Committee. Rather than this simply being a situation in which the Committee produces a report and hands it to us, both of us will work in parallel on the issue.

Mr P Ramsey: That makes sense.

Dr Farry: When the Committee produces its final report, we will see what more we can do to follow through on any of its recommendations.

Mr P Ramsey: That is very welcome.

Mr F McCann: To pick up on Pat's point, the Department for Social Development (DSD) and DEL are certainly at the forefront of this, with their collaboration on the jobs and benefits offices. We get reports of people who suffer from various degrees of mental health problems — if it is bipolar disorder, people may not recognise that they have a problem — who go in and are not treated. Over the past two Assembly mandates, one of the things that we have been pushing is that the level of training needs to be continuously stepped up to ensure that people do not fall through the cracks. Some concerns have been raised about how the youth training element might not have been given equal weight in the review of apprenticeships.

Dr Farry: On the latter point — Catherine can reinforce this — it is a review of apprenticeships and youth training. We are looking for a full spectrum of interventions to support young people. As the apprenticeship model evolves, we are conscious that youth training sits alongside that. We have in place an expert panel to assist us with the two reviews. It is meeting tomorrow morning, with a very singular focus on the youth training aspect. I say that to give you some reassurance that that is very much in our mind. Catherine, do you want to follow through with a bit more on youth training ahead of our second session and on the point about the DSD/DEL collaboration?

Mrs C Bell: I will stick with youth training first. We wanted to get clarity about the apprenticeship programme. It is not the case that we have given priority to the review of apprenticeships at the expense of youth training. We actually have two teams working in parallel. When the apprenticeship element is clear and we have signed off on everything on that side, it will be easier to then look at youth training, because that has to feed into apprenticeships, as well as into further education and employment. They both have been given equal weight. As the Minister said, the expert group

meeting tomorrow is focusing solely on youth training. We have been gathering all the evidence on youth training, as well as apprenticeships. The call for submissions on the apprenticeship review has gone out, and a similar one will issue on youth training.

Mr F McCann: Could we get a breakdown of who makes up both groups?

Dr Farry: Yes.

Mr F McCann: One of the other things that you raised was the whole question of the European social fund. There has been some change of focus and the direction in which it is going. You mentioned the voluntary and community sector. To many out there, it is still beyond their reach, certainly when it comes to getting a breakdown of the information that is required. Is anything being considered about going into communities, especially the groups that would benefit from making applications, to help them?

Mr Baker: You are looking to me, Minister, but I have to confess that I cannot answer that. However, I take the point entirely. As someone who has worked in this area before, I understand the maze that is European funding and the difficulties that people may have in understanding and accessing it. We will take that issue back and look at it to see whether we can simplify or have more transparent pathways to it in any new programme that comes along. I apologise to the Committee that I cannot explain what the current arrangements are.

Dr Farry: It also worth stressing, Fra, that, at times, a lead organisation will make a bid, but that may well be on behalf of a range of other delivery partners. Some organisations are active at a grass-roots level and have the ability to engage most effectively, but they do not have the capacity to handle European bids. It is useful, at times, if they can come together as part of a network. We have a number of examples of such schemes that were funded in the past. That is useful, even if not to make a bid but to show how people can come together as part of a collaborative network.

Mr F McCann: I know that, a number of years ago, in other aspects of European funding, a group in the upper Springfield and greater Shankill area was given grant aid. The results were excellent because it focused on training and capacity. There are groups that could collaborate on a cross-community basis and would like the opportunity of applying or at least being pointed in the right direction.

You mentioned people who are post 19 and have mental health difficulties or disabilities. A number of groups focus on and speak for those young people. We have had some of those groups here and spoken to people outside. Have we ever thought of trying to get together groups of young people in that age range who have difficulties or disabilities to find out from them what the barriers may be so that we could try to tap into that?

Dr Farry: I think that we can both do that as part of our work over the coming months. In particular, if the Committee is doing an inquiry, that will be an opportunity to hear directly about their experiences.

Mrs C Bell: We have been doing that as part of our reviews. We set up specific groups of young people to hear their perspective. So there is no reason why, as we move into special education work, we would not do the same. We have been engaging with a lot of parents' groups already.

Mr Buchanan: Minister, you talked earlier about a draft strategy on inactivity. Do you have any idea when that will be brought to completion and ready to roll out?

I am sure that you are aware of the United Youth programme announced by the Office of the First Minister and deputy First Minister (OFMDFM). I know that the design team has been set up and that officials from the Department for Employment and Learning (DEL) are with the team seeking to draw up detailed proposals for the scheme. Can you give us any further insight into that and tell us when we can hope to see it rolled out?

Dr Farry: First, your party colleague the Minister of Enterprise, Trade and Investment was, I gather, on the radio a few minutes ago saying that she hoped that the strategy would go to the Executive in early October. We are at a very advanced stage with the draft. It just needs to be signed off by the relevant Ministers, and then we can put it into the system with the Executive. We all know that, although we can put something to the Executive, it is for the Executive to determine their business and at what

stage things are approved. I would like to think that this is a priority. It is a Programme for Government commitment, and we are very mindful of that. I would like to think that it would be cleared by the Executive as quickly as possible. Then, we will go out to public consultation, and we will brief the Committee on the content of that. Again, we very much look forward to receiving your views.

On the United Youth project, Tom, you are right to say that detailed discussions have been taking place between special advisers and officials from the relevant Departments. It is worth stressing that United Youth is not a DEL project; it is a cross-cutting project involving a number of Departments. There is an issue over who will eventually lead on this, but, in some ways, that is probably a premature question. We need to get a sense from across the Departments of exactly what United Youth will be. The natural delivery mechanisms will follow fairly smoothly from that. It is worth stressing that this is a cross-community engagement project and a volunteering project alongside an employability project. A particular point that we have been very keen to stress in our discussions is that we have a Pathways to Success strategy for people not in education, employment and training at present. The funding that we secured for that expires in March 2015 with the end of the current Budget period. We have an opportunity to look to what the post 2015 architecture will be, and I see a natural overlap in that work with United Youth as it evolves. United Youth is not simply the successor to the current NEETs programmes; it is much more than that. We see a major opportunity to reinforce the good work that we have been doing, avoid duplication and open up new opportunities on the back of it. The schedule is that, during the autumn, we will brief the Committee on United Youth. It is probably premature at this stage because not enough is nailed down just yet.

Mr Buchanan: I appreciate that, Minister, and thank you for your response. From looking through some of the correspondence that we have, I know that it is proposed to take on 10,000 youths. That is a huge number, and, in that light, I would have thought that DEL should have an interest and a good input into that. Although United Youth is cross-cutting with other Departments, I would have thought that DEL would have a very keen interest in it, given that it is to provide for 10,000 people.

Dr Farry: I assure you, Tom, that DEL has a massive interest in the emerging programme and that we are very much engaged with it. We are very mindful of it, and it is at the top of our priorities. We will, I hope, hammer it out over the coming weeks. Progress has been made over the past number of months.

The Chairperson: You are due back on 11 December to tell us all about it, Minister, just in case you want to put that in your diary.

Dr Farry: Thank you very much.

Mr Douglas: I thank the Minister, and best wishes to Derek in his new role. Minister, I was at the Northern Ireland Business Trust seminar last night, where Minister Simon Hamilton — I do not want to misquote him — was really saying that he wanted to encourage the public sector to be more ambitious and become more involved in innovation. At DEL, it must be easy to go from day to day dealing with all the bread-and-butter issues and ticking all the boxes. You have talked about and been very supportive of innovation in the past. Is there a structure in DEL that encourages staff to sit down and work with universities and others? Is there a mechanism by which the likes of even the Committee could sit down with you to examine new and innovative ways of encouraging training, employment and other opportunities?

Dr Farry: We have a dedicated unit for innovation, which comprises me, my adviser and my senior officials. *[Laughter.]* We meet every week to review and have open and frank discussions. We are very mindful of the opportunity to do things differently. It is worth stressing the broad thrust of this. First, DEL already subcontracts a large amount of its work to the private sector. It is not counted as the private sector for gross value added (GVA) because it is publicly funded, but the private sector is encouraged to come in, as is the community and voluntary sector and the social economy. So we look for external delivery partners where we can, and they often bring a lot of innovation in their delivery. That is where we find and can test a lot of things.

Tom made a point about the economic inactivity strategy. Without saying too much prematurely, one element that we will look to is a concept called competitive piloting. This is very much new territory, not just for Northern Ireland but for a lot of other regions, so it is about how we can create a system in which we encourage a lot of different, innovative techniques in the community. Then, as we assess and evaluate those, we can see which are most or least effective and, obviously, focus on the more

successful ones. As we develop new strategies, we are building in and trying to do things innovatively.

We will come back to apprenticeships and youth training later, but those are also areas to which we are seeking to bring a lot of policy innovation to what we do.

A much more discrete point to be made about innovation is in research and development. We also do a lot of good work in that area. DETI is taking the lead on an innovation strategy, and I know that Minister Foster is close to finalising that work. We have a discrete role when it comes to the universities, although they themselves are major providers of innovation.

Through the employer support programme, the further education sector has, in recent years, also become very important when it comes to innovation, particularly in its work with small and medium-sized enterprises (SMEs) in Northern Ireland. The new brand for that is the specialist programme for industry using college expertise (SPICE), and Catherine will explain more about that in a minute. We are looking to see how that can be improved.

We have increased the quality-related (QR) funding that goes to the universities, and, with reference to the European Union, we now have in place a whole network of Northern Ireland contact points, which are there to drive applications under what are now the final months of framework programme 7 (FP7), to be followed by Horizon 2020. We have already seen promising signs of an increase in applications, and, no doubt, the Executive will want to set a very challenging target for Northern Ireland's drawdown of competitive EU funds.

Mrs C Bell: One of the real success stories has been the work between the universities and the colleges, whereby the universities do the high-level, high-end research, and the colleges then work with the SMEs to go into product development. We have seen that in the InnoTech centre in Omagh, although not exclusively there, and we want to encourage more of that.

We try to be innovative even in the way that we do things. When consulting as part of the apprenticeship review, for example, we came across a new type of mechanism whereby the Civil Service's Business Development Service (BDS) worked with us to look at what we were doing and how we were doing it. It then facilitated a consultation with employers, providers and young people, which has been very successful. We continually try to look at how we can do things differently.

Mr Douglas: The Minister gave us an interesting example. He said that the public sector and the private sector are different, but the public sector can also be very innovative. He mentioned the moon landing and the fact that a lot of products today exist as a result of the research and development carried out then.

Mrs C Bell: One area is the development of work with Invest NI on assured skills. We are the only part of the United Kingdom that does that, and that was as a result of working with growing companies in the private sector. It is not only about foreign direct investment (FDI) but about companies that are growing beyond their capacity following the economic downturn. It was unheard of for an enterprise agency such as Invest NI to work closely with a Department such as ours, particularly on foreign direct investment, an area that is very confidential. Yet we are now at the table and able to have the same conversations with potential inward investors so that we can determine their skill needs. If we do not have those skills in Northern Ireland, we will look to the universities and colleges to improve their capacity, and we will fund that. We assure — that is why we call it "assured skills" — the inward investor that those skills will be there when the company locates to Northern Ireland. So we have tried to work with the private sector, particularly on skills and what skills are required.

Mr Baker: If I may just add a final comment, I think that it is a very perceptive question. Later, the Committee will look at our business plan, and if you look at that long list of what we are doing, you will understand how easy it is to get sucked into the day job. All of us — I am sure that MLAs are no different — would love a few days' grace to go back and think great thoughts and innovative thoughts, but finding the space and time to do that is difficult. Maybe we are guilty as civil servants of being risk averse in not doing that.

I have been in DEL only a short time, but I note that into some of our programmes we have hardwired the scope to develop innovative thinking through funding schemes that promote innovation, such as the collaboration and innovation fund and the skills and innovation fund, recognising that we do not

have all the answers, but setting aside a little money to prompt new thinking from the community, voluntary and private sectors to see whether that works and can show us a new way of doing things.

On the other point that the Minister touched on, I have been impressed, too, by what I have found in DEL. We have a very strong evidence base and a very strong statistical and economic research function to benchmark and research what else is going on. That is brought to bear in the development of policy. Obviously, we need the Committee poking, prodding and sparking us into innovative thinking, and that is where your reviews are so important to us.

Ms McGahan: Welcome to you all. Can you advise when the Committee will receive a report on the current review of post 19 special educational needs?

I should declare an interest as a board member of Dungannon Enterprise Centre. Some concerns have been raised about Steps 2 Success and the opportunities to promote the self-employment element of that. One concern is that personal advisers to clients who come into jobs and benefits offices will not make them aware of the potential opportunities available to them. Will you talk a wee bit about that? I have a couple of other questions about apprenticeships, but I will leave those until the end.

Dr Farry: First, on special educational needs, we will wish to consider how we can programme in, over the autumn, some engagement. That may be particularly useful before the Committee commences the inquiry, just to get an initial sense from the Department of where things stand, where the particular deficits and challenges lie and identify what it is that we seek to do. Again, I stress that there are probably two issues: the narrow, more discrete issue of support for those in employment or going into employment; and the wider issue of training and educational opportunities for young people. We probably receive more correspondence and hear more concerns voiced by parents and others in the community about the latter. You will know that there has been quite a bit of concern expressed in the Dungannon/south Tyrone area in particular, which we are very conscious of. So we will look to see how we can facilitate those discussions. We have already scheduled something on disability employment, but we will see what more we can do in that regard.

I will ask Catherine to elaborate a little on Steps 2 Success, but the whole thrust of it is on the innovation of the new contract winners. I cannot say too much because we are into procurement now, but they will be encouraged to see what they can do and to have more flexibility. Frankly, if someone is suitable for self-employment, or that is an opportunity, they should be going for that.

Mrs C Bell: Steps 2 Success means that our personal advisers will intervene much earlier than before. It is their job to do the work initially before someone is mandated to enrol on a Steps 2 Success programme. There is no doubt that self-employment is an option that we want to pursue. I have not received any information that personal advisers are not doing that, but I will take that point back and ensure that self-employment is included in the range of options that they offer to clients and that they are working with providers that have expertise in this area, such as the enterprise centres. So it is not that we are trying to get away from self-employment; quite the opposite.

Ms McGahan: On that point, I know that concerns have been raised because, under Steps to Work, people voluntarily pursued self-employment opportunities, whereas, now, under Steps 2 Success, it has been flagged up that they have to wait a period of weeks. The feeling is that having to wait and being mandated to go on that programme is soul-destroying for any individual who wants to pursue a career in self-employment

Mrs C Bell: I am certainly not aware of that, but I will check it out.

Dr Farry: The essence of that, Bronwyn, is that, in the past, there was scope for voluntary referral to Steps to Work from day one. The difficulty that we as government have is that it was a huge dead weight in economic terms. The evidence is that a lot of people who are unemployed can find new opportunities themselves within a very short time without the intervention and support of government. So voluntary referral to Steps to Work meant, in essence, that resources were being spent in areas in which help was not really required, at the expense of areas in which resources could have been better deployed — hence the change to the entry points to Steps 2 Success under the new scheme. There will be early entry for a number of different types of people who may, for example, come from vulnerable backgrounds.

The wider question is the issue at the heart of this. If someone is interested in self-employment, our staff in the jobs and benefits offices should be able to assist them in advance of their going on to Steps 2 Success. What Steps 2 Success should do is give them support. It is not a requirement for someone to wait until Steps 2 Success before they get support and encouragement to open their business. We need to see how we can intervene through our front-line advisers to get them to that point.

Mrs C Bell: The difference between Steps 2 Success and Steps to Work is that our front-line advisers will be much more proactive from day one. If a person wants to go into self-employment, it is for our advisers, rather than the Steps to Work providers, to source support for them and to open that opportunity to them.

Dr Farry: If you have come across any particular examples of what you described, will you please write to me, and we will see what has happened?

Ms McGahan: I will.

My second question was on disability.

Mrs C Bell: I cannot remember the question now — oh, yes. We have already audited the provision in further education; it is just being tidied up. Obviously, the Committee is welcome to see that, but I think that we need to do much more. The issue is young people who have profound difficulties. It is not about those young people who can go to a college and, with support, engage in programmes, either through discrete programmes or integration into mainstream programmes. It is those numbers that we really need to get a handle on, as well as what provision there is and who is looking after those people.

Some of our officials have met parents who are unhappy because their child or young person has gone to a college but cannot cope with level 1. We want people to come to FE colleges to do level 1, to progress and so on, but those who cannot are asking for what are really hobby and leisure courses. So we will have to examine all that as part of our work.

The Chairperson: Have you a timetable for Steps 2 Success yet?

Dr Farry: It is with procurement. I suppose that it is somewhat up in the air. We are at the pre-qualification questionnaire phase.

Mrs C Bell: The next stage is to assess some of the expressions of interest — I use that term loosely. After that, six bidders will be chosen for each a contract area and go through to the second stage, where one will be chosen for each contract area. It is intended that, if there are no legal challenges, we will start operating in 2014.

Mr F McCann: The whole question of the administration fee that will be charged by the contractor has been raised a number of times at this Committee. That could top-slice off millions of pounds that would be better used locally.

Dr Farry: Maybe this comes to the point that Sammy Douglas made earlier about innovation. We are bringing in those with the ability, expertise and track record. Our assessment is not simply about cost; it is about people's ability to deliver good results. Obviously, that is an element of any arrangement that we will come to with new contractors, but the purpose is not about money. The primary purpose is improving outcomes by helping people into employment. I am not going into this with any notion that it will save money. If anything, and if it goes well, it may end up costing us more than has been the case in the past. I do not see that as being a problem; I would see that as being a success in the sense that we are actually helping more people into the world of work.

Do not get the impression that people are going to make huge, super profits on the back of helping people who are unemployed. When you bring in people from the private sector, the community and voluntary sector, or social economy, there will be an element of them getting a return. It has to be viewed as being mutually beneficial to them, but, more importantly, to government and wider society.

Mr F McCann: I raised that because of some of the horror stories that you hear in England and some of the companies that you hear of with interests.

Dr Farry: I stress that the big difference, Fra, between what we have done in Northern Ireland and what we view as being the equivalent work programmes in Great Britain is that they have what they call a black box. Once someone is referred to the provider, they are out of sight and out of mind of government. It is entirely over to the provider to do with them as it sees fit. There are all sorts of risks that it will go for what can be called the low-hanging fruit, such as the easier cases, and parking people. We have not done that in Northern Ireland. Again, I stress that this is devolved to Northern Ireland. We make our own decisions. We have done things differently. We have gone for what we call a grey box; we have given them much more flexibility rather than being constrained into different types of pathways for people, which has been a source of huge frustration to people. For example, you end up with graduates being asked to go on an essential skills course. Those types of things have happened in the past. They have more flexibility than has been the case in the past, but, in turn, there is a service level agreement. We are not losing sight of what is happening with the providers. Government will be taking a very keen interest in that. A code of conduct will be in place, and there will be clear understandings of the expectations so that they will be working proactively for everyone. We are protecting ourselves against those bad practices in Great Britain.

Mr Ross: I have two quick issues. Have you done any work, or will you have statistics, to help to inform the strategy for economic inactivity about the number of people who are not officially in work so are not declaring that they are in work or are in receipt of benefits but actually are working in the black economy? Do we have any solid statistics on that, or will it help to feed that strategy?

Dr Farry: We do not, Alastair. It is obviously there in Northern Ireland, but I would not talk it out of all proportion. Collectively, across a number of Departments, particularly DSD, we just need to address those issues, because that is ultimately a case of fraud if someone is claiming benefits when they are working. As for wider statistics —

Mr Ross: They could distort the unemployment figures. That is the point that I am making.

Dr Farry: Yes, but I do not think that the impact is in the league of what you hear about some of the southern European economies. We will see whether we can get some general estimates in that regard.

Mrs C Bell: We produced the underlying evidence paper of the numbers of people by age, by health, whether they were lone parents, whether they were early retirees, and whether they were students. There is a significant amount of statistical detail that underpins what we have produced, but I do not think that anybody has looked at the black economy.

Dr Farry: It is more likely that they would appear in the unemployment figures than the inactivity figures in any event. I dare say that, as welfare reform works its way through and the work readiness of people is assessed, if there is anything in the economic inactivity pool, that will be moved along the spectrum.

Mr Ross: The second issue, which has come up again over recent weeks, particularly locally, is zero-hours contracts. It is a pity that Pat has left the room, because he has a motion on that issue in the system. I am sure that you will not be surprised that I take a rather different view to them than Pat.

Dr Farry: I thought that Pat was going to raise it.

Mr Ross: Obviously, it is one thing for large employers to use them but quite another for small employers to do so, and the vast majority of employers in Northern Ireland are small businesses. The flexibility that zero-hours contracts offer, particularly in catering, food, drink and such industries is vital. In anticipation of that motion coming to the House, has the Department done any work with local companies to see the importance of these contacts and, indeed, their importance in providing employment for young people?

Dr Farry: We are not advocating the use of zero-hours contracts, although they are probably a reality for some in our economy. It is hard to get an accurate figure for them, because the difficulty is that the labour force survey is too small to give us a reliable figure for Northern Ireland, given the sample size that is drawn from here. We are trying to talk to the different companies and representative bodies to see what sense they have from the bottom up of how prevalent they are in Northern Ireland. I say this with a certain degree of caution at this stage in advance of doing the work, but the suggestions that we

have gained to date are that they are not as common in Northern Ireland as elsewhere in the United Kingdom.

I will give one particular example. One of the sources that is frequently cited as users of zero-hours contracts is universities, and we gather that around 60% of universities in the UK use zero-hours contracts. None of the universities in Northern Ireland is using them. They are used by some of the FE colleges but not all of them, as far as we can gather figures. That is one particular aspect of the evidence that we have gained.

As you know, the Department for Business, Innovation and Skills (BIS) is looking at this issue in Great Britain. We are keeping a close eye on what emerges from all of that. We are doing our work in Northern Ireland alongside that, and we will want to take the temperature of the Committee on that and, no doubt, the temperature of the Assembly in the event that the motion is discussed. We will see whether and how we wish to do anything in Northern Ireland. It is something that we need to take a view on.

You have outlined one of the arguments for such contracts. It may well suit businesses and, indeed, some individuals. Others may see them as being exploitative, and it is really a case of finding the balance there and to ensure that people who are in zero-hours contracts have their full protection that they are entitled to as employees. Again, there are probably two aspects to that. First, they already have a considerable number of rights as employees to begin with, and it may well be simply a matter of passing the message on to people so that they understand what they are currently entitled to. A second issue is whether we wish to take any steps to amend that and to give greater protection — or not, from your perspective. I suspect that it will be a live debate over the coming months.

Mr Ross: Has BIS sought the view of the Executive? It is a devolved matter, so it does not need to.

Dr Farry: I stand to be corrected on this, but, as far as I am aware, it has not formally sought our views on the issue. It is a devolved matter for us, and, obviously, it is BIS's prerogative. The officials in our employment law branch have been in discussions with BIS, but it is early days.

Mr Lyttle: Thanks, Minister, for your update. Obviously, two of the key issues that you are working on are young people who are not in education, employment or training and the issue of trying to develop the growth sector of information and communication technology (ICT). Can you give the Committee an update on the roll-out of the collaboration and innovation fund in relation to NEETs and the ICT working group?

Dr Farry: That is great. Thank you, Chris. On the collaboration and innovation fund, we started off funding 18 schemes and have now increased that to 23. So, there has been a good roll-out. We have funded probably over two thirds of the applications that we received. Most, if not all, of those schemes are now operational. The feedback we have received so far is good and positive around all that.

Obviously ICT is an aspect of how we can most effectively engage with young people. Some of the most effective techniques for engaging young people involve the use of computer programming, other forms of ICT or even things like computer gaming or the creative arts, if we head off in that direction.

There is a much wider ICT issue, which you alluded to. This is really central to the future of the Northern Ireland economy, where the ICT sector is one that has not only survived but prospered in recent years. We have further potential for growth, indigenously and through inward investment. Great efforts are being made to attract more and more investment. Our shared skills programme is a key partner in those efforts. We are in discussions with a number of companies in that regard, and I cannot say much more than that on that particular point.

Beyond that, we have an ICT action plan in place. I believe that a briefing on that will be organised for the Committee during the autumn. That plan has been in place since June 2012. It is something that we do with support from DETI and the Department of Education, as well as the providers and the business sector. That action plan is a live, evolving document. We are not just focusing on delivery of the current points; we are adding additional action points as we go along. You may have picked up some of the new innovation that is going on. We have launched, in partnership with Deloitte, a data analytics academy. You will be hearing a lot more about data analytics over the coming months. We have also just announced a cloud academy. Those are a few indications of some of the different directions in which we are heading in ICT.

The Chairperson: ICT: 16 October.

Dr Farry: You know this better than I do.

The Chairperson: I am keeping you on your toes.

Minister, just to finish off, we have mentioned Steps 2 Success and the current model, Steps to Work. On our away day, concerns were raised that, as the move came and the focus went to Steps 2 Success, the Steps to Work programme may be allowed to drift somewhat. However, we have received assurances from your officials. Would it be possible to have a briefing or a practical walk-through of the programme for the clients who are currently on Steps to Work? That is something that members asked.

Dr Farry: Yes, absolutely.

The Chairperson: Minister, that concludes the first session.