



Northern Ireland
Assembly

Committee for Employment and Learning

OFFICIAL REPORT (Hansard)

Youth Training and Review of
Apprenticeships: Ministerial Briefing

20 November 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 David Hilditch
Mr Chris Lyttle
Mr Fra McCann
Ms Bronwyn McGahan
Mr Alastair Ross

Witnesses:

Dr Farry	Minister for Employment and Learning
Mrs Catherine Bell	Department for Employment and Learning
Ms Yvonne Croskery	Department for Employment and Learning

(The Acting Chairperson [Mr Ross] in the Chair)

The Acting Chairperson: Hello, Minister. You are very welcome. There has been a coup in the Committee this morning, and new leadership is in charge, for a temporary period anyway.

Dr Farry (The Minister for Employment and Learning): Excellent.

The Acting Chairperson: I welcome Minister Farry; Catherine Bell, deputy secretary; and Yvonne Croskery. Minister, if you want to proceed, we will then ask some questions at the end.

Dr Farry: Thank you very much, Acting Chair. Hopefully you both know Catherine Bell, the deputy secretary in the Department, and Yvonne Croskery, the senior official dealing with the review of apprenticeships.

Apologies, I am slightly hoarse this morning; it is the effect of Brussels last week, amongst other things.

Mr F McCann: Singing last night.

The Acting Chairperson: We will say nothing.

Dr Farry: We will say nothing.

We propose to do this across two sessions. The main session is a briefing for the Committee on our ongoing work around the review of apprenticeships. We will then take a little time afterwards for a general Q&A session to update members on some broader issues and get a sense of what you want us to elaborate further on. That comes with the usual health warning that we will do our best to address any questions you have, but, with these things coming at us from all directions, we may need to come back to you in writing on some of the more particular queries that you raise with us.

We are making very good progress on apprenticeships. At this stage, the plan is that we are going to finalise the current phase of the review within the next couple of weeks. In that respect, this morning's engagement with the Committee is of particular relevance. The Committee will know the general background to the review, having been briefed in September. At that stage, we set out a very general high level sense of direction. Today, we want to take the opportunity to test and discuss some of the emerging themes and conclusions from the review.

The plan is that I hope to make a statement to the Assembly during the week of 9 December. At the same time, we will publish a consultation document, which will go through the normal three-month consultation. We will then look to finalise the review in spring 2014.

The review has been guided by our own internal work and deliberations and also by visits to places such as Germany, Switzerland and Denmark. I know that the Committee was keen for us to look at the Germanic model of apprenticeships. We are taking into account lessons from reviews closer to home, in England in particular, but we do not feel the need to replicate those. There will be areas in which we are doing things differently from those reviews.

We have had stakeholder events, and I know that some Committee members attended those. We have had a call for submissions. We are still formally signing off on those. We will work to provide a copy to the Committee at an early opportunity. We also have an expert panel that has been very supportive of us throughout our deliberations. The intention is that we will work closely with the Committee through the remaining stages of the review. Once we publish our draft conclusions and the consultation document, we will move on to a different phase. At that stage, you will see the details of what we are proposing for Northern Ireland. I stress that what we are trying to do is meant to be quite revolutionary in the way that we are creating opportunities for training and education in support of our economy.

Chair, I am conscious that the Committee was provided with a series of slides as part of the background briefing. If it is OK with you, I propose to go through the four substantive slides in turn. We will take questions on each one of those individually. That way, rather than having a global conversation, people will have a number of opportunities to engage on some of the issues.

First, you have a slide on the aim of the review of apprenticeships. We stress that we will tweak it a little bit. What we are proposing for apprenticeships is not simply an alternative to an academic route. What we will suggest will itself be, in part, academic. It will have parity with the more traditional academic route. There will be a minor modification to that one. We have already touched on the methodology employed to date.

I will move on to the four themes that we will discuss today: the concept of apprenticeships; the role of the key players; the delivery of apprenticeships; and progression. I will start with the first slide, which is on the concept of apprenticeships. I stress that we are talking about a number of aspects. First, we are not seeking to have a strict, narrow definition of apprenticeships. We are talking about a concept. An apprenticeship is shaped by having elements that work side by side and a combination of on-the-job and off-the-job training. We are looking to expand it to a greater variety of occupations. We are talking about a single award for each occupation. We are talking about apprenticeships covering a spectrum, essentially, from level 3, which is two A levels or equivalent, up to level 8, which is PhD equivalent. We should note that, at present, about two thirds of our apprenticeships are at level 2, with about one third at level 3 and a very small proportion at level 4 as we have rolled out some higher-level pilots. So, this will be a radical shift in respect of where the concept is applied on the skills ladder.

We are looking at measures to improve gender participation. The balance of representation is not too bad across apprenticeships as a whole. However, within some of the key high-growth areas for the economy, it is heavily skewed towards males. We need to be very mindful of that as we move forward. Finally, we want to build in portability. What we do has to translate from Northern Ireland to outside Northern Ireland so that someone with an apprenticeship-based qualification will know that, if they move companies, their qualification will be readily understood by employers elsewhere.

Another aspect of portability is around internationalisation. Picking up on our collective visit to Brussels last week, there are opportunities for exchanges in and around apprenticeships. The Commission has developed a European apprenticeship alliance. We are giving consideration to how Northern Ireland can engage with that, whether at a governmental level or by encouraging our key partners and individual companies to engage. Under the new Erasmus + programme, there will be opportunities for exchanges of apprentices alongside the more traditional academic-type exchanges that have happened in the past. I will leave that slide at this stage and open the floor for questions, and then we will move on to the next one.

The Acting Chairperson: On the greater variety of occupations, there is buy-in from industry on where we are moving to with apprenticeships. Have you received any guarantee or commitment from a greater variety of companies that they will endeavour to take on more apprentices?

Mrs Catherine Bell (Department for Employment and Learning): One of the difficulties for companies, especially small and medium-sized enterprises (SMEs), is the risk that they perceive in taking on an additional member of staff and the fact that they perceive it to be a bureaucratic process. We are examining ways to support our SMEs better, reduce the bureaucracy and perhaps provide incentives. We have had wholesale support for what we are doing from employers, including employers that traditionally have not been involved with us before. They are keen to watch what we are doing. They have not signed up at this stage, but they are committed to the direction of travel.

The Acting Chairperson: Are the incentives support or financial incentives?

Mrs C Bell: It will probably be both for SMEs to try to address the areas that are regarded as absolutely crucial for our economy and to encourage SMEs to take apprentices on.

Ms Yvonne Croskery (Department for Employment and Learning): We have been engaging with the Federation of Small Businesses (FSB) and the Confederation of British Industry (CBI), and we have received very positive feedback about their willingness to participate in the new initiative, look at new occupational areas and encourage their membership to do so.

Dr Farry: There is certainly a hunger amongst businesses for a different model of training. We are starting from a low base as regards numbers of companies that currently offer apprenticeship opportunities. Even with the best will, in Switzerland, for example, only about 30% of companies offer apprenticeships. If we can get somewhere approaching that, we will be doing extremely well. It may be that companies will sometimes overtrain for particular sectors, and that stresses the importance of the portability of the qualifications that people receive on the back of this.

We have a challenge in how we engage with SMEs to manage the risk issues around that, and some more detailed work will be required in that area as part of the consultation. We have had some good indications of buy-in, particularly at the Momentum summit. Momentum is the umbrella body for the information and communication technology (ICT) sector, and it was seeking to champion the opportunity for apprenticeships. One other thing of particular note is that we will need to work with our investing companies, particularly companies from North America where there is not the same culture around apprenticeship training as there is in Europe. If we can find some good champions in that regard, it will put us in a very good position to encourage others to follow through.

The Acting Chairperson: The fifth point in the slide is about measures to improve gender participation. What kind of measures are you proposing?

Mrs C Bell: At this stage, we are at the high level of writing the consultation document. We are trying to encourage young people in schools to consider apprenticeships as well as the traditional route to universities. We have engaged with quite a number of schools, and that has been generally welcomed. Our Careers Service will have a big role to play as well, but the fact that we are talking about reclaiming the brand and prestige of apprenticeships has gone down well with the schools sector as well as with employers.

Ms Croskery: From a gender perspective, we have been engaging with the Equality Commission and looking at positive action that we can take to encourage better participation, particularly in areas such as ICT and engineering, where females are under-represented. We will continue to work with it and are taking its advice, and we will be looking at a series of interventions as part of the policy development to ensure that we increase gender participation.

The Acting Chairperson: Is it more or less a matter of encouragement rather than quotas?

Ms Croskery: We have taken advice from the commission, and we will seek advice of our own, but, at the minute, we have to stop short. We cannot go as far as quotas, but we are looking at what we may be able to do. We do not want to give a commitment at this stage, but we will do all that we can to increase gender participation.

Dr Farry: The balance of interventions will be around the promotional aspects of encouraging females to seek apprenticeships and follow them through. Were we to go down the line of quotas, we would need to seek a derogation from European Union law. That would be a tall order that could not be achieved quickly. In any event, I imagine that this is something that we would wish to enter into on a graduated basis. So, in the first instance, the focus would be around positive action. If things were not to move quickly enough, we would consider whether more radical options were required. However, achieving those would be much more difficult. In the short run, acknowledging the problem and seeking to address it through the measures that we currently have in our gift is probably the most appropriate response.

Mr Ross: I will now vacate the Chair and seamlessly hand it over.

(The Chairperson [Mr Swann] in the Chair)

Mr F McCann: I thank the Minister and Catherine and Yvonne for what they have said up to now. You know that we have been keenly interested in the whole question of apprenticeships. A lot of that has been based not only on local experience but also on information that we have gleaned from employers who have come in. There seemed to be a difference of opinion between the Department's approach and that of the employers. I am still a wee bit concerned that it seems to be a wait-and-see game for employers who want to see whether this will work before they dip their toes in the water.

I am obviously glad to see that we are moving away, I hope, from level 2 to level 3, as that will open up doors. However, one of the big gender problems that you have is the way in which schools and careers teachers sell the idea of apprenticeships. The approach in an all-girls school may be completely different from that in a boys' school. So, I think that that must be tackled. All of us have been approached on that issue, particularly after headlines stating that 600 jobs are coming in but 400 welders are having to be brought in from outside to finish contracts. I am not saying that people do not have the right to come here to be employed, but enabling the people who we are training to at least compete for the equivalent jobs would move things forward.

Dr Farry: First, Fra, I stress that the points that you make around careers advice as a foundation stone in this are well made. Far be it from me to speculate about what you might say in the debate on Monday, but saying those words would be wise, were you to be minded to repeat them in that forum.

What we are doing here will, obviously, have to be cross-referenced with the careers review that we will undertake with the Department of Education next year. We do not exist in bubbles in that regard, so one will feed into the other. Employer engagement is the key challenge for us. We will have an outstanding, world-class model in Northern Ireland that is fit for the 21st century. However, it will have to be populated in two different directions: first, by people, particularly the young, coming forward to be apprentices, and, secondly, by employers creating opportunities.

There will need to be ongoing promotional work. It will not simply be the case that we will announce a new model in the next couple of weeks, confirm it in June and then just let things happen at their own pace. We will be out there championing it, and we will come to the Committee shortly to talk about delivery models and how government can be a key partner in championing this. However, until we actually have the new model in place, it is unrealistic to get employers to sign up to something that is still fairly abstract. The preparation work is being done, in particular with the representative bodies, and all the employers' bodies that we talk to are delighted that we are reviewing apprenticeships. They see the need for a different way of doing things.

Mrs C Bell: The one thing that we learned when we embarked on the work with the ICT industry was that government itself cannot make the industry attractive; it is for the employers to do that. So, one of the things that they need to show is how a female fits in a male-dominated environment in their industry. They need to show the progression routes, the opportunities and salary levels. We will do that as we launch the apprenticeship. We will work with groups of employers and their sectoral bodies to do that.

Mr F McCann: That is a two-way street. The Department has to be up to delivering equality of employment for men and women. Obviously, employers need to be convinced. It depends how you deal with that, and how it is sold. If you go to some of the training schemes developed over the past year or so, you will find that what are called traditional trades are virtually non-existent. If there is an upturn in the economy, all those trades will be needed more than ever. There seem to be indications coming through that the employers, in their interpretation of what is happening, are being ignored.

Mrs Bell: Not as a part of this review. They have not been ignored; they have been central to it.

Mr F McCann: How many people from the employers end sat on the committee that was overseeing this? What type of employers were they? Were they employers like McDonald's? I do not mean to knock McDonald's, but you could have McDonald's or you could have someone —

Mr Lyttle: McDonald's has a good university programme.

Mr F McCann: It depends who you talk to on that, Chris. It is easy to throw out words like that, but when you check into it some of it does not —

The Chairperson: Members should not discuss employers who are not represented.

Mr Lyttle: That is fair enough, but you need to be careful of what you say as well. I am just trying to balance it out a bit.

Mr F McCann: The fact is that there are quite a number of employers who fall into categories that provide good apprenticeships. I am saying that we have been told about the likes of McDonald's and others and that the feedback does not always match what you are saying.

Ms Croskery: Can I add to that? We have been engaging, throughout this, with sector skills councils in Northern Ireland and taking their views. We had a number of employers coming to the Department and knocking on an open door to look at us piloting higher-level apprenticeships. Therefore, we feel that the appetite exists.

Dr Farry: That is very good as a follow-on from the question on McDonald's, Yvonne. Excellent. Let me diplomatically address the issue of McDonald's. We are talking primarily about apprentices now applying to level 3 and above. That will be of relevance to McDonald's, particularly in relation to the management aspects of its industry. With respect to wider job opportunities, it is important that we engage with every sector. There are good jobs right across the board and good employers. In this time of challenge, particularly in view of the level of youth unemployment, we need to take advantage of every opportunity that comes our way.

It would be useful to address Fra's point by giving a flavour of the type of people who are helping us with the expert panel, so that you get a flavour of the engagement from employers. We have the Institute of Directors (IOD), the Chamber of Commerce, the CBI, and the FSB, all of whom have a nominated representative on that body. We have employers such as Bombardier on it. We have representatives from a number of sector skills councils and people from areas such as the creative industries, engineering, the ICT sector and Invest NI — Alistair Hamilton is helping us out with it. We have the tourism and hospitality sector represented. Therefore, we cover a large breadth of the Northern Ireland economy. All of those sectors see the relevance of this new model of training to what they seek to do.

Mr F McCann: I have one more very small point. I appreciate the information, and it shows that a good cross-section of people are involved in it. However, at a recent event organised by the University of Ulster (UU), the Minister and I spoke to people from the baking industry and others who said that there had been cut to the grant that was available to the over-25s. They said that that had an impact on their industry.

Dr Farry: It is useful, Fra, just to recap on what happened in the review of adult apprenticeships. When I took up office, the plan was that we would phase out entirely support for the over-25s. However, we have retained it for the key sectors. The difficulty that we were having is that we were coming across a huge dead weight with regard to the financial resources that were going into that sector, because people who were over 25 years of age were able to be trained more quickly than their

younger counterparts. A lot of money was being paid out of the public purse that did not need to be paid out to the training providers. So, it was important that we acted responsibly.

With regard to the forthcoming review, although we are pitching it as being primarily for young people, 18- to 24-year-olds, that boundary at 25 will not be as rigorous as it has been in the past under the Apprenticeships NI model. Hopefully, you will see some greater flexibility in that particular regard, too.

Mrs C Bell: It is 16 to 25.

Dr Farry: I apologise.

Mr F McCann: That is a slap on the wrist.

Ms McGahan: Thanks for your presentation. I know that, Catherine, you talk about employers having been central to the review. I am a rural representative. First, can you give me a breakdown of the employers who are currently engaged in the review?

Secondly, how many young people who have undertaken an apprenticeship over the past number of years have actually got jobs? Have you done any review of that to try to improve what you are going to develop in the future?

Thirdly, I have obviously raised the issue with you about a young man — an 18-year-old — who cannot get an employer to take him on because their attitude is, "Why would I take on a 18-year-old when I can get a 16- or 17-year-old for free?" My understanding is that only 50% of costs are paid to employers if you are 18.

Mrs C Bell: It is 25.

Ms McGahan: Right. OK. Well, I have written to you about this matter. I am led to believe that my constituent has actually written to you about this as well. He has gone to a number of employers, and nobody will take him on because of his age. Even when he offered to work for nothing, they still would not take him on because of insurance difficulties. I am raising it again because it is still an issue. People did not find the response satisfactory. They thought that it was really evading the issues.

Dr Farry: OK. Thanks for those questions, Bronwyn. First, in terms of engagement, I will stress that we had one of our stakeholder engagement events in Cookstown. That was designed deliberately to capture the employers who were operating, in particular, in more rural parts of Northern Ireland.

Ms McGahan: Cookstown is a town.

Dr Farry: I know, but we had to go somewhere. Cookstown is a fine, central place. I apologise that it was not quite south Tyrone, but it is still Tyrone — just about.

We can come back to you with the particular details of who was engaged at that event. We may need to come back to you as well with the formal statistics on what has happened to apprentices down the line. However, I stress that when somebody is an apprentice, that person is employed. They are in a job. It is on-the-job training. It is not a training programme, with people going, "Will I be in a job at the end of it all?" It is a job. Sometimes, for various reasons, jobs will not be sustainable. That is, obviously, something of huge regret. However, the important point that we want to get across is that if someone invests in an apprenticeship, they will have a portable qualification which will be of relevance to other employers in that general sector. Do you want to address the final point, Catherine?

Mrs C Bell: Yes, about the 18-year-old. Obviously, I do not know the individual's circumstances. However, the apprenticeship is currently for 16- to 24-year-olds. So, there should not be a barrier. The only barrier that I can think of is that that person already has a qualification at level 2 or level 3 and is looking for an apprenticeship at the same level.

Ms McGahan: He is an A-level student.

Mrs C Bell: A levels should not have precluded him at all. One of the things that we have come across is when a young person has done, say, a national diploma in engineering at level 3 and then

goes seeking a level-3 apprenticeship in engineering. He or she has already covered the qualification. If you have written to us, we will respond. I cannot understand what the issue would be.

Ms McGahan: I did get a response, which I forwarded on. However, he felt that it did not address his issue because he still could not get an employer to take him on. He has done the theory, but obviously the theory is useless without learning the practical skills on site.

Ms Croskery: I will try to answer that. When we move to the next part of our presentation you will see how we are going to turn this model around so that that will not happen to constituents such as your own. We want it to be employer-led, with jobs, with a vacancy, with an occupation. At the moment, one of the main weaknesses of the model we have — although it has many strengths — is that the young person needs to secure the job to do the apprenticeship. In some ways I cannot answer the particular issues of your constituent, but I can give you assurance that the model and our thinking going forward will address the very concern that you have raised about the job.

Ms McGahan: So it is a problem then?

Ms Croskery: We accept that it is, most definitely.

Dr Farry: But we have got a solution.

Ms Croskery: We think we have a solution.

Mr Douglas: Minister, you mentioned the internationalisation and the exchange. Will you say a wee bit more about that? I think a number of us have been involved over the years with the Wider Horizons programme, which was about getting people work experience, but also the whole thing about going to another country. It was mind-blowing for many of those young people to get an opportunity to see other communities and cultures.

Dr Farry: First of all, Sammy, there is a range of international opportunities there for work for young people. Some have more of a social community relations aspect, and others are more formal higher education academic-type exchange programmes. In the past there have been some opportunities for apprentices to do some exchanges with companies, but they have been very much ad hoc. We want to try to create a system to facilitate a greater volume of exchanges. We believe that the European Union infrastructure is going to create some opportunities in that regard.

For me, when we look to establish parity of esteem between higher-level apprenticeships in particular and the more traditional academic route, we need to try to build in some of the opportunities that a young person may have perceived as lying within going through university. One of those may well be the international opportunities. First of all, it makes it more attractive for a young person if they see that they might get an opportunity to go off and study in Germany for a couple of months or a year. Secondly, it is good because it exposes our young people to international best practice. It will also expose their local employer in Northern Ireland to other thinking that may come in from other countries. They may actually benefit in turn from the practices that that young person has picked up on their travels.

We will have to populate any new scheme that we have with companies in Northern Ireland, finding partners elsewhere in Europe. There are some companies such as Siemens, which is a huge employer of apprentices and a big employer in Germany and elsewhere in the world. We wish to be able to partner with it and see if it can take a number of apprentices from Northern Ireland and, in turn, if we can take some people from Germany over here.

Mrs C Bell: It is really to give the young person the breadth to see the quality of training in other countries and to bring that back, but equally to ensure that our training has the standing that is accepted across the world.

The Chairperson: Apologies for being late, Minister. It was not a slight.

Dr Farry: Alastair did a sterling job.

The Chairperson: I would not doubt it. Catherine, you raised the subject of the level 3 in engineering. Locally — the Minister is aware of this — there is a problem with apprentices, especially in

engineering, going into Bombardier when Bombardier will not take them, but I know of a major employer in my constituency, Wrightbus, that will, but at a cost to it as an employer. Are we anywhere near getting a solution to that?

Mrs C Bell: That will be addressed through the review. Obviously, we cannot pay for the qualification a second time, but we had agreed to pay a contribution towards the skills training. We could not pay the full apprenticeship money when the person had already been funded through the public purse to get the same qualification in the first place. We recognise that they do not have the skills. They have the underlying knowledge, but they do not have the skills. That will be addressed in this review.

Ms Croskery: It will allow people to enter at different stages, from level 3 right up to level 8. That is the vision that we have, so it will not preclude somebody because they have got a qualification. That is one of the barriers.

Dr Farry: You could see a situation where somebody actually goes to university, graduates and then starts an apprenticeship. Or alternatively, someone could do an apprenticeship and then go on to study at university afterwards. You have that multiple, flexible pathway.

The Chairperson: OK.

Dr Farry: My voice is gradually recovering. We will move on to our second slide, which is to do with the role of the key players. I want to talk briefly about how we are going to manage the engagement. First, we are talking about a strategic partnership model to provide oversight of the model and the brand as a whole and to advise on the potential legislation that we will need to put in place to underpin any review. We will consider, as a second phase, how we will entrench any new system. The model will consider supply and demand issues, commission research and inform funding priorities.

Beneath that, at sectoral level, we will have a number of partnership groups comprising employers, employee representatives such as trade unions, training providers and, of course, government, to look at issues around the branding at a sectoral level. We are not going to insist that every sector uses the apprenticeship brand. That is why, at the beginning, we stressed that apprenticeship is a concept that has a number of different elements in how training is taken forward. There may well be some areas, in management consultancy, for example, where they have traditionally taken graduates through, but they may well offer on-the-job training as an alternative route. Some of those sectors may not wish to use the apprenticeship brand per se, but as long as they are delivering what is, in essence, an apprenticeship, we are not going to get hung up on the branding issue. We also want to look in more detail at the planning issues. In particular, the awards for the occupational qualification issues and the components that are to be taught within the occupations are a key area for the sectoral partnerships.

My final point, which we have already mentioned, is that the model will be demand-led. By that, we mean that it will be shaped by the issue of demand in the economy and the needs of employers. Where employers need apprentices, apprentices will be created. The training providers will remain a key component of the delivery model, but at present there is an inbuilt tendency for the training providers to shape the nature of the balance of where training takes place. We want to make sure that where training and investment in apprenticeships occurs, it is in the hands of the employers.

It is important to make this distinction to the Committee: whenever we talk about the model being demand-led, it is not something that will be drilled down to the needs of individual employers. They are heading more in that direction in England, but we wish to take into account the tried and tested continental model, where people are asked, in essence, to train for a sector. That will, of course, benefit individual companies, but it is important that we invest in the skills of a young person who can work across a sector. That may well facilitate a situation where certain companies will overtrain for the sector as a whole or, indeed, for their supply chain.

However, we want to make sure that if a person is trained to be an engineer, they can be an engineer for a whole range of companies, if company A happens to change its business model or other opportunities come along for that person, rather than a situation where that person is overly trained for the needs of an individual company at the expense of the portability of their training. We believe that the model that we will articulate will strike the right balance in that area. The key point is that it will be demand-led, so more power will be placed in the hands of the employers to shape where training will take place.

I am happy to take questions on that section of our presentation.

The Chairperson: You were going through strategic partnerships, sectoral partnerships and demand-led. Recently, there was a review of the Committee structures in the Assembly, and Alban Maginness talked about Committees designing horses rather than camels. Are you overcomplicating this process? I know that it is important to have everybody's input.

Dr Farry: I suspect not. We will be ever mindful of creating too much bureaucracy, not least for ourselves, in terms of trying to engage with it. I have to stress that this will not be static; it has to be something that evolves. If it is to be meaningful and produce results, it has to have employer engagement. They have to have a sense of ownership of the ability to shape what is happening, and government have to work in partnership with them. That has to be a standing arrangement.

Secondly, we have to have in place a system that allows, on a sectoral basis, the nature of training to be agreed and then to evolve as the needs of industry change, because, again, that is not a constant. I suppose, to give you some comfort in that regard, we already have a fair degree of infrastructure in place that can be used. We have the high-level business organisations who engage with government through a range of forums, both formal and informal. We also have a range of sector skills councils, which already engage with government. They are ready-made partners for a lot of this work.

Ms Croskery: The model that we are articulating is very similar to what the Committee saw when it visited Germany. Everywhere apprenticeship models are successful, particularly the Germanic models, it is a partnership arrangement. You need to have the three key players together, because we need to drive the jobs, drive the opportunities and manage the demands for each sector each year, and we need that voice at the table to do that.

The Chairperson: Is there a big enough opportunity? When we get into these models, the larger employers may have capacity within their management structures to be able to assign somebody to these partnerships in these models, whereas the smaller employers and SMEs may not. Have you facilitated that in any way?

Ms Croskery: That will be looked at as part of the policy development, but be assured that we have to have the SME voice at the table. At the minute, the sector skills councils articulate the views of SMEs, but as part of that model, we will look to ensure that their voice is at the table and it is not just the big employers that are setting out what the needs of the economy are, because we know that we have a very high percentage of SMEs and microbusinesses in Northern Ireland. The sector skills councils are already doing that, and we are confident that they will continue to do so.

Ms McGahan: In County Tyrone as a whole, the manufacturing and engineering sector is one that employs at least 5,000 people. Will any consideration be given to that when looking at this review of apprenticeships?

Dr Farry: The best way of capturing that, particularly around engineering, is through our engineering working group. Nothing that we do exists in isolation, so there will be formalised structures around taking apprenticeships forward. Equally, we have a working group looking at engineering in particular where apprenticeships will be part of the action plan that emerges. In turn, we recognise the need to make sure that we are engaging with a breadth of employers across Northern Ireland; it is not simply the Belfast-based employers that are shaping this. We have to reflect the fact that we are developing a Northern Ireland-wide framework.

Ms McGahan: I am glad that you are saying that because my understanding, although I stand to be corrected, is that the sector skills councils do not have a good geographical spread. Can you give me any further updates on the engineering working group that has been set up?

Mrs C Bell: We will certainly send you details of the engineering working group.

Dr Farry: I stand to be corrected on this, but I think that we may have scheduled some briefings on those working groups for the Committee, particularly on ICT and engineering.

The Chairperson: Yes, on 4 December.

Dr Farry: So, it is imminent.

Mr F McCann: You mentioned training. Can you provide an outline of the revised time frame of engagement for the review of youth training?

Dr Farry: Good point. That review is taking place in parallel with the review of apprenticeships. The two will sit by side. We anticipate that the review of youth training will report to the Assembly around March 2014. Again, we wish to engage with the Committee early in the new year around the work on the review of youth training. The same expert panel that is advising us on apprenticeships is also advising us on youth training. Again, there will be a three-month public consultation on the back of the interim report on youth training, and then we will look to put in place the new system in the early to late summer of 2014.

Mr F McCann: How do you propose to engage with the people that work in the sector for youth training?

Dr Farry: It is a similar process to what we had for apprenticeships. We have had a formal stakeholder engagement with them, and we are also seeking submissions.

Ms Croskery: That will take place around December. There will be stakeholder forums for the providers, and there will also be a call for submissions to take the views of everybody who is interested in youth training to make sure that we capture as broad a view across Northern Ireland as we can.

Mr F McCann: Obviously, there is quite a lot of expertise in that sector.

Ms Croskery: There certainly is.

Mr F McCann: Will those people's views and opinions be taken on board?

Ms Croskery: They will indeed. We will engage on a one-to-one basis where there are very specific interest groups and where we have strong partners to make sure that we take cognisance of their expertise.

Dr Farry: It is also important to stress that, as the apprenticeship model moves up the skills ladder and starts primarily at level 3 — bear in mind that two thirds of our apprentices are at level 2 — we will need to reimagine how we address training needs at level 2. The review of youth training is critical, and that is why the two are so closely related. In many respects, although youth training will be a free-standing intervention, it will also be a pathway for young people to an apprenticeship.

Mr F McCann: One of the discussions that we have at all these meetings is about NEETs. The Department and some people who work in communities identify NEETs, but I think that it is widely accepted that quite a number of people fall through the cracks and are lost. Is there any process that local communities can engage in with the Department to try to ensure that we attract people who have fallen through the gaps through no fault of their own?

Dr Farry: Our NEETs strategy, Pathways to Success, creates a platform to engage with young people. It tries to give them good careers advice and show them opportunities.

We accept that not every young person is interested in the more traditional academic pathway. If we are seen to develop a real, viable model of apprenticeships and an appealing youth training model and give people an indication that those offer a pathway into employment, we will be even more effective in addressing the issue of NEETs, as people who are perhaps disillusioned with the more formalised education system will see a range of different pathways open up for them.

That having been said, we need to make sure that young people still get their basic skills, particularly in literacy and numeracy, to enable them to work in any walk of life. I have said it many times that the more that you can relate to a young person, particularly those who are disengaged, the better. If they are interested in things such as car mechanics or hairdressing, they need basic mathematics to work in those areas. If young people are not interested in school but are interested in cars, hopefully their experience of working in a mechanic's shop will give them the encouragement to make sure that they get their maths sorted out. People who work in a hairdressing salon have to be able to understand mathematical formulas to mix dyes — I do not understand that, but I am led to believe that that is how it works. Therefore, they need a basic mathematical understanding to work in the hairdressing

industry. It is about trying to get it across to young people that, even if they are not interested in the more formalised education system, there is a rationale for getting their basic qualifications in place if they want to work in certain areas.

Mrs C Bell: Excuse me, but I am not feeling very well.

Dr Farry: Chair, if you are content, we will move on to the next slide, which concerns the delivery model. We want to talk to a number of themes. First, success will be measured through quality, achievement and progression. Success should be based on the ability of young people to progress into employment on the back of the review. It may not simply be a headcount issue, although headcount issues are important to us.

There will also be a central service to market, promote and support apprenticeship provision. That goes back to the point that we made earlier that we will not just set this up and walk away from it. It will need constant attention, particularly to get young people interested in apprenticeships and to encourage employers to be part of it. We are giving thought to how best to engage with young people and employers. We are seeing whether it is viable to set up a central portal through which apprenticeship opportunities could be channelled.

We are also mindful of doing something in parallel with the UCAS process in schools for university applications. When you accept the logic that there should be parity of esteem between apprenticeships and the more traditional university route, it makes sense to offer young people at the same time the breadth of opportunities open to them rather than say to them, "Apply to university and if you do not get in, consider an apprenticeship as your second choice". We are trying to create a level playing field in that regard.

Off-the-job training will, in the main, be funded by government and on-the-job training by the employer. That is the tried and tested model. I stress "in the main" regarding government funding because the cost will rise considerably as we move to higher-level apprenticeships. Therefore, we may need to re-examine the balance of funding. The intention is for government to fund off-the-job training at level 3 and probably level 4.

We will have incentives and vehicles to facilitate employer participation, particularly SMEs'. We need to find a mechanism of managing the risk for SMEs. A number of models will be set out in our formal documentation that will go out to public consultation. Finally, we want to work closely with sectoral representatives to ensure that the off-the-job training is of the highest quality.

The Chairperson: Is the delivery model the Germanic model that you spoke about? Has that been tweaked much?

Ms Croskery: We took good practice from a number of models. Although there is close alignment with a lot of what Germanic areas are doing, we were choosy about what we looked at. We did not just lift something off the shelf from another country, because we do not believe that we can do that for Northern Ireland. We have a very different SME base and economy. However, we are looking at where best practice is, and we have to accept that in countries where there is low youth employment, they have got some things very right. We want to learn from that.

Bronwyn asked a question about the young person who cannot get a job. If we get the model right, have a central service, have employers informing demand and supply, and have a service to match apprentices with occupational vacancies, we believe that we will turn this model around. We are confident of that.

Dr Farry: We cannot simply just lift the German model because some cultural aspects of how the education system works in Germanic countries feed straight into that model. Germany is also starting from a much higher place when it comes to the public esteem in which apprenticeships are held than we are in Northern Ireland, regrettably. We just need to adapt and learn from their best practice rather than simply lift from there wholesale.

The Chairperson: One of the biggest challenges to how apprenticeships are perceived will be changing parents' mindsets.

Dr Farry: Yes.

The Chairperson: How do you plan to do that?

Dr Farry: That dovetails into the review of careers. We are having a debate on that on Monday. We will then have the review in 2014 alongside the Department of Education. In this document, we talk about the importance of engaging with young people and, indeed, their families to encourage them to apply for apprenticeships. In turn, that will be copper-fastened by the wider review of careers. We need to work on parents to ensure that they see an apprenticeship as a viable option for their children.

The Chairperson: I do not want to pre-empt your consultation document, but is there a budget associated with the incentives and vehicles?

Ms Croskery: Not at this stage. At this stage, we want to get the policy right. Once we go out on the model and concept, the next stage will be to develop policy, look at incentives and engage with SMEs on where we need to front-load. For example, most of the cost for an employer is in the first year, particularly for an SME. We will look at models for training and initiatives as interventions to take away the risk from SMEs. We have some initial thoughts, but we would like to come up with a Northern Ireland brand for this. We are unique, and we think that we need a hybrid that looks at good practice across a range of interventions.

Dr Farry: Beyond that, I just want to stress that, on resourcing, we have a budget for Apprenticeships NI that is slightly in excess of £30 million. One of the big opportunities that we have is in and around the European social fund (ESF), because we are set to get a slightly enhanced fund for the 2014-20 Budget period. We just have finished the public consultation, and, again, we are due to have a Committee evidence session on it shortly. From a resourcing point of view, we are trying to put a stronger emphasis on using the ESF to support apprenticeships in Northern Ireland.

Mr Douglas: Minister, at the European Employment Forum in Brussels last week, it struck me during the day that we are quite a bit ahead of many countries in what we are doing. I thought that your speech was excellent.

This morning, you mentioned the central service to market and promote. Is there anything that we can learn from other European countries? I think that the Committee Clerk went to one of the sessions on social media, and she said that some very interesting aspects came out of that about how you engage with young people. I am talking about NEETs-type people or young people with whom we just find it very hard to make contact.

Dr Farry: We will wish to drill down in a bit more detail into the more detailed policy development aspect of the review to see what exactly is the best practice for how all that works.

Somewhat closer to home, we have the National Apprenticeship Service (NAS) in England. That is a brokerage, but there are some tensions around that system at present. For example, Doug Richard, who is obviously the author of the Richard review, has not been entirely complimentary about the National Apprenticeship Service. Therefore, there are issues there that need to be considered.

There are opportunities to take what it is offering on to a new level. I just want to highlight one of the things that we are looking at, and, again, we are keen, when we look at the more detailed policy development, to take your views on it. It is a UCAS-style apprenticeship brokerage service for young people, which could be done through UCAS itself or in parallel with it as a freestanding service. I think that we really need to showcase that to young people and their parents. We wish to take a more detailed look at what is done in Switzerland and Germany in particular. It is noticeable that Switzerland has, if my memory serves me right, a point in the year where students in a school setting apply for apprenticeships. It is almost like getting your A-level results — they open the envelope to see whether they have managed to secure an apprenticeship. It is seen as a signature moment in a young person's life, because it determines their future career pathway.

Mr Douglas: You were saying that, at the moment, it is a bit ad hoc in many ways.

Dr Farry: Yes.

Ms Croskery: We definitely need to use social media and different formats to engage with young people.

Ms McGahan: I just have a quick question. There is a review of apprenticeships going on in the Twenty-six Counties, and I just wondered whether have you engaged with anybody down there on that.

Ms Croskery: I have indeed. We have been down on three or four occasions. I have been working and liaising with my counterpart. I actually met their delivery expert group about four weeks ago, and we have been feeding back to each other on how we are doing. We are very clear that we want affordability — the Minister talked in detail about that — to make sure that what we both come up with is affordable. They are experiencing many of the same issues as we are here. We have been sharing our findings. Indeed, we even met a member of their expert panel Dr Hilary Steedman, who is informing their review. We are working very closely with them.

Ms McGahan: Very good.

Dr Farry: That was also raised at the recent plenary session of the North/South Ministerial Council.

Ms McGahan: OK.

Dr Farry: Finally, very briefly, I will just touch on —

The Chairperson: Sorry, David.

Dr Farry: Oh, sorry.

Mr Hilditch: I was waiting for the end of the presentation, but I might as well make this general comment now. I have been listening very carefully, particularly to the arguments put forward by Fra about the private sector's involvement in this. I know that members only really get involved in an apprenticeship issue when it is a bad issue. We do not hear about all the good stuff. I know that there was a bit of combat between the two guys about some of the good stuff that goes on. MLAs or other politicians only get involved when constituents come to them with bad issues. It is my hope that the review will deliver a better system than that which we have had in the past. You have heard me raise cases in Committee and in the House in which the apprenticeship scheme has been abused. Unscrupulous employers out there take advantage of young people. Hopefully, something will be built in for people who have abused the thing in the past.

Dr Farry: The final slide is on progression. We want to see flexible pathways between the vocational routes and the more traditional academic routes. Apprenticeship awards will be recognised by higher education (HE) providers for accessing the more traditional university courses. As we move to higher-level apprenticeships, we need to offer people opportunities to achieve higher-level qualifications. Again, that would dovetail well with what happens in the Germanic model, where professional education is a key component of its overall education system.

The Chairperson: On progression along both routes, will it be up to the individual to seek a change? If a lecturer thought that a student was not going to achieve a grade, could that lecturer point the student —

Ms Croskery: If we get it right this time, the majority of people who want to progress from school will go forward with an apprenticeship. It will be the most popular choice of occupation progression. To do that, we need a system in which young people can move seamlessly between, across, above, or wherever they want to go, right through to level 8. To do that, we will work at government level to look at policy development to secure that seamless pathway. As people progress in their career, starting at apprenticeship, they will be able to move right to the top of where they aspire to be. They will be able to move right through to HE, with HE acknowledging and recognising their qualifications from the start.

Dr Farry: Thanks very much. We will hopefully proceed to make a statement to the Assembly in the week of 9 December. A consultation document will be available. We will be happy to have a more detailed discussion with the Committee once we publish the document. Again, the views of the Committee will be extremely welcome as we move to finalise the content of the new way forward in the spring of 2014.

The Chairperson: Will we see the consultation document before you —

Dr Farry: We will address that as best we can with the protocols around the Committee.

The Chairperson: It would be better for us to see it rather than tear you apart on it.

Dr Farry: That is it. I understand what you are requesting. We will seek to abide by at least the spirit of that, if not the precise 100% letter of it.

The Chairperson: Thank you, Minister. What about the briefing on current issues and youth training?

Dr Farry: We covered those extremely quickly in response to Fra's question. There is probably not much more to add to that at this stage, except to say that we will come back to the Committee more formally in January to do what we have done today around the parameters. It is on a similar pathway to the apprenticeship review but perhaps running at a different two- or three-month timescale.

Mr F McCann: Many different groups have different focuses on different people in youth training. I take it that all those sectors will be taken on board. Some specialised training is required.

Dr Farry: Absolutely.