



Northern Ireland  
Assembly

Committee for Employment and Learning

# OFFICIAL REPORT (Hansard)

Steps to Work: DEL Briefing

4 December 2013

# NORTHERN IRELAND ASSEMBLY

## Committee for Employment and Learning

Steps to Work: DEL Briefing

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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 Phil Flanagan  
Mr Chris Lyttle  
Mr Fra McCann  
Ms Bronwyn McGahan  
Mr Pat Ramsey

**Witnesses:**

Mr Colum Boyle	Department for Employment and Learning
Mr Gerry Lindsay	Department for Employment and Learning
Mr Brendan McCann	Department for Employment and Learning
Mr Aidan Kelly	People 1st

**The Chairperson:** I welcome Mr Colum Boyle, director of employment services; Mr Gerry Lindsay, employment services, programme management and development; Mr Aidan Kelly, Steps to Work manager, People 1st; and Mr Brendan McCann, head of the new employment team. Gentlemen, you are very welcome. We have received your briefing pack, and we can assume that all members have read it. Please feel free to make any opening or additional comments.

**Mr Colum Boyle (Department for Employment and Learning):** Chair, thanks very much for the invite. We will quickly run through the schematic that we shared with you, and then I will ask Gerry to give you a feel for how Steps to Work operates from a client perspective. Aidan, from a lead contractor angle, will give a couple of wee examples of how it affects individuals on the ground; that is, what sort of things they go through and what kind of impact Steps to Work has on their whole life and, in particular, their employment.

**The Chairperson:** Members, that schematic is on page 221.

**Mr C Boyle:** There is another item in the briefing where we look at how the transition arrangements between Steps to Work and Steps 2 Success may operate. That is at a high-level stage at this point, but we will give you a feel for how that might operate in practice.

**Mr Gerry Lindsay (Department for Employment and Learning):** Thanks, Colum. Steps to Work, as a programme, has been in operation since September 2008, and it is the Department's main employment programme. It is open to all adults, irrespective of whether they are in receipt of benefit. Participation in the programme is voluntary, except for those who are on jobseeker's allowance and

reach certain trigger points. Those trigger points vary from either six months for someone who is aged between 18 and 24 and 18 months for someone who is 25-plus.

Over the years that the programme has been in operation, it has been flexed to accommodate a variety of changes in market conditions, particularly the economic position. As it stands, about 74% of the participants are mandated to the programme. At any one point in time, there are between 16,000 and 17,000 participants at various stages of the engagement process within the programme.

The Committee particularly asked for a walk-through of, if you like, the customer journey. If you turn to the schematic, you will see that it sets out, at a high level, how the programme interacts with the client. As you will see, the programme itself is structured in three phases or three steps, hence the name Steps to Work.

The customer first engages with the jobcentre through our advisers in the jobcentre. They engage with an adviser for a period of roughly 16 weeks, and, during the engagement process, they generally meet the adviser every two or three weeks. During that engagement, the adviser, along with the client, assesses the client's needs and identifies their particular barriers to work. The adviser then makes a call on the provision aspects of the programme and can call down support from our contract providers. At the step 1 stage, the client is still unemployed and is still in receipt of their benefit. Those sorts of step 1 interventions are normally fairly short; the maximum period is five days. Again, they are targeted interventions, trying to help the client to identify particular barriers in order to help them into employment. The objective is basically to get the client into employment as early as possible; hence, the arrow in the diagram points across to the jobs side. If a client is unsuccessful at the stage 1 intervention, they move on to step 2.

The step 2 process is much more intensive. The client moves from the responsibility of the adviser to the primary responsibility of a contract provider. However, before they move, the adviser and the client agree on which strand of the programme or which menu of options is the most appropriate. As you can see, the menu is pretty comprehensive in the sense that it covers a variety of different interests and backgrounds, ranging from those just simply looking for work experience, to those with essential skills needs, to those who want to avail themselves of a qualification, to someone who, for example, might want to go down the self-employment route, through to someone who, if they have a job or can get a job, wants to get an employment grant to get them straight into work.

Once the client is on the step 2 provision, they come off their jobseeker's allowance and receive what is known as a benefit-based training allowance, which is equivalent to their benefit, plus a top-up or a small premium. As I said, that caters for, as you can imagine, quite a diverse range of individuals. People who are unsuccessful in securing employment at that stage can progress on to step 3.

Step 3 is essentially the provision of more direct support from our front line advisers, who try to give the client an intensive six weeks of focused support to build on the experiences that they had at step 2 and to try to get them into employment. So, from a client's perspective, that is how the programme works in broad terms.

I will pass over to Aidan Kelly, who is a manager for People 1st. It looks after the south-eastern contract area, covering Lisburn, Downpatrick, Banbridge, Kilkeel, Newry and Ballynahinch. Aidan will give you a provider's perspective on what it does with the client when they are at the step 2 phase of Steps to Work.

**Mr Aidan Kelly (People 1st):** Thanks, Gerry. As Gerry mentioned, we are the prime contractor and work with six jobcentres/jobs and benefits offices. It is a large geographical area made up of rural and urban areas, including Lisburn city, so we get a broad range of clients, with different skills levels, backgrounds and experience levels, referred to us. We work very closely with the personal advisers (PAs) to make sure that there is continuity when the referrals are made so that the journey is as easy as possible for the client. Some people who come to us are a lot closer to the labour market than others, so our job mentors have to have different skills levels so that they can deal with clients on an individual basis. There are group activities, as well, in which we try to encourage those who have more experience or have had greater success in previous years to work alongside those who have been further from the labour market and whose mind might not be in a good place and to explain to them the importance of programmes such as this to moving into employment.

So, if a client is referred to us through step 1, we carry out an initial interview to assess their essential skills and identify whether they have any barriers with literacy, numeracy or IT. We then do a diagnostic, carry out a plan with them or prepare them for the next week or so through the core

gateway module, which they attend for five days. As part of that module, they receive enhanced training on CV preparation, personal development, and confidence and motivation skills. We would also look at their job searches and their interview techniques. We try to progress them into employment at step 1.

At the end of step 1, we do a preparation for employment plan, and the client is referred back to the PA, if they are unsuccessful in gaining employment. We identify a career path for the client and encourage them to have two or three job goals. Some clients come in who may have worked in construction all their life, so we try to help them realise that there are no longer the same opportunities in construction and to encourage them down different routes, such as administration or another career path. We refer them back to the personal adviser who would then discuss the outcomes of their step 1 activity and look at the different options available.

They may decide that they want to address their essential skills needs, in which case they will be referred back to the 26-week essential skills strand. The client may feel that they just need eight weeks of work experience to try to get their foot in the door with an employer and to improve their CV; or they may decide that they want a vocationally related qualification (VRQ); or they may have identified an opportunity through the First Start programme that they would like to apply for. So, the PA refers them back to us with an action plan. We then implement that action plan. Everything is done on a one-to-one basis: they will be allocated a job mentor who is responsible for them while they are involved in Steps to Work.

Contact with the client can initially be once a week until we get them into a placement under one of the strands. Then, every four weeks, they receive a review at a progress meeting, at which we call out with employers, sit with the employer and the client and discuss how the client is progressing. At those meetings, we identify any barriers that may have cropped up in the short period of time that we feel we can address with the client and provide enhanced support on. Some clients may need contact on a more regular basis. That could be a phone call in the morning, because their time-keeping is poor, to make sure that they are in work every morning. Others may feel that they are progressing well, that the employer is happy with them and that there is a great opportunity for employment at the end of it.

We see them throughout their strand, whether that lasts eight weeks or 26 weeks. At the end, we link up with either the personal adviser or employer contact manager to discuss the outcomes with the client and the employer, with whom the client will hopefully move into employment. There is the offer of the employer subsidy, which is of great benefit to the employer, because they have got to see somebody for eight weeks or six months. The client will have been able to create a position for themselves, or, if there is not an opportunity with that employer, they can start to apply for jobs in other areas. So, we would do a job search with them again, update their CV and maybe progress them into another area of work.

**Mr Brendan McCann (Department for Employment and Learning):** In relation to the transition arrangements from Steps to Work to Steps 2 Success, Steps to Work contracts have been extended to 31 May with a facility that allows clients who have started the programme to complete the particular strand that they are on. In practice, that means that Steps to Work could run until December 2014.

It is planned to start Steps 2 Success in June 2014 for those clients aged 25-plus who become eligible; that is, who have been unemployed for 12 months. Detailed transitional arrangements are being finalised and will be issued to the contracted providers and departmental staff before it goes live. The plan is that Steps to Work will be tailed off while Steps 2 Success takes off. Although that period of dual running could be challenging for providers involved in both programmes, it is felt that, from a client's perspective, that is the best way to proceed, especially for Steps to Work clients who have already been referred to a contracted provider.

We are happy to share further details with the Committee as they are worked through.

**The Chairperson:** OK, thanks, Brendan. We will move on to questions, gentlemen.

Aidan, from the practitioner's point of view, what details do you have about people referred to organisations from step 1 actually getting into work and into jobs?

**Mr A Kelly:** What details?

**The Chairperson:** What sort of success rate do you have?

**Mr A Kelly:** At the moment, in our area, 24% of people being referred are going into employment. Of that 24%, 81% are in sustained employment. We had a difficult time three years ago, again, because of geographical or local infrastructure, when our sustained employment dropped to 77%. We employed an enhanced support worker to work with the clients who had received work. It is OK that they move into work, but they have to remain in work, so we keep in touch with them and contact them on an ongoing basis to make sure that, although they are in work, the employer is happy with them and remains happy over a six-month period and that they remain in sustained employment.

**The Chairperson:** Colum, what is that like across other areas?

**Mr C Boyle:** Would you like to answer that, Gerry?

**Mr Lindsay:** The best performing jobs and benefits office area is Magherafelt, where the rate for those going immediately into employment is about 46%. The weakest performing area is Foyle, where that rate is about 24%. The rest are, obviously, in between.

**The Chairperson:** I am wary that we have quite a number of members who want to ask questions.

You talked about a tailing off in the transition between programmes and the difficulty for providers. What about the difficulty for the clients and the employers? There will be two different schemes, with two different sets of processes, trying to target the same employer. How will that work?

**Mr B McCann:** We will work with our employer engagement team in the Department to make sure that it is aware of the transitioning, the benefits of both schemes and the provision that is available under both schemes. We will try to make this as easy as possible for employers. They are key to this. We will engage with the Confederation of British Industry (CBI) in advance of the programme's going live. The whole stakeholder engagement will be as thorough as we can make it, and it will involve employer bodies, such as CBI, as well as contracted providers.

**Mr C Boyle:** One of the additional features is that successful organisations will also need to be part of the operational readiness for Steps 2 Success. They will need to be on the front foot in their engagement with employers and to benefit from the stakeholder engagement. They will need to be very prominent in explaining to employers how it will work from that point of view. We will make sure, from the perspective of clients coming into our offices, that clients know which programme they are going onto. The dividing line will be quite clear in the operational procedures for our staff. The employer piece will look after itself by way of the promotion of that. So, it will be very clear whether it is a Steps to Work client or a Steps 2 Success client that they are getting. I am confident that we can manage that.

**The Chairperson:** With the extension already in place until 31 May next year, if there are difficulties, is there an option to extend that further for current providers?

**Mr C Boyle:** We have extended the Steps to Work faculty to its limit in what we have done so far. So, in technical terms, have we any additional room without doing something special, like the single tender action, direct award contract? That would actually be the only way in which to deal with it.

**The Chairperson:** So, you have gone as far as you can with 31 May.

**Mr C Boyle:** We have gone as far as we can go.

**Mr Flanagan:** Thanks for your presentation, gentlemen. I am interested to find out how many people Steps to Work has actually helped to return to employment who would not otherwise have done so.

**Mr C Boyle:** It is very difficult to assess whether they would have found work without Steps to Work. The only way to know that would be to run some kind of formal experiment to actually see that. I suppose that we are just working off the evidence that you believe that your intervention has worked and you see what outcomes it brings. We have done evaluations.

**Mr B McCann:** The evaluation that was carried out by KPMG last year touched on that issue. They took a number of indicators; for example, customer satisfaction and, indeed, customer opinion as to whether they had benefited from Steps to Work. The figure was very high; over 80% felt that the intervention had helped them to achieve employment. However, it is very difficult to say whether they got employment directly or indirectly as a result of that intervention.

**Mr Flanagan:** What is the budget for Steps to Work?

**Mr Lindsay:** The annual budget, in the round, is about £36 million to £38 million.

**Mr Flanagan:** So, you are spending £36 million to £38 million on what you have described as the Department's main adult return-to-work programme, the aim of which is to assist people who are unemployed or economically inactive to find and sustain employment, and you cannot tell me whether it actually helps to do that or not.

**Mr C Boyle:** No, what I am saying is that I cannot give you hard evidence from, for example, a control group who we deliberately kept off Steps to Work and a group who we put into Steps to Work. We have no evidence on that basis. What we do have is the evidence of our research evaluation branch's evaluations and external evaluations, which says that the programme gives people the confidence, motivation and support that they need to find work and do so quickly.

**Mr Lindsay:** The KPMG evaluation of Steps to Work indicated that there was very little of what it terms "dead weight", which, essentially, is people who would go into employment without the aid of the intervention. So, there would be some, but it would be very little.

**Mr Flanagan:** With regard to the jobs that people in Steps to Work actually get, how many of them were actually there in the first place and a subsidy was simply given to an employer to take on somebody who was looking for a job?

**Mr Lindsay:** Again, that is part of the dead weight question that you have just —

**Mr Flanagan:** What is the quantity of it?

**Mr Lindsay:** I could not, off the top of my head, tell you what the quantity is.

**Mr Flanagan:** Have you not looked into it?

**Mr Lindsay:** We are aware of it, yes. It is, sometimes, very difficult to gauge a decision as to whether you would pay an employer a grant to take someone on because it comes down, very much, to the judgement call of the adviser at the front line.

**Mr Flanagan:** What is the difference between Steps to Work and Steps 2 Success as to how you would calculate that dead weight that you mentioned in measuring the success of the scheme?

**Mr C Boyle:** I do not believe that there will be any difference. We will evaluate Steps 2 Success in the same way that we evaluate Steps to Work.

**Mr Flanagan:** Has no safeguard been built into the Steps 2 Success scheme to ensure that widespread fraud is not going on?

**Mr Lindsay:** There is a difference between that and fraud.

**Mr C Boyle:** There is a big difference between dead weight and fraud. It is a huge difference.

**Mr B McCann:** *[Inaudible.]*

**Mr Flanagan:** Three of you answered. You were not that keen to answer before. *[Interruption.]*

**Mr C Boyle:** We are very keen to answer your questions. We are sitting here because we are keen to answer your questions.

**Mr Flanagan:** I understand that, Colum. What safeguards are you putting into the Steps 2 Success scheme to make sure that there is not widespread fraud? Maybe that is a better way to phrase the question.

**Mr C Boyle:** We have a number of safeguards. Gerry, do you want to talk about safeguards that we have in place for Steps to Work?

**Mr Lindsay:** Yes. For example, there is a fairly robust contract management process in Steps to Work. Aidan may be better placed to comment than I am, because he is on the receiving end of it. The Education and Training Inspectorate undertakes comprehensive quality inspections. Our financial audit and support team (FAST) does financial inspections annually, and our compliance team also looks at compliance with the criteria that we set out in our guidelines to contractors on an annual basis. A robust set of inspections takes place to ensure that there is not only quality but proper governance arrangements in place.

**Mr Flanagan:** Is there a trend in the Steps to Work scheme of more people finding employment in the retail sector in the run-up to Christmas, for example?

**Mr Lindsay:** That is part and parcel of it. The programme naturally reflects the ebbs and flows of industry in general; that is where the demand for job opportunities and employment is.

**Mr Flanagan:** Gerry, what I do not understand is that there are jobs there. Why does the Department feel the need to give employers subsidies to hire somebody when they need to do that anyway?

**Mr Lindsay:** The employer subsidy is not for temporary jobs; it is for permanent jobs. The definition of permanent is at least six months, but we hope that those jobs will last longer.

**Mr Flanagan:** Your definition of full-time is 16 hours or above.

**The Chairperson:** Phil, Aidan would like to answer that. I then want to move on to another member.

**Mr A Kelly:** From working on the ground, I know that that is further from the truth. The employer subsidy is a massive incentive for employers; it is a big indicator and selling point for us. Many people who may have been referred back to unemployment or put back on benefits have been kept in work as a result of the employer subsidy.

We are very dependent on the private sector, and, over the past four or five years, employers have found it tough to hold on to their own staff let alone create new jobs. Over the past 18 months, we have seen a big improvement in all areas, and we see that we are coming out on the other side of the economic downturn.

You mentioned the retail sector, and you probably would expect an increase in people going into retail placements coming up to Christmas. Likewise, in the summer, Newcastle is one of strongest areas because of tourism.

We have run a series of step into programmes, such as step into construction. We also ran a step into IT programme and, during the past six months, we have been approached by three IT companies that are setting up and which want to recruit through the Steps to Work programme. We also have a step into horticulture programme. Those are all programmes in which we identified clients who are interested in a field of work and placed them with the guarantee of at least an interview at the end of the programme and, hopefully, a job. That approach has been very successful.

I could fill this Building with people who have said that Steps to Work has changed their lives. One example is a lady who participated in Step Ahead 50+ and said, as recently as yesterday, that she feels that she has come off the scrapheap as a result of that programme.

Returning to your original question, the employer subsidy is a big incentive for employers. It has helped them to keep a person on perhaps until such time as that person creates a job for themselves in the organisation or the business has picked up or come through a difficult time.

**Mr Flanagan:** Thanks, Aidan. I appreciate that.

**Mr P Ramsey:** Good morning. You are very welcome. Aidan is clearly one of the lead agents in Northern Ireland. Will you remind us how many lead agents we have who deliver Steps to Work?

**Mr C Boyle:** Are there nine?

**Mr B McCann:** We have 10 contract areas but eight contractors.

**Mr P Ramsey:** OK. Will you also inform us how many local delivery partners you have in those 10 contracts?

**Mr Lindsay:** Roughly 200.

**Mr P Ramsey:** Will you advise the Committee how important it is to have those delivery partners in subregional areas? Perhaps Aidan could answer that.

**Mr Lindsay:** Aidan is probably better placed to answer that. From the Department's perspective, we see that as essential.

**Mr A Kelly:** We deliver a truly end-to-end contract area. We have a supply chain of 15 partners. Due to the geographical size of our area, we depend strongly on our partners in different regions to service different job centres. Our make-up consists of private organisations and the community and voluntary sector; we also work closely with partners in the public sector. Originally, we had a supply chain of 15 partners, but we have many subcontractors who do work as well. As Gerry said, they all have to be quality-assured and managed; it is very rigid and robust. In the past six months, I have had an ETI inspection, a FAST inspection and a compliance inspection. That happens practically every year.

**Mr P Ramsey:** Would it be fair to say that you, as a lead agent, could not have had the success that you have had without having local delivery partners?

**Mr A Kelly:** Absolutely.

**Mr P Ramsey:** It makes good sense to have that for the record. It disheartens me when I hear that the Foyle constituency has the lowest take-up in securing employment. Have lessons been learned about why Derry got it so wrong or why the lead partner in Derry got it so wrong?

**Mr C Boyle:** Derry had its own particular circumstances. For example, the New Deal in Derry ran longer than it should have. One of the initial things that I did when I came into post was to make sure that we put Derry on to the same footing as the rest of the Province in respect of Steps to Work. It took a bit of time to resolve that because some legal issues needed to be worked out. From that point of view, in relation to the rest of the Province, Derry was already on the back foot for that provision.

When we went through the procurement process, the successful organisation had some merits, but, in practical terms, when it hit the ground, it struggled to live up to what Aidan described: making sure that you link with employers and get people into work. Some aspects of its performance were strong, but the work aspect was not strong enough, and that has been difficult. The organisation there at the moment has made significant strides towards improvement, and we are pleased that we have got it right.

The key issue for the Committee is that where we see a mechanism that is wrong, we will change it; and where we see provision that needs to be challenged and improved, we will do that. If that means changing provider, we will change provider. That is exactly what we have done. I think that we have been accountable in the Foyle contract area, and we are seeing the benefits of that now, but it is still not as high as we would like to see it, by any stretch.

**Mr P Ramsey:** What were the targets for each of the leading agents to deliver in respect of securing employment?

**Mr Lindsay:** The programme target is 25% to sustain employment; the target for the lead contractors is 23% sustained employment.



**Mr P Ramsey:** Colum, at our meeting in the Titanic Quarter, where you gave your original briefing, I talked about the importance of having bespoke, subregional Steps to Work-type programmes. Is that still the feeling? Given that the lead agent in Derry failed so miserably, does that not confirm to you that there is a need to look subregionally at training and that it can be bespoke for those particular areas?

**Mr C Boyle:** It suggested to me that Derry was already on the back foot because the provision being used there was outdated, and the first Steps to Work incumbent took some time to get to grips with it.

**Mr P Ramsey:** For the record, who was the lead agent that failed?

**Mr Lindsay:** The North West Regional College.

**Mr C Boyle:** From our perspective, Steps to Work has been a good programme; it has served Northern Ireland quite well. However, it got to the north-west too late. I am sorry that it was not there a bit earlier, as I think that we would have seen better returns for it. As for initiatives specific to a region or city, one of the outworkings of the economic inactivity strategy and framework that was discussed yesterday in the Assembly is that there might be particular initiatives on economic inactivity at subregional level. For those who are closer to work-ready, however, what we have with Steps to Work and Steps 2 Success is ample to deal with that.

**Mr P Ramsey:** I am interested in your latter points, Colum. Perhaps, Chair, we could get a briefing on the economic inactivity report and where you are looking at pilot projects.

**The Chairperson:** Yes, next week.

**Mr P Ramsey:** A constituent who completed a Steps to Work course came to me some months ago wanting to complete a second course in that year, which would have secured him full-time employment; however, he could do only one course in one year. Why is that rule so enforced?

**Mr Lindsay:** If the individual was on jobseeker's allowance, there is jobseeker's legislation that says that he can do only one course in a 12-month period; otherwise it raises questions about the individual's availability. We do not want a person becoming a permanent Steps to Work resident, so after a time we normally have a break, which could be the maximum 13 weeks. However, our advisers have discretion in particular circumstances to waive that.

**Mr P Ramsey:** Yes but in this case —

**Mr A Kelly:** We have examples, as Gerry mentioned, of people being —

**Mr P Ramsey:** This fellow produced a letter from an employer to say that if he secured or completed the course, he would guarantee him a full-time job. However, he was not able to complete the course.

**Mr Lindsay:** I suspect, Pat, that other issues might have been at play.

**Ms McGahan:** Thank you for your presentation. Annex F under "rural proofing" and "mobility" talks about addressing rural issues through pilots, and those areas could have a positive impact on the accessibility of transport. Can you tell me what that means in practice? You refer to pilot projects in rural areas. Where are they happening?

**Mr Lindsay:** Sorry, what are you referring to? I do not understand this.

**Ms McGahan:** The document on economic inactivity.

**The Chairperson:** We are at Steps to Work.

**Mr Lindsay:** We are talking about Steps to Work, not economic inactivity. That briefing will be next week.

**Ms McGahan:** Right, OK. I will move on to my next question. In your presentation, you talked about people who are unemployed or economically inactive. I assume that "economically inactive" refers to lone parents and those employment and support allowance ESA claimants who are officially deemed

too sick to work but who can prepare for work. What additional safeguards and flexibilities does the Department intend to build into the delivery of the programme to address the difficulties faced by such claimants?

**Mr Lindsay:** The number of participants classed as economically inactive taking part in Steps to Work has been disappointing; it is in the region of 6% to 8%, which is much lower than we would have liked. In some ways, that was also highlighted as part of the Steps to Work evaluation. The issue is being addressed as part of the new arrangements to replace Steps to Work.

**Ms McGahan:** Right, OK.

**Mr A Kelly:** Under Steps to Work, we have specialised programmes for the clients that you mentioned. We have Possibilities NI, a specialised provider, working with lone parents through the Marks and Start programme. We have bespoke employability conference motivation programmes for those classed as economically inactive and furthest from the labour market with multiple barriers. That can involve an eight-week placement in groups working in social economies doing short courses to identify their needs and issues, at home or in the workplace. Some people have other barriers. It is not just about applying for a job and being unsuccessful. Perhaps issues at home also need to be addressed, so there is a broad range of specialised organisations that we work closely with. We work with the Northern Ireland Association for the Care and Resettlement of Offenders (NIACRO) as well, or the Probation Board, which works more one-to-one with clients. We bring them into work alongside us, and we have bespoke programmes for the clients that you mentioned.

**Ms McGahan:** You mentioned the word "disappointing". Does it surprise you, given that many ESA claimants suffer from mental health difficulties? The evidence from Britain shows that they are very vulnerable. I know that it is this group that has never been subject to the conditionality that has fallen outside the benefit —

**Mr C Boyle:** I —

**Ms McGahan:** Just let me finish. People in that group have fallen outside the benefit system and into destitution or attempted suicide because they have struggled to cope, so has the Department developed policies to deal in a compassionate way with people who need additional support?

**Mr C Boyle:** Absolutely, it has. One of the programmes that we introduced, particularly for clients in that ESA group, is Work Connect to help people to get back to work; it looks specifically at those issues. We recognise fully the issues, particularly the mental health issues. If the Committee wants a specific briefing on Work Connect, I will be happy to bring Terry along with me and we will be more than happy to walk you through the detail of it.

**Ms McGahan:** I would like that information.

**Mr Lindsay:** Economically inactive individuals do not have to participate in Steps to Work; it is absolutely voluntary. ESA or incapacity benefit (IB) individuals who go on to Steps to Work do so voluntarily, and they retain their benefit while they are on the programme.

**Mr C Boyle:** It is the same with Work Connect; it is a voluntary programme.

**Mr Douglas:** Thank you for your presentation. Recently, I was in Dublin with the North/South intergovernmental group, and the Dublin officials mentioned the excellent work going on in Northern Ireland; they said that organisations such as Bryson House were doing an excellent job. Colum, based on my experience, I agree that Steps to Work is a good programme. How does the present programme compare with similar programmes in the rest of the United Kingdom?

**Mr C Boyle:** The guys can give me more specific stats to make a comparison between it and the Work Programme and between it and the New Deal. The programme has performed better than the programme in GB, although that may be a bit harsh, given that it was born in the depths of the recession. It has certainly outperformed New Deal, which we had previously, and New Deal across the water. Do you have any percentages in your head?

**Mr Lindsay:** In the current programme, 29% of people are sustaining employment. The statistics on how the programme has performed show that, over the years, the trend has been increasing. In the past year, it seems to have plateau'd, so we reckon that sustained employment will sit at about the

29% to 30% mark. We hope and expect that the new programme will build on the success of Steps to Work and improve employment outcomes.

**Mr Douglas:** When the Committee was in Brussels recently at the European Employment Forum, it struck us, after a couple of days, that Northern Ireland is streets ahead many European regions. That is very encouraging.

Colum, I have a political question for you. I have spoken to you before about this, and your answer was very good. Can MLAs be involved in Steps 2 Success? If we were to identify some young person, could they come on this programme?

**Mr C Boyle:** So long as they were involved in administrative, as distinct from political, activity, the option is there.

**Mr F McCann:** Chair, I am sure that you are glad to hear that much of what I was going to ask has been said. I want to pick up on the fact that the high is 46%, in Magherafelt, and the low is 24%, in Derry. No one would ever be content with those percentages. When you speak about sustainable employment, you are talking about people who are there for six months or more. Can we get a breakdown of how many go to 12 and how many to 18 months? If someone were to speak to me about sustainable employment, I would look at the longer term. A six-month bracket is not a very long time to keep people in employment.

**Mr Lindsay:** We do not measure on a regular basis. You may have read the quarterly statistical bulletin that we publish on Steps to Work performance, which breaks down performance into the immediate destinations of those leaving Steps to Work. That is what the 46% in Magherafelt is — an immediate destination. There is 39% sustained employment in Magherafelt for 13 weeks. We break that down further. We say that the target is 85% for sustained employment for six months. We looked at 12 months' sustained employment as part of the Steps to Work evaluation and the Steps to Work leavers' survey and found that there was a higher percentage in sustained employment at 12 months than at six months. In effect, you could say that we were underselling the performance.

**Mr F McCann:** What sort of percentages would you be talking about?

**Mr Lindsay:** I would not be drawn on that.

**Mr B McCann:** We can forward the information to you, Chair.

**Mr F McCann:** It goes back to the general point of what is and what is not success. I have no doubt that you do your best to create employment opportunities. We live in a low-paid society, and a lot of it is about whether people have been put into low-paid jobs or quality jobs.

You mentioned IT. Representatives of IT companies tell us all the time that they cannot get enough people. If somebody tells you that they need 12 people for IT, do you move them somewhere else right away to ensure that they get the quality training that will allow the employment to be sustained over six months or 12 months?

**Mr A Kelly:** You mentioned 12 people, which is exactly the number that we were asked for by an IT company.

**Mr F McCann:** I am a mind reader, Aidan.

**Mr A Kelly:** It is important to stress that it is not territorial. Our contract areas are in Belfast, but we contact the other prime contractors. We share good practice to ensure that if we do not have the right people, but the other contractors do, they can refer people to that company.

We are concerned about the low-wage level and the fact that large companies may come in, perhaps to recruit 12 people, and get a quick kill. We address that with employers. We do rigid inductions with employers before we refer anyone to them. We have to make sure that the job or opportunity is right for the client; it is not a case of telling clients that it is a job so they should apply for it. We have checks and balances. We also have concerns, which you mentioned, and we make sure that people are not put into jobs for the sake of it. The important thing is that it has to be right for the client. If it is not right for them, we would not send them.

**Mr F McCann:** I keep harping back to this point. We received a presentation, I think by a chamber of commerce. I do not remember whether it was NI Power or BT, but it has 50 apprentices every year. One thousand three hundred people applied for those roles, and it was able to cut down that number automatically to fewer than 100 people. I take it that most of those applicants failed aptitude tests or something like that. That seems crazy to me. Is there anything that allows people to be brought through? Where I live, some of the big problems that people have are in sitting interviews or putting together CVs. Is there anything in Steps to Work that allows you to deal with that?

**Mr A Kelly:** The first thing that we address in step 1 is interview skills, CVs and aptitude tests, as people have failed placement interviews never mind job interviews. We sit with them and explain things to employers, who are becoming more sympathetic. They realise that a client might have been out of work for a long time, and they allow us to sit with them to provide a comfort zone. A great deal of it is very hands on, and there is a lot of enhanced support. Those you are talking about tell us that they have failed an aptitude test, and we address the barriers, or whatever problems that they have had, to see why that was.

**Mr C Boyle:** Fra, we also do that at an earlier stage. The job clubs in our offices across the Province have been very positive, popular and well attended, and they give people practical job-search skills. A lot of it is about confidence, knowing that you are as good as the next person and that you can go in there and do it.

For those with disabilities, for example, we ring-fence some opportunities. Some of them come through extremely well and get jobs. We have been able to do a mix of things.

**Mr A Kelly:** The biggest strength of Steps to Work is the one-to-one basis; clients do not sit in a group and get lost at the back. They are given a job mentor and a personal adviser, and two people work closely together to make sure that the client gets the best service.

**Mr Lindsay:** We feel so strongly about it that gateway is the biggest provision in step 1. Essentially, it is about CV building, job-search skills and interview techniques. It is fundamental and upfront in the programme.

**Mr F McCann:** You spoke about confidence. Many of the issues in building confidence depend on the circumstances and surroundings. We discussed NEETs for long periods and found that huge numbers of young people fall through the cracks. As there are no localised surroundings that allow them to tap into that, it is lost.

I want to pick up on one of the points that Bronwyn made. You talked about people who suffer from mental health issues. That is one of the things that we raised in the Committee for Social Development when the changes came in. Did you say that Worknet or something —

**Mr C Boyle:** Work Connect.

**Mr F McCann:** It would be interesting to find out. Considerably more people here suffer from mental health issues and difficulties than anywhere else, and one of our concerns is that they find it difficult going into those surroundings. What professionalism is there in the form of psychiatric advice or psychology — a wide range of stuff — that allows you to deal with people who may be suffering from mental health stress or difficulties?

**Mr C Boyle:** We have an occupational health unit in the Department that helps us to construct some of the approaches that we need to take. The consortium that delivers Work Connect for us is a range of strong disability organisations with excellent expertise. Chair, I suggest that if we give you a briefing on Work Connect we bring a couple of providers along. Just as you have heard from Aidan, that will allow you to hear from them what they do and how they do it. It is phenomenal.

**Mr Buchanan:** I apologise for missing your presentation. No doubt this subject has received a good level of debate this morning. You may have answered this, but will you tell the Committee what Steps 2 Success will deliver that Steps to Work failed to deliver?

**Mr C Boyle:** I will perhaps answer that first. Steps 2 Work was a good programme. I am proud of Steps to Work; it has done well. However, there were frustrations with it, such as the example that was given earlier about Foyle versus Magherafelt. We are trying to achieve greater consistency and to ensure a more consistent and quality provision across Northern Ireland. We want to make sure

that, rather than having to manage eight or nine different entities, we manage three entities, take that organisation down through a supply chain and get a good quality of local delivery. That means having a first-class business model, first-class management information systems, first-class financial systems and first-class employer engagement. There is fantastic expertise in Northern Ireland that I hope to see unemployed people benefit from for years to come.

Gerry mentioned the plateau effect. I recall a previous Committee meeting at which one of the members was concerned that we were not even achieving 30% of people in work on a sustained basis. He thought that was very low. As an industry standard, it is fine, but Northern Ireland needs another huge step up. I hope that, by taking some of the shackles off in relation to the bureaucracy associated with Steps to Work, we can do that. Aidan has used the word "rigid" a few times, and there is a rigidity around it. I would like to see a bit more flexibility. We have said that to the Committee before.

Providers know what works, and they know what employers want and need. They know what clients need to present to an employer. Therefore, rather than us saying, "We need you to do this module and that module, and this, that or the other scheme", we are saying, "We are going to give you a freer hand, and what we are really interested in are the outcomes that you achieve." A freer hand does not mean that people can do whatever they like; it means that we want to see, within broad parameters, people getting into work and staying there for as long as possible. To pick up Fra's point about sustainability, the key issue is getting people into work as fast as possible and keeping them there for as long as possible. Steps to Work does not have any sustainment mechanisms that keep the contractor with the client and the employer to make sure that they are still in there. That is a massive difference.

This is not a quick fix. We have thought our way through the policy over a very long period, subjected it to public consultation, and put it to this Committee on a number of occasions, both formally and informally. We have met many organisations and taken on board lots of feedback on how this might work.

We are looking for the best of what Steps to Work has given us, and then some more. It would be lovely if I could sit here and say to you that we could get a programme that would hit 40%, but I could not put my hand on my heart and say that we will achieve that. I can put my hand on my heart and say that we need to achieve something better than we are the moment. No matter the programme, whenever you change it there will be a period of turbulence before you come out the other side and it starts to rise again. I anticipate an element of that in the mix.

For the long term and for what Northern Ireland needs, both for people who are seeking employment and those who are economically inactive, this programme needs to be a lot broader and there needs to be a lot more freedom for providers in the long run.

**Mr Buchanan:** The key to success is getting people into employment on a long-term basis. I would not like to think that Steps 2 Success will be a churning mechanism that gets people into work for a few months before they are out again, because that would mean that people are slipping back into the abyss and are back to square one. We want to see something that will take these people right through a process into long-term employment, rather than a short-term churning period that we see so often in a lot of programmes. Really and truly, those programmes take people forward, build them up for a few months and then drop them off and send them way back to where they came from.

**Mr C Boyle:** Agreed.

**Mr Buchanan:** We do not want to see that type of thing happening.

**Mr B McCann:** Our payment model reflects that by making sustained payments when people are in employment for six months, nine months and 12 months. Therefore, there is that incentive for providers to continue to work with individuals to ensure that any difficulties that arise are addressed and that they do not fall out of employment and back onto benefits. Sustainment is the big issue for us, as well as removing the prescription so that interventions can be better tailored to the needs of individuals, instead of slotting them into a strand. As Aidan said, there is a rigidity that does not work for providers either.

**Ms McGahan:** What additional funding is given to people who live in rural areas and have to travel some 18 to 20 miles to access the Steps to Work and Steps 2 Success programmes?

**Mr A Kelly:** That is a question that I ask myself. We operate in a large rural area where the biggest barriers to sustainable employment are probably the rural set-up and travel. The Department supports us by providing funds for excess travel. Whatever the travel cost is, the Department funds it. The funding side of travel is not an issue; the biggest issue is availability of public transport. Maybe the Committee could lobby for an increase in the availability of public transport because, in rural areas, that provision is poor. For example, in Killeel, there is one bus at 7.40 am, so, if a client lives in Attical or Hilltown, they have to travel 10 miles to get the bus to Newry to get to a placement. Unfortunately, there are very few opportunities in Killeel in the fishing and aerospace industries. When the schools are closed, the buses seem to stop completely. A guy could be on the road from 7.00 am to 5.00 pm or 6.00 pm trying to source employment and improve their employment skills because there is only one bus. That is a big problem. That is nothing to do with the Department, because the funding is there for us to help the client. The problem is the availability of public transport.

**Ms McGahan:** Is there a limit on that funding? For example, I live in a rural area, so, if I wanted to access public transport and did not have my own car, I would have to get a taxi, because the station is five or six miles away.

**Mr A Kelly:** No.

**Ms McGahan:** All travel costs are fully covered?

**Mr A Kelly:** Yes. A client will never be out of pocket for transport costs.

**The Chairperson:** Gentlemen, thank you very much for your time. We will be in touch.