



Northern Ireland  
Assembly

Committee for Employment and Learning

# OFFICIAL REPORT (Hansard)

‘Structured to Deliver Success’ and Current Issues:  
Dr Stephen Farry MLA (Minister for Employment and  
Learning)

9 April 2014

# 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 Phil Flanagan  
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 CBE	Department for Employment and Learning

**The Chairperson:** Good morning, Minister. Good morning, Catherine. You are very welcome to this morning's session. Minister, I will hand over to you. We received the briefing paper only late last night, so I stress that members may not have had time to read it all and digest it.

**Dr Farry (The Minister for Employment and Learning):** That is quite all right, Chair. We apologise for the late arrival; we are usually very diligent. "Good morning" officially. We have until about 11.30 am, so the session can run for just over an hour. We can focus on two purposes. First, I will briefly touch on the paper that we circulated. Members will want to focus particularly on annex A, which neatly encapsulates the essence of the paper. That gives a sense of structure to the strategies that we are deploying or seeking to develop.

Secondly, we are here for a general stocktaking exercise. I will briefly report on where we are with some of the major issues facing the Department, and we can have a free-flowing question-and-answer session that will range far and wide, with the usual disclaimer that, given that we do not have any advance warning of the topics, we will do our best to answer them today, but we might need to come back to you in writing if there are points of detail that we cannot cover today.

The paper is a reiteration of a paper that we produced in 2012. It is entitled 'Structured to Deliver Success'. At times, members expressed concern about the number of departmental strategies and that we are developing additional ones. I should also clarify that the Committee is asking us to develop some of the strategies, so you are contributing to the situation. It is important that we make a couple of points about that.

We believe that having strategies in place is fundamental because it brings policy coherence in certain areas. It formulates policy and frequently creates a series of targets for the delivery of policy and changes, and it creates opportunities to measure our progress in transforming the skills landscape in Northern Ireland. It also provides clearer opportunities for accountability. In some respects, it works to the advantage of the Committee in that you have a very clear line of sight about what we should be doing as a Department. If we are falling short, you have the opportunity to question us, to draw our attention to those issues and to ask what is happening and what further corrective steps can be taken to address those types of issues.

It is worth stressing that, out of all the strategies, the skills strategy is the overarching one for the Department. It is useful to see the skills strategy as being the third layer of three core documents on the economy in Northern Ireland: the Programme for Government, which is the overarching strategy for the Executive as a whole; the economic strategy, which is cross-departmental and is endorsed by the Executive; and the skills strategy, which specifically looks at skills needs over this decade. Members will be familiar with that strategy and the skills targets. Quite simply, we need more high-level skills. As you know, there are a number of pathways to achieving that. We also need a greater footprint for science, technology, engineering and mathematics (STEM) skills, so we are very much seized of those.

Beneath that, we have a series of strategies that focus on different aspects of the Department's work, which are all geared towards the delivery of the overarching skills objectives in the strategy. I do not propose to go into those one by one. You will be familiar with all or most of them, but, in essence, they can be seen through three categories: people entering the labour market from further and higher education; people who are already in work but need to be further upskilled; and people who are not in the labour force. There are also a number of cross-cutting interventions, the latest of which is the new careers strategy. We can drill down into those in greater detail during the question-and-answer session.

With the wider stocktake, I will give a flavour of where we stand on a number of issues. Careers have been close to the heart of the Committee's work over the past number of years. We have now announced the way forward on the formal review of careers on a joint departmental basis. The panel is meeting for the first time next Wednesday, and, this week, we should be formally issuing a joint press statement with the Department of Education, setting out the members of the panel. You will know that it is to be chaired by Brian Ambrose, who is the chief executive of George Best Belfast City Airport. He has a long-standing interest in this area and has advised the Executive on a number of economic issues.

There are issues that are very much to the fore of the Department's agenda, on which you are likely to see progress over the coming weeks. These are not in any order of importance, but are likely to come before the Committee in sequence. The Work and Families Bill has been approved by the Executive this week, and First Stage will be on the first Monday after the Easter recess. The Second Stage debate will take place in early May. Subject to the approval of the Assembly, the Bill will be referred to the Committee for detailed scrutiny.

Chair, I know that you have asked that plenty of time be set aside for the Committee to work through all the issues, and we are more than happy for that to be the case. We will work very closely with you through all those issues, and our officials will be available to advise you and to provide any information at any stage that you require.

There are also employment law issues. You will be aware of recent media coverage on zero-hours contracts. You are probably going to ask at what stage a briefing can be made to the Committee on where things stand. We are still at a fairly early stage, but we have agreed, as a Department, that we want a consultation on zero-hours contracts in Northern Ireland. Hopefully, that consultation will commence this side of the summer recess. We appreciate that, at the earliest opportunity, the Committee will want sight of that and will want a briefing about what we think are the emerging issues. A question was asked in the Assembly, and I thought it appropriate to give an answer on the current situation.

We recognise that we are in a fast, evolving economic situation, and our labour market will be changing in conjunction with the nature of our economy. It is important to recognise that employment structures evolve and that zero-hours or limited-hours contracts are part of the modern employment landscape not only in Northern Ireland but in other jurisdictions. When they are appropriately used, they provide flexibility for employers, and some employees regard them favourably because they give them flexibility in their personal or family lives — for example, people in education — so we are not

proposing that they be banned or outlawed in Northern Ireland. However, we recognise that there is significant concern about them. That has been expressed by a number of MLAs directly and also by people in wider civic society in Northern Ireland, in particular, the trade unions. The concern is primarily around a number of aspects, and we want the consultation to focus on them. We want to look at two areas. First is the use of exclusivity clauses that would prevent people from taking on other types of employment. That leaves people solely dependent on the hours coming from a certain company or organisation. In particular, that can contribute to a situation whereby people are suffering from irregular, unpredictable earnings. That has an impact on budgeting and family life, and it has other knock-on consequences.

Secondly, there is sometimes a lack of transparency around zero-hours contracts. As things stand, there is no clear definition, for example, as to what they are in employment law. Indeed, people may not know that they are in that situation or what their rights are. Our counterparts in Great Britain have concluded their consultation, and I believe that there have been around 37,000 responses, which gives you an indication of the interest. I have received over 1,000 emails on the issue in the past week or so, so it is causing a lot of concern in the community. A consultation would allow the Committee, the Assembly and the Executive to find, in due course, the right balance for Northern Ireland to provide flexibility to employers and certain employees and, at the same time, give proper protection to workers in an evolving employment structure.

In the near future, we hope to bring to the Committee our assessment on the summary of responses to the consultation on employment law, which is a comprehensive piece of work. We are still bottoming out some aspects of that. That will be part of your agenda during the spring session of the Assembly.

It is also worth mentioning the review of apprenticeships that closed on Monday of this week. We are now reviewing the responses. We hope to have a final policy statement and the first action plan on apprenticeships in place before the summer recess. We will continue to work on a number of parallel issues, in particular the funding model for apprenticeships and how we best engage businesses, which are two crucial issues for implementation. We are also working through the review of youth training, which we believe is fundamental to the future of skills and to the inclusion of everyone in society. That very much complements the review of apprenticeships. Essentially, it is there for people who leave school without many qualifications but who have the potential to engage in the labour market. It is designed to help them into sustainable employment or to enable them to progress into apprenticeships or mainstream further education or higher education. It is a very broad area that will include a diverse range of young people. The review is at an advanced stage, and we hope to make a statement of progress to the Assembly before the summer recess. We will be working towards a consultation document, possibly before the summer or, realistically, into September, but it is appropriate that we give a formal stocktake about where we stand and our emerging thinking. I know that a lot of members take a great interest in the issue.

You will also be aware that the Department has taken the lead on the design of the United Youth programme, which is a cross-cutting issue for a number of Departments. In particular, we are working closely with the Office of the First Minister and deputy First Minister (OFMDFM). We have some initial design concepts, and we will be looking for an opportunity to brief the Committee on our thinking on that over the next number of weeks.

The consultation on economic inactivity closes in about 10 days' time. This is a joint strategy with the Department of Enterprise, Trade and Investment (DETI), and it is also supported by a number of other Departments. We have had some very useful stakeholder engagement events, and we will be looking to finalise the strategy over the coming weeks. Again, we will keep the Committee fully informed.

We are also working on a disability employment strategy, which is a review of our different interventions with the disability employment service. Again, there will be progress on that during the year. It is likely that a draft strategy will be available around September.

The Committee has taken an interest in my final point, which is the second phase of the review of the teacher training infrastructure. We expect to receive the report from the panel within the next number of weeks. Panel members have concluded their engagement with stakeholders and are in their consideration and drafting stage. Again, we are happy to facilitate briefings for the Committee once I have received and considered the report. You are keen to take evidence from a number of stakeholders in parallel with my consideration.

That is a quick overview of some of the big issues facing the Department and the Committee. We are happy to take questions on anything that anyone wishes to ask us.

**The Chairperson:** Thank you very much, Minister. The document was so late that it has made it very difficult for members to question you on it, but we can come back to that.

In answer to a question that I asked, it came out that the Department had 430 recommendations, never mind the number of strategies that have been included in this paper. In your briefing, you talked about the targets that had enabled you to measure. Where do you produce the outcomes for all these strategies and the 430 recommendations?

**Dr Farry:** I reiterate the importance of strategies. It is important that we are comprehensive in what we do. This is a very broad Department because of its ability to intervene in the skills landscape and employability. We are touching people from all walks of life who come from different education and training bases. It is important that we do not simply try to capture everyone through one or two strategies that are so broad as to be meaningless, because we would not be drilling down and recognising the particular issues being faced by different cohorts of the population. That is why we need different strategies for the various stakeholders that we engage with. You would have some cause for concern if we had overlapping or contradictory strategies that were pulling in different directions. I am satisfied that that is not the case.

With our delivery of the strategies, we closely watch their implementation. Targets are assessed, both at an official departmental level and a political level. In a moment, I will invite Catherine to report on how, internally at an official Civil Service level, those strategies are monitored. At a political level, my special adviser and I periodically meet the divisions and the owners of different strategies to consider their implementation. That includes following through not only on the interventions that people say they will make but on the uptake of our targets. All that is channelled towards our meeting our objectives for the skills profile of our economy. Over the decade, if we are to be globally competitive, we need a major step change on higher-level skills because we are very much in a race to the top.

Catherine, do you want to elaborate?

**The Chairperson:** Before Catherine comes in, I want to say that I appreciate the broad scope of the strategies. As you said, the Committee has put forward other strategies. This is not a criticism of the number of strategies, but I am asking about the practical outcomes and how they are measured. You mentioned that you and your SpAd sit down and review the outcomes, recommendations and where you are. Where is the wider scope of proof that the strategies are working?

**Dr Farry:** You will see that in the changes on the ground. There is a lead-in time for a number of interventions. I will give you one example: if we invest in more university places, there is a built-in lead-in time of three to four years before someone who starts a university course emerges on the far side. That is a slightly easier one to measure.

There are other changes, such as those recommended in the careers review, which the Committee is keen to push. We concur with you that that is an important area in which you will see change over a much longer period and a realignment of how people are supported in their choices and how they are mentored. There will also be a closer alignment between what people choose to study or be trained in and the emerging needs of the labour market. Some changes will have a slightly slower burn, and some will produce more readily tangible results.

There are other examples. The Pathways to Success strategy, in which we make a commitment to try to support x number of people over a certain period of time across the programmes, can be measured more readily. It depends on the type of intervention as to how readily those changes will be seen, given what is in the strategies. All of them, however, will contribute to rebalancing our skills profile in Northern Ireland.

**Mrs Catherine Bell (Department for Employment and Learning):** Perhaps I can give you an example of how the Department keeps track of what is going on. The overarching document is the Programme for Government and the commitments that it sets for us. That is done and reported on every quarter. Those are high-level targets that all the strategies fit into.

Project and programme management techniques are run through all strategies that we develop after consultation and after implementation. Timescales and milestones are monitored, which senior

people take responsibility for. The Department also has its business plan, which sets out the big targets that come through the strategies, and that is also reported on quarterly. We have just finished the final quarter for 2013-14, and I think that the Committee gets copies of our progress. In the case of the United Youth programme, which we have just taken responsibility for on behalf of the Executive, it is a monthly project board meeting. Again, we are at the design stage but not yet at the outcomes stage.

**The Chairperson:** Have you just taken responsibility for the United Youth programme?

**Mrs C Bell:** Yes.

**Dr Farry:** We have taken responsibility in the past number of months.

**The Chairperson:** Do you have a budget line or a timeline of what that will achieve?

**Dr Farry:** You will be aware of the headline terms of reference that were set out as part of the Together: Building a United Community statement and strategy in the spring of last year. It was formally transferred to the Department at the end of January, so we are now taking forward the detailed design work. We, in turn, report to a ministerial panel that was set up under the Together: Building a United Community strategy and is chaired by the First Minister and deputy First Minister. That is the accountability strand.

At this stage, no budgets have been allocated towards that. It may be useful to view it as a successor to some of the Department's interventions — in particular, the youth employment scheme and the Pathways to Success strategy. Bear in mind that those have been funded by the Executive to the tune of £40 million over three years. Those programmes come to an end in April 2015. The United Youth programme is a much more broad-based intervention than the objectives of those two initiatives. However, we would expect that the successor programmes to Pathways to Success and the youth employment scheme will be subsumed into United Youth. We will have to bid for resources from the Executive to fund United Youth, including the successors to those interventions. When things have been successful, I am hopeful that we can bid for more resources. You will also be aware that the Executive regard this type of work as a major priority, so I hope that resources will flow and reflect the emerging priorities of the Executive.

All this has to be viewed in the context of what is, at this stage, an uncertain budgetary situation. There are some immediate political issues that are not my direct responsibility or the Committee's, but they are there in the background. We are still uncertain about the implications of the next comprehensive spending review (CSR) period for Northern Ireland. Within that envelope, nonetheless, there will be an expectation that funding will reflect the Executive's emerging priorities.

**The Chairperson:** Pathways to Success and the youth employment scheme will come to an end and be subsumed into the United Youth programme.

**Dr Farry:** That is our working assumption at this stage. It may be useful to deconstruct Pathways to Success into two elements. Some aspects of Pathways to Success are structural changes; one example of that is the unique learner number, which was a key recommendation in the Committee's report. First, it allows us to track progress better in our own programmes, and, secondly, as we work with the Department of Education, we can have a much more rounded system. That will be free-standing work that will move beyond April 2015. The funding initiatives under Pathways to Success, such as the collaboration and innovation fund, are funded to that point, and the expectation is that they would be subsumed into a much broader United Youth programme after April 2015.

**The Chairperson:** So the United Youth programme will not be new; it will be a —

**Dr Farry:** There will also be new elements in the programme. United Youth is not simply a rebranding. It is a mixture of community relations, volunteering and employability interventions. We are saying that those strands of existing work will dovetail into that. United Youth is designed to be a much broader intervention, hence the fact that it is a cross-Executive strategy rather than being solely for this Department to take forward. We are giving our major footprint when it comes to employability; the view was that the Department for Employment and Learning (DEL) was the most logical Department to take forward the detailed design work. We do that in collaboration with our partners in various Departments rather than doing it internally.

**Mr Hilditch:** I welcome the Minister along this morning. I want to return to the issue of the agency workers, which I have raised on a number of occasions. Some of our most skilled and dependable workers are employed through agencies. Do you have any idea of the number of people who will be affected at this stage?

**Dr Farry:** Are you talking about the profile of agency workers in our economy and how many there are?

**Mr Hilditch:** Yes.

**Dr Farry:** We do not have figures with us today. We can try to obtain them for you. There may be difficulties in getting those figures, but we will see what we can do to address that. Again, you will be aware that agency workers are very much part and parcel of the modern structure of employment.

**Mr Hilditch:** They are very important.

**Dr Farry:** The agency workers directive has been in place since December 2011. There is an ongoing review of the implementation of the directive and how it is working on the ground. Do you have any particular concerns about the directive?

**Mr Hilditch:** Conditions vary and different issues and complaints are raised regularly, probably for individuals who are skilled at the moment but who want to upskill and enhance their capacity. However, their conditions of employment mean that they do not get the opportunities; their employers are not going to do it, and the agencies are not interested in doing it. Everyone is out to make a buck at the end of the day, and they are not particularly interested in individuals' situations.

**Dr Farry:** In that sense, you raise an interesting point and challenge, which is, in essence, that if employers are making an investment in a long-term employee, they will see the value of training. If someone is taking workers on on a temporary basis, training is viewed as less of an issue for the employer per se and becomes more of a challenge for the state.

We will need to reflect on the balance of our interventions to see how, in our programmes, we can support workers who find themselves in that situation. That said, it points to a challenge. In many other economies around the world, particularly in advanced economies, there is a partnership between the state and employers to fund the direct costs of training. In Northern Ireland, we are already very heavily weighted towards the state paying — in some cases, 100% of the cost of training. We are already top-heavy at one end of the spectrum. There is a challenge for employers to come forward and see how they can better invest in training. There are moves afoot on different financial incentives for employers that could be put in place by HMRC. Those are being developed primarily for support for apprenticeships. Indeed, I will be in London tomorrow having discussions with the Department for Business, Innovation and Skills about how it sees that unfolding. We will seek to ask how that can support employers in resourcing training on a much broader basis. Catherine, is there anything you want to add to that?

**Mrs C Bell:** Our skills solutions team will go directly into an employer's premises and engage with them on the training that their staff need. It can be difficult when there are agency workers on a temporary contract. I had not considered how we keep agency workers up to date before, but we need to consider how we can do that. I do not know how because —

**Dr Farry:** We need a strategy for it, Catherine.

**Mrs C Bell:** I am writing enough at the minute. We need to think about that, but there is no easy answer because they are not with an employer for long enough to allow an intervention.

**Mr Hilditch:** Some of them are. If you are able to get a grip of the numbers and where they are located, you will see —

**Mrs C Bell:** We might be able to.

**Mr Hilditch:** You will see that there are patterns of long-term employment among agency workers as well. I do not want to put specific points on the table today, but there is no doubt that there are

general issues about their conditions. That is a recurring issue. I know that I have raised it before. Any consideration of that, without necessarily introducing a strategy, would be very welcome.

**Dr Farry:** Would it be useful if David had the opportunity to meet my officials? We will make sure that a meeting is organised on the review of agency workers so that you can set out your concerns in detail. If you have particular points to make in a closed format, that would be the place to do it.

**Mr Hilditch:** That would be useful. I understand the employers' point of view and how important it is to them as well. It might not be a debate for a public forum.

Recently, we had a very successful presentation from people based in east Belfast who are involved in sport in education through, I think, Belfast Met. Others have been trying to do it in different parts of the country but just do not seem to be getting the support from further education. Sport in education is a very important angle, particularly for NEETs. We should try to develop that, but there did not seem to be an interest. I know that other folk are taking the lead, rather than the college, which is the lesser partner, but they do not seem to be getting much support. Could you do something about that and, particularly, female participation in sport?

**Mrs C Bell:** Belfast Met has funding outside the mainstream further education funding that the Department would pick up. There is no doubt that sport is a very useful tool to engage people who are disengaged. We should be exploiting the facilities that most of the colleges have. Again, I do not have the detail, so I do not know of any organisations that have gone to colleges and been turned away.

**Mr Hilditch:** They have not been turned away, but they just do not get the feeling that there is good, robust support. Their requests for the equipment and so on that they need to keep going tend to be turned down.

**Mrs C Bell:** Are you saying that Belfast Met has been responsive?

**Mr Hilditch:** Belfast Met is a success story, but folk out in the country just do not get the same support and backup that Belfast Met gives.

**Mrs C Bell:** The colleges meet once a month. Maybe we should ask Belfast Met to speak to the other colleges about what it does.

**Mr Hilditch:** That would be very useful, thank you.

**Mr Ross:** I have questions on three areas. First, on skills shortages, there has been quite a lot of news over the past couple of days about the situation at Harland and Wolff. All of us understand that there is EU law on the free movement of labour, and that is perfectly legitimate, but some Assembly Members have talked about skilled Northern Ireland workers being overlooked. Will you comment on whether there is a skill shortage for the specific work going on at Harland and Wolff? If so, is the Department looking at that?

Secondly, in the document that you provided, you talked about securing Northern Ireland's future in a global marketplace. Much of the work from foreign direct investment (FDI) is in financial services, ICT, data management and so on. As the economy picks up again, I imagine that we will have quite a successful pipeline of FDI announcements in the next number of months. Are you content that we have enough young people skilled in ICT and data management to ensure that we can capitalise on those potential job announcements? Obviously, we do not want to have a situation in which unemployment is still relatively high and there are opportunities that we cannot fill.

**Dr Farry:** Thank you for that. I will give you a snapshot of our understanding of the background to the specific Harland and Wolff situation. It was initially viewed as being a very short-term contact — I think that a 60-day contract was envisaged at the outset — and the company decided to recruit in the manner that it did because of the short duration and the expectation of very strict deadlines for the completion of the work. To my mind, there was not sufficient conversation between Harland and Wolff and my Department on planning for the contract. With hindsight, we regret that that conversation did not happen, given that the work is now moving into a much longer time frame. Such a conversation would have given us notice and enabled us to consider putting in place something like the Bridge to Employment programme, which takes people who have some of the basic skills required and gives



them the scope for the particular training required for what is quite specialist work. The current work on oil rigs is quite specialised; it is not just general work. Often, we have people who have very good general skills, but for work requiring particular skills, sometimes, we can only be reactive. When we know that a skill is required, and if we have enough notice, we can put in place the interventions. However, for us to go out and speculatively train people risks wasting public resources. Therefore, a balance has to be found.

There are broader lessons for us on how we can better invest in taking general skills to a higher level in anticipation of such work, knowing that we will have to top up those skills to meet the particular needs of the work within a short period. It also raises the much wider issue of better investment in apprenticeships and a revised youth training model to ensure that we have a generally skilled workforce to take advantage of the work coming in. It opens up a much wider debate on how the wider educational system is performing.

Seeing that there are jobs but not having the ability to compete for them is a source of frustration in the local communities. Obviously, the way in which that manifested itself in posters etc has to be condemned; it creates a very intimidatory atmosphere. Those who work on the oil rigs add to the local economy, and it is important that we in Northern Ireland are able to invest in our workers so that they can compete on a level playing field. However, it has to be a level playing field, both under European Union law and according to the logic of economics whereby employers have to access the best talent available and recognise that we are part of the European and global market. That is a challenge for us.

The second part of your question was about the pipeline of FDI and whether we are in a position to capitalise on that. We are doing a lot of good work, but there is a constant challenge to ensure that we are producing the right quantum of skills to meet the fast rise in demand. You will know as well as most, Alastair, that there is a very encouraging pipeline, and Invest Northern Ireland is working hard on a number of different avenues. My Department works alongside Invest NI as part of the Assured Skills programme so that we can work with potential investors to address their very particular skill needs

More and more, we are attracting companies based on the skills profile of our population. That is now the lead aspect of our pitch to companies. However, it is important that we are seen to be following through. We can offer a lot of shared skills programmes to provide highly bespoke training programmes to meet the needs of employers. That is supported by the academies that we have put in place. Software testing and, more recently, cloud and data analytics are being funded through our Assured Skills programme. That leads us back a further step to make sure that we are investing in the right numbers of people, whether it is through universities or through developing higher-level apprenticeships.

We can take encouragement from the considerable increase in the number and quality — applicants' grades are higher — of applications to study computer science in our universities. The message of where the opportunities lie in the workforce is getting out. Of the number of steps that we need to take to capitalise, the careers review is very important as the foundation stone. We need to do much more work on gender issues because ICT is still, at 80:20, very heavily male. We need to ensure that that workforce is more balanced and that we attract more women into what is a very lucrative career. We also need to ensure that we have a steady supply of people moving into university places and apprenticeships.

This morning, I was at the launch of ALIGN IT, which is a new collaborative network for the ICT sector and comes on the back of our ICT action plan. Its projections are that, with the right interventions, we can double the number of people employed in ICT in Northern Ireland over the next 10 to 15 years.

**Mr Ross:** That is very encouraging. Even in your response to the first question about whether the company had approached the Department, there is a success story, in that our size means that we can be quite flexible, the prime example being Allen and Overy. It identified a specific skill set, and the FE sector was able to step in and provide that training.

You mentioned zero-hours contracts, and I am glad that you said you were not looking at banning them. They are hugely important — I am sure that those across the table will not agree — given that we have so many small companies and family businesses in Northern Ireland, particularly in the catering industry, where they do not know what their order will be from one week to the next. They can pull people in to do specific work but cannot guarantee long-term work.

The exclusivity clause would be an issue if any company was prohibiting people on zero-hour contracts looking for work elsewhere. If you are moving towards a consultation on zero-hour contracts, you must have some evidence on how many companies currently use them and how many people are on them in Northern Ireland. I have not seen any firm evidence on that. I wonder whether you could share any firm evidence that the Department has.

**Dr Farry:** To be honest, the evidence is still fairly weak and largely anecdotal. That said, the anecdotal evidence is very strong. The publicity over the past week has encouraged people to come forward to tell their story. I have received a considerable number of emails from people across Northern Ireland telling me about their personal circumstances and how they feel that they are caught in such a contract and it works against them. There is a view that this contributes to a poverty trap for some: they are in employment but not in a position to support their family, and they struggle in that situation.

In parallel with the development of the consultation, we are seeking to do some research to quantify the usage of zero-hours contracts in Northern Ireland. Part of the difficulty is that there is no agreed definition. The term has been used in the media, particularly over the past couple of years, but what it means is not formally set out anywhere. Even if we were to introduce legislation down the line, there are a number of hurdles that we would have to get over before getting to that point. We will need to formally define and encapsulate those. I have asked my officials to commission local research to establish the numbers in Northern Ireland as soon as we can. There is enough concern — we know the issues that are of concern — that we can run a consultation. As part of that, we will bottom out what people are most alarmed at and where they believe interventions are required. Ultimately, this will be for me to decide, but it is important that we reflect that this has to be a collective action of the Committee and Executive.

Alastair, although you said that others might not share your view, I would like to think that there might be scope for common ground on better regulation and recognition that these contracts are part and parcel of the modern structure of employment and can provide flexibility. Equally, given that they are a relatively new, or much more frequently used, structure of employment, we need to regulate them better and provide some protection. Through debate across the Floor of the Assembly, I hope that we will, in due course, find the appropriate balance for our circumstances.

The issue of quantifying the number of zero-hours contracts is not unique to us. We are not an outlier; the same issues pertain in Great Britain, where formal research will be launched in the next number of weeks to quantify their use. Pilot research is being conducted by the Department of Business Innovation and Skills to work through the issues with a view to a wider consultation and questionnaire over the next number of months. Northern Ireland will be included, but I have taken the view that we need Northern Ireland-specific results rather than simply being a small data set in a much bigger UK-wide survey. We need local figures to back up anything that we do locally.

**Mr Ross:** I acknowledge that zero-hours contracts are not for everyone. Those who need a regular income would not look for work on a zero-hours contract, but they are perfect for students or those trying to re-enter the workforce. They are hugely important for employers as well, particularly small employers.

My third and final question links seamlessly to better regulation. Lord Curry is undertaking work on better regulation, and you are looking at a review of employment law. We will wait to see the outcome and the specific proposals that result from that. Has the Department looked at legislation within its remit that is no longer necessary and could be removed or at pieces of legislation that could be bundled together to make it easier for employers? If so, can you tell us whether you will be repealing or amalgamating any legislation to create better regulation?

**Dr Farry:** As a general principle, we are committed to seeing opportunities to reduce or consolidate regulation to make interpretation easier. The wider employment law reforms will, I hope, address that to an extent. The most immediate example is the working time directive regulations: the Work and Families Bill will contain clauses allowing us to consolidate the current regulations of the working time directive, which will, I hope, make its application a lot easier.

**The Chairperson:** Members, I am conscious of the Minister's time, so please be brief, Fra.

**Mr F McCann:** I was going to say that I will be as brief as everybody else. I will be brief.

**Dr Farry:** I can be late for my next appointment.

**Mr F McCann:** I thank the Minister for his wide-ranging presentation covering a lot of issues. It is important that the Department moves to assure people working in Harland and Wolff that they are under no threat and that people will support them. If you drill down into this, although there are concerns — Sammy raised concerns and I have spoken to people locally — I think that this is more to do with local elections than local employment.

You spoke about the 37,000 responses to the consultation. Here, a consultation document usually goes out to the list of usual suspects. This is a crucial issue. There will be different party views, but it is important that we reach as many people as possible to give them an opportunity to speak on it. Was that considered, and, if so, what decision was taken?

**Dr Farry:** Fra, it is still very early days. I was asked a question in the Assembly and outlined what was to be the direction of travel. That was probably slightly ahead of publicly announcing a consultation. Our officials are drafting the consultation document for Northern Ireland. We are seeking to draw on lessons from the consultation in Great Britain. Receiving 37,000 responses means that there is a lot of work for them to process, but it is encouraging that they have managed to solicit such a considerable response. Given my mail box over the past week, I would not say that this will be restricted to the usual suspects. I have heard from very genuine individuals who do not represent any organisation but talked about their personal experience. We need to find a means by which we can best capture that.

The usual mechanisms may not always be the most effective, particularly when people are in very difficult working environments and do not have the time to come to a stakeholder event and pass on their story. We will ask internally for a consideration of the structure of the consultation so that we can best engage, but we are probably several weeks away from having a draft paper for me to consider, never mind publish. However, I hope that we will issue it before the summer recess.

**Mr F McCann:** I want to comment on United Youth. There were expectations that we were going to get something different that would allow people to buy into it, but it seems that the vast bulk of the programme involves the new design of two old projects. That might send out the wrong message.

**Dr Farry:** I assure you that that is not the case. The reference to Pathways to Success and the youth employment scheme was more an indication of the quantum of existing funding commitments to current programmes due to expire in April 2015. I will give you an indication of what is the floor of the financial commitment needed to make this viable. I concur with your aspiration, Fra, that this is to be an entirely fresh programme. It is not Pathways to Success or YES rebadged. United Youth must be very much cross-departmental and seek to move into new territory. The fact that we have the three different strands gives us fresh opportunities to knit things together.

I should provide some encouragement. Last month, when I was in the United States, a considerable amount of our time spent at meetings was taken up by discussing United Youth. We discussed how we can obtain support from companies in the form of placements and what we can do to facilitate people from Northern Ireland going over to the United States, because, as you will recall, there is a clear international element in the terms of reference. The State Department is very keen to see what it can do to support us. There is considerable awareness of the programme among those who follow Northern Ireland in detail. They see it as a flagship for much of the new work to be conducted. So I want to reassure you that we see this as a radical departure from existing patterns. I just wanted to give you an idea of the funding floor from my perspective; not to suggest that that is what we are going to be doing.

**Mrs C Bell:** I reiterate that. There has been significant engagement with young people and agencies. That was organised initially through the Office of the First Minister and deputy First Minister and we have now taken it on, so it is not being designed by civil servants. This is an entirely different programme, and we have engaged a significant number of people. In fact, we have someone seconded to us from the Strategic Investment Board (SIB), who has a lot of experience using youth work principles. So it will be a completely different programme when we have finished, and we will be doing pilots as well.

**Mr F McCann:** I have one final comment. It is obvious that there is an agenda to close St Mary's University College, and that is having an impact on the constituency. It is the biggest provider of Irish language teaching. It is also important to acknowledge the potential economic impact of closure on

one of the most socially deprived constituencies. Has that been taken into consideration? It does not seem that the Irish language element has been taken into account.

**Dr Farry:** Fra, at this stage, no decisions whatsoever have been taken about the future landscape of the teacher training infrastructure, so it is wrong for people to jump ahead and assume that St Mary's will close. I have yet to receive the report from the panel that we appointed. I do not know what is in that report and am not aware of what recommendations the panel will make to me. However, what I have said is that we will want to have discussions with all the providers on the back of that report. The report will provide a number of options to me. I will then want to have more detailed discussions with the providers on the future of the system. We want to engage with providers. We want to try to find an agreed way forward that suits the needs of teacher training in Northern Ireland.

It is important to bear in mind that the current system is not sustainable financially. We already pay disproportionately for our teacher training system relative to other jurisdictions. The system is not sustainable even with the level of funding that we give currently, never mind a situation in which any of the different premiums that are paid, in effect, to subsidise the current, were removed. However, I urge you to reserve judgement until you see the report and we have those discussions.

**Mr Flanagan:** Minister and Catherine, thanks for your presentation. There are two issues that I want to cover. First, Minister, do you agree with Jim Allister's comments that GAA jerseys — the jerseys of one of my national sports — are "creating a substantial chill factor" in our universities?

**Dr Farry:** This is, essentially, a matter of context. I do not regard a GAA jersey, in itself, as a sectarian symbol. However, this has to be taken in the round of what is deemed an act of good relations under the equality programmes of institutions. It is for them as autonomous bodies to work out the detail of how that is to be taken forward. You will note that the University of Ulster is considering a good relations policy for its campuses. I anticipate that it will not be only about GAA jerseys, although a certain MLA is coming at it exclusively from that perspective. From my point of view, displaying an Irish language sign or wearing a GAA jersey is not, in itself, a sectarian act that would compromise good relations. The issue is the context in which jerseys are worn or signs displayed and whether, in certain circumstances, it may create cause for concern. That is the type of issue that the universities will need to bottom out themselves.

**Mr Flanagan:** Do you agree that it is "creating a substantial chill factor"?

**Dr Farry:** It depends on the context. That is the issue that needs to be bottomed out. A GAA jersey, in itself, is not a sectarian symbol.

**Mr Flanagan:** As you said, the University of Ulster has established a working group to look at this whole area, including language. Is it your opinion that GAA jerseys should be prohibited in universities?

**Dr Farry:** That is for the universities to consider. It is not for the Department to go in and say what should or should not happen on a university campus. We do not have the power to do so. Universities are entirely autonomous bodies. They are funded by the Department. We have a higher education strategy and policies. We want certain outcomes from universities in how they can better support the economy. We support students financially. However, universities are not non-departmental public bodies in the same way that FE colleges are. In line with other employers, it is for them to regulate what happens on their campuses and to decide how they ensure that they have an inclusive environment in which activities can take place. However, we are seeing an evolution in the sense that things will have to be utterly sanitised for it to be an inclusive environment. That is where it is for the university itself, through this working group, to bottom out exactly how to manage these issues in a way that is inclusive while recognising that people have a right to express themselves.

**Mr Flanagan:** Will students be allowed to wear the jersey of the university's GAA teams?

**Dr Farry:** That is a very particular question that, again, will be considered as part of that.

**Mr Flanagan:** Is it your opinion that this is really more about an individual Member's crusade against all things Irish than about any regard for universities or the education of young people?

**Dr Farry:** I would suggest that, at times, that Member has a very selective range of issues that he raises at times.

**Mr Flanagan:** Have you received many complaints about this?

**Dr Farry:** Not directly as Minister. However, it has been raised by a number of MLAs on the Floor. There are other issues relating to what are perceived to be inclusive environments or otherwise that have been raised.

**Mr Flanagan:** An online petition was established yesterday opposing the move to ban GAA jerseys. To date, over 1,700 people have signed it. I presume that that is more people than have complained to you.

**Dr Farry:** Yes, that is more than the number of individual complaints that I have received. However, others have their own views on the issue. Other Members have raised concerns around what they perceive to be an inclusive environment or not an inclusive environment. However, it is now very much for the university to bottom out the issue itself.

**Mr Flanagan:** We might deal with that at the end of the month when we go to Coleraine.

Stephen, on the zero-hours contract issue, I am not going to say that I fundamentally disagree with you or Alastair. Your comments are sensible and practical. If we were simply to ban zero-hours contracts, what may happen is that employers will give people one-hour contracts, and what is the difference? It is probably only a small number of companies that abuse zero-hours contracts. However, do you think that the way in which they are being run by that small number of companies is undermining the hard-fought battle for proper rights for working people?

**Dr Farry:** It is important that we consider the issue in a balanced way. You are right to say that it may be only a small number of companies that use zero-hours contracts, and it is a small fraction of that number that abuses them. We want to try to bottom out precisely how often they are used in Northern Ireland and in what circumstances. Where there are abuses or the potential for abuses, we need to act and seek to regulate them, even if that is ultimately on a precautionary basis. We have taken action on blacklisting, for example. That may not be very prevalent in Northern Ireland, although I have heard some accounts of it. Nonetheless, if we perceive it as a risk to employment law, it is important that we seek to act.

At the same time, we recognise that we are living in an evolving economic situation. The structure of employment is evolving, and flexibility is important for employers and, sometimes, for employees. It is important that we do not act so onerously that we curtail people's employment and end up inadvertently putting people back into unemployment. We need to facilitate people moving into work at the same time as providing appropriate protection for people who find themselves in a situation in which they are open to abuse. Through the consultation and the debate in the Assembly, we will bottom out what is the appropriate balance for our local circumstances.

You and Alastair would be perceived as being at different ends of the spectrum, so I take encouragement from what both of you said today. I think that there is a middle ground.

**Mr Flanagan:** Finally, as part of this work, will you try to find out what impact zero-hours contracts are having on massaging unemployment rates, and how many people on zero-hours contracts are underemployed?

**Dr Farry:** Our survey work will try to quantify that. However, it is also important to recognise that we are moving into an employment situation in which people will not always work a full 37.5 hour working week and be in full-time employment. We are seeing more part-time employment. People are also self-employed. There will be a mix of employment models as we evolve as a society. You are also right to say that, if we were to come in and ban zero-hours contracts, people may just create a new structure of employment around what we seek to legislate. We need to make sure, therefore, that we are being as pragmatic as we can in recognising the way forward at the same time as cracking down on abuse. The term "zero-hours contract" is often used as shorthand, but it also includes "limited hours", when people are guaranteed only a small number of hours a week as opposed to zero hours. Essentially, we are seeking to address the same concept.

**Mr Douglas:** Thank you, Minister and Catherine, for your presentation. I have two questions. Minister, over the past 24 hours, there has been a lot of media attention on the royal family. I say that because, last month, the Duke of York — Prince Andrew — visited the 'Belfast Telegraph', which announced its 50 Jobs in 50 Days campaign. In fact, I think that we wrote to thank him and the 'Belfast Telegraph' because we thought that it was a good initiative.

There is a review of apprenticeships at the moment. I was at a Northern Ireland Assembly and Business Trust event yesterday at which Philip McDonagh gave a presentation about the winners and losers in the Budget. He highlighted the importance of apprenticeships and said that we definitely need more of them across all the sectors. What is your view on that?

**Dr Farry:** I could not agree more. We see apprenticeships as being absolutely fundamental to reshaping the skills landscape. We want them to be applied to a much wider range of occupations and to be offered up the skills ladder. Our use of apprenticeships in Northern Ireland is very small compared with societies elsewhere in Europe and around the world, and that is despite our very strong industrial heritage in which apprenticeships would have been commonplace. Therefore, we have to recapture that ethos in our economy and reapply it to 21st-century industries.

I warmly welcome the 'Belfast Telegraph' campaign. It builds on a similar campaign that it ran a couple of years ago. It is very much aware of what we are doing with the review of apprenticeships. This is a collaboration of sorts in that it is pushing and encouraging more and more employers to come forward and offer opportunities. We are changing the policy structure around apprenticeships. A key issue that we have to look at is how we can better encourage employers to create opportunities. Right around the world, bigger employers are more ready to offer apprenticeships than small and medium-sized enterprises (SMEs). That is just a fact of life. SMEs do not have the same support structures, and perhaps they are a bit more risk-averse. We need to see how we can combat some of those perceptions and bring SMEs together to benefit from new opportunities. Given that our profile in Northern Ireland is based around SMEs, more so than elsewhere, this is probably a bigger challenge for us than for others. The Duke of York has been a consistent advocate. It is not just that he was here for a one-off engagement with the 'Belfast Telegraph'; he has paid a number of visits to Northern Ireland over the years that were often linked directly to the economy. He has taken a historical interest in apprenticeship training and constantly raises questions about it when he is over.

**Mr Douglas:** My second question relates to what Fra said about Harland and Wolff jobs. Coded welding has been raised before, and your colleague and mine Chris Lyttle and I met people who were looking at the importance of coded welding. In Northern Ireland now, people cannot be trained and have to go to England. It is the same in some of the border counties; people who live there have to go to England to be trained. I think that it costs about £400. It strikes me that there are lots of opportunities, not only in Northern Ireland but offshore, for coded welders. I met a taxi driver recently who was a welder in Harland and Wolff, and he has not had his skills upgraded. He did not want a part-time job; he wanted a safe, secure job. However, he said that, if he could be trained, he would look at a longer-term job, not just here but perhaps offshore. There is no doubt that we need a specialist training centre in Northern Ireland for coded welding, which we do not have at the moment. Chris and I have been involved with people who are trying to solve the problem. What are your views on that?

**Dr Farry:** It may not need to be a specialist training centre. I believe that the FE sector should have the flexibility to respond to the issue. However, I think that we need a much more detailed conversation to bottom out the demand to allow the FE sector to respond to that. Catherine, is that something that you could look at?

**Mrs C Bell:** *[Inaudible.]*

**Dr Farry:** You have raised that issue on a number of occasions. We probably need to bottom out demand so that we can see how proactive we need to be through the FE sector. We also need to bottom out our reactive responses so that, when the work is there, we can transform skills, over a short time window, through programmes such as Bridge to Employment. There are two ways to deal with the issue, and we will come back to you.

**Mr Douglas:** Perhaps I can ask Catherine to look at this UK-wide problem. Coded welding training is expensive. However, once people leave a job, they leave the coded welding behind. It is not a certificate but is more like a tick mark, and it is owned by the company. People do all the training and leave, but they do not have a certificate to state that they completed the coded welding training.

**Mrs C Bell:** How can it be certificated?

**Mr Douglas:** Yes.

**The Chairperson:** A transferable certificate.

**Mr Douglas:** There should be a certificate that people can use when applying for jobs.

**Ms McGahan:** Thank you, Stephen and Catherine, for your presentation. You are aware that the Committee is carrying out an inquiry into post-19 special educational needs provision. In answer to a question that I submitted in January, you recognised that access to further education provision is an issue in rural areas, and you instructed officials to examine access to transport for students with a learning disability or difficulty. Can you give me an update on the report and a timescale for completion?

**Dr Farry:** I will set the wider landscape. There are probably interventions at two levels. There is the wider post-19 issue about transitions, and the Committee is developing its inquiry on that. We are happy to support your endeavours. However, that mirrors a transitions group set up under the Bamford mental health and learning disability implementation subcommittee of the Executive as to how Departments can coordinate better. Transport is part of that narrative because it falls between the Department for Regional Development (DRD), DEL and the Department of Health. We are considering what more we can do at a departmental level.

There is also the specific issue of the disability employment service and strategy. That is a discrete issue about how we can support people with disabilities to enter and remain in employment. In September, the strategy will focus on that.

Catherine, are the specifics of the transport issue more or less complete?

**Mrs C Bell:** I thought that they were. I will check.

**Dr Farry:** We will get in touch formally on that, Bronwyn.

**Ms McGahan:** That will also play an important part in our inquiry. You mentioned DRD. What about the Agriculture Minister? Have you had any engagements with her about the issue?

**Dr Farry:** Yes, we will explore the issue from the rural development point of view.

**Mrs C Bell:** I do not think that we have really looked at the Department of Agriculture and Rural Development (DARD). I thought that the transport work was completed. I will certainly come back to you directly on that.

**Ms McGahan:** Thank you.

**Mr Lyttle:** Thank you for your presentation, Minister. The DEL strategies overview document is useful in setting out the approaches being taken to increase skills in Northern Ireland and to tackle social inclusion and poverty. Is that document available online?

**Mrs C Bell:** The old one is, and this one has just been updated. Even as I read through it, I saw things that still need to be included. It will be online within the next couple of days.

**Mr Lyttle:** That is great. It would be helpful for some of the issues that Sammy Douglas raised. It would be useful if the Department was willing to meet us on those issues, and I think that that could be agreed.

**Mr Buchanan:** I commend the Department on all the strategies and initiatives that it has brought forward. Although we are prone to complain, there are a number of strategies that seek to move us forward and to take people out of their unemployment status, retrain them and get them into a place of employment. However, a lot of upskilling is required. We seem to have four strategies: Skills Solutions, ApprenticeshipsNI, Training for Success and Assured Skills. Are we confident that those strategies are doing enough to reskill, upskill and meet the need to bridge the existing skills gap?

**Dr Farry:** Some of those programmes need to be refreshed, and we are working on that. Skills Solutions is, essentially, our outreach to business. It may be of interest to the Committee down the line, once we have further developed this work, to know how we are engaging with our employers across the board. I am conscious that we have a number of different outlets for relating to employers. We are looking to see how we can consolidate and simplify that to avoid duplication or mixed messages. When that work is more advanced, it would be useful to brief the Committee on how we are taking it forward.

Assured Skills is still, strictly speaking, a pilot programme. It has a particular purpose to support the work of Invest NI on creating jobs in Northern Ireland. It is there as a source of special interventions to address particular skills requirements to make sure that investments can happen. ApprenticeshipsNI and Training for Success are being replaced. ApprenticeshipsNI will be replaced by the new review of apprenticeships, which is taking apprenticeships to a new operating scale. It is likely to be in place fully from September 2016, and, over the next two years, you will see incremental changes in advance of the final date for implementation.

We are not happy with the level of outcomes for Training for Success. That is one of the reasons that are leading us to drive the review of youth training because we want a much better product for our young people.

**Mrs C Bell:** There are two other things I would say about that. Obviously, our universities support businesses directly, as do our further education colleges, although that is not reflected in this document. We need to do more, but, as the Minister says, we will come back to you at a later date when we are further advanced on that.

**The Chairperson:** Minister and Catherine, thank you very much for your time and for taking such a wide range of topics and questions today. It has been beneficial to members and to the Committee in general that you do this sort of session.

**Dr Farry:** Absolutely, Chair. We are more than happy to discuss scheduling a further meeting in this format in the very near future, whether it is just before the summer recess or at the beginning of September. It is useful that we have this periodic engagement. Keep firing the questions.

**The Chairperson:** Not a problem.