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that delivery is on track, remedial actions are identified and actions taken, where possible, to bring progress back on track.

Our performance in the 2013-14 financial year was very encouraging. At the start of the year, we agreed with the Minister and the board some 59 commitments to be taken forward in 2013-14. Some will have been delivered and finalised in-year, and many span more than one year. That is reflected in how the commitments were articulated. Of the 59 commitments, some 54 were either delivered or were on track for delivery at 31 March. Highlights include the delivery of our PFG commitments, which we have just heard about. Obviously, they are a central plank of what the Department is about, so they are really significant commitments for us in upskilling the population and increasing qualifications. In addition, there is the work that Jim Russell outlined on the economic inactivity strategy; the science, technology, engineering and mathematics (STEM) strategy of offering additional undergraduate and PhD places; and the apprenticeships review, which the Minister spoke about yesterday.

Progress on four commitments was a little less than planned. Very briefly, the leadership and management strategy that we had hoped to develop last year has been delayed into 2014-15 due to resource pressures in that division. The economic inactivity strategy, whilst progressing well, is a little behind where we hoped that it would be, and Jim spoke about that. Two other commitments are closely related to the wider UK agenda for welfare reform, which is outside the Department's control but obviously impacts on how quickly we can progress on them. The one commitment on which we did not achieve our target was sickness absence rates: we missed our target by 1.9 days per person over the year.

That was a brief overview of progress, and I am happy to take questions.

The Chairperson: Thank you very much, John. Let me ask about commitment A3:

"Work has been delayed due to internal resource pressures."

The commitment is to work on a revised leadership and management strategy. What are the internal pressures? Are they being managed? Are they manageable? Are we looking at a big delay?

Mr Smith: It is nothing more insidious than staff leaving or being promoted and the implications of that on the workload. Skills division has a very heavy programme to deliver. However, there is a plan to get that on track and deliver the strategy in the current financial year. Ideally, we had hoped to have it done by 31 March, but we now have the resources in place to make sure that it is delivered this year.

The Chairperson: Is there a succession plan in place in the Department for when key staff leave?

Mr Smith: We plan as best we can, but it is not an exact science. When people leave or are absent, we try to make sure that there is no gap. If someone is off on a Friday, we try to get a replacement in on the Monday, but that is not always possible, especially when looking for people with specific skills for certain work. We have to try to find people as best we can.

The Chairperson: The status of commitment B4 is amber/green:

"To meet targets (Target 1: 12,600 placements/opportunities across the 3 year programme; Target 2: 33% of participants to move into employment for at least 12 months) for the Youth Employment Scheme (YES)".

You say that there has been a slight slippage and you give the numbers. Will you catch up on that slippage?

Mr Smith: As you know, the YES programme is for three years, so the target of 12,600 placements/opportunities is what we want to achieve by year 3. We are pretty confident that, by year 3 of the programme, which is this year, we will have pulled back to where we want to be. The fact that it is a three-year programme means that in target 2, which is about the data, there is a lag between the programme finishing and knowing exactly what the outcomes were. We will have the data, but it is not available at this time.

The Chairperson: Thanks, John.

Mr Ross: I want to ask about two of the commitments in particular. Commitment E2, on welfare reform, is amber. I totally appreciate that it is not within the gift of the Department, or any single Department, to deliver that. How big a risk is there that, the longer there is no decision made on welfare reform, some greens will turn amber and some ambers will turn red? Are you concerned that the Department will be unable to deliver on some of its commitments?

Mr Smith: E2 is our only commitment on welfare reform. So —

Mr Ross: The consequences of failing to reach an agreement on welfare reform will mean that budget cuts will be made in the Department. How much will that impact on some of the other indicators?

Mr Smith: We spoke about this last week. The Executive have to take the decisions on what to do about welfare reform. They have not done so yet. Any financial consequences will have to be factored into our business planning in 2014-15 and 2015-16. Until we know the scale, nature and scope of any budget reductions, we cannot assess what they might mean for our business planning. Of course, we will try to do what we can to mitigate the harsher effects of any budget reductions imposed on us and continue to direct the resources that we have to the priority areas. It would be unrealistic to expect significant cuts not to have any impact on what we do, but, until we know what they are, we cannot be definitive.

Mr Ross: The one commitment with a red indicator is staff sickness. There is no easy way round this. Staff sickness is one of the issues that Assembly Members love to ask about. Is part of the problem in attempting to go from red to amber or green the way in which such absence is reported? It is almost self-defeating, given the fact that, when you publish the staff sickness levels for each Department, some members of staff may feel that they are not up at the average and therefore can afford to take an extra couple of sick days off a year. Do you think that there is a better way of reporting this so that that does not happen?

Mr Smith: All Departments have corporate targets that have been agreed for them, and we are required to monitor where we go against those. I cannot comment on how the reporting of targets might or might not affect the behaviour of an individual, but I can say that we obviously take the issue seriously. We have sickness absence policies that are common across the Northern Ireland Civil Service (NICS), and we implement them robustly. We have preventative measures to help people before they go off sick to keep them in work and interventions when people are off sick to try to get them fit and back into work as soon as they can so that they can be as productive as possible as early as possible.

Mr Ross: Is the difference in sickness levels across Departments due to the number of staff who directly interact with the public as opposed to any other reason?

Mr Smith: I do not know. I am not into the detail of the cause-and-effect relationships as to why different Departments have different levels of absence. I cannot comment on that.

Mr F McCann: I have a couple of things. I understand the question that Alastair asked in relation to welfare reform. As a matter of fact, I think that he asks it at every Committee and at every opportunity that he gets in the Assembly. The other side is that the introduction of welfare reform will see up to £750 million withdrawn from the local economy over the same period that he is talking about. That will have an impact not only on those most in need but on low earners. Obviously, it will have an impact on the budgets that DEL has, because it is a front line service. Do we evaluate the impact that that would have and how we need an increase in the budget to meet what could be a big demand?

Mr Smith: Our interface on welfare reform is the employment service, so we need to provide a service for those people who are on benefits and have work-related needs. Our budget is sufficient for the delivery that we have today. I know that the employment service is working with DSD very closely on what the impacts of welfare reform as a policy would be, and Colum Boyle is re-engineering, or will re-engineer, the service in response to that. I cannot comment on what the cost might be.

Mr F McCann: Some Departments say that not implementing welfare reform will have less of a financial impact. In the discussions between DSD and DEL, have there been any results on the impact of introducing welfare reform?

Mr Smith: Not that I am aware of. We know that there are discussions at Executive level about how, when and to what extent welfare reform would be implemented. As you know, there are financial penalties from Treasury for the continuing delays. As I said to Alastair, we do not know what the impact of those will be until decisions are made by the Executive.

Mr F McCann: I understand that, but there will also be severe pressures on people who are in need and on low earners when the thing does get — should I say, if it is implemented?

Column A1 of the submission refers to 53,000 qualifications at level 2. I take it that that is not 53,000 individuals. Some people would have a number of qualifications. It goes back to a previous debate, and I asked a question yesterday on apprentices. It is about the value and worth of a level-2 qualification. It is about tracking. If people get a level 2, would it allow them to go into the type of employment that would enhance their ability to work?

Mr Smith: I should call Victor back, because that is the PFG commitment that we were just talking about.

Mr F McCann: I did try to sneak that in earlier on, but —

Mr Smith: We can get back to you on that, Fra.

Mr F McCann: If somebody could come back to me, that would be good.

A2 is interesting. It is about active engagements with at least 700 employers, and the target was successfully achieved: 784 by February 2014. It talks about the upskilling of 2,000 people in the local workforce. Has that upskilling been achieved? I know that it may be difficult to say.

Mr Smith: I can get back to you on that one, Fra. We have a range of programmes in place that employers can avail themselves of. So, it is about promoting and working with those employers to showcase what is out there and what is available to their employees. As we said, we did 784 contacts with different employers. We will get back to you on the extent to which those were carried through into actual upskilling of people.

Mr F McCann: That is important because it could change the colour of the thing if it has not been followed through.

Alastair touched on another issue that we always see, which is the days lost through staff sickness. It is always disappointing to see that it is on an upward trend rather than a downward trend. If the statistics were broken down, they would give you a better understanding. I know from my days in council that a number of people on long-term illness could have a serious impact on that. Is there any possibility that we could get a breakdown that shows the levels of illness and whether people are on long-term sick, because if they are, it could seriously bring down the percentages?

Mr Smith: You are right. Long-term sickness figures are counted in that overall total, and you are absolutely right that they can significantly skew the figures. We have lots of statistics on that.

Ms McGahan: Fra sort of touched on my point. A2 mentions active engagement with priority economic sectors. Did you engage with the agrifood industry?

Mr Smith: Yes, I think that we do. I am not fully up to speed on the detailed policy on that, but we have identified agrifood as one of the priority sectors. So, there is work on that and we can get back to you on the precise detail.

Ms McGahan: Even just information on who you engaged with would be important. I want to reiterate what Fra said regarding how the engagement translated into upskilling. Did it or did it not translate into skills provision in those areas? That is quite important.

The Chairperson: Are you content to do that for us, John? Members, are there any other questions? John, thank you very much. Will you be back in front of the Committee again or will you be moving on? Do you know yet?

Mr Smith: I do not know where, but I may be back. We have provisional out-turn scheduled for September, so you never know; I could be back for that.

Mr F McCann: Just before John slips away, I have a question that I meant to ask. Chair, it is a question that you asked about promotions and about people leaving. Are you able to replace or recruit new people into the Department to replace the people who are leaving or is more pressure being put on individuals to deliver more than their job description may lay out for them?

Mr Smith: When there is a vacancy, there are a number of avenues via which it can be filled, including through an internal or external competition, by people who want career development transfers or by movements within Departments and divisions. So, there are lots of ways that, as a manager, you can ensure a smooth transition. But with a Department of over 2,000 staff and lots of ebb and flow of people in and out, it is not always possible to make sure that, as someone leaves on a Friday, they are back in on a Monday. We are sensitive to making sure that we are not heaping additional workload on the people who are left. We always try to make sure that we do not have a break in provision.

Mr F McCann: So there is no ban on recruitment.

Mr Smith: There are lots of recruitment competitions held centrally across the Civil Service. There are different grades and competitions are happening almost continually throughout the year to ensure that there is always a continuous pool of suitable people available to fill posts as and when they arise.

The Chairperson: You can get away quickly, John. Thank you.