

**From the Office of the Permanent Secretary
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Dear Mr McCrossan

MEMORANDUM OF REPLY: DEVELOPING THE SKILLS FOR NI'S FUTURE

Thank you for your letter of 26 September regarding the Memorandum of Reply (MoR) to the Public Accounts Committee's report on *Developing the Skills for Northern Ireland's Future*.

I note the Committee's concerns and the dissatisfaction expressed in relation to the MoR, along with your request for further clarification on a number of key issues.

I welcome the opportunity to provide this additional information and outline below the Department's position on each of the issues raised.

Continuity between strategies

The Skills Action Plan represents the next step in the department's agenda for skills. It reflects the context of the Minister's economic vision and builds on the work of the Skills Strategy. The Skills Strategy set out ambitious long-term goals – to improve qualification levels in the working-age population and increase the number of STEM graduates – that remain central to the Department's vision and will continue to be monitored.

However, since the Strategy's publication in 2022, the landscape has shifted significantly, prompting the need for a more agile and responsive framework. To take account of changes since publication and to ensure alignment with our Minister's delivery agenda for the remainder of this mandate, the Action Plan uses the evidence and learning from the Strategy updated to take account of the current operating environment, including economic and technological realities.

Progress against the Skills Action Plan will be monitored, with a progress report published by September 2026. In response to the findings of the PAC, the Department has developed a Monitoring and Evaluation Strategy to ensure a long-term framework is in place to strengthen monitoring and evaluation practices. One of the first actions is to develop a thematic-style evaluation of the Department's skills provision. This will allow decision makers to compare the outputs and outcomes of its various skills programmes and projects. This in turn will help to clarify the linkage between skills programmes and the achievement of the goals in the Skills Strategy, and how these programmes help to address the skills needed to meet the current and future needs of our economy.

This commitment to transparency on the impacts of our interventions reflects a shift toward more rigorous, data-driven policy development. By embedding evaluation into the heart of the Skills Action Plan, the Department aims to ensure that future decisions are informed by evidence and that resources are directed toward interventions that deliver meaningful impact with tangible outcomes.

The Skills Action Plan is due to be published imminently. Each action within the plan will have a budget allocated, albeit that some interventions will require further scoping to fully assess their financial implications. Those interventions that require investment will be subject to the normal budget processes. As members will be aware, the Finance Minister has indicated his intention to bring forward recommendations for a multi-year budget to the Executive. We will ensure that funding for the Skills Action Plan is prioritised as part of this process. In addition, funding and investment considerations will be embedded within the new governance arrangements. This will support the effective allocation of funds to projects as and when required, ensuring flexibility and responsiveness in delivery.

Recommendation 4 (Governance)

The Skills Strategy was published in 2022 during a period when the Executive was not in place. As a consequence, it was not possible for the Strategy to be put to the Executive for formal endorsement. However, the Strategy was developed through extensive public consultation and stakeholder engagement and reflects a widely supported strategic direction for skills development in Northern Ireland.

The Skills Action Plan, due for publication in October 2025, is not a new policy document but a delivery framework designed to operationalise the strategic intent of the Skills Strategy. As such, it does not require formal Executive approval. Instead, it is being progressed under the direction and control of the Minister for the Economy and through established departmental governance structures. I can assure the Committee that the Skills Action Plan will build on the 2022 Skills Strategy.

The Department is committed to establishing clear, robust, and transparent governance arrangements to support delivery of the Skills Action Plan. We are developing these arrangements to ensure effective oversight, accountability, and cross-departmental collaboration, and will be happy to share with the Committee once finalised. Key elements include monthly reporting to the Senior Executive Group (SEG) Management Board, which enables senior-level scrutiny, timely identification of risks or delivery challenges, and strategic decision-making. Delivery leads have been

identified for each strand of the Action Plan, with responsibility for coordinating actions, engaging with relevant departments and stakeholders, and reporting on progress. A delivery governance framework will set out roles, escalation routes, and decision-making authority.

Cross-departmental engagement is central to the governance model. The Department is actively working with DE, DfC, and other relevant departments to ensure alignment, avoid duplication, and promote shared ownership of outcomes. We will explore the need for cross-departmental arrangements to oversee the implementation of the Skills Action Plan, to ensure a coordinated delivery and alignment with wider government priorities.

A joint governance structure has been agreed by the Economy and Education Ministers to support delivery under the 14-19 Framework. This includes the establishment of a Cross-Departmental Ministerial Group to facilitate strategic collaboration and joint decision-making. The first meeting is scheduled for 24 November and will bring together both Ministers and senior officials to address cross-cutting issues, coordinate work plans, and oversee progress on joint initiatives. Updates on agreements and outcomes will be provided to the Public Accounts Committee as appropriate, alongside reporting to the respective Assembly Committees and the Executive.

Recommendation 6 (Data sharing)

The Departments for Economy and Education note the Committee's feedback. However, our position remains that we cannot commit to this specific action or provide a timetable until further scoping work is completed.

Legislation requires that any data sharing must be for a specific and explicit purpose and must adhere to strict principles. Guidance on these principles outlines the conditions under which data may be gathered and shared, namely where there is a demonstrable need and a clearly defined purpose outlined in data protection legislation and guidance.

Young people follow diverse pathways upon leaving school, exercising individual choice. Not all young people progress to Higher Education, Further Education or to a DfE funded training provider. We do not therefore believe it is feasible or appropriate to establish a broad or generic data sharing agreement at Departmental level.

As outlined in our previous response, both Departments, in conjunction with officials from the Department of Health, will continue to explore the potential for appropriate data sharing arrangements and take relevant action. This will require preliminary work to be undertaken before any commitments can be made. This work will be progressed by a working group under the auspices of the Department for Education's SEN Delivery Plan Operational Implementation Oversight Group, which held its first meeting in October 2025. The scoping will also take into consideration any implications arising from DE's work on new legislation relating to those aged 16-18 years remaining in education.

It is also important to note that the issue of Special Educational Needs (SEN) should not be conflated with the number of young people who are Not in Education

Employment or Training (NEET) – while some young people with SEN may be NEET, there are also many other reasons why young people find themselves in this situation.

Recommendation 7 (Skills Council)

The Department acknowledges the Committee's expectation for a six-month review period and appreciates the importance of timely progress in assessing the impact and effectiveness of the Skills Council. However, the decision to extend the review period to 12 months was based on several practical and strategic considerations.

At the time of the Committee's recommendation, the Department did not have full staffing or dedicated resource capacity to undertake a comprehensive review within six months. The Task and Finish Group established to lead the review is operating with limited personnel, which has necessitated a phased and prioritised approach to delivery.

The Terms of Reference have been approved by the Minister and work has commenced. This review encompasses: the Council's role, purpose, and effectiveness; alignment with wider skills policy and strategic objectives; engagement with business and industry; governance and resourcing arrangements; and consideration of alternative delivery models. This level of analysis requires extensive stakeholder engagement, data collection, and policy alignment work, which cannot be robustly completed within a compressed timeframe without compromising the quality and rigour of the work.

While the full review is likely to take up to 12 months, the Department is committed to providing an interim report within six months. This will include progress to date by the Task and Finish Group, initial findings and emerging themes, and stakeholder engagement outcomes. The interim report will be shared with the Committee to ensure visibility of progress and maintain momentum.

Recommendation 8 (Business Engagement)

The Department acknowledges the Committee's concern regarding the proposed timeline for the evaluation of the business engagement landscape and welcomes the opportunity to clarify the rationale behind the May 2027 target date, as well as to outline proposals for earlier reporting.

The evaluation is closely linked to several concurrent strategic initiatives, including the Invest NI Skills Review, the Skills Council Review (Recommendation 7), the forthcoming Skills Action Plan, and the Department's formal response to the NIAO Report *Developing the Skills for Northern Ireland's Future*. These initiatives are interdependent and collectively aim to address fragmentation, duplication, and bureaucracy across the skills and business engagement landscape. To ensure coherence and avoid duplication, the Department has sequenced the evaluation to follow the completion of the Skills Council review, which will directly inform the wider engagement strategy.

The Committee rightly emphasised the importance of learning from successful collaborative models and ensuring regional balance. Achieving this requires

comprehensive stakeholder mapping, engagement with local business networks, councils, and sectoral bodies, and analysis of existing models and feedback loops.

The Department acknowledges the Committee's concerns regarding the proposed evaluation timeline. The scale and complexity of the work, particularly the need for meaningful engagement with businesses across all regions, requires sufficient time and capacity to deliver a robust and inclusive process. Since the Department is currently operating with constrained resources, we have engaged with the Strategic Investment Board to begin scoping the evaluation exercise, with the aim of delivering earlier than the current May 2027 schedule.

Progress will be tracked and reported through the Skills Action Plan governance structures, ensuring visibility and enabling iterative improvements throughout the process.

Recommendation 9 (Industry Alignment)

The Department recognises the importance of aligning skills planning with the evolving needs of industry, particularly in fast-moving and transformative areas such as artificial intelligence (AI). To achieve this, we are adopting a more agile and collaborative approach which is centred on co-design and co-delivery with industry, ensuring that employers are not just consulted but are active partners in shaping skills policy and provision.

This approach is driven by ongoing engagement with business leaders, academic institutions, and sectoral experts. Initiatives such as the Artificial Intelligence Collaboration Centre (AICC), Momentum One Zero in Belfast, and CADRIC in Derry~Londonderry foster innovation and provide valuable insights into emerging opportunities and challenges within the AI ecosystem.

Launched in March 2024, the AICC is a £16.3 million initiative funded by the Department and Invest NI and delivered by Ulster University and Queen's University Belfast. It promotes AI awareness and adoption among businesses, offering hands-on support and skills development for SMEs. The Centre operates under robust governance structures with an Industry-led Advisory Board chaired by Kathryn Harkin, Executive Director and Head of AI at FinTrU based in the North-West and a Technology and Skills Advisory Board with comprehensive industry representation.

In light of the publication of two important AI-themed reports in recent weeks, including the Matrix foresight study on AI and the Future of Work, officials are at the early stages of establishing a working group to take forward its recommendations and to identify how we can collaborate with industry, academia and wider society to manage, and capture fully the opportunities from, the transition to AI technologies.

Beyond AI, the Department has developed strategic plans in partnership with industry, including the [Digital Skills Action Plan](#) and the [Green Skills Action Plan](#). These are co-designed and delivered with stakeholders from business, academia, trade unions, and government, ensuring a demand-led approach to skills development.

We also maintain Sectoral Partnerships across eighteen economic sectors to ensure that apprenticeships at Level 2 and Level 3 meet the needs of our local economy and

qualifications reflect current occupational standards and technological advancements. These partnerships bring together employers, qualification experts, and policy advisors to shape curriculum and progression pathways that meet local economic needs and will be further developed to respond to emerging skills demand.

Support from the Cluster Acceleration Programme (formerly the Collaborative Growth Programme) has enabled industry-led networks, such as MEGA in Mid-Ulster and GEMX in the North West, to collaborate with academia and industry to align curricula and develop skills pipelines that meet business needs.

Success is measured through a blend of qualitative and quantitative indicators, including uptake and completion rates of AI-related training, the scale of industry-academic collaboration, SME engagement and satisfaction, and regional economic impact assessments. Feedback from the Northern Ireland Skills Council and its sub-groups continues to inform and refine our approach.

Recommendation 10 (Careers Education)

The Department of Education has commissioned the Education and Training Inspectorate (ETI) to undertake an evaluation of the quality of careers education in post-primary schools. An update on the emerging findings will be provided to the Department in February 2026.

Feedback from school leaders, careers teachers, and students will continue to inform future planning to address gaps in provision and promote more equitable access to high-quality careers education and guidance.

Recommendation 12 (14 – 19 provision)

In April 2025, Ministers agreed to establish a new governance structure to support the implementation of the 14-19 Framework. This includes a Cross-Departmental Ministerial Group, which will set a shared agenda for the mandate, providing strategic direction, clarity on priorities, and the authority to drive action. Supporting this is a Senior Officials' Steering Group, tasked with overseeing delivery, identifying and addressing barriers, including resourcing challenges, and maximising opportunities for synergy across departments. Beneath this, three operational Thematic Groups have been established to focus on the cross-cutting areas of 'Careers', 'Post-16', and 'Curriculum and Qualifications'.

The Post-16 Thematic Group is currently progressing work to quantify duplication in provision. A data comparison exercise underway examining existing Further Education and school-based subject offerings and student enrolments to identify areas of overlap.

This initial analysis will inform proposals for consideration by Ministers at the Cross-Departmental Ministerial Group meeting on 24 November. These proposals are expected to include a recommended approach to further examine the root causes of duplication, such as funding incentives and disincentives, and to identify system-level solutions to reduce unnecessary duplication.

Cross-departmental working

The Departments for Economy, Education and Health are committed to strategic alignment and collaborative delivery across shared priorities, and a number of formal structures and working arrangements are in place to support this.

A joint governance structure has been agreed by the Economy and Education Ministers to support delivery under the 14-19 Framework. This includes the establishment of a Cross-Departmental Ministerial Group to facilitate strategic collaboration and joint decision-making. The first meeting is scheduled for 24 November and will bring together both Ministers and senior officials to address cross-cutting issues, coordinate work plans, and oversee progress on joint initiatives. Updates on agreements and outcomes will be provided to the Public Accounts Committee as appropriate, alongside reporting to the respective Assembly Committees and the Executive.

A cross-departmental working group has been established to support the work of the Widening Participation Forum, which aims to increase access to higher education for underrepresented groups including students from disadvantaged backgrounds, those with disabilities, adult returners, and care-experienced individuals. The group shares policy updates, ensures alignment, and supports collaborative planning. Membership includes the Departments of Education and Health, along with other Executive departments.

My Department has also been working in partnership with the Department for Communities to progress the Disability and Work Strategy. This collaboration is focused on improving employment outcomes for disabled people and is supported by participation in strategic forums such as the Disability Council and the Cross-Departmental Working Group on Disability. These structures enable joined-up policy development and delivery, ensuring that departmental efforts are aligned and responsive to stakeholder needs.

Disability and skills

The Skills Action Plan outlines a comprehensive approach to ensuring the full integration of people with disabilities into skills and employment programmes. A key commitment is the development and implementation of a programme of reforms to improve provision and support for young people with SEN, as announced by the Minister in June 2025. This initiative aims to enhance accessibility and tailored support within the education and skills system.

Collaboration with the Department for Communities is another critical element, focusing on outcomes for the unemployed and economically inactive. This includes joint work on the Disability and Work Strategy, the Anti-Poverty Strategy, and Labour Market Partnerships. These efforts are designed to address structural barriers and promote inclusive pathways into employment.

The Skills Action Plan also prioritises increasing participation in lifelong learning, which is particularly important for people with disabilities, as it provides flexible opportunities to upskill and reskill throughout life. In parallel, the Department will continue working

with the Department of Education to address cross-cutting issues that support young people in acquiring the skills and knowledge needed for success.

Higher education inclusion is being addressed through a financial needs assessment of institutions and a review of student support funding, due in Autumn 2025. Additionally, the Department will collaborate with higher education providers to support access, progression, and success for individuals from under-represented backgrounds, including those with disabilities. These actions aim to remove financial and structural barriers to higher education.

To support young people who leave school with low, or no qualifications, new Skills for Life and Work provision will be introduced. This initiative will offer alternative pathways into training and employment, which can be particularly beneficial for disabled learners. The Department also plans to fully embed Traineeships, a new youth training system which will deliver industry-relevant skills at Level 2.

The Apprenticeship Action Plan, designed to grow and improve the apprenticeship system, will be implemented alongside these efforts. Ensuring that apprenticeships and traineeships are accessible and inclusive is essential for enabling disabled learners to participate fully in vocational training. The Apprenticeship Inclusion Challenge Fund was formally launched on 3rd April 2025 and specifically promotes apprenticeship uptake from three groups who are currently underrepresented across apprenticeship programmes - women, individuals with a disability and individuals from areas of deprivation or disadvantage. The Fund will seek to increase apprenticeship uptake in each of the three inclusion cohorts by 10% by 2028.

Together, these commitments in the Skills Action Plan reflect a multi-layered strategy to build a skills ecosystem that is inclusive, accessible, and supportive of people with disabilities. The integration of disability-focused reforms across education, training, employment, and lifelong learning demonstrates a strong departmental commitment to equity and opportunity.

I trust this additional information addresses the Committee's queries. The Department remains committed to working constructively with the Committee to progress the skills agenda for Northern Ireland.

Yours sincerely,

A handwritten signature in black ink that reads "Ian Snowden". The signature is written in a cursive, slightly slanted style.

IAN SNOWDEN
Permanent Secretary