



Northern Ireland
Assembly

Committee for Employment and Learning

OFFICIAL REPORT (Hansard)

Programme for Government Update: DEL
Briefing

1 May 2013

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Mr Robin Swann (Chairperson)
Mr Thomas Buchanan (Deputy Chairperson)
Mr Jim Allister
Mr Sammy Douglas
Mr Phil Flanagan
Mr David Hilditch
Mr Chris Lyttle
Mr Fra McCann
Mr Alastair Ross

Witnesses:

Mr John Smith Department for Employment and Learning

The Chairperson: I welcome Mr John Smith, who is director of finance in the Department. Do you have you an opening presentation, John?

Mr John Smith (Department for Employment and Learning): Yes, I have, Chair. Thank you very much. You will have received a summary of the position on the Programme for Government (PFG) monitoring to quarter 3. I am here to talk you through that position. I can also give you a verbal update on the latest position at the end of March 2013.

Periodically, the Executive publish their strategic online report. It is on their website, so you can look at progress across all Departments and see how they are doing on the PFG. As I said, the latest position online is at quarter 3, which reflects the material that we sent to the Committee.

The Department has four key commitments that we report on. In overall terms, at the end of December 2012, all were on track for achievement, and that remains the case. The first commitment, commitment 20, falls under the growing the economy priority. We are committed to increasing uptake in economically relevant science, technology, engineering and mathematics (STEM) places. At quarter 3, we said that the baseline number of places, against which we measure, would be available in January 2013. That is now available, and the baseline figure is 3,465 places. The commitment was that we would fund an additional 233 places in the 2012-13 academic year. We have put the money in place, and that has been allocated to the universities. At this stage, there are no indications that those places will not be delivered and taken up, but, because there is a time lag in the reporting, we will not know exactly how many undergraduates took those places up until January 2014.

Mr Flanagan: Is that a typo in commitment 20? The paper states that you will not know until "January 2013".

The Chairperson: Sorry, Phil. Could we go through —

Mr Flanagan: I am clarifying something, Robin. The date in the document is "2013", and he is saying "2014". I am just wondering why the information is not available.

Mr Smith: It is not a typo. We said that baseline statistics for the academic year 2011-12 would be published in January 2013, so we would know how many STEM places were in place, and that figure is 3,465. So, if the baseline figures carry through and all 233 places are taken up, we expect that something like 3,698 places will be available this time next year.

Mr Flanagan: OK.

Mr Smith: So that is the position on commitment 20.

I will move on to commitment 25, which was to upskill the working population by delivering, over the life of the PFG, over 200,000 qualifications at level 2 and above. The 2012-13 milestone was to deliver 105,000 qualifications across the 2010-11 and 2011-12 academic years combined. At quarter 3, we reported that, in the academic year 2010-11, the number of level 2 and above qualifications gained was 66,754. We said that the academic year 2011-12 data would be available in January. That data has now been published and shows that, across the two academic years combined, 140,000 qualifications were gained compared with the target, at this stage, of 105,000. So we have exceeded that by 35,000.

Commitment 27 was to develop and implement a strategy to reduce economic inactivity through skills, training, incentives and job creation. Before you can deal with an issue, you have to know what the root causes of the problem are. We said that we would draft a baseline paper in which we would analyse the contributory factors to the rate of economic inactivity in Northern Ireland, give some regional and international comparisons and assess the current and previous policy initiatives in that area. You will recall that Minister Farry made an oral statement to the Assembly on 9 April that set out the findings of the baseline paper. At quarter 3, we said that the baseline paper would go to the Executive in the final part of 2013, and we have achieved that commitment. We are now writing the strategy, which we aim to put before the Executive at some point in the current financial year.

Finally, under PFG priority 2, creating opportunities and tackling disadvantage, commitment 36 is that we would support people, with an emphasis on young people, into employment by providing skills and training. Members will recall that they were briefed at length on that target in February by Jim Russell from the employment service. The target for year 1 was to help 65,000 people to get off benefits and into work. That is the combined figure for the 2011-12 and 2012-13 financial years. At quarter 3, over 64,000 people had moved from welfare into employment in the period up to November 2012. By December, that figure had risen to over 68,000. We have, therefore, exceeded our first-year target by just over 3,200, three months ahead of schedule. We expect that trend to continue over the final two years of this Budget period.

That was a brief run-through of our four commitments. I will stop there.

The Chairperson: John, I have just a couple of questions. On commitment 25, you have exceeded your target significantly. The question, then, is whether your target was challenging enough.

Mr Smith: It was a challenging target at the time that we set it. We are pleased to see that people are gaining more qualifications than we thought would be the case. Just because we met the target does not mean that we will take our foot off the accelerator. We want to continue and press on.

The Chairperson: How do you intend to press on? What is next?

Mr Smith: We will continue all our different policy interventions in further education and essential skills and all our departmental training programmes. As we go forward, we will maintain those programmes and measure their outcomes.

The Chairperson: You said that the strategy for commitment 27 would be in front of the Executive by the end of the financial year, which would be March 2014.

Mr Smith: At some point this year, we will put the strategy to the Executive. I am not clear on a precise date. We are still drafting the strategy, and we will need agreement from officials in the Department of Enterprise, Trade and Investment (DETI) and other appropriate clearances. We want to do it as soon as we can because our commitment is for the strategy to be in place and being delivered by the end of the Budget period.

The Chairperson: That is also the end of the comprehensive spending review (CSR) period?

Mr Smith: Yes. That is the target for starting to implement the strategy, but we want to get it written and agreed in this financial year. Colleagues in the employment service will be able to give you a more exact timescale.

Mr Flanagan: I have some problems with the paper because the figures that you have just given us are not in it. On commitment 36, the paper refers to "the end of November 2012", but you have just given us a figure for December.

Mr Smith: That is because we monitor the PFG every quarter. We are in the process of collecting all the data for the end of quarter 4, and I have given you an early look at that position. It has not been published yet. We are still working on it, but I wanted to give you the most up-to-date position that we had.

Mr Flanagan: Are the figures that you are giving us today final figures or estimates?

Mr Smith: They are not finalised yet, but they are pretty close. I do not expect them to deviate too much from what I have just said.

Mr Flanagan: Right.

Commitment 20 is to increase the number of STEM places by 233. Was that done without knowing how many STEM places there were in the first place?

Mr Smith: I cannot comment on that, Mr Flanagan. That is a question for our HE division to answer. Information on the actual number of places is gathered each year. The statistics come out in January, so we probably had a good idea of how many STEM places there were. However, we did not know the exact number until we got the January 2013 figure of 3,465. As I said, the HE division would be better placed to answer that than me.

Mr Flanagan: Commitment 25 refers to upskilling the working population by delivering over 200,000 qualifications. What was the actual number you said? I missed it.

Mr Smith: Sorry?

Mr Flanagan: You said that you had overachieved on that target by 35%. I missed the number that you gave, and it is not in the paper.

Mr Smith: We have overachieved: 200,000 is the total figure at the end of this Budget period, which is 31 March 2015. The interim target was to achieve 105,000 qualifications by the end of the academic year 2011-12, which was August last year. We overachieved because 140,000 qualifications were gained against that interim target of 105,000.

Mr Flanagan: Is there any reason why that information is not in the paper? That figure was recorded last August. Surely you had time to put that into the paper as a final figure.

Mr Smith: In the paper published on the website, which was on the position to quarter 3, we state that 66,000 qualifications were achieved in the academic year 2010-11. The academic year 2011-12 data was not available until January, and we are only just going through the process of preparing the quarter 4 report. That is why that figure has not been published.

Mr Flanagan: I do not understand why we are getting a report when the figures have not been finalised. Chair, if we cannot see the figures written down in a report, I think that it is fairly pointless, so I will not bother asking any more questions.

Mr Allister: Remind me what the period is for the current Programme for Government.

Mr Smith: It runs until 31 March 2015.

Mr Allister: When did it start?

Mr Smith: It started on 1 April 2011.

Mr Allister: So why have you included figures from 2010-11 in commitment 25?

Mr Smith: The Programme for Government was agreed part of the way into the Budget period. By the time it was published, therefore, only three years of the current Budget period were left. To make the figures run over the full course of the Budget, we combined the figures for 2010-11 and 2011-12 to make a composite target and called it year 1.

Mr Allister: Does that mean that you will have five years' figures for this Programme for Government?

Mr Smith: No, just four.

Mr Allister: So you will not have a final year figure?

Mr Smith: The figures will be for 2010-11 through to 2014-15.

Mr Allister: For 2010-11?

Mr Smith: Sorry. The figures will be for 2011-12, 2012-13, 2013-14 and 2014-15.

Mr Allister: Yes, that is four.

Mr Smith: Apologies, I got my financial years mixed up.

Mr Allister: So back to my question: if this is to cover the financial years 2011-12 through to 2014-15, why do we include data from 2010-11 in meeting a target that applies to a period thereafter?

Mr Smith: For commitment 25, the figures are measured by academic year; we do not gather the data by financial year. The milestone for year 1, the financial year 2012-13, is the 2010-11 academic year and the 2011-12 academic year added together, which spans the period from August 2010 to July 2012. We run a budget in the Programme for Government by financial year, but some of our statistics are not produced on that basis.

Mr Allister: When you talk about a target of 105,000 qualifications and having attained 140,000, that does not mean 140,000 people, does it?

Mr Smith: No, 140,000 qualifications.

Mr Allister: How many people?

Mr Smith: I do not have the answer to that at this stage, Mr Allister.

Mr Allister: Do you not think that it may be relevant to know that?

Mr Smith: We chose to measure the number of qualifications.

Mr Allister: Is that because, given the multiplicity of qualifications, you can bump the figure up? It looks and sounds better to say, "Oh, we have 140,000 qualifications". It may be that only 40,000 people have gained those qualifications, but saying 140,000 qualifications sounds much better. Is that what is going on?

Mr Smith: Absolutely not.

Mr Allister: Then tell me how many people got those qualifications.

Mr Smith: I do not know, but I can find out for you. That is something —

Mr Allister: You do not know because you are interested in chasing a qualifications figure that sounds good.

Mr Smith: I need to go back to the Department and talk to the people who came up with the figures. That is not my area, so I cannot tell you. I know someone who can, and we will come back to you.

Mr Lyttle: Thank you for your presentation. The answers to my questions may also need to be sourced from elsewhere. How was the target of getting 65,000 people from welfare into work for 2012-13 set, and how/why was it exceeded?

Mr Smith: It was set in the context of the number of people who that we had helped to get off benefit and into work in the previous Programme for Government, in which there was a similar target. We looked at trends from that, the forecast of what the likely numbers would be and the economy in this Budget period, and we based the figure on those.

Mr Lyttle: So how does that target compare with the numbers achieved previously?

Mr Smith: From memory, the previous Programme for Government's target was to get 96,000 people off benefit and into work. We went for a target of 114,000 this time, albeit that the previous Programme for Government was for only three years and this one is for four, which accounts for some of the difference.

Mr Lyttle: How was the target exceeded? What work went into that?

Mr Smith: You will be aware that our primary programme is Steps to Work, which is our number one programme for getting people off jobseeker's allowance and into work. We also run the youth employment scheme, which prepares 18- to 24-year-olds for jobs or training when the economy picks up. We have just started two new schemes: the First Start scheme, which gives 18- to 24-year-olds six months' subsidised employment in the community and voluntary sector; and the Step Ahead 50+, which is aimed at people over 50 years old who have been unemployed. All of that is just what is offered by our employment service.

In the skills division, you will be aware that we run Apprenticeships NI, which is for people already in work. We also run a range of management and leadership development programmes for those in work, as well as the Bridge to Employment scheme, in which we work with firms that have vacancies to train up unemployed people so that they are job-ready for those vacancies. About 500 people a year get jobs through that scheme. So we run a range of different programmes, all of which help us to get people off benefits and into work.

Mr Buchanan: Thank you for your presentation, John. Targets are wonderful things: commitment 36, for example, calls for over 60,000 people to be moved into work, but we do not know what type of employment that is. Is it the case that the people included in that target are in the work stream for six weeks and then return to unemployment and the benefit system? We need to break that figure down to see exactly what type of employment it is and how long it lasts. Giving a person employment for six weeks is good enough because it meets your target and puts your figures up. However, if, after six weeks, that person is back in the welfare system, it has not achieved much. We are looking for something that gives us more long-term, sustainable employment. The figures show only that targets have been reached and exceeded, but we need to know what type of employment is being offered and how long it lasts. Do you have any data of that type?

Mr Smith: We know that these jobs will be a mixture of short-term, full-time and fixed-term contracts, as well as some long-term contracts. The economy is, as you know, a key factor in the type of jobs on offer. We know that many of these 68,000 jobs were in the growth sectors. Certain areas of the economy are bucking the trend against the downturn, such as the agrifood sector, retailing, hotel and catering and hospitality, IT and financial services. There are lots of jobs in those sectors. We

acknowledge that we do not have precise data at this stage, but we have indications of where many of the jobs are.

Mr Buchanan: I will come at it from a different angle: how many of the 68,000 people who were taken off welfare and placed in employment are back in the welfare system?

Mr Smith: I cannot tell you that, Mr Buchanan; the employment service would have to come back to you with that information.

Mr Douglas: Tom has asked most of the questions that I had, but I would like some clarification on commitment 36, which is to support people, with an emphasis on young people. Is it purely about young people?

Mr Smith: No. We emphasise young people because of the acute problems that 18- to 24-year olds face. As I said earlier, Steps to Work is not targeted only at young people. We have also started the Step Ahead 50-plus scheme for people over 50.

Mr Douglas: Can we get a breakdown of how many young people are affected? You talked about young people moving from welfare into employment. Do you have a figure for that? You also mentioned a number of sectors, such as agrifood and IT: is it possible to get a breakdown of where people are getting jobs, even if it is only for six weeks or whatever?

Mr Smith: I will take that request back to the employment service, Mr Douglas.

Mr F McCann: I want to follow up on what Tom said because there is a crucial point here. Commitment 36 mentions 65,000 clients. Are people tracked to record the type of jobs, length of contracts and geographical spread? Those important questions need to be answered if we are to be able to base a good, firm judgement on the information that we are being given.

The Chairperson: Some 64,338 people moved from welfare into employment. I am surprised that we still have unemployment in Northern Ireland if we can achieve that in such a short time. It seems an astounding figure, and I can see why members are challenging and querying it.

Mr Allister: The vice-chairman dealt very effectively with the point. He put his finger on the fact that to make any sense of these figures, we need to know how many of the 65,000 are back on welfare so that we can test what the net gain has been. Coming to us with a headline figure that reads very well, but not providing the data whereby we can test it, does not really help us. According to these figures, 700 or 800 people a week are moving into employment — wonderful. As the Chairman says, we cannot, therefore, have an unemployment problem. We want and need to know what the real sustainable employment figure is. It is fine benchmarking against half the story, but let us have the whole story. Can that be done?

Mr Smith: I will go back to the Department and find out what figures we hold.

The Chairperson: OK, everybody has now asked their questions.

John, we have received correspondence from the Department on the savings delivery plan. While we have you here, are you able to take a few questions on that?

Mr Smith: Yes.

The Chairperson: I do not want to pounce on you.

Before we move on to that, members, let me tell you that the Clerk and staff will go through the Hansard report of this session. John, you said a few times that you would come back to us with various information. We will clarify exactly what data we want to enable us to go into more detail. Are you able to indicate, so that we can include it in our forward work programme, when you will have the final report, which Phil referred to a couple of times? We could then have the final figures in front of us plus the additional data that was asked for.

Mr Smith: We gather the data, along with all the other Departments, and then there is a process whereby each permanent secretary and the head of the Civil Service look across the piece. We are in that phase now. Then, the Office of the First Minister and deputy First Minister (OFMDFM) takes the information from all Departments and puts that on the website. I do not have the precise date of when that is due to happen. However, we are currently in the quarter 4 reporting phase, so publication should not be too far off.

The Chairperson: It would be handy to have that so that we can get into the further details. I am sure that you are glad that the Department for Employment and Learning (DEL) has only four commitments in the Programme for Government.

Mr Flanagan: A fifth commitment has been overlooked: not increasing tuition fees.

Mr Smith: We have agreed not to report on that. As long as the Executive —

Mr Flanagan: It should be five out of five instead of four out of four, John.

The Chairperson: Members, with your indulgence, while we have John in front of us, we will ask him some questions on the savings delivery plan, although he might not be able to answer some of them. The Committee wrote to the Department requesting an update on the plan and received a response detailing progress to 30 September 2012. Is a more up-to-date version available?

Mr Smith: Yes. We monitor that every six months. Which version do you have?

The Chairperson: We have progress to 30 September 2012.

Mr Smith: Again, we are in a corporate NICS-wide reporting cycle. We are just about to submit our figures for the position to the end of March 2013 to the Department of Finance and Personnel (DFP). After that, we will be able to come and update you on the precise details.

The Chairperson: It is important that the Committee has data that is as live as possible.

The other thing that struck me that, on page 48, a key risk is that two of our colleges are currently "in recovery" and being monitored monthly. Do you have any details?

Mr Smith: Sorry, page 48 of which document?

The Chairperson: Sorry. This is the response provided by Fiona Stanley. We will get you a copy. As I said, I just wanted to ask you while you are here.

Mr Smith: Some issues arose several years ago, and a couple of colleges were having financial difficulties. We put in place with those colleges an agreed programme to get them out of that "in recovery" status. The programme is ongoing, and we monitor the colleges concerned very closely. I do not have details of the colleges or the precise numbers involved with me, but I can come back to you on that.

The Chairperson: It would be good for the Committee to have that information, John. Even if we had to deal with it in closed session, it is important for us to have oversight and scrutiny so that we know which of the six colleges are involved.

Page 64 deals with the savings measures, reduced commitments and retraining. The stated actions are:

"50% funding is now available only to adult apprentices in priority sectors, with effect from 27th August 2012.

Revised Savings Delivery Plan being finalised for submission to the Minister."

Will you give the Committee some insight into that? When will the Minister receive that finalised report?

Mr Smith: In the intervening time, that savings delivery plan has been agreed. In fact, it may be on the Department's website already.

The Chairperson: Without the Committee's —

Mr Smith: We will come back to you when we do the next period of reporting, which will be to the end of March 2013. That is when you will have a full briefing on all of that.

Mr Allister: So, meanwhile, we are as informed as any member of the public. The information simply goes on to the website. There is not much point in having a Committee, is there?

Mr Smith: We will come back to you before recess with an update.

Mr Allister: It is already on the website.

The Chairperson: John, that is the point that I was trying to make. It would be worthwhile for the Committee to receive papers and notifications of savings delivery plans and submissions after they go to the Minister but before they go on to the website.

Mr Smith: I will make sure that you get them.

The Chairperson: Then the Committee would be able to carry out its intended scrutiny and oversight role. When information is on the website, it is too late, as Jim said.

John, thank you very much for your presentation and for taking those final questions. I know that I bounced that on you, but I thought it important to ask you when we had the opportunity.