



Northern Ireland
Assembly

Committee for Employment and Learning

OFFICIAL REPORT (Hansard)

Derry City Council Intermediary Labour
Market Programme

12 June 2013

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Mr Pat Ramsey (Acting Chairperson)
Mr David Hilditch
Mr Chris Lyttle
Mr Fra McCann
Ms Bronwyn McGahan
Mr Alastair Ross

Witnesses:

Ms Tina Gillespie	Derry City Council
Ms Geraldine ÓhEára	Derry City Council

The Acting Chairperson: I warmly welcome Tina Gillespie and Geraldine ÓhEára. Please proceed with your presentation.

Ms Tina Gillespie (Derry City Council): Thank you, Acting Chairperson and Committee members, for welcoming us along today. I will give you an overview of Derry City Council and how it became involved in employment programmes. It first became involved as a member of the local strategy partnership, which was set up to deliver Peace II funding a few years back. At that time, a very detailed labour-market analysis was commissioned for the Derry City Council area, which highlighted the need to bring marginalised people closer to the labour market. An action plan was devised from that analysis. From that action plan, many activities, projects and programmes were developed. One in particular was the intermediary labour market (ILM) model of engagement. It was the first time that the model was rolled out in Northern Ireland. It is a UK model, and I have experience of working on the same model in Liverpool.

Since piloting that model over 10 years ago, utilising Peace funds initially, Derry City Council has now integrated skills as a priority agenda item in the activities of the economic development section. We went on to secure further funding of £2.4 million through the European social fund (ESF) programme between 2007 and 2011. We are now rolling out a programme for 2011 to 2015 with funding of almost £2 million. The programme is now called Kickstart to Work and involves much more than the intermediary labour market. It has three elements. The first element is mentoring and support. The second element is job brokerage, and we were the first council in Northern Ireland to pilot the inclusion of social clauses in employment. We have also been involved in pre-employment programmes: for example, linking up unemployed people and training them for jobs in the Premier Inn is one of our more recent successes. The third element is the intermediary labour market model. I will pass you to my colleague Geraldine, who will give you a bit more detail of how the model engages the long-term unemployed and helps them to find employment.

Ms Geraldine ÓhEára (Derry City Council): Good morning, Acting Chairperson and members. The ILM programme offers a 50-week paid work placement specifically to participants who live in the Derry City Council area, are over 18 years of age and have been unemployed for six months or more. Participants who secure placements are paid the current national minimum wage regardless of their age. The placements are matched very closely to the aspirations and ambitions of the participants, and that is paramount in the programme's success.

In the current UK City of Culture year, we decided to match participants with the growth industries in the city at present, such as the creative, digital, IT, tourism and hospitality, and retail industries. That has worked very successfully so far.

Training is mandatory for participants who secure a 50-week work placement, but no entry-level qualifications are required. We focus on people's aspirations, where they want to go and where they want to work. We secure a work placement for them and then provide portable training for them to increase their employability skills. The training has worked very well, particularly in the digital and creative areas. We have worked, for example, with the Nerve Centre on graphic design, theatre skills and technology; with the North West Regional College and Cisco on iPhone development; and with the university here on digital/creative training.

One-to-one mentoring is paramount. Help with personal development and softer skills are also available to participants who feel that they need those to progress and make themselves more employable. The basis of the ILM programme is that when you finish your 50-week placement, you have enjoyed the world of work and do not want to return to benefits.

So far, 78% have completed the current programme, and 78% have secured employment with their placement provider or an alternative organisation. We focus on job search activities throughout the 50 weeks, working on the theory that it is easier to get a job when you are in a job. We encourage individuals to apply for other jobs advertised in the job market and to put themselves through the pain of the application and interview processes as practice. The success rate is very good. On the previous programme, which closed in 2011, 82% of participants obtained full-time or part-time employment after their placement.

The Acting Chairperson: Thanks very much. For the record, I must declare an interest: I was a member of the first local strategy partnership.

That was a very good presentation and adds a lot to the Committee's work, particularly on young people not in education, employment or training (NEETs) and our inquiry into careers guidance.

We learned from other sectors about difficulty in securing placements, particularly on apprenticeship and other programmes. Have you had the same difficulty? Your success rate of over 80% securing and remaining in full-time work is good. Is the public sector involved with placements, and not just hotels or the IT sector? What organisations are providing placements?

Ms ÓhEára: I look at the aspirations and ambitions of a participant before approaching an employer in the participant's sector of interest to secure a placement. We have secured placements in 360 Production, Alleycats and Dog Ears — all successful growth industries. They have worked well with us and retained all those we placed with them. However, we work with all sectors, depending on the need of the participants on the programme. We are strongly guided by their needs.

Ms Gillespie: As Geraldine said, securing placements is very much about matching the individual with what they want to do, which helps to sustain employment in the long term. We approach employers who do not necessarily have vacancies. However, we match them up and get them to meet the individual. If they click, the employer will take them on. Geraldine then works with the individual to create a position for themselves. Sometimes, the employer does not really recognise that they have a vacancy, but the person comes in and creates and sustains a job for themselves.

Derry City Council has always provided placements. We recently rolled out a programme that targets NEETs, for which we secured £500,000 from the Department for Employment and Learning's (DEL's) collaboration and innovation fund. The council is taking 40 NEETs, who will be placed in vacancies associated with the City of Culture. We are, for example, putting some to work on the Turner prize, the Void art gallery and even in the cleansing department. Those placements require a range of skills that support the delivery of the City of Culture, and, hopefully, the individuals will help to sustain and create jobs for themselves. NEETs is a new area that we are moving into. The council can provide

that supportive environment, and we have a lot of managers willing to mentor and support young unemployed people. Our 40 places are oversubscribed. At present, we have more than 80 applications.

The Acting Chairperson: The Committee would be very keen to know how that programme is progressing, so maybe you would write to us about it at a later stage. A number of members have indicated that they want to ask questions.

Ms McGahan: Thank you for your very useful presentation. I am interested to know how you engage with Derry 2020, which is a consortium of groups and seems to have the same priorities and targets as you: for example, the economically inactive, people with no qualifications and the recently unemployed.

Ms Gillespie: Derry 2020 is also funded under the European social fund. Obviously, because of long-term unemployment and the high inactivity rates in the council area, a number of programmes are targeting those areas. We meet regularly to ensure that we are complementing what the other does and not duplicating: for example, we have rolled out a hospitality and retail training for employment programme with the local college, which trains people to level 2 and focuses on the hospitality and retail sector. Again, that is very much linked to the City of Culture. We contact Derry 2020 when we are rolling out one of those programmes, and it refers its participants to us. Likewise, if it is rolling out a programme on digital skills, and we are not running such a programme at the time, we refer our participants to it.

We each have a range of employment and mentoring officers who are in daily contact because, quite often, an individual will approach both programmes. You cannot be registered on both at the same time, so we have to exchange information to make sure that we meet the needs of the individual through whatever programme is available. It could be, for example, a local jobs and benefits office.

Derry 2020 was a member of the local strategy partnership in the old days. We have had a working relationship with it for over 10 years: it refers people to our programmes, and we refer people to its programmes.

I feel that we are lucky to have a lot of European funding in the city, but we need to make sure that we make the best of that. We must complement rather than duplicate what DEL is set up to do and use our money in a more flexible way to respond to situations that others cannot respond to.

Ms McGahan: That is useful. I am glad to hear that we do not have parallel processes and that we have a joined-up approach, which makes a greater impact. Thank you for that.

Mr F McCann: Thank you for your interesting presentation. You mentioned the efforts being made by the council and other groups. That is important to the likes of Derry, Belfast and the other larger councils that have a major role in trying to roll out these programmes. I think that the RPA coming in over the next couple of years, which will mean that rates will be the basis of funding for councils, offers a golden opportunity. Like Pat, I believe that the retention levels in the schemes that you run are high. I note that the vast majority of money comes from Europe, but what will happen when that comes to an end? Has anybody else promised to step in? It would be a shame for such a successful scheme to end.

DEL may have supplied funding, but is it clued into why the programmes that you deliver are such a success? Has the Department spoken to you about that?

Ms Gillespie: In answer to your question about European funding, we have established a funding unit in the council. We look at our priorities going forward to make sure that we have high-level strategic priorities to secure more funding in the new round of EU structural funds. We also ensure that we feed into the process and lobby so that what we need at a local level is reflected. We respond to what is in our regeneration plan. One Plan has a number of programmes in that, but skills development underpins everything. People who are unemployed or economically inactive need to be skilled up because they need jobs, and, in that way, they can contribute to the economy.

On speaking to DEL, we engage mainly at a local level, but we also engage up in Belfast. That is how we were able to secure NEETs funding, using the ILM model. That is a new model for DEL, which appreciates its outputs in working with the EU. So our funding from DEL was part of NEETs funding under the collaboration and innovation fund. We do our best to promote what we do and ensure that

our funders are aware of our success rate, which is measured by our outputs in a quarterly report. This model has not really been used elsewhere because it can, on the one hand, seem quite expensive. However, if you take somebody off welfare benefits so that they can contribute to society, which you cannot always measure in monetary terms, it is not really that expensive. We work with Ilex and sit on the skills directorate. DEL representatives from Belfast sit on that directorate, too, and we feed to them what we want at a local level and what we need from the Department. These are the types of programme that we put forward, in addition to working with DEL and saying that we need an escalator approach — when people find a job or get a qualification, they need to continuously upskill to allow others to come in at the entry level.

Mr F McCann: Over the past number of months, we have been discussing Steps 2 Success and other available schemes, which seem to replicate, in many ways, some of the failed schemes that operate elsewhere. We have just left the Nerve Centre, where we heard about some of the programmes that are active here. They have their finger on the pulse of what is happening. We have been saying for quite a while that that is what we need to look at rather than trying failed schemes of the past that may not offer anything and have no local input.

Mr Hilditch: I congratulate you on the success of the programme. I have a comment to make rather than a question to ask, and this may involve a challenge to us. We were down in Fermanagh listening to how people there entered the labour market and how some of its schemes are progressing. We welcome the information that we have received here this morning. My council has now put its toe in the water in the labour market and brought some young people on board. Some real gems have been unearthed — there are some talented people not getting a chance. Perhaps we could work on that. I have put questions to the Minister, particularly with RPA coming up, on the potential of councils in Northern Ireland, as a collective body, to become more involved. There has not been too much of that to date, and we have left it to other agencies. So perhaps we could push councils, as a collective body, to become more involved, through the Department, in trying to provide opportunities for young people in the future. There is great scope and many opportunities through local government.

The Acting Chairperson: Sorry, David, but somebody's phone is ringing.

Mr Hilditch: It is mine. Sorry, I did not have it turned off.

The Acting Chairperson: It will affect the recording for Hansard.

Mr Hilditch: Sorry. Perhaps we could put this on our list of future work.

The Acting Chairperson: I think that we can. We can talk about it at the awayday in September that we referred to. Alastair?

Mr Ross: My question has been answered, thank you.

The Acting Chairperson: There is huge hope and anticipation, particularly among our young people, that the legacy of Derry being the City of Culture will be employment opportunities. Do you see that happening in the area of hotels/hospitality as well?

Ms Gillespie: For us, a legacy would be much more than that. There is a natural growth in the tourism sector with something such as the City of Culture accolade, but, more than that, we see the legacy as tapping into the cultural sector that has grown — the digital sector and the connectivity in the city centre. The growth in tourism is more natural, but we want young people to tap into the cultural experience that they have had and take that forward using modern technology.

The Acting Chairperson: That applies to the creative industries as well.

Ms Gillespie: Yes.

Mr F McCann: Given the serious social deprivation, are young people able to tap into the likes of local youth work and community and economic development? Over the year, can they gain the relevant education so that they can continue in that field?

Ms Gillespie: Yes. An important factor is how we engage with people from all sectors. We work very closely with the neighbourhood renewal partnerships. They are at the coal face, at the grass roots. We are, after all, a council, and we use other existing networks to tap into people. We also have a mobile vehicle as a part of our skills programme. It goes into communities when there are events on. On the mobile vehicle, there are computers and members of our staff, and we can engage with people by talking to them about employment and benefits. There are many ways in which we do that, but we use the city's huge community network to reach out to clients and work in partnership with others.

Mr Ross: Obviously, if you are using government money, it is better to use it to get young people into work so that they gain work experience and get into a routine. An incentive for employers is that it does not cost them anything because the wages are covered. You mentioned your high success rate: over 80% of individuals who came through the programme remained with their placement provider or gained employment with an alternative organisation. How many employers who offered placements, which cost them nothing, kept on the young people concerned? How many young people used the experience gained to find employment with an employer who was not part of the scheme?

Ms ÓhEára: In the current programme, 27 people have completed their 50-week work placement, and only four have gone on to an alternative organisation. The remainder have sustained employment with their placement provider. It is a fantastic opportunity for the employer to have the wages paid. However, I have to say that, in my experience over the years of working on the ILM programme, after a few months, the money becomes very much secondary because employers are generally so grateful to get someone who is so enthusiastic and willing, puts their heart and soul into the placement and makes themselves indispensable.

Mr Ross: That is good. You have no concern that some employers will simply take people on to get a free worker?

Ms ÓhEára: I am rigorous about contacting employers, and I would not use an employer again if, for example, they had let a placement go after 50 weeks. I will continue to work only with employers who offer sustained employment.

Mr F McCann: In many government-run schemes, the employers are rewarded financially. Is any payment made to employers or do you simply cover wages?

Ms Gillespie: We cover wages, but we have to point out that the minimum wage is the least that young people can be paid, and we ask employers to pay the minimum rate at which someone would normally start in their employment. We also ask employers after three months and six months whether they will give a pay rise. The council pays its ILM placements a higher rate than the minimum wage. It is not a case of displacement: after a period, we make employers pay the going rate for a job in their business.

Mr F McCann: My point was that, depending on the success of an individual on a government scheme, an amount is often paid to the employer. It could, for example, be £8,500. Is there anything like that with your programme?

Ms Gillespie: None at all.

The Acting Chairperson: Geraldine and Tina, it has been delightful to see you again. I am glad that you are doing so well in your work for Derry City Council. Please keep us informed, particularly on the progress of the NEETs project, as the Committee has a huge interest in that.