



Northern Ireland
Assembly

Committee for Employment and Learning

OFFICIAL REPORT (Hansard)

Draft Strategy on Economic Inactivity:
Department for Employment and Learning

22 April 2015

NORTHERN IRELAND ASSEMBLY

Committee for Employment and Learning

Draft Strategy on Economic Inactivity: Department for Employment and Learning

22 April 2015

Members present for all or part of the proceedings:

Mr Robin Swann (Chairperson)
Mr Sydney Anderson
Mr David Hilditch
Mr William Irwin
Ms Anna Lo
Mr Fra McCann
Ms Bronwyn McGahan
Ms Claire Sugden

Witnesses:

Ms Yvonne Croskery	Department for Employment and Learning
Mr Rory Muldrew	Department for Employment and Learning

The Chairperson (Mr Swann): I welcome Ms Yvonne Croskery, director of youth policy and strategy division, and Mr Rory Muldrew from the economic activity strategy team. Members have the departmental briefing and the economic inactivity draft strategy in their tabled papers. Good morning, Yvonne and Rory. Over to you.

Ms Yvonne Croskery (Department for Employment and Learning): Good morning, Chair and members. If I may, I am just going to run through a wee bit of background. Everybody will be aware that DEL and DETI, through the Programme for Government for 2012-15, committed to develop a new strategy to tackle high levels of economic inactivity in Northern Ireland. Economic inactivity refers to individuals who are neither in work nor actively seeking work and are available to start immediately. The current rate of economic inactivity in Northern Ireland is in the region of 26.8%, which equates to 312,000 adults in the age group 16 to 64. They are of working age and are effectively disengaged from our labour market. Compared to the UK average of 22.1%, there is a difference of 4.7%.

To put Northern Ireland's high rate of economic inactivity into context, the Northern Ireland unemployment rate is 6%, compared to the UK average of 5.6%, while the Northern Ireland employment rate is 68.6%, compared to the UK average, which pans out at 73.4%. We are strongly of the opinion that the only meaningful way of effectively reducing economic inactivity on a sustainable basis is through employment, transitions towards work, and support in that regard.

Over the past couple of years, the Department has undertaken extensive research around economic inactivity. We have had a very detailed consultation process, which culminated in the development of our strategy, the primary focus of which is obviously to reduce inactivity and improve employment prospects and outcomes for a number of specific target groups. The three target groups that the strategy is looking at, in particular, are those with work-limiting health conditions, in which category

there are in the region of 27,000 people; lone parents, of which there are 22,000; and carers, of which there are 15,000.

It would be very remiss of me not to say from the outset that our strategy is all about voluntary participation. It is very important that I bring that right to the fore. Nobody will be mandated to go on any of these programmes. This is a programme about genuinely helping those who want to work and who volunteer to participate.

The final strategy was agreed, as you all know, by the Executive on 16 April, and our Minister and Minister Foster jointly launched it in the House on Monday. We believe that through the successful delivery of the strategy, we will have a genuine opportunity to make the difference; to have a real positive impact on the people who fall into these categories, both economically and socially, and to help redress the historical economic imbalance between Northern Ireland and other parts of the UK.

We submitted our paper to you a few weeks ago and at that stage the strategy had not yet been launched or approved by the Executive. It is now. Being mindful of that, I want to take your views. Would you like us to walk you through the strategy or would you like to move straight to questions?

The Chairperson (Mr Swann): How about a run-through rather than a walk-through?

Ms Croskery: That is fine, we will have a run-through. Rory Muldrew will take us through the pertinent points.

Mr Rory Muldrew (Department for Employment and Learning): Thanks, Chair. I will pick up on the points in more detail that Yvonne has not already covered.

The development process for the strategy has been fairly comprehensive in research and development consultation. We initially undertook a baseline study to look at the profile of economic inactivity in Northern Ireland and followed that up with an independent literature review, carried out by Edinburgh Napier University, which led to the development of a strategic framework outlining key proposals to tackle economic inactivity, which the Executive noted at the tail end of 2013, and on which we undertook an extensive public consultation exercise.

We engaged separately with the local business sector as a key player in the delivery of the strategy. We undertook a series of independent focus groups across Northern Ireland with people in the inactive groups we are seeking to help. We had regular engagement with this Committee and the Enterprise, Trade and Investment Committee, throughout the development process and, indeed, with the Executive subcommittee on the economy, which has endorsed a number of the strategic proposals that are now in the final strategy which was agreed by the Executive last week.

To establish the target groups we looked at the scope of economic inactivity, through the baseline study. The study recommended that we focus on three specific inactive sub-groups. In the long-term sick and disabled category, as Yvonne said, it is those people with work-limiting health conditions or disabilities who, with the right level of support and accommodation from employers, should be able to work. In the family commitments category, the key groups are lone parents and people with other caring responsibilities who would be better off at work but are unable to make the transition due to a lack of appropriate support and opportunities.

As Yvonne mentioned, the total number in these groups, based on social security data, is about 64,000, which equates to about 40% of all social security claimants in the economically inactive groups: approximately 20% of the total working-age figure of the 312,000 who are inactive in Northern Ireland.

The strategy seeks to reach its strategic goal, by 2030, to contribute towards a stable and competitive employment rate in Northern Ireland that exceeds the United Kingdom average, through a reduction in the proportion of the working-age population — 16 to 64 — classified as economically inactive. To ensure that the strategy is successfully progressing towards that target, an interim goal has been set to achieve an employment rate of more than 70% by 2020, to assess the effectiveness of the strategy's delivery at a mid-point in the implementation process.

These goals are supported by a number of strategic objectives which correlate to the groups we are trying to help. Objective 1 is as follows:

"By 2030, to reduce, through transitions into employment, levels of economic inactivity due to work-limiting health conditions or disabilities by a 25% reduction in the number of people claiming Employment and Support Allowance (Work Related Activity Group) against the 2015 baseline position."

The second objective is to achieve a similar reduction, again against the 2015 baseline position, in relation to lone parents and carers who claim income support. The third objective is that, by March 2017, to have established a robust baseline for the numbers of people who are moving from work and employment into economic inactivity due to health-related issues and, subsequently, to reduce that baseline figure by 20% by 2030 through a reduction in new claims for relevant health-related benefits.

We fully recognise that any potential future changes to the social security system in Northern Ireland may have implications for the strategic objectives in the scope, nature and claimant count of new or revised benefits. The strategy will, therefore, be reviewed and refreshed on a regular basis to take cognisance of any such changes.

The strategic approach outlined in Enabling Success is based on a model of intervention centred on six key themes. Theme 1 is about improving engagement and support with the target groups and encouraging and facilitating labour market transitions. It is also about improving employment outcomes through an innovative and outcomes-focused competitive piloting testing model. Theme 2 is about increasing employment opportunities and how we can stimulate job creation through the development of a new model of incentives and support to help people in the target groups to make the transition towards and into the labour market on a sustainable basis. Theme 3 is about addressing wider labour market barriers to older workers and people with mental health issues. Basically, it is about challenging and changing some societal attitudes and perceptions towards those two groups. Theme 4 focuses on breaking the cycle of inactivity and looks at preventative measures that will reduce future inflows to inactivity through improving health and work outcomes and promote positive life choices among young people who are at risk of becoming NEET and potentially inactive in the future. Theme 5 deals with partnership working and strategic management, and is about tying it all together through appropriate delivery structures and coordinating and monitoring functions. Theme 6 is about improving our information base and data sources to inform the effective delivery and monitoring of the implementation.

The strategy proposes to implement the themes through a series of 11 projects that will be taken forward by a number of Departments. Project A, which fits in with theme 1, is concerned with developing an outcomes framework that is based on a co-design approach with key stakeholders in the target groups to form and guide the pilot testing process, which is project B. Both projects will be taken forward by DEL.

Project C is a geographically focused control group project that will be developed, delivered and evaluated. It will test new approaches in an area of high inactivity and provide valuable benchmarking data for project B. DSD will lead on that.

Under theme 2, which deals with increasing employment opportunities, DEL will develop a new model of support and incentives to encourage employers to hire and upskill people from the target groups and promote sustainable employment. Project E, which will be taken forward by DSD under theme 2, is about improving transitional protections to help people make the transition from the social security system into the world of work when they opt to do so. We will look at how we can do that more effectively.

Under theme 3, which deals with addressing wider barriers, DEL will put in place some new measures to highlight the benefits of older workers in the labour market, including an age-positive public awareness campaign to promote age-positive recruitment practices. Also under theme 3, the Department of Health will put a new mental health promotion strategy in place to encourage positive mental health through work and in the workplace as well as an initiative to support employers to foster mental health-friendly workplaces.

Theme 4 deals with breaking the cycle of inactivity. Health will establish an independent expert panel to look at health and work recommendations that have been put forward independently by Dame Carol Black. It will also look at other options and the feasibility of other ways to better integrate and improve health and work services and outcomes in Northern Ireland. For project I, which is under the same theme, we will appoint a series of regional younger people's advocates to work with young people who are at risk of becoming NEET. Hopefully, that will inspire and promote positive life choices amongst the young people.

Theme 5 is on partnership and strategic management. DETI will put together an external strategic forum that will comprise employers, the voluntary and community sector, central and local government, the health care sector and other relevant bodies and expert advisers as required to provide strategic oversight and leadership throughout the strategy's implementation. In theme 6, project K will involve DEL and DSD undertaking a number of research projects to inform an improved information base.

Where funding is concerned, we are very acutely aware of the context of constrained public expenditure going forward throughout the development of the strategy, so we are proposing that a number of the projects will initially be piloted to ensure that effective solutions are identified prior to any upscaling of investment. For that reason, a number of projects will initially focus on feasibility and scoping exercises to provide modelling to inform future viability, costs and benefits. As the projects are developed, specific SMART targets will be established to allow accurate measurement of progress, and we hope to start all projects as soon as possible when adequate resources have been identified on a cross-departmental basis.

The Chairperson (Mr Swann): I have a couple of questions. I know that the word "new" is used about a number of the projects. Are they really new, Yvonne?

Ms Croskery: We believe this to be a very innovative approach, and we are starting from the baseline of beginning to bring in and test new pre-commercial procurement. We are looking at a very bottom-up approach and are bringing in experts. In fact, for one of our groups, we have already established a design team for project A.

We see this as a very different approach. We are very mindful that we have tried to help many of these groups before, and this time we really would like to try to get it right. That is why we are starting on a small scale. For example, Nesta, which was formerly the National Endowment for Science, Technology and the Arts, is represented on our design group. Indeed, we have that established. The Young Foundation and Edinburgh Napier University will also be on the design group. We believe that it is very different. We are really starting on a small scale, and we will be testing out different models and different geographical areas. No one size will best fit in Northern Ireland. We know that the statistics very clearly tell you that there are different pockets, different issues and different communities. We believe that this is different. This is not the Civil Service coming with a fixed approach. We will be looking at the outcomes that we want to see from the projects, but we have no fixed idea about how we will get there. I do believe that it is different, Chair.

The Chairperson (Mr Swann): I am trying to tease it out. That is the difference that you see in this programme, whereas before the Department would have come with a Northern Ireland agenda and a Northern Ireland programme that have not worked. I am thinking about people with mental health issues and re-engaging the elderly in the workforce. Is the newness of this the idea that you will actually focus it?

Ms Croskery: It comes from two perspectives. One Department does not own this any more. The Executive own this strategy, and every key Department is involved, including Health, and they are all working in partnership and own these projects. They will come at this and will be looking at different issues, including mental health, which is a very big issue in Northern Ireland. It is really looking at how we break down the barriers and get older employees back into work and how best to support them. It looks at how we might incentivise. We might incentivise differently for different groups. We are very firmly of the view that, this time, it is very different, and we are bringing in international expertise to really help with that on thinking through the design group at the very start.

Mr Muldrew: Would it be helpful, Chair, if I were to outline to members the model that we are going to follow for this innovative —

The Chairperson (Mr Swann): I have a number of questions starting to build up, Rory. That issue will maybe develop through those.

I will ask about some of the specifics of the projects. Project E aims to:

"raise awareness levels of transitional benefits protections and better communicate the linking rules to reclaim benefits to encourage labour market transitions".

Is that really the Department saying, "We'll show you where to get benefits so that you can enter low-paid jobs or zero-hour contracts but protect your benefits"?

Mr Muldrew: When we looked at that with DSD, seeing it with a relatively fresh pair of eyes, my take was that a number of protections exist for people who are moving from certain benefits into the world of work to help to facilitate that. It certainly appeared to me that some of that could be better communicated. There seemed to be an awareness issue, with some people perhaps not realising that there were some protections that could be afforded to them to help them to make the move from social security into work, such as the extension of certain benefit types for the first number of weeks whilst in employment.

Ms Croskery: A lone parent is a good example to use. The fear of losing one's benefit if one dips one's toe into the labour market is such that the project will look at how we support that person and say, "You can do this. You can test out work, and we have protections that we can put in place so you won't lose your benefit or you won't have to make a fresh claim". That is really what we are talking about at a very basic level. It is about taking away that fear factor and the idea that you are not pulling the carpet from under the person's feet. It is about saying, "It's OK to try this. If it doesn't work or you can't manage the hours, we're not taking away your benefit". We are also looking, through DSD, at communicating much better so that we say, "Here are other things we can do to support your transition", so that they are not moving from A to B with nothing in between.

Mr Muldrew: When we met our focus groups and people from the groups that we are trying to help, while the majority that we spoke to wanted to work, there was a real fear that they would have to sign off their benefit, and then, if the employment did not work out, they would be back to square one with a fresh claim. Project E is about seeing what new protections could be put in place to help to solve those issues.

The Chairperson (Mr Swann): According to the timeline, that is not even due to kick off until the start of 2016. It is well down the line even at this stage.

Ms Croskery: That project does not kick off until next April; that is correct. In between, some work will be carried out to look at what exists at the minute. A think piece is needed. It is not about just taking what we already have; it is looking at whether there is more that we could do. We are confident that that project will look at the fear factor for a lone parent or someone with, for example, a mental health issue so that they feel that they are being protected and not disadvantaged if they move off benefit and it does not work.

The Chairperson (Mr Swann): I am concerned about the timeline for project I. When I read that it is about the appointment of a series of regional younger people advocates and when you, Rory, are explaining it, I think it is a great pitch and something that we need to do. We have listened to the Minister's removal of education maintenance allowance (EMA) for pathways, and we have heard about the struggling NEETs position out there, and NEETs is something that we need to tackle. Yvonne, you have been in front of the Committee a number of times, and you know how seriously we, as a Committee, take that issue and how seriously the Executive take it. However, project I is not scheduled to start until the middle of 2017, which is two years away. To me, that indicates that it is not being prioritised.

Ms Croskery: We need to be mindful that we are starting with a design group that will work through the outcomes of what we want to deliver. That is our starting position. Advocacy will take place as part of that, but we need to know what we are going to test and what the models are like first. We are working by taking a sequential approach.

Mr Muldrew: There is also resource to consider. In an ideal world, it would be optimal to start all these projects tomorrow. Unfortunately, that is not the climate in which we are operating at the moment, so there was a need for us to prioritise the delivery of the projects in the constrained expenditure with which we have to operate.

The Chairperson (Mr Swann): Is there nobody in the organisations and from the advocates that the Department already promotes in NEETs and sponsors in that area that that project could be given to so that they could start now?

Ms Croskery: I think that we are being very mindful of the need not be overambitious in the strategy, bearing in mind the climate we are operating in. I have responsibility for United Youth, and I see great scope for synergies with it by using some of the ambassadors from that programme as advocates. They could be single parents, people who face mental health barriers and young people. I see great scope here. Indeed, for the purposes of our published document, the time frame is sequential, as I said, and we do not want to be running before we can walk. We need to start from the bottom and go up, to look at the outcomes we want and to open up pre-commercial procurement by allowing innovative visits right across Northern Ireland and all the geographical areas and by testing for the different groups. From that, we need to weave in the advocates, and by that stage, we will have a number of advocates, such as lone parents, people with caring issues, who will be able to step up and do that. What we will see is that transformational communication, where people will say, "Look at me. Here is where I came from, here is the journey I have been on and here is where I am now, successfully employed or contributing to my own community."

The Chairperson (Mr Swann): I do not mean to harp on about this, but it has been a focus of great interest in this Committee. There was an inquiry before my time as Chair. I am looking at your specific timeline for project I, which is in tabled papers. Sorry, I said that it was going to start in April 2017, but that was wrong. In April 2017 you will develop specific guidelines. By October 2017, you will have started a pilot, but it is not until October 2019 that this will be rolled out to regional bases in Northern Ireland. So, we are talking five and a half years, which means that the people who will be your advocates are still at primary school.

Ms Croskery: From our perspective, the timeline aligns with the entirety of the projects and with when we will have them all lined up. We can certainly look at where that project sits, but we will not have projects on the ground until 2016-17. That is the timeline we are working to, Chair.

Ms McGahan: Thank you, Yvonne and Rory, for your presentation. What is important here is that you are enabling people to get back into work. That is the key word. It is also important that it is not compulsory and that they are trying it out. I welcome that this is a bottom-up approach, that it says that no one size fits all and that we are recognising the urban-rural dimension. Hopefully, all that will make the process far more effective.

There are concerns about the timeline for the pilot schemes. The Minister talked about trying out different interventions to see what works and to then upscale what worked. Could you provide any information on a pilot scheme that has worked for those who fall into the category of lone parents/carers? Do you have any information on that, but if you do not, could you send it to the Committee?

Mr Muldrew: We certainly could forward information on specific projects relating to lone parents. Going back to the approach that we are taking with this, I think that we are all acutely aware of the issues that the groups we are trying to help face. If we knew what the solution was, government would have implemented it a long time before now. Our proposed approach looks at the long-term impact of this and the change in people's lives that we would like to see. We want to then take that outcomes framework to the market and let experts and stakeholders genuinely tell us how they think those outcomes could be met through proposals for pilot projects. We would first like to comprehensively test those through feasibility studies and to really bottom out the proposals, because the last thing we want is to put a range of vulnerable people through another series of pilot projects, subjecting some of them to failure. We will put as many protections in place as possible before we get down to testing things on the ground with the groups that we are trying to help.

Ms Croskery: We do not have in our hands an exemplar of best practice. This is about people from your community submitting a proposal about how they might engage on a voluntary basis and what they might do to help and support people through a range of skills development to move them into work. It is about looking at how we might progress them and change their world. That is where we are starting from. We do not have the solution. We are looking for the communities in the geographical areas to say, "How would you do this?". As long as we get the outcomes that we want, we have no firm view on how they might do it.

Ms McGahan: I appreciate that. What engagements have you had with OFMDFM and DARD about childcare? DARD has a responsibility for rural childcare.

Mr Muldrew: We are very conscious that OFMDFM is developing the childcare strategy and is implementing its first stage through Bright Start. That is undoubtedly one of the key structural barriers

for many lone parents. We have evidence of that through our engagement with them. I expect to see some innovative ways to address that through our pilot projects from some of the groups already in the community that specifically help lone parents. It is, without doubt, a critical barrier to employment for the vast majority of lone parents whom we engage with.

Ms McGahan: Have you had any engagement with OFMDFM and DARD respectively about childcare and how it feeds in to the strategy?

Mr Muldrew: Both Departments had sight of the strategy during its development. There has been some engagement, but we want to test that further.

Ms McGahan: Could I ask you to provide a written update on your engagements with OFMDFM and DARD respectively? I have a concern and want to ensure that, whatever funding comes from the childcare strategy, rural areas get funded as well. My understanding is that economic inactivity is higher west of the Bann and in rural areas. That will be absolutely critical to the project.

Ms Croskery: We will ensure that we do that. We will have further engagement. We also seek those who come forward with proposals to look at joining this all up, and we want to ensure that people from rural areas benefit from proper childcare and avail themselves of all the support that is available.

Mr Muldrew: As you rightly say, there are a lot of regional variances in the inactivity profile across Northern Ireland, and, for that reason, we will adopt a geographical approach to the projects to ensure that urban and rural areas are given adequate coverage.

Mr F McCann: Yvonne and Rory, thanks for the presentation. As I said in the Assembly the other morning, any move to try to deal with some of the severe difficulties that we have with employment has to be welcomed. I know that it is probably not easy trying to put together a strategy, because we have seen strategy after strategy after strategy. They come to an abrupt end, and it ends up leaving a bad taste in the mouths of the people who you are trying to attract to participate in whatever working groups you may be setting up.

You spoke about experts, stakeholders and focus groups. I asked a question of the Minister the other morning about people who suffer from mental health issues. That is wide-ranging right across the North. What sort of efforts will be made to try to get the information that you require to allow you deal with that? I noticed the talk about increased support and incentives for employers. Could you elaborate on that and on what it means?

Over the past couple of years, and the Chair touched on this, we have had a number of people in here, including people from the deaf community and from the blind and partially sighted community, who are probably amongst the worst treated in employment. How will you fit them in? "Partnership" is a much-abused word, and when people talk about building up a partnership, it is usually an uneven partnership between those in authority and those they say they are going to help. I think it is crucial that, if you are trying to develop a strategy, there is an equal partnership and that people's opinions are genuinely taken on board. None of us are the experts. There is a wealth of experience and expertise out there. If we tapped in to that and worked along with people, we could come up with a strategy that allows us to deal with it. I have met very few people who do not want to be in work, but there are particular barriers, especially among the NEETs group, that stop people going to work. Something could maybe be done there.

The other thing that concerns me is that all this obviously depends on and is determined by the availability of funding. We raised that when we spoke about the finance for United Youth over the next three to five years. It is sort of a similar thing here, in that if the finances and resources are not available, it could come to nowt. If the strategy is enacted, is there a commitment from the other Departments that the resources will be found to push it through?

Ms Croskery: I will take your last question first, and Rory may want to take your initial question about partnership and expertise in getting support to get people back into work. Our Minister has committed to finding, to the best of our ability, the funding to meet our commitments for this year through the June monitoring round. We also anticipate that other Departments will be expected to meet their commitments, as the Executive have signed off on the strategy. Thereafter, we will be rebidding as part of the new Programme for Government going forward.

The Minister is firmly committed to delivering on what is in the document from our Department's perspective, and we are working on that basis. You will be aware that we were unsuccessful with our bid to the change fund for economic inactivity. That said, we are working on the basis of finding the money that is needed to take the design work through this year and to start our preparations for projects A and B.

Mr Muldrew: You were absolutely right on your initial point, Fra: mental health issues are a huge issue in Northern Ireland. Within our work-limiting health conditions or disability target group, which, as you know, is within the employment and support allowance work-related activity group, around 60% of recipients have a psychological condition of one sort or another.

Our response to that is threefold. I mentioned the competitive pilot projects several times. Those will be based on a co-design approach. We want to listen to and learn from the people who we are trying to help, as well as the groups that already do sterling work with them in the community. So, the first stages of our pilots will be about co-design. Indeed, the process will be based on a co-design approach throughout. As I said before, government do not have the answers to this, so we need to consult, engage and genuinely listen to the people who do.

On your point about the employer incentives, we want to look at a model that supports people in the target groups to make the transition into employment. Equally, we want employers to create the job opportunities for people to move into. Whilst we have to consider that in detail and scope it all out, our Minister is certainly very clear that any incentive that is granted to employers will be intrinsically linked to skills development and career progression. This is not an end result; it needs to be an evolving process in which we help to give people a leg-up, if you will, into the labour market and ensure that employers fulfil their role of ensuring in-work skills progression and move people on so that opportunities are freed up for other people.

Thirdly, I mentioned addressing wider barriers. There are societal perceptions of mental health issues, and it is probably fair to say that there is a lack of awareness and understanding in some quarters. We want to look at that and to address it at a societal level through the mental health promotion strategy that Health is taking forward. We also want to see how that will manifest itself in working with employers and how they can foster mental health-friendly workplaces and generally promote a better understanding and acceptance of mental health issues. It is a trifold approach, but, first and foremost, we want to work with and listen to the people whom we are trying to help.

Mr F McCann: I understand what you say about the issue of mental health, but this is about moving what you are saying into the realm of employers. It is about how you convince employers that they should be looking at the tens of thousands of people suffering from mental health problems who want to get into work but find it difficult to do so because there is a barrier at the employers' end.

I am also interested in what types of incentives are available. Added to that, I know that, if you are setting up groups, you will rightly go to the normal groups that advocate for people with mental health problems. However, you did not touch on the question of the blind, the partially blind and the deaf community. When its representatives were before the Committee, they said to us that everybody develops strategies but they are left out of the whole thing. How can they be included in any strategy that makes life a bit better for them?

Ms Croskery: We have some very good exemplar employers in that regard. It is about how we use our project to engage with employers, and how we link incentives to make that happen, so that they are more aware of the need to employ people who are deaf, are disabled, have hearing impairments or have mental health issues. Part of the project will be about linking employers, promoting and widening their knowledge and understanding, and linking that to incentives to encourage all of that.

The Chairperson (Mr Swann): Bronwyn, do you want to come in on that point?

Ms McGahan: Mine is a separate point.

The Chairperson (Mr Swann): Will I come back to you?

Ms McGahan: Yes.

Ms Lo: A lot has been said. Economic inactivity has been a long-term problem in Northern Ireland, with many societal layers. If there is huge commitment from government that Departments will work together, we can have a crack at trying to improve the situation. I just hope that this is not going to be another academic exercise, and I hope that there will be some real positive outcome. By going through the process, we will probably learn about how best to go about it. The cost of childcare is a big problem. That problem has to be cracked. When lone parents add up how much it will cost them to have two children receive childcare, they find that it just does not pay them to go to work. That is something that we need to look at. I wish you the best of luck.

Mr Muldrew: Thank you very much.

Ms Sugden: Forgive me, but Anna pre-empted what I was about to say.

This whole project strategy is based on a Programme for Government target that is essentially now out of date. It is from 2012, so you have had three years to develop something. To be honest, I am a little bit lost about what you have developed and what work has been done up until now. For me, other than themes and projects, which form the basis of any strategy, the only thing that I am aware that you are doing is targeting specific groups and trying to tackle objectives that were in the Programme for Government anyway. Therefore, I do not really know what you have done up until now. To me, it seems like an intention to go out and engage with the people whom you are trying to help.

Ms Croskery: I will let Rory walk you through the different stages. We have been working through this as a joint departmental Programme for Government target, and a number of steps that we were asked to take included developing a strategic framework. Rory, will you run through all of that?

Mr Muldrew: Yes. The Programme for Government commitment for 2011-15 was to develop a strategy to reduce the levels of economic inactivity in Northern Ireland and to implement some of the key actions. That is what we were committed to do. There was a view from Ministers very early on that we really needed to scope out what "inactivity" meant in Northern Ireland. It is a vast subject area, containing a number of groups. For example, students are classified as being economically inactive. Another group is the long-term sick and disabled, which you can then break down into a number of subcategories; ditto, those with family commitments. There are then some other categories such as early retirees and discouraged workers.

We spent a number of months undertaking a baseline study, which put forward a number of recommendations on which groups we should target. A fair degree of work went into getting down to the number of target groups agreed in the strategy. We then commissioned some independent research to look at the profile of the target groups, in particular the different issues and barriers that they face at an individual level. Those include skills, motivation and confidence issues and perceptions about the world of work, and we did that through to employer level, regional level and national level. We were therefore building up an accurate picture of what the target groups look like in Northern Ireland. We then went out and engaged with people in those target groups. We spoke with them to see whether our understanding from the academic exercise tallied with their real-life experiences. We used that information to develop a strategic framework document at that time. That was done at the request of the Executive. They wanted a framework document to be developed initially and then tested before we embarked on putting together the final strategy.

You can see already that we have had to work through a series of significant steps to get to this point. We had what turned out to be a 14- or 15-week public consultation. We took the framework out around Northern Ireland and talked people through it. We met groups and took their views. We then had to go back into the Departments, take all the findings apart and analyse them to see what we would move forward with. As we were doing that, we engaged with this Committee, the Committee for Enterprise, Trade and Investment, and the Executive subcommittee on the economy. There were ongoing updates and endorsements as we worked through everything, to the point at which the final strategy document was developed. That has been presented to the Executive over the past number of months and finally approved. There was a fairly extensive development process in the background.

Ms Sugden: I appreciate that, but, from reading the strategy that has been presented, I have difficulty understanding what you are trying to put in place.

I said in the House to the Minister on Monday that there are no SMART objectives in it, other than trying to meet the initial 2030 targets. You have said in response to other members that you have come to the point at which you realise that you need to go out and speak to the service users. Should

we not already be at that stage? Should we not already have found out what their views and needs are and have SMART objectives in place? Three years for an environmental analysis is quite a long time, particularly at the end of a Programme for Government policy.

I am just a bit disappointed that we do not have anything a wee bit more solid. To me, this is a very watery proposal from the Departments. I would like to have seen something a wee bit more concrete so that, moving forward, we could hold you to the claim that you are doing something about it. Right now, all that I know is that you have a key group of people whom you wish to target. You have all this jargon about how you are going to do it, but there is nothing specific here.

Ms Croskery: That is because the approach that we are taking is a co-design, pre-commercial procurement approach. We are testing it at a micro level and making different interventions to help those groups. That is why we are working with an expert design group to look at the outcomes that we want to achieve, which are in our document. Those are to help more people in the groups to move seamlessly into work, stay in the world of work and be supported in the world of work. We are looking at all the barriers on their journey to doing that, including all the matters that members have raised today, such as prejudice against mental health issues and concerns that lone parents will lose their benefits. There needs to be a joined-up, coherent, holistic approach.

We do not have the answers. There is no benefit to our sitting in a darkened room writing a series of targets. We want to allow community organisations to come forward and say for their area, "Here is what we are going to test to help lone parents move from where they are at the minute into the world of work". All that we are clear about is that we will be working with the design group to look at what outcomes we want to achieve as part of this.

We are working on a very different model. I have had experience of the model through work with United Youth, and it works very well. It is very different. It is not a case of government prescribing a series of SMART targets for what we think. These are very diverse and different groups, communities and geographical areas, and one size will not fit all. We strongly contend that the strategy is the right way in which to go, starting at the very bottom and working our way along a small scale to allow us to test things in geographical areas. We will upscale when we see that they work.

We are very clear about what the overall target is. This is a 15-year strategy to help the categories that we are working with — people who want to be helped — move into the world of work, and we are linking it to our employment targets in Northern Ireland.

Ms Sugden: Beyond that, though, the only thing that I see when I read this significant document is that you want to target specific groups and are going to ask them how to do that. That is all that I get from reading it.

Mr Muldrew: The document is intended to articulate the Executive's vision for tackling inactivity over the next 15 years. It is proposing to put in place a number of infrastructural foundations to tackle inactivity. As I have said several times now, we do not have all the answers to this. It is not a problem that is unique to Northern Ireland. It is an issue that is prevalent across Europe and beyond. We are trying to put in place the infrastructure and building blocks from which we can progress and start to make inroads into inactivity.

This is the first time anywhere in the UK that there has been a dedicated strategy to try to tackle the issue. That speaks volumes about its complexity and magnitude. We are conscious that we need to work up some things in more detail. As you say, to have SMART objectives, you need to know your product. For some of the things, we do not yet know the product, but we are putting in place infrastructure to allow us to get to a point at which we do.

Ms Sugden: With respect, that is my criticism: that you do not know your product after three years. To be honest, based on my limited experience and knowledge of what is happening on the ground in my constituency, I could probably outline the groups that it has taken you three years to outline. I appreciate that you need to have substance and other things to back that up, but I feel that it is taking too long.

I am concerned not about being the first in the UK to bring forward such a strategy but about seeing it work for the people whom I represent. We need to start getting it on the ground. Yes, this is a start, but it has been a long time coming.

Mr Muldrew: That is absolutely our desire as well, subject to our securing resources to take it forward.

Mr Hilditch: Thank you for your presentation. Claire spoke generally on the document and the whole strategy. I have picked out an issue that you said that you were responsible for, Rory. Where are we going with incentives? What are we going to do that we have not done before? I then want to pick up on initiatives in the UK and whatnot. Have we looked at best practice anywhere at all?

Mr Muldrew: On the incentives, that is a model that we will need to consider. We will need to balance the needs of employers with the needs of our target groups in the context of a range of associated factors; for example, incentives that government already pays for to achieve various things. We need to strike a balance through meeting our objectives without creating an internal market on incentives. That is a major piece of work, and that is why we have committed to undertake it via a stand-alone project.

We have looked at best practice in a number of countries. Scotland, for example, introduced some specific interventions aimed at helping lone parents. Those were quite successful and included something as simple as having a specific lone-parent adviser in jobcentres. We looked to northern Europe, where Denmark has operated some successful schemes that provide subsidised employment for people with disabilities. As I said, there was success there, but it was quite costly. Although we have looked at other areas, it is very difficult to find a model that completely fits the profile of Northern Ireland. Therefore, something may have worked elsewhere, but there is no guarantee that it will work here. That is one of the reasons that we wanted to test some initiatives, which may well be based on best practice elsewhere. We want to test those on a small-scale basis initially through our pilot projects to see whether they have relevance and a similar impact in Northern Ireland. It is all about incremental development until we get to the point at which we have a model that we know works, and that works on a sufficient scale to have the critical mass to bring down the rate of inactivity in Northern Ireland. I have absolutely no doubt that there is much sterling provision for groups throughout Northern Ireland but on a small scale.

Mr Hilditch: When I am out and about in Northern Ireland, as we politicians are, owing to the time of year, I constantly hear, "I would love to work, but". There is a big "but", so I do not know where you go with the incentives, to be honest.

Ms Croskery: That is why we are setting up a project, and, to some degree, we are trying to answer what we do not know yet. That is what the project is charged with doing, as well being charged with coming forward to test different incentives.

The document is about setting the vision and direction for where we are going, and each project will be coming forward with proposals and moving forward. What we in DEL are responsible for are setting up the design group and moving forward at pace with project B, which looks at how we might go forward with seeking innovative proposals through the co-design approach. Each different aspect is a cog in the wheel and will come forward with the parts that it is charged with addressing. We will look at the different models of incentivisation that we might want to test and, by being mindful of how we have incentivised in the past, make sure that we do not have any unintended consequences. It is a big, big piece of work, not just something that you just pluck from the sky, where one size fits all, and run with.

Mr Hilditch: It will be some time before all those cogs start moving together.

Ms Croskery: For this, it will, in fairness, because each Department has signed off on the strategy. We will have a steering group and go through project management to take things forward.

Mr Muldrew: I think that the Minister mentioned on Monday during his statement that there is no quick-fix solution to this. We now have a commitment at Executive level to try to put the infrastructure and arrangements in place genuinely to try to crack this on a sustainable basis.

Mr Anderson: Thank you for your presentation. Obviously, at the end of the day, the success of the strategy will depend on funding. I picked up from you that different projects or themes will be prioritised. How will they be prioritised? Out of the number of your projects here, who decides which one the Department will take forward if money becomes an issue? Will you pick it out of a hat?

Ms Croskery: Each Department will be responsible for delivering the elements of the strategy for the project on which it takes the lead. I will take you through the projects that the strategy sets out. I have explained that —

Mr Anderson: Will they go in tandem?

Ms Croskery: We expect them to go in tandem, but, if you look at the active projects on pages 70 to 73 of the document, you will see that specific time frames are set out for when the projects will commence. Some are commencing from April. Indeed, for the ones that I have responsibility for, we have already commissioned work and started it. Some of the other Departments will be starting that work only from April 2016, and we can talk only about the budget that we have from the current Executive for this financial year. Thereafter, a new Programme for Government will be set. The Executive signed off on a 15-year strategy.

Mr Anderson: Are you confident that the strategy will go forward on a year-by-year basis?

Ms Croskery: That is our understanding.

Mr Anderson: Each project will be taken forward in tandem, with none left behind. Instead of working in isolation, can you see things going forward as one?

Mr Muldrew: That is what the Executive have committed to in the project plan at the back of the strategy.

The Chair made a point about sequencing and commented on how we are starting some of the DEL projects before others. We looked very carefully at supply and demand for some of the main ones and took a view that a lot of the groups that we are trying to help are not yet job-ready. We have to start to address the potential supply chain before we look at the demand side, in the form of employers and employment opportunities, but I would like to see some crossover —

Mr Anderson: Some of the projects could go ahead —

Mr Muldrew: There is sequencing involved.

Ms Croskery: We need to start with the design group and the pre-commercial procurement exercise before we move forward with the co-design and seeking proposals. There is a sequence for each project. You will not need advocates to share their experience, tell us how they turned their life around and promote the benefits of work until we get to the point at which we are delivering what we want to deliver on the ground. The projects are all sequential.

Mr Muldrew: Our funding priority is to seek funding for the project that we wish to start next.

Mr Anderson: I questioned the Minister about project D, which relates to employers hiring and upskilling people. Rory, I think that you touched on that. Will that be just a training ground for people or real jobs? When employers are encouraged to take on people on and upskill them, thus taking them out of the category that they are in, does it end with employers offloading them and bringing in someone else? Are there going to be real jobs here, folks?

Mr Muldrew: It would certainly not be our intention to have the scenario that you describe occur, but I appreciate that it has happened previously. You get a substitution effect, where employers give jobs to those individuals who come with an incentive. We will be acutely aware of those considerations when developing the model.

Mr Anderson: How do you overcome that?

Ms Croskery: We will attach conditions to incentivisation to make sure that it does not happen. There are different checks and balances that we can put in.

Mr Anderson: You hope that employers and businesses will sign up to that.

Ms Croskery: The commitment will be for a genuine and sustainable job.

Mr Muldrew: We have engaged with business to date, and the bottom line for the representatives whom we spoke to is that they are prepared to give people a chance, if they have some of the skills necessary to do the job. That was of more importance, certainly to the employers whom we spoke to, than a financial incentive. Those are examples of the things that we will get into further discussions with employers about when we are in a position to look at the project.

Mr Anderson: There is a bit of work to be done with employers on how that works.

Ms Croskery: There is. We accept that.

Mr Irwin: Most things have been covered. I do not envy you, as it is difficult. A number of issues have been mentioned, with childcare being a big one for lone parents. Funding is another one. In our business, we employ one guy who is autistic. He has been with us full-time for 10 years now, but, without the funding, he would almost be unemployable. That is probably a wee bit harsh, but it is fact. In some cases, funding is necessary to get some of those people into employment. The guy's ability is probably 50% of a normal person's — perhaps less. However, employment is good for him and his family, and he enjoys it. Funding is going to be vital in some of cases.

Mr Muldrew: I would be interested to see whether the youth employment scheme — there is an evaluation of it under way, as far as I am aware — has identified a tipping point, if you will, when a relationship is established between the employer and the individual, at which point that will perhaps take precedence over support mechanisms that might have been in place earlier; that is, is there a point in an employer-employee relationship at which that person becomes a more valuable asset to the organisation? We are keen to learn from our experiences.

Ms Croskery: There is a balance to be struck here, and we need to be mindful of that, particularly in the course of that project. There will be very different solutions for and ways of testing the model for the different groups. For example, we need to bear in mind the qualifications background of our groups: lone parents are generally quite well qualified, while those in the group of people with a work-limiting health condition have fewer qualifications and skills. They have a very different set of problems, and one size definitely does not fit all for them. We need to test different incentives and approaches with employers as well.

Mr Irwin: That is what makes it so difficult.

Ms Croskery: Exactly. It is a big challenge.

The Chairperson (Mr Swann): Bronwyn, do you want in again?

Ms McGahan: No, that is OK.

The Chairperson (Mr Swann): Yvonne and Rory, thank you very much for your time. We appreciate it.