

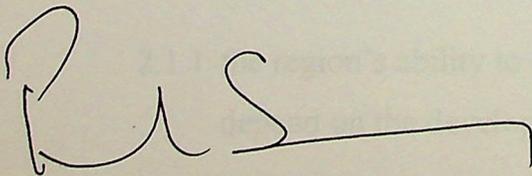
From: PAUL SWEENEY
6 November 1998

To: Mr Ken Robinson, UUP
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Mr Billy Hutchinson, PUP
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Mr Nigel Hamilton, DENI
Mr Ian Walters, T&EA
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**DEPARTMENTAL STRUCTURES: WORKING GROUP ON
EDUCATION, TRAINING AND EMPLOYMENT**

**A meeting of the Working Group will be held at 9.00 am on Monday,
9 November 1998 in Room 21, Parliament Buildings.**

1. This note confirms the above meeting. Please note that the Assembly will sit at 10.30 am, hence, business should conclude at 10.20 am at the latest.
2. A draft report is attached. This will be developed and amended by the Working Group on Monday, therefore, may I suggest that the report remains internal to the Group at this stage.
3. In the time available on Monday we can begin with a set of questions to stimulate the debate.



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Support Team
☎ 21015

DEPARTMENTAL STRUCTURES: WORKING GROUP ON THE INTERFACE BETWEEN EDUCATION, TRAINING AND EMPLOYMENT

1. Introduction

- 1.1 This report has been prepared by an ad hoc Working Group comprised of one representative from 6 political parties in the NI Assembly (UUP, SDLP, SF, All, PUP, NIWC¹), senior officials in DED, DENI and T&EA, and members of the Executive Support Team (see Annex A for membership).
- 1.2 As part of the discussions on Departmental structures and functional designations therein, the Group was commissioned on 2 November 1998 to examine the interface between education, training and employment and to report to the First and Deputy First Ministers by noon on Monday, 9 November 1998.

2. Background

- 2.1 The Group agrees that the range of fundamental challenges facing the educational, training and employment sectors in Northern Ireland include:

- 2.1.1 the region's ability to compete in a challenging world will depend on the development of the full potential of all human resources;

¹ NIWC's comments to be reflected in Second draft. Apologies were tendered for the 3 November meeting of the Group.

- 2.1.2 inward investment and indigenous company development is reliant upon the availability of a qualified, skilled and adaptable workforce;
- 2.1.3 the nature of work is changing rapidly – for example 40% of all new jobs now require a third-level qualification; occupations requiring little educational achievement are vanishing;
- 2.1.4 the region strives to be a sophisticated science/technology/ knowledge-based economy, requiring the strong promotion of maths, science and technology throughout the schools systems;
- 2.1.5 a greater emphasis must be placed on tackling persistent levels of educational under-achievement particularly by boys and in areas of disadvantage;
- 2.1.6 the need to review the selection process;
- 2.1.7 quality educational and training activities have a key role to play in tackling social exclusion amongst disadvantaged young people in particular and must also break down the prejudices between academic, vocational and occupational routes; the challenge is to assert the value of education and training in the most disadvantaged areas;
- 2.1.8 the prevalence of low or no qualifications in the 16-65 population is such that 1 in 4 have only marginal

literacy/numeracy skills. Clearly this has detrimental impact on the quality of training that can be provided;

2.1.9 a major emphasis should be placed on the concept of lifelong learning, opening the educational and training systems to adults at different stages of their career/life cycle.

2.1.10 irrespective of the Departmental and functional designations agreed upon, dynamic inter-sectoral co-operation and flexibility in the field of education, training and employment must be facilitated at every opportunity, particularly in the 14-19 year old cohort.

3. **Core Values**

3.1 The Working Group sees merit in seeking to identify the core values and strategic objectives of any proposals put forward in relation to divisions of functions and delineation of Departments in the Education, Training and Employment sectors. This will bring clarity and purpose to the task of agreeing on the most appropriate way forward. For illustrative purposes current educational strategies are highlighted below.

3.2 The Strategic Plan of the Department of Education (1996) has at its core the Mission Statement "*to promote learning, so as to strengthen society and the economy and enrich the quality of life*". This recognises that learning is not just an end in itself but also:

- nurtures values and attitudes;
- helps to build an enterprising society and a skilled workforce; and
- enriches the quality of life by helping people to fulfil their personal potential.

3.3 In February 1998 Government published a consultation paper “The Learning Age”, which makes it clear that Lifelong Learning and the employability of people is a major priority for Government. The Green Paper lists the benefits which lifelong learning can bring:

- for individuals learning offers excitement and the opportunity for discovery; helps create and sustain our culture; and improves our chances of getting a job and of getting on;
- for business learning helps them to be more successful by adding value; developing the intellectual capital which is at the centre of an economy’s competitive strength; provides the tools to manage industrial and technological change and helps generate ideas, research and innovation;
- for communities learning contributes to social cohesion and fosters a sense of belonging, responsibility and identity; builds local capacity to respond to rapid economic change and industrial restructuring;

- at a societal level learning is essential to a strong economy and an inclusive society; offers a way out of dependency and low expectations; and bridges the “learning divide” between those who have benefited from education and training and those who have not, which blights so many communities and widens income inequality.

4. **Comprehensive Spending Review**

- 4.1 On Monday, 9 November, Mr Paul Murphy MP will lay before the Assembly a consultation paper on the Northern Ireland Comprehensive Spending Review (CSR). This will provide a provisional set of public expenditure allocations for the next three years (1999-00 to 2001-02).
- 4.2 On the basis of an earlier consultation exercise with the general public and of Government’s wider aims and objectives for Northern Ireland, the Secretary of State has indicated that “Education: improving educational provision including for example reducing class sizes, promoting pre-school education, promoting lifelong learning and expanding Further and Higher Education” will be one of three public expenditure priorities (the others are Law and Order, and Health).
- 4.2 Subject to the availability of resources and without prejudice to the outcome of the consultation exercise with the Assembly, the Secretary of State has made the following provisional allocations:

	1998/99 Baseline	1999/00	2000/01	2001/02
Trade, Industry, Energy & Employment				
Employment & Training	165	160 (-3.1)	155 (-2.8)	149 (-4.3)
Education, Culture & Recreation				
Schools	1000	1074 (7.4)	1163 (8.3)	1207 (3.8)
Further Education	99	109 (9.2)	118 (8.8)	127 (7.8)
Universities ¹	234	230 (-1.3)	235 (1.8)	247 (5.2)

The figures in brackets are the % changes on previous years.

¹ *These figures include student support. Funding in this sector is affected substantially by the replacement of mandatory student awards with the new National Loans Scheme (reflected in the reductions in the table) but this does not reduce overall spending power.*

- 4.3 Resources for schools will include provision for a major expansion of the School Improvement Programme, including the drive to improve literacy and numeracy standards and to intensify and expand the work of schools in the most educationally disadvantaged areas. A further 6,300 pre-school places will be made available by 2001/02.
- 4.4 The substantial additions in FE reflect the Government's proposals for Lifelong Learning and the development of the NI element of the University for Industry. The resources would provide for an extra 8,000 places in FE and would enable an expansion in areas such as adult and community education. However, it should be noted that at this stage no additional provision has been made in the CSR for the

University for Industry and bids for lifelong learning have been only partially met.

- 4.5 The provisional allocation for Universities would provide an extra 2,000 higher education places and enhance the provision of equipment and IT.
- 4.6 The NI CSR allocation excludes provision for the Welfare to Work programme, which will amount to £75/49/45 million over the next 3 years.

5. Party Preferences on Departmental Designations

- 5.1 Four of the Parties (UUP, All, NIWC and PUP) envisage a Department of Education and Training which would complement a Department of Economic Development (All, PUP)/Department of Enterprise, Trade and Investment (UUP)/Department of Trade, Industry and Labour (NIWC) – essentially a 2 Department model.
- 5.2 The SDLP and SF favour a variation of a 3 Department model in this field:

- | | |
|------|---|
| SDLP | <ul style="list-style-type: none">1. Department of Enterprise, Trade and Investment.2. Department of Employment and Applied Training (including Further Education, Higher Education and the T&EA).3. Department of Education (pre-school, |
|------|---|

primary, secondary, special needs, libraries, youth service).

- Sinn Féin
1. Department of Economic Development.
 2. Department of Training, Employment and Social Security (transfer non-health/unemployment related social security benefits to a new Department, combined with T&EA).
 3. Department of Education.

6. Options

6.1 Drawing on Party proposals, for the purposes of facilitating discussion, possible pros and cons of several options are outlined below.

6.2 Consideration of all the options presupposes an element of restructuring of the T&EA. All the Parties acknowledge that the industry facing aspects of the T&EA's work is of vital consideration in reaching a conclusion on a preferred option. It should be noted that the T&EA's interface with industry goes well beyond the Company Development Programme (CDP) which offers grant aid towards in-company training. The following programmes/areas of activity are very much industry focussed:-

- i. Recruitment services
- ii. Pre-employment training
- iii. New Deal
- iv. Employer led Modern Apprenticeships
- v. Skill shortage initiatives.

6.3 Option 1: Status Quo: Retain the Department of Economic Development and the Department of Education.

T & EA remains within DED and Further Education (FE) and Higher Education (HE) remains within DENI.

PROS

- Minimal disruption
- Priorises the industry facing responsibilities of T&EA with DED
- Retains FE and HE in Education, alongside schools
- Maintains the curriculum and inter-institutional links between schools, colleges and universities

CONS

- “Conservative” approach.
- Inhibits rationalisation and optimum use of resources between vocational, educational and training initiatives. Emphasises divisions rather than takes the opportunity to provide synergy.
- Perception that vocational training is subordinated to academic education.
- Fails to provide a unified careers information and advice service.
- Life Long Learning should be seen as a continuum.

6.4 Option 2: Establish a Department of Education and Training

Transfer the employment and training functions of T&EA eg Job Centres, Jobskills, New Deal and Training Centres to DENI, retaining the training grant programme of the Agency's Business Support Division with a Department of Economic Development.

PROS

- Recognises the strategic importance of connecting education and training
- Links vocational training, FE and secondary schools, particularly in the 14-19 cohort
- Facilitates the better use of resources throughout the education and training estate.
- Acknowledges the valid and valued role of quality training in tackling education disadvantage and enhancing employability
- Retains the in-company training grant functions alongside other DED Agency financial incentives within DED
- Provides a unified careers information and advice service

CONS

- Concerns that the industry facing attributes of T&EA could be fragmented resulting in a lower standard of service especially to inward investors.
- Combining Education and Training could be too much for one Department to achieve the strategic impact required.
- Life Long Learning should be seen as a continuum.
- May precipitate the withdrawal from distinctive features of "Training"
- Does not

→ Selective financial Assistance -
+ grants.

EXPbris
etc.
move to
Educ.

6.5 In establishing a Department of Education and Training consideration could be given to the appointment of a junior Minister to whom responsibility for Training could be delegated, including the management of the interface between Training and Education.

PROS

- New approach to human resource development as a key determinant of economic competitiveness
- Realigns the continuum between training, FE and HE
- Combines statistics on training, education and employment, enabling clear targets to be set
- Creates a child-centred Education Department

CONS

- Diminishes the possibility of establishing a strategic partnership between all sectors of education, training and employment
- Contrary to the recommendations of the Learner Report which advocates the creation of a continuum between school, FE and HE
- Predisposition to a post-16 year old cohort in isolation from the 14-19 year old cohort within DEM; a framework jointly developed by the T&EA and DEM, to isolate secondary schools from the tertiary sector
- Isolates schools from the world of work with the increasing emphasis on business curriculum in schools and closer links with work sectors

6.6 Option 3: Establish a Department of Employment and Applied
TRAINING LEARNING

Transfer FE and HE to a new Department, combined with T&EA, Employment Law and Labour Relations and Employment Statistics.

PROS

- New approach to human resource development as a key determinant of economic competitiveness
- Reflects the continuum between training, FE and HE
- Combines statistics on training, education and employment, enabling clear targets to be set
- Creates a child-centred Education Department.

CONS

- Diminishes the possibility of engendering a strategic partnership between all sectors of education, training and employment
- Contrary to the recommendation of the Dearing Report which advocates the connection between schools, FE and HE
- Predisposition to a post 16 year old cohort in isolation from the 14-19 year old cohort within DENI; a framework jointly developed by the T&EA and DENI, ie isolates secondary schools from the tertiary sector
- Isolates schools from the world of work with the increasing emphasis on business curriculum in schools and career guidance using both sectors.

Option 4: Establish a Department of Education

Security

Transfer the non-health Director's Allowance and other security benefits to a new Department combined with the current employment functions of the DED/T&E

PROS

- Brings greater coherence to combining social security benefits with a focus on assisting the socially excluded to move from unemployment to training and into employment eg Welfare to Work, New Deal – employability focus
- Is in line with current Government policy on “single gateway” by providing a common entry point for claims to all benefits for people of working age
- Is in line with Better Government and one stop service policies
- New Targeting Social Need characteristics
- Reconcile the FE and HE coherence within DENI

- ~~Fragments the Department of Education, which could be further fragmented by the establishment of a Department of Arts, Culture and other functions~~

- Could create a sharp divide between the “academic” and “vocational” in the overall education system.

CONS

- The transfer of functions could be seen as a further fragmentation of social security services and raise issues of where policy responsibility lies or if a multi-agency approach to social security benefits
- Benefit administration responsibilities would likely dominate training and employment functions
- Potential implications for the service provided to other clients/customers of the T&E, eg school leavers and employers
- Practical constraints include: initial IT set-up costs of ££1million, significant initial accommodation costs in co-locating functions, and initial disruption to services
- Diminuates the possibility of engineering a strategic partnership between all

7. Option 4: Establish a Department of Training, Employment and Social Security

Transfer the non-health/Jobseeker's Allowance (JSA) related social security benefits to a new Department combined with the training and employment functions of the DED/T&EA.

PROS

- Brings greater coherence to combining social security benefits with a focus on assisting the socially excluded to move from unemployment to training and into employment eg Welfare to Work, New Deal – employability focus
- Is in line with current Government policy on “single gateway” by providing a common entry point for claims to all benefits for people of working age.
- Is in line with Better Government and one stop service policies
- New Targeting Social Need characteristics
- Retains the FE and HE coherence within DENI

CONS

- The transfer of functions could be seen as a further fragmentation of social security services and raise issues of where policy responsibility lies on JSA matters common to other social security benefits
- Benefit administration responsibilities would likely dominate training and employment functions
- Potential implications for the service provided to other clients/customers of the T&EA, eg school leavers and employers
- Practical constraints include: initial IT set-up costs of c£1 million; significant initial accommodation costs in co-locating functions; and initial disruption to services.
- Diminishes the possibility of engendering a strategic partnership between all

levels of education, training and employment

- The policy focus could be time limited if major inroads are made into levels of unemployment in the short to medium term

PROS

Strengthens the strategic linkages between training and FE.

Would prioritise Life Long Learning.

Provides a dedicated Minister

CONS

Separates FE from HE which is a departure from the consensus of the Murray Report.

Splits the FE and HE sectors which would be inefficient.

Could create a policy divide between the two sectors and "vocational" vs "academic" education systems.

Age of Transition

8. Option 5: Establish a Department of Adult Opportunity

Combine the training functions of T&EA with the Further Education and Life Long Learning. + Educate

PROS

- Strengthens the strategic linkages between training and FE.
- Would prioritise Life Long Learning.
- Provides a dedicated Minister

CONS

- Separates FE from HE, which is at variance to the core thrust of the Dearing Report.
- Splits the FE and HE coherence within DENI.
- Could create a sharp divide between the "academic" and "vocational" in the overall educational systems.
- Age differentiation.

9. CONCLUSION

- 9.1 As a scoping exercise there would appear to be no legislative or technical impediment to any of the options above, nor would there be any insuperable administrative obstacles. The 3 Department model would, certainly initially, be more costly than the 2 Department model. In the final analysis it will be a matter for the Assembly parties to assess the merits as to how Departmental policy coherence and efficiency can be achieved within the political and policy framework of the Assembly.
- 9.2 Arguably, the Assembly Executive could include the agreed policy priorities in a programme of government, allocate resources accordingly and expect that a Department of Economic Development and a Department of Education and Training would give effect to these priorities by providing strategic direction within the competency of the respective Departments.
- 9.3 Options 3, 4 and 5 above are based on the assumption that the policy focus and concentration is more likely to be achieved by relieving the existing Department of Education and Department of Economic Development (and to some extent the DHSS – Social Security Agency) of some of their functions and creating a wholly new Department, with a new culture and strategic corporate aims and objectives.

6 November 1998

WORKING GROUP MEMBERSHIP

Mr Ken Robinson	UUP
Mr Mark Durkan	SDLP
Ms Bairbre de Brún	Sinn Féin
Mr David Ford	Alliance
Mr Billy Hutchinson	PUP
Ms Jane Morrice	NIWC
Mr Gerry Loughran (Chair)	DED
Mr Nigel Hamilton	DENI
Mr Ian Walters	T&EA
Mr David Ferguson	Executive Support Team
Mr Paul Sweeney	Executive Support Team

CURRENT FUNCTIONS BY DEPARTMENT

Department of Economic Development

Economic Policy
Energy
Health & Safety
Industrial Research and Technology
Industrial Development
Local Enterprise Development
Corporate and Consumer Affairs
Tourism
Training and Employment

Department of Education

Schools (funding, teachers, inspection and administration)
Youth Services
Further Education and Higher Education
Libraries
Arts, Museums and Sport

NB The Training and Employment Agency, although formally part of the DED family, also currently reports to the Minister for Education to help facilitate greater education and training convergence