

CORPORATE AND BUSINESS PLAN

2015-16



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MINISTER'S FOREWORD

This Corporate and Business Plan outlines the work of the Department for Employment and Learning (DEL) for the 2015-16 financial year.

The Department for Employment and Learning is at the centre of the transformation of the economic and social landscape in Northern Ireland.

Our unifying purpose as a Department is to drive up skill levels, across a very broad front, developing the employability potential of everyone and in doing so, maximising participation within the labour market.

The latest data suggest that recovery is taking root in Northern Ireland, with the labour market showing positive signs of growth. There is a real opportunity for the Department to bolster the recovery further and ensure Northern Ireland is well placed to take advantage of wider growth in the UK and beyond.

I continue to be impressed at the professionalism, dedication and hard work of my department's staff both in delivering the many actions and objectives set out in previous business plans and in managing financial resources with the highest standards of corporate governance and accountability. I have no doubt that despite the many challenges ahead these standards will continue to be maintained.

Over the past few years, the Department has achieved a number of important outcomes.

Our key overarching strategy document - The Skills Strategy – Transforming Futures, continues to guide our activities in support of the Northern Ireland economy. Developing the skills and talents of the workforce is central to enabling Northern Ireland's businesses to develop and grow and to improve

our collective prosperity. We have a range of challenging targets to work toward. We will continue our work with key sectors of the economy to ensure their skills needs are met. We will also work more broadly with employers to help them to retrain and up-skill their employees, and enhance leadership and management skills. There have been a number of targeted interventions to assist key sectors such as Information and Communication Technology; Advanced Manufacturing and Engineering Services; Food and Drink; Manufacturing and Processing; and Hospitality and Tourism. In order to help the promotion and continued implementation of the strategy for Science Technology, Engineering and Mathematics (STEM), 'Success through STEM', the Department co-funded the inaugural Science Festival in February 2015. Due to the success of the festival, which saw audience figures more than triple what was expected, I hope that this will become an annual event.

Through our Assured Skills Programme, in partnership with Invest NI, we have seen a significant increase in the number of potential new jobs being announced by foreign direct investment companies, with 1,460 potential new jobs being announced during 2013-14 and a further 2,073 being announced during 2014-15, a total commitment of £4.6m from my department. Northern Ireland continues to show that it has the talent and skills to support business needs. I remain committed to working with our inward investors and local companies, to help them meet their skills needs, which will assist them in achieving their business objectives.

The ongoing implementation of the projects flowing from the Department's Higher Education Strategies, *Graduating to Success* and *Access to Success*, continues to provide the sector with a strong strategic focus for the future, and a framework for further developing a dynamic, high quality, world-renowned higher education sector which is accessible to any qualified individual in Northern Ireland irrespective of their personal or social background.

Following on from the report presented by the Review Panel into Initial Teacher Education Infrastructure in Northern Ireland, I will continue to engage with the sector with the aim of creating a more shared and sustainable teacher

training infrastructure in Northern Ireland that would be able to rival the highest international standards of quality.

Together with the Minister for Education, I also appointed an independent panel to review careers education and guidance. The panel produced a set of recommendations which were welcomed by both Departments and as a result the joint careers strategy has been updated. The new action plan reflects the importance of providing our current and future workforce with the advice and guidance they need to sustain a successful career, by highlighting areas of employment growth and the key qualities employers need to grow their businesses.

Further Education colleges have been highly successful in recent years in aligning with the stronger economic development role envisaged in *Further Education Means Business*. They are the main deliverers of skills training for employers and are key to the Assured Skills Programme, whilst continuing to deliver a wide range of provisions to an equally wide variety of learners with different needs and aspirations. However, during the coming year I will launch a new strategy for further education to ensure that the sector can build on its successes to date in meeting the needs of the economy and individual learners in the most effective way.

The Employment Service continues to make a significant contribution in helping people return to work with our performance substantially exceeding the Programme for Government Into Employment target. We have successfully introduced a new flagship employment programme, Steps 2 Success, and have developed a revised Client Offer which underpins our professional frontline service. We provide vital support to the local economy by meeting employers' recruitment needs and helping the unemployed into employment. We are also continuing to make progress in improving employability among other client groups, including those with disabilities.

Our Department developed and leads on *Pathways to Success*, the Executive's Strategy for addressing those who are Not in Education,

Employment or Training. A formal evaluation of the strategy was completed in April 2015 and the recommendations of the report will be included in a 'refreshed' strategy. Although the mainstream funding for NEET interventions ceased at the end of March 2015, DEL will continue to provide support to those Not in Education, Employment or Training through the Northern Ireland European Social Fund Programme from April 2015 to March 2018. Match funding of approximately £2.4m per annum is needed to fund this delivery.

Looking to the future, there are many important pieces of work now underway.

The Department is taking forward the implementation of the Northern Ireland Strategy on Apprenticeships through a range of projects which aims to test and pilot the new model of apprenticeship, for the purpose of securing implementation by 2016. This strategy will be central in transforming our skills landscape and in securing our economic success.

The Department has assumed lead responsibility for developing and delivering United Youth, a young people's good relations programme that will provide flexible, high-quality, young-person-centred opportunities. A number of pilots will be delivered throughout the financial year to test approaches. This programme, together with the outworking of the new Strategy for Apprenticeships, and the forthcoming Youth Training Strategy, has the potential to radically reshape the nature of youth development and training in Northern Ireland.

The operational programme for the Northern Ireland European Social Fund Programme for 2014-2020 has been finalised and published. The aim of the Programme is "to combat poverty and enhance social inclusion by reducing economic inactivity, and increase the skills base of those currently in work and future potential participants in the workforce." This will attract EU support of £170m which, when matched with the national counterpart funding, will give a total fund value of £417m.

Much of the groundwork has been completed towards implementing the findings of the Department's wide-ranging review of employment law. An Employment Bill has been prepared in draft which proposes modest changes to a number of key rights and to systems for resolving workplace disputes. Revised regulations and rules for tribunals have also been prepared for public consultation. This follows on from extensive legislative work done during the past year which allowed the introduction, from April 2015, of a new right for working parents to share pay and leave following the birth or adoption of a child, and the extension to all employees of the right to request flexible working.

The Department has also led on the development of 'Enabling Success', the Executive's new cross-departmental strategy to reduce economic inactivity in Northern Ireland.

Strong management and leadership are crucial to the future well being of the rebalanced Northern Ireland economy and will be critical in helping to attract investment. I have therefore instigated a review of policy and provision for management and leadership which will consider how we can best help leaders and managers in Northern Ireland to hone their skills and thereby boost their effectiveness and that of the companies in which they work.

This business plan is therefore central to the achievement not only for the co-ordinated success of this Department, but for the continued economic and social transformation of Northern Ireland.

Dr. Stephen Farry MLA
Minister for Employment and Learning

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PERMANENT SECRETARY'S FOREWORD

I am pleased to present the Corporate and Business Plan for the Department for Employment and Learning. This sets out our priorities and the actions we plan to undertake as part of our mission to promote learning and skills, prepare people for work and to support the economy through increased levels of economic participation.

To turn this Corporate and Business Plan into action we will regularly monitor our objectives to show how we are progressing. These objectives have primarily been carried forward from the skills related commitments that were in the previous Programme for Government (PfG) and from the strategies of *'Structured to Deliver Success'* – the implementation plan for the Skills Strategy for Northern Ireland. The responsibility for delivery of these objectives cascades down through our Divisions and Branches, into the personal objectives for individual members of staff. In this way every member of the Department can see how they personally contribute to realising the big picture and how we value the importance of their role in its achievement.

The Northern Ireland economy is becoming increasingly integrated into the global economy and is competing internationally for business and inward investment. Northern Ireland must therefore look beyond its own record on key areas such as skills, employment and innovation by assessing its performance in a national and international context. Whilst the OECD International Survey of Adult Skills published in October 2013 showed that adult literacy levels had improved over the last decade and a half, there is still much to be done if Northern Ireland is to close the skills gap with leading countries. The Department's strategic focus is aimed at addressing this gap.

In delivering our Plan we are committed to the principles of quality and responsiveness in the provision of our services, which are increasingly tailored and customised to meet individual needs, be they in our Jobs and

Benefits Offices or in education and training settings. We are committed to delivering reform and will be progressive, innovative and dynamic in our approach, underpinning our work with good corporate governance embedded in the principles of equality, openness and transparency.

We recognise and value the important role our people play in helping the Department achieve its objectives, and we renew our commitment, through delivery of our People Strategy, to providing staff with opportunities to enhance their skills and competences to deliver services of the highest quality. As we face the combined challenges of a major voluntary exit scheme and a restructuring of Government departments I appreciate that is potentially a year of considerable upheaval for our staff and that this will require both strong and sensitive leadership at all levels throughout the Department.

We are proud of the part we play in the delivery of employment and learning, which will contribute positively to the economic and social development of the region over the coming period.

Derek Baker

Permanent Secretary

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PREFACE

The 2015-16 financial year and its budget is operating in a very difficult fiscal environment. The Budget incorporates significant reductions in the allocations for the Department which are unprecedented. The final 2015-16 budget has been published by the Executive; however, if the Stormont House Agreement is not implemented there could be uncertainties regarding the sustainability of this budget during the year as the Executive are facing a major budget shortfall as a result of not implementing welfare reform. Before any further budget reductions are considered in 2015-16 the Department is facing internal resource baseline pressures of £12 million and a capital pressure of £7 million.

In addressing the impact of this significant budget reduction in 2015-16 the Department will focus on two broad priorities:

- to maintain programmes designed to contribute to the growth and transformation of the Northern Ireland economy through the skills agenda; and
- to protect programmes for the most vulnerable in our society.

The level of reductions for the Department will have an impact on higher education institutions. Although the Department and higher education institutions will make every effort to maintain undergraduate places, it is likely that there will be reductions. The reductions will also have an adverse impact on other areas such as the universities' research capabilities, the overall student experience, the number of courses on offer, and their ability to attract top academics and international students.

The further education reductions will have a direct impact on the number of places available in further education. Although the Department and further education colleges will make every effort to maintain places, it is inevitable

that there will be reductions. It is likely that the budget reduction will lead to staff losses and a significant reduction in student places.

The quantum of these cuts to student places and staffing levels will be decided by the higher and further education sectors.

Reductions to the Skills and Industry budget will impact on the quantity of training provided to business, especially for small and medium-sized enterprises. It will impact on the Department's objective of up-skilling staff in the workforce. Similarly, the reduction in funding for management and leadership programmes will reduce the numbers of individuals trained.

The budget reductions will also have an impact on the Department's ability to trial new approaches to tackling long-standing socioeconomic problems such as Northern Ireland's high levels of economic inactivity.

The Department's capital spending focuses almost exclusively on the further education and higher education estates. The Department is examining the scope for using alternative capital funding mechanisms to support its capital investment programme such as Financial Transaction Capital. This mechanism is likely to be relevant only to universities.

The Department's Resource budget for 2015-16 excluding the change fund is £694.7 million, compared to the Department's opening 2015-16 budget position of £756.2 million. This represents a reduction of £61.5 million (8.1%). In addition the Department received a ring fenced allocation from the change fund of £13.2 million.

Funds of £35 million previously allocated for Youth Employment, Pathways and Economy and Jobs Initiative came to an end in 2014-15.

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VISION, VALUES, STRATEGIC OBJECTIVES

OUR VISION

'A dynamic, innovative and sustainable economy where everyone achieves his or her own full potential'.

OUR AIM

'To promote learning and skills, to prepare people for work and to support the economy.'

OUR PURPOSE

The Department is a key contributor to the delivery of the Northern Ireland Executive's vision of a peaceful, inclusive, prosperous, stable and fair society. It is responsible for policy, funding, corporate governance and service delivery across the spectrum from employment through training, careers advice, further and higher education, research and innovation, all underpinned by employment rights.

The Northern Ireland Executive's top priority is the economy. Central to the delivery of economic change are our people and their skills, qualifications, talents, leadership and their level of economic participation. We are responsible for further and higher education, training and skills, employment programmes and employment law. Many people are struck by the diversity of the Department's portfolio, yet the majority of our work (with the exception of employment relations) is connected by one theme - equipping people with the qualifications or skills that they need to achieve their full potential and support businesses to grow our economy. This vision is articulated within the Skills Strategy for Northern Ireland, known as '*Success through Skills - Transforming Futures*', which should be viewed as the overarching strategy for the development of skills in Northern Ireland.

The Strategy sets out how we will achieve this vision by focusing on those who are:

- entering the labour force for the first time;
- recently qualified graduates from our higher education institutions;
- already in the workforce and need to be upskilled or reskilled, including our key focus on apprentices; and
- currently excluded from the labour force, by providing them with the skills to compete for jobs, retain jobs and progress up the skills ladder.

OUR VALUES	OUR STRATEGIC OBJECTIVES	MAIN AREAS OF ACTIVITY
<p>The values of equity, efficiency and effectiveness underpin the Department’s delivery of the commitments in its Corporate Plan. The Department will focus on its key priorities, will seek to provide a first class service to its customers in an impartial way, will strive to improve continually as an organisation and will motivate, develop and value its staff.</p> <p>We will contribute to the creation of a shared future - promoting integration and reducing division.</p>	<p>Our Strategic Objectives are:</p> <ul style="list-style-type: none"> • to promote economic, social and personal development through high quality learning, research and skills training; and • to help people into employment and promote good employment practices. 	<p>We pursue these objectives through four main areas of activity:</p> <ul style="list-style-type: none"> • promoting the provision of learning and skills, including entrepreneurship, enterprise, management and leadership; • encouraging research and development, creativity and innovation in the Northern Ireland economy; • helping individuals to acquire jobs, including self employment, and improving the linkages between employment programmes and skills development; and • developing and maintaining a ‘fit for purpose’ employment law framework.

OUR CUSTOMERS

We work with two main customer groups:

- individuals who are seeking to improve their levels of skills and qualifications or who require support and guidance to progress towards employment, including self-employment; and
- businesses in both the public and private sectors.

Key Challenges

This document covers the proposed one year extension of the Executive's Programme for Government (PfG) 2011-15. The Executive has yet to approve the revised PfG for 2015-16 due to continued budget negotiations therefore a number of the commitments may be subject to change. We will continue to play our part in delivering the Executive's priorities in a context of challenging economic and financial circumstances.

OUR KEY CHALLENGES

Our key challenges include:

- delivering our commitments as set out in the Executive's PfG (and shown in Annex A);
- delivering our capital investment plans as set out in the Executive's Investment Strategy for Northern Ireland (and also described in Annex B);
- implementing the various strategies outlined in Structured to Deliver Success – the implementation plan for the Skills Strategy for Northern Ireland. Through Structured to Deliver Success' attendant policies and strategies, such as the STEM Strategy, Graduating to Success, Careers Strategy, and the Employer Engagement Plan, the implementation of the Skills Strategy will help to raise the skills profile of the workforce, in line with its strategic goals, and address skills shortages and mismatches. (A copy of Structured to Deliver Success is available at <http://www.delni.gov.uk/structured-to-deliver-success.pdf>);
- delivering our commitments in the Executive's Economic Strategy (and also shown in Annex C);
- helping the unemployed and economically inactive find and keep work through the range of existing schemes and interventions, in addition to the new and innovative measures emerging from the strategy to address economic inactivity;
- helping young people gain the employability skills likely to be sought by prospective employers through the Youth Employment Scheme (YES) Work Experience Programme;
- improving the employment and training prospects of those young people who are not in education, employment or training;

- developing, testing options for, and implementing the United Youth Programme (UYP) to help young people develop citizenship, good relations and employability skills and experience;
- moving forward with the implementation of the NI Strategy on Apprenticeships to ensure future provision reflects the changing nature of the Northern Ireland economy, is highly regarded and offers progression pathways with equal parity to academic routes;
- publishing the final strategy for the new youth training system, and moving forward with its subsequent implementation to ensure that youth training at Level 2 prepares young people for progression to an apprenticeship, to further education at Level 3 or into employment;
- developing a new strategy for further education to ensure that colleges continue to support the economic and skills vision for Northern Ireland;
- developing a new qualifications strategy for Northern Ireland to support the delivery of apprenticeships, youth training and further education;
- determining measures to help increase economic participation by all sections of society; and
- using the financial and human resources at the Department's disposal to achieve value for money in delivering the commitments in the 2015-16 Business Plan.

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WHO WE ARE, WHAT WE DO, HOW WE DO IT

Who we are

We are Northern Ireland's employment and skills department. We are the fourth largest spending Government Department in Northern Ireland (our budget is £899m in 2015-16). DEL employs 2,200 staff, over 1,100 of whom work at the front line in 35 Jobcentres and Jobs & Benefits Offices (JBOs) across Northern Ireland, delivering an employment service and Welfare to Work Programmes. This provides the baseline of DEL's work for people at all points along the ladder of progression from those furthest away from employment to our most highly qualified graduates.

What we do

DEL's responsibilities include policy, funding, service delivery and corporate governance across a spectrum of activity including:

- helping unemployed people back to work;
- promotion of skills and management and leadership training in the workforce;
- provision of an all-age, all-ability careers guidance service;
- further education;
- higher education; and
- employment rights and relations.

How we do it

We achieve our objectives by delivering our commitments directly through our own people and services and by working with a wide range of partners including:

- higher education institutions;
- further education colleges;
- other Non-Departmental Public Bodies (NDPBs);
- the voluntary and community sector;
- commercial training providers; and
- the business community.

We report our PfG performance quarterly to the Office of the First Minister and deputy First Minister and we report our wider business plan targets in the Annual Report and Accounts document which is laid before the Northern Ireland Assembly.

These responsibilities are set out at Annex D.

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PLANNING CONTEXT

The Executive's Priorities

The Executive is committed to transforming Northern Ireland both economically and socially. It has articulated a vision for a Northern Ireland economy which is underpinned by higher value-added jobs, enhancements to productivity and competitiveness, increased skill levels and improved participation in education and training.

Growing the Economy

The Economic Strategy defines the overarching goal of improving the competitiveness of the Northern Ireland economy. In order to achieve this, the Executive is committed to strengthening our competitiveness through a focus on export-led economic growth. This means deepening and diversifying our export base, in order to increase employment and wealth. The key drivers will be innovation, research and development and the skills of our workforce.

The Executive aims to rebalance the economy to improve the wealth, employment and living standards of everyone in Northern Ireland. Alongside this, a number of immediate and complementary actions are being taken, aimed at rebuilding the economy, to address the impact of the global economic downturn, particularly on employment.

DEL's Role in Growing the Economy

The Department has a central role to play in delivering the Northern Ireland Economic Strategy. A skilled workforce is essential to a modern, knowledge intensive, export-driven economy. Skills and employability support the exploitation of other key drivers of economic success. They help economies make the most of new opportunities in high valued-added activities, they

encourage greater investment (including inward investment) and innovation, they help firms compete successfully in export markets and, ultimately, they support economic growth and enhanced productivity. Skills, employment and innovation commitments underpin the Executive's Economic Strategy and will be central to delivering its economic vision.

Skills and employment are not just essential to the economy, they are essential to social inclusion and addressing poverty. For most people, the best route out of poverty and welfare dependency is through work. The absence of educational attainment and skills in the workforce is associated with a lack of economic activity and investment in the most deprived areas. Tackling skill barriers and other barriers to employment is essential if social inequalities are to be addressed and if economic opportunities are to be opened up to all in society. Consequently, the broad range of actions in the Skills Strategy also supports the Executive's work on delivering social change.

To help deliver the key objectives of the Economic Strategy the Department has undertaken a review of apprenticeships resulting in the publication of the NI Strategy on Apprenticeships. This strategy has the potential to radically reform and improve our training landscape as well as meeting the future needs of business by developing a highly skilled workforce. The vision is to make Northern Ireland the gold standard for apprenticeships in terms of their quality and portability, both nationally and internationally, through a model which other countries aspire to replicate. This will be fully supported at level 2 by the forthcoming review of youth training strategy, and by the development of new strategies for further education and qualifications.

Economic Context

The global economic downturn has impacted significantly on the Northern Ireland economy. The region's heavy reliance on the public sector during a period of austerity, its proximity to the Republic of Ireland, which has been facing its own profound economic challenges, and adjustments to the local property and construction sectors have all weighed down on growth.

However, positive economic news is emerging with the local labour market now showing signs of improvement. Claimant unemployment is falling and the number of employee jobs has increased over the last year. Economic commentators are becoming uniformly more optimistic about future prospects while remaining mindful of the risks, including those that linger from the Eurozone crisis.

There is also a more encouraging outlook for the UK and broader global economy. That in turn will impact positively on economic fortunes here. The latest issue of the OECD's Economic Outlook report of November 2014 uplifted its Gross Domestic Product forecast for the UK to 2.7% for 2015¹. This positive view has also been echoed by the Office of Budgetary Responsibility in its March outlook report² with a forecast of 2.5%.

Nevertheless Northern Ireland's economy continues to face a number of longer term challenges including productivity levels that are too low and high rates of economic inactivity (the highest in the UK). Overall levels of unemployment, particularly long term unemployment and youth unemployment, remain a concern. It will be important for Northern Ireland's future growth prospects that people remain attached to the labour market and are upskilled. That is a key focus for the Department.

The local economy must continue to rebalance and rebuild, developing its strengths and grasping the economic opportunities that exist both now and into the future. Northern Ireland has a young population, one of the youngest in Europe. This represents a real economic strength for the future, particularly if their talents can be honed and harnessed fully. Furthermore, this region is one of the most successful in attracting Foreign Direct Investment (FDI) and companies that consider Northern Ireland report being attracted by the skills system which is increasingly focused on meeting industry needs³.

¹ Economic Outlook No 96 - November 2014 - OECD Annual Projections

² Economic and Fiscal Outlook – March 2015 – Office of Budget Responsibility

³ NI Executive (2012), Economic Strategy – Priorities for Sustainable Growth and Prosperity, SWOT Analysis <http://www.northernireland.gov.uk/ni-economic-strategy-revised-130312.pdf>

Demographic Context

Northern Ireland has a young population (0 to 14 years), younger than the UK average and second only to the Republic of Ireland within the European Union. This represents a potential economic strength for the future, if harnessed fully. These younger cohorts are likely to be better qualified than any of their predecessors. However, challenges remain in ensuring they have skills in areas that will match closely with future demand and that they do not become detached from a labour market which remains weak.

Despite having proportionately more young people, the demographic in this age range is in transition. The population of 16 and 17 year olds in Northern Ireland has fallen from just under 52,000 in 2007 to an estimated 49,000 in 2013, a fall of 6%. The fall in the number of young people is expected to continue until about 2018 when it is expected to bottom out at around 45,000. After that it is expected to rise again and recover to 50,000 by the end of the next decade (around 2030) reflecting recent rises in fertility. This group represents a key cohort for DEL as it is made up of those people that are about to enter the labour market for the first time.

Population projections also indicate a marked increase in the size of the population at older ages. The number of people aged 65 and over is projected to increase by around 42% in the period 2010-25. Moreover, the number of people aged 65 and over will continue to rise after 2025, and there are projected to be twice as many people aged 65 and over in 2047 than there are today.

The planned increases to the state pension age will change the composition of the working age population further with more people working longer. That will have implications for employers and for the Department as they seek to ensure that skill sets remain relevant throughout extended working lives.

Public Expenditure Context

Public expenditure has been increasingly under pressure as a result of the prolonged economic downturn. In order to remain within the resources agreed by the Executive and address emerging pressures, we produced a savings plan to balance the Budget over the period 2011-15. This has delivered resource savings totalling £129m per year by 2014-15.

The plan enabled the Department to allocate resources to priority areas in the higher education and further education sectors; to our adult employment programmes; and to help industries up-skill their workforce.

The Department's final resource budget for 2015-16 is £694.7m excluding the Change Fund. This represents a reduction of £61.5m compared to the Department's opening resource budget position of £756.2m. The Department also faces an inescapable pressure of £1.8m to meet a requirement for European Social Fund Departmental match funding, giving a total budget reduction of £63.3m. This represents a total one year budget reduction of 8.4%. The Department also received some £13.2 million that will be funded from the Change Fund. The Department's Change Fund allocation is ring-fenced and not available for any other purpose. With the inclusion of the Change Fund the Department's final resource budget allocation is £707.9m. In addition, the Department is losing £34.8m of time-bound funding that it has received over the past three years previously allocated for the Youth Employment Scheme, the Jobs and Economy Initiative and Pathways to Success, which ceased with effect from 31 March 2015.

The Department's high level savings measures plans to meet the £63.3m reduction are summarised below with further details provided at Annex E:

Savings Measure Title	£m
2014-15 Savings Brought Forward	17.8
Departmental Efficiencies and Reductions	17.4
Further Education Colleges	12.0
Higher Education Institutions	16.1
	<u>63.3</u>

In addressing the impact of this very challenging budget reduction in 2015-16 the Department will focus on two broad priorities:

- to maintain programmes designed to contribute to the growth and transformation of the Northern Ireland economy through the skills agenda; and
- to protect programmes for the most vulnerable in our society.

The Department therefore faces an exceptionally difficult challenge in 2015-16 to deliver its policy agenda against a backdrop of unprecedented budget reductions compared with 2014-15.

Department for Employment and Learning – Resource Expenditure

Objective and Spending Area	2014-15	2015-16	
	£m	£m	%
Objective A			
Employment and Skills	402.1	342.5	-14.8
Higher Education (including Teacher Training)	213.3	186.5	-12.6
Student Support and Postgraduate Awards	135.4	125.4	-7.4
Labour Market Services	39.7	33.1	-16.6
EU Peace Programme	-	0.4	+100.0
Total Objective A	790.5	687.9	-13.0
Final Budget Allocation	-	20.0	+100.0
Total	790.5	707.9	-10.4

Department for Employment and Learning – Treasury Ring-fenced Resource Expenditure (Student Loan and Depreciation and Impairment)

Objective and Spending Area	2014-15	2015-16	
	£m	£m	%
Objective A			
Employment and Skills	15.0	15.0	-
Higher Education (including Teacher Training)	1.7	1.7	-
Student Support and Postgraduate Awards	100.4	141.0	+40.4
Labour Market Services	0.5	0.5	-
Total Objective A	117.6	158.2	+34.5
Total	117.6	158.2	+34.5

The Department's capital allocation has reduced from £55m in 2014-15 to £33m in 2015-16. The Department's capital spending focuses almost exclusively on the further education and higher education estates. The Department is examining the scope for using alternative capital funding mechanisms to support its capital investment programme, for example, through greater use of Financial Transactions Capital. This mechanism is likely to be relevant only to universities.

Department for Employment and Learning – Capital Expenditure

Objective and Spending Area	2014-15 £m	2015-16 £m
Objective A		
Employment and Skills	20.1	17.5
Higher Education (including Teacher Training)	33.9	15.6
Student Support and Postgraduate Awards	-	-
Labour Market Services	1.1	0.1
Total Objective A	55.1	33.2
Total	55.1	33.2

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HOW WE DELIVER

Within the Executive's PfG, 'Growing a Sustainable Economy and Investing in the Future' along with 'Creating Opportunities and Tackling Disadvantage' are two of its highest priority areas for the period to 2016. These priorities are reflected in the 82 commitments set out in the PfG, five of which are to be delivered by DEL. These are listed in Annex A.

The aim of the Department, set out earlier, is right at the heart of these priorities and commitments. The Department has developed a Strategic Framework to encompass its work and maximise outputs from the delivery of policy and its frontline services. Within this framework the Department's work around skills and employment is reflected in its overarching themes of:

- Improving Productivity, Enhancing Skills;
- Addressing Barriers, Supporting People;
- Improving Quality, Raising Standards;
- Understanding Demand, Responding to Need;
- Improving Engagement, Developing Partnerships;
- Delivering Governance, Maximising Value; and
- Leading People, Improving Performance.

Improving Productivity, Enhancing Skills

The case for developing the skills and employability of our workforce is compelling. While improving, our skills profile remains weak compared to many other developed economies. There are too many with low qualifications and not enough with higher level skills. Countries such as Finland and Sweden have been found to rely heavily on their superior skills profiles to drive export growth and innovative capacity^{4 5}.

Research shows that, if we are to close the productivity gap with the UK, over 50% of jobs in 2020 will require higher professional and technical and other higher education level qualifications – up from about a third currently. The number of jobs available to those with low level qualifications will fall away dramatically – down from 27% to 10% by 2020.

In addition, recent research commissioned by the Department shows that skills will be critical in realising the full benefits of a lower corporation tax regime, should that be secured for Northern Ireland. The report sets out the importance of developing our skills base and the employability of our people. It highlights, in particular, the importance of strong skills in Science, Technology, Engineering and Mathematics (STEM); management and leadership; and literacy, numeracy; and employability skills, if we are to capture the full benefits of a lower Corporation Tax. Although we are already on the right path, what the research shows is that we will need to go even further to address the quantum of skills required under a low Corporation Tax scenario.

‘Success through Skills – Transforming Futures’ is the overarching strategy for much of the work of the Department in that it focuses on the range of people

⁴ ‘Building Economic Competitiveness – Lessons from small peripheral European States’ (DETI, 2011)

⁵ ‘Productivity, Innovation and Competitiveness in Small Open Economies’ (DETI, 2011)

Note: Essential Skills qualifications are included under the Strategic Theme of ‘Addressing Barriers, Supporting People’

the Department serves. It includes those who are entering the workforce for the first time through the further education, higher education and training sectors; those already in the workforce; and those who are unemployed or economically inactive.

As set out in '*Success through Skills – Transforming Futures*', of particular importance is the need to increase the number of people with higher level skills, management and leadership skills and people with skills in STEM subjects. While the Strategy recognises the importance of developing further work-based skills here at all levels, it also points to the substantial economic returns and productivity gains that can be secured by improving employability skills (such as problem solving and team working) and the Essential Skills of literacy, numeracy and Information and Communication Technology (ICT). Raising the skill levels for the least skilled has been shown to help them into work, stay in work and to progress in work.

To deliver the economic and skills vision articulated in '*Transforming Futures*', a number of supporting strategies have been developed and are being implemented including: 'Employer Engagement Plan'; '*Leading to Success*' – the Management and Leadership Strategy; '*Working for Success*' – the Strategy for the Employment Service; '*Preparing for Success*' – the strategy for careers education, information, advice and guidance; the STEM Strategy, 'Success through STEM'; and '*Success through Excellence*' – the Quality Improvement Strategy. '*Transforming Futures*' will also be complemented by '*Graduating to Success*', the Department's higher education strategy. In addition the Department will be undertaking a refresh of the 'FE Means Business' strategy, the further education strategy for Northern Ireland and will develop a new qualifications strategy to address the challenges highlighted in '*Success Through Skills – Transforming Futures*'.

Additional resources were made available in 2013-14 for leadership and management development. These were allocated across graduate (INTRO programme) and senior level leadership programmes, as well as for two new sector focused leadership programmes for the ICT and Food Manufacturing

sectors. These two Leaders in Industry programmes enabled 25 participants from each sector to benefit from leadership and management training tailored specifically to their needs, including the opportunity to engage with counterparts from other European territories and achieve a Level 5 qualification in leadership and management. In total, additional resources over the period 2013-14 to 2014-15, amounted to £1.2m.

Addressing Barriers, Supporting People

Equal access to DEL's services is fundamental to ensuring that all can share in and contribute to the economic success of Northern Ireland. However, recovery from the economic downturn is likely to take some years and there are many who have been adversely impacted by the recession.

Northern Ireland has the highest level of economic inactivity in the UK. A third of working age inactive people have no qualifications, compared with only one in ten of those in a job. Given the expected shift in the skills requirements of jobs here – towards higher level skills – the opportunities for this group of people to engage effectively in the labour market will become more limited over the next decade. There is a pressing need therefore to upskill those currently in employment and re-engage and upskill the considerable number of individuals without a job who have no or low qualifications.

Improving basic skills is also vital to the prosperity of the economy. In addition, a lack of ICT and 'technology literacy' also presents a significant barrier to social inclusion. Evidence shows these essential qualifications give individuals an increased opportunity to get a job for the first time, move into higher value added jobs and improve their quality of life.

Support for these groups will be key in terms of the opportunity to address barriers to allow them to enter employment, stay in employment and move up the skills ladder. The Employment Service Strategy '*Working for Success*' aims to provide an individualised approach to addressing barriers to employment to take account of the much more diverse client base who are

accessing their services. In addition, DEL will lead the implementation of the Executive's Strategy for young people who are not in education, employment or training. Evidence suggests that there is a tendency towards persistent disengagement from the labour market once the initial pattern is established. Labour Force estimates for the period October to December 2014 indicate that 37,000 young people aged between 16 and 24 (or 17.1% of the relevant population) are not in full time education, government supported training or employment.

These young people can face a variety of barriers and the Executive recognises that tackling the root of the issue is not the job of a single department or organisation. In 2012 the Executive endorsed the '*Pathways to Success*' strategy which is designed to reduce youth unemployment by preventing young people missing opportunities for education and training, particularly those who face barriers to participation, and increasing the employability of unemployed 18 to 24 year olds.

The Department has assumed responsibility for developing the United Youth Programme which is one of seven signature projects of this Strategy. Our vision for the United Youth Programme is to provide well integrated, flexible, high quality, young person centred opportunities for young people to learn new skills and take on new challenges. The Programme will help young people develop personally so that they can play their part in building better community relations, make a positive contribution to the community through volunteering and improve their career prospects through access to quality work experience and training, according to their individual needs, circumstances and goals.

Support will also be needed for those groups who do not traditionally consider or enter further education or higher education. Although Northern Ireland has an enviable record in widening participation to further and higher education, there remains some under-representation from certain groups in society. In September 2012 the Minister launched '*Access to Success*', the regional strategy to widen participation in higher education. The strategy has a strong

focus on the creation of a more accessible higher education sector in which the people who are most able but least likely to participate are given every encouragement and support to apply to, and to benefit from, higher education.

Improving Quality, Raising Standards

The Department undertakes an analysis of the quality and performance of its programmes and provision, assessing performance against its own key targets and PfG Executive commitments as well as identifying key actions to be taken forward to address any issues highlighted. This analysis supports the work and annual report of the Department's Quality Improvement Adviser. The analysis is underpinned by the principle that measuring and benchmarking quality and performance is an essential step towards improving quality.

The Department is keen to utilise existing and develop new national and international benchmarks. It has therefore taken steps to support the development of robust national and international benchmarking across its programmes. The Department's research agenda has been developed with an emphasis on benchmarking and includes a number of projects designed to extend the benchmarking reach further. The Department is working with the OECD to compare Northern Ireland's vocational education and training system internationally. It also participated in the Programme for the International Assessment of Adult Competencies (PIAAC), which assessed the level and distribution of adult skills in a coherent and consistent way across OECD countries. This research will support the Department's commitment to Improving Quality, Raising Standards.

Understanding Demand, Responding to Need

Understanding the needs and demands being placed on our services is a key ingredient to being able to deliver the skills required by industry, the help and support needed by individuals in terms of employment, and careers information advice and guidance. A strong message from the consultations

on the PfG is the need to progress an employment law agenda that promotes business growth through the creation of a strong and flexible labour market.

Understanding these demands and ensuring that the systems can respond to that demand with speed and flexibility is critical to Northern Ireland's economic fortunes. Availability of timely, high quality and meaningful labour market information will be an important aspect of understanding the demand for skills, an area which has been substantially enhanced by the Department over recent years and with the focus on that area continuing.

Improving Engagement, Developing Partnerships

The Department has a diverse range of partners with whom it develops and delivers its services. DEL recognises that it cannot deliver on its strategic priorities alone and places value on the relationships it has established with key stakeholders. DEL will also encourage others to work together in collaboration, based upon identified best practice models, to deliver upon the skills, employment and innovation agendas in Northern Ireland.

A clear focus on meeting the needs of customers is central to the Department's work. These customers are many and varied. Taking employers as an example, they currently interface with a number of different parts of the Department. Whilst this may make operational sense from a Departmental perspective, the result can be confusing for employers. Work is ongoing to refine the Department's interface with employers with a view to making it more customer-centric.

Delivering Governance, Maximising Value

The Department is committed to improving the performance, quality and value for money of all its services and provision within the context of a sound governance framework. The principles of 'Managing Public Money Northern Ireland' around honesty, impartiality, openness, accountability, accuracy, fairness, integrity, transparency, objectivity and reliability will be adhered to in

deploying the resources available to the Department. This will be complemented by the guidance on good governance in the 'Corporate Governance in Central Government Departments: Code of Good Practice NI'.

Leading People, Improving Performance

We value our staff. It is only through their commitment, professionalism and talent that we will be able to deliver this Plan. Managing the human resource impacts of Budget 2015-16 will of itself be extremely challenging, but allied to the Executive's decisions on how Government departments will be restructured during 2015-16, it is apparent that the Department is facing a turbulent year during which there will be risks to business continuity that will need to be carefully managed. The impact of these staffing and organisational changes should not be underestimated. Our commitments on how we will support our people so that they are equipped to deliver our business objectives is set out in an annual DEL People Strategy and action plan.

We set our key commitments in 2015-16 under each of these strategic themes in the Business Plan. Clearly our ability to deliver on all of these is subject to prevailing economic conditions.

8

CORPORATE COMMITMENTS

Corporate Governance

We operate a corporate governance framework which describes the system of direction and control for the Department and how we properly manage its affairs. It outlines the role of the Departmental Board, Senior Management Team (SMT), our Audit Committee and our Procurement Sub-Committee and describes our systems of governance, risk management and budgetary control.

In terms of risk management, the Department has a clearly articulated strategy which sets out its risk appetite. The Department has identified a number of key risks in connection with our strategic objectives. These are: Delivery; Demand; Supplier; Finance; Governance; Strategic Relationship; Staffing; Information; and Business Continuity. The Board, Departmental Audit Committee and SMT review corporate risks on a regular basis.

Equality

The DEL Equality Scheme has been developed in accordance with the Equality Commission's new Guide for Public Authorities on Section 75 and Schedule 9 of the Northern Ireland Act 1998. It was approved by the Equality Commission on 14 September 2011. Section 75 of the Northern Ireland Act 1998 requires the Department, in carrying out its functions, powers and duties, to have due regard to the need to promote equality of opportunity between:

- persons of different religious belief, political opinion, racial group, age, marital status or sexual orientation;
- men and women generally;
- persons with a disability and persons without; and
- persons with dependants and persons without.

In addition, we are required to have regard to the desirability of promoting good relations between persons of different religious beliefs, political opinions or racial groups.

In our Equality Scheme we set out how DEL proposes to fulfil its Section 75 statutory duties.

Corporate and Social Responsibility

A new policy screening process, Shared Future Policy Proofing, was introduced by the Minister in April 2012. The process, which is in addition to the requirements under Section 75, ensures that the impact of all major policies and business cases is assessed to determine the extent to which they promote sharing in terms of how people live, learn, work, play, or access goods, facilities or services.

BUSINESS PLAN

2015-16

1

Introduction

The Business Plan sets out in detail the actions we will take to meet our overall aims and objectives. To help manage performance, monitoring of business plan objectives is carried out on a regular basis. Progress is reported quarterly to the SMT, the Board and the Minister to ensure the objectives as set out in the Business Plan are being achieved.

As the PfG acknowledges, upskilling the workforce is critical to the attraction and creation of the new high quality jobs that the local economy needs and on which its future prosperity will rest. While much of this is taken forward under the auspices of the Economic Strategy, this is not solely an economic agenda. It also contributes to the need to tackle social disadvantage and economic inactivity so that everyone is equipped to participate fully in the economy, to support access to job opportunities and to ensure people have the training and development opportunities to fulfil their potential.

These priorities lie at the heart of the Department's purpose and are reflected within the overarching Skills Strategy for Northern Ireland, known as 'Success through Skills – Transforming Futures' and its implementation plan 'Structured to Deliver Success'. However, in pursuing that agenda the Department also contributes to many of the Executive's other key priorities – in helping to create a shared future, ensuring sustainable development, supporting the Delivering Social Change agenda, promoting equitable access to services across our rural and urban population, promoting a fairer society and delivering well governed high quality services.

This Business Plan sets out the key contributions that DEL and its related delivery bodies will make to that agenda in the financial year 2015-16 in the context of our vision and strategic objectives.

2

WHAT WE WILL DELIVER IN 2015-16

The Department will continue to ensure that its overall aim of promoting learning and skills, preparing people for work and supporting the economy is at the forefront of the objectives set in 2015-16.

Our 2015-16 budget allocations will allow us to take forward 48 key commitments, including those set out below.

- We will successfully launch a new Employment and Skills Strategy for People with Disabilities by January 2016;
- We will develop a revised Leadership and Management Strategy, to reflect the current and future management needs of Northern Ireland Companies (including micro-businesses) and social enterprises;
- We will make £0.8m available in the 2015-16 budget year for Northern Ireland SMEs and Social Economy Enterprises (SEEs) to develop their leadership and management capacity;
- We will further enhance achievement rates in Essential Skills and aim to deliver an additional 7,500 level 2 qualifications in literacy, numeracy and ICT skills by March 2016;
- We will help the higher education sector to improve the quality of the teaching and learning environment by providing £15.6m of capital investment;
- Through the Connected 3 programme, we will support our universities and FE colleges to undertake a further 111 knowledge exchange projects on behalf of local businesses by March 2016;
- We will provide at least 85% (circa 23,000-24,000) of pupils in their final year of compulsory schooling with face to face impartial and professional careers guidance and conduct over 15,000 guidance interviews with adults, contributing to economic growth and social mobility;

- We will participate in 50 cross-departmental strategy and policy development groups towards better joined up working across Government;
- We will implement a savings plan which will generate reductions in expenditure of some £63.3m to provide for investment in priority services and ensure we live within our budget;
- We will continue to implement our people strategy through our year 2 people plan and maintain our Investors in People accreditation;
- We will implement the DEL Research Agenda for the period 2015-16 'Underpinning Success'. We will conduct a programme of research and evaluation and publish a range of statistical bulletins on aspects of our services to appropriate quality standards and in a timely manner, so that policy decisions and programmes are informed by a robust evidence base;
- We will implement legislation to introduce, from April 2016, revised rules and procedures for employment tribunals;
- We will formulate and oversee the implementation of the 2015-16 workforce plan to ensure that the department achieves the required 7.99% saving in staffing costs; and
- We will work with senior colleagues in DETI and DSD to ensure a smooth transition of functions from DEL to the new Department for the Economy and Department for Communities.

3

TABLE OF KEY COMMITMENTS 2015-16

Commitment by Strategic Theme		Lead Division(s)
A Strategic Theme: Improving Productivity, Enhancing Skills		
A1	To deliver 64,000 qualifications at level 2 and above through DEL training, further education and higher education.	Higher Education; Further Education; Skills and Industry
A2	To achieve at least 20% representation as measured over the period 2015-16 from the most deprived areas in DEL provision. DEL provision comprises Essential Skills, employment and training programmes, further education and higher education. Most deprived areas comprise those in the lowest quintile on the Northern Ireland Multiple Deprivation Measure (MDM).	Higher Education; Further Education; Skills and Industry; Employment Services
A3	To maintain funding for an additional 850 higher education places in STEM subject areas.	Higher Education
A4	To develop a revised Leadership and Management Strategy, to reflect the current and future management needs of Northern Ireland companies (including micro-businesses) and social enterprises. Interim report published and recommendations agreed by March 2016.	Skills and Industry
A5	To make available £3m via Letters of Offer to deliver the Assured Skills project to support the inward investment activity of Invest NI. In addition a further £2m Change Fund will be made available during the financial year 2015/16 for upfront investment to achieve longer term benefits.	Skills and Industry
A6	To review the actions in the Skills Strategy to ensure the targets are achieved.	Skills and Industry

A7	To make £0.8m available in the 2015/16 budget year for Northern Ireland Micro Businesses, SMEs and Social Economy Enterprises (SEEs) to develop their leadership and management capacity.	Skills and Industry
A8	To commence the implementation of the apprenticeship strategy through a series of pilots to test key aspects of the new model, in preparation for its full implementation in 2016. To pilot apprenticeships, principally at level 3 and above to test aspects of the new apprenticeship model, as articulated in the NI Strategy on Apprenticeships. These pilots will inform full implementation of the new model which will commence in September 2016.	Youth Policy and Strategy
A9	Following the review of Youth Training Interim Report (published in November 2014), and its public consultation, to publish a final policy statement and implementation strategy document by Spring 2015.	Youth Policy and Strategy
A10	To develop a new Further Education Strategy for Northern Ireland. Drafting of consultation document is nearing completion and will issue for public consultation in April/May 2015. A 12 week consultation period will follow with the strategy published before the end of 2015.	Further Education
A11	To continue the implementation of projects flowing from the Department's two Higher Education Strategies: Graduating to Success - the Higher Education Strategy for Northern Ireland and Access to Success, the Integrated Regional Strategy for Widening Participation in Higher Education.	Higher Education
B Strategic Theme: Addressing Barriers, Supporting People		
B1	To further enhance achievement rates in Essential Skills and aim to deliver an additional 7,500 level 2 qualifications in literacy, numeracy and ICT skills by March 2016.	Further Education
B2	To assist 25,000 working age benefit clients into employment in 2015-16. Cumulative target 162,000 (2011-16)	Employment Services

B3	To commence implementation of the new Economic Inactivity Strategy 'Enabling Success', in partnership with the Department of Enterprise, Trade and Investment (DETI), Department for Social Development, InvestNI and the Department of Health, Social Services and Public Safety.	Youth Policy and Strategy
B4	During 2015-16, in conjunction with the SSA, to introduce a number of early implementation activities preparing staff and claimants for the introduction of Universal Credit in Northern Ireland from May 2016, and by 31 March 2016 to identify and plan for the deployment of appropriate IT systems required by UC clients.	Employment Services
B5	To successfully launch a new Employment and Skills Strategy for People with Disabilities by end of January 2016.	Employment Services
B6	To develop the United Youth Programme in partnership with OFMDFM and other relevant departments. To fund organisations to deliver approximately 10 pilots during 2015-16, targeting approximately 300 young people aged 16-24 who are not in education, employment or training. These pilots will help inform the roll out of the United Youth Programme, which is anticipated to take place in 2016.	Youth Policy and Strategy
B7	Through the European Social Fund, to work with the successful ESF applicant organisations and through a number of Departmental programmes to reduce economic inactivity and improve access to skills training for 132,600 people through the lifespan of the new ESF Programme 2014-2020.	Strategy, European and Employment Relations
B8	To secure passage of an Assembly Bill and regulations to introduce, from April 2015, a new right to shared parental leave and an extended right to request flexible working.	Strategy, European and Employment Relations
B9	Supporting the Northern Ireland Economic strategy, we will provide at least 85% (circa between 23,000-24,000) of pupils in their final year of compulsory schooling with face to face impartial and professional careers guidance, and conduct over 15,000 guidance interviews with adults, contributing to economic growth and social mobility.	Skills and Industry

B10	<p>To implement the Careers Review recommendations focusing on 4 key areas:</p> <p>1) Development of an accountability and quality assurance framework, including a possible statutory duty to provide impartial advice, by March 2016.</p> <p>2) Enhancing online provision including introduction of an instant messaging service by September 2015;</p> <p>3) Development of a central work experience website to provide guidance and information to pupils, schools, employers and parents on the benefits, selection and organisation of work experience. Scoping the potential for development of a central portal to ensure equal access to work experience for young people by September 2016; and</p> <p>4) Ensuring that all young people and parents have access to impartial and professional careers advice about opportunities and pathways in areas of employment growth, and of economic importance to Northern Ireland by March 2016.</p>	Skills and Industry
B11	To ensure there are no increases in student fees beyond the rate of inflation for Northern Ireland students studying here.	Higher Education
C Strategic Theme: Improving Quality, Raising Standards		
C1	To apply a rigorous continuous quality improvement framework across all our providers including publication of the sixth DEL Quality and Performance Assessment Report during the financial year (pending publication timeframe review).	Further Education; Skills and Industry; Strategy, European and Employment Relations

C2	To help the further education sector achieve a more sustainable, coherent and modern estate by providing £17.5m of capital investment (to bring forward the design phase of seven major new capital investment projects and to ensure the completion of the Performing Arts, Technology and Innovation Centre in Bangor. This funding will also permit significant investment in minor capital projects across all six colleges).	Further Education
C3	To help the higher education sector to improve the quality of the teaching and learning environment by providing £15.6m of capital investment.	Higher Education
C4	Through the new Connected 3 programme, support our universities and FE colleges to undertake a further 111 knowledge exchange projects on behalf of local businesses by March 2016.	Higher Education
D Strategic Theme: Understanding Demand, Responding to Need		
D1	Implement the DEL Research Agenda for the period 2015 - 2016 "Underpinning Success". Conduct a programme of research and evaluation and publish a range of statistical bulletins on aspects of our services to appropriate quality standards and in a timely manner, so that policy decisions and programmes are informed by a robust evidence base.	Strategy, European and Employment Relations
D2	To implement legislation to introduce, from April 2016, revised rules and procedures for employment tribunals.	Strategy, European and Employment Relations
D3	Using the Principles Of "Better Regulation" - complete a consultation on the revision of Tribunal Rules and Processes by December 2015 and establish an Expert Working Group to review the TUPE Regulations (2006) and the Service Provision Change Regulations (2006) by September 2015.	Strategy, European and Employment Relations
D4	To introduce an Employment Bill by June 2015 and to ensure successful passage by February 2016.	Strategy, European and Employment Relations
E Strategic Theme: Improving Engagement, Developing Partnerships		

E1	To work with the further education sector to develop and implement the provision of shared services across the sector. Shared Service provision across Procurement & Advertising and Marketing in place: other areas including Online enrolment, Customer Relationship and Management Information System (MIS) to be delivered in 2015-16.	Further Education
E2	BMC and NWRC will deliver a range of learning and skills programmes on behalf of the Northern Ireland Prison Service from 1 April 2015. This will contribute to the DoJ/NIPS reform of prison education and will contribute to the overall DoJ objective of reducing reoffending. The objective in 2015-16 is to embed the new arrangements with a view to evaluating impact in 2017.	Further Education
E3	To work with other administrations in the UK to develop National Occupational Standards (NOS) policy to maintain comparability and portability of vocational qualifications. UK- wide NOS Governance Panel in place and collective arrangements to procure required NOS in place. The target date for agreement on the new arrangements is November 2015.	Further Education
E4	To participate in 50 cross-departmental strategy and policy development groups towards better joined-up working across Government by 31 March 2016.	Strategy, European and Employment Relations
E5	To contribute to the work of the Barroso Taskforce by identifying and submitting DEL priorities and implementation plan by June 2015. Ongoing monitoring and appropriate action to achieve identified targets.	Strategy, European and Employment Relations
E6	To continue to lead the work of a Stakeholder Advisory Group and during 2015 hold three formal meetings to further implement the strategy for young people who are not in education, employment or training.	Strategy, European and Employment Relations
E7	To continue to work with DE, DETI, DCAL, DARD and DHSSPS to implement the STEM Strategy, 'Success through STEM' and to complete a stocktake and refresh of the Strategy.	Skills and Industry

E8	To work with senior colleagues in DETI and DSD to ensure a smooth transition of functions from DEL to the new Department for the Economy and Department for Communities.	Permanent Secretary
F Strategic Theme: Delivering Governance, Maximising Value		
F1	To implement a savings plan which will generate reductions in expenditure of some £63.3m to provide for investment in priority services and ensure we live within our budget.	Finance
F2	To ensure that our Provisional Non-Ring fenced Outturn (Capital and Resource) is at least 99% of the Final Budget.	Finance
F3	To produce the annual Resource Accounts on time and to professional standards.	Finance
F4	To continue to ensure compliance with Equality and Human Rights responsibilities.	Strategy, European and Employment Relations
F5	Continue to maintain the core funding of the Universities' knowledge exchange activities through the new NI Higher Education Innovation Fund (HEIF) 4 funding stream (£3.96m per annum) with targets for the Universities to: undertake 1,792 SME engagements; secure Intellectual Property income of £950k; and establish four new spin out businesses. (All by end of Academic Year 2014/15, reportable Nov 2015).	Higher Education
F6	To ensure migration of Further Education sector procurement activities to Central Procurement Directorate. Project Board has overseen transfer of procurement activities in line with Northern Ireland Public Procurement Policy and the process is ongoing.	Further Education
G Strategic Theme: Leading People, Improving Performance		
G1	To ensure our leaders at all levels have the skills to lead positively and effectively in order to deliver key business results with focus on delivering operational excellence in this period of unprecedented change.	HR and Corporate Services
G2	To continue to implement our people strategy through our year 2 people plan and maintain our Investors in People accreditation.	HR and Corporate Services

G3	To reduce the days lost per member of staff through sickness to 7.9 days by March 2016 through robust application of absence management policies and to support staff to maintain and improve their health and wellbeing.	HR and Corporate Services
G4	To formulate and oversee the implementation of the 2015-16 workforce plan to ensure that the department achieves the required 7.99% saving in staffing costs.	HR and Corporate Services; Finance

ANNEX A

TABLE OF DEL PROGRAMME FOR GOVERNMENT COMMITMENTS

On 12 March 2012 the First Minister and deputy First Minister published the PfG 2011-15. The PfG identifies the actions the Executive will take to deliver its number one priority – a vibrant economy which can transform our society while dealing with the deprivation and poverty which has affected some of our communities for generations. Of the 82 commitments listed in the PfG, DEL has responsibility for five. These are listed below including the milestone values the Department aims to achieve. At the end of the PfG period, three of the commitments had been achieved with one on track for achievement. The fifth commitment relating to student fees is a policy commitment whose delivery consists of maintaining the policy.

Commitment	Milestones		
	2012-13	2013-14	2014-15
Increase uptake in economically relevant Science, Technology, Engineering and Mathematics (STEM) places.	233 additional places	467 additional places	700 additional places
Upskill the working age population by delivering over 200,000 qualifications.	105,000 qualifications ⁶	53,000 qualifications	53,000 qualifications
Develop and implement a strategy to reduce	Develop a strategy	Implement key	Further implementation

⁶ Figure also includes 2011/12 qualifications

economic inactivity through skills, training, incentives and job creation. ⁷		actions from the strategy	of key actions from the strategy
Support people (with an emphasis on young people) into employment by providing skills and training.	65,000 ⁸	89,000 cumulative	114,000 cumulative
Ensure there are no increases in student fees beyond the rate of inflation for Northern Ireland students studying here.	Apply policy to not raise fees	Apply policy to not raise fees	Apply policy to not raise fees

⁷ This is a joint commitment with the Department of Enterprise Trade and Industry (DETI)

⁸ Figure also includes 2011/12

ANNEX B

INVESTMENT STRATEGY FOR NORTHERN IRELAND (ISNI) COMMITMENTS

A modern infrastructure is critical to the future success of this region – it underpins our economy and society.

Investment in the higher and further education estates will help to ensure that the infrastructure exists to deliver high quality courses to create a skill-pool and research capabilities that are essential to support the expansion of home-grown businesses and also to attract inward investment.

In 2015-16 we will provide capital financing of over £33m to the higher education and further education sectors. The Further Education sector has a capital allocation of £17.5m in 2015-16. £3m of the capital budget will enable the completion of the South Eastern Regional College's Performing Arts and Technology Innovation Centre (PATIC) in Bangor by July 2015. It will also enable the award of design contracts for major capital investment developments the Southern Regional College (Armagh, Banbridge and Craigavon), in the South West College (Enniskillen), and for the completion of the business case for estate requirements at the Northern Regional College. The funding will also be utilised for the design and initial construction costs for the North West Regional College Springtown campus refurbishment project and for the delivery of essential minor works, specialist equipment and vehicles.

The Higher Education sector has secured £15.6m for 2015-16. This will permit several key projects to continue such as work on the Queen's Lanyon main site Masterplan and the completion of its computer science facilities in its Bernard Crossland Building. Ulster University will complete its work on the rationalisation of its Coleraine campus and commence work on several new developments, namely a new teaching block at its Magee campus and the

improvement of its sports facilities at the Coleraine campus. Stranmillis University College will carry out a refurbishment of the foyer in its Central building.

In the longer term, the Department's key ISNI commitments are:

- to focus attention beyond 2015-16 to those further education colleges that have not had significant investment in recent years, and where existing facilities are not fit for purpose, to deliver a sustainable and coherent regional college network. The design work that will take place for 3 new college campuses at Southern Regional College in 2015-16 and the ongoing work to complete a business case for Northern Regional College estate reflect the stated Ministerial priorities for the FE Estate; and
- to continue to support investment in our higher education sector allowing institutions to plan ahead strategically.

ANNEX C

ECONOMIC STRATEGY COMMITMENTS

The Northern Ireland Economic Strategy⁹ (NIES) was published on 13 March 2012 as a key supporting pillar of the Executive's PfG 2011-15. The strategy establishes a long term commitment (up to 2030) to rebuild and rebalance the Northern Ireland economy with an increased focus on export based growth. It is built around six strategic themes (five rebalancing and one rebuilding):

- stimulating innovation, R&D and creativity;
- improving employability and the level, relevance and use of skills;
- competing in the global economy;
- encouraging business growth;
- developing economic infrastructure; and
- promoting employment and improving employability and employment opportunities.

The Minister for Employment and Learning is a member of the Executive Sub-committee on the Economy which developed the Economic Strategy. The Department is also represented at senior level in a Working Group tasked with supporting the Sub-committee and, looking forward, to monitor and report on implementation of the Economic Strategy.

The Economic Strategy is closely aligned with the strategic direction of the Department in the key areas of skills, innovation and employment/employability. The strategic importance of these areas for economic recovery and future growth are evident in the strategy and in the Comprehensive Action Plan¹⁰, which was published alongside the Economic Strategy in March 2012. The Department's economic focus is reflected in its 32 Economic Strategy commitments, which span across each of the six NIES strategic themes.

⁹ <http://www.northernireland.gov.uk/ni-economic-strategy-revised-130312.pdf>

¹⁰ <http://www.northernireland.gov.uk/economic-strategy>

The Department's proposed commitments under the NIES are set out below under each relevant theme. The reference number for each commitment reflects the numbering applied in the NIES Comprehensive Action Plan. Responsibility for some commitments is shared between DEL and its delivery partners, for example other government departments and employer groups.

Theme A: Stimulating Innovation, R&D and Creativity

- A7 Support our universities and further education colleges to undertake 155 knowledge transfer projects on behalf of local authorities. (DEL) (By 2014)
- A17 Maintain the core funding of the Universities' knowledge transfer activities through Northern Ireland HEIF (£3m per annum) with targets for the Universities to:
- Undertake 1,140 business engagements;
 - Secure £863k income from Intellectual Property; and
 - Establish 8 new spin out businesses. (DEL) (July 2013)
- A18 Provide £50m funding for university research based on quality-assessed outcomes. (DEL) (July 2012)
- A19 Maintain strategic investment (£1m per annum) in collaborative higher education / further education engagement with business through the Connected programme with a target for the universities and further education colleges to establish 14 major sectoral projects with local businesses involving at least one university and one college. (DEL) (March 2014)

Theme B: Improving Employability and the Level, Relevance and Use of Skills

- B1 Deliver 210,000 qualifications at Levels 2, 3, 4 and above (through higher education, further education, Essential Skills and training) to encourage people to move up the skills ladder. (Responsibility for delivery involves DEL working with employers) (By March 2015)
- B2 Increase skills in subject areas important to the Northern Ireland economy and implement the actions within the STEM Strategy contributing towards achievement of the strategic goals set out in the Northern Ireland Skills Strategy 'Success through Skills – Transforming Futures'. (Responsibility for delivery involves DEL working with employers) (By March 2015)
- B3 Develop a collaborative action plan to address the specific skill needs of the ICT sector. (Responsibility for delivery involves DEL working with employers) (By June 2012)
- B4 Develop an integrated framework that will assist companies and individuals to identify their key management and leadership development needs and provide effective signposting to relevant support. (Responsibility for delivery shared between DEL, DETI and Invest NI) (By Summer 2012)
- B5 Work with the relevant professional bodies to identify the key skill issues in relation to sales and marketing, with a focus on developing Northern Ireland's capacity for export-led growth and to develop appropriate actions. (Responsibility for delivery shared between DEL, DETI and Invest NI) (By 2012-13)
- B6 Introduce a 'Skills Solutions' Service which will act as a single point of contact for employers so that they can more easily identify and access the support they need. (DEL) (By March 2015)

- B7 Maintain higher education tuition fees for local students studying here at current levels subject only to inflationary uplifts, while providing additional student places in areas of economic relevance. (DEL) (2012-15)
- B8 Expansion of Foundation Degrees - undertake a publicity and promotion campaign for Foundation Degrees to increase enrolments to 2,500 by 2015 from a baseline of 1,132 in 2010. (DEL) (By 2015)
- B12 Simplify the current skills advisory infrastructure so that employers are able more effectively to articulate their current and future demand for skills. This will include close integration with the MATRIX and wider Foresight programme. (DEL) (By 2015)
- B13 Conduct research to assess how the demand for skills and labour market capacity will alter in a lower Corporation Tax environment and consider how skills and employment policy can help realise the full benefits of lower Corporation Tax. (DEL) (By early 2012)
- B18 Support the further and higher education sectors to further develop their economic focus. This will include consideration of the recommendations from MATRIX and from other Foresight studies and activities. (DEL) (2015)
- B20 Incentivise employment of the long term unemployed through linking DEL's StW Programme to the Invest NI Jobs Fund. (Responsibility for delivery shared between DEL, DETI and Invest NI) (Up to 2015)
- B21 Implement the European Social Fund programme to reduce economic inactivity and increase workforce skills. €414m of which 40% from European Union, 25% by the Department and the remaining 35% by other government and public bodies. (Responsibility for delivery shared between DEL, DETI and Invest NI) (Investment made over the period 2007-13)

- B22 Develop strategic employment strategies for Belfast and Derry/Londonderry aimed at increasing employment and reducing economic inactivity in Northern Ireland's two main cities. (Responsibility for delivery shared between DEL supported by DETI/DSD, the relevant City Councils, further education colleges, local employers and employers' representative groups) (March 2013)
- B23 Work across departments to tackle the increasing issue of those who are not in education, employment or training. Agree and introduce an Executive strategy for young people who are not in education, employment or training by April 2012 and produce a report on implementation by autumn 2014. (Responsibility for delivery shared between DEL and other relevant departments) (By April 2012)
- B26 Ensure that pupils have access to high quality careers education, information, advice and guidance supported by labour market information and the promotion of STEM and other innovation relevant subjects. (Responsibility for delivery shared between DE and DEL) (Ongoing)
- B27 Develop a European Social Fund 2014-20 programme aimed at enhancing employability and increasing the overall employment rate, in particular for those groups at a disadvantage in the labour market. (Responsibility for delivery shared between the Department of Finance and Personnel (DFP), DEL and Other departments) (Ongoing)
- B28 As the economy grows, encourage skilled people (including those non domiciled in Northern Ireland) to consider Northern Ireland as a place to live and work. (DEL) (Ongoing)
- B29 Promote early resolution of workplace disputes as an alternative to formal litigation through employment tribunals. (DEL) (Ongoing)

Theme C: Competing in the Global Economy

- C24 Support the skills needs of the tourism and hospitality sector by designating it as a priority area and providing £255,000 to assist 1,500 staff in hospitality and tourism achieve the Level 2 World Host qualification. (DEL) (2011-12)
- C32 Carry out research to establish the difficulties faced by SMEs in discharging their employment rights/relations responsibilities and determine what cost-effective support measures can be put in place to address identified challenges. (DEL) (Dec 2012)
- C33 Undertake a review of Northern Ireland employment law, consistent with Better Regulation Principles, with the aim of ensuring an effective employment law framework which will stimulate business confidence while maintaining the rights of individual employees. (DEL) (2015)

Theme D: Encouraging Business Growth

- D7 Allocate £3m per annum for the Assured Skills programme to help attract and embed Foreign Direct Investment and meet the needs of indigenous companies creating new employment. (DEL) (Ongoing)

Theme E: Developing Economic Infrastructure

- E26 Invest £55m in higher education infrastructure and £8m in further education infrastructure to ensure the provision of modern, fit for purpose, teaching and research facilities. (DEL) (By 2015)

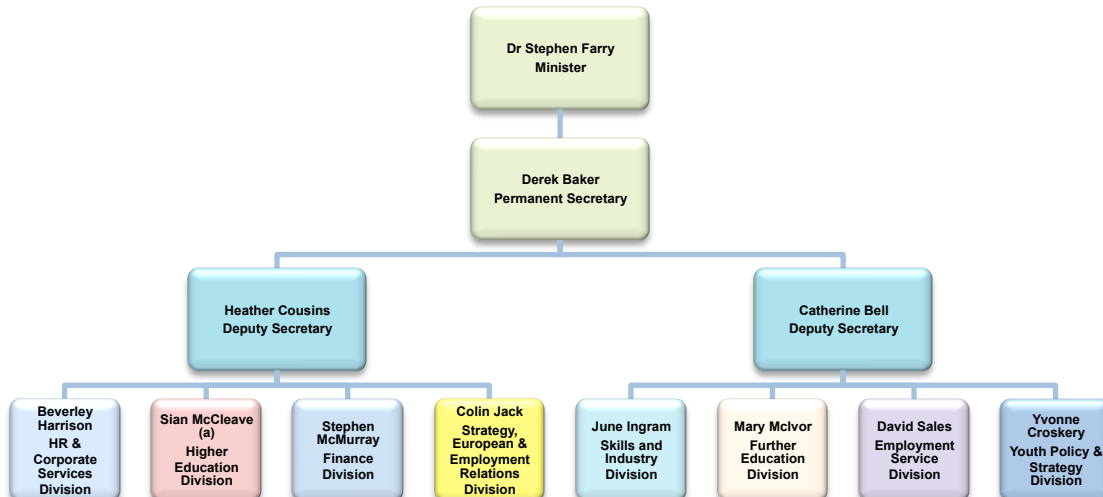
Theme F: Promoting Employment and Improving Employability and Employment Opportunities

- F10 Under the StW programme, offer a period of supported self-employment for those who have an interest in running their own business. (DEL) (Ongoing)
- F12 Within a wider strategy which encourages young people to enter employment, education and training, address the issue of youth unemployment by delivering 6,000 work experience and training opportunities by 2015. (DEL) (Strategy to be effective 2012-13)
- F13 Explore options to further address graduate unemployment with a particular focus on ensuring that our actions in this area will assist with the rebalancing of the economy. (Responsibility for delivery shared between DEL, DETI and Invest NI) (During 2012)
- F14 To ensure that job opportunities in emerging growth sectors are supported by the new work programme, and training provision available to the unemployed. This is the next generation of the StW programme. It is currently under development and will be the main adult 'back to work' programme funded by the Department. (DEL) (By 2015)

ANNEX D

DEPARTMENTAL STRUCTURES

Department for Employment and Learning



Higher Education Division

The aim of Higher Education Division is to promote and sustain the development of an internationally competitive higher education sector, accessible to all who are able to benefit and which meets the needs of the Northern Ireland economy and wider society.

In 2012 the Department published the first higher education strategy for Northern Ireland “Graduating to Success” and also “Access to Success”, the strategy for widening participation in higher education. Implementation of the 19 projects which flow from the two strategies spans the period 2012-2020 and good progress has been made across all of the projects. It is intended to complete an interim review of the implementation of the two strategies to date in 2015-16 with a view to informing planning, best use resources and improving implementation during the remainder of the programme.

The Department provides significant funding each year to the Queen's University of Belfast, the University of Ulster, St Mary's and Stranmillis University Colleges and to the Open University in order to enhance the universities' research capabilities and quality; exploit fully the contribution which the universities can make to the economy and, in particular, to increase their responsiveness to the needs of business and the community; and improve quality and standards of teaching and learning alongside promoting greater flexibility in delivery.

The Division also provides policy support and funding in relation to student fees and student support.

HR & Corporate Services Division

HR and Corporate Services Division manages the Department's staffing, training, infrastructure and support services, its internal processes and its internal and external communications. The Department currently employs approximately 2,200 staff in all grades across a network of 42 offices. HR and Corporate Services Division works in partnership with HRConnect, IT Assist, NI Direct and Records NI in the delivery of a range of corporate services to management and staff in the Department.

The Division discharges these responsibilities through its branches: Human Resources; Information and Communication Technology and Consultancy Services Branch; Central Management Branch; Communications Branch; Facilities Management Team; and the Learning and Development Team.

Finance and Commercial Services Division

Finance Division provides Financial Planning & Management and Corporate Governance support to the Department.

This includes production of monthly management and annual resource accounts; advice on forecasting and budgetary management; submission of

provisional and final outturn to DFP; and formulation and approval of Estimates.

The Division also coordinates departmental risk management; monitors progress against PfG commitments; produces the departmental Corporate and Business Plan; reviews Business Cases, Economic Appraisals, Arm's Length Body pay remits; and is the key contact for carrying out procurement within the Department. In addition, the Division delivers the Performance and Compliance Management functions for a number of major contracted out programmes.

Strategy, European & Employment Relations Division

Strategy, European and Employment Relations Division leads implementation of the Executive's strategy *Pathways to Success* for Young People who are not in education, employment or training, as well as DEL's contributions to a range of inter-Departmental strategies. It administers the Northern Ireland European Social Fund Programme and leads DEL's European engagement strategy. The Division is responsible for employment relations policy and legislation in Northern Ireland, and for oversight of the Labour Relations Agency, the Industrial Tribunals and Fair Employment Tribunals. It includes the statutory Redundancy Payments Service. Finally, the Division supports policy development and evaluation across DEL by providing the Department's Analytical Services functions.

Employment Services Division

The Employment Service has 1,310 full time equivalent staff, 1,130 of whom are located in the 27 JBOs and eight Job Centres located throughout Northern Ireland.

The role of the Employment Service is to provide a quality service to help clients prepare for, find and retain work as early as possible. The service is tailored to individual clients' needs, helping them to address any barriers to

work. The Employment Service delivers a number of employment programmes including Steps 2 Success which was introduced in October 2014 and YES Work Experience Programme, for 18 to 24 year olds introduced in August 2015. Steps 2 Success delivers a flexible service designed to meet the needs of unemployed and economically inactive participants. The standard of service to all participants is underwritten by a Service Guarantee. The Employment Service also provides a tailored service to employers, assisting them with their recruitment needs. The Disability Employment Service provides a range of disability related employment programmes and services including Access to Work, Workable, Work Connect, the Job Introduction Scheme and the Condition Management Programme.

The Employment Service is responsible for one Arm's Length Body, Ulster Supported Employment Limited (USEL), which is an executive NDPB sponsored by the Department. The mission statement of USEL is to expand the choice of paid job opportunities for people with disabilities and health related conditions. It does this by supporting, providing and promoting employment for this client group.

Skill & Industry Division

The broad aim of Skills and Industry Division is to support the enhancement of workforce skills in Northern Ireland so that we may compete effectively in the global economy, by providing people with the skills to compete for jobs, retain jobs and progress up the skills ladder. This is in relation to three key groups: people entering the labour force; those already in the workforce who need to be upskilled; and those who are currently excluded from the labour force. The Division has a wide remit and covers the following areas: skills policy, the Assured Skills programme, management and leadership development, sectoral development including the sponsorship role for the Construction Industry Training Board (CITBNI) and the UK Commission for Employment and Skills (UKCES), the Careers Service, running the current ApprenticeshipsNI and Training for Success programmes and an overall

quality and performance function across further education, training, employment and European Social Fund programmes.

Further Education Division

The overall aims of the Further Education (FE) Division are to ensure that further education is at the heart of learning, in order to strengthen economic development, enhance social cohesion and advance the skills of the people of Northern Ireland.

The FE Division has responsibility for four main areas: financing the FE sector, developing and implementing policies which support the overarching strategy '*FE Means Business*', and the new strategy which is under development, determining and overseeing effective governance arrangements and taking forward a programme of investment in buildings and infrastructure.

The FE Division guides policy implementation and the strategic direction of the six colleges in Northern Ireland: Belfast Metropolitan College, Northern Regional College, North West Regional College, South Eastern Regional College, Southern Regional College and South West College. Campuses are located across Northern Ireland in 26 cities and towns and cater for almost 156,000 full and part time students.

Youth Policy and Strategy Division

The aim of Youth Policy and Strategy Division is to develop a comprehensive service offering for young people in the 14 to 24 year old age group that will help them realise their full potential in terms of skills, qualifications, employment potential and career progression. This will include the provision of quality information, advice and guidance and specific mentoring support for those who can benefit from it as well as working to improve the quality and currency of all provision. Integral to this work will be the development of citizenship and the promotion of good relations in line with the principles set

out in the NI Executive's Good Relations Strategy – "Together: Building a United Community."

ANNEX E

DEL Savings Delivery Plans

In order to live within the resources agreed by the Executive and create space to fund inescapable pressures, the Department is required to implement a savings plan which will generate reductions in expenditure of some £63m to provide for investment in priority services.

The Department's high level plan is summarised below;

Savings Measure	Savings Measure Title	Amount (£m)
1	2014-15 Savings Brought Forward	17.8
2	Departmental Efficiencies and Reductions	17.4
3	Further Education Colleges	12.0
4	Higher Education Institutions	16.1
Total		<u>63.3</u>

Notes

1. Savings identified in 2014-15 that are deemed to be recurring and will be made in 2015-16 are £17.8 million and are detailed in the below table:

2014-15 Savings Brought Forward	Amount (£m)
Unallocated Funds	13.1
Skills Programmes	3.0
Departmental Efficiencies	1.7
Total	<u>17.8</u>

2. The principal areas in which savings of £17.8 million were identified are:

- unallocated funds in respect of resources that would have been available for investment in priority areas;
- reductions in funding for demand-led skills programme, due to reduced numbers of participants; and
- departmental efficiencies arising from savings in the Office of Industrial Tribunals and Fair Employment Tribunals, reductions in advertising costs, and alternative delivery mechanisms and other efficiencies.

Savings Measure 2 – Central Departmental Efficiencies and Reductions

3. A summary of the savings identified are included in the table below:

Central Departmental Efficiencies and Reductions	Amount (£m)
Contract management savings	1.5
Alternative delivery mechanisms	0.5
Management & Leadership programme	1.0
Reduction in skills support to industry	2.3
Employment Service efficiency savings	3.5
Departmental efficiency savings and reductions	6.6
Planned over-commitment	2.0
Total	<u>17.4</u>

4. The principal areas in which savings of £17.4 million were identified and their impacts are:

- efficiency savings in the contracting arrangements for the Steps to Success programme; these will not impact directly on frontline service delivery;
- the Department will no longer hold the licence to deliver Investors in People in Northern Ireland and an alternative, less expensive

arrangement, will be put in place by the UK Commission for Employment and Skills which is the licensor for Investors in People in the UK;

- reducing the rate of Departmental contribution provided for up-skilling individuals in Leadership and Management Development from 100% to 50%;;
- reduced budgets for support to industry for up-skilling the workforce – this is likely to have an impact on the achievement of skills objectives and will require employers to make a greater contribution to their own training programmes;
- Employment Services efficiency savings have come about as a result of better ways to operate Work Connect and a revision to the Condition Management Programme Model along with changes to Local Employment Intermediary Service; none of these will have a direct impact on frontline services; and
- departmental efficiencies and reductions include a range of back-office functions and other overheads. In addition, forecasts in respect of Education Maintenance Allowances have been reduced to allow for potential reductions in demand and Apprenticeship NI funds have been reduced to allow for the impact of new Change Funds on current schemes. Every effort will be made to avoid any impact on frontline service delivery.

Saving Measure 3 - Further Education

5. The total further education budget reduction of £12 million expressed as a percentage of the further education colleges baseline of £177 million is 6.8%. The reduction is as follows:

Further Education Colleges	Amount (£m)
Essential skills	0.5
Leisure and Hobby	2.0
Learner Access Engagement	1.3
Harmonisation of full time higher education fees	0.7
English for Speakers of Other Languages	0.2
The Office of Qualifications and Examinations Regulation / Council for the Curriculum, Examination and Assessment	0.1
General Cut – Colleges decision	1.2
Draw down of End of Year Flexibility	6.0
Total	<u>12.0</u>

This reduction represents a major challenge and will have an impact on student enrolments and staffing levels.

6. The six colleges indicate that there may be a drop of 26,000 part-time further education places in 2015-16; however this is a provisional and early estimate and may be worst case scenario estimation. It is also estimated that over half of the 26,000, some 17,000 part-time places, are from the removal of the Leisure and Hobby subsidy. Staffing levels will also be impacted with Colleges NI anticipating staff reductions.

7. To mitigate the total reduction of £12 million, it is proposed that a release of £6 million End Year Flexibility held specifically for use by the further education sector will be sought in June Monitoring. The colleges have identified staff exit costs in order to operate within budget and the Department supported a bid to the Public Sector Transformation Fund, agreed as part of the Stormont House Agreement, for which governance arrangements are currently being established.

8. Further education colleges are by their nature attuned to the needs of business and industry. They are experts in developing and delivering

an economically-relevant curriculum to a high standard which provides the skills that learners need and employers want, and the reduction will impact on service delivery.

Saving Measure 4 - Higher Education

9. The total higher education budget reduction of £16.1 million expressed as a percentage of the baseline budget adjusted for other reductions comes to 4.8%. However, excluding student support from this calculation, the figure is 8.4% which reflects the overall reduction in the Department's resource budget.

10. It is estimated that 540 fewer undergraduate places will be offered to Northern Ireland domiciled students, with the impact affecting first year entrants. Many Northern Ireland students may be forced to travel to Great Britain if they wish to take up a higher education place. The universities also predict staff reductions which would be both academic and non-academic posts. In addition to this, the number of courses offered will reduce and the quality of research undertaken may also be adversely affected.

11. Northern Ireland's higher education providers play a vital role in meeting the skills needs of the local economy, not only by providing a supply of highly qualified graduates, but also through re-skilling and up-skilling the existing workforce. In terms of a wider global context, high technology, sustainable investment tends to follow the flow of knowledge and be anchored in a region with highly qualified and skilled people. The reduction will have an impact on service delivery.

ANNEX F

PLANNED LEGISLATIVE PROGRAMME 2015-16

Primary

Primary Name	Stage	Division	Deadline
1. The Employment Bill	Bill to be introduced in 2015; Royal Assent to be secured by March 2016	Strategy, European and Employment Relations	Subject to relevant Executive and Assembly approvals, Royal Assent to be secured by March 2016

Subordinate

Subordinate Name	Type	Division	Deadline
1. A Statutory Rule to combine and update the regulations and rules of procedure governing industrial tribunals and the Fair Employment Tribunal.	Statutory Rule (Negative resolution)	Strategy, European and Employment Relations	March 2016
2. The Working Time (Consolidated) Regulations (Northern Ireland) 2015	Statutory Rule (Negative resolution)	Strategy, European and Employment Relations	New primary power created in Work and Families Act. In final stages with DSO. SL1 letter ready to go to E&L Committee
3. The Transfer of Undertakings (Protection of Employment) (Amendment) Regulations 2015 (and possibly a related Service Provision Change (Amendment) Regulations (Northern Ireland) 2015)	Statutory Rule (Negative resolution)	Strategy, European and Employment Relations	Ongoing. To be confirmed

4. The Conduct of Employment Agencies and Employment Businesses (Amendment) Regulations (Northern Ireland) 2015	Statutory Rule (Draft affirmative resolution)	Strategy, European and Employment Relations	December 2015 (tbc)
5. The Education (Student Loans) (Repayment) (Amendment) Regulations (Northern Ireland) 2016	Statutory Rule (Negative resolution)	Higher Education	To come into operation on 6 April 2016
6. Student Fees (Amounts) (Amendment) Regulations (Northern Ireland) 2015	Statutory Rule (Negative resolution)	Higher Education	To come into operation in September 2016
7. The Education (Student Support) (No. 2) Regulations (Northern Ireland) 2009 (Amendment) Regulations (Northern Ireland) 2015	Statutory Rule (Negative resolution)	Higher Education	To come into operation in December 2015
8. The Industrial Training Levy (Construction Industry) Order (Northern Ireland) 2015	Statutory Rule (Negative resolution)	Skills and Industry	To come into operation on 31 August 2015

PRIMARY

1. The Employment Bill

A medium-sized Bill to incorporate the outcomes of the Northern Ireland review of employment law. The review's themes are: efficient and effective tribunals; effective dispute resolution; and better regulation.

It is probable that the Bill will also deal with issues that were not included within the main employment law review consultation, but were consulted upon separately. These issues include zero hours contracts, public interest disclosure, the components of an apprenticeship, and the provision of careers guidance.

SUBORDINATE

1. A Statutory Rule to combine and update the regulations and rules of procedure governing industrial tribunals and the Fair Employment Tribunal

It is intended that new regulations, which will be subject to public consultation prior to being made, will replace existing provisions governing employment tribunals (industrial tribunals and the Fair Employment Tribunal) with a single, consolidated set of rules designed to provide for a more efficient and effective tribunal process.

2. Working Time (Consolidated) Regulations (Northern Ireland) 2015

Amongst other matters, The Working Time Regulations (Northern Ireland) 1998 (as amended) provide for working hours and annual leave entitlement for workers in Northern Ireland. The Department, together with a range of key stakeholders, has completed a review of the 1998 Regulations and several sets of amending Regulations with a view to consolidating all provisions into one statutory rule. Whilst the 1998 Regulations, and most of the amending regulations are made under section 2(2) of the European Communities Act 1972 and are subject to negative resolution procedure in the Assembly, the amendments contained

in the Working Time (Amendment) Regulations (Northern Ireland) 2007 are made under Article 15 of the Work and Families (Northern Ireland) Order 2006 and are accordingly subject to confirmatory procedure. The Department's legal advice is that the consolidation of the various Working Time Regulations into a single statutory rule requires primary legislation. A power has been included in the Work and Families Act to allow for the completion of the consolidation process.

3. Transfer of Undertakings (Protection of Employment) (Amendment) Regulations 2015 (and possibly a related Service Provision Change (Protection of Employment) (Amendment) Regulations (Northern Ireland) 2015)

The purpose of the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) is to preserve the employment and terms and conditions of employees, who are transferred to a new employer, when a relevant transfer takes place. The TUPE Regulations apply on a UK-wide basis, with the exception of the elements relating to Service Provision Changes. Separate (but not identical) Service Provision Change Regulations apply in Northern Ireland. In conjunction with the GB Department for Business, Innovation and Skills, DEL consulted in early 2013 on possible amendments to TUPE, including the Service Provision Change elements. GB brought in amendments to the TUPE regulations in January 2014. Consideration is still being given to the way forward for TUPE in NI following the consultation responses. The timing of any required revisions to the governing legislation has yet to be finalised.

4. The Conduct of Employment Agencies and Employment Businesses (Amendment) Regulations (Northern Ireland) 2015

The Department is responsible for the regulation of the private recruitment sector in Northern Ireland. Enforcement is carried out by the Department's Employment Agency Inspectorate (EAI).

The relevant legislation is the Employment (Miscellaneous Provisions) (Northern Ireland) Order 1981 ('the 1981 Order') and the Conduct of

Employment Agencies and Employment Businesses Regulations (Northern Ireland) 2005 ('the Regulations').

The Regulations were amended in 2008 and 2010. The Regulations are designed primarily to protect work-seekers and hirers who use the services of employment businesses (for hiring temporary workers) and employment agencies (for recruiting permanent employees).

Under Better Regulation measures included in the Department's Employment Law Review, a pilot review of the Conduct Regulations was carried out during 2013. This resulted in a set of proposals which, following consultation, are likely to result in legislative amendments.

5. The Education (Student Loans) (Repayment) (Amendment) Regulations (Northern Ireland) 2016

These Regulations provide the statutory framework for the collection and repayment system for income-contingent repayment student loans. Annual amendments are usually of a technical nature and reflect changes required by Her Majesty's Revenue and Customs as a result of changes to UK-wide tax legislation.

6. Student Fees (Amounts) (Amendment) Regulations (Northern Ireland) 2015

These Regulations will prescribe the basic and higher amounts which higher education institutions in Northern Ireland may charge by way of tuition fees in academic year 2016-17 to qualifying persons on qualifying courses.

7. The Education (Student Support) (No. 2) Regulations (Northern Ireland) 2009 (Amendment) Regulations (Northern Ireland) 2015

These Regulations will make provision for support (eg grants and loans) for eligible students taking designated higher education courses in academic year 2016-17.

8. The Industrial Training Levy (Construction Industry) Order (Northern Ireland) 2015

This Order is made annually and enables CITB-NI to collect a statutory levy from employers. The purpose of the body is to encourage the training of those employed or intending to be employed in the construction industry in Northern Ireland.