

STATES OF JERSEY

Corporate Services Scrutiny Panel Economic Stimulus Package

TUESDAY, 15th DECEMBER 2009

Panel:

Senator S.C. Ferguson (Chairman)
Connétable D.J. Murphy of Grouville
Deputy T.A. Vallois of St. Saviour
Deputy M.R. Higgins of St. Helier

Witnesses:

Deputy J.R. Reed of St. Ouen (Minister for Education, Sport and Culture (ESC))
Mr. D. Greenwood (Assistant Director, Education, Sport and Culture)

In attendance:

Ms. K. Boydens (Scrutiny Officer)
Mr. M. Robbins (Scrutiny Officer)

Senator S.C. Ferguson (Chairman):

Welcome to our hearing on really what is happening with the Highlands College bit and the Education, Social Security and E.D.D. (Economic Development Department) sides of it. You have no doubt read the health warning that is underneath the piece of paper in front of you, several times. If you can just say who you are and what your position is for Linda who is manning the recording.

Deputy J.R. Reed of St. Ouen (Minister for Minister for Education, Sport and Culture):

My name is Deputy James Reed, I am the Minister for Education, Sport and Culture.

Mr. D. Greenwood (Assistant Director, Education, Sport and Culture):

My name is David Greenwood, I am the Assistant Director of Education, Sport and Culture.

Connétable D.J. Murphy of Grouville:

Dan Murphy, Constable of Grouville and member of the committee.

Senator S.C. Ferguson:

Sarah Ferguson, Chairman.

Deputy T.A. Vallois of St. Saviour:

Deputy Tracy Vallois of St. Saviour.

Deputy M.R. Higgins of St. Helier:

Deputy Mike Higgins of St. Helier

Mr. M. Robbins (Scrutiny Officer):

Mick Robbins, Scrutiny Officer.

Ms. K. Boydens (Scrutiny Officer):

Kellie Boydens, Scrutiny Officer.

Senator S.C. Ferguson:

That is just in case they scream for help during the hearing. Right, as I have said already we are sort of looking at ... we could not quite get our heads around the educational bids and the monies going across and that sort of thing. So how are your bids coming along?

Minister for ESC

Well, certainly after perhaps a slower start than we would have hoped we had the green light on 4 particular bids, including the Advance to Work youth training, the careers service incentive scheme, the graduate training scheme and the extended apprenticeship scheme. We have been required, as you are well aware, to identify likely costs and I think that has perhaps been one of the most challenging issues for us, to try and anticipate perhaps the demand for particular courses and initiatives that we have introduced. Some areas were much easier than others to determine, including obviously the enrolment at Highlands of particular courses, where we went from a normal figure of about 740 students to just under 840 students. The courses are obviously up and running. We have seen, I believe, success in a number of areas already but equally we have come to realise that the graduate training scheme, which we thought would be in demand has not been and that is good because it means that our graduates who have returned from university have found employment.

Senator S.C. Ferguson:

Have you any evidence of that?

Mr. D. Greenwood:

We have some evidence in that normally we get a 65 per cent return of our graduates but it takes 10 years for that to happen. So normally we would expect about 150 graduates to return to the Island. Our concern this year was not so much for that 150 graduates but the other 250 graduates who normally stay in England, we felt there may be a situation this year where they could not find any work in England and would probably turn up here. It seems that the discussions we had with industry prior to September, prior to the students returning, industry in Jersey seemed to be indicating that they were not going to cut back on their graduate recruitment and it would appear that is the case to date and we have spoken to them since and certainly the finance industry has kept up its graduate recruitment so the 150 students that would normally come back seem to have all found employment and we have not had the return of anything like we expected of students unable to find jobs in England. So it is not that we have got a particularly positive view that students are not finding jobs, we have got a negative view in the sense that we have not had too many students coming our way saying they are struggling. They know where to come because the career service is regularly in touch with our students and in fact there are graduate newsletters that

go out every term to the universities. There is plenty of advice on what to do if they were having problems. There is a couple but nothing like the numbers that we imagined and we think we can do something for those graduates within a bigger scheme for people who are of a certain age group who are not necessarily graduates but we can sort those into the scheme anyway.

Minister for ESC

I think the important point is that apart from the work that is being carried out at Highlands we have the career service and the career service has been proactively promoting the need to approach them, we have relocated the career service within the Social Security building so we are producing sort of a one-stop shop which equally helps that people who are looking for jobs or financial support are directed straight towards the career service who can properly guide and advise them on what is available.

Senator S.C. Ferguson:

Yes, this was something we were a little confused about because all the programmes are being done at Highlands apart from the skills service. Now, somewhere in the back of my tiny mind I thought that the Skills Executive and the Advance to Work were in fact being organised by Social Security, but obviously I am confused.

Mr. D. Greenwood:

The various bids which went into the fiscal stimulus group came from the Skills Board, approved by the Skills Executive, and that was a joint effort on behalf of 3 departments, that was Social Security, Economic Development and Education. So all of these bids, you could say there were 3 parties involved in the bids. But the overall management I suppose you would argue was mainly down to Education. Within Education the careers services is one of the services that we manage.

Deputy T.A. Vallois:

Could you explain why the management is down to Education?

Mr. D. Greenwood:

Largely because the careers service historically was part of the education services, Highlands College is part of the education service and when we set up the Skills Board we defined 3 very distinct areas of activity for the Skills Board to take in. That was understanding employer demand for skill, and that was very much E.D.'s (Economic Development) input there; it was about translating that demand so that learners understood and people understood what industry was looking for and that was a careers service and that was pretty much to do with Education; and it was also managing the provision to make sure that once you know what the demand is and people know what the demand where they can find the training that they need. Again, that tends to be Highlands College although it is not exclusively Highlands College. So the management of those areas fell on my shoulders and I work for Education, Sport and Culture, but I am also responsible for running the Skills Board.

Minister for ESC

That is part of, I believe, the success of the initiatives and the programmes that have been developed because as much as we have 3 departments involved within the Skills Executive, the Skills Board is a group of people from the private sector ably chaired

by Richard Plaster but, as importantly, supported by one of my department's directors who has a responsibility for further and higher education in any event. One must not forget that further and higher education is a natural extension of our education programme that we have in place to support 5-18 year-olds. I think even the Skills Board would agree, it made absolute sense that my department should be the one that would be driving and supporting the programmes and initiatives that had been put in place.

Deputy T.A. Vallois:

So when the careers move down to Social Security, do they stay under E.S.C.'s (Education, Sport and Culture) budget or do they go under Social Security?

Mr. D. Greenwood:

What we have done is on a day-to-day basis their first port of call for advice and guidance and management would be myself in Education. But what we have done, the 3 departments have ring-fenced the budget for careers for Highlands College, for universities and all the other stuff like that, we are ring-fencing to the one budget.

Deputy T.A. Vallois:

Who is politically responsible for that then?

Mr. D. Greenwood:

The accounting officer is my own.

Minister for ESC

So, we are as a department. I think the important thing is when we moved, it was a physical move rather than transferred roles and responsibilities and it was to just ensure that the link between seeking work, benefit and careers advice was located in one place. On top of that, and alongside that, 2 or 3 doors down, we have the Youth Inquiry Service which is based at La Motte Street which, again, it directly links in to those other 2 services. So I would suggest that what we now have in place is actually a more effective system.

Senator S.C. Ferguson:

Super. Now, I wonder - I hate to say this - can we cut down the length of answers because you have not got much time and we have not got much time.

Minister for ESC

Sorry, point taken.

Senator S.C. Ferguson:

So what is happening with the bid in financial terms?

Mr. D. Greenwood:

Which bid in particular? There are 5. I can talk you through them all if you like or ...

Minister for ESC

Would it help if we provided some ...

Senator S.C. Ferguson:

We have a copy of the letter that you sent to Alan Breckon's panel. Is that a fair summary of what is going on or have you moved on since that letter?

Mr. D. Greenwood:

We have probably moved on since then. In terms of the Advance to Work programme we set out our store, we said what we thought we could do. The plan was we would take young people who could not find work, who did not want to remain in full-time education, on to a programme of work experience allied to off the job training. We put out a plan to the fiscal stimulus group which initially suggested we start with something like 45 young people and we build ... and we have to predict the rate of interest among that. We were overtaken by demand. We expected to be arriving probably at about 60-70 young people by now, we are already at 80 which was the January target. So the funding has been a little bit behind the delivery, but it has not stopped us delivering in any sense of the word. We have got the green light now for 2 tranches of money. At the moment there are about 85 young people working with us, participating in the scheme, they are in a variety of companies and doing work experience throughout the Island and they are getting, on average, something like a day and a half a week of off the job training. Most of that is at Highlands College but it is not exclusively so. Some of the training they are doing, for example, is in first aid because it is a good certificate to have on your C.V. (curriculum vitae) and they are doing that with the St. John's Ambulance. To date 4 young people have managed to convert their training placement into a full-time sustainable permanent job. In terms of Highlands College, we predicted a 100 extra 16 and 17 year-olds would want to stay on at the college. Our predictions were largely correct. It came out at 97. Those young people are doing the kind of courses that they would have done if they decided initially not to go into work but to stay on at college. So they are doing B.T.E.C. (Business and Technology Education Council), they are doing courses that lead them to recognised national and international qualifications and they seem to be doing very well at that.

Deputy T.A. Vallois:

That is the additional places at Highlands?

Mr. D. Greenwood:

That is the additional places at Highlands, yes.

Deputy T.A. Vallois:

Are any of the courses that they have been provided to go on longer than the 2 years?

Mr. D. Greenwood:

Probably not. The longest would be a 2 year course, and that will be an issue in a couple of years' time, I guess, if there is a sudden decision to withdraw the fiscal stimulus money because the problem has gone, we have probably still got a group of young people who need to do their second year so that is something we will be discussing obviously with the fiscal stimulus panel as we go. But, no, I do not think we have committed ourselves 2 years on anything. Some young people do do 3 years at Highlands College and that is when they B.T.E.C.1 followed by 2 years at B.T.E.C.2. But you sign up for the B.T.E.C.1 and see how you go. So we have not encountered that problem yet. But, again, we made our predictions to the fiscal stimulus panel, we needed to spend very early because you have got to get the kit in

place and you have got to get the staff in place. We got the green light when we needed it and so in September Highlands College was able to recruit 100 extra students, and the students would not know whether they were fiscal stimulus or not. They are as identical as the rest of the course. The feedback that we are getting is that they are doing very well.

Senator S.C. Ferguson:

So apart from the Advance to Work course, have you created any new courses to accommodate the numbers?

Mr. D. Greenwood:

Yes, what Highlands did, where they could fill in, they infilled. So if they had a course that had 12 students on it and it could take 15 then they would take the extra 3. If, however, there were 20 applicants then they would have to employ another member of staff part-time and put a parallel course in place, so there were new courses but not new subjects as such.

Deputy M.R. Higgins:

So they used flexibility ...

Mr. D. Greenwood:

Yes, we are fortunate in the sense that the way Highlands College is made up is we rely on a lot of part-time lecturers and so we can groom and contract the teaching force as we need to.

Deputy M.R. Higgins:

Very good.

Mr. D. Greenwood:

The other package that you asked about was the careers strengthening scheme. That essentially was we were concerned that the careers service, as it was constructed, would not be able to cope with a huge influx of adults if a major company went down and so we put together a career strengthening package which initially ensured that if someone came through that door Social Security would look after their money and worry about that and then we would take them on and start trying to rebuild their career for them. Again, that has been a fairly seamless operation. We have also been putting on quarterly job fairs and the rules of the game there are we invite employers to come along only if they have jobs to offer. We have had 2 of those. Highly successful operations with people finding work as a result of that. We have got the third one coming up in January and we are a little bit less optimistic about that one. It is a difficult time of year is January, but we will continue with those as long as we have employers who have jobs to offer. On top of that we have been doing short courses, very short courses for people who, for example, may not have written a C.V. in the last 20 years and they just need to know again how to write a C.V., how to present yourself at interview. There is another piece of work going on which we are hoping to kick off in the New Year which is about trying to understand where there are gaps, where there are vacancies that could be filled and looking at the skills that are required to fill them. So, for example, if you had a group of builders that were made unemployed and a company that was saying: "I do not need builders but I do

need dry liners, could you convert a builder to a dry liner in a fortnight? If so, that is what we would like to do.” So that is the next part of the ...

Deputy M.R. Higgins:

How many students did get employment from those 2 trade fairs that you have had, effectively?

Mr. D. Greenwood:

I could not tell you.

Deputy M.R. Higgins:

So you have no exact figures?

Mr. D. Greenwood:

I do not know but the careers service ... well, the careers service could give an indication. Sometimes they have been given a lead, they have been given a date and we do not know whether they have got a job as a result of that or not. But certainly I can get some information for you from the careers service on that.

Deputy M.R. Higgins:

Please.

Senator S.C. Ferguson:

How do you reckon that the money spent on the college bid will filter through to the local economy?

Minister for ESC

I have been provided with some information that suggests that the multiplier effect is one in 7. That is based on some research carried out in the U.K. (United Kingdom).

Senator S.C. Ferguson:

Sorry, one in ...?

Minister for ESC

For every £1 spent you get approximately £7 back. I will provide you with the reference for that information later on.

Senator S.C. Ferguson:

That will be helpful, thank you.

Minister for ESC

How does it filter through is quite an interesting question. I would suggest that we end up with an increase in better skilled workforce, more able to access employment. There is less impact on the income support benefit type system, which benefits not just the individual but government and the Island as a whole. It also increases the earning power of the individual that is improved or increased their skills.

Deputy M.R. Higgins:

What you virtually describe, though, is not the multiplier effect. The multiplier effect is that for every pound that you spend how much extra is generated in the economy.

Minister for ESC

Exactly, that is what ...

Deputy M.R. Higgins:

You are saying 0.7 so, in other words, the transmission mechanism would be through the staff that you have employed to run the courses, their salaries and what they are going to be spending, what you are spending on materials or additional things you need to do the course. So the other things you are talking about are all tangible benefits that come with it but they are not the multiplier effect.

Minister for ESC

But we are talking about economic ... I have just been asked about how it sort of filtered through to the local economy and all of those benefits, improvements, are bound to filter through to the economy.

Deputy M.R. Higgins:

But I think the question was phrased in terms of the money that is being injected into Highlands in this way, how that is generating into increased spending within the economy.

Senator S.C. Ferguson:

I think perhaps if you send us the reference to the English work that would probably be ...

Minister for ESC

Are you suggesting that the benefits that I have mentioned do not contribute or will not contribute to improvements in the economy?

Deputy M.R. Higgins:

No, no, as I said, there are benefits to the Island in other ways but they are not ... the question was we were talking about the multiplier effect of the money that we are injecting, that is not an answer to the multiplier effect so if we see the figures you have got that will be useful, what you are basing it on.

Minister for ESC

I do not want to get into a discussion with you on the matter but I would have thought that if we as a government are investing £100 into providing higher education or further education to an individual who then improves their skills, which then allows them to access better employment and remain on the Island, support the economy and contribute directly to the economy through improvements in earnings, that is surely a multiplier effect.

Deputy M.R. Higgins:

Long term, yes. I think we are getting into ...

Senator S.C. Ferguson:

I think we are getting ... yes.

Deputy M.R. Higgins:

I am looking very narrowly at what a multiplier is in terms of the income generated from this particular programme. So if you provide the figures, we can look at those anyway.

Senator S.C. Ferguson:

Tracey brought up the concept of the multi year course and what are you going to do for the youngsters ... for instance, if they start a course next year and the fiscal money runs out, have you had any thoughts as to how you are going to cope with that?

Minister for ESC

We have had a thought. I am not sure if we can come up with any real solutions. Certainly, as I understand it, past experience has shown that any initiatives that have been introduced during an economic downturn, and I believe the last was in about 1997, subsequently there was, even after the improvement in the economy, a need for additional training and further education. So we accept that there will most likely be a continuing demand which will need to be met. What that demand is is very difficult to define at present. What I need to do is first of all ensure that the current programmes are hitting the target, and this is where the Skills Board come in and their direct links with local businesses on the Island because they will and have been able to identify where the skills gaps are needed and equally they are charged with identifying and measuring success in meeting those skills needs and employment opportunities.

Senator S.C. Ferguson:

That goes on to our next question, how are you going to measure the success? Who is doing the measuring, what are the criteria, what are you measuring?

Mr. D. Greenwood:

It is a very interesting one. I think at the moment in terms of young people part of the measure is that they will come out with improved skills. We hope that they will come out with qualifications that are better than what they were intending. We are also hoping that by doing this they are not going to feel as though they are on the scrap heap but they do feel that they are able to keep their motivation going and that they are in a fit state to take jobs when they come up. So one of the criteria we have been looking at is a staying on rate and the recruitment rate. Now, we have been very encouraged by this group of 16, 17, 18 year-olds who could have gone down to Social Security and said: "I am an adult in my own right now, I am entitled to low income support, give me £90 a week, please, and I will go home and play with my Playstation in my bedroom." They have not done that, they have come in large numbers and shown that they are willing to learn, that they do want to join the world of work, that they want to become adults and they want to be independent in their own right. So that was a success rate to start with. Our job now is to keep them in that frame of mind, keep them motivated and make sure that they are up and ready when the jobs come up. It would be lovely to say that one of the best indicators is whether they get jobs or not, but we are not in control of the economy. So although you can say ultimately we want these young people to get jobs and to gain employment and to become independent people in their own right, that is a bit of a wish. From our point of view, since we are not in control of that, the things that we can measure are the way that they are recruited how we keep them on the scheme, how well they qualify and the attitude that they leave us with. Those are the key things for us.

Senator S.C. Ferguson:

Are you going to do anything like check in with them and check that they are still in the jobs that they first had when they left you?

Mr. D. Greenwood:

They are on 3 month programmes, because we are hoping - and I need to put this in parliamentary language - employers will be encouraged to take them on. So if an employer thinks he might lose a very good young person in 3 months' time it focuses the employer's mind. We are in daily contract with these young people. They have mentors who make sure they arrive there, make sure they are keeping their part of the partnership agreement and if we find young people that initially had an idea about where their career might go but subsequently want to change it then we will move them very quickly and keep them in the areas that they are interested in.

Deputy M.R. Higgins:

I am quite concerned in one sense because one measure that you could be using all the way through is value added. In other words you assess the students when they come in with particular academic ... or abilities through various things, and then when they leave the course you do another sort of study and see how much they have improved. Do a key measure then.

Mr. D. Greenwood:

I am sorry, I thought I mentioned that when I said improved skills. That is obviously ... you know, they come in with a C.V. that is pretty blank except for G.C.S.E.s (General Certificate of Secondary Education) and sometimes they are not that good G.C.S.E.s. Hopefully they are going out with an awful lot more.

Deputy M.R. Higgins:

You are testing the value added aspect, testing them coming in and testing them going out?

Mr. D. Greenwood:

Yes, we are. Furthermore, we are also doing a record of achievement, which means a young person will be able to leave the scheme with or without a job but nonetheless with a record that shows just what they have done while they have been on the scheme. What kind of skills they have developed and what kind of qualifications they have gained at the same time.

Senator S.C. Ferguson:

So, through the Skills Executive you intend to keep track of what skills are required in the job market?

Mr. D. Greenwood:

That is what we are trying to do, yes. That is a much more difficult task because often employers themselves are not looking much beyond 6 months at the moment.

Deputy M.R. Higgins:

Are you doing annual surveys? Because in the past you used to do a survey ...

Mr. D. Greenwood:

What we are doing is we are doing an annual report - which the first draft of it went to the Skills Executive on Friday and we are hoping to publish this in January - which is a general overview of where things are going.

Deputy T.A. Vallois:

Have you checked that against the Business Tendency Survey that was released?

Mr. D. Greenwood:

Yes, in fact we have lifted a few things from there. We intend then, on a quarterly basis, to look specific industries. So the first industry we are going to be looking at is construction and we are hoping that in March we will publish something about the state and the future of the construction industry and we will follow that 3 months later with a similar report on a different industry. We think there are probably maybe 6 or 7 major industries in the Island and so basically on an 18 month period we can revisit each industry again.

Deputy T.A. Vallois:

Do you have any regular contact with the Chamber of Commerce?

Mr. D. Greenwood:

Yes.

Minister for ESC

That is where the beauty of the Skills Board comes in. The other thing, the other added benefit if you like, that we gain from the Skills Board and their focus is that they are looking to identify employment opportunities and, in fact, recently we have been discussing about the hospitality industry and the need to provide individuals to take up employment within the April period and so consideration is now being given to sort of courses that would be beneficial to individuals to enable them to access employment in those sort of areas.

The Connétable of Grouville:

I was always under the impression that you had a very good record of training hospitality students.

Minister for ESC

We do, but it is a case of when we are faced with relatively high unemployment levels it is important to try and maximise and direct people to where there are jobs where possible. This is where with the combination of the Skills Board, the careers service and hopefully supported by Highlands and our department, we can meet those needs.

Deputy M.R. Higgins:

In terms of hospitality, the Hospitality Association run some of their own courses, are they also funded through the stimulus package?

Mr. D. Greenwood:

No, but the discussions we had with hospitality were that in April they feel that they could have up to 100 hundred jobs available in the Island and we know we have got a significant number of 19 to 24 year-olds in the Island who are looking for work. The

trick is to try and marry the 2 somehow. These people may not have had experience in the hospitality industry before so we need to do something around the kind of training that the hospitality have generally done with maybe a little bit more, and try and match jobs with people.

The Connétable of Grouville:

But do you think the mindset might be to edge a bit towards the employers and encouraging them to take local talent rather than going overseas for it? I think that is where a big block is because wherever you go you do not seem to find local people serving tables or anything like that.

Minister for ESC

We have also been, and are, getting the Skills Board to focus employment opportunities within the States organisations, because as one of the largest employers, or the largest employer should I say, there are various apprenticeships schemes, albeit - I think the number is about 21 - it is minimal when you look at a 6,500 work force. Certainly the Skills Executive are actively encouraging all departments to look at the succession planning and the needs both in the short, medium and longer term and let us start focusing on training and providing the right skilled individuals to take up those positions as and when they become available. So I think there are some really good opportunities. The only thing I would say, maybe in summing up, is that perhaps a slight frustration with the current system of funding, or the provision of funding from the Treasury, is that it lacks a certain flexibility which means that you can identify a need but it takes time to kick start a new initiative to meet that need. I think that is a challenge not only for the Skills Executive and the Skills Board but equally for Treasury because one accepts that they need clear information on courses. But there has got to be a little bit of trust and confidence in those providing the support that everybody accepts needs to be met.

Senator S.C. Ferguson:

Thank you very much. Tracey.

Deputy T.A. Vallois:

I have just got 3 questions which need just very simple quick answers. The first one is I understand there was a paper back in 2005 Skills Jersey and it was talking on there about a steering group politically for Social Security, Education, Sport and Culture and Economic Development, all 3 Ministers to be basically meeting and working together. Does that happen and, if so, how many meetings have you had?

Mr. D. Greenwood:

That is the Skills Executive.

Minister for ESC

Yes, the Skills Executive, we meet quarterly and we also rotate the chair so Deputy Gorst has recently carried out his period of a year as chairman and now it is my honour to take over that role.

Deputy T.A. Vallois:

Okay, so on to the next question, with regards to Advance to Work, how do you see that carrying on after the economic stimulus, if it does at all?

Minister for ESC

I do not know about after, I think that we want to progress and address the 19 to 24 year-olds now. We have been focusing on the younger age group but I think 40 per cent of those that are unemployed currently are in that age group.

Deputy T.A. Vallois:

But can you see a future of Advance to Work?

Minister for ESC

I think we will measure its success and so long as it delivers what we expect it to then I believe that could and should be part of an ongoing provision.

Deputy T.A. Vallois:

Could you see that staying within Education, Sport and Culture?

Minister for ESC

I would say I do not see any reason why it should not.

Deputy T.A. Vallois:

Okay. The last one is with regards to graduates have you seen an increase in people going off to university?

Mr. D. Greenwood:

No.

Deputy T.A. Vallois:

No? Roughly the same number?

Mr. D. Greenwood:

It is interesting because we have created opportunities for people to follow programmes of higher education in Jersey and because of that we expected an increase in the overall number of people going into higher education. It has not happened this year. We have had a slight decrease in those going off Island and an obvious increase in those staying here, but numbers are pretty much the same.

Minister for ESC

What we have seen is an increased demand for support, financial support, due to obviously a reduced income.

Deputy T.A. Vallois:

Thank you.

Senator S.C. Ferguson:

Super. Anything else? Dan? Mike?

Deputy M.R. Higgins:

No, I am fine, thanks.

Senator S.C. Ferguson:

Thank you very much indeed, Minister, Mr. Greenwood. I am sorry we have overrun slightly but you would keep talking. **[Laughter]**