NICVA Briefing for Northern Ireland Affairs Committee

Subject: Securing the Future of Local Growth Fund Delivery in Northern Ireland
Urgent Action Required – Protecting Vital Services and Promoting Economic Inclusion
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Purpose of Briefing

NICVA is grateful for the chance to brief the Chair and Members of the Northern Ireland Affairs Committee. This briefing sets out:

- Why urgent clarity and action are needed on the future of the Local Growth Fund in Northern Ireland.
- How the voluntary and community sector (VCS) is making a real difference—especially for people furthest from the labour market.
- The vital role the sector plays in delivering employment and inclusion programmes.
- What is at stake if action isn't taken—disrupted services, job losses, and more pressure on already stretched public services.
- Why the proposed 70% capital / 30% revenue funding split simply doesn't work for Northern Ireland.
- The case for a tailored delivery model that reflects Northern Ireland's unique needs and infrastructure.
- What we are asking of the UK Government to ensure continuity and sustainability of services beyond March 2026.
- And finally, how the Committee can help push for urgent action, interim funding arrangements, and long-term clarity to protect services and communities.

About NICVA

- NICVA (Northern Ireland Council for Voluntary Action) is the umbrella body for the voluntary and community sector in Northern Ireland, representing over 1,400 member organisations. We advocate for meaningful collaboration between government and the VCS to achieve better outcomes for all.

- NICVA leads the Economic Inactivity Coalition, comprising over 65 organisations, many of which deliver UK Shared Prosperity Fund (UKSPF) programmes across all 11 council areas.

Background and Overview

NICVA and the Economic Inactivity Coalition are urgently calling on the UK Government to clarify the future of Local Growth Fund delivery in Northern Ireland. Without suitable intervention, services supporting nearly **24,000 people** will collapse by **March 2026**.

The Local Growth Fund is expected to replace the UK Shared Prosperity Fund (UKSPF) from April 2026. However, there is currently:

- No confirmed delivery model for Northern Ireland.
- No clarity on funding quantum, timing, or structure.
- A proposed 70% capital funding split, which is wholly misaligned with NI's needs and the current UKSPF model that prioritises revenue-based, person-centred support.

The #NICantWait campaign, led by NICVA and supported by the Economic Inactivity Coalition, is calling for:

- **Immediate clarity** on how the Local Growth Fund will be delivered in Northern Ireland.
- **A programme shaped by local needs and proven approaches**—including a reversal of the proposed 70% capital / 30% revenue funding split.
- **A bespoke delivery model for Northern Ireland**, reflecting its unique priorities, infrastructure, and community landscape.
- **Recognition and sustained investment in VCS-led programmes**, which provide vital support to those furthest from the labour market.

Current Picture in Northern Ireland

The VCS's Proven Role in Tackling Economic Inactivity

The voluntary and community sector has a decades-long track record and history of successfully delivering employment, skills, and inclusion programmes across Northern Ireland.

From the European Social Fund (ESF) era through to the UK Shared Prosperity Fund (UKSPF), the sector has consistently:

- **Reached those furthest from the labour market**, including people with disabilities, lone parents, carers, and young people.

- **Delivered tailored, person-centred support** that mainstream services often cannot provide - filling gaps left by statutory services and acting as a safety net for individuals and communities.
- **Operated community-based, wraparound models** that effectively address barriers to work—such as mental health challenges, childcare, transport, and digital exclusion.
- **Maintained strong partnerships with employers**, creating real pathways into sustainable employment.
- **Provided flexible, holistic interventions** that respond to local needs, building individual confidence, skills, and resilience—contributing directly to local growth.

Between 2023–2025 alone, VCS-led UKSPF programmes supported:

- **23,942 beneficiaries**, with those with disabilities and health conditions forming the largest group.
- **6,636 people into employment**, including 3,445 who sustained employment for over six months.
- **Over 8,875 into further education or training.**

This is against a backdrop of significantly reduced scope and levels of funding following Brexit, the subsequent loss of ESF funding and the introduction of UKSPF. [1]

Scope, Reach & Impact of VCS-Led Programmes

- **15 out of 16 current UKSPF-funded projects** are delivered by voluntary and community sector organisations.
- **64 VCS organisations** are actively involved in programme delivery across Northern Ireland.
- Programmes operate in **all 11 council areas**, ensuring widespread geographic coverage.
- **650 staff**—including **403 full-time and 247 part-time roles**—are currently funded through UKSPF until March 2026.

These programmes provide a wide range of tailored support, including:

- Outreach and mentoring
- Mental health support and life skills development
- Digital literacy and employability training
- Childcare and travel assistance
- ESOL provision

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[1] Between April 2023 and March 2025, £57 million of UKSPF funding was committed to Northern Ireland to address economic inactivity, significantly less than the previous ESF funding allocation of £40 million annually. The UK Government agreed UKSPF transition funding for April 2025 -end March 2026 across 16 projects totalling £25.7m.
In the June Spending Review UK Government indicated that £46 million for 2026-27 to 2028-29 would be available for delivery of the Local Growth Fund in NI.

- Accredited qualifications (NVQs, OCN NI, City & Guilds)
- Industry-specific licenses

These programmes **transform lives**, creating pathways for individuals who need additional support to move closer to employment, education, and long-term stability.

Yet despite their proven impact, the sector is once again facing a **funding cliff edge**.

The situation is critical: **650 jobs, 64 organisations, and support for thousands of vulnerable people** across Northern Ireland are at risk as we await clarity on the future of the Local Growth Fund.

Why Northern Ireland Can't Wait

Impact of Continued Delays and Reduced Investment

The absence of a confirmed delivery model and funding arrangements for Northern Ireland beyond March 2026 is already having serious consequences:

- **Exit strategies and redundancy proceedings** are being initiated, as organisations must meet legal obligations to staff.
- **Significant service disruption** is occurring due to the loss of specialist staff and vital community infrastructure.
- **Support for over 11,000 people annually** risks being withdrawn—including individuals with complex needs who have no alternative provision in place.

Persistent Challenges in Northern Ireland

Northern Ireland continues to face deep-rooted challenges related to economic inactivity and inequality:

- **Economic inactivity remains among the highest in the UK**, with significant regional disparities.
- **Employment rates for people with disabilities are the lowest** across all UK nations.
- **Mainstream employment support services often fail to reach those with complex needs**, leaving critical gaps that the voluntary and community sector has stepped in to fill.
- **Tailored, VCS-led employment support is essential** for those most marginalised or facing multiple barriers—**no suitable alternatives currently exist**.

If delays persist and investment is further reduced:

- **The most vulnerable will be left behind.**

- **Pressure on public services**, particularly health and social care, will rise significantly.
- **Employers and the wider economy** will feel the impact of lost potential and deepening inequality.

We cannot afford to lose the progress that has already been made. Investing in VCS-led programmes is not only socially responsible—it is economically sound. The long-term benefits are clear and measurable:

- **Fewer people reliant on welfare benefits**, thanks to sustained employment.
- **More people working and contributing**, especially from underrepresented groups.
- **Less pressure on public services**, including health, housing, and justice.
- **Stronger local economies**, as people gain skills, earn income, and build confidence.
- **More connected and resilient communities**, reducing the social and financial costs of exclusion.
- Every pound invested in community-based employment support brings significant returns—not just for individuals, but for the economy and NI society as a whole.

Concerns with the Proposed 70% Capital Split for the Local Growth Fund

- The proposed 70/30 capital-to-revenue split for the Local Growth Fund is fundamentally misaligned with Northern Ireland's needs.
- Here, **revenue-based, person-centred programmes have consistently delivered the greatest impact**, supporting those furthest from the labour market and addressing complex barriers to employment.
- A capital-heavy model risks **marginalising the very services that offer measurable outcomes and value for money**—services that are deeply embedded in communities and tailored to local realities.
- This concern is not unique to NICVA or members of the Coalition. It is a position **shared by the Minister of Finance, the wider NI Executive, and across the Assembly floor**, and one which has been clearly and **consistently communicated to the UK Government by both our sector and local government**.

Our Asks of UK Government

In light of the current uncertainty, NICVA and the Economic Inactivity Coalition are urging the UK Government to:

- **Confirm a dedicated delivery model for Northern Ireland**—one that places the voluntary and community sector at its core and guarantees funding at least equivalent to current levels.
- **Reconsider the proposed 70% capital / 30% revenue funding split**, aligning it with Northern Ireland's specific needs and the proven effectiveness of current UKSPF practice.
- **Agree urgent contingency or bridging arrangements** from April 2026 to March 2027, enabling local planning and ensuring continuity of services while a long-term solution is developed.
- **Commit to urgent and genuine co-design** with the voluntary and community sector, providing clarity on funding levels and timelines.
- **Ring-fence funding if devolved to the NI Executive**, guaranteeing continued VCS-led delivery and safeguarding essential services for those most in need.

Final Message: Time Is Running Out

- The reality is stark: **the most marginalised in our society are once again at risk of being left behind**.
- They should not continue to bear the brunt of funding crises and government decisions that fail to reflect Northern Ireland's lived realities and specific needs.
- The **partnership approach promised by the UK Government** for Local Growth Fund decision-making and delivery has **not materialised** for Northern Ireland.
- While the Fund's stated aim is *to empower local authorities to make decisions that best suit their communities and to stimulate economic growth and job creation*, this ambition is **not being realised** in Northern Ireland due to ongoing delays and a funding structure that is fundamentally misaligned.
- Northern Ireland has a wealth of **exceptional employment support programmes**, built on decades of recognised success in helping people overcome barriers and sustain work. Yet the UK Government is proposing a model that **fails to build on this investment and expertise**.
- Without timely and adequate funding, we risk losing these **vital VCS-led services and the skilled staff who deliver them**—resources that, once lost, cannot be easily replaced or replicated.
- **Everyone in Northern Ireland should have the opportunity to work, contribute, and thrive.** That requires investment in services that reach those furthest from the labour market—services delivered by the voluntary and community sector.
- **Behind every statistic is a real person**. These programmes **change lives**. If they disappear, people will be left behind, families will suffer, and communities—and ultimately our economy—will lose out.
- We ask the Committee to **champion the rights and voices of those who are too often unheard and unseen**. With the right support, individuals who are frequently overlooked not only can—but consistently do—make meaningful contributions to our economy and local growth. Their experiences, needs, and potential must be recognised, valued, and embedded in decision-making processes.

- The current situation reflects an **unacceptable level of brinkmanship**, placing vital services and vulnerable communities in jeopardy. It is deeply concerning that the needs of those most affected appear to be **overlooked or misunderstood** in current decision-making processes.

Urgent Action Required: How the Committee Can Help

Our sector and the communities it serves cannot **afford to wait**. The clock is ticking—and **decisive action is urgently needed**.

We ask the Northern Ireland Affairs Committee to:

- **Press the UK Government, the NI Secretary of State, and the Northern Ireland Office (NIO)** to act swiftly and support a bespoke solution for Northern Ireland, including:
  - Reconsidering the proposed **70% capital / 30% revenue funding split**
  - Confirming **bridging arrangements** to avoid the March 2026 funding cliff edge.
  - Committing to a **meaningful co-design process** with the voluntary and community sector.
- **Table parliamentary questions** to raise awareness and demand accountability.
- **Secure a parliamentary debate** to highlight the issue and its impact.
- **Ensure the voices of those delivering and benefiting from these programmes are heard** in decision-making.

The future of vital services—and the communities they support—**depends on swift and decisive action**.

The sector **cannot withstand another funding cliff edge**. If the proposed capital/revenue split is implemented, it will **decimate future delivery** by the voluntary and community sector.

NICVA remains committed to working collaboratively with all stakeholders to secure a **practical, sustainable solution**—one that protects people, jobs, and essential services.

We are hopeful that members of the Committee will stand with us in support of these key asks.

Northern Ireland simply cannot afford to wait.