**Who We Are?**

This briefing has been produced by the **ESF Users Group -** a representative group of voluntary and community organisations, from across Northern Ireland, who are in receipt of **European Social Fund** (ESF) funding and draws on recommendations from the May 2019 ‘Future Funding’ policy briefing developed by the NI Union of Supported Employment.[[1]](#footnote-1)Membership of the ESF Users Group includes organisations providing support to the long-term unemployed; those with convictions; young people not in education, employment, or training; and those with a disability.

**Our Key Concerns:**

**Our organisations are deeply concerned about the absence of any clear plan from Government to ensure continuity of funding for** **European Social Fund (ESF) projects[[2]](#footnote-2), which are due to finish in less than 2 years (31st March 2022).**

For decades, the funding provided by **European Social Fund (ESF)** has provided critical support to many of the most disadvantaged and vulnerable members of society whose needs are too often neglected by mainstream public services.

Despite this, neither the programme’s beneficiaries nor our organisations as providers have been offered any security or assurances at all on the future of this funding.

The current ESF budget is £177m for 69 projects[[3]](#footnote-3).These projects deliver vital services in line with the programmes aims to combat poverty and enhance social inclusion by reducing economic inactivity and to increase the skills base of those currently in work and future potential participants in the workforce**.** In the 7 years up to March 2022 ESF projects will have helped develop the employability and social inclusion of over 77,000 people: over 9,000 of these will have entered paid employment directly, and over 10,000 will have entered education or training. **(Please refer to ANNEX 1 for more details)**

Following the UK’s decision to leave the European Union (EU) in 2019, the UK Government committed to keeping in place current ESF arrangements until they expire (in 2020 / 2022), and to create a ‘successor’ fund[[4]](#footnote-4)

It is proposed that the new **UK Shared Prosperity Fund (UKSPF)**, which operates across the UK, will serve a similar purpose to the existing European Structural and Investment Funds (of which ESF is one).

However, given that there is still no published timetable for consultation on the UKSPF, and that a new or replacement programme of the size and scale anticipated, typically takes 3-5 years to develop, **action is clearly needed now.**

We are concerned as to the lack of available detail about the UKSPF’s design, purpose and implementation process, the anticipated level of funding for Northern Ireland, and the absence of specific detail as to how the fund shall be resourced or work in practice.

**The COVID-19 pandemic has only served to exacerbate our concerns**. The pandemic has placed unprecedented demands on government structures both locally and nationallyandtherefore, we believe, on government’s capacity and readiness to undertake such an extensive piece of programme planning and design within the timeframe required. This challenge is further compounded by local decision-making in relation to any future programme, requiring coordination across a number of Government departments, namely the Department for the Economy; the Department of Finance; the Department of Health and the Department for Communities.

**We anticipate that the need for and demand for services and supports currently provided for under ESF is likely to increase** as the full societal and economic impacts of the COVID-19 pandemic unfold across communities in Northern Ireland. This pandemic has already served to increase levels of unemployment and amplify the levels of poverty and social exclusion – including digital exclusion - felt by our most disadvantaged citizens. It is anticipated that the individuals and communities who are typically supported by ESF projects are likely to be disproportionately affected by the impact of COVID-19. As is already being evidenced the economic impacts of this pandemic are creating a sharp increase in the numbers of ‘work ready’ seeking employment. As these numbers continue to grow, our organisations are deeply concerned that this will exacerbate the many challenges already faced by those individuals currently supported by ESF projects, i.e. those furthest from the ‘labour market’. We know that young people are predicted to be acutely affected by the economic impact of COVID-19, in particular  school leavers and  the young unemployed with new research by  the Resolution Foundation[[5]](#footnote-5) suggesting  up to 1 million young people being unemployed (across the UK) as a result.

Furthermore, while concerns about the physical and mental wellbeing of the general population post-lockdown are well-publicised, the health benefits to individuals of participating in ESF projects are also well established and are recognised in Education and Training Inspectorate (ETI) project inspections[[6]](#footnote-6). This is particularly poignant for disabled adults, a third of whom say they have spent too much time alone since the coronavirus (COVID-19) lockdown, but who often do not have the same networks of family and friends as non-disabled adults to help them cope with this.[[7]](#footnote-7)

We therefore believe it critical that the supports currently provided for under the ESF programme are maintained and protected so that they can continue making a vital contribution to tackling poverty and addressing social exclusion, which we anticipate shall be critical to the COVID-19 recovery response and beyond.

**What Needs to Happen:**

Considering this situation and in response to our concerns we are calling on the UK Government and Northern Ireland Executive to take action to:

1. **Agree a necessary transition period, which sees the current programme and the delivery mechanism that underpins it extended for a minimum three-year period. During this time administrative responsibility for the scheme should be retained by the NI Department for the Economy, who have over 25 years’ experience in managing ESF programmes.**

We believe this to be a critical and necessary first step in ensuring that both the investment in and achievements of the current programme and the needs and interests of some of the most marginalised or excluded in our society are protected and to allow the necessary time for adequate planning and preparation with regard to any future programme.

1. **Provide urgent clarification on future funding arrangements for those projects currently delivered through ESF, with assurances that there will be no funding gap between the closure of EU ESF funding and the distribution of new funding.**

This is vital in ensuring there is no permanent loss of expertise, infrastructure or partnerships across those frontline organisations currently delivering ESF funded projects, as well as funding opportunities for new entrants. The consequence of this would be a loss of vital support for those marginalised or disadvantaged within our society, with future need most likely to be amplified by the COVID-19 pandemic.

1. **Ensure that replacement funding for current schemes, must as a minimum, match current total ESF resources, and that funding is ring fenced and futureproofed for inflation increases*.***

The NI and UK Governments must live up to the promise that Northern Ireland will ‘*not be a penny worse off’* as a result of Brexit. They must therefore ensure that any replacement funding stream for ESF is viewed in the context of other relevant models of EU funding and support, and as such that all relevant funding from EU programmes benefiting Northern Ireland must be replaced and/or sustained to, at least, current levels.

1. **Ensure that powers to allocate funding through the UKSPF in Northern Ireland are fully devolved to the Northern Ireland** **administration, in line with its responsibilities for social inclusion and economic development.**

This view is supported by the [All-Party Parliamentary Group (APPG) on Post-Brexit Funding for Nations, Regions and Local Areas](https://static1.squarespace.com/static/5bb636594d546e54df5807eb/t/5be96f8c88251b96c3329314/1542025102947/APPG+report+on+UKSPF.pdf) which conducted an inquiry to inform design and delivery of the UKSPF. They also recommend that government rolls forward the four nations’ existing shares of EU funding into the UKSPF; and that devolved administrations and their partners should hold responsibility for the detailed design and delivery of relevant parts of the fund.

1. **There needs to be both full involvement of the voluntary and community sector and those they support, in the co-design of replacement programmes and in decision making regarding priorities for funding.**

Decision making with regard to future programme design and priorities for funding must be needs led. In overseeing these processes government must give due recognition to the critical role, value, and expertise of the voluntary and community sector in addressing social inclusion, combatting poverty, and reducing economic inactivity. This has been evidenced throughout delivery of the current ESF programme and most acutely during the current COVID-19 pandemic. Throughout this current crisis Government has routinely acknowledged the central role and contribution of the voluntary and community sector to many critical areas of public services and provision, including tackling poverty, exclusion, public health, and well-being. In addition, the crisis has reinforced the tangible benefits to local government, of working in partnership with our sector in the design of essential public services and provision.

**ANNEX 1**

**Why it is vital to maintain this support in Northern Ireland:**

* Northern Ireland is a post-conflict society with high rates of poverty and greater levels of disability, economic inactivity, mental ill-health, and suicide compared to other UK regions.
* The COVID-19 pandemic has amplified many of these aspects of social exclusion, with the need for continued and appropriate investment in effective interventions and supports more critical now than ever.
* ESF supported projects in NI have demonstrated consistent success and expertise in their work to address inequalities and ensure greater social inclusion, and in providing real opportunities to individuals to ultimately achieve meaningful and sustained employment.
* Those individuals and communities our organisations typically support are among the most socially excluded in NI. They face significant barriers when trying to access employment or learning; these challenges are likely to be amplified as an impact of the pandemic.
* This includes young people, particularly those that are not in education, employment, or training; the long-term unemployed; people with disabilities and health conditions; people facing multiple complex barriers to employment, those with convictions and families. ESF is the primary and consistent source of funding for these projects.
* In the 7 years up to March 2022 ESF projects will have helped develop the employability and social inclusion of over 77,000 people who are unemployed, economically inactive, disabled, or young people not in education or training. Of these, over 9,000 will enter paid employment directly, and over 10,000 will enter education or training. In addition, almost 9,000 former participants will be in paid employment 6 months after having left ESF.
* Mainstream provision most often does not meet the needs of these groups; therefore, the loss of ESF funding and the need to replace it with, as a minimum, the same level of resourcing, is a critical issue. This is particularly important to ensure equity of access to skills development and training and employment opportunities for those most removed from the labour market**.**
* Delivery of the ESF programme in Northern Ireland has been recognised as an exemplar model across Europe in addressing many aspects of social exclusion and economic inactivity. The programme has routinely evidenced tangible benefits for both individual participants, the wider community, and the economy.
* A range of illustrative Case Study examples highlighting the benefits of the programme can be found here: <https://www.economy-ni.gov.uk/topics/european-fund-management/european-social-fund-esf-case-studies>
* ESF funding is a vital resource for effective partnership working. It has provided a critical line of funding support to enable voluntary and community organisations, businesses, public services and other funders to work together to reduce social and economic inequalities for disadvantaged people and communities –including those who are not served by mainstream employment and skills services.
* EU Structural Funding cycles have provided a degree of stability in terms of enabling organisations to strategically plan for the delivery of longer-term interventions, critical in addressing social exclusion. We are concerned that any undue delay in the creation and rollout of its successor, and / or subsequent reduction in funding, would adversely affect the delivery of this essential provision. As well as reduced support opportunities for those most in need, these delays could also lead to a loss of staff expertise, and a weakening of long-established infrastructure and partnerships.
* The response to the COVID-19 crisis creates significant challenges for both Government, our organisations and wider society. We are in an unprecedented situation with the full scale of its long term societal and economic impacts still unknown. Now more than ever those interventions provided by projects under the ESF programme are required and have a critical role and contribution to make in responding to the legacy impacts of the pandemic. Therefore, it is vital that current resourcing and investment in ESF projects is sustained and protected in the development of any new programme.
* In the design and development of a replacement programme for ESF funding Government have a meaningful opportunity to work in partnership with the voluntary and community sector, to build on learning and expertise gathered to date and to design a new, flexible, forward thinking initiative that will help address social exclusion, combat poverty and tackle economic inactivity and unemployment, all of which are vital in the recovery response to COVID-19. However, given the current timeframe, this process must be commenced with some urgency

**CONTACT INFORMATION**

*This paper was prepared by NICVA on behalf of the ESF Users Group.*

We are happy to provide further supporting information, including Case Study examples upon request.

***For more information, please contact:***

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**ANNEX 2**

The members of the ESF Users Group are –

The Orchard Society

Springboard Opportunities

Network Personnel

The Workspace Group

Access Counselling NI

Women's Development Resource Agency

Start 360

Upper Springfield Development Trust

Shankill Women's Centre

Extern

Triaxtaskforce

Triangle Housing Association

Include Youth

Youth Action NI

Action Mental Health

Derry Youth & Community Workshop

The Appleby Trust

Tyrone Donegal Partnership

Action on Hearing Loss

Compass Advocacy Network Ltd

Disability Action

The Ashton Centre

Access Employment Ltd

Mencap

Clanrye Group

Women’s TEC

The Now Group

The Women's Centre Derry

RNIB

Action Deaf Youth

First Steps Womens' Centre

Stepping Stones

Diabetes UK

Bryson Future Skills

Women in Business

Cedar Foundation

The Now Group

GEMS NI

1. <https://northernireland.mencap.org.uk/sites/default/files/2019-06/NIUSE%20Policy%20Paper%20-%20Future%20Funding%20for%20Disability%20Employment%20Services%20May%202019.pdf> [↑](#footnote-ref-1)
2. The European Social Fund (ESF) provides dedicated funding for projects across the United Kingdom (UK) aimed at improving the employability and employment levels of vulnerable and disadvantaged people who are usually overlooked within mainstream provision. The strategic aim of the ESF Programme 2014-2020 in Northern Ireland (NI) is to combat poverty and enhance social inclusion by reducing economic inactivity and to increase the skills base of those currently in work and future potential participants in the workforce [↑](#footnote-ref-2)
3. The 69 projects are broken down in to the following four categories – unemployment and economic inactive (22), NEET (18), Disability (24) and Community Family Programme (5). <https://www.economy-ni.gov.uk/publications/66-european-social-fund-call-2-projects-by-constituency-and-council-area> [↑](#footnote-ref-3)
4. Services in NI are being delivered as part of the current ESF funding round for 2018-2022, until March 2022. The UK government stated that in the case of a ‘no-deal’ departure from the EU, projects will continue to be funded until the end of the current cycle. [↑](#footnote-ref-4)
5. [Class of 2020: Education leavers in the current crisis](https://mk0nuffieldfounpg9ee.kinstacdn.com/wp-content/uploads/2020/05/Class-of-2020-Resolution-Foundation.pdf)- Resolution-Foundation May 20 [↑](#footnote-ref-5)
6. ‘A high level of commitment is shown by the European Social Fund (ESF) providers to support the marginalised in society such as the disabled, socially excluded, and those who are economically inactive. The ESF providers offer an appropriate curriculum with flexible, tailored provision which meets well the complex needs of the participants by addressing their social isolation and raising their confidence, employability, self-esteem and self-worth.’ *From page 41 of ETI Chief Inspectors Report 2016 – 2018* <https://www.etini.gov.uk/sites/etini.gov.uk/files/publications/cir-2016-2018_1.pdf> [↑](#footnote-ref-6)
7. <https://www.mencap.org.uk/press-release/mencap-responds-ons-statistics-social-impact-covid-19-people-disability> [↑](#footnote-ref-7)