Equality Commission
FOR NORTHERN IRELAND

Impact of Brexit on Section 75 Equality Groups in Northern Ireland: EU Funding

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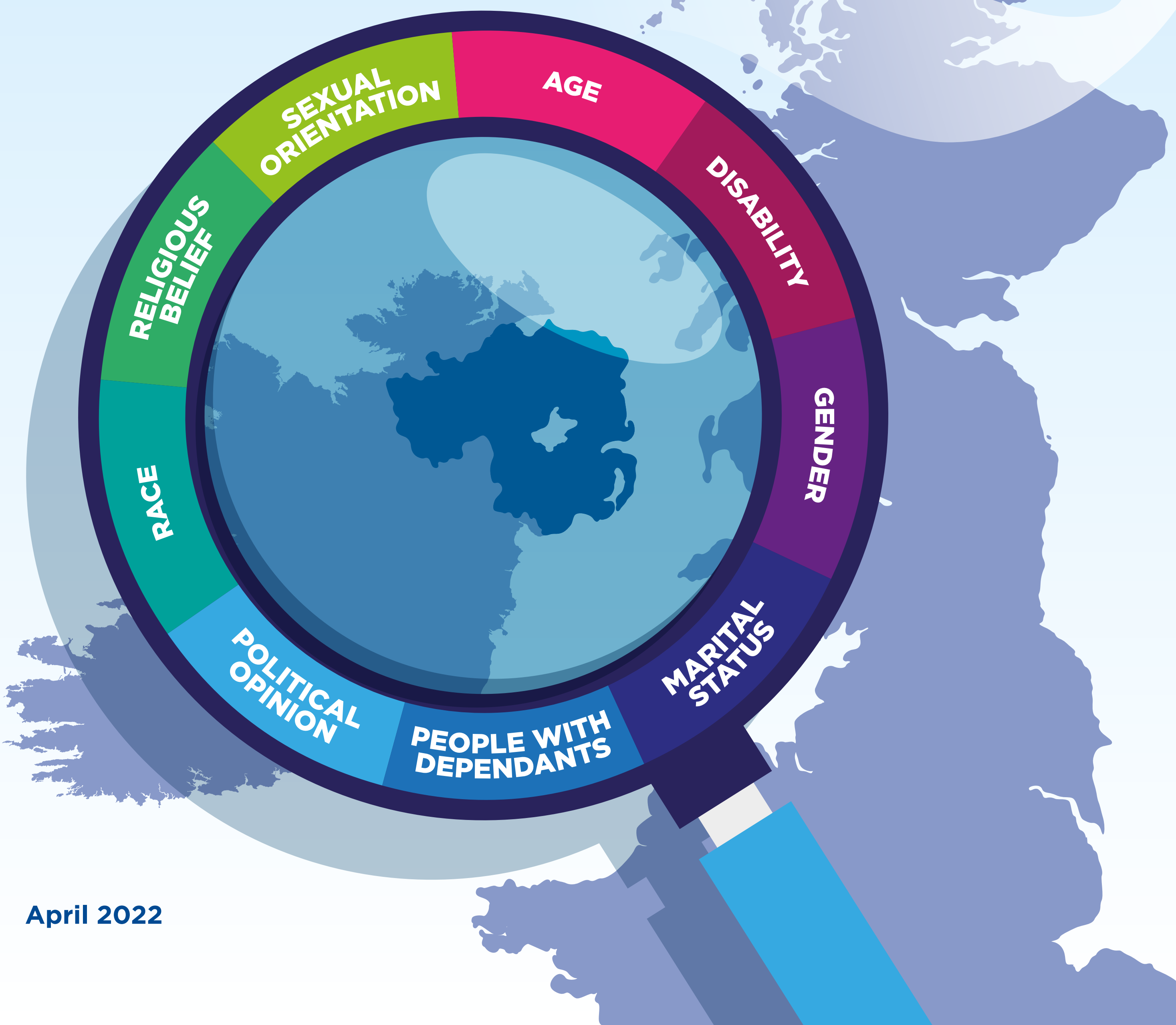

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RELIGIOUS BELIEF
SEXUAL ORIENTATION
AGE
DISABILITY
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MARITAL STATUS
PEOPLE WITH DEPENDANTS
POLITICAL OPINION
RACE
Report commissioned by the
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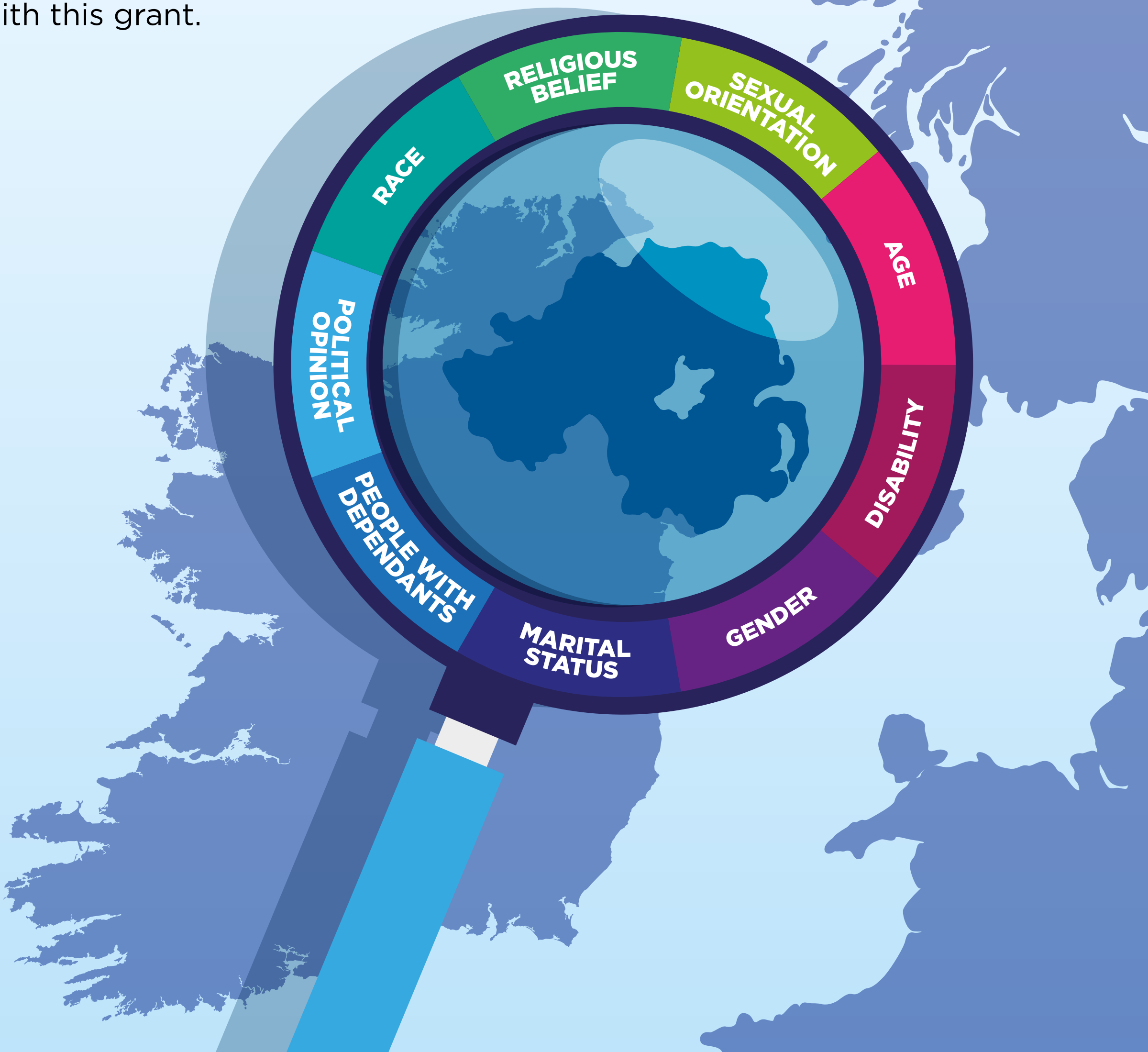

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Abbreviations

DfE	Department for the Economy
DoF	Department of Finance
ECNI	Equality Commission for Northern Ireland
EHRC	Equality and Human Rights Commission (Great Britain)
ESF	European Social Fund
ERDF	European Regional Development Fund
ESIF	European Structural and Investment Funds
IfG	Institute for Government
INTERREG	European Territorial Cooperation
NEET	A person Not in Education, Employment, or Training
NIACRO	Northern Ireland Association for the Care and Resettlement of Offenders
PEACE EU	Programme for Peace and Reconciliation in Northern Ireland
SEUPB	Special EU Programmes Body
SME	Small and Medium-sized Enterprises
SPF	Shared Prosperity Fund
TBUC	Together Building a United Community

Executive Summary

1. Introduction

Over the past decades Northern Ireland has received significant amounts of European Union (EU) funding, including European Structural and Investment Funds (ESIF) and PEACE funding. The withdrawal of the UK from the EU has therefore created uncertainty about what will replace these funds. In Northern Ireland the use of EU funds has been subject to the obligations contained in Section 75 of the Northern Ireland Act 1998. These obligations require that designated public authorities have 'due regard to the need to promote equality of opportunity' across nine grounds and to 'have regard to the desirability' to promote good relations between persons of different religious belief, political opinion or racial group. This report examines how EU funding has benefitted Section 75 groups in Northern Ireland and considers the likely impact of the loss of that funding. The report also makes recommendations regarding future replacement funding, including the Shared Prosperity Fund.

This report is based on desktop research and fifteen semi-structured interviews with participants from civil society, the community and voluntary sector and the public sector.

2. EU Funding

Northern Ireland has received support from European Structural and Investment Funds (ESIF), PEACE and INTERREG programmes. According to the NI Executive, during 2014-2020 it was expected there would be allocations of €4bn for Northern Ireland.[1]

The EU allocates Structural and Investment Funds to specific regions within member states, using a formula based on GDP per capita relative to the EU average.[2] The devolved regions, including Northern Ireland, have received a larger amount of EU funding per person than England due to their relative economic disadvantage.[3] EU structural funds have included the European Social Fund (ESF) whose aims include promoting social inclusion and combating poverty.

1 **Northern Ireland Executive Future Funding Priorities – SPF**.
2 European Commission, **European Structural and Investment Funds 2014-20**: Official texts and commentaries, Publications Office of the European Union, 2015, p. 29.
3 Philip Brien, **The UK Shared Prosperity Fund** (House of Commons Library, 2021) p. 8.

3. Benefits and Problems Associated with EU Funding

The ESF and PEACE monies have been important both in boosting productivity and promoting social inclusion, assisting many Section 75 groups including young people and people with disabilities, ethnic minorities and women.[4] For example, an evaluation report of the most recent ESF programme indicates that it has exceeded its targets and assisted more than 77,000 people to acquire and develop skills for the workplace.[5] In particular, this funding has supported organisations working with at-risk groups, providing individualised support to persons with complex needs. As well as benefitting individuals, EU financial support has had wider social benefits, addressing needs that would otherwise fall to the health service or criminal justice system. An important benefit of EU Structural Funds is that they were based on a 7-year multiannual framework and allowed projects to be supported for three years or more. This framework has allowed for more long-term planning and has also been important for services working with excluded or hard-to-reach groups where shorter programmes might not enable meaningful outcomes.[6]

The EU emphasis on transparent and objective funding criteria and monitoring arrangements has also been beneficial in safeguarding the integrity of the process for allocation of monies.[7] EU funding has also supported partnership, participation and relationship-building, which has been beneficial in several respects. In particular, partnerships between the different stakeholders and the Department for the Economy have helped alleviate some of the concerns about bureaucracy.[8] As a consequence the current ESF programme in Northern Ireland has been described as an exemplar of good practice.[9]

There have however also been problematic features about EU funding in Northern Ireland. Most notably concerns have been expressed about an overly bureaucratic and excessive audit culture, the competitive nature of the application process, the failure to take account of sickness or maternity leave, and the need to take account of soft outputs and distance travelled metrics.[10]

4 See section 3.2.1 of this report.

5 Department for the Economy, **European Social Fund and Regional Development Fund projects have transformed the lives of thousands across Northern Ireland** (2019) Last accessed on 15 November 2021.

6 See section 3.2.2 of this report.

7 See section 3.2.3 of this report.

8 See section 3.2.4 of this report.

9 Evidence of David Babington (Action Mental Health) to the Northern Ireland Affairs Committee, **Oral evidence: UK Shared Prosperity Fund** HC880 (UK Parliament, 2021) (14 October 2020). See also ESF Users Group, **ESF Users Briefing on Future Replacement of ESF Funding Post-Brexit** (2020).

10 See section 3.3.2 of this report.

Recommendations

Future arrangements for replacement funds should ensure that application processes and auditing requirements are simplified where possible, especially for smaller organisations. The future funding authority should conduct education, training and provide assistance for potential grant recipients and consult with the Department for the Economy and SEUPB about their experience of addressing concerns identified under the previous system. It is important however that any simplification of the funding process should not be done in a way that detracts from the need for transparent and objective funding criteria and the need to monitor equality outcomes. There should also be robust equality monitoring processes to measure Section 75 outcomes.

There should be arrangements in the Shared Prosperity Fund to support sick leave and maternity leave for persons in funded posts in line with domestic legal requirements.

The Shared Prosperity Fund should recognise the role of soft outcomes and distance travelled metrics as well as more tangible outcomes.

4. PEACEPLUS

PEACEPLUS is a €1.1bn programme that will integrate the PEACE and INTERREG programmes.[11] As with the earlier programmes it will be administered by the Special EU Programmes Body (SEUPB) which has conducted an extensive stakeholder engagement in designing the new programme.

There has been some concern from civil society groups that there will be a gap between the ending of the earlier programmes and the start of PEACEPLUS. Although this has always been the case with previous PEACE funding, this is considered more acute due to the loss of other funding streams. There are concerns that smaller civil society groups might lose out, although the new programme has included measures to help mitigate the impact of this.

5. Outline of UK Replacement Funds

The UK Government is rolling out replacement funds to address the loss of EU funding including the Shared Prosperity Fund, the Community Renewal Fund, the Levelling Up Fund and the Community Ownership Fund.

11 SEUPB, **PEACE PLUS Programme 2021-2027, Programme Overview**.

At the time of writing, the relationship between these different funding mechanisms, and indeed, the focus of each fund, remains unclear. The Shared Prosperity Fund (SPF) is the main fund intended to replace Structural Funds, such as the European Social Fund and European Regional Development Fund. Although the Shared Prosperity Fund was first announced in the 2017 Conservative Manifesto,[12] very little information on this fund has been provided, apart from brief details in Spending Reviews and pre-launch guidance published in February 2022. The 2021 Spending Review indicates that the Fund will 'at a minimum match the size of EU funds in each nation and in Cornwall' and will ramp up to £1.5bn per year by 2024-2025.[13] This commitment is welcome but going forward there is a need to explain how funding will be allocated across the different regions and how this will be calculated.

The Community Renewal Fund is a UK-wide £220m programme to help 'places across the UK prepare for the introduction of the UK Shared Prosperity Fund', with £11m allocated to Northern Ireland.[14] The relationship of the Community Renewal Fund to the Shared Prosperity Fund is somewhat ambiguous, although the wording in the prospectus and other announcements suggest that the Community Renewal Fund was intended to act as a kind of pilot scheme for the Shared Prosperity Fund.[15] This ambiguity is problematic as it creates uncertainty for potential applicants. Decisions on the allocation of Community Renewal Funds have been taken, but were delayed, which has made it difficult to assess the relative success of the process. The fact that organisations who are the intended recipients of the scheme are uncertain and confused about the process, and the relationship between the funds, is indicative of a much wider problem regarding lack of detail with the entire process. It is also a matter of concern that the UK department making these decisions is not designated for the purposes of Section 75 of the Northern Ireland Act making it more difficult to establish the impact that any funded programs will have on the promotion of equality or good relations.[16]

12 Conservative and Unionist Party, **Forward Together: Our Plan for a Stronger Britain and a Prosperous Future (2017 manifesto)**.

13 UK Government, **Autumn Budget and Spending Review 2021: A Stronger Economy for the British People** (27 October 2021), p. 6, p. 74, p. 106.

14 UK Government, **Community Renewal Fund: Prospectus 2021-2022** (2021).

15 National Audit Office, **Supporting Local Economic Growth: Department for Levelling Up, Housing & Communities** HC 957 (2 February 2022) p. 38

16 When the Community Renewal Fund results were announced, 31 projects in Northern Ireland received a total of £12.3m. This was 6% of the total allocation; 62% of the funding was allocated to projects in England, 9% to projects in Scotland and 23% to projects in Wales.

The Levelling Up Fund is a £4.8bn (over 4 years) fund intended to support town centres and high street regeneration, local transport projects and cultural and heritage assets.[17] According to its prospectus, 3% will be allocated to Northern Ireland.[18] Parliamentary committees and Institute for Government researchers criticised the Levelling Up Fund, noting especially that its aim seems unclear (what exactly will be levelled up and how?), but also that the funds may be inadequate to achieve its aim and that there has been a lack of consultation.[19] Decisions on the first round of bids for Levelling Up have been made with Northern Ireland receiving 2.9% of the funds, which amounts to £48.79m for 11 projects.[20] This amount broadly reflects Northern Ireland's share of the UK population rather than its position of relative disadvantage. Again, decisions have been made to fund projects in Northern Ireland without the relevant departments having been designated for the purposes of Section 75. This makes it difficult to establish the impact of the funding decisions on equality of opportunity and good relations in Northern Ireland. The Northern Ireland Minister for Finance has expressed concerns about the operation of both the Community Renewal Fund and the Levelling Up Fund in Northern Ireland.[21]

Recommendations

The UK Government should publish an interim evaluation of the Community Renewal Fund in early 2022 so as to better inform debate about the development of the Shared Prosperity Fund. The evaluation should include details on how equality of opportunity and good relations have been considered and which Section 75 groups have benefitted.

The UK Government should explain the justification for allocating just under 3% of funding in the Levelling Up Fund to Northern Ireland. Given levels of greater need in Northern Ireland and the objectives of the Levelling Up fund, proportionately greater resources would be necessary to support equality of opportunity and good relations in the region.

17 UK Government, Levelling Up Fund: Prospectus (2021).
18 Ibid.
19 Treasury Committee, Economic Impact of Coronavirus: the Challenges of Recovery: Eighth Report of Session 2019–21 (London: House of Commons, 2017-2019) HC 271 (8 September 2020) para. 133; Public Services Committee of the House of Lords, Levelling Up Position Paper (House of Lords 2021-2022) (20 May 2021) p. 3; Business, Energy and Industrial Strategy Committee, Post-pandemic Economic Growth: Levelling up. Third Report of Session 2021–22 (House of Commons 2021-2022) HC 566 (15 July 2021) paras. 35-39; Eleanor Shearer, Paul Shepley and Teresa Soter, Levelling Up: Five Questions About What the Government Means by the Phrase (Institute for Government, 2021).
20 Levelling Up fund: First Round Successful Bidders Last accessed 28 December 2021.
21 UK Community Renewal Fund: Explanatory Note on the Assessment and Decision-making Process; Northern Ireland Affairs Committee; Written evidence submitted by the Minister of Finance MLA, Northern Ireland, regarding the Investment in Northern Ireland inquiry (INI0011) (UK Parliament, 2022).

6. Challenges in the New Funding Environment

This report identifies a number of serious concerns about the measures outlined by the UK Government to replace EU funding. More than five years after the Brexit referendum, it remains unclear how the Shared Prosperity Fund is intended to work in practice. Important questions remain for example about how much money will be available for Northern Ireland and how that money will be distributed. There are also questions about whether the Shared Prosperity Fund will provide 100% of funding to successful applicants or whether grant recipients will be required to 'match' Shared Prosperity Funds with a percentage of income obtained from other sources, that is to say provide 'match funding'. In the event that the Shared Prosperity Fund will use the 'match funding' approach, organisations need to know what percentage of income they will be required to obtain from other sources. It is imperative that organisations are made aware, as a matter of urgency, what funding model will apply in order that they can plan their funding streams accordingly.

The UK Government has carried out only limited consultation with Northern Ireland departments and the community and voluntary sector to date on the operation of these replacement funds. Furthermore, the high-level disputes about Brexit and the Protocol divert political attention and energy away from other questions such as what will happen to the beneficiaries of ESF-funded projects in the new funding environment.

This problem is exacerbated when one considers that many of the beneficiaries of EU funded projects in Northern Ireland (for example, people with disabilities, women, and young people) have been disproportionately impacted by the pandemic. Many organisations that were previous recipients of ESF funding are now very concerned about their future and fear that they may have to make redundancies, with the loss of experienced staff, or may even have to close altogether.[22] This uncertainty is damaging to staff morale and inhibits the capacity of organisations to plan for the future; it also creates a great deal of uncertainty about the future of services that benefit some of the most disadvantaged groups in society.

22 See section 6.2.1 of this report.

Recommendations

The research highlighted in this report shows that European Structural Funds have been important in supporting equality of opportunity and good relations for some of the most disadvantaged groups in Northern Ireland. There is a need for clarity about replacements funds to ensure that they will continue to provide such support in the future. The UK Government should outline in detail the arrangements for the Shared Prosperity Fund, including:

- **a. The objectives that the Shared Prosperity Fund will support and the criteria that will be used to measure these objectives;**
- **b. The criteria that will be used to allocate funding to the different nations and regions across the UK;**
- **c. The exact nature of the relationship between the Community Renewal Fund and the Shared Prosperity Fund;**
- **d. Whether projects funded by the Shared Prosperity Fund will be able to receive funding for multiple years and if so, over how many years. Given the experience with ESF, the Shared Prosperity Fund should support projects for 3 years or longer.**
- **e. Whether match funding will be a requirement of the Shared Prosperity Fund and if so, what percentage of matched funding organisations will be required to obtain elsewhere.**

Another theme to emerge from this research is the challenge facing current grant recipients during the ‘gap’ period when current EU funding comes to an end and income from the Shared Prosperity Fund is received. This is especially problematic given the delays to date in announcing details for future replacement funding. Quite simply, the gap between an initial call for applications and actual receipt of funds for successful bids can be anywhere between 18 months and 2 years. Timing therefore is a serious issue with the move from one funding regime to another as there is a serious risk of a financial ‘cliff edge’ or a break in revenue for organisations delivering key services to many Section 75 groups.[23] This means that even successful projects, who are granted Shared Prosperity Funds, may be required to make staff redundant when one funding stream comes to an end and the monies for the next stream have not yet arrived in their bank accounts.

23 See section 6.2.2 of this report.

This is because financial constraints mean that organisations do not have alternative sources of revenue that they can use to fill the 'gap' created by the end of one funding regime and the beginning of another.

The Department for the Economy acknowledged this problem last year and arranged some gap funding under ESF Call 3. The problem now is that this risk of a break in funding still exists, especially given how little is still known about how the Shared Prosperity Fund will operate in practice. There is therefore a need for the Shared Prosperity Fund to make immediate arrangements to ensure that those groups who benefitted from Call 3 are not disadvantaged in any future roll-out of SPF funding. The uncertainty around the successor funds is compounded by the Covid-19 pandemic that has created difficulties for many of the beneficiaries of ESF funding already. The UK Government needs to take steps to prevent these funding challenges causing serious damage before the Shared Prosperity Fund is operational and avoid risks caused by unnecessary breaks in funding.

Recommendations

The UK Government needs to avoid a financial 'cliff edge' or break in funding before the Shared Prosperity Fund is operational. This is especially crucial given the challenges caused by the pandemic, which has impacted disproportionately on disadvantaged Section 75 groups. Gap funding should be provided on a continuing basis until the new successor regime is operational and can begin to provide funds to projects.

Arrangements should be put in place to ensure that those projects supported under ESF Call 3 with one year's funding from the Department for the Economy will not suffer any disadvantage in applying for Shared Prosperity Fund monies.

Arrangements for the Shared Prosperity Fund should include timelines that avoid gaps between funded programmes.

Another important issue to emerge in this research relates to the objectives of the replacement funding, such as the Shared Prosperity Fund. One benefit that has been identified with the ESF is that it was focused on combating poverty and promoting social inclusion. However, it is not clear that the replacement funds will have the same objective.[24] Also, while the UK Government has made commitments about the amount of funding that will be available,[25] it is impossible to know if this will be adequate as it is unclear what the replacement funds will aim to achieve and which streams of EU funding the SPF is meant to replace.

Recommendation

Replacement programmes and specifically the Shared Prosperity Fund, should include aims to combat poverty, promote social inclusion, promote and support equality and address the needs of the most marginalised and disadvantaged.

Further, it is unclear that UK departments will be adequately sensitive to the equality issues in Northern Ireland or the specific requirements of Section 75.[26] That the new funding environment comes at a time when the politics of Brexit and the Northern Ireland Protocol have damaged community relations is especially problematic. There is a risk that some of the proposed new funding mechanisms may fail to take account of local sensitivities. The new funding environment also creates concerns about the role of the Northern Ireland Executive and how Northern Ireland Executive departments will plan for the continuation of the important work ESF-funded projects have been doing.

24 See section 6.3.1 of this report.

25 UK Government, **Autumn Budget and Spending Review 2021: A Stronger Economy for the British People** (27 October 2021), p. 6, p. 74, p. 106

26 See section 6.2.3 of this report.

Recommendations

Any UK authority involved in delivering funding in Northern Ireland should be designated for the purposes of Section 75. Until such time as this process is complete any UK authority responsible for allocating funding in Northern Ireland should follow as models of best practice Equality Commission for Northern Ireland guidance on Section 75.

Organisations in charge of providing funding should collect robust equality data across all Section 75 groups to assist with monitoring how the funding is benefitting different groups and what impact the funding has on the needs of members of the different Section 75 groups.

Organisations in charge of providing funding should consider how to provide equality data suitable for geospatial analysis.

The NI Executive needs to specify how it will ensure that the needs of people from different equality groups, who have been supported through European funding, particularly ESF, will be supported in the future.

7. Lessons for the Shared Prosperity Fund

At a political level there is a need to address the devolution settlement in the new funding environment.[27] Northern Ireland faces particular challenges that differ from conditions in Britain, not least the fact it is a society emerging from a violent conflict that has had political, social and economic impacts.

Whoever administers the new funding needs to be cognisant of these circumstances. There are strong arguments for having the devolved authorities administer the successor funds within their own devolved competences, but the UK Government seems committed to a more centralised approach. That being the case it is necessary to have arrangements for collaboration between the UK departments and Northern Ireland departments. In Northern Ireland, the European Social Fund has been used to support an apprenticeship programme; there is a risk that the Shared Prosperity Fund will not continue this.

27 See section 7.3 of this report.

Recommendations

The SPF should be delivered through existing Northern Ireland departmental structures, given the experience of the Department for the Economy in managing this kind of fund in the past (for example, familiarity with stakeholders, needs and priorities, and Section 75 requirements).

If the UK Government decides to deliver the SPF through central UK bodies, then any UK Authority involved in delivering SPF in Northern Ireland should liaise regularly with the Department for the Economy, the Department for Communities, and other departments as relevant. There should be structures to include Northern Ireland departmental input at all levels.

The Shared Prosperity Fund should be available to support apprenticeships in Northern Ireland. If this is not done, the Northern Ireland Executive should explain how it will support apprenticeship programmes.

Another acknowledged benefit of EU funding was that it was based on objective criteria. It is essential that successor funds retain the same degree of integrity. In this respect the findings of the House of Commons Public Accounts Committee into the lack of transparency in the operation of the Towns Fund in Britain are deeply concerning.[28] Concern about transparency and objectivity are especially important in a society emerging from a violent conflict where there were legitimate concerns about discrimination.

Similarly, partnership and participation have been key to the success of EU funding in Northern Ireland and the design and implementation of successor funds needs to embrace this approach and to provide for adequate consultation and participation by all stakeholders in all stages of the programme.

28 Public Accounts Committee, **Selecting Towns for the Towns Fund: Twenty-Fourth Report of Session 2019–21** (House of Commons, 2019-2021) HC 651 (2 November 2020).

Recommendations

The UK Government should ensure that criteria for eligibility and award for any replacement funding mechanisms are transparent and based on objective criteria.

The UK Government should ensure that there is an adequate monitoring and accountability system to ensure that future funds are being used in line with the published criteria.

Any UK Authority involved in delivering funding in Northern Ireland should ensure there are adequate provisions for participation by stakeholders in Northern Ireland, including equality and human rights stakeholders, in designing any new funding regime. They should consult with the Department for the Economy and SEUPB on best practice in consultation and follow ECNI guidance on best practice relating to equality impact assessments and consultation.

Notwithstanding concerns about gaps in funding provision and uncertainty about replacement funding, the new funding environment provides an opportunity to do some strategic thinking about how better to promote equality and good relations, and to learn from research already conducted on the ESF funding in Northern Ireland. There is however a risk that replacement funds, organised from Whitehall, might focus on relatively narrow issues, especially matters of concern in England, but not necessarily Northern Ireland. There is also a concern that there will not be a focus on the structural issues that need to be addressed to promote and support equality of opportunity and good relations.[29]

29 See section 7.2 of this report.

Recommendations

Equality screening and impact assessments conducted for Shared Prosperity Fund programmes should specify which Section 75 groups benefit from the funding and identify any barriers for protected groups (for example lack of childcare, transport difficulties in rural areas) and outline mitigating measures that will help lessen the impact of these barriers.

Programmes like the Shared Prosperity Fund will not, by themselves, address all problems related to the promotion of equality of opportunity and good relations. The NI Executive should develop wider strategies to address structural barriers for protected Section 75 groups (for example, strategies on childcare, gender, disability, sexual orientation, and poverty).

8. Conclusion

There is an urgent need to address the situation created by the loss of EU funding in Northern Ireland. EU funding has been significant in promoting equality of opportunity and good relations and has supported organisations working with individuals from many Section 75 groups.

In terms of Section 75 and governance arrangements the successor funds should be implemented through the devolved authorities. If a decision is taken to administer them through UK Government departments, there should be arrangements for collaboration between UK and NI departments to ensure best practice is followed with respect to the procedural requirements under Section 75. The Secretary of State for Northern Ireland should designate, for the purposes of Section 75, those UK government departments involved in allocating funding to Northern Ireland projects. Future funding should retain the ethos of partnership, through adequate consultation and participation of participants.

The Shared Prosperity Fund should include objectives on combating poverty and promoting social inclusion, promoting and supporting equality and addressing the needs of the most marginalised and disadvantaged. Transparent, objective criteria and adequate monitoring and accountability systems are necessary to ensure the integrity of future funding arrangements. The UK Government should urgently provide more clarity on the Shared Prosperity Fund.

Continuation funding is required until the new Shared Prosperity Fund is operational, with arrangements for those groups that received Call 3 funding.

Finally, to complement future funding arrangements and address barriers to participation in programmes, there is a need for structural support for equality. At a higher level there is a need for the Northern Ireland Executive to ensure the adoption of strategies to support equality (for example, adoption of a childcare strategy, a gender strategy, a disability strategy and others).

1. Introduction

This chapter presents the background to the research, the aims and objectives of the research, and the methodology.

Chapter 2 examines the record of EU funding in Northern Ireland. Chapter 3 explores the beneficial features of EU funding and any disadvantages. Chapter 4 discusses the PEACE and PEACEPLUS programme. Chapter 5 presents details on UK replacement funds, especially the Shared Prosperity Fund. Chapter 6 presents concerns about the new funding landscape. Chapter 7 considers how the Shared Prosperity Fund might learn lessons from past EU funding arrangements. A short conclusion summarises the key findings.

1.2. Background: Brexit and the Ending of EU Funding

This report examines an impending crisis facing some of the most disadvantaged groups in our society. It is a crisis that is potentially overlooked amidst concerns about Brexit, the Northern Ireland Protocol and the Covid-19 pandemic, although it is one of the consequences of Brexit and has been exacerbated by the pandemic. The crisis will affect young people, people with disabilities, women, and members of ethnic minority communities, many of whom have benefitted significantly from European Union (EU) funding in Northern Ireland over the past several decades and who are included within the Section 75 list of protected categories (see the next section for a short explanation of Section 75). Now that EU funding streams are coming to an end, there is very little clarity as to how these funds will be replaced.

Within weeks of the Brexit referendum in 2016 the First Minister and deputy First Minister wrote to the Prime Minister highlighting their concerns:

> '...EU funds have been hugely important to our economy and the peace process. Since 1994, for example we have benefitted to the tune of 13 billion euro of funding from Europe and during the period 2014-2020 we would expect to draw on over 3.5 billion euros. The current uncertainty around the ability to draw down a proportion of these funds, and the absence of EU programmes in the future is of real concern to a range of sectors.'[30]

30 Letter to Prime Minister May, 10 August 2016.

The European Structural and Investment Funds, PEACE and INTERREG funding are the focus of this report given their relevance for the promotion of equality of opportunity and good relations under Section 75 of the Northern Ireland Act 1998.[31] Over the past two decades, EU funding - ERDF, ESF, PEACE, INTERREG - has benefitted a wide range of individuals from Section 75 groups including young people, people with disabilities, ethnic minorities and women. EU funding has also supported a range of cross-community initiatives. Many of the positive impacts of EU funding in Northern Ireland address the particular circumstances of the region, not least that it is a society emerging from a violent political conflict. As acknowledged in the 2016 letter from the First Minister and deputy First Minister to Prime Minister May, these funds 'have been hugely important to our economy and the peace process'.[32]

Northern Ireland, along with other devolved regions, has received a greater proportion of EU funding than the UK average due to its relative disadvantage. [33] Northern Ireland has a lower level of GDP per person than the rest of the UK,[34] as well as lower levels of productivity[35] and greater levels of economic inactivity.[36] The recently published White Paper on Levelling Up highlights several indications of Northern Ireland's relative disadvantage. Of the regions in the UK, Northern Ireland has the highest percentage of people with no qualifications[37] and the highest percentage of working-age people on Employment Support Allowance.[38] Northern Ireland also has a skills exodus to Great Britain, with many people moving to Great Britain to study.[39] Despite these features, Northern Ireland has the lowest poverty rate in the UK when housing costs are considered.[40] This is down to the relatively low cost of housing in Northern Ireland but does not take away from the other serious challenges.

31 **Section 75, Northern Ireland Act 1998.**

32 **Letter to Prime Minister May**, 10 August 2016.

33 Philip Brien, **The UK Shared Prosperity Fund** (House of Commons Library, 2021) p. 8.

34 GDP per head in Northern Ireland is £25.6K compared to £32.8K for the UK: Office of National Statistics, **Regional economic activity by gross domestic product, UK 1998-2019** Last accessed 19 January 2022.

35 Northern Ireland has the lowest level of output per hour of any of the UK regions: Office of National Statistics, **Regional labour productivity, including industry by region, UK: 2019** Accessed 19 January 2022.

36 The rate of economic inactivity in Northern Ireland is 27.6% compared to a UK figure of 21.3%. Northern Ireland Statistics and Research Agency, Northern Ireland Labour Market Report (18 January 2022).

37 UK Government, **Levelling Up the United Kingdom** (2 February 2022) Fig 1.37, p. 60.

38 Ibid Fig. 1.40, p. 63.

39 According to the Levelling Up White Paper, 'Northern Ireland has experienced significant outflows of skilled residents, particularly students to Great Britain. 2011 census returns found that almost a quarter of graduates of working age born in Northern Ireland were living in England and Wales': Ibid p. 91.

40 Joseph Rowntree Foundation, **UK Poverty 2022: The Essential Guide to Understanding Poverty in the UK** (JRF, 2022) p. 24. Before taking account of housing costs, the poverty rate in Northern Ireland is about the UK average: Brigid Francis-Devine, **Poverty in the UK: Statistics** (House of Commons Library, 2021) (26 October 2021) p. 47.

The National Institute for Economic and Social Research has warned in 2022 that, while all regions of the UK can expect an increase in destitution, the increase in Northern Ireland is expected to be the worst (67%); this could result in 25,000 households being destitute.[41]

In this context, EU funding was important and beneficial for several reasons. As well as bringing significant resources into the UK and Northern Ireland, some of those funds were specifically designed to combat poverty and promote social inclusion. As this report will show, these goals in turn allowed for the funding of many projects that were specifically targeted at promoting equality of opportunity across a range of Section 75 groups including young people, people with disabilities and women and members of ethnic minority communities.

Another important aspect of EU funding was that it was based on multi-year grants and therefore offered some degree of consistency and sustainability, allowing recipients to engage in more long-term planning than is the case with non-EU funding which runs over a much shorter funding cycle. Another benefit of EU funding has been that it was often perceived as 'neutral' rather than reflecting local political divisions.

There were undoubtedly several problematic aspects with EU funding, notably that its administration was highly bureaucratic,[42] or at least perceived to be. Assessing the overall impact of these funds is difficult. EU funding has financed numerous projects, many of which were working with the most disadvantaged groups in Northern Ireland. It is also worth noting that in Northern Ireland different public sector bodies, including government departments, have given much thought as to how the efficiency of EU funding streams can be improved, working in collaboration with different stakeholders, including civil society, and the community and voluntary sector to achieve this objective.

Brexit has therefore created a challenge for those organisations and individuals who have been in receipt of EU funds. There is somewhat greater clarity for those depending on PEACE and INTERREG funding than for those who received European Social Fund support.

41 National Institute of Economic and Social Research, **National Institute UK Economic Outlook: Powering Down, Not Levelling Up** (NIESR, 2022) p. 35.

42 Work and Pensions Committee, **European Social Fund** (2017-2019) HC 848 para. 12.

In relation to the PEACE and INTERREG funding, the position is relatively clear. PEACEPLUS will be a new €1.1bn programme to replace the earlier PEACE and INTERREG funding. The UK, EU and Ireland have already agreed to make contributions to this fund, and the Northern Ireland Executive, the Government of Ireland and the North South Ministerial Council have approved the programme. The final stage is for the European Commission to give approval.

The question of what replaces the European Structural and Investment Funds, particularly, the European Social Fund (ESF), is more problematic. At the time of writing, the UK government has announced several different funding streams to replace European Structural and Investment Funds (including the ESF), notably the Levelling Up Fund, the Community Renewal Fund, the Community Ownership Fund, and the Shared Prosperity Fund.

These initiatives are all welcome and represent important opportunities. The difficulty is that there are serious concerns about how these different funds will address the gap left by the ending of EU funding. More than five years after the Brexit referendum it is unclear how the Shared Prosperity Fund will work. Questions remain about how much money will be available for Northern Ireland, and how that money will be distributed. The UK Government has carried out only limited consultation with Northern Ireland departments and the community and voluntary sector.

Meanwhile Brexit and the Northern Ireland Protocol controversy have had other consequences. As well as triggering the ending of EU funding, the Brexit/Protocol situation has damaged the peace process and community relations as well as relations across these islands.[43] According to one of our interviewees, the dynamics of the Brexit/Protocol situation creates challenges: Unionists see Irish Sea border checks as a constitutional issue while Nationalists see it is a trade issue.[44] At the same time, according to this interviewee, different initiatives such as those celebrating the Union and the Shared Island initiative have the potential to highlight differences: 'all these things are polarizing and segregating and separating' and make for a 'choppy period'.[45]

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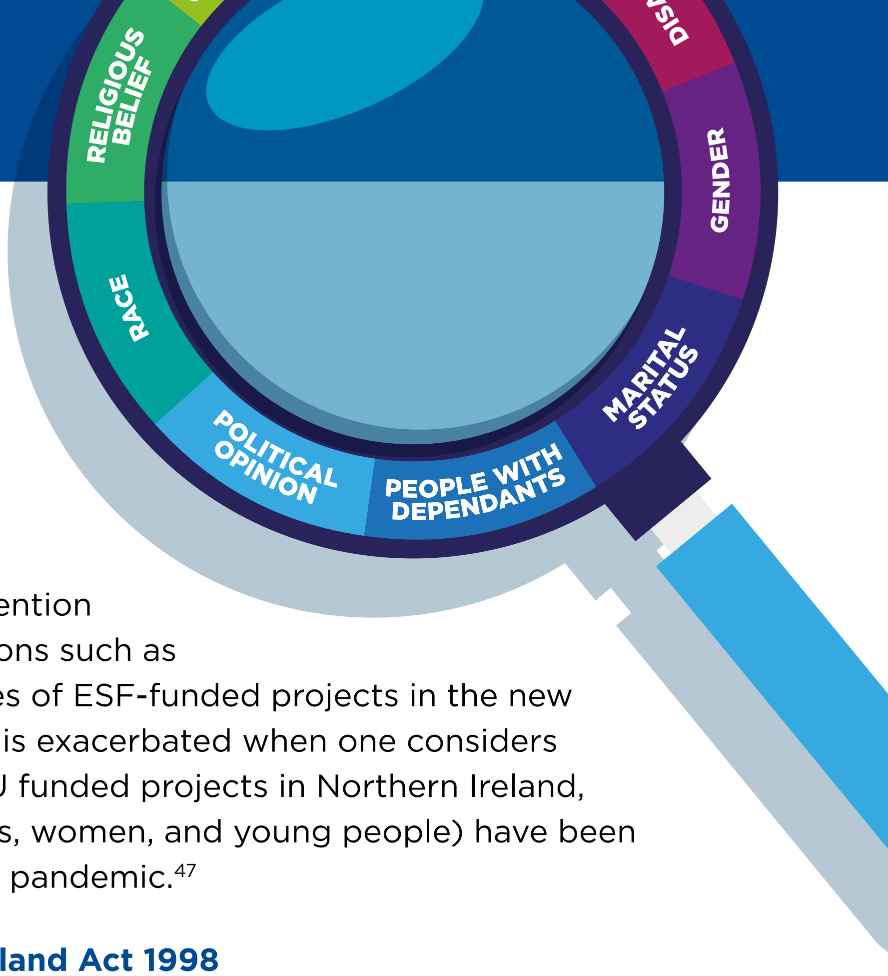
43 BrexitLawNI, *Brexit and the Peace Process Policy Report* (2018); Etain Tannam, *The Future of Irish-British Relations* in Federico Fabbrini (ed.) *The Law & Politics of Brexit: Volume II: The Withdrawal Agreement* (Oxford University Press 2020); Rory O'Connell, *Cross-Border Cooperation* in Federico Fabbrini (ed.) *The Law & Politics of Brexit: Volume IV: The Protocol on Ireland / Northern Ireland* (Oxford University Press 2022).

44 Interview D.

45 Interview D.



As some of our interviewees pointed out, this makes the work of promoting good relations at this time more urgent.[46] Furthermore, the high-level disputes about Brexit and the Protocol divert political attention and energy away from other questions such as what will happen to the beneficiaries of ESF-funded projects in the new funding environment. This problem is exacerbated when one considers that many of the beneficiaries of EU funded projects in Northern Ireland, (for example people with disabilities, women, and young people) have been disproportionately impacted by the pandemic.[47]

1.3. Section 75 of the Northern Ireland Act 1998

The Belfast (Good Friday) Agreement includes a range of commitments and safeguards relating to human rights and equality.[48] Amongst these is a commitment to adopt a statutory duty on the promotion of equality of opportunity. Section 75(1) of the Northern Ireland Act 1998 gives effect to this commitment. Section 75(1) requires designated public authorities 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, between men and women generally; between persons with a disability and persons without and between persons with dependents and persons without'. Section 75(2) requires public authorities to 'have regard to the desirability of promoting good relations between persons of different religious belief, political opinion or racial group.' The obligation in Section 75(1) ('due regard to the need') is stronger than the 75(2) obligation ('regard to the desirability'). Schedule 9 to the Northern Ireland Act 1998 provides more detail on the operation of Section 75.[49]

46 Interview A, Interview D.

47 See for example Mark Magill and Marguerite McPeake, **Labour Market Implications of COVID-19: How Have Restrictions on Work Impacted Different Types of Workers in Northern Ireland?** (Ulster University, 2020). See also Laurence Taggart, Roy McConkey, Peter Mulhall, CAN, Mencap NI and Positive Futures, **The Impact of Covid-19 on People with Learning Disabilities in Northern Ireland: Implications for Policy and Practice** (Ulster University, 2021); Women's Budget Group, **The Impact of the Coronavirus Pandemic on Young Women on Low Incomes** (UK Women's Budget Group, Fawcett Society, Northern Ireland Women's Budget Group, Women's Equality Network (WEN) Wales, Close the Gap and Engender, 2021) (23 August 2021); Women and Equalities Committee, **Unequal Impact? Coronavirus and the Gendered Economic Impact: Fifth Report of Session 2019–21** (House of Commons: 2017-2019) HC 385; Meghan Campbell, Sandra Fredman and Aaron Reeves, **Palliation or Protection: How Should the Right to Equality Inform the Government's Response to Covid-19?** (2020) 20 (4) International Journal of Discrimination and the Law 183.

48 **Belfast Good Friday Agreement 1998**.

49 **Northern Ireland Act 1998, Schedule 9**.

The Equality Commission for Northern Ireland (ECNI) has responsibility for the enforcement of both these Section 75 duties.[50] Section 75 requires designated public authorities to mainstream these obligations. This requires public authorities to adopt an equality scheme to be approved by the Equality Commission. The equality scheme must set out how the public authority will carry out consultations, conduct equality screening of policies, consider the need for Equality Impact Assessments, conduct monitoring and training and provide for access to information.[51]

1.4. Aims and Objectives of the Research

The aim is to produce an expert report that analyses how EU funding has benefited Section 75 equality groups, and the promotion of equality and good relations in Northern Ireland; assesses the potential economic and social impact of the loss of such funding and/or any changes as to how that funding will be delivered on Section 75 equality groups, and the promotion of equality and good relations in Northern Ireland; and makes recommendations as regards future funding, including in the context of the proposed UK Shared Prosperity Fund (SPF) and UKSPF Investment Framework.

Key objectives are to produce a report that:

- provides an analysis of how EU funding, with a particular focus on funding received under European Structural and Investment Funds, has benefited Section 75 equality groups, and the promotion of equality and good relations in Northern Ireland;
- provides an analysis of the potential economic and social impact of the loss of EU funding and/or as regards any changes to how that funding will be delivered on Section 75 equality groups and the promotion of equality and good relations in Northern Ireland;
- engages with representative organisations of Section 75 equality groups and other relevant stakeholders in initially informing and subsequently refining the above analysis and subsequent recommendations;
- makes recommendations as regards future funding, including in the context of the proposed UK SPF and UKSPF Investment Framework.

50 The Equality Commission has extensive documentation on **Section 75**.

51 Equality Commission for Northern Ireland, **Section 75 of the Northern Ireland Act: A Guide for Public Authorities** (ECNI, Belfast 2010).

1.5. Methodology

1.5.1. Desktop research

The desktop research focused on existing publications including webpages/datasets on the relevant EU[52] and replacement funding streams;[53] identification of any reports from the EU on those funding streams and identification of secondary literature on these EU funding streams and their impacts on beneficiaries from different Section 75 groups. This included reports by civil society organisations/charitable funders,[54] research/library or committee reports in the EU institutions,[55] the UK Parliament,[56] the Northern Ireland Assembly[57] and academic literature.[58] The Equality and Human Rights Commission[59] and the Institute for Government[60] have published especially relevant and thorough reports. Northern Ireland departments have also published important material including an evaluation of the European Social Fund programme [61] and a landscape document to consider successor funding.[62] The Department for the Economy and the Special EU Programmes Body (SEUPB) have produced case studies of the projects that the ESF, PEACE IV and INTERREG have supported. We focused on the most recent period 2014-2020 of the ESF funding though some interviews considered earlier periods as well.

1.5.2. Interviews

Interviews were used to gather information on the benefits experienced by stakeholders of previous EU funding, disadvantages, concerns about the change in funding environment and impacts on equality and good relations issues including intersectional issues. While there are documents available which provide some of these details, they do not provide much detail on the potential impact on the promotion of equality and good relations issues. Even very detailed reports on the funding schemes often do not explicitly address equality issues in any detail.

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52 Datasets here refers to the database information on which grounds have received funding such as the **DfE ESF page**.
53 See **Levelling Up page**, **Community Renewal page**.
54 For example, Joseph Rowntree Foundation, **Designing a Shared Prosperity Fund** (2018).
55 European Parliament Committee on Regional Development, **Report on the impact of the EU cohesion policy on Northern Ireland (2017/2225(INI))** (European Parliament, 2018) (27 June 2018).
56 Philip Brien, **The UK Shared Prosperity Fund** (House of Commons Library, 2021).
57 For example, Jodie Carson and Colin Pidgeon, **European Funding in Northern Ireland** (NI Assembly RAISE, 2020) (20 August 2010).
58 For example, Derek Birrell and Ann Marie Gray, **Devolution: the Social, Political and Policy Implications of Brexit for Scotland, Wales and Northern Ireland** (2017) 46 (4) Journal of Social Policy 765-782.
59 Andrea Broughton, Monica Andriescu and Sara Rizzo, **The Future of Funding for Equality and Human Rights** (Equality and Human Rights Commission, 2019).
60 Alex Nice, Akash Paun and Dan Hall, **The UK Shared Prosperity Fund** (Institute for Government, 2021).
61 Department for the Economy, **An Impact Evaluation of the Northern Ireland European Social Fund Programme, 2014-20** (2020).
62 Pat O'Neill, Colin Stutt, Stephanie Morrow, Therese Hogg and Mark Graham, **European Social Fund Succession Landscape Paper** (Department for Communities and Department for the Economy, 2021) (February 2021).

This reflects also the experience in Britain where the Equality and Human Rights Commission has recommended that the new Shared Prosperity Fund 'improve data collection and monitoring of protected characteristics and at-risk groups'.[63]

The researchers identified fifteen individuals for interviews, based on their engagement with EU funding to date in Northern Ireland and the implications of the ending of EU funding for equality and good relations work. Individuals interviewed had experience of working with community, voluntary and civil society groups that had received EU funding and were working across issues such as gender, disability (including mental health), youth, and employability. We also interviewed individuals who worked in public sector organisations and a human rights non-governmental organisation. In a small number of cases, we held joint interviews with two people from the same organisation.

Interviews were semi-structured using the questions in Annex 1. Draft questions were agreed in advance with the Equality Commission's Advisory Group. With interviewees' permission the interviews were recorded. Interviewees were given the option of anonymity though many waived this option. The use of interviews was approved in advance by the Law Ethics Filter Committee at Ulster University in line with the University's Code of Ethical Research.

Annex 2 provides details on the interviews, including names where the interviewee has waived anonymity. Our interviews for the report are identified by letters ('Interview A' and so on) in the footnotes.

An advanced draft of this report was shared with interviewees to allow them to confirm accuracy of any quotes or views and to comment on the draft report.

63 Andrea Broughton, Monica Andriescu and Sara Rizzo, **The Future of Funding for Equality and Human Rights** (Equality and Human Rights Commission, 2019), p.10-11.

2. EU Funding

2.1. Introduction

This chapter considers the EU funding available in Northern Ireland and how these funds have benefitted Section 75 groups. It discusses the different funds available in Northern Ireland (section 2.2), focusing on the most recent period of 2014-2020 (section 2.3). The following three sections consider how these funds have benefitted the promotion of equality of opportunity and good relations (section 2.4), which Section 75 groups have received support (section 2.5) and what have been the social and economic benefits (section 2.6). The benefits for those with intersectional identities and those living in rural and border regions are considered in sections 2.7 and 2.8.

2.2. What funds were available in Northern Ireland through the EU, the European Structural and Investment Funds and specifically European Social Fund (ESF)?

Northern Ireland has benefitted significantly from EU funding. Different types of EU structural funds are available to EU members and disbursed over a 7-year period called the Multiannual Financial Framework (MFF).[64] The most recent funding cycle was 2014-2020. Northern Ireland has benefitted from general European Structural and Investment Funds (ESIF)[65] such as the European Social Fund (ESF), as well as INTERREG cross-border funding and Northern Ireland specific-funding (PEACE funding). Following the Brexit referendum, First Minister Foster and deputy First Minister McGuinness wrote to Prime Minister May highlighting the importance of EU funding for Northern Ireland.[66]

Aligned to the terms of reference, this research is primarily concerned with EU Structural and Investment Funds, specifically the European Regional Development Fund (ERDF) and European Social Fund (ESF). ERDF funds are intended to support research and innovation, promote the competitiveness of small and medium sized enterprises (SMEs) and support the shift to a low-carbon economy. ERDF funding is therefore less likely to specifically impact Section 75 groups directly although there is equality screening in Northern Ireland to ensure affected groups are not disadvantaged.[67]

64 Alex Nice, Akash Paun and Dan Hall, **The UK Shared Prosperity Fund,** p.10.
65 ESIF includes five different funds: European Regional Development Fund (ERDF), Cohesion Fund, European Agricultural Fund for Rural Development, European Maritime and Fisheries Fund and European Social Fund.
66 **Letter to Prime Minister May**, 10 August 2016.
67 Interview O.

The ESF on the other hand is more fundamentally concerned with equality issues, given that it is intended to promote employment and labour mobility, promote social inclusion and combat poverty, invest in education, skills and life-long learning.[68] According to one public sector interviewee:

> 'The ESF programme essentially is targeted at those furthest from the labour market. So, a lot of the people that it will actually be proactively reaching out to will be disadvantaged in some way, perhaps in that they have not been part of the labour market for some time, [for instance having responsibility for] bringing up family. In that instance, it would particularly be aimed at women that are trying to get back into the workforce. There are also specific aspects of it that are for people with disabilities.'[69]

In addition to funds like ESF and ERDF, Northern Ireland has also benefitted from the EU Programme for Peace and Reconciliation in Northern Ireland (PEACE funding) which is 'a unique structural fund aimed at reinforcing progress towards a peaceful and stable society and promoting reconciliation'.[70] To date there have been four PEACE programmes (PEACE I – IV) which have been collectively worth €2.265bn or £1.563bn over the period 1995-2020.[71] PEACE funding has been especially relevant to the good relations duty with its focus on shared education, children and young people, shared spaces and services and positive relations.[72] SEUPB's Peace Platform records more than 22,500 projects supported by PEACE monies including the Giant's Causeway Visitor Centre, the Skainos Centre, the Girdwood Hub, the Victims and Survivors Service, the North West Regional Science Park, Cooperation and Working Together (CAWT cross-border health initiative) and the Peace Bridge.[73]

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68 Interview O.
69 Interview O.
70 Special EU Programmes Body, **The Impact of EU Funding on the Region** p. 2.
71 Ibid p. 2.
72 Ibid p. 5.
73 Special EU Programmes Body, **PEACE Programmes Learning Platform** Accessed 22 November 2021. See also European Parliament Committee on Regional Development, **Mission report following the fact-finding mission to Northern Ireland from 21 to 23 March 2018** (European Parliament, 2018) (10 April 2018); European Parliament Committee on Regional Development, **Report on the impact of the EU cohesion policy on Northern Ireland (2017/2225(INI))** (European Parliament, 2018) (27 June 2018).

In addition, Northern Ireland has also benefitted from the INTERREG programme, an EU wide initiative designed to help development in border regions.[74] There have been five INTERREG programmes, worth €1.134bn or £822m, covering Northern Ireland, the Border regions of Ireland and, in later programmes, Western Scotland.[75] The Special EU Programmes Body (SEUPB), established as an implementation body under Strand Two of the Belfast Good Friday Agreement 1998, manages the PEACE funding and supports the INTERREG programme.[76]

EU funds have been particularly important in Northern Ireland with its context of significant social and economic problems. While in EU terms NI has been treated as a 'transition' area (GDP per head between 75 and 90% of the EU average) rather than a 'less developed region' (GDP per head less than 75% of the EU average), NI has multiple challenges and is one of the poorest regions in Western Europe.[77]

UK reports suggest it is difficult to assess the impact of structural funds directly due to lack of data and also the difficulty of disentangling the impact of EU projects from other domestic spending programmes. At the same time, EU funding has made important contributions to different projects and is valued by those who receive it.[78]

2.3. Funding period 2014-20

During this period, Northern Ireland received support under the European Regional Development Fund (ERDF), European Social Fund (ESF), Rural Development Programme (RDP), European Territorial Cooperation programmes including PEACE IV and INTERREG VA.[79] The paper 'Future Funding Priorities - SPF' from the Northern Ireland Executive highlights the importance of EU funding for the region: during 2014-2020 it was expected there would be allocations of €4bn for Northern Ireland.[80]

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74 Special EU Programmes Body, **The Impact of EU Funding on the Region** p. 5.
75 Ibid
76 Special EU Programmes Body, **Annual Report 2019** (2021).
77 European Parliament Committee on Regional Development, **Report on the impact of the EU cohesion policy on Northern Ireland** (2017/2225(INI)) (European Parliament, 2018) (27 June 2018).
78 Philip Brien, **The UK Shared Prosperity Fund** (House of Commons Library, 2021) p. 10.
79 Department for Finance, **European Structural and Investment Fund Programmes in Northern Ireland**.
80 **Northern Ireland Executive Future Funding Priorities – SPF**.

The different ESIF, Peace and INTERREG programmes were worth €2.4bn to Northern Ireland during 2014-2020 of which the EU contributed €1.2bn.[81] The EU provided the majority (85%) of PEACE and INTERREG monies.[82]

During the 2014-2020 cycle the UK was allocated €5.8bn under the ERDF programme and €5.1bn under the ESF.[83] This translated to an allocation of €510m for Northern Ireland.

Northern Ireland, like the other devolved regions of the UK, received more per person than England in terms of overall allocation of structural funds due to the fact that per capita incomes in England are, in aggregate, higher than in the devolved regions. The allocation of European Structural Funds per person in the different regions of the UK is highlighted in the table below that shows the average amount of structural funds per year during 2014-2020.[84] Northern Ireland with slightly less than 3% of the UK's population typically received 5% of the funding. The total amount for European Structural Funds averages at £2bn per year. The total receipt for ERDF and ESF funding averaged £1.3bn per year.[85]

Table: Allocation of ESF to different regions, average amount per year 2014-2020.[86]

Area	Total £billion	% of total	£ per person
UK	2	100	30
England	1.3	65	23
Northern Ireland	.1	5	48
Scotland	.2	10	38
Wales	.4	20	117

81 European Parliament Committee on Regional Development, **Report on the impact of the EU cohesion policy on Northern Ireland (2017/2225(INI))** (European Parliament, 2018) (27 June 2018).
82 Ibid.
83 Alex Nice, Akash Paun and Dan Hall, **The UK Shared Prosperity Fund,** p. 10.
84 Philip Brien, **The UK Shared Prosperity Fund** (House of Commons Library, 2021) p. 8.
85 Philip Brien, **The UK Shared Prosperity Fund** (House of Commons Library, 2021) p. 14.
86 Based on data in Brien, Ibid p. 8.

2.4. How have these funds benefitted the promotion of equality and good relations in Northern Ireland?

The overall effect of ESF (and PEACE) funding has been, according to one public sector participant, to support 'an eco-system which for all its faults, is successful in terms of engaging people in local communities at a really local level and looking at removing their barriers' and is 'absolutely critical for engaging those Section 75 groups'.[87] The NI Affairs Select Committee has heard oral evidence to the effect that:

> 'The impact has been significant in terms of delivering jobs for people, productivity, social inclusion and effectively levelling up and addressing the equality agenda.'[88]

The purpose of the ESF programme in Northern Ireland during 2014-2020 was 'to combat poverty and enhance social inclusion by reducing economic inactivity and increase the skills base' of workers and future workers.[89] The NI ESF Programme had four priorities: access to employment, social inclusion, skills for growth and technical assistance. The access to employment priority has been aimed at the long-term unemployed and economically inactive, while social inclusion has focused on persons with disabilities.[90] The programme had a target of helping 119,040 people by the end of 2023 with approximately €450m allocated over the period 2014-2020.[91]

According to one interviewee, the PEACE funds were valuable in supporting smaller groups to do good relations work, working across the community divide and also working on a cross community basis.[92] This interviewee highlighted the work funded by the PEACE programme that was carried out with ex-prisoners groups, developing links and conversations between people who were former enemies during the conflict.[93] Lynn Carvill (Chief Executive, Women's Tec) noted that EU funding was helpful in supporting good relations and while this was something her organisation would do anyway, the fact it was being monitored provided encouragement for this activity.[94]

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87 Interview M.
88 David Babington (Action Mental Health), Northern Ireland Affairs Committee, **Oral evidence: UK Shared Prosperity Fund, HC880** (UK Parliament, 2021) (14 October 2020).
89 Department for the Economy, **An Impact Evaluation of the Northern Ireland European Social Fund Programme, 2014-20** (2020) p. 22.
90 Ibid p. 23.
91 Ibid p. 28.
92 Interview D.
93 Interview D.
94 Interview J.

2.5. Which Section 75 groups have received these funds?

To date EU funding in Northern Ireland has benefited a wide range of individuals from Section 75 groups. As one public sector interviewee pointed out:

> ‘There are many projects addressed …that brought together many different groups … giving them opportunities, particularly those underrepresented groups…. So, there are projects… which bring together the Traveller community, migrants, refugees and how they were being integrated into local communities, as well as those living with disabilities, those who have been suffering with the legacy of the conflict, including ex-prisoners and serving personnel, the LGBT community etc. There is the ‘Conflict Transformation Project’, … which was run by the Training for Women’s Network and Queen’s University, and they looked at … the role of women within peacebuilding and many of the women involved were from interface areas and difficult areas to get involvement from.’[95]

The same public sector interviewee also highlighted worked carried out with racial and ethnic minorities and working with employers and employees to expand understanding about employment rights.[96] Some of the projects have been imaginative and involved incorporating the arts:

> ‘The Playhouse Theatre delivered a couple of really good projects, including Beyond Labels, which focused on LGBTQ issues.’[97]

There is little doubt that while EU funding has had significant benefits for a range of groups included within Section 75, there have also been some difficulties in terms of how individual programmes have operated. This will be explored further in the report where there is evidence that some employment programmes have perpetuated labour market differentials in areas such as gender. Again, this illustrates the need to collect disaggregated equality data on funding recipients as well as clarity around the details of any funding to ensure full access to whatever replacement funding regime is established in Northern Ireland.

95 Interview H.
96 Interview H.
97 Interview H. On the other hand, another public sector interviewee did wonder if migrant communities had benefitted substantially from EU funding and expressed the concern that they were either too small or too recent to have benefitted (Interview M).

2.6. What have been the social and economic benefits for these groups of receiving these funds?

2.6.1. European Social Fund

According to the Department for the Economy, over the period 2014-2019, the ESF programme has helped more than 77,000 people to acquire and develop skills for the workplace; this includes supporting 26,000 people working towards an apprenticeship.[98] Of these 11,000 have gone into employment and 7,000 into further education.[99] A 2020 report commissioned by the Department for the Economy indicates that the targets in respect of all groups had been exceeded for the period 2014-2020; out of a target of 44,590 persons, 77,199 persons have been assisted by this programme. These included the unemployed and economically inactive, NEETs (those not in employment, education or training), as well as persons with disabilities.[100] The programme appears to be on track in terms of helping people find employment, though there are some areas of concern. The report notes that its consultees reported concerns about finding employment opportunities for persons with disabilities and worries about 'this becoming an even more difficult task in the context of a labour market that is experiencing a dramatic downturn because of Covid-19'.[101]

There is evidence, however, that some of these programmes have perpetuated, rather than addressed, labour market gender imbalances. More men than women have participated in activities related to unemployment, economic inactivity, NEETS, persons with disabilities and apprenticeships; only in relation to the Community Family Support programme did more women participate than men.[102] Similarly the percentage of people who have been helped to find employment shows a gender imbalance (59.7% male),[103] while 59.2% of those who have participated in disability programmes are male.[104] For the apprenticeship programme, participation is nearly two-thirds male (65.25%).[105] These imbalances reflect wider structural inequalities in the labour market in Northern Ireland.

98 Department for the Economy, **European Social Fund and Regional Development Fund projects have transformed the lives of thousands across Northern Ireland** (2019) Last accessed on 15 November 2021.
99 Ibid.
100 Department for the Economy, **An Impact Evaluation of the Northern Ireland European Social Fund Programme, 2014-20** (2020) p. 24.
101 Ibid p. 40.
102 Ibid p. 27.
103 Ibid p. 35.
104 Ibid p. 39.
105 Ibid p. 44.

According to an Ulster University report, in 2016 29% of women in Northern Ireland are economically inactive compared to 14% of men; this compares to figures of 22% and 11% in the UK as a whole. Significantly 12% of women indicate that caring responsibilities is the reason for economic inactivity compared to 1% of men.[106] More recent figures from the Labour Market Status Report 2020 indicate that the economic inactivity rate in Northern Ireland is 20.7%; in terms of gender, the economic inactivity rate for men in Northern Ireland is 15.8% and for women, 25.6%.[107]

One interviewee from the women's sector commented that these figures were unsurprising, and that these gender differentials would continue until structural barriers like the lack of available and affordable childcare in Northern Ireland were addressed. According to Lynn Carvill (Chief Executive, Women's Tec), most organisations don't have access to childcare and this means that women with dependent children can face barriers to accessing employment programmes due to the lack of childcare provisions.[108] Research by Ulster University also highlights the importance of childcare provision for addressing labour market differentials.[109] Northern Ireland is currently the only part of the UK without a childcare strategy although work to rectify this anomaly is ongoing. From the perspective of this report, it is important to acknowledge that EU funded programs did not exist in a vacuum, and in some instances, reflected, for example, wider imbalances in the labour market. If replacement funding is to work successfully, it is important that structural barriers facing Section 75 groups, such as lack of childcare, are addressed.

There are currently 66 projects supported across Northern Ireland under ESF Programme 2014-2020.[110] These programmes have generated significant benefits for the NI economy with a conservative estimate from the DfE indicating that the people who found employment immediately would generate €231m in one year.[111] However, this figure does not allow for people who find employment later, wages in future years or indeed career progression.[112] Nor does it allow for the less direct and tangible benefits that flow from encouraging a wider culture of learning and skills development.[113]

106 Based on economic inactivity rates by gender excluding students. Mark Magill and Marguerite McPeake, **An Anatomy of Economic Inactivity in Northern Ireland Working paper** (Ulster University Economic Policy Centre, 2016) p. 14.

107 Based on economic inactivity rates by gender excluding students. Northern Ireland Statistics and Research Agency (NISRA), **Labour Market Status 2020** (2021) Table 1.9.

108 Interview J.

109 Mark Magill and Marguerite McPeake, **An Anatomy of Economic Inactivity in Northern Ireland Working paper** (Ulster University Economic Policy Centre, 2016) p. 21.

110 **Northern Ireland European Social Fund Programme 2014-2020.**

111 Department for the Economy, **An Impact Evaluation of the Northern Ireland European Social Fund Programme, 2014-20** (2020) p. 60.

112 Ibid p. 60-61.

113 Ibid p. 62.

The 2020 DfE report indicates high levels of satisfaction among participants with 95.1% agreeing participation on the programme was a good use of their time. Participants also highlighted the skills and confidence they developed as a result of the programme.[114] The DfE report specifically surveyed persons on the disability programmes who also reported high levels of satisfaction with 88.9% agreeing that it helped their chances of going into employment or education.[115]

The Department for the Economy has published case studies highlighting how ESF funds have helped individuals in several categories including: the unemployed and economically inactive; those not in education, employment, or training (NEETs); persons with disabilities; and families under the community Family Support programme.[116] Examples of these case studies relevant to equality of opportunity include the following:[117]

- **Youth Action NI Get Set for Work**. This project works with people who are not in education, employment, or training to help develop their skills. One participant was struggling to get into work and found the constant rejection dispiriting. A Get Set youth worker assisted the participant with his confidence and communication skills and helped set up a placement. This helped develop his skills and confidence and he was offered employment consequently.
- **A Wee Job**. This project helps people with disabilities access work or training. One participant had not worked for many years and had chronic arthritis. A mentor worked with him to identify his skills and strengths and to set realistic goals. When he applied for a job as a cleaner in a school, 'A Wee Job' assisted with preparation for the interview and he was successful.
- **Triangle's Progression to Employment project**. The project works with persons who have a learning disability and/or autism to promote social inclusion and combat poverty. One participant was helped to find work as a personal shopper and reports that she loves the work and that it is has given her financial independence.

114 Ibid p. 68-69.
115 Ibid p. 79.
116 Department for the Economy, **European Social Fund (ESF) Case studies 2021**.
117 Examples from Department for the Economy, **An Impact Evaluation of the Northern Ireland European Social Fund Programme, 2014-20** (2020) section 3.5.5.5

While many of these statistics and case studies focus on employability, one of our interviewees, Edyth Dunlop (Regional Manager, NIUSE), stressed that the ESF programme was wider than employability; it was also about social inclusion – projects aimed at helping people to become included in society as a whole.[118] The most recent ESF programme has supported 22 projects - a third of the total – working to support people with disabilities to learn new skills, develop their employability and find new employment.[119] For this interviewee, the aim of the programmes was also to empower individuals and to help educate employers about disability.[120] This highlights the wider significance of the ESF funding; as well as helping people to find employment, it also supported them in their personal development and provided an opportunity to effect wider change among employers.

The landscape report commissioned by the Department for the Economy and Department for Communities confirms that the ESF-funded projects have helped people whom the more mainstream funds did not help.[121]

2.6.2. PEACE IV and INTERREG VA

The PEACE IV programme 2014-2020 is worth approximately €270m and focuses on 'support for children and young people, shared education initiatives, positive relations between divided communities; and the creation of new shared spaces and services.'[122] According to its Annual Report, SEUPB has issued 128 letters of offer to successful projects.[123]

SEUPB highlights several successful case studies during the PEACE IV programme:[124] These include projects which have supported people from Section 75 groups, for example, persons with disabilities, women's groups, people from different age groups, from different religions or of different political opinions. Projects have also supported good relations. Examples include:

118 Edyth Dunlop (Regional Manager, NIUSE): Interview E.
119 Equality Commission for Northern Ireland and Northern Ireland Union of Supported Employment, **Making It Work** (ECNI/NIUSE, 2021) p. 22.
120 Edyth Dunlop (Regional Manager, NIUSE): Interview E.
121 Pat O'Neill, Colin Stutt, Stephanie Morrow, Therese Hogg and Mark Graham, **European Social Fund Succession Landscape Paper** (Department for Communities and Department for the Economy, 2021) (February 2021) p. 20.
122 Special EU Programmes Body, **Annual Report 2019** (2021) p. 10.
123 Ibid p. 8.
124 Ibid p. 11-16.

- **HEROES** (Helping Equality, Respecting Others, Enabling Success) is a project led by MENCAP NI, working on a cross-community basis to support young people with and without learning difficulties. It combats exclusion and marginalisation by helping develop the confidence and social skills of young people.
- **Futures** is a partnership between the Belfast Metropolitan College, Start360 and NI Housing Executive, working with and offering qualifications for young people to help develop effective relationships with others from a different background.
- **The Next Chapter** project is led by Politics Plus, the Northern Ireland Council for Voluntary Action and Irish Rural Link and works to support greater involvement of women in public life.
- **Monaghan Peace Campus** is a new space to bring together on a cross-community basis and has the support of the Orange Order and Ulster Scots Agency.

INTERREG VA has a value of €283m and supports projects protecting the environment, health and well-being, reducing carbon emissions and making businesses better.[125] SEUPB has highlighted several projects supported by INTERREG including:

- **Multiple Adverse Childhood Experiences (MAC)** which works with vulnerable children and their families.
- **Need to Talk** working with people affected by sight loss.

As with ESF, PEACE and INTERREG have supported projects for Section 75 groups, including women's groups, young people, people with disabilities, and others.

2.7. How have the funds benefitted individuals and groups intersectionally?

Persons with intersecting identities – for example, young persons with disabilities or women from ethnic minorities – may experience particular challenges or obstacles in securing equality of opportunity. There is some evidence that EU funding has benefitted individuals with intersecting identities and also encouraged groups to work together across different Section 75 grounds.

125 Ibid p. 18.

EU funding has supported groups which help persons with complex needs, including those stemming from intersecting identities. For example, John McComb (Employability Manager, Include Youth) and Niall Blee (Programme Coordinator, Include Youth) stressed that their PEACE IV-funded programme was based on reaching out to all of the Section 75 groups and so they had to monitor how people from all the different groups participated in the project.[126] The sort of intensive wrap-around support that this organisation has provided means that it helps people with multiple, complex needs; and more recently this has included helping young people from immigrant communities (typically unaccompanied minors) who may have no English-language knowledge.[127] An interviewee from another organisation in the disability sector also described how their organisation's 'person-centric' approach meant they were well suited to assist people with different needs, and that the nature of ESF had brought them into contact with people with different needs whom they might not have interacted with before.[128]

Lynn Carvill (Chief Executive, Women's Tec) commented that they frequently worked with groups with intersecting identities that is to say, women with disabilities or women from minority ethnic groups.[129] One public sector interviewee noted that when reviewing applications, they would seek to encourage applicants to address intersectionality, for example, by including young people with disabilities or women with disabilities.[130]

Lynn Carvill (Chief Executive, Women's Tec) highlighted the way in which EU funding encouraged groups across the disability, youth, and women's sector to meet and share ideas:

> 'So, I've met a lot of good people doing good work across the North. And you know, we could learn from each other in terms of, you know, with people with disabilities, young people not in education, employment and training and then with disadvantaged working-class women and so it was a great forum to bring people together with a certain mindset and running programmes.'[131]

126 Interview L.
127 Interview L.
128 Interview N.
129 Interview J.
130 Interview H.
131 Interview J. This view was also echoed by Interview N.

2.8. How have these funds benefitted groups in rural and border areas?

John McComb (Employability Manager, Include Youth) and Niall Blee (Programme Coordinator, Include Youth) stated that Include Youth had benefitted from ESF funding in engaging in outreach in rural areas, but that this had entailed a lot of travel for their beneficiaries.[132] An interviewee from the disability sector also highlighted the challenge of transport. This was a particular issue for their organisation given that their beneficiaries (people with learning disabilities and autism), the vast majority of whom lived in rural areas, were extremely unlikely to drive, and so were dependent on public transport or family and friends.[133]

PEACE funding has supported many projects in rural areas, for example, 'Respecting Rural Differences'.[134] The recent approval by the Northern Ireland Executive, Government of Ireland and Northern South Ministerial Council of the PEACEPLUS Programme is welcome and will undoubtedly provide much needed funding across a broad range of projects in Northern Ireland and the Border region.[135]

The new PEACEPLUS programme will have a strong rural focus, and there are particular challenges in the rural areas, not least regarding transport. There are however other more subtle issues that need addressed. According to one public sector interviewee, while peace-related issues might be obvious in urban areas (due to greater concentrations of physical manifestations such as peace walls), this might not be so in rural areas and more needs to be done to articulate those concerns.[136] PEACEPLUS will look at rural regeneration, tackling isolation and addressing issues faced by the new migrant communities in rural areas.[137]

The PEACE programmes are based on a partnership approach so SEUPB works with the relevant departments on both sides of the border.[138] Speaking about the role of PEACE funding, Anthony Soares (Director, Centre for Cross-Border Studies) commented on how it had facilitated cross-border projects that could provide a space for discussions about difficult topics:

132 Interview L.
133 Interview N.
134 Interview H.
135 **Finance Minister welcomes Peace Plus approval** Accessed 19 January 2022.
136 Interview H.
137 Interview H.
138 Interview H.

> ‘Our knowledge would be more about projects that are cross-border that involve our partners north and south, and that has enabled people to come together, have some difficult conversations around all sorts of issues to reach an understanding on why the particular grouping might have certain difficulties or certain reluctance in terms of certain concepts or certain types of activity. That doesn’t mean that they resolve … that conflict, but they get to an understanding and it allows them to find another way of working together. So, it has been fantastic in that sense of bringing people in, different communities, different abilities together on a cross-border basis… it has been really valuable in terms of EU funding allowing for those conversations about sharing of knowledge and working together.’[139]

This sort of work, according to this interviewee, has also enabled individuals from minority ethnic communities, including the Traveller community, and migrant communities to get involved in these conversations – ‘they’re brought into the conversation rather than being left out and be spoken about rather than being there to speak for themselves’.[140]

2.9. Conclusion

EU funding, especially ESF and PEACE funding, has provided significant benefits across a range of Section 75 groups in Northern Ireland, including young people, people with disabilities, women, minority ethnic groups and others. This includes people with intersecting identities. This work has provided significant social and economic benefits for Northern Ireland and benefitted marginalised and disadvantaged groups. It is imperative that replacement funding continues to support the work that has been carried out to date and supported by EU funding.

139 Interview I.
140 Interview I.

3. Benefits and Problems Associated with EU Funding

3.1. Introduction

This chapter explores the experience of EU funding in Northern Ireland and identifies the benefits as well as the problematic features of that funding. EU funding has been beneficial in supporting members of Section 75 groups, including individuals from at-risk groups and individuals with complex needs. The EU funding had been provided through multiannual frameworks which provided for some degree of stability; in addition, longer-term funding facilitated the work of organisations working with excluded or hard-to-reach groups. Furthermore, the provision of EU funding was accompanied by a commitment to objective criteria and adopted an approach based on partnership and participation.

There were problematic features of the funding, most notably the levels of bureaucracy associated with it, concerns about funding prioritisation and an over-focus on outputs, rather than the full range of outcomes provided by ESF-funded projects.

3.2. Beneficial Features of EU Funding

3.2.1. Significant Funding for Projects Related to Equality

By any measure EU funding represented substantial resources that were channelled to organisations, many of whom were working on promoting equality and good relations in Northern Ireland.[141]

The EHRC report found that EU funding like ESF provided funding for at-risk groups in Britain that might otherwise have difficulty accessing support.[142] Our research in Northern Ireland confirmed that European funding in Northern Ireland had similarly benefitted such groups. The ESF programme in NI supported 22 projects under the heading of disability, 18 projects addressing the needs of those not in employment, education or training (NEETS), 21 projects for the unemployed and economically inactive and 5 projects on community and family support.[143]

141 The importance of EU funding for work on equality in Britain has also been highlighted in Andrea Broughton, Monica Andriescu and Sara Rizzo, **The Future of Funding for Equality and Human Rights** (Equality and Human Rights Commission, 2019), p. 45.

142 Andrea Broughton, Monica Andriescu and Sara Rizzo, **The Future of Funding for Equality and Human Rights** (Equality and Human Rights Commission, 2019), p. 46. Examples given by the EHRC include groups dealing with homelessness, substance abuse and young white men dealing with deindustrialisation. The importance of the ESF funded projects in working with harder to reach groups was also emphasised in our interview with Susan Russam (Chief Executive, GEMS); Interview C.

143 Department for the Economy, **66 European Social Fund Call 2 Projects by Constituency and Council Area** (updated 13 April 2021).

The groups supported included civil society, community and voluntary organisations working on disability issues (for example Action Mental Health, Compass Advocacy Network, Disability Action, Cedar, Mencap etc), women's centres or organisations (for example Kilcooley, Derry, First Steps, Training for Women Network), groups working with young people (for example Include Youth, Youth Action, Derry Youth and Community Workshop).[144]

Our interviewees discussed how ESF had assisted people from different groups who faced exclusion or marginalisation. These included people who had difficulty getting employment because of disability, learning disability or being ex-offenders for instance.[145] Other organisations had programmes helping young people who had experienced or were at risk of experiencing sexual exploitation.[146] The funding also helped 'new', that is to say, migrant communities to better integrate into the community.[147]

The people who have been helped by EU funded projects include groups facing multiple challenges. John McComb (Employability Manager, Include Youth) and Niall Blee (Programme Coordinator, Include Youth) described their beneficiaries:

> 'the sort of profile of those care-experienced young people would be few or no qualifications - usually they dropped out of school early - lots of mental health issues, being in care itself is an issue, the trauma that is involved with that, drug and alcohol misuse'[148]

The organisation, Include Youth, was funded to run projects to help develop the skills and confidence of these young people so they could move into mainstream employment.[149] In this case the organisation may be the sole service-provider addressing the needs of these young people: as the Include Youth Employability Manager put it: 'when I say they have nothing, they have nothing.'[150]

144 Ibid.
145 Interview A. Early EU funding helped a diverse range of groups including women's groups, prisoners and victims: Interview B, Interview A.
146 John McComb (Employability Manager, Include Youth) and Niall Blee (Programme Coordinator, Include Youth): Interview L.
147 Susan Russam (Chief Executive, GEMS) outlined work on projects support learning language for work: Interview C.
148 Interview L.
149 Interview L.
150 Interview L.

The funding has also enabled groups to support persons in an individual way; interviewees stressed the importance of tailoring support to the needs of the individual, providing pastoral care,[151] 'practical, social and emotional support',[152] and 'wrap around' support, particularly to persons with complex needs, for example young people with mental health issues.[153] This shows how EU funding directly worked to promote equality for Section 75 groups such as young people and people with disabilities. Edyth Dunlop (Regional Manager, NIUSE) stressed this:

> 'Many of the disability projects are delivered through Supported Employment, an international recognised framework, which supports participants to find, maintain and progress in employment (paid employment in the open labour market). The 5-stage framework provides one to one support for participants to build confidence and resilience as well as developing employability skills to find employment.'[154]

According to Susan Russam (Chief Executive, GEMS) the funding enabled organisations to be creative and respond to the needs of their users:

> 'The one thing outside of those more mainstream programmes that European Social Funds gave you was allowing that sort of creativity and innovation based on your organisation, knowledge and capacity, and of the people that were experts by experience'.[155]

One interviewee pointed out that the impact of the withdrawal of EU funding is likely to have indirect and knock-on effects. John McComb (Employability Manager, Include Youth) and Niall Blee (Programme Coordinator, Include Youth) mentioned their work with unaccompanied minors, who often had little English; the work was important for the individuals but also essential for integration into the community.[156]

151 Department for the Economy, **An Impact Evaluation of the Northern Ireland European Social Fund Programme, 2014-20** (2020) p. 93.
152 John McComb (Employability Manager, Include Youth) and Niall Blee (Programme Coordinator, Include Youth): Interview L
153 Department for the Economy, **An Impact Evaluation of the Northern Ireland European Social Fund Programme, 2014-20** (2020) p. 100.
154 Interview E.
155 Interview C.
156 Interview L.

They pointed out that this type of work is focused on challenges that if not addressed might well draw resources from the health system, criminal justice system, etc. that would cost a lot more to resolve in the long run.[157] In addition to complying with Section 75 obligations, the type of projects described here are providing an overall benefit not just to the individuals themselves, but also to society as a whole.

Another interviewee reported:

> ‘The funding application process allows for innovative approaches designed by the project providers to meet the complex and diverse needs of people furthest from the labour market and facing significant barriers to inclusion. So, it’s allowed us to be that bridging gap for people post-rehab or post-special school or post-education to realise goals that prevent them needing day care, prevent them needing mental health services. So that’s how they have been very much in partnership. We would sometimes in the past have links with the Department of Justice; we have a brain injury specialism and the population in the prisons are very high in terms of brain injury, and we’ve done some nice pieces of work there with people due to come out on probation, or with people to prevent them go back.’[158]

Given the uncertainty about the new SPF, it is not clear whether the new funding arrangements will help the disadvantaged and marginalised, including those covered by Section 75 of the Northern Ireland Act, in the way that the ESF did with its focus on social inclusion. There is a concern that, in the words of Lynn Carvill (Chief Executive, Women’s Tec), ‘poorer places and places that need it are going to lose out.’[159] This fear is heightened given that, according to one participant, one of the perceived benefits of EU funding was not just in relation to the money that was delivered, but also the ‘leverage’ that the EU provided in promoting equality issues more generally.[160] The fact that membership of the EU necessitated compliance on a range of Directives for example, covering not just equality but also environmental standards, was seen by interviewees as particularly important.

157 Interview L.
158 Interview F.
159 Interview J.
160 Interview A.

According to Daniel Holder (Deputy Director, Committee on the Administration of Justice) this is evidenced, for example, by the way in which the EU has promoted rights for LGBTQI groups which have on occasion, met with resistance at local level in Northern Ireland.[161] Although this report is concerned with the impact of loss of EU funding, it is important to note the leverage that the EU provided not just in financial terms, but also at a policy level. From the perspective of promoting equality, the loss of this leverage, while difficult to quantify, is likely be significant in the coming decade.

3.2.2. Multiannual Frameworks

An important feature of EU structural funds is that they were organised on a 7-year basis, which is much longer than is typically the case with domestic funding which usually runs over a 3-4 year spending review cycle. One benefit of this time-frame is that EU funds allowed for more long-term planning than non-EU funding typically provided as well as giving more 'stability and transparency in financial planning', and helped to avoid short-term approaches.[162] The EHRC report contrasted typical domestic Government 'interventions…driven by short-term, unrealistic targets' with the longer time frame for EU-funded projects, typically 3-4 year projects, that helped mitigate this problem.[163] Research has also concluded that the longer-term approach allows for better planning in terms of recruitment, development and retention of staff.[164] The Welsh Affairs Committee also received evidence that funding projects for three years and longer provided security and stability.[165] For these reasons, the Welsh Affairs Committee has recommended the continuation of the multi-year framework approach.[166]

These views are confirmed by interviewees for this study. One public sector interviewee in Northern Ireland said that the longer timeframe for EU funding was preferable compared to the shorter funding cycles associated with other forms of public support.[167] Multiannual Frameworks were viewed as especially beneficial for organisations working with excluded or hard-to-reach groups where there are challenges developing relationships.[168]

161 Interview G.

162 Department for Business Innovation and Skills, **Balance of Competences Cohesion Review: Literature Review on EU Cohesion Policy** (2014) p. 63.

163 Andrea Broughton, Monica Andriescu and Sara Rizzo, **The Future of Funding for Equality and Human Rights** (Equality and Human Rights Commission, 2019), p. 47. The EHRC report quotes interviewees concerned about a 'revolving-door' or getting individuals 'off the case-book' approach more typical of short-term programmes.

164 Ibid p. 48.

165 **Written Evidence to the Welsh Affairs Committee form the Welsh Council for Voluntary Action**, SPF0003.

166 Welsh Affairs Committee, **Wales and the Shared Prosperity Fund, Priorities for the Replacement of Structural Funding: Fourth Report of Session 2019-21** (House of Commons, 2019-2021) HC 90 (2 October 2020) para. 60.

167 Interview H.

168 Andrea Broughton, Monica Andriescu and Sara Rizzo, **The Future of Funding for Equality and Human Rights** (Equality and Human Rights Commission, 2019), p. 48.

As one interviewee pointed out, organisations working with particular individuals from Section 75 groups – for example, people with mental health issues or learning disability – need to work with those people for more than a year to achieve a 'meaningful outcome'.[169]

Although there is a commitment from the UK Government that the SPF will operate over 'multiple years', it remains unclear over what period of time the funding will be offered. The Northern Ireland Executive has said it will adopt multi-year budgets,[170] though the resignation of the First Minister in February 2022 means that, at the least, that plan will be delayed.

Recommendation

The UK Government should urgently clarify the arrangements for the Shared Prosperity Fund, including whether projects funded by the Shared Prosperity fund will be able to receive funding for multiple years and if so, over how many years. Given the experience with ESF, the Shared Prosperity Fund should support projects for 3 years or longer.

3.2.3. Transparent and Objective Criteria

According to Daniel Holder (Deputy Director, Committee on the Administration of Justice), another benefit of EU funding that was identified by the research was that the funding criteria were perceived as objective - 'the risk of sectarianism in decision-making is reduced'.[171] According to one interviewee from the community and voluntary sector, the EU appeared as an 'honest broker'[172] while a public sector interviewee stated there was a perception that EU funding was viewed as 'neutral money'.[173] These concerns are not restricted to Northern Ireland - the need for objective criteria has also been stressed by the Scottish Affairs Committee.[174] Nevertheless, they are especially relevant in Northern Ireland given a long history of concerns about discrimination.

169 Interview F.
170 Research and Information Service, **Briefing Paper: Executive Budget 2021-2022** NI Assembly, 2021) Paper No. 44/21 (28 May 2021).
171 Interview G.
172 Interview A.
173 Interview H.
174 Scottish Affairs Committee, **The UK Shared Prosperity Fund and Scotland - Third Report of Session 2021-2022** (House of Commons, 2021) HC 52 (9 July 2021) para. 25

One public sector interviewee stressed that the EU approach also ensured rigorous monitoring which was conducive to transparency, fairness, accountability and quality:

> ‘the [EU] Commission has ensured transparency of treatment and equality of treatment for everybody… we have to abide by the rules and we have to apply them no matter who the group is. But it also means that there is somebody, an independent party, if you like, who are reviewing us and everything we do in assessing and managing funding, Where it is going? How it is being delivered? Was the funding call clear enough for people? Can we improve any of our systems, improve any of the bureaucracy?’[175]

This interviewee acknowledged that although this aspect of EU funding was useful, it did impose burdens on some community and voluntary groups who had to adapt their governance structures to manage the process. Another interviewee acknowledged however that this could be beneficial in the long run:

> ‘I suppose one of the benefits of that was that there was so much scrutiny and governance around the funding that it meant that our organisation is really tight as a body, as an organisation, as a charity, and that we could stand over our governance.’[176]

Anthony Soares (Director, Centre for Cross-Border Studies) stressed the importance of having objective criteria, and transparency to avoid the perception that funds were being allocated in an unacceptable manner:

> ‘Absolutely. Absolutely. And as I say, a lot of this is perception is not necessarily reality but the need for objective criteria is absolutely essential, but with objective criteria, you need transparency, absolute transparency in the entirety’.[177]

175 Interview H.
176 Interview N.
177 Interview I.

3.2.4. Partnership, Participation, and Building Relationships

A central aspect of EU funding was an emphasis on partnerships,[178] participation and promoting relationships within, as well as across, member states. The encouragement of participation aligns with the Section 75 process with its emphasis on the importance of consultation. Similarly, the promotion of partnerships and relationships supports the good relations duty in Section 75(2).

This emphasis on partnership and collaboration is apparent in Northern Ireland,[179] with the Department for the Economy demonstrating 'pragmatism, fairness and collaboration in their approach'.[180] According to one interviewee, this illustrates how EU funding was not just about the money that was provided, but also had 'policy additionality' in encouraging, for instance, a social partnership model.[181] According to interviewees, partnership and participation were built into programmes even at a very early stage in the 1990s through district partnerships[182] that were unheard of in Northern Ireland at the time but based on the social partnership model in Europe.[183] One interviewee highlighted that the partnership approach also meant that organisations could apply to work together under a funded programme and not just compete for limited resources.[184] As a result, groups now report how partnership has been embedded into their work:

> 'Our model of service is very partnership driven. It's always been match funded by Health because of our client group - people with disability, long-term health conditions. You know, the referral pathway is 90 percent of the time coming from social work teams, autism teams, brain injury teams, and they see this as an extension of their services. So, when people are ready to look at integration into the community, they come to this project.'[185]

178 According to a research paper by the Department for Business, Innovation and Skills, the EU funding model was significant in promoting partnership between different regional economic actors in the UK: Department for Business Innovation and Skills, **Balance of Competences Cohesion Review: Literature Review on EU Cohesion Policy** (2014) p. 63.
179 Department for the Economy, **An Impact Evaluation of the Northern Ireland European Social Fund Programme, 2014-20** (2020) p. 93.
180 Ibid p. 98.
181 Interview A.
182 Interview B.
183 Interview A.
184 Interview D.
185 Interview F.

This partnership approach also addressed some of the community divide in the 1990s. According to one interviewee, it required people ‘who didn’t really know each other and who certainly didn’t get along with each other, didn’t hear or listen to each other’ to collaborate; it meant that people met others whom they only knew from television.[186] Another interviewee also highlighted these links between different parts of the community, and the value of bringing people to meetings outside Northern Ireland ‘in terms of broadening the discussion’, building relations and changing the framing of discussions and interactions.[187] This included working with women’s groups (both single-identify and later cross-community) and ethnic minority groups.[188] This illustrates how the EU approach to partnership directly correlated with the objective of promoting good relations contained in Section 75 (2).

Partnership has also been important in addressing some of the challenges associated with the criticism that the EU funding systems have been overly bureaucratic (see below). John McComb (Employability Manager, Include Youth) and Niall Blee (Programme Coordinator, Include Youth) explained how:

> ‘they [the Department for the Economy] have been on a journey and we have been on a journey with them, so they now are to be fair to them much more understanding of the work and the value of the work but it has been a long and painful process, very heavy on auditing and bureaucracy.’[189]

More recently, one of our participants had this praise for the Department for the Economy:

> ‘[the Department for the Economy] has done a fabulous job at building relationships and respecting the work that the providers have done… highly supportive and been very open.’[190]

186 Interview A.
187 Interview B.
188 Ibid.
189 Interview L.
190 Interview F.

According to an interviewee from the disability sector, the partnership approach has been flexible and has enabled stakeholders to avoid the risk of people falling between the gaps and being caught in departmental silos:

> ‘… it does allow that kind of partnership flexibility to meet the need of individuals rather than putting them into a box of being either Department of Economy’s problem or Department of Communities or Department of Health.’[191]

The benefits of partnership were not limited to local partners but extended to other EU member states. According to Lynn Carvill (Chief Executive, Women’s Tec):

> ‘[As for] other positives, I think there was a part of it that was outward looking; it took us out of Northern Ireland and made us look to Europe and what was working across there.’[192]

Susan Russam (Chief Executive, GEMS) noted that some of the organisations funded under EU programmes are too small to invest in their own training, research and development but have been able to benefit from working with other European partners on different projects.[193] This is one benefit of EU funding that is likely to be lost following Brexit and again highlights the need for mitigating measures to be established at a local level that can help alleviate some of these wider impacts of Brexit on the promotion of equality and good relations.

3.3. Problematic Features of EU funding

There have been some disadvantages identified with the existing EU approach to funding, as well as benefits. Several participants criticised the bureaucracy associated with the EU funding systems although these criticisms were framed in a context in which there was acknowledgment that there had been recent improvements and that there are valid reasons for some level of bureaucracy, notably, as a way of ensuring the integrity of the process. Others highlighted issues about the funding model and approach to prioritisation in the EU funded programmes, raising issues about sick pay and maternity pay, as well as highlighting the importance of the full range of outcomes.

191 Interview F.
192 Interview J.
193 Interview C.

3.3.1. Bureaucracy

A frequent complaint about accessing EU funding has been the level of bureaucracy, often entailing lengthy periods before users can receive and use funds.[194] The EHRC report criticised lengthy and complex application processes, onerous monitoring systems and a lack of flexibility',[195] while the Welsh Affairs Committee also drew attention to this problem.[196]

Our interviewees from the community and voluntary sector in Northern Ireland also expressed concerns about the level of bureaucracy. One interviewee noted a greater emphasis on auditing under PEACE II and PEACE III, as compared to the PEACE I programme.[197] The overly bureaucratic nature of EU funding also manifested itself in inflexibility,[198] as well as excessive monitoring including the risk of clawback of funds.[199] According to one interviewee from the community and voluntary sector, the problem was particularly acute with PEACE funded projects:

> 'We actually took a view the last time not to even apply [for PEACE funds]. It just was so disproportionate for smaller projects … every mileage claim was scrutinised. Was that journey 100 percent for this project? Well, going to every pint of milk that was purchased really unhelpful, so the accountability just seemed to go above and beyond.'[200]

Another interviewee commented that the growing emphasis on an audit culture and top-down criteria (being 'dictated to' by departments) in the PEACE programmes led some to believe that the PEACE II-III funding system worked against the ethos of partnership with community groups.[201]

194 Alex Nice, Akash Paun and Dan Hall, **The UK Shared Prosperity Fund** p. 21. The EHRC report mentions that organisations sometimes had to wait two years before accessing monies: Andrea Broughton, Monica Andriescu and Sara Rizzo, **The Future of Funding for Equality and Human Rights** (Equality and Human Rights Commission, 2019), p. 49.

195 Andrea Broughton, Monica Andriescu and Sara Rizzo, **The Future of Funding for Equality and Human Rights** (Equality and Human Rights Commission, 2019), p. 9.

196 Welsh Affairs Committee, **Wales and the Shared Prosperity Fund, Priorities for the Replacement of Structural Funding: Fourth Report of Session 2019-21** (House of Commons, 2019-2021) HC 90 (2 October 2020) paras. 65-68.

197 Interview B. Andrea Broughton, Monica Andriescu and Sara Rizzo, **The Future of Funding for Equality and Human Rights** (Equality and Human Rights Commission, 2019), p. 9.

198 Andrea Broughton, Monica Andriescu and Sara Rizzo, **The Future of Funding for Equality and Human Rights** (Equality and Human Rights Commission, 2019), p. 50.

199 Ibid p. 51.

200 Interview F.

201 Interview B.

Concern about bureaucracy was not unique to PEACE but was also a feature of ESF funding. Lynn Carvill (Chief Executive, Women's Tec) explained that:

> 'Your whole life is taken over by it. It's like literally if you're running an ESF programme it's your whole life'.[202]

One public sector participant indicated that there was a lack of flexibility; an organisation might get a three-year grant but not be able to adjust its targets each year in the light of experience.[203] There was a view that bureaucracy has diverted staff, particularly managers, from important activity like capacity building to managing the funding process.[204]

One public sector interviewee highlighted that while the EU funding came with its own rules, these were at a very high level, and they had to be applied using also local rules; the difference was that the European Commission has to then verify that all the rules including the local rules are being followed.[205]

Evidence from our interviewees would suggest there seems to have been some improvement in managing these programmes and thus reducing the levels of (or the perception of) bureaucracy. The DfE report notes that later calls under the NI ESF programme have avoided the 'chaos' of the first call, and that financial auditing processes have been simplified.[206] Edyth Dunlop (Regional Manager, NIUSE) suggested that the fact that EU funding in Northern Ireland was administered by fewer public bodies than in, for example, England where all the different councils were involved, may have made the bureaucracy more straightforward in Northern Ireland.[207] This interviewee also acknowledged that the Department for the Economy had made efforts to reduce the bureaucracy involved. Another interviewee described how the bureaucratic approach had moved from a very strict approach to one that was more in line with the needs of recipient organisations and their work.[208]

202 Interview J.
203 Interview M.
204 Interview F.
205 Interview H.
206 Department for the Economy, **An Impact Evaluation of the Northern Ireland European Social Fund Programme, 2014-20** (2020) p. 87.
207 Interview E.
208 Interview N.

One interviewee who criticised the levels of bureaucracy – describing the experience of being audited about a pint of milk as 'soul-destroying'[209] - believed there had been improvements on this account:

> 'What I would say [is] that in more recent times, there's a lot more co-working with the funding, administering body ...[the] Department of Economy. There's a lot more understanding of the work and a real drive to reduce unnecessary administration, particularly in the most recent round. And I would definitely say it's much more straightforward ... We have more of a sense of working together that we are all on the same side. You know that we are actually trying to make a difference for people who are in disadvantaged groups and struggling to find work or building skills.'[210]

In oral evidence to the Northern Ireland Affairs Select Committee, David Babington (Action Mental Health) highlighted that the current ESF programme in Northern Ireland is being 'held up as an exemplar of good practice across the rest of the EU' and is 'a well-oiled machine'.[211]

In summary, evidence from interviewees in this research suggests that EU funding has been, at least originally, overly bureaucratic, but over time, significant lessons have been learned and the monitoring and audit arrangements are now much more proportionate. At the same time there is a recognition that the auditing and monitoring arrangements serve a useful purpose.

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209 Interview F. Interview N also commented on what seemed the petty nature of the auditing (for example, chasing the cost of stamps) though noting things had improved in the last three years and become a more pleasant experience.
210 Interview F.
211 Northern Ireland Affairs Committee, **Oral evidence: UK Shared Prosperity Fund, HC880** (UK Parliament, 2021) (14 October 2020). See also ESF Users Group **ESF Users Briefing on Future Replacement of ESF Funding Post-Brexit** (2020).

Recommendations

Future arrangements for replacement funds should ensure that application processes and auditing requirements are simplified where possible, especially for smaller organisations. The future funding authority should conduct education, training and provide assistance for potential grant recipients and consult with the Department for the Economy and SEUPB about their experience of addressing concerns identified under the previous system. It is important however that any simplification of the funding process should not be done in a way that detracts from the need for transparent and objective funding criteria and the need to monitor equality outcomes. There should also be robust equality monitoring processes to measure Section 75 outcomes.

3.3.2. EU Prioritisation and Funding Models

The literature and interviews identify some other criticisms about the model of EU funding, how it prioritised areas, shifted funding to bigger organisations, did not provide for sick pay or maternity pay and was overly focused on tangible outputs.

One criticism of EU funding is that it did not necessarily take account of specific economic problems within the UK, and that allocation was based on fixed regional boundaries that sometimes hindered efforts to address more complex needs or needs in more specific localities.[212] While there are important regional disparities across the UK, a focus on the larger regions sometimes masks significant inequalities within regions on a more local basis.[213] As we will discuss in chapter 5, some efforts have been made to introduce a more localised approach in Great Britain in both the Community Renewal Fund and Levelling Up. That more localised approach does not apply in Northern Ireland, and there have been criticisms of the methodology used for those programmes.

Anne McVicker (Director, Women's Resource and Development Agency) and Elaine Crory (Good Relations Coordinator, Women's Resource and Development Agency) commented that as the PEACE funding developed, by the time of PEACE IV, grassroots groups were effectively taken out of the programmes and funding went to bigger organisations.[214]

212 Alex Nice, Akash Paun and Dan Hall, **The UK Shared Prosperity Fund,** p. 20.
213 Business, Energy and Industrial Strategy Committee, **Post-pandemic Economic Growth: Levelling up. Third Report of Session 2021–22** (House of Commons 2021-2022) HC 566 (15 July 2021) paras. 19-21.
214 Interview K.

One public sector interviewee noted that as PEACE funding became more limited it was necessary to focus on bigger organisations, with the expectation that smaller groups would receive support via local authorities but, according to this interviewee, the expectation that local authorities would provide that funding to community and voluntary groups to deliver locally did not work out in practice.[215] Edyth Dunlop (Regional Manager, NIUSE) suggested that the competitive nature of ESF funding was problematic in that it was based on who scored the highest rather than flowing from a needs-based analysis.[216] There was also a concern that the requirement that participants only be on one ESF-funded project encouraged organisations 'to compete against each other as opposed to working in partnership'.[217]

Some interviewees pointed out an especially problematic aspect of EU funding, namely that it did not take account of sickness[218] or maternity leave.[219] John McComb (Employability Manager, Include Youth) and Niall Blee (Programme Coordinator, Include Youth) highlighted how a loss of £5K or £6k per month for a small community or voluntary organisation was 'crippling'.[220] For another interviewee this inflexibility represented a failure to understand the realities of the work in the organisations and their responsibility towards their staff.[221] This illustrates again how failure to take account of structural issues in the labour market meant some EU projects may have perpetuated inequalities between men and women rather than promoting equality. Another interviewee also pointed out that early PEACE funding could be channelled to women's groups but this was more difficult later, highlighting further the mixed picture regarding the impact of EU funding on gender inequalities.[222]

A report commissioned by the Department for the Economy and Department for Communities mentions concerns that the ESF programme has been too focused on outputs rather than outcomes and in particular has not done justice to the full range of tangible and 'soft' and 'distance travelled' outcomes.[223]

215 Interview H.
216 Interview E.
217 Interview M.
218 Edyth Dunlop (Regional Manager, NIUSE): Interview E.
219 John McComb (Employability Manager, Include Youth) and Niall Blee (Programme Coordinator, Include Youth): Interview L.
220 Interview L.
221 Interview N.
222 Interview B.
223 Pat O'Neill, Colin Stutt, Stephanie Morrow, Therese Hogg and Mark Graham, **European Social Fund Succession Landscape Paper** (Department for Communities and Department for the Economy, 2021) (February 2021) p. 23.

This report recommends that any successor programme include metrics to measure tangible and soft outcomes including distance travelled metrics. This also reflects the views of Lynn Carvill (Chief Executive, Women's Tec) who commented that the nature of this funding was that evaluation tended to focus on the numbers and not on how life-changing projects were.[224] Other interviewees highlighted how ESF-funded programmes had enabled them to address important soft outcomes and help beneficiaries along a journey to full participation. Edyth Dunlop (Regional Manager, NIUSE) described the importance of ESF-funded programmes in these terms:

> 'Many of the ESF projects work with participants who are starting on their social inclusion and employability journey. The projects support participants to build their confidence, self-esteem, wellbeing and resilience as well as developing employability skills (including vocational skills and qualifications). [This is a] holistic approach. These are elements within the current ESF programmes that we could potentially lose either through the UK Shared Prosperity Fund or local programmes.'[225]

According to this interviewee, it was important that programmes helped people who were furthest from work into employment and not just to focus on easy 'wins' by helping people who were already closer to being employed.[226] Another interviewee also highlighted how ESF funding had enabled their organisation to work with individuals with disabilities who were furthest from the labour market and help them move close to a position where they could benefit from supported employment.[227]

These views from interviewees support the argument that programmes must not just be focused on easy 'wins' and quantifiable outputs but need to reflect the full range of benefits to the individual especially the 'distance travelled' by some recipients.

224 Interview J. John McComb (Employability Manager, Include Youth) and Niall Blee (Programme Coordinator, Include Youth) made a similar point about both the DFE and SEUPB: Interview L.
225 Interview E.
226 Interview E.
227 Interview N.

Recommendations

There should be arrangements in the Shared Prosperity Fund to support sick leave and maternity leave for persons in funded posts in line with domestic legal requirements.

The Shared Prosperity Fund should recognise the role of soft outcomes and distance travelled metrics as well as more tangible outcomes.

3.4. Conclusion

This chapter has canvassed the perceived benefits and problematic features of European funding based on the experience in Northern Ireland. The most prominent problematic feature was the level of bureaucracy involved, certainly in the early days. Despite that and other problems, EU funding has had a significant role in promoting equality and good relations in Northern Ireland. As well as funding work directly benefiting many Section 75 groups, including young people and people with disabilities, and funding cross-community initiatives, EU membership also provided leverage that aligned with the wider objectives of Section 75, and supported an ethos of partnership, participation and relationship-building.

4. PeacePlus

This chapter considers the concerns of stakeholders regarding the proposed implementation of funding under the PEACEPLUS programme 2021-2027.

As part of the Brexit negotiations the UK and EU agreed to support the PEACE and INTERREG programmes under the current multiannual framework and to maintain the current funding proportions for the future programme.[228] PEACEPLUS is distinct from the UK funds considered in the next chapter, in that it is a European programme supported by the European Commission, UK Government, Irish Government and Northern Ireland Executive. The programme is intended to build peace and prosperity across Northern Ireland and the border counties of Ireland.[229] While not a UK fund like the ones considered in the next chapter, there is substantial UK involvement and finance in PEACEPLUS.[230] PEACEPLUS will provide €1.1bn to invest in 6 overarching themes: Building Peaceful and Thriving Communities, Delivering Economic Regeneration and Transformation, Empowering and Investing in Young People, Healthy and Inclusive Communities, Supporting a Sustainable and Better Connected Future, Building and Embedding Partnership and Cooperation.[231]

PEACE and INTERREG were previously separate programmes, but they have been brought together to form PEACEPLUS. The two programmes have been complementary, with PEACE dealing with community and voluntary issues while INTERREG has dealt with business, research innovation, health care, and sustainable transport.[232] According to one public sector interviewee the integration of both in PEACEPLUS addresses concerns that some projects might not have fallen clearly into PEACE or INTERREG. Following approval by the Northern Ireland Executive and the Government of Ireland, the North South Ministerial Council has approved the PEACEPLUS programme. This will now be submitted to the EU Commission for their approval.[233]

228 Preamble, **Protocol on Ireland/Northern Ireland.**
229 SEUPB, **PEACE PLUS Programme 2021-2027, Programme Overview** p. 2.
230 **UK Announces Majority Contribution to PEACE Plus funding** Outside the scope of this report but Interview B noted the possibility for the EU to be more imaginative in any funding provided for Northern Ireland given it is outside the EU and so not subject to the same requirements as EU structural funds. Interview B also noted the Shared Island initiative of the Irish Government and comments on how that seems focused on infrastructure. Another option Interview B highted was the International Fund for Ireland where the EU still had observer status.
231 SEUPB, **PEACE PLUS Programme 2021-2027, Programme Overview**
232 Interview H.
233 **North South Ministerial Council meeting of 14 October 2021**.

One difficulty with the new PEACEPLUS programme is that funding for PEACE IV projects is coming to an end over the next 12 to 18 months. As outlined above, the rise in tensions around political disagreements over Brexit and the operation of the Northern Ireland Protocol means that there could be a gap in funding at a:

> ‘critical time when relations [between the two communities] are at their lowest ebb, and yet you do not have any of that infrastructure in place and running’.[234]

This interviewee pointed out that even if a project gets funding under PEACEPLUS it will not be possible for them to have an immediate impact.[235] There is also the risk that capacity and expertise will be lost during this interregnum period.

This is not a problem unique to the ending of PEACE IV; it has always been an issue with PEACE funding. An interviewee from the youth sector described the period when one project finished as creating a ‘vacuum’ until the next one could begin. According to John McComb (Employability Manager, Include Youth) and Niall Blee (Programme Coordinator, Include Youth), the concern is that during this potential ‘vacuum’ period, beneficiaries, for example, young people with complex needs would not receive much-needed services.[236] There was also concern that a gap in funding creates uncertainty and that organisations might be forced to make staff redundant.[237]

Participants from community and voluntary sector organisations also expressed concern that PEACE monies were increasingly aimed at larger organisations, leaving the smaller community groups without support. One interviewee from the voluntary and community sector noted that there had been a shift from supporting communities in Peace I to supporting infrastructure in Peace IV and there needed to be a return to working with groups rather than building new infrastructure.[238]

234 Interview D.
235 Interview D.
236 Interview L.
237 Interview L.
238 Interview A; also Interview B.

Anthony Soares (Director, Centre for Cross-Border Studies) indicated that small civil society groups working on peace initiatives sometimes gravitated to the Irish Department of Foreign Affairs Reconciliation Fund and now the Irish Shared Island initiative because the PEACE programme, while a 'fantastic programme', was more geared towards larger projects and organisations.[239] According to this interviewee, smaller civil society groups lacked the capacity to apply for or manage PEACE grants or at least this was the perception.[240] This meant that larger umbrella type organisations might be successful in getting funding but they then might invite the smaller organisations to help deliver the project.[241]

According to one public sector interviewee, there was a rationale for PEACE funding moving to support capital projects and that the new PEACEPLUS programme addresses some of the concerns identified above. Under PEACEPLUS there will be support for smaller projects:

> '… we have put in a mechanism for them to be able to access the money, smaller amounts of money with less bureaucracy. '[242]

In addition, PEACEPLUS will include practical assistance for 'pre-development' work before the call opens to provide advice and guidance to groups preparing applications.[243] As part of developing the new PEACEPLUS programme the SEUPB carried out consultation using multiple engagements with different stakeholders. This approach can be contrasted with concerns from interviewees about the lack of information and consultation around replacement UK funds including the Shared Prosperity Fund and the Levelling Up Fund.

In summary, concerns about a potential funding 'gap' and a desire to ensure that PEACEPLUS funding is structured in a way that allows smaller organisations to access funding provision were located within a context in which stakeholders felt that the debate around Brexit had damaged relationships within and between, these islands. In some cases, these damaged relationships were ones that EU funding had helped build over the past several decades.

239 Interview I.
240 Interview I.
241 Interview I.
242 Interview H. See SEUPB, **PEACE PLUS Programme 2021-2027, Programme Overview**, p. 7.
243 Interview H.

5. Outline of UK Replacement Funds

5.1. Introduction

This chapter outlines the different UK funds that have been made available or will be made available following the UK's exit from the EU. The most important of these is the UK Shared Prosperity Fund (SPF) which is intended to replace EU structural funds. Other funds include the Community Renewal Fund, Levelling Up Fund and Community Ownership Fund.

The Shared Prosperity Fund is intended to replace Europe Structural and Investment Funds, specifically the European Social Fund and Regional Development Fund. The Shared Prosperity Fund is not yet operational and relatively few details have been published about it. The other funds (Community Renewal Fund, Levelling Up Fund, Community Ownership Fund) have been operational and awards have begun to be made. The initial decisions appear to have been made without the UK authorities being designated for the purposes of Section 75; the published details about the funding decisions make only the briefest of references to Section 75 considerations. The Northern Ireland Minister of Finance has expressed concern that the funding decisions made do not reflect an understanding of the particular circumstances of Northern Ireland. There is also a significant unexplained difference between the percentage of funding allocated to Northern Ireland under the Community Renewal Fund and the Levelling Up Fund.

5.2. Shared Prosperity Fund

The SPF is due to commence in April 2022 as the main replacement for the EU Structural and Investment Funds. Despite this, very little information is available about the details of the SPF or how it will operate.[244]

The original announcement about a UK Shared Prosperity Fund was contained in the 2017 Conservative Party Manifesto:

244 See timeline in House of Commons Welsh Affairs Committee, **Wales and the Shared Prosperity Fund, Priorities for the replacement of structural funding: Fourth report of session 2019-21** (HC 90).

> ‘We believe in one nation – in helping every part of our country share in the prosperity and opportunity of our great United Kingdom. Yet there is much to do. Current EU-wide structural funding was designed to tackle disparities, but it is expensive to administer and poorly targeted. As we leave the European Union, we must look at how we can better reduce and eliminate these inequalities.

> ‘We will use the structural fund money that comes back to the UK following Brexit to create a United Kingdom Shared Prosperity Fund, specifically designed to reduce inequalities between communities across our four nations. The money that is spent will help deliver sustainable, inclusive growth based on our modern industrial strategy. We will consult widely on the design of the fund, including with the devolved administrations, local authorities, businesses, and public bodies. The UK Shared Prosperity Fund will be cheap to administer, low in bureaucracy and targeted where it is needed most.’[245]

The Secretary of State for Housing, Communities and Local Government provided a written statement in July 2018 highlighting that the fund would ‘tackle inequalities between communities by raising productivity’ drawing on the UK Industrial Strategy; that it would be a simplified integrated fund; that the Government would respect the devolution settlements and work with the devolved administrations; and that there would be a consultation in 2018.[246]

The Conservative Party’s 2019 general election manifesto promised that the SPF would match the level of EU spending in each of the four regions of the UK and provide an opportunity to design a post-Brexit system for supporting economic growth and regeneration that improves upon the EU framework:

245 Conservative and Unionist Party, **Forward Together: Our Plan for a Stronger Britain and a Prosperous Future (2017 manifesto)**.

246 Statement by the Secretary of State for Housing, Communities and Local Government, Local Growth, 24 July 2018.

> ‘the UK Shared Prosperity Fund will be used to bind together the whole of the United Kingdom, tackling inequality and deprivation in each of our four nations. It will replace the overly bureaucratic EU Structural Funds – and not only be better targeted at the UK’s specific needs, but at a minimum match the size of those funds in each nation.’[247]

According to the Spending Review 2020 the SPF will ‘help to level up and create opportunity across the UK for people and places’. The SPF will rely on new powers in the UK Internal Market Act 2020 that allow UK Ministers to provide financial assistance in any part of the UK.[248] The UK Government has said that it would ‘ramp up UKSFP investment, so that total domestic UK-wide funding will at least match current EU receipts’, on average reaching around £1.5bn a year’.[249] According to the Spending Review 2020 one part of SPF will ‘target places most in need, such as ex-industrial areas, deprived towns and rural and coastal communities’.[250] A second part will address ‘people most in need through bespoke employment and skills programmes that are tailored to local need’.[251] The Spending Review promised that there would be a UK-wide investment framework forthcoming in Spring 2021 with more details on the SPF. As of 7 February 2022, this investment framework is not yet available. In 2020 the Government clarified that the SPF would cover the ESF and ERDF replacement funds and not provide replacements for the other structural funds, which would be covered by separate initiatives.[252]

The Autumn 2021 Spending Review offers some more details stating that the SPF will be worth £2.6bn over three years, £400m in 2022-2023, £700m in 2023-2024 and rising to £1.5bn per year by 2024-2025. [253] This total will include £560m for a ‘UK-wide adult numeracy’ programme, entitled ‘Multiply’.[254] The Spending Review reaffirms that the amount of money available will ‘at a minimum match the size of EU funds in each nation and in Cornwall, each year’.[255]

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247 Conservative and Unionist Party, **Get Brexit one, unleash Britain’s potential**, 2019 Manifesto, p. 44, Last accessed 28 October 2021.
248 **UK Internal Market Act 2020, Section 50**.
249 **Wales and the Shared Prosperity Fund: Priorities for the replacement of EU structural funding: Government response to the Committee’s Fourth Report of Session 2019-21, Third Special Report, Appendix Government Response**.
250 UK Government, **Spending Review 2020** (15 December 2020) 3.1.
251 Ibid.
252 Philip Brien, **The UK Shared Prosperity Fund** (House of Commons Library, 2021) p. 19.
253 UK Government, **Autumn Budget and Spending Review 2021: A Stronger Economy for the British People** (27 October 2021), p. 6, p. 74, p. 106.
254 Ibid p. 61.
255 Ibid p. 88.

Several years after the original announcement of the Shared Prosperity Fund, the relationship between the Community Renewal Fund (see next section) and the Shared Prosperity Fund remains unclear. According to the Community Renewal Fund Prospectus this fund 'will help inform the design of UK Shared Prosperity through funding of one-year pilots but the funds are distinct with regard to design, eligibility and duration. Successful UK Community Renewal Fund bids will be for 2021-2022 only.'[256]

The UK Government commitment that future funding will match the size of EU funds in each nation is problematic given other aspects of the Spending Review statement. For instance, since the SPF also includes £560m for a new adult numeracy programme, 'Multiply', then this would imply that funding available for other purposes is reduced by this amount unless the £560m is additional. Also, the commitment does not consider that if the UK had not left the EU, then there is a possibility that more UK regions might have been entitled to structural funds.[257]

The commitment that the 'funding for each nation (and Cornwall) will not be less than the EU funding received in 2014-2020' is welcome but going forward there is a need to explain how funding will be allocated between the different regions, and how this will be calculated. As outlined in Section 2.3 (above), an important characteristic of EU funding was that monies were skewed to the less well-off devolved regions across the UK that was largely a reflection of the differences in GDP per person across these regions. There are concerns that the UK may not continue with this approach and instead allocate future funding on the basis of the Barnett formula which is the instrument currently used to allocate mainstream UK funding across the regions. The Barnett formula allocates money to the devolved regions based on changes in spending on public services in England but does not take account of differing needs or regional economic disparities.[258] For this reason, the Welsh Affairs Committee has stated that there will be problems if funding allocations in the Shared Prosperity Fund are based on the Barnett formula rather than the more needs-based formula used to date for EU funding.[259] The Northern Ireland Affairs Committee has also heard evidence to the effect that replacement funds should be allocated outside the Barnett formula and in line with the approach previously taken by the EU.[260]

256 UK Government, **Community Renewal Fund: Prospectus 2021-2022** (2021).

257 Jack Shaw, **Shared Prosperity Fund: What Next for the UK?** UK in a Changing Europe 14 September 2021; Philip Brien, **The UK Shared Prosperity Fund** (House of Commons Library, 2021) p. 15.

258 Akash Paun, Aron Cheung and Elspeth Nicholson, **Funding Devolution: The Barnett Formula in Theory and Practice** (Institute for Government, 2021); Matthew Keep, **The Barnett Formula** (House of Commons Library, 2021).

259 Welsh Affairs Committee, **Wales and the Shared Prosperity Fund, Priorities for the Replacement of Structural Funding: Fourth Report of Session 2019-21** (House of Commons, 2019-2021) HC 90 (2 October 2020) para. 59.

260 Stephen Fothergill, Suzanne Wylie (Belfast City Council), Northern Ireland Affairs Committee, **Oral evidence: UK Shared Prosperity Fund** HC880 (UK Parliament, 2021) (14 October 2020).

The Equality and Human Rights Commission report in 2019 raised serious concerns about the Shared Prosperity Fund, as did the Institute for Government (IfG) report in July 2021.[261] In addition both the Welsh Affairs Committee[262] and the Scottish Affairs Committee[263] have produced highly critical reports on the SPF, while the Northern Ireland Affairs Committee has heard oral evidence also expressing concerns.[264] The lack of detail surrounding the operation, amount available, and the mechanism for allocation of SPF funds at this point is deeply concerning.

On 2 February 2022 the Department for Levelling Up, Housing and Communities published a 'pre-launch guidance' document on the Shared Prosperity Fund[265] with further guidance forthcoming in Spring 2022. According to the pre-launch guidance, the 'primary goal of the UK Shared Prosperity Fund is to build pride in place and increase life chances across the UK'. There will be four investment priorities including communities and place, local businesses, people and skills, and the Multiply programme. Some of the objectives associated with the people and skills priority include supporting those furthest from the labour market and supporting disadvantaged people to access skills. In Northern Ireland, the UK Government will have 'lead oversight responsibility' and will 'want to work with the Northern Ireland Executive and a wide range of local partners'. According to this document the 'Fund will ramp up to £1.5bn a year by 2024-25, including Multiply'. This implies that the Multiply budget is considered part of the £2.6bn budget for the Shared Prosperity Fund, rather than representing additional monies. According to this document, the £1.5bn a year 'exceeds the UK Government's commitment to matching EU structural fund receipt for each nation'. The total receipt for ERDF and ESF funding averaged £1.3bn per year.[266]

261 See Andrea Broughton, Monica Andriescu and Sara Rizzo, **The Future of Funding for Equality and Human Rights** (Equality and Human Rights Commission, 2019) and Alex Nice, Akash Paun and Dan Hall, **The UK Shared Prosperity Fund**. The Equality and Human Rights Commission discharges similar functions to the Equality Commission for Northern Ireland and the Northern Ireland Human Rights Commission. The EHRC's remit only covers Great Britain.

262 Welsh Affairs Committee, **Wales and the Shared Prosperity Fund, Priorities for the Replacement of Structural Funding: Fourth Report of Session 2019-21** (House of Commons, 2019-2021) HC 90 (2 October 2020).

263 Scottish Affairs Committee, **The UK Shared Prosperity Fund and Scotland - Third Report of Session 2021-2022** (House of Commons, 2021) HC 52 (9 July 2021).

264 Northern Ireland Affairs Committee, **Oral evidence: UK Shared Prosperity Fund, HC880** (UK Parliament, 2021) (14 October 2020).

265 Department for Levelling Up, Housing and Communities, **UK Shared Prosperity Fund: pre-launch guidance** (2 February 2022).

266 Philip Brien, **The UK Shared Prosperity Fund** (House of Commons Library, 2021) p. 14.

Recommendations

European Structural Funds have been important in supporting equality of opportunity and good relations for some of the most disadvantaged groups in Northern Ireland. There is a need for clarity about replacements funds to ensure that they will continue to provide such support in the future. The UK Government should outline in detail the arrangements for the Shared Prosperity Fund, including:

a. The objectives that the Shared Prosperity Fund will support and the criteria that will be used to measure these objectives;
b. The criteria that will be used to allocate funding to the different nations and regions across the UK;
c. The exact nature of the relationship between the Community Renewal Fund and the Shared Prosperity Fund;
d. Whether projects funded by the Shared Prosperity Fund will be able to receive funding for multiple years and if so, over how many years. Given the experience with ESF, the Shared Prosperity Fund should support projects for 3 years or longer.
e. Whether match funding will be a requirement of the Shared Prosperity Fund and if so, what percentage of matched funding organisations will be required to obtain elsewhere.

5.3. Community Renewal Fund

Given the evident risk that EU funding would run out before the new Shared Prosperity Fund was available, the UK Government introduced a Community Renewal Fund. This is a £220m fund ‘to help support local areas to pilot imaginative new approaches and programmes that unleash their potential, instil pride and prepare them to take full advantage of the UK Shared Prosperity Fund’.[267] The fund could be used for different purposes depending on local need, for example, ‘building skills, supporting local business, supporting communities and places, or providing employment support’.[268] In designing the Community Renewal Fund, the Ministry of Housing, Communities and Local Government held ‘25 engagement events across the UK, attended by more than 500 representatives from a variety of sectors’.[269]

267 UK Government, **Community Renewal Fund: Prospectus 2021-2022** (2021).
268 Ibid.
269 Ibid.

The Scottish Affairs Committee has recommended that the UK Government evaluate the Community Renewal Fund and publish its findings in March 2022.[270] We agree with this recommendation. While the Government statements on the Community Renewal Fund and its relationship to the Shared Prosperity Fund are unclear, as one of the first funds that aims to address the ending of European Structural Funds, and one that embodies the Government's approach to the replacement funds, it is imperative that assessments about the relative success of the programme to date are made public. This should happen as soon as possible, in order to better inform the development of the Shared Prosperity Fund.

The National Audit Office has highlighted some problems with the operation of the Community Renewal Fund. There was a delay in announcing the results of the applications; these were announced three months late in November 2021.[271] The Department for Levelling Up, Communities and Housing announced an extended deadline for spending funds to 30 June 2022. While, according to the National Audit Office, this relieved some of the pressure, it still left organisations with only eight months to spend the funds; further, the delay added to the general uncertainty about replacement funds and made it more difficult for the Department to learn from the lessons of the Community Renewal Fund when designing the Shared Prosperity Fund.[272]

Recommendation

The UK Government should publish an interim evaluation of the Community Renewal Fund in early 2022 so as to better inform debate about the development of the Shared Prosperity Fund. The evaluation should include details on how equality of opportunity and good relations have been considered and which Section 75 groups have benefitted.

270 Scottish Affairs Committee, **The UK Shared Prosperity Fund and Scotland - Third Report of Session 2021-2022** (House of Commons, 2021) HC 52 (9 July 2021) para. 24.

271 National Audit Office, **Supporting Local Economic Growth: Department for Levelling Up, Housing & Communities** HC 957 (2 February 2022) p. 38.

272 Ibid.

5.3.1. Priority Places

The Community Renewal Fund has set out a methodology to develop an index of 'priority places' in Great Britain.[273] The methodology differs from the one used for the allocation of EU structural funds and so the allocations are somewhat different compared to what might be expected in relation to structural funds.[274] The methodology defines places 'at the district, unitary or borough scale in England, council areas in Scotland and unitaries in Wales' and creates an index of economic resilience based on figures about productivity, skills, unemployment rates, population density and household income. [275] This approach was used to identify 100 'priority places' which also received capacity funding to manage bids; other areas could also apply if they could demonstrate fit with the aims of the fund.

This approach differs from the system used in European structural funds which allocated funds on a much larger regional basis and used the criterion of GDP per person. The approach in the Community Renewal Fund allows for a more localised approach and this is important as wealthy regions may contain pockets of significant disadvantage and conversely disadvantaged regions may contain more privileged areas. The methodology though does not seem to rely on indices of multiple deprivation and, as we will see, this has been a criticism of the Levelling Up Fund.

This methodology however only applies in Great Britain. According to the Community Renewal Fund prospectus, a different approach will be taken in Northern Ireland, where the UK Government will run a 'national competition against a fixed national allocation' of £11m (5% of the £220m total). The explanation for this differing approach is that:

> 'Distributing funding through a national competition rather than through local councils takes account of the different local government landscape in Northern Ireland compared to Great Britain. We have not applied any sub-national targeting within Northern Ireland to seek to ensure that all communities across Northern Ireland can apply for these funds.'[276]

273 **UK Community Renewal Fund: Prioritisation of Places Methodology Note** (11 May 2021) Accessed 19 January 2022.
274 Philip Brien, **The UK Shared Prosperity Fund** (House of Commons Library, 2021) p. 14.
275 **UK Community Renewal Fund: Prioritisation of Places Methodology Note** (11 May 2021) Accessed 19 January 2022.
276 UK Government, **Community Renewal Fund: Prospectus 2021-2022** (2021).

The UK Government also oversees competition for bids directly and Ministers ‘can exercise discretion’ to meet several considerations including ‘a fair geographical spread of approved projects across Northern Ireland’.[277] The prospectus provides very little additional detail on the rationale for the different approach taken in Northern Ireland compared with that in Britain. While there is a different local government landscape in Northern Ireland, there are also important differences within Northern Ireland. For example, the Department of Health reports significant inequalities between the most deprived and least deprived areas (as measured by the Multiple Deprivation Measure indices). To take one example, the male disability-free life expectancy in the least deprived areas is 62.1 compared to 49.6 in the most deprived areas; for females the figures are 62.9 and 49.6.[278] It is not evident why no effort was made to deploy existing government data sets, such as the Northern Ireland Multiple Deprivation Measure indices to assist with the allocation of Community Renewal Funds.[279]

5.3.2. Community Renewal Fund and Northern Ireland

In Northern Ireland, applications for the Community Renewal Fund went directly to the UK Ministry of Housing, Communities and Local Government (now the Department for Levelling Up, Housing and Communities).[280] When the Community Renewal Fund results were announced, 31 projects in Northern Ireland received a total of £12.3m.[281] This was 6% of the total allocation; 62% of the funding was allocated to projects in England, 9% to projects in Scotland and 23% to projects in Wales.[282]

In Northern Ireland, successful bids came from universities, councils, the charitable, community and voluntary sectors (for example, Bryson Care, Leonard Cheshire, Women’s Resource and Development Association, NIACRO) and the National Trust. This was in line with the aims of the fund which stated that ‘we are expecting bids to be prepared by a range of applicants, including but not limited to universities, voluntary and community sector organisations, and umbrella business groups’.[283] The largest grant allocated under the programme (twice as large as the second largest allocation) went to a UK Call Centre service based in Oxfordshire.

277 Ibid.
278 Department of Health, **Health Inequalities Annual Report 2021** (Information Analysis Directorate, 2021) pp. 15-16.
279 **Northern Ireland Multiple Deprivation Area 2017** Last accessed 19 January 2022.
280 Alex Nice, Akash Paun and Dan Hall, **The UK Shared Prosperity Fund** p. 18.
281 **UK Community Renewal Fund: Successful and Unsuccessful Bids** (updated 3 December 2021)
282 **UK Community Renewal Fund: Frequently Asked Questions** (3 November 2021).
283 UK Government, **Community Renewal Fund: Prospectus 2021-2022** (2021)

The Community Renewal Fund prospectus alludes to the Public Sector Equality Duty in Britain and briefly acknowledges the 'additional equality considerations that apply in Northern Ireland'. A note on the decision-making process indicates that Ministers considered the equality requirements, including Section 75 of the Northern Ireland Act 1998, but no further details are provided.[284] It is a matter of concern that these grants have been allocated in Northern Ireland without apparently going through the sort of equality screening process expected under Section 75 of the Northern Ireland Act 1998. Section 75 provides a duty on designated public authorities to have due regard to the need to promote equality of opportunity and to have regard to the desirability of promoting good relations. The Section 75 process, including the development of equality schemes, equality screening and equality impact assessments, provides a structure for public authorities to address their obligations. The Ministry of Housing, Communities and Local Government[285] is not a designated public authority and so not obliged to go through these processes but that means there is no assurance that the equality and good relations implications have been considered in the same way as they would have been under locally-administered ESF programmes and there is no Section 75 monitoring role for the Equality Commission.

The Northern Ireland Minister for Finance has submitted written evidence to the Northern Ireland Affairs Select Committee that is very critical of the Community Renewal Fund, describing it as 'an excellent case study of the failure of Whitehall departments to appreciate the different structures which apply here'.[286] According to this submission there have been problems with the language used in relation to Irish citizens and a failure to follow the same process for all applications; the submissions express doubt about the value for money of the Community Renewal Fund allocations to Northern Ireland.[287]

Our interviewees also expressed concerns about the operation of the Community Renewal Fund. The Community Renewal Fund was supposed to help community groups but its terms were drawn so widely, according to one interviewee, that community groups did not always understand what the funder was looking for.[288]

284 **UK Community Renewal Fund: Explanatory Note on the Assessment and Decision-making Process.**
285 Equality Commission for Northern Ireland, **List of Public Authorities Designated for the Purposes of Section 75 of the Northern Ireland Act 1998** (ECNI, 2021) (November 2021).
286 Northern Ireland Affairs Committee, **Written evidence submitted by the Minister of Finance MLA, Northern Ireland, regarding the Investment in Northern Ireland inquiry** (INI0011) (UK Parliament, 2022).
287 **UK Community Renewal Fund: Explanatory Note on the Assessment and Decision-making Process.** Northern Ireland Affairs Committee, **Written evidence submitted by the Minister of Finance MLA, Northern Ireland, regarding the Investment in Northern Ireland inquiry** (INI0011) (UK Parliament, 2022).
288 Interview A.

Edyth Dunlop (Regional Manager, NIUSE) commented that the Community Renewal Fund had favoured large funding bids but then expected them to be spent in a few months; however, this was not feasible unless organisations had large amounts of capital and resources.[289] The implementation of the Community Renewal Fund was also problematic. The projects were supposed to start in September but in October 2021 there was still no update available – this was viewed by one interviewee as an 'administrative shambles'.[290] Due to the delay in announcing the results of the bids grant recipients of the programme were given until 30 June 2022 to deliver their projects.[291]

5.4. Levelling Up Fund

The concept of 'levelling up' was invoked by Prime Minister Johnson in 2019, stating his intention to address 'the plea of the forgotten people and the left behind towns.'[292] The Levelling Up Fund is a £4.8bn fund (over four years) to support 'town centre and high street regeneration, local transport projects and cultural and heritage assets'.[293] Of the £4.8bn, 'at least £800 million will be invested in Scotland, Wales and Northern Ireland';[294] 3% of the overall funding will go to Northern Ireland.[295]

The UK Government has published a methodology to identify priority places for this fund in line with the three objectives of the fund: economic recovery and growth, improved transport connectivity, and regeneration.[296] The criterion around improved transport connectivity only applies to England and is heavily weighted by length of car journeys. The methodology only applies to Great Britain, and the Prospectus explains in three lines that the Government is taking a different approach in Northern Ireland 'which takes account of the different local government landscape'.[297] As with the Community Renewal Fund, no details are provided as to what specifically the term 'local government landscape' refers to and why this means that funding from Northern Ireland should be allocated according to different criteria from those used in Britain or other criteria which reflect differences within the region.

289 Interview E.
290 Interview A.
291 **UK Community Renewal Fund: Frequently Asked Questions.**
292 Treasury Committee **Economic Impact of Coronavirus: the Challenges of Recovery: Eighth Report of Session 2019–21** (London: House of Commons, 2017-2019) HC 271 (8 September 2020) para. 124.
293 UK Government, **Levelling Up Fund: Prospectus** (2021).
294 Ibid para. 2.2.
295 Ibid para. 5.1.
296 **Levelling Up Fund. Prioritisation of Places Methodology Note** Last accessed 28 December 2021.
297 UK Government, **Levelling Up Fund: Prospectus** (2021) para. 2.9.

5.4.1. Criticisms of Levelling Up

The Levelling Up Fund, while welcome in principle, has been the subject of extremely strong criticism from Parliamentary Committees and the Institute for Government[298] among others. There have been a range of criticisms, most notably the lack of clarity as to what Levelling Up actually means. In September 2020 the Treasury Committee recommended that:

> ‘In order to prevent “levelling up” becoming an empty slogan, the Government should produce a strategy underpinning it that defines clear objectives and includes the indicators it will use to gauge success at the next fiscal event. The Government needs to clarify whether it is planning to close the productivity gap, the income gap, the gap in health outcomes, the gap in educational outcomes or all of these.’[299]

In May 2021, the Public Services Committee published a Position Paper which made similar but even more extensive criticisms. The Committee recognised that tackling disparities in prosperity across different areas and addressing regional inequalities were important objectives, but there were many uncertainties about the programme as to its aim, cost, duration and strategy:

> ‘[tackling regional inequalities] is a welcome and valuable political ambition. But during our short inquiry we detected a remarkable level of confusion. Aside from the Government’s broad ambition to reduce inequalities, it is unclear exactly what it wants to level up, how much the strategy will cost, how long it will take and how the Government plans to achieve its goals.’[300]

The implication here is that the Levelling Up Fund was established without adequate thought, or explanation, as to what it was meant to achieve. The Public Services Committee recommended the urgent publication of a White Paper.

298 Eleanor Shearer, Paul Shepley and Teresa Soter, **Levelling Up: Five Questions About What the Government Means by the Phrase** (Institute for Government, 2021).

299 Treasury Committee, **Economic Impact of Coronavirus: the Challenges of Recovery: Eighth Report of Session 2019–21** (London: House of Commons, 2017-2019) HC 271 (8 September 2020) para. 133.

300 Public Services Committee of the House of Lords, **Levelling Up Position Paper** (House of Lords 2021-2022) (20 May 2021) p. 3.

In July 2021 the Business, Energy and Industrial Strategy Committee criticised the lack of a clear definition of Levelling Up: 'it has yet to be defined beyond its aim of "improving everyday life and life chances"'.[301] The Government committed to publishing a White Paper on Levelling Up, which would also address devolution in England, before the end of 2021.[302] The White Paper was published on 2 February 2022.

As well as criticism about the aims of Levelling Up, there has been concern about the lack of transparency and consultation. The Public Services Committee has referred to the 'opaque' criteria for distributing awards, and a lack of adequate transparency and accountability.[303] This has led to criticisms (denied by the UK Government) that the allocation of funding has been directed for political purposes.[304] The Public Services Committee has recommended that the Government use existing measurements and specifically the Index of Multiple Deprivation for the allocation of Levelling Up funding decisions, as this index considers 'data on income, employment, education, skills and training, health and disability, crime, barriers to housing services and living environment'.[305] The point here is that use of the Index of Multiple Deprivation, for example, would prevent Ministers from allocating monies for party political reasons. As will be shown below, this is a significant concern that was also identified with the operation of the Towns Fund. Another significant criticism of the Levelling Up Fund relates to the lack of adequate consultation with stakeholders of both civil society groups[306] and the devolved authorities.[307]

The National Audit Office has reported problems with the implementation of the Levelling Up Fund. For instance, the Department for Levelling Up, Housing and Communities was supposed to provide capacity funding for local authorities most in need to develop proposals but this was not available for the first round of bidding;[308] this may have advantaged better-resourced local authorities.

301 Business, Energy and Industrial Strategy Committee, **Post-pandemic Economic Growth: Levelling up. Third Report of Session 2021–22** (House of Commons 2021-2022) HC 566 (15 July 2021) para. 14.
302 Hansard, Vol 816, House of Lords, **Levelling Up White Paper** 15 November 2021.
303 Public Services Committee of the House of Lords, **Levelling Up Position Paper** (House of Lords 2021-2022) (20 May 2021) p. 4.
304 Business, Energy and Industrial Strategy Committee, **Post-pandemic Economic Growth: Levelling up. Third Report of Session 2021–22** (House of Commons 2021-2022) HC 566 (15 July 2021) para. 42.
305 Public Services Committee of the House of Lords, **Levelling Up Position Paper** (House of Lords 2021-2022) (20 May 2021) p. 2, p. 9.
306 Ibid p. 6.
307 Business, Energy and Industrial Strategy Committee, **Post-pandemic Economic Growth: Levelling up. Third Report of Session 2021–22** (House of Commons 2021-2022) HC 566 (15 July 2021) para. 9.
308 National Audit Office, **Supporting Local Economic Growth: Department for Levelling Up, Housing & Communities** HC 957 (2 February 2022) p. 39.

The Department also set the same deadline for the Community Renewal Fund and Levelling Up Fund; the National Audit Office received testimony that this 'exacerbated local resourcing pressures'.[309] There were also problems with the Department's approach to developing a business case to support the Levelling Up Fund.[310]

The long-awaited White Paper on Levelling Up was published in February 2022.[311] According to the White Paper, Levelling Up will 'boost productivity, pay, jobs and living standards', 'spread opportunities and improve public services', 'restore a sense of community local pride and belonging' and 'empower local leaders and communities'.[312] The White Paper details many of the serious regional inequalities across the UK and identifies 12 'missions' for improvement by 2030: living standards, research and development, transport infrastructure, digital connectivity, education, skills, health, well-being, pride in place, housing, crime and local leadership.[313] The Government's White Paper on Levelling Up confirms that on many indicators, for example, productivity,[314] 'human capital',[315] percentage of people with no qualifications[316] – Northern Ireland is one of the more deprived parts of the UK. The White Paper describes Northern Ireland and the North-East of England as 'areas of broadly-based weakness'.[317]

The Institute for Fiscal Studies has offered a balanced assessment of the White Paper, suggesting the White Paper is a 'welcome first step'. At the same time the Institute warns that the missions 'look extremely ambitious – that is to say highly unlikely to be met'.[318]

5.4.2. Levelling Up Fund and Northern Ireland

The first set of awards under the Levelling Up Fund were announced in October 2021.[319] The document announcing this is unclear as to how the money has been distributed between the different regions of the UK, but from an examination of the 105 projects, 11 have gone to Northern Ireland. This represents a total of £48.79m for Northern Irish projects out of a total of almost £1.7bn for projects across the UK (2.9%).

309 Ibid.
310 Ibid pp. 42-43.
311 UK Government, **Levelling Up the United Kingdom** (2 February 2022).
312 Ibid p. xiv.
313 Ibid Table 2.1, pp. 120-121.
314 UK Government, **Levelling Up the United Kingdom** (2 February 2022) p. 16.
315 Ibid p. 59. For this statistic, 'human capital' is measured on the basis of average lifetime income.
316 Ibid Fig. 1.37, p. 60
317 Ibid p. 88.
318 Institute for Fiscal Studies, **Event - Challenges for Levelling Up** (4 February 2022).
319 **Levelling Up fund: First Round Successful Bidders** Last accessed 28 December 2021.

In Wales, ten projects were supported, representing £121m[320] or 7.1% of the total; this is greater than Wales' share of the UK population at 4.7%.[321] Scotland received £172m for ten projects; this was about 10% of the Levelling Up allocations.[322] Scotland has just over 8% of the UK population.[323]

The share distributed to Northern Ireland works out at 2.9% of the total, in line with the Northern Ireland share of the UK population. However, given the concept of 'levelling up' one might have expected Northern Ireland to receive more than a percentage equivalent to its share of the population. Northern Ireland is a region that is significantly disadvantaged in several respects, including lower GDP per person,[324] lower levels of productivity,[325] and greater levels of economic inactivity.[326] These are weaknesses even though the lower cost of housing in Northern Ireland leads to lower levels of poverty than in England, Wales and Scotland.[327] As noted above, the Levelling Up White Paper also concludes that there are significant weaknesses in Northern Ireland. Unlike other parts of the UK, Northern Ireland is a region emerging from a conflict.

The 2.9% allocation is different from the approach taken in the allocation of European Structural Funds which saw Northern Ireland receive 5% of funding,[328] and it is also different from the approach taken by the UK Government in relation to the Community Renewal Fund. The Government announced it would set aside 5% of Community Renewal funding for Northern Ireland and in the end allocated 6%.[329] The Northern Ireland Minister for Finance has contrasted the 2.9% allocation of the Levelling Up fund to Northern Ireland with the allocation for Wales.[330]

320 Welsh Council for Voluntary Action (WcVA/CgGc), **2021 Autumn Budget and Spending Review** (2 November 2021).
321 Office of National Statistics, **Population Estimates for the UK, England, and Wales, Scotland and Northern Ireland: mid-2020** (25 June 2021).
322 SPICe, **UK Government Funding of Economic Development in Scotland** (17 November 2021).
323 Office of National Statistics, **Population Estimates for the UK, England, and Wales, Scotland and Northern Ireland: mid-2020** (25 June 2021).
324 GDP per head in Northern Ireland is £25.6K compared to £32.8K for the UK: Office of National Statistics, **Regional economic activity by gross domestic product, UK 1998-2019** Accessed 19 January 2022.
325 Northern Ireland has the lowest level of output per hour of any of the UK regions: Office of National Statistics, **Regional labour productivity, including industry by region, UK: 2019** Accessed 19 January 2022. See also National Audit Office, **Supporting Local Economic Growth: Department for Levelling Up, Housing & Communities** HC 957 (2 February 2022) p. 16.
326 The rate of economic inactivity in Northern Ireland is 27.6% compared to a UK figure of 21.3%. Northern Ireland Statistics and Research Agency, **Northern Ireland Labour Market Report** (18 January 2022).
327 Joseph Rowntree Foundation, **UK Poverty 2022: The Essential Guide to Understanding Poverty in the UK** (JRF, 2022).
328 See above in this report, Chapter 2, section 2.3.
329 UK Government, **Community Renewal Fund: Prospectus 2021-2022** (2021).
330 **UK Community Renewal Fund: Explanatory Note on the Assessment and Decision-making Process.** Northern Ireland Affairs Committee, **Written evidence submitted by the Minister of Finance MLA, Northern Ireland, regarding the Investment in Northern Ireland inquiry** (INI0011) (UK Parliament, 2022).

As with the Community Renewal Fund, these decisions have been made without the sort of Section 75 process that previous EU funds were subject to. The Levelling Up prospectus contains a short section on the Public Sector Equality Duty in Britain and an even briefer reference to 'additional equalities considerations that apply in Northern Ireland.'[331] According to a note on the decision-making process these equality requirements 'were considered' but the note provides no details.[332]

According to one public sector interviewee in Northern Ireland there does not seem to have been any meaningful consultation between the central UK departments administering these different funds and the local devolved administration and this has led to predictable problems:

> 'they ran the Community Renewal Fund, Levelling Up Fund and Community Ownership Fund directly themselves with very little recourse to the Northern Ireland Executive.'[333]

According to this interviewee several applications from NI departments to the Levelling Up Fund were rejected, and it was suggested that this may be due to a misunderstanding about the role of departments in Northern Ireland compared with local councils in England.[334] The Minister for Finance has also expressed concern that the Levelling Up decisions reflect a lack of understanding of the different responsibilities of local authorities in Northern Ireland and in Britain.[335]

331 UK Government, Levelling Up Fund: Prospectus (2021)
332 Levelling Up Fund: Explanatory Note on the Assessment and Decision-making Process.
333 Interview O.
334 Interview O.
335 UK Community Renewal Fund: Explanatory Note on the Assessment and Decision-making Process. Northern Ireland Affairs Committee, Written evidence submitted by the Minister of Finance MLA, Northern Ireland, regarding the Investment in Northern Ireland inquiry (INI0011) (UK Parliament, 2022).

Recommendation

The UK Government should explain the justification for allocating just under 3% of funding in the Levelling Up Fund to Northern Ireland. Given levels of greater need in Northern Ireland and the objectives of the Levelling Up Fund, proportionately greater resources would be necessary to support equality of opportunity and good relations in the region.

5.5. Community Ownership Fund

This is a £150m fund to support projects across England, Wales, Northern Ireland and Scotland to enable communities to take ownership of assets that are at risk of being lost to them.[336] This could include a range of assets such as sports and leisure facilities, theatres and cinemas, music venues, museums, galleries, parks, pubs, post offices, shops. Again, the prospectus contains brief references to the British Public Sector Equality Duty and to the additional equalities considerations in Northern Ireland. In the first round, £6.3m was awarded to a total of 22 projects; of these one (the Glens Digital Hub project) came from Northern Ireland and received £300,000 (4.7% of the total funding).[337]

5.6. Conclusion

This chapter has considered the UK replacement funds such as the Shared Prosperity Fund, Community Renewal Fund, Levelling Up and Community Ownership Fund. The UK Government has so far published very little on the Shared Prosperity Fund, although pre-launch guidance was made available in February 2022. The other funds are all operational, with the decisions on the first round of bidding announced.

Serious questions remain about the scope, operation, and indeed purpose of many of these funds and their relationship to each other. The Shared Prosperity Fund is not yet operational and surprisingly little has been published about it since it was first announced in 2017. Funding decisions have already been made in relation to the Community Renewal Fund and the Levelling Up Fund. The UK department making these decisions has not been designated for the purposes of Section 75. There is criticism that the UK authorities have not consulted adequately with Northern Ireland authorities and have not understood the local circumstances in Northern Ireland.

336 UK Government, **Community Ownership Fund: Prospectus** (14 December 2021) Last accessed on 22 December 2021.
337 **Community Ownership Fund: first round successful bidders.**

There is a major difference in the percentage of funds allocated to Northern Ireland under the Community Renewal Fund (6%) and the Levelling Up Fund (just under 3%). The allocation in the first round of the Levelling Up Fund of just under 3% to Northern Ireland seems to overlook indicators of disadvantage in Northern Ireland.

6. Challenges in the New Funding Environment

6.1. Introduction

The interviews and literature review indicate very significant challenges ahead arising from a loss of EU funds, particularly the European Social Fund (ESF). In the short term, the main challenge is the potential loss of significant amounts of financial assistance targeted at some of the most disadvantaged and marginalised groups, and the impact that this will have on the organisations and staff that deliver services. In the medium and long-term, there are concerns about the objectives of that funding, how it will respect Section 75 obligations and what approach the Northern Ireland Executive will take in this new funding environment.

6.2. Short-term Challenges

6.2.1. Uncertain Times and a Potential Funding Crisis

As outlined earlier, European funding over the past several decades has been very significant for many organisations working with some of the most disadvantaged groups included within Section 75 of the Northern Ireland Act. Interviewees from one youth organisation explained how their work had been funded by ESF for 12 years and this was a major source of their income.[338] This is just one example but indicates the potential seriousness of the loss of EU funding. Without clear plans as to how it will be replaced some organisations may close completely or at the very least, make significant numbers of staff redundant. One interviewee, who works with people with learning difficulties, explained:

> ‘This is a crisis. We are in absolute turmoil. If we don’t do something soon, all the work that we’ve done in the last 20 years, it’s going to collapse in and around us. I mean, organisations are going to fold as a result of ESF funding being turned off.’[339]

As late as October 2021, at least one organisation that had been in receipt of ESF funding still did not know whether there would be a new funding programme starting in March 2022.[340] In addition to the immediate impact of the loss of expert staff, concerns were expressed that this would lead to a reduction in institutional knowledge within the organisations affected.

338 John McComb (Employability Manager, Include Youth) and Niall Blee (Programme Coordinator, Include Youth): Interview L.
339 Interview N.
340 Interview A.

One interviewee pointed out that if experienced staff lost their jobs, any future additional funding through the SPF would then require new recruitment measures to be put in place which would be a significant waste of resources. Another interviewee highlighted the depth of experience staff had built up over 15-20 years and how that was being endangered:

> '…we have a team of 70 plus staff who have been working in this field for a lot of the time, 15, 20 years. And they have built up a lot of expertise and talent. They really understand the challenges and barriers for people who have disability who really face significant barriers.'[341]

Unsurprisingly, this uncertainty is damaging for staff morale:

> 'I think too, it's massively impactful on staff morale…we can't underestimate … how staff are feeling now in terms of what they've been through in the last couple of years…we didn't stop any service provision… over the COVID pandemic. People have pulled out all the stops and supported some very vulnerable people in our society, and they're doing all of that and the backdrop of we have no idea if our jobs are secure going forward.'[342]

Given the lack of clarity around future funding, there is now a risk of redundancies and that organisations will have to pay for redundancies from their own resources.[343]

Some organisations have taken steps to mitigate the risks associated with the loss of EU funding. John McComb (Employability Manager, Include Youth) and Niall Blee (Programme Coordinator, Include Youth) explained that Include Youth, based in Northern Ireland, has also acquired charitable status in Ireland; this step was taken in response to a concern that the UK would not adequately fill the gap left by the withdrawal of EU funding.[344] Another group that is involved in social enterprise work has been working on a Plan B, including purchasing a small farm to diversify their activity.[345]

341 Interview F.
342 Interview F.
343 Interview N.
344 Interview L.
345 Interview N.

Part of the immediate difficulty is the lack of clarity surrounding the proposed replacement funding mechanisms, notably, the Shared Prosperity Fund. A report from the EHRC concluded that there was a 'lack of detail in relation to the amount, scope, focus and operation of the [Shared Prosperity Fund]'.[346] This has been a repeated criticism. The Welsh Affairs Committee also noted in October 2020 that there were 'scant' details on key aspects such as how much Wales would receive, how the Shared Prosperity Fund would be administered and who would be targeted.[347] An expert on the Shared Prosperity Fund in 2020 described the lack of information as 'somewhat inexcusable'.[348] As late as July 2021, the Institute for Government analysis was that:

> '... more than four years after the initiative was first announced, the UK Government has provided little information on its design, the amount of funding that will be available, the allocation between different devolved nations and England or the role the devolved administrations will play in determining spending priorities and administering resources in their territories'[349]

One official from the Department of Finance indicated in evidence to the Northern Ireland Affairs Committee in 2020 that there was very little clarity on what the UK Government plans were in respect of Shared Prosperity Fund, and the Department had been trying to get some answers since 2018.[350] Our interviews also confirmed that there remains considerable uncertainty.[351] For example, in November 2021 we were told in an interview with the community and voluntary sector:

346 Andrea Broughton, Monica Andriescu and Sara Rizzo, **The Future of Funding for Equality and Human Rights** (Equality and Human Rights Commission, 2019), p. 39.
347 Welsh Affairs Committee, **Wales and the Shared Prosperity Fund, Priorities for the Replacement of Structural Funding: Fourth Report of Session 2019-21** House of Commons, 2019-2021) HC 90 (2 October 2020), Summary.
348 Stephen Fothergill, Northern Ireland Affairs Committee, **Oral evidence: UK Shared Prosperity Fund, HC880** (UK Parliament, 2021) (14 October 2020).
349 Alex Nice, Akash Paun and Dan Hall, **The UK Shared Prosperity Fund** p. 16.
350 Northern Ireland Affairs Committee, **Oral evidence: UK Shared Prosperity Fund** HC880 (UK Parliament, 2021) (14 October 2020).
351 This view was expressed by civil society participants for example, Interview C; Anthony Soares (Director, Centre for Cross-Border Studies): Interview I but also public sector participants Interview O, Interview M.

> ‘Well, the truth of the matter is we have no idea what the UK Shared Prosperity Fund looks like, what it’s there to do, the parameters or how it’s going to be administered. We are totally in the dark. I don’t think I have ever been informed enough to comment on it…. We literally know nothing …. And for us, it’s not funny just being batted back repeatedly and no security, no joined-up thinking and no communication of here’s the plan…. it just is horrendous.’[352]

One interviewee noted he had, shortly after the Brexit Referendum, raised with the then Department for Finance and Personnel the issue of the need to replace ESF funding to help people who had difficulty accessing the labour market (people with disabilities, injuries, ex-offender status) but that as late as October 2021 nothing had been sorted out.[353]

These problems were compounded by the fact that the replacement funds bypassed the devolved institutions and so local departments were also not familiar with what was happening with the process.[354] According to one interviewee, some stakeholders have approached the UK Department for Levelling Up, Housing and Communities and while responses have been cordial, they have been unhelpful.[355] There are plans to open a UK Government office in Belfast but this provoked some controversy with nationalist politicians accusing the UK Government of dismantling devolution.[356] As of November 2021 one of our interviewees reported a lack of success getting assistance or further information from this source.[357]

> ‘The current approach is at best disjointed and confused, leaving organisations who were previously in receipt of EU funding needing clarity that the SPF and other programmes will address the local needs in this jurisdiction and will be rolled out in a timely manner… we’re heading towards a sort of a winter of discontent unless there is some clarity of purpose and clarity of arrangements as to what these funds are going to look like.’[358]

352 Interview F.
353 Interview A.
354 Interview A.
355 Interview F.
356 BBC News, **UK Government Office in Belfast ‘dismantles devolution’ – Mallon** 11 March 2021.
357 Interview F.
358 Interview C.

Reflecting concerns in Britain,[359] an important theme to emerge from the research is concern that lack of detail regarding the operation of the SPF leaves organisations unable to plan for future contingencies. This is particularly the case with seeking and securing alternative sources of funding. The Autumn 2021 Spending Review does not provide any reassurance on this. It indicates the total funding for three years but it is not clear whether there will be annual allocations for funded projects or how this will work.

Given the uncertainty about funding, and whether funding will be available for multi-year projects, some groups may need to apply for short term funding. This has disadvantages – as one interviewee pointed out, applying for a one-year project could take almost as much energy and time as a longer-term project, and time spent working on a grant application is time not spent delivering services or developing capacity.[360] Furthermore, there are reports that some groups who had applied for Community Renewal Funds in 2021 still did not know if they were successful by October 2021 even though any funds they received would have to be spent by March 2022.[361]

It is deeply concerning that even at this late stage there is ambiguity regarding how much money the UK Government will make available in Northern Ireland to replace funding lost as a result of the departure of the UK from the EU. In chapter 5 we noted the commitment in Spending Reviews to match levels of EU funding but saw that there was a lack of clarity about that. The Institute for Government has pointed out that it is not clear how the commitment to 'at least match current receipts' will be measured.[362] There are questions, for example, as to whether this is a commitment to provide future funding in line with average spending in each year of the 2014-2020 funding cycle, spending in a particular year or period, or spending that the UK would have been eligible for in the 2021-27 cycle had it remained within the EU.

359 Andrea Broughton, Monica Andriescu and Sara Rizzo, **The Future of Funding for Equality and Human Rights** (Equality and Human Rights Commission, 2019), p. 43.

360 Interview F.

361 Interview F – had not applied for Community Renewal but reporting on others' experiences.

362 Alex Nice, Akash Paun and Dan Hall, **The UK Shared Prosperity Fund** p. 17.

The Institute for Government has also pointed out that it is not clear from public pronouncements which streams of EU funding the SPF is meant to replace. The statements around the SPF strongly suggest that this new fund is meant to replace money received from the ESF and the ERDF. However, leaders of devolved governments who met with the IfG suggested that elements of other EU funding streams, such as the LEADER program, which is part of the European Agricultural Fund for Rural Development (EAFRD) and supports rural areas to prepare local development strategies, might also be included. If elements of other EU funded programmes are included in the new SPF, or indeed priorities that would not have been covered by EU funding,[363] then that would further dilute the impact of the replacement funding.[364]

6.2.2. Gaps in Funding: 'It's a Ticking Clock'.[365]

To prevent an immediate crisis facing organisations in receipt of ESF funds the Department for the Economy made some monies available under ESF Call 3 for projects to address this gap. This was done on a competitive basis rather than simply extending the existing funding for a year until the new programme was developed.[366] In the event nearly every application was successful.[367] This funding was made available by the NI Executive using monies provided for the purpose of addressing the impact of COVID-19. The Call 3 funding provides £20m but there is also a requirement that match funding amounting to £14m be found; this is challenging as the Department for the Economy cannot provide all the match funding required and there is uncertainty about the funding available from other departments.[368]

This has avoided a 'cliff edge' in 2022 but without adequate planning there is now a risk of the 'cliff edge' for organisations in 2023. One report recommends that there should be two years of continuation funding for existing projects before a new scheme is ready,[369] while the ESF Users Group recommends three years.[370]

363 There may well be good reason to cover other priorities. The Public Services Committee has recommended that the different funds (including Levelling Up, Shared Prosperity and Community Renewal) should be extended to cover preventative health initiatives, early years programmes and social infrastructure: Public Services Committee of the House of Lords, **Levelling Up Position Paper** (2021-2022) (20 May 2021). These are all laudable goals but if these funds are to cover all these priorities they will need to be significantly increased or the funding for existing beneficiaries may be diluted.

364 Alex Nice, Akash Paun and Dan Hall, **The UK Shared Prosperity Fund** p. 17.

365 Interview C.

366 Interview C, Interview F referring to Call 3.

367 Interview O.

368 Northern Ireland Union of Supported Employment, **Policy Group Briefing Paper, No.3: Future Funding for Disability Employment Services** (NIUSE, 2021) (December 2021) p. 8.

369 Pat O'Neill, Colin Stutt, Stephanie Morrow, Therese Hogg and Mark Graham, **European Social Fund Succession Landscape Paper** (Department for Communities and Department for the Economy, 2021) (February 2021) p. 34.

370 ESF Users Group **ESF Users Briefing on Future Replacement of ESF Funding Post-Brexit** (2020).

Such an approach is essential to avoid harming existing beneficiaries and damaging the capacity of organisations to provide much needed services. It is also necessary to provide time for organisations to plan properly for a successor fund.

Crucially, one organisation that was successful in a Call 3 bid noted that while the call had opened in May 2021, and that they were successful, they were still awaiting 'due diligence' checks in October 2021; all this with a view to receiving money from April 2022.[371] This illustrates the typical timeframe between the opening of a funding call until receipt of funding – almost one year:

> 'a year is very short, very short in terms of what typically is a cycle of application and release of the funding.'[372]

Similar concerns were reported about the timeframe for the Community Renewal Fund. Some applicants were expecting decisions in August but had not heard anything as late as October.[373] The late notifications of decisions mean that organisations might have to deliver a project intended to be delivered over eight months over a much tighter timeframe of five months.[374] One successful recipient of Community Renewal Funds did note in November 2021 that the deadline for spending the money had been extended to June 2022, but also that they were still waiting on a formal letter of offer as late as 29 November 2021.[375]

The timing is also a problem given that there is an Assembly election scheduled for 2022 and there is a risk of these issues not getting the attention they need as NI politicians move into election mode. The resignation of the First Minister in February 2022 has exacerbated this risk. There is also a danger, highlighted by one interviewee, that by the time a solution is found, organisations may have closed[376] with serious consequences for beneficiaries:

> 'Unfortunately, our people with disabilities, as some of the most vulnerable and some of the most voiceless, may get lost in the system.'[377]

371 Interview F.
372 Interview F.
373 Interview D.
374 Interview C.
375 Anne McVicker (Director, Women's Resource and Development Agency) and Elaine Crory (Good Relations Coordinator, Women's Resource and Development Agency): Interview K.
376 Interview N.
377 Interview N.

Concerns about a funding crisis and a financial 'cliff edge' facing organisations in receipt of ESF funding are compounded by the impact of the pandemic. The Equality Commission has already highlighted the serious adverse consequences of the pandemic for health inequalities, especially on protected Section 75 groups such as older persons, persons with disabilities and children.[378] Similarly, Ulster University research has highlighted the impact of the pandemic on young people and persons with disabilities.[379] For example, the percentage of young people under the age of 25 laid off or furloughed (18%) is significantly larger than their share of employment (12%), and there is reason to fear the 'long-term scarring effects of leaving the education system during an economic downturn'.[380] The Ulster University report also cites the risk that persons with disabilities face difficulties in returning to work if they are out of work for an extended period.[381]

This impact is likely to increase the demands for the type of services provided by ESF-funded projects for these groups.[382] One participant expressed concern about the mental health of the people they worked with, due to not just employment concerns but also the pandemic.[383] Edyth Dunlop (Regional Manager, NIUSE) highlighted concerns about the impact of Covid-19 on persons with disabilities and young people.[384]

It is commendable that the ESF funded projects we have examined have been able to continue notwithstanding the pandemic and that some of these programmes will continue to meet or indeed exceed targets.[385] It is also important to note that some PEACE funded programmes enabled groups to provide meals during the pandemic[386] while other organisations adapted their service provision to deal with the consequences of the pandemic.

378 Equality Commission for Northern Ireland, **Annual Report and Accounts 2020-2021** (ECNI, 2021), Foreword.
379 Mark Magill and Marguerite McPeake, **Labour Market Implications of COVID-19: How Have Restrictions on Work Impacted Different Types of Workers in Northern Ireland?** (Ulster University, 2020).
380 Ibid paras. 30 and 35.
381 Mark Magill and Marguerite McPeake, **Labour Market Implications of COVID-19: How Have Restrictions on Work Impacted Different Types of Workers in Northern Ireland?** (Ulster University, 2020) para. 110.
382 Laurence Taggart, Roy McConkey, Peter Mulhall, CAN, MENCAP NI and Positive Future **The Impact of Covid-19 on People with Learning Disabilities in Northern Ireland: Implications for Policy and Practice.**
383 Interview C.
384 Interview E.
385 Department for the Economy, **An Impact Evaluation of the Northern Ireland European Social Fund Programme, 2014-20** (2020) pp. 26, 61.
386 Interview D.

One interviewee highlighted, for example, how their organisation had switched to providing telephone support and even a television service. The impact of the pandemic and the ending of ESF however was summarised by one of our interviewees:

> 'COVID has blasted a hole in what already was a very broken landscape. So, with the end of European funding coming as well, we've almost got a perfect storm right now. There is a real risk that our people who are voiceless will be lost in all of that.'[387]

A further problem is that the pandemic may, unsurprisingly, change the focus of the Shared Prosperity Fund. While it is natural that Government might seek to use the Fund to address the consequences of Covid, this could risk diluting the resources originally planned to replace the ESF and ERDF.[388] In the short term however, recipients of ESF funding face a financial crisis.

Recommendations

The UK Government needs to avoid a financial 'cliff edge' or break in funding before the Shared Prosperity Fund is operational. This is especially crucial given the challenges caused by the pandemic, which has impacted disproportionately on disadvantaged Section 75 groups. Gap funding should be provided on a continuing basis until the new successor regime is operational and can begin to provide funds to projects.

Arrangements should be put in place to ensure that those projects supported under ESF Call 3 with one year's funding from the Department for the Economy will not suffer any disadvantage in applying for Shared Prosperity Fund monies.

Arrangements for the Shared Prosperity Fund should include timelines that avoid gaps between funded programmes.

387 Interview N.
388 Stephen Fothergill raised this possibility in oral evidence: Northern Ireland Affairs Committee, **Oral evidence: UK Shared Prosperity Fund** HC880 (UK Parliament, 2021) (14 October 2020).

6.3. Medium and Long-term Challenges?

In the more medium to long-term, there are wider concerns relating to the focus of proposed replacement funds, notably, the scope of funding, the role of Section 75, eligibility criteria and questions of coordination with the devolved administration.

6.3.1. Objectives of Replacement Funding

One concern over the medium and long-term relates to the scope of future replacement funding. The EHRC report on replacement funding in Great Britain highlighted concerns that the Shared Prosperity Fund might not address equality issues in the same way as EU funding and impact negatively on people with protected characteristics as well as social inclusion and socio-economic equality and human rights.[389] The EHRC report recommended that the new funding system should 'continue to tackle inequality and support marginalised communities by targeting funding at disadvantaged groups sharing protected characteristics and at-risk groups'.[390]

Our research in Northern Ireland supports the concerns expressed in Great Britain. EU funding has supported a range of projects helping people from Section 75 groups (see above chapter 2 and section 3.2.1). With the changes in the funding environment there is a risk that such projects might not be supported. One interviewee highlighted the important work of some very small projects and raised a concern that these small projects might not fit into the new funding model.[391] One interviewee was concerned about the implications for their beneficiaries: 'The key issue is the supports that are available for people who otherwise just would not be able to move on in our society'.[392] Another interviewee stressed that the people their organisation helped – persons with learning difficulties - were not going away, if anything that demographic was increasing.[393] For this interviewee, the current situation amounts to 'playing with people's lives'.[394]

389 Andrea Broughton, Monica Andriescu and Sara Rizzo, **The Future of Funding for Equality and Human Rights** (Equality and Human Rights Commission, 2019), pp. 40-42.
390 Ibid p. 10-11.
391 Interviewee E.
392 Interview M.
393 Interview N.
394 Interview N.

It is unclear, for example, whether people included within protected Section 75 groups, such as persons with mental health problems, or brain injury would be a priority for the future funding. If the replacement funding is aligned to existing industrial strategies, it may overlook the important contribution that EU funding has made not just to employment and productivity, but the equally important role that EU funding has made in promoting 'inclusion for those most vulnerable groups of people', including women and young people.[395]

> 'You know, we've seen the upsurge of reports from Women's Aid and other support organisations. We've seen challenges around, particularly for very disadvantaged young people and the other things. Projects like ours would have been able to pick up those young people and, if not work with them ourselves, move them on. That collaboration and innovation was what was particularly important within European social funded projects.'[396]

In summary, the replacement funds need to maintain the focus on combatting poverty and promoting social inclusion and to this end it would be helpful to specify this includes the promotion of equality. There is no explicit mention of goals like supporting social inclusion or combatting poverty in the pre-launch guidance on the Shared Prosperity Fund published in February 2022, though there is reference to supporting disadvantaged people and those furthest removed from the labour market. [397]

Recommendation

Replacement programmes, and specifically the Shared Prosperity Fund, should include aims to combat poverty, promote social inclusion, promote and support equality and address the needs of the most marginalised and disadvantaged.

395 Interview F.
396 Interview C
397 Department for Levelling Up, Housing and Communities, UK Shared Prosperity Fund: pre-launch guidance (2 February 2022).

6.3.2. Equality and Good Relations Duties in Section 75

While a specific commitment that replacement funding will be focused on the objectives of combatting poverty, promoting social inclusion and equality is desirable, an important mechanism for helping achieve this objective is Section 75 of the Northern Ireland Act 1998. The Northern Ireland Office is a designated public authority for Section 75 purposes, but this is not the case for other UK government departments that may be involved in allocating monies in Northern Ireland.

Lynn Carvill (Chief Executive, Women's Tec) expressed a concern that central UK authorities might not appreciate all the issues around equality in Northern Ireland.[398] This view was also shared by a public sector interviewee:

> 'Those [Section 75 screening exercises] are useful exercises at the start of a programme like this. I think most people will start finding the problems where we're working with colleagues in Whitehall, designing these new programmes coming through. They don't seem to be sighted in terms of equality considerations or if they are, it's purely in terms of English centric equality considerations. But they don't appear to have their eye on our local considerations here in terms of the 9 or 10 Section 75 considerations.'[399]

Anne McVicker (Director, Women's Resource and Development Agency) and Elaine Crory (Good Relations Coordinator, Women's Resource and Development Agency), whose organisation WRDA had been successful in applying for the Community Renewal Fund, commented that there was no evidence the Fund was aimed at addressing equality issues, rather it was concerned with employment.[400] A similar concern was expressed by another interviewee from the community and voluntary sector, that UK departments may not address local issues and Section 75 concerns:

398 Interview J.
399 Interview O.
400 Interview K.

> ‘we’ve widened choices, we’ve helped to share opportunities for people, we’ve helped to create meaningful ways in which they can join and become part of the workforce or …do other things, and we’ve dealt with them in relation to their disability, their ethnicity, their age, their mental health and well-being, where they are in the criminal justice sector and other things. And I think that the Section 75 groupings are going to need a champion going forward unless we can, because the United Kingdom doesn’t really understand what we mean by Section 75 groupings.’[401]

The Institute for Government report, making recommendations for the wider operation of the Shared Prosperity Fund, specifically recommended that the UK Government:

> ‘…clarify how the UKSPF will operate in the specific context in Northern Ireland and comply with the statutory duty to promote good community relations and equal opportunities’.[402]

Compliance with Section 75 obligations is also important given that the political debate around Brexit and the Northern Ireland Protocol has impacted on community relations, as mentioned in section 1.1. The Brexit process itself has had a negative impact on relations between the two main communities in Northern Ireland. The purpose of this report is not to critique the relative merits of the withdrawal of the UK from the European Union, or the measures that have been put in place to deal with this process. Disagreements around the Northern Ireland Protocol and debate about the location of customs checks have further hardened positions within the two main communities in Northern Ireland and led to a situation in which support for the current arrangements agreed to by the EU and the UK Government have become a touchstone of religious and political affiliation.[403] Section 75 of the Northern Ireland Act provides a structure in which equality of opportunity and good relations can be considered. It requires designated public authorities to examine systematically how policies will impact the different equality groups, to collate evidence and to consult. In this way it provides for an evidence-based and objective approach to public policy development.

401 Interview C
402 Ibid.
403 BrexitLawNI, **Brexit and the Peace Process Policy Report** (2018).

It is important here that 'good relations' should not be interpreted or used as a means to avoid addressing divisive issues. According to Daniel Holder (Deputy Director, Committee on the Administration of Justice), good relations has been used by some as a term to avoid having uncomfortable conversations and to veto any changes – a 'tool to retain the unequal status quo of the past'.[404]

The Council of Europe has criticised the way in which language rights has become problematised by concepts of good relations, becoming 'a hostage of a "good relations" policy which aims to avoid tensions'.[405] The Advisory Committee of the Framework Convention on National Minorities has recommended that the good relations duty should be implemented in 'a manner that does not run counter to the equality duty and that does not prevent access to rights of persons belonging to all national and ethnic minorities'.[406]

Compliance with Section 75 obligations is valuable in another respect, namely, the gathering of data to ensure that funding is adequately targeted at those who need it most. One public sector interviewee noted that it was now possible to analyse the data in a much-more finetuned way using geospatial analytics; this was especially important given that areas of high deprivation might be located next to affluent areas.[407] The benefit of such analysis is that it enables authorities to see who is benefitting from and who is missing out on funding at a local level given that at council level there are very large differences between neighbourhoods.[408] The problem with geospatial data however is that it is often used for identifying areas of socioeconomic deprivation but is not necessarily broken down by Section 75 category so many only provide limited data on patterns of inequality. The need to improve data collection on the promotion of equality for Section 75 groups in Northern Ireland has also been highlighted by the Equality Commission.[409] It is important therefore that future UK funding mechanisms conduct screening and equality impact assessments, in order to establish that funding is being directed towards areas of greatest need. This would fit with the stated Community Renewal Fund objective that the Ministers will ensure 'a fair geographical spread of approved projects across Northern Ireland'.[410]

404 Interview G.
405 Advisory Committee on the Framework Convention for the Protection of National Minorities, **Fourth Opinion on the United Kingdom adopted on 25 May 2016** (Council of Europe, 2017) (27 February 2017) para. 11.
406 Ibid para. 89.
407 Interview M.
408 Pat O'Neill, Colin Stutt, Stephanie Morrow, Therese Hogg and Mark Graham, **European Social Fund Succession Landscape Paper** (Department for Communities and Department for the Economy, 2021) (February 2021) p. 9.
409 Equality Commission for Northern Ireland, **Recommendations: Programme for Government (PfG) and Budget** (May 2016).
410 UK Government, **Community Renewal Fund: Prospectus 2021-2022** (2021) para. 6.4

Recommendations

Any UK authority involved in delivering funding in Northern Ireland should be designated for the purposes of Section 75. Until such time as this process is complete any UK authority responsible for allocating funding in Northern Ireland should follow as models of best practice Equality Commission for Northern Ireland guidance on Section 75.

Organisations in charge of providing funding should collect robust equality data across all Section 75 groups to assist with monitoring how the funding is benefitting different groups and what impact the funding has on the needs of members of the different Section 75 groups.

Organisations in charge of providing funding should consider how to provide equality data suitable for geospatial analysis.

6.3.3. Role of Northern Ireland Departments

Another potential problem voiced by stakeholders is that NI departments might withdraw from policy in these areas because the funding is coming from a UK department and not going through them.[411] Local departments had indeed begun an operation to look at the next steps after the ending of ESF, but this was halted when it became clear that SPF would be centrally driven.[412] The local departments need to consider the challenges that will be caused if programmes formerly supported by EU funding are not sustained:

> 'You're going to see our traditional …client … needs not being able to be matched by mainstream [projects]. You're going to see them juggled around job coaches and other things, but with absolutely no real outcome in terms of their being able to actively and sustainably… move on to employment…our minority ethnic people and those people who are more marginalised by their ethnicity or by how they got here, either as refugees, asylum seekers, but also in terms of that massive language barrier as well…There are going to be very serious impacts on those Section 75 groups.'[413]

411 Interview A; Edyth Dunlop (Regional Manager NIUSE): Interview E.
412 Pat O'Neill, Colin Stutt, Stephanie Morrow, Therese Hogg and Mark Graham, **European Social Fund Succession Landscape Paper** (Department for Communities and Department for the Economy, 2021) (February 2021).
413 Interview C.

This was underlined by another interviewee from a community and voluntary group who described ESF as in one sense a 'curse' because 'it was shoring up support for the most vulnerable in society that should have really been coming direct from government'.[414] It is unclear what plans those Executive departments have in place to deal with the ending of ESF, apart from what SPF might or might not provide. Northern Ireland's experience with ESF has generated some important lessons on how to support excluded or hard-to-reach groups and Northern Ireland departments should consider how to incorporate those lessons into their programmes going forward.

Recommendation

The NI Executive needs to specify how it will ensure that the needs of people from different equality groups, who have been supported through European funding, particularly ESF, will be supported in the future.

6.4. Conclusion

This chapter has considered some of the challenges about the changing funding environment identified in the literature and discussed in our interviews. These include concerns about the objectives of future funding, the role of Section 75, the responsibilities of the devolved administration as well more immediate concerns about uncertainty, ending of services, loss of jobs and closure of organisations.

414 Interview N.

7. Lessons for the Shared Prosperity Fund

7.1. Introduction

This chapter considers how future replacement funding can learn lessons from previous experience of EU funding, including ESF funding, and deliver on commitments to promote equality of opportunity and good relations.[415]

7.2. An Opportunity for Strategic Thinking

The new funding is important and as Anthony Soares (Director, Centre for Cross-Border Studies) stressed, represents an opportunity for strategic thinking about how the funding can be used sustainably.[416] There is already a concern among some interviewees that the new funds might not be strategic in that sense and may be too narrowly focused. Anne McVicker (Director, Women's Resource and Development Agency) and Elaine Crory (Good Relations Coordinator, Women's Resource and Development Agency) commented that the Community Renewal Fund seemed to be very narrowly focused on employability, that is getting people into employment and not on more basic needs like skills and training.[417] This might reflect a failure to think more systematically about what the barriers to social empowerment in the context of Northern Ireland are, for example, a lack of affordable childcare, a lack of transport and rural isolation, and to develop strategies to address them.[418] Without a focus on these strategic issues, there is a risk that projects might help individuals but might not lift communities out of deprivation.[419] Interviewees from this organisation also expressed concern that the situation might be even more problematic, that these funds might help people into employment but this might be insecure, poorly-paid and not contribute to overall improvement of the community.[420]

The Section 75 processes provide opportunities for these strategic issues to be identified and highlighted. The equality screening and equality impact assessment processes require public authorities to reflect on how they can promote equality of opportunity.

415 The landscape report commissioned by the Department for the Economy and Department for Communities has already made suggestions for improvements to a successor scheme for ESF. While recognising the many positive attributes of the current ESF scheme, it recommends for instance greater emphasis on digital skills, more emphasis on older working people, a focus on prevention/early intervention, addressing sectors in the Industrial Strategy for NI. Pat O'Neill, Colin Stutt, Stephanie Morrow, Therese Hogg and Mark Graham, **European Social Fund Succession Landscape Paper** (Department for Communities and Department for the Economy, 2021) (February 2021) pp. 25-29.

416 Interview I.

417 Interview K.

418 Interview K.

419 Interview K.

420 Interview K.

Public authorities could use these processes to identify any barriers to equality and to explain how they will adopt mitigating measures to lessen the impact of these barriers.

Recommendations

Equality screening and impact assessments conducted for Shared Prosperity Fund programmes should specify which Section 75 groups benefit from the funding and identify any barriers for protected groups (for example, lack of childcare, transport difficulties in rural areas) and outline mitigating measures that will help lessen the impact of these barriers.

Programmes like the Shared Prosperity Fund will not, by themselves, address all problems related to the promotion of equality of opportunity and good relations. The NI Executive should develop wider strategies to address structural barriers for protected Section 75 groups (for example, strategies on childcare, gender, disability, sexual orientation, and poverty).

7.3. Devolution and the Particular Circumstances of Northern Ireland

One important feature of EU funding in the UK was that it placed the responsibility for administering the funds with the devolved authorities in Northern Ireland, Scotland and Wales; for England, the UK Government was responsible.[421] This had several benefits. The devolved authorities could align EU funding with their own strategic priorities;[422] for example, Northern Ireland could coordinate EU funding allocations with the Northern Ireland Programme for Government.[423] This meant there could be a more strategic allocation of resources to ensure EU funds were aligned with domestic political priorities. Furthermore, local agencies have already developed standards of 'responsiveness, professionalism and high levels of engagement' which are currently important for the success of the EU-funded programmes.[424]

421 Alex Nice, Akash Paun and Dan Hall, **The UK Shared Prosperity Fund** p. 14.
422 Department for Business Innovation and Skills, **Balance of Competences Cohesion Review: Literature Review on EU Cohesion Policy** (2014) p. 63.
423 Alex Nice, Akash Paun and Dan Hall, **The UK Shared Prosperity Fund** pp. 14-15.
424 Department for the Economy, **An Impact Evaluation of the Northern Ireland European Social Fund Programme, 2014-20** (2020) p. 88.

Perhaps the most controversial aspect of the replacement funds is that the UK Government has decided that they should be administered centrally instead of through the devolved administrations. While the UK Government has alluded to some involvement for the devolved authorities it is unclear if this will be anything more than a consultative role.[425] The experience of the Community Renewal Fund suggests that the SPF will adopt a highly centralised approach with little consultation with the devolved authorities.[426]

The pre-launch guidance on the Shared Prosperity Fund refers to the UK Government drawing on 'the insight and expertise of local partners', including the Northern Ireland Executive, local authorities, City and Growth Deal geographies, business and the community and voluntary sector', but does not provide detail on how this will be structured.[427] The approach in Northern Ireland suggested in the pre-launch guidance differs from that in England, Scotland and Wales. In England, Scotland and Wales local government agencies will have the responsibility to draw up investment plans to be approved by the UK Government and the local agencies will be responsible for delivery. In Northern Ireland, the UK Government is 'considering options for development of a Northern Ireland investment plan' while the Department for Levelling Up, Housing and Communities will have oversight of delivery. It is understandable that the plans would not treat Northern Ireland local authorities in the same way as authorities in Great Britain, as these have different levels of responsibility. However, the arguments for empowering local government in Great Britain – 'pride in place can best be achieved by delivery close to local people and businesses; by authorities that understand each place's unique local context, and with established governance' – might well suggest a greater role for the Northern Ireland Executive than is suggested in the pre-launch guidance.

A centralised approach has many risks: it undermines the devolution system in general; it overlooks the significance of devolution in Northern Ireland's peace process; it means decisions may be made by persons not familiar with local needs and priorities; practically it creates problems of coordination and duplication, and it ignores the experience and expertise of local departments. All of these factors combined will limit the impact of future funding to address equality and good relations issues on the ground in Northern Ireland. The consequences of the new replacement funding for devolution are significant according to the Institute for Government:

425 Alex Nice, Akash Paun and Dan Hall, **The UK Shared Prosperity Fund,** pp. 18-19.
426 Ibid p. 19.
427 Department for Levelling Up, Housing and Communities, **UK Shared Prosperity Fund: pre-launch guidance** (2 February 2022).

> ‘From the perspective of the devolved governments, the plans represent an unwelcome encroachment into their sphere of autonomy, as politicians at Westminster will be able to set policy in devolved domains such as education, transport and economic development’.[428]

The Welsh Government has accused the UK Government of ‘stealing’ devolved powers,[429] while the Welsh Affairs Committee has acknowledged that there may be differences of opinion about the role of the different levels of government but it would be unwise to ignore the experience of the devolved authorities in administering European funding.[430]

In evidence to the Committee, a Department of Finance representative expressed considerable concern about Section 50 of the Internal Market Act 2020[431] that authorises UK Ministers to provide financial assistance to any person in the United Kingdom for different purposes including promoting economic development, providing infrastructure, supporting cultural and sporting activities, and supporting education and training. The controversy here is that many of these areas are devolved and there is no legal requirement to consult with or coordinate with devolved authorities in providing this financial assistance. These powers were controversial when introduced into Parliament and at one point the House of Lords had voted to remove them before the Commons reinstated them.[432] The Constitution Committee published a report critical of the Government for failing to consult adequately on the bill and adopting a heavy-handed approach to devolution.[433]

The undermining of devolution is particularly sensitive in Northern Ireland where devolution is central to Strand One of the Belfast (Good Friday) Agreement 1998. According to evidence from a Department of Finance official, the Internal Market Act powers were seen as potentially very broad, there was no guidance in the explanatory material as to what they would entail and at the most serious level they might be inconsistent with the Northern Ireland Act 1998 which supports the Belfast (Good Friday) Agreement.[434]

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428 Alex Nice, Akash Paun and Dan Hall, **The UK Shared Prosperity Fund** p. 8
429 Welsh Affairs Committee, **Wales and the Shared Prosperity Fund, Priorities for the Replacement of Structural Funding: Fourth Report of Session 2019-21** (House of Commons, 2019-2021) HC 90 (2 October 2020) para. 12.
430 Ibid para. 73.
431 **Section 50 of the Internal Market Act 2020**.
432 Philip Brien, **The UK Shared Prosperity Fund** (House of Commons Library, 2021) p. 26.
433 Constitution Committee, **United Kingdom Internal Market Bill: 17th Report of Session 2019–21** (House of Lords, 2019-2021) HL 151 (16 October 2020), summary, paras. 11-14.
434 Bill Pauley, Northern Ireland Affairs Committee, **Oral evidence: UK Shared Prosperity Fund, HC880** (UK Parliament, 2021) (14 October 2020).

A letter from the official to the Committee is more explicit that the Internal Market Act powers risk diminishing the role of the Assembly as the 'prime source of authority in respect of all devolved matters' as set out in the Belfast (Good Friday) Agreement.[435]

There is a risk that a centralised approach will overlook sensitivities about community relations in Northern Ireland. The Institute for Government report expressed 'particular concerns' regarding the operation of the Shared Prosperity Fund in Northern Ireland, noting that the NI Executive has extensive experience of administering EU structural funds in a way that supports community relations. The report went on to warn that:

> 'there is a risk that a UK-wide scheme run by the UK Government would fail to tap into this expertise and not secure vital cross-community support in Northern Ireland'.[436]

Recognition of devolution is especially important in the context of Northern Ireland where the region is still addressing the social and economic legacy of 30 years of violent political conflict. The landscape report commissioned by the Department for the Economy and the Department for Communities notes that:

> 'Northern Ireland is a region coming out of conflict and has many issues associated with higher rates of poverty, mental ill health and suicide alongside higher economic inactivity and levels of disability in comparison to many parts of the UK which means the intervention required to address these unique barriers is complex and challenging.'[437]

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435 Northern Ireland Affairs Select Committee of the House of Commons, **Correspondence from the Department of Finance (Northern Ireland), relating to the UK Shared Prosperity Fund, 08-10-2020** (2020). See also Northern Ireland Affairs Committee, **Written evidence submitted by the Minister of Finance MLA, Northern Ireland, regarding the Investment in Northern Ireland inquiry** (INI0011) (UK Parliament, 2022).

436 Ibid.

437 Pat O'Neill, Colin Stutt, Stephanie Morrow, Therese Hogg and Mark Graham, **European Social Fund Succession Landscape Paper** (Department for Communities and Department for the Economy, 2021) (February 2021) p. 13.

The replacement funds need to take account of these contexts; this requires consideration of local needs and priorities. The Northern Ireland Executive has identified priorities for the Shared Prosperity Fund in Northern Ireland: notably increasing productivity, addressing skills, rural development, embedding additionality, Section 75 compliance, complementarity (with PEACEPLUS) and assisting the COVID-19 recovery.[438]

Northern Ireland is different from other parts of the UK in several other respects. One example, offered by a public sector interviewee, is the issue of apprenticeships.[439] In Northern Ireland ESF has supported an apprenticeship programme. The new SPF appears to exclude apprenticeships because there is a different approach to the use of the apprenticeship levy in England, which sees it ring-fenced to finance apprenticeships. This is not the case in Northern Ireland, where departmental budgets were used and augmented with ESF funding. This latter amount has now been lost.

If the UK Government insists on a centralised administration of the Shared Prosperity Fund this will create practical problems of coordination and duplication. The Institute for Government also identified a number of practical risks with the current approach; notably:

- the danger of duplication of functions, with both the UK and devolved institutions potentially funding similar projects in competition with one another;
- fragmentation of service provision, if the UK Government grants money to local projects that are not joined up with similar initiatives funded by the devolved administration;
- confused accountability;
- funding uncertainty for both devolved governments and potential recipients of the SPF, given the lack of clarity about how funding will be allocated or for how long.[440]

Some of these problems are already apparent regarding the confusion around the operation of the Community Renewal Fund and the Shared Prosperity Fund, reflecting a lack of joined-up thinking at central UK Government level:

438 **Northern Ireland Executive Future Funding Priorities – SPF**.
439 Interview O.
440 Alex Nice, Akash Paun and Dan Hall, **The UK Shared Prosperity Fund,** p. 6

> ‘It’s highly frustrating that there’s no joined-up thinking and the strategies and how things are funded. You know, they [with the Community Renewal Fund] literally they were looking to fund pilot programmes of what was already established and running and demonstrating impact. But that’s very frustrating when resources are so precious.’[441]

> ‘But I just think it’s crazy not to look at what’s already there.’[442]

Therefore, a significant challenge in the medium-long term will be ensuring that replacement funds are deployed strategically and the avoidance of duplication or confusion between UK Government and the NI Executive regarding the allocation of funding. This is especially problematic in a context in which UK Ministers are allocating funds for devolved matters.

Concerns have been outlined that there is a risk that a fund administered from Whitehall would lack the local expertise and knowledge that is required to work effectively on the ground. The Northern Ireland Affairs Committee has also heard evidence to the effect that there is a need to build on the existing work of the NI authorities.[443] Our interviewees confirmed many of these concerns, highlighting the risks, practical and otherwise, of bypassing the devolved institutions:

> ‘You know, the UK Government decided we are going to run this centrally from Whitehall. We met with the Secretary of State, Brandon Lewis, and with others at various times, and we said we don’t think that’s a very smart move from a practical point of view. It’ll conflict with lots of stuff that’s involved with the devolved administration. And the other thing is the issues that you’re likely to pick up under UK Shared Prosperity Fund. The levers with regard to them are generally devolved. And therefore, there’ll be a lot of overlap and contradiction, you know, between a Whitehall Department and Northern Ireland, we’ve said these things really need to go much closer together, but they definitely went off on one.’[444]

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441 Interview F.
442 Interview F.
443 David Babington (Action Mental Health), Northern Ireland Affairs Committee, **Oral evidence: UK Shared Prosperity Fund** HC880 (UK Parliament, 2021) (14 October 2020).
444 Interview A, Interview C.

> ‘[there needs to be] an understanding of our lives and how people live here and what they have been through and where people are at.’[445]

A common theme from interviewees was the importance of local knowledge, partnership and experience, built up over 15 years of ESF funded work, and the risk that a programme managed from Whitehall might not reflect that local knowledge.

> ‘The reason why they [ESF-funded programmes] worked here was because they were delivered at local level by local people who knew the demographic and knew the areas.’[446]

> ‘now it’s being shaped in Westminster and [they are] not necessarily listening to the concerns of the needs of people here in Northern Ireland… [while] ‘treading on the toes’ [of the devolved authorities].[447]

There are therefore strong arguments to support the principle that the Shared Prosperity Fund should be administered by the devolved authorities. They are familiar with local stakeholders including equality and human rights stakeholders, local needs and priorities and the Section 75 requirements and processes. If the UK Government decides the replacement funds should be administered centrally then it is essential UK departments work closely with Northern Ireland departments. The Institute for Government has also recommended that the UK Government ought to set out a governance structure for the SPF in which the devolved administrations participate as partners, rather than ‘mere consultees, with devolved officials and ministers involved in selecting and overseeing projects’.[448]

445 Lynn Carvill (Chief Executive, Women’s Tec): Interview J.
446 Interview N.
447 Anthony Soares (Director, Centre for Cross-Border Studies): Interview I.
448 Ibid.

Recommendations

The SPF should be delivered through existing Northern Ireland departmental structures, given the experience of the Department for the Economy in managing this kind of fund in the past (for example, familiarity with stakeholders, needs and priorities, and Section 75 requirements).

If the UK Government decides to deliver the SPF through central UK bodies, then any UK authority involved in delivering SPF in Northern Ireland should liaise regularly with the Department for the Economy, the Department for Communities, and other departments as relevant. There should be structures to include Northern Ireland departmental input at all levels.

The Shared Prosperity Fund should be available to support apprenticeships in Northern Ireland. If this is not done, the Northern Ireland Executive should explain how it will support apprenticeship programmes.

7.4. Transparent and Objective Criteria

One of the stated aims of the Shared Prosperity Fund is to simplify procedures and reduce bureaucracy compared to the EU approach. While this aim is welcome, several interviewees pointed out that there is an important purpose behind the bureaucracy associated with the EU funding schemes, namely to ensure transparency, accountability and objectivity.[449] One concern is that without adequate safeguards, future funding might be subject to 'politicisation' or the perception of such.[450] The need for transparent and objective criteria to avoid even the appearance of such practices is highlighted by a recent report of the House of Commons Public Accounts Committee. This report investigated the £3.6bn Towns Fund, introduced by the Ministry of Housing, Communities and Local Government (now the Department for Levelling Up, Housing and Communities) in Summer 2019. The report found that in some cases towns were chosen by Ministers to receive funding despite being chosen by officials as the very lowest priority (one town selected ranked 535th out of 541 towns). According to the report:

449 Interview H.
450 Interview D; Anthony Soares (Director, Centre for Cross-Border Studies): Interview I.

> '[the] lack of transparency has fuelled accusations of political bias in the selection process and has risked the Civil Service's reputation for integrity and impartiality.'[451]

Criticism of the allocation of funding within the report does not leave one confident about the proposed replacements for EU funding. These concerns were echoed by interviewees with the Levelling Up Fund perceived as focused on the next UK general election to increase support for the current UK Government in marginal (English) constituencies:[452]

> '…it's a political slush fund rather than a programme that will be designed based on evidence of need, with regard to what it is you might want to actually do and achieve….'[453]

> 'This type of fund [Levelling Up] doesn't seem to be geared to levelling up, it should be all about targeting objective need and targeting infrastructure deficits, but there is every sign from the ideology of the current government that it will be the opposite'.[454]

To prevent such practices recurring, or perception of the same, an emphasis on transparent and objective criteria is required. This will need to be supported by monitoring and accountability arrangements to ensure funds are being used in line with the published criteria.

451 Public Accounts Committee, **Selecting Towns for the Towns Fund: Twenty-Fourth Report of Session 2019–21** (House of Commons, 2019-2021) HC 651 (2 November 2020).
452 Interview A.
453 Interview A.
454 Daniel Holder (Deputy Director, Committee on the Administration of Justice): Interview G.

Recommendations

The UK Government should ensure that criteria for eligibility and award for any replacement funding mechanisms are transparent and based on objective criteria.

The UK Government should ensure that there is an adequate monitoring and accountability system to ensure that future funds are being used in line with the published criteria.

7.5. Participation and Partnership

The administration of the different EU funding streams in Northern Ireland has benefitted from an emphasis on partnership and participation, at least in recent iterations. The SEUPB for instance conducted an extensive consultation exercise when planning for PEACEPLUS, which has been recognised at the European Commission level as an example of best practice, while different interviewees have described the evolution or 'journey' that the Department for the Economy has been on working with community and voluntary groups. Those who administer the SPF and similar funds should embrace this approach.

UK departments have been accused of not consulting adequately with the devolved authorities. There is also apparently political resistance at UK government level to sharing information on SPF with the devolved authorities. A Scottish Minister has said that the Scottish Government had been 'rebuffed and ignored at every turn by the UK Government', though UK Ministers contest this.[455] The Welsh Affairs Committee has called on the UK Government to co-create with the devolved authorities details on how the Shared Prosperity Fund will function[456] and to work with them based on the principles of cooperation and partnership.[457] This assessment is shared by the Scottish Affairs Committee which has called on the UK and Scottish governments to 'work constructively together'.[458]

455 Scottish Affairs Committee, **The UK Shared Prosperity Fund and Scotland - Third Report of Session 2021-2022** (House of Commons, 2021) HC 52 (9 July 2021) para. 9.
456 Welsh Affairs Committee, **Wales and the Shared Prosperity Fund, Priorities for the Replacement of Structural Funding: Fourth Report of Session 2019-21** (House of Commons, 2019-2021) HC 90 (2 October 2020) para. 17.
457 Ibid para. 74.
458 Scottish Affairs Committee, **The UK Shared Prosperity Fund and Scotland - Third Report of Session 2021-2022** (House of Commons, 2021) HC 52 (9 July 2021) para. 12.

The failure to consult adequately with devolved authorities is also apparent in Northern Ireland. An Executive paper describes central UK departments' approach to consultation with the NI authorities as 'wholly inadequate'.[459] In a letter to the Northern Ireland Affairs Committee in October 2020, a departmental official indicates that:

> 'A number of stakeholder engagement events were held by Whitehall departments in Northern Ireland in November 2018, a promise of further engagement was then made which was not followed up.'[460]

This appearance of inadequate consultation with local departments was also mentioned by one of our civil society interviewees. In early 2021, some stakeholders were involved in discussions with the Department for the Economy NI about SPF apparently on the assumption, shared by the Department, that the Department would have a role in the new fund. Shortly after that, according to Edyth Dunlop (Regional Manager, NIUSE), it became apparent that the local Department would not have a role.[461] In the words of an interviewee:

> 'They had the rug pulled out from under them…. And in terms of any discussions with them they seemed to be as in the dark as the rest of us in terms of what the SPF was going to look like and how it's going to be managed.'[462]

Parliamentary committees and stakeholders have criticised the record of the UK Government on consultations with local civil society. The Welsh Affairs Committee noted in October 2020 that there had not been any formal consultation and any progress on consultation had been minimal.[463] The Committee noted a response from Government indicating that 25 engagement events had taken place, five in Wales.[464]

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459 **Northern Ireland Executive Future Funding Priorities – SPF**.

460 Northern Ireland Affairs Select Committee of the House of Commons, **Correspondence from the Department of Finance (Northern Ireland), relating to the UK Shared Prosperity Fund, 08-10-2020** (2020). A public sector interviewee agreed that there had been a 'severe lack of consultation' with the Executive: Interview O.

461 Interview E.

462 Interview F.

463 Welsh Affairs Committee, **Wales and the Shared Prosperity Fund, Priorities for the Replacement of Structural Funding: Fourth Report of Session 2019-21** (House of Commons, 2019-2021) HC 90 (2 October 2020) para. 11, para. 16.

464 Ibid para. 12.

The UK Government also responded to the Scottish Affairs Committee report commenting that they had engaged with 500 stakeholders in different events since 2016 including 6 in Scotland.[465] These numbers (25 events, 500 stakeholders) are similar to those cited for the Community Renewal Fund noted earlier suggesting these engagement events are considered by the UK Government to be the same. This is a matter of concern given that the UK Government has indicated these will be different types of funds even if the Community Renewal Fund will inform the development of the Shared Prosperity Fund.

The Welsh Affairs Committee concluded:

> ‘For more than three years, we have witnessed a failure to properly engage with stakeholders, or Parliament. As a result, there is no clarity as to what the Shared Prosperity Fund will look like, how it will be administered, nor how it will be funded. This is unacceptable, and the UK Government must, as a matter of priority, publish detailed proposals for how the Fund will operate.’[466]

In July 2021 the Scottish Affairs Committee noted that there still had not been any formal consultation, though there had been different engagement events.[467] Even though there had been no UK consultation the Scottish Government had held a formal consultation and published its own proposals on the foot of that in November 2020.[468]

These concerns about inadequate consultation with wider stakeholders are apparent also in Northern Ireland. One public sector interviewee described consultation efforts as being ‘one-way communication rather than effective consultation’.[469] In oral evidence to the Northern Ireland Affairs Select Committee, David Babington (Action Mental Health) observed:

465 Scottish Affairs Committee, **The UK Shared Prosperity Fund and Scotland: Government Response to the Committee’s Third Report Second Special Report of Session 2021–22** (House of Commons, 2021-2022) (9 July 2021).
466 Welsh Affairs Committee, **Wales and the Shared Prosperity Fund, Priorities for the Replacement of Structural Funding: Fourth Report of Session 2019-21** (House of Commons, 2019-2021) HC 90 (2 October 2020) para. 84.
467 Scottish Affairs Committee, **The UK Shared Prosperity Fund and Scotland - Third Report of Session 2021-2022** (House of Commons, 2021) HC 52 (9 July 2021) para. 7.
468 Ibid para. 8.
469 Interview O.

> ‘From a delivery organisation perspective and across the sector, there has been a void. We were engaged back in November 2018, but since then there has been no engagement whatsoever at a national or local level.’

And later in his evidence:

> ‘There is a worrying void in terms of consultations.... The last we heard was back in November 2018, which was a very light touch engagement, but since then there has really been nothing.’ [470]

Similarly, Lisa O’Kane (NI Local Government Association) observed in 2021:

> ‘We were invited to one meeting, which was probably in 2018. We were just asked general questions. There was no paper, no framework and no outline on which we could comment.’[471]

The time for consulting on and developing the SPF, involving stakeholders, is rapidly running out. Estimates of the time needed for developing a new programme range from 1-2 years (preferably 2)[472] to 3-5 years.[473] The landscape reports suggests that a full year is required for researching and co-designing a funding programme, with more time needed to making it operational.

470 Northern Ireland Affairs Committee, **Oral evidence: UK Shared Prosperity Fund** HC880 (UK Parliament, 2021) (14 October 2020). See also the evidence of Suzanne Wylie (Belfast City Council) and Roger Pollen (Federation of Small Business Northern Ireland) to similar effect.

471 Northern Ireland Assembly, **EU Successor Funding: Northern Ireland Local Government Association; Society of Local Authority Chief Executives; Official Report: Minutes of Evidence. Committee for Infrastructure, meeting on Wednesday, 5 May 2021**.

472 Pat O’Neill, Colin Stutt, Stephanie Morrow, Therese Hogg and Mark Graham, **European Social Fund Succession Landscape Paper** (Department for Communities and Department for the Economy, 2021) (February 2021) pp. 35-36.

473 ESF Users Group, **ESF Users Briefing on Future Replacement of ESF Funding Post-Brexit** (2020).

Recommendation

Any UK authority involved in delivering funding in Northern Ireland should ensure there are adequate provisions for participation by stakeholders in Northern Ireland, including equality and human rights stakeholders, in designing any new funding regime. They should consult with the Department for the Economy and SEUPB on best practice in consultation and follow ECNI guidance on best practice relating to equality impact assessments and consultation.

7.6. Conclusion

This chapter has considered some of the lessons for the Shared Prosperity Fund based on the experience of European funding in Northern Ireland. It has highlighted the need for strategic thinking about promoting equality, the need to build upon the experience of the devolved institutions in administering European funding, the importance of transparent and objective criteria and the need to embrace participation and participation.

8. Conclusion

This report highlights an impending crisis facing some of the most disadvantaged people in our society. European Union funding has been used to support peace work, combat poverty, and promote social inclusion. It has been of considerable importance in a society moving out of conflict and facing major social, economic, and political challenges. The organisations who took part in this research were among those who received EU funding which was used to promote equality of opportunity and good relations. ESF-funded projects in particular have supported organisations working with disadvantaged individuals from Section 75 groups who are furthest removed from the labour market, including young people in care, persons with disabilities including learning disabilities, new ethnic minorities, and others. These projects illustrate how EU funding has assisted with promoting equality of opportunity and good relations in Northern Ireland.

In many cases EU funding has facilitated an individual approach to care and support not available from more mainstream services. EU funding has supported projects on a multi-year basis, providing a degree of certainty and stability and has been allocated on an objective basis subject to strict monitoring. Over the years a partnership approach has been developed between the different organisations involved and the public sector bodies. There is support for a new PEACEPLUS programme to follow on from PEACE and INTERREG.

There have certainly been problems with EU funding over the past two decades. There have been complaints about the bureaucracy traditionally associated with different streams of EU funding and an excessive audit culture, and complaints about a focus on outputs rather than outcomes, specifically the softer sort of outcomes that are important for promoting social inclusion. There are concerns also about a perceived move away from funding of smaller organisations, the impact that this has had on women's groups in particular, and the debate about how to understand 'good relations' may have affected support for some groups. There have been issues with gaps in funding between different PEACE programmes. Some of these concerns have been alleviated, largely it seems as a result of greater partnership working between public bodies and grant recipients. More recently some in the third sector have referred to the ESF programme in Northern Ireland as an exemplar for the rest of the EU.

Any new funding environment is an opportunity to learn from the benefits but also the problems of previous experiences. It is not apparent though that full advantage of this opportunity has been taken with the different UK funding systems that have been or are being introduced. There is significant cause for concern.

There is an urgent need to address the situation created by the loss of EU funding in Northern Ireland. EU funding has been significant in promoting equality of opportunity and good relations and has supported organisations working with many Section 75 groups.

Governance arrangements for the successor funds should be implemented through the devolved authorities. If a decision is taken to administer them through UK Government departments, there should be arrangements for collaboration between UK and NI departments to ensure best practice is followed with respect to the procedural requirements under Section 75. The Secretary of State for Northern Ireland should designate for the purposes of Section 75 those UK government departments involved in allocating funding to Northern Ireland projects. Future funding should retain the ethos of partnership, through adequate consultation and participation of participants.

The Shared Prosperity Fund should include objectives on combating poverty and promoting social inclusion, promoting and supporting equality and addressing the needs of the most marginalised and disadvantaged. Transparent, objective criteria and adequate monitoring and accountability systems are necessary to ensure the integrity of future funding arrangements. The UK Government should urgently provide more clarity on the Shared Prosperity Fund. Continuation funding is required until the new Shared Prosperity Fund is operational, with arrangements for those groups that received Call 3 funding.

Finally, to complement future funding arrangements and address barriers to participation in programmes, there is a need for structural support for equality. At a higher level there is a need for the Northern Ireland Executive to ensure the adoption of strategies to support equality (for example, adoption of a childcare strategy, a gender strategy, a disability strategy and others).

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Annex 1 Interview Schedule

The following questions were used for interviews with civil society groups. A slightly modified version was used with public sector groups.

What is the nature of your work and the work of your organisation?

What involvement have you/your organisation had with EU funding? Which funding stream was involved?

How has EU funding impacted on different equality groups (Section 75 groups)?

What have been the benefits of EU funding for promoting equality and good relations?

Are these examples of specific case studies that you would highlight as examples of successes?

Has the funding had benefits, gaps or disadvantages for groups with intersecting identities, for example, working class women, rural women, young people with disabilities, etc?

Have there been specific issues in rural areas or border areas?

What have been the disadvantages/problems of EU funding?

How will loss of EU funding potentially impact on your groups (or S75 groups) and the promotion of equality and good relations?

What challenges does the change in the funding environment due to Brexit cause in the short, medium and longer term?

What advice would you give to the different levels of government involved in setting up and administering new funding systems?

Specifically, how can those new systems better support equality and good relations?

What implications do they have for the operation of Section 75?

How well do you think the Shared Prosperity Fund will fill the gap left by the loss of EU funding in Northern Ireland, especially with regard to promoting equality and good relations?

Do you have any views on the relationship between the Shared Prosperity Fund, Community Renewal Fund, Levelling Up Fund or other opportunities?

Is there anyone else we should talk to or documents we should look at?

Is there anything you would like to add?

Annex 2 Interviewees

Interview	Named/Anon	Sector
A	Anonymous	Community and voluntary
B	Anonymous	Community and voluntary
C	Susan Russam, Chief Executive, GEMS Northern Ireland	Community and voluntary
D	Anonymous	Community and voluntary
E	Edyth Dunlop, Regional Manager, Northern Ireland Union of Supported Employment	Community and voluntary
F	Anonymous	Community and voluntary
G	Daniel Holder Deputy Director, Committee on the Administration of Justice	Nongovernmental organisation
H	Anonymous	Public sector
I	Anthony Soares Director, Centre for Cross-Border Studies	Academic
J	Lynn Carvill, Chief Executive, Women's Tec	Community and voluntary
K	Anne McVicker, Director and Elaine Crory, Good Relations Coordinator, Women's Resource and Development Agency	Community and voluntary
L	John McComb, Employability Manager and Niall Blee, Programme Coordinator, Include Youth	Community and voluntary
M	Anonymous	Public sector
N	Anonymous	Community and voluntary
O	Anonymous	Public sector


RELIGIOUS BELIEF
SEXUAL ORIENTATION
AGE
DISABILITY
GENDER
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PEOPLE WITH DEPENDANTS
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RACE

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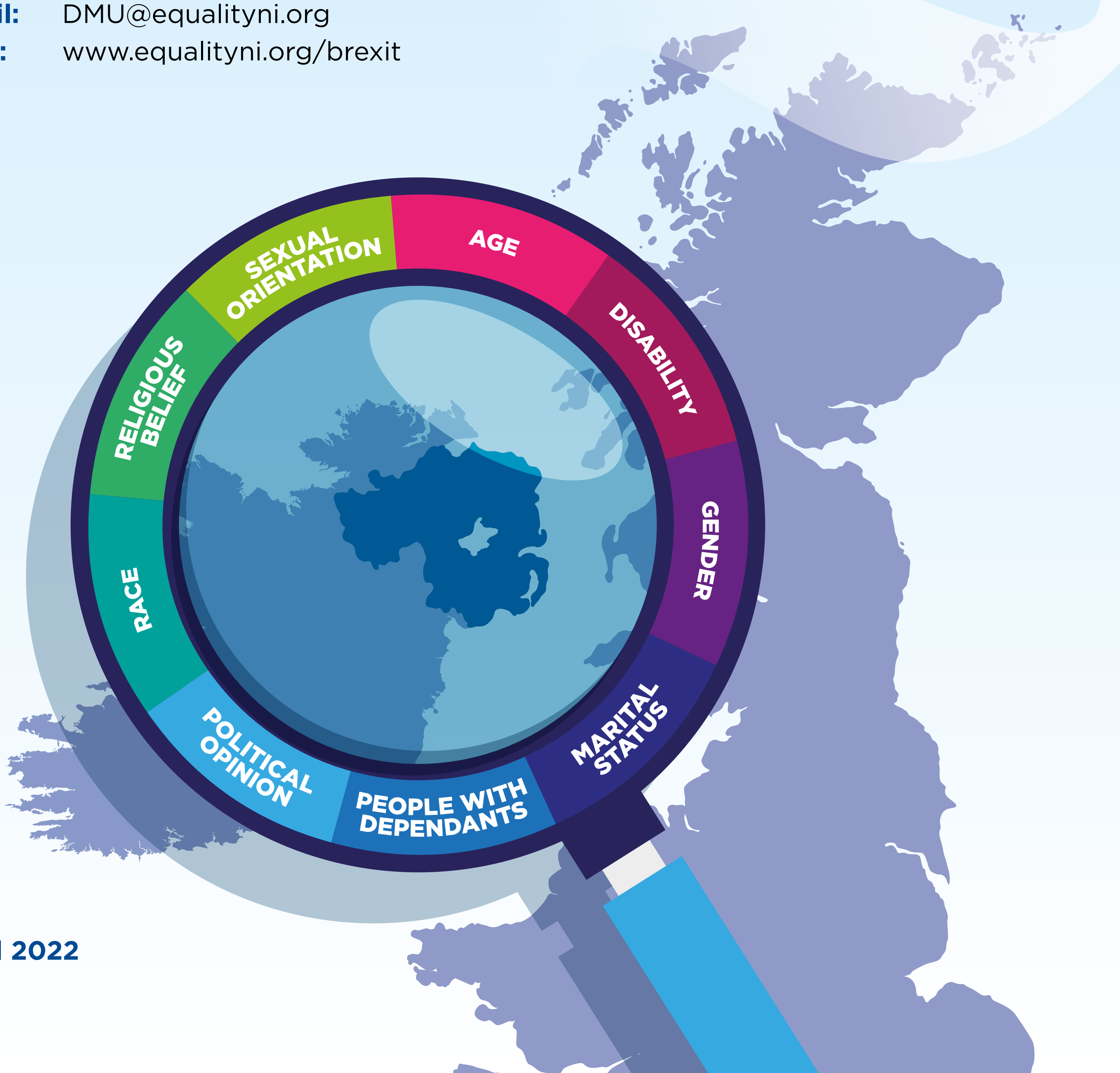

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