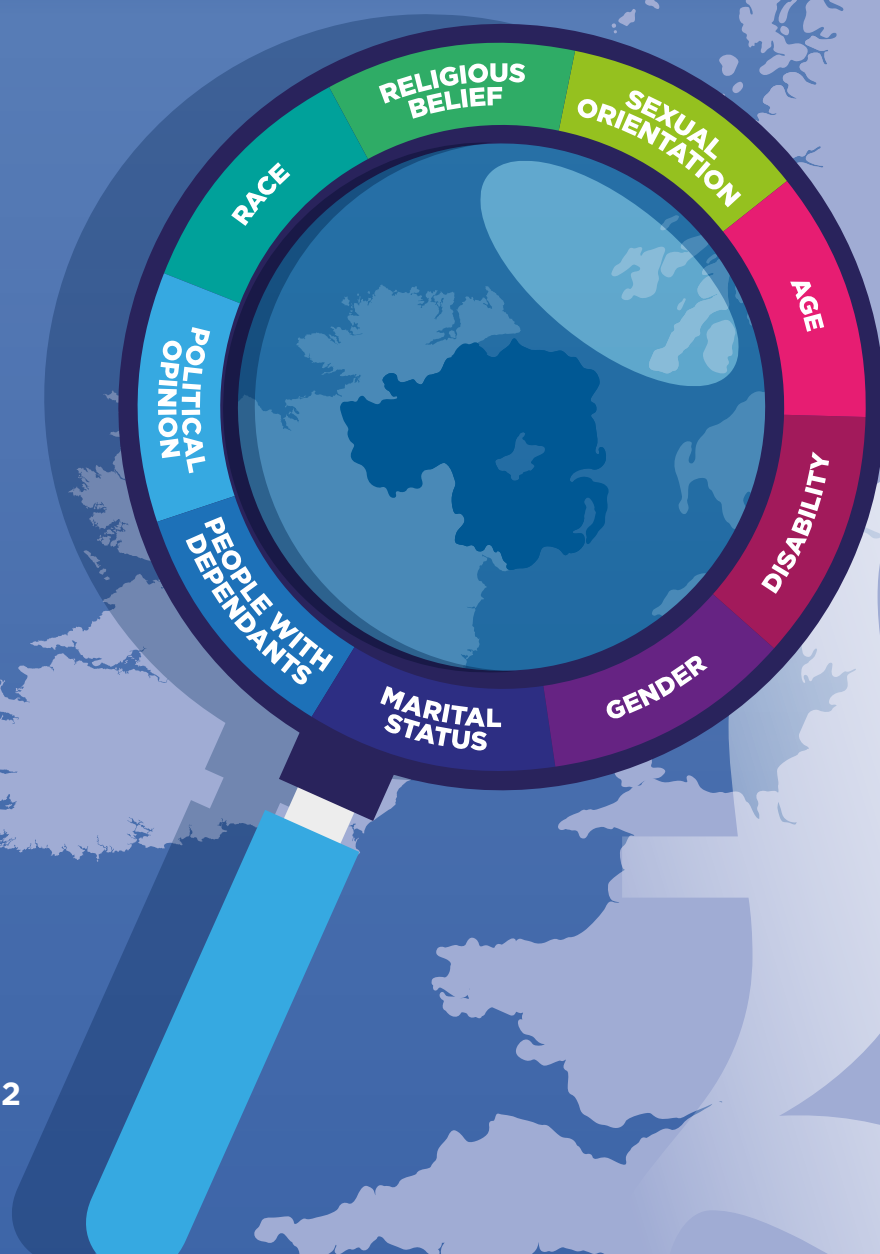


Equality Commission

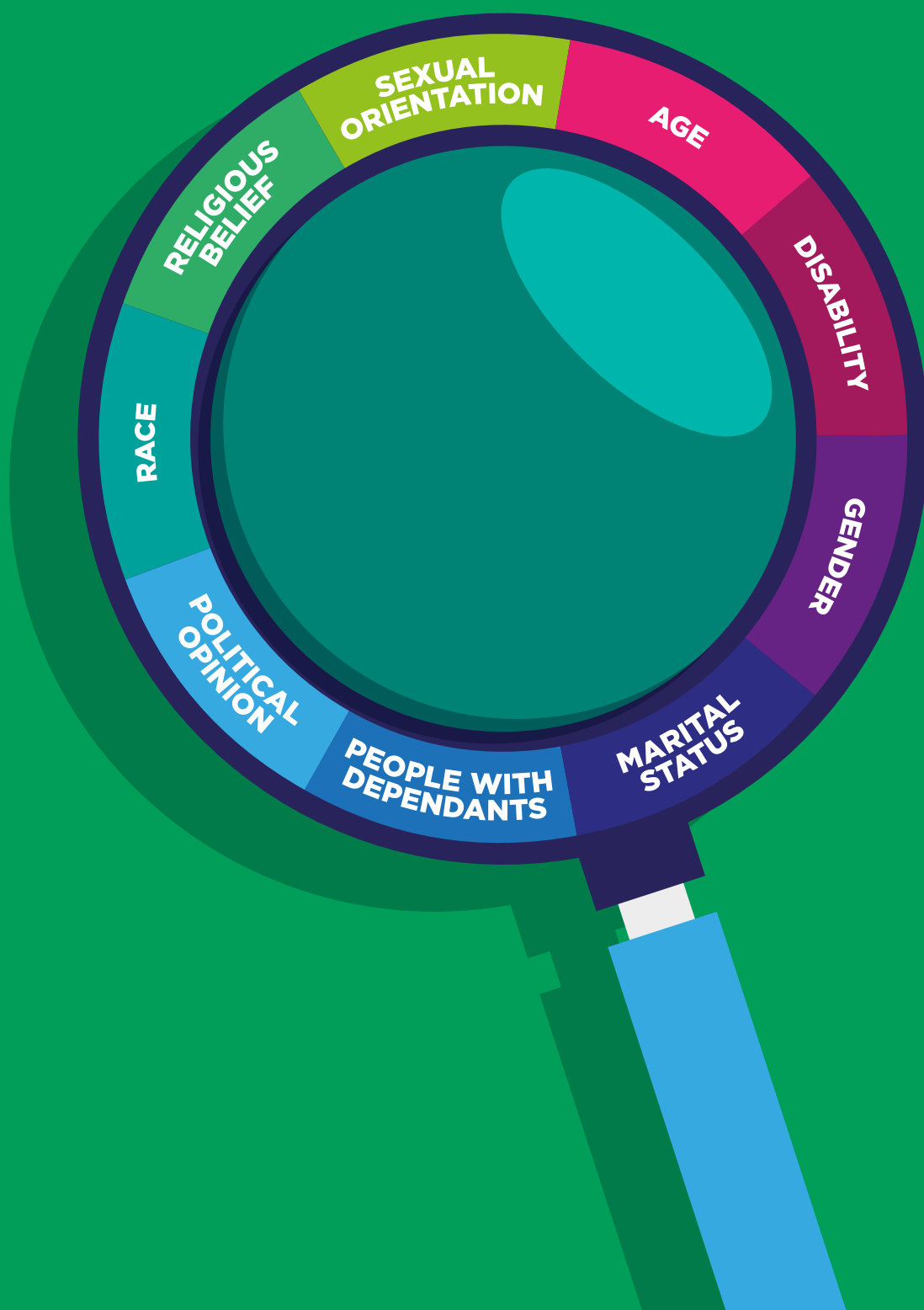
FOR NORTHERN IRELAND

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

Policy Recommendations



May 2022



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1. Introduction and context

- 1.1 The Equality Commission for Northern Ireland ('the Commission') sets out below its key policy recommendations relating to the proposals outlined by the UK Government on replacement European Union (EU) funding, including the UK Shared Prosperity Fund (SPF). The recommendations are in the context of the potential impact of the UK Government's proposals on Section 75 equality groups and the promotion of equality and good relations in Northern Ireland.
- 1.2 Our recommendations have been informed by the findings of a research report commissioned by the Commission on the potential impact of the loss of EU funding on Section 75 groups in Northern Ireland, entitled "Impact of Brexit on Section 75 Equality Groups in Northern Ireland: EU Funding" ('research report'). This research was completed in February 2022.
- 1.3 The researchers sought the views of a range of organisations and individuals including those who had received EU funding for programmes that promoted equality of opportunity and good relations.¹ The Commission's policy recommendations have been developed having taken into account the views of these stakeholders and have been refined in light of further engagement with key stakeholders in May 2022.
- 1.4 On 13 April 2022, after the research report was completed, the UK Government announced details of the SPF.²

¹ This included key organisations from the community and voluntary sector, such as the Northern Ireland Union of Supported Employment (NIUSE), Committee for the Administration of Justice (CAJ), Centre for Cross Border Studies (CCBS), Include Youth, Women's Resource and Development Agency (WRDA) and Women's TEC, as well as representatives of relevant public sector organisations.

² Department for Levelling Up, Housing and Communities, [UK Shared Prosperity Fund: Prospectus](#), 13 April 2022.

- 1.5** It has indicated that in Northern Ireland, the Department for Levelling Up, Housing and Communities (DLUHC) will ‘manage delivery at Northern Ireland scale.’ It has stated that the DLUHC will be accountable for the overall implementation of the fund, working in partnership with a range of UK Government departments. To date, it is not clear what role, if any, the other UK Government departments will play in relation to overall implementation of the SPF in Northern Ireland.³ As such, the recommendations made by the Commission relating to the SPF are currently directed at ‘the UK Government department/s involved in delivering funding in Northern Ireland’, until such time as there is clarification as to the exact role/remit of other UK departments.
- 1.6** The policy recommendations by the Commission include recommendations relating to the Community Renewal Fund (CRF) and the Levelling Up Fund, due to their close relationship to the SPF. Further details on these funds are set out below.
- 1.7** Whilst the vast majority of the Commission’s recommendations relate to the future operation of the SPF, a small number of recommendations relate to PEACE IV funding as a precursor to the PEACEPLUS funding. All other recommendations relate to the SPF, for the reasons noted above.

Shared Prosperity Fund

- 1.8** Over the past decades, Northern Ireland has received a significant amount of European Union (EU) funding from EU structural funding streams such as the European Structural and Investment Funds (ESIF), PEACE and INTERREG programmes. Support from these structural funds has included the European Social Fund (ESF) whose aims include promoting social inclusion and combating poverty. Funding from ESF and PEACE have contributed to promoting social inclusion in Northern Ireland, and have assisted Section 75 groups, including young people and people with disabilities, minority ethnic people and women.

³ It is noted in the [UK Shared Prosperity Fund: Prospectus](#) that the UK Government’s Department for Education will “work closely with the Department for Levelling Up, Housing and Communities, lead local authorities and the devolved administrations on Multiply delivery in Scotland, Wales and Northern Ireland. It will play a key role in relation to wider skills interventions, working with local partners.” It further states: “Where relevant, the Department for Levelling Up, Housing and Communities will seek advice from the Department for Work and Pensions and the Department for Education on the implementation of the people and skills investment priority, and the Department for Business, Energy and Industrial Strategy for the supporting local business investment priority.” However, there is a lack of clarity on the specific role these UK Government departments may have in relation to the implementation of the SPF in Northern Ireland.

- 1.9** In 2017, the UK Government announced its main form of replacement EU funding; namely the Shared Prosperity Fund (SPF). EU structural funds will continue to be spent by local areas throughout the UK until 2023.⁴
- 1.10** The UK Government has indicated that the SPF is aimed at reducing inequalities between communities, as part of the Government's wider 'levelling up' agenda. It will provide £2.6 billion of funding by March 2025 and has been described by the UK Government as being successor funding to 'some' EU structural funds, specifically the European Regional Development Fund (ERDF) and ESF.
- 1.11** In other parts of the UK, the SPF will be delivered by local authorities, however the approach taken for Northern Ireland differs. In particular, the UK Government has stated the following:



In Northern Ireland, the UK Government will have oversight of the Fund; we plan to draw 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 to target interventions where most appropriate.⁵

This centralised approach also differs to how EU funding was implemented in Northern Ireland.

- 1.12** On 13 April 2022, the UK Government announced details of the SPF.⁶
- 1.13** The UK Government has indicated that it wants 'to work closely with local partners to design a Northern Ireland investment plan' and to 'refine the plan in consultation with stakeholders 'in a way that reflects the needs of Northern Ireland's economy and society'. It indicated that this group 'could include representatives from the Northern Ireland Executive, Departments, local authorities, businesses and the community and voluntary sector.'

4 Department for Levelling Up, Housing and Communities, [Policy paper - UK Community Renewal Fund: Prospectus](#), 3 March 2021.

5 Department for Levelling Up, Housing and Communities, Guidance: UK Shared Prosperity Fund: pre-launch guidance, Introduction, 2 February 2022.

6 Department for Levelling Up, Housing and Communities, [UK Shared Prosperity Fund: Prospectus](#), 13 April 2022

- 1.14** As regards the devolved administrations, it has indicated that it will take on a number of roles and responsibilities in the fund, and that the Scottish and Welsh governments and the Northern Ireland Executive have been invited to be part of a UK wide Ministerial forum that will support delivery of the fund.
- 1.15** It has indicated that this plan will be developed considering existing funds supported by the UK Government in Northern Ireland, including PEACEPLUS, the New Decade, New Approach deal and the Levelling Up Fund. It also stated that the drafting of the plan will be carried out in consideration of wider Northern Ireland Executive funding and strategies as well as strategies developed in partnership across local authority and City and Growth Deal geographies, such as each local authority's community plan.
- 1.16** The UK Government has indicated that the primary goal of the SPF is to build pride of place and increase life chances across the UK. The investment priorities are as follows:

Community and Place

Objectives

- Strengthening our social fabric and fostering a sense of local pride and belonging, through investment in activities that enhance physical, cultural and social ties and access to amenities, such as community infrastructure and local green space, and community-led projects.
- Building resilient, healthy and safe neighbourhoods, through investment in quality places that people want to live, work, play and learn in, through targeted improvements to the built and natural environment innovative approaches to crime prevention.

Supporting Local Business

Objectives

- Creating jobs and boosting community cohesion, through investments that build on existing industries and institutions, and range from support for starting businesses to visible improvements to local retail, hospitality and leisure sector facilities.
- Promoting networking and collaboration, through interventions that bring together businesses and partners within and across sectors to share knowledge, expertise and resources, and stimulate innovation and growth.
- Increasing private sector investment in growth-enhancing activities, through targeted support for small and medium-sized businesses to undertake new-to-firm innovation, adopt productivity-enhancing, energy efficient and low carbon technologies and techniques, and start or grow their exports.

People and Skills

Objectives

- Boosting core skills and support adults to progress in work, by targeting adults with no or low level qualifications and skills in maths, and upskill the working population, yielding personal and societal economic impact, and by encouraging innovative approaches to reducing adult learning barriers (Scotland, Wales and Northern Ireland only. In England, this is delivered through the Department for Education's Multiply programme).
 - Reducing levels of economic inactivity through investment in bespoke intensive life and employment support tailored to local need. Investment should facilitate the join-up of mainstream provision and local services within an area for participants, through the use of one-to-one keyworker support, improving employment outcomes for specific cohorts who face labour market barriers.
 - Supporting people furthest from the labour market to overcome barriers to work by providing cohesive, locally tailored support including access to basic skills.
 - Supporting local areas to fund gaps in local skills provision to support people to progress in work, and supplement local adult skills provision, for example, by providing additional volumes, delivering provision through wider range of routes or enabling more intensive/innovative provision, both qualification based, and non-qualification based. This should be supplementary to provision available through national employment and skills programmes.
- 1.17** The UK Government has stated that it has engaged with departments across the Northern Ireland Executive so that it can develop a list of interventions aligned to each of the three SPF investment priorities and that it plans to build on this engagement in the coming months. In relation to Northern Ireland, under each of these objectives, it lists a number of interventions.
- 1.18** As regards this list of interventions, in relation to the objective 'community and places', it refers to the intervention of 'funding for improvements to town centres and high streets, including better accessibility for disabled people, including capital spend and running costs.'

- 1.19** In relation to the objective ‘people and skills’, it refers to the intervention of ‘reducing levels of economic inactivity through investment in bespoke intensive life and employment support tailored to local need’. It indicates that ‘expected cohorts include, but are not limited to, people aged over 50, people with a disability and health condition, women, people from an ethnic minority, young people not in education, employment or training and people with multiple complex needs (homeless, care leavers, ex-offenders, people with substance abuse problems and victims of domestic violence).’
- 1.20** The Government has stated that all places across the UK will receive a conditional allocation from the SPF and that, to access their allocation, each place will be asked to set out measurable outcomes that reflect local needs and opportunities. It stated that these should inform the interventions they wish to deliver and that those interventions are to be set out in an investment plan submitted to the Government for approval.
- 1.21** In terms of level of funding allocation, the funding UK wide is £2.6 billion over three years to 2024-25, and the Government has indicated that the fund will ramp up to £1.5 billion in 2024-25, including Multiply. As regards Northern Ireland, it will receive a Core amount (£104,947,606) plus Multiply (adult numeracy programme) (£21,906,539) making a total amount of approx. £126,854,145.
- 1.22** It has indicated that funding is confirmed for three financial years – £400 million for 2022-23, £700 million for 2023-24 and £1.5 billion for 2024-25, providing predictable baseline local growth funding.
- 1.23** In terms of how funding was allocated across the different regions, the UK Government has indicated that, for Northern Ireland, recognising the different role local authorities play there compared to England, Scotland and Wales, they are not allocating below the Northern Ireland level.⁷
- 1.24** Although the UK Government has stated that match funding will not be required to unlock an area’s allocation, as regards Northern Ireland, it has indicated that project applicants and delivery partners will be asked to state if they have match funding as part of their application.

7 It states that ‘in terms of total allocations, the SPF will, at a minimum, match the size of some EU Structural Funds across the UK. Only the European Social Fund (ESF) and European Regional Development Fund (ERDF) were allocated directly to England, Scotland, Wales, and Northern Ireland – so our methodology will ensure that the SPF will match the size of these two funds in Scotland, Wales, Northern Ireland and in all areas of England. A methodological note that sets this out in more detail is available’. The full model will be published in May 2022. See: [UK Shared Prosperity Fund allocations: Methodology note](#)

Other UK funding programmes

- 1.25** Additional funding sources have also already been launched – the Community Renewal Fund and the Levelling Up Fund, both of which are implemented/managed by the UK Government’s Department for Levelling Up, Housing and Communities.
- 1.26** The Community Renewal Fund is intended to help bridge the gap between the end of EU funding and the start of the new SPF, providing funding for 2021-2022. The UK Government states that its intention is to ‘provide £220 million additional funding to help places across the UK prepare for the introduction of the UK Shared Prosperity Fund.’⁸
- 1.27** The Levelling Up Fund is a four-year funding stream of £4.8 billion which aims to support town centres and high street regeneration, local transport projects and cultural and heritage assets.⁹
- 1.28** The Government has indicated that as EU structural funding comes to an end in 2023, the SPF will replace it, but as a ‘programme distinct from the UKCRF and help to level up and create opportunity across the UK in places most in need in a manner distinct but complementary to the Levelling Up Fund, through investment in skills, enterprise and employment.’¹⁰
- 1.29** While Northern Ireland will no longer benefit from EU structural and investment funds, such as the ESF, it will still benefit from some EU funds until 2027 via the PEACEPLUS programme.¹¹
- 1.30** PEACEPLUS is distinct from the UK replacement funds in that it is a European programme supported by the European Commission, the UK Government, the Irish Government and the Northern Ireland Executive. The programme is intended to build peace and prosperity across Northern Ireland and the border counties of Ireland.¹² As with the earlier programmes, it will be administered by the Special EU Programmes Body (SEUPB).¹³

8 Department for Levelling Up, Housing and Communities, [UK Community Renewal Fund: Prospectus](#), 3 March 2021.

9 Department for Levelling Up, Housing and Communities, [Policy paper - Levelling Up Fund: Prospectus](#), 3 March 2021.

10 Ibid. page 3

11 PEACEPLUS is a €1.1bn programme that will integrate the PEACE and INTERREG programmes and will 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. SEUPB, [PEACE PLUS Programme 2021-2027, Programme Overview](#)

12 SEUPB, [PEACE PLUS Programme 2021-2027, Programme Overview](#), page 2.

13 Rory O’Connell and Tim Cunningham, [Impact of Brexit on Section 75 Equality Groups in Northern Ireland: EU Funding](#), Equality Commission for Northern Ireland, 2022, page 61.

Summary of recommendations

Section 75 and governance arrangements

1.31 The Commission recommends that:

- governance arrangements for the UK Shared Prosperity Fund (SPF) should be delivered through existing Northern Ireland departmental structures;
- the Secretary of State for Northern Ireland should designate for the purposes of Section 75 the UK Government department(s) responsible for the delivery of SPF funding in Northern Ireland;
- the government department responsible for the delivery of SPF funding in Northern Ireland, if designated, should show leadership and commitment in fulfilling its Section 75 duties, in the context of carrying out its functions in this area.

Shared Prosperity Fund: Collaboration, partnership/engagement collection of equality data

1.32 The Commission recommends that:

- the UK Department/s involved in delivering SPF funding in Northern Ireland should put in place formal structures for collaboration with relevant government departments in Northern Ireland, and follow best practice with regards to the promotion of equality of opportunity and good relations in the allocation of funding across Section 75 grounds aligned with local needs and priorities;
- the Government department responsible for delivering SPF funding in Northern Ireland should urgently ensure effective partnership working and engagement with key stakeholders, including with equality stakeholders and groups in Northern Ireland, and follow best practice in terms of engagement with equality groups. This should include in relation to a) the design and implementation of the funding and b) engaging with the Department for the Economy and SEUPB on best practice in consultation;
- the Government department responsible for delivering SPF funding in Northern Ireland should ensure the collection and monitoring of robust equality data across all Section 75 groups, including disaggregated data, as well as ensuring the effective monitoring of outcomes related to equality and good relations.

Shared Prosperity Fund: Clarity on funds, gaps in funding, simplified procedures and support for organisations

1.33 The Commission recommends that:

- the UK Government should urgently provide greater clarity on how the SPF will ensure continued support for the promotion of equality of opportunity and good relations in Northern Ireland, including for some of the more disadvantaged groups.
- Specifically, there is a need for greater clarity on:
 - the arrangements for the SPF, including:
 - a. how the objectives of the SPF will support, and the criteria that will be used to measure, these equality objectives;
 - b. the exact nature of the relationship between the Community Renewal Fund and the SPF;
 - c. match funding requirements, including what percentage of matched funding organisations will be required to obtain;
 - d. accountability and reporting mechanisms.
- the SPF should, on an ongoing basis, support projects for 3 years or longer;
- there should be no reduction in previous levels of funding available under the ESF;
- continuation funding and bridging arrangements should be provided until the SPF is operational to avoid a financial 'cliff-edge' or break in funding, including for those organisations working with Section 75 groups that received Call 3 funding. Once operational, the SPF should include timelines that avoid gaps between funded programmes;
- the Government department responsible for delivering SPF funding in Northern Ireland should ensure that the funding processes and auditing requirements are simplified, where possible, and measures are put in place to support organisations applying for funding, especially for smaller organisations. However, any simplification should not detract from the need for transparent and objective criteria, fair processes and the ability to monitor equality outcomes.

Shared Prosperity Fund: aims and criteria, arrangements for sick/ maternity leave, measuring ‘soft’ outcomes, apprenticeships

1.34 The Commission recommends that:

- the SPF should include aims to promote equality and social inclusion, and combat poverty in Northern Ireland, and address the particular local needs of Section 75 equality groups, including those who are most marginalised and disadvantaged;
- the SPF should include transparent, objective criteria for eligibility and award and have adequate monitoring and accountability systems in place, including to ensure the effective promotion of equality of opportunity and good relations;
- there should be arrangements in the SPF to support sick leave and maternity leave for persons in funded posts, in line with domestic legal requirements;
- the SPF should measure both tangible and ‘soft’ outcomes, including ‘distance travelled’ metrics, particularly in areas relating to the promotion of equality of opportunity and good relations;
- the SPF should support apprenticeships in Northern Ireland, taking into account Northern Ireland’s unique circumstances. Should the SPF not include provisions to support apprenticeships, the Commission recommends that the Northern Ireland Executive should provide assurances that apprenticeships in Northern Ireland will continue to be funded.

Structural support for equality

1.35 The Commission recommends that:

- the Government department delivering SPF funding in Northern Ireland should identify any wider structural barriers to equality experienced by Section 75 groups (for example, lack of affordable, quality childcare) and take mitigating measures that will help lessen the impact of these barriers;
- the Northern Ireland Executive and relevant Northern Ireland departments should develop and implement wider strategies to address these structural barriers experienced by Section 75 groups.

The role of Northern Ireland Executive/Departments

1.36 The Commission recommends that:

- the Northern Ireland Executive and Northern Ireland Departments should clarify how the needs of people from different equality groups, who have been supported through European funding, particularly ESF, will be supported by the Executive in the future, address any potential shortfall in funding, and incorporate ‘lessons learnt’ into future funding programmes.

Recommendations for other funding programmes: Community Renewal Fund; Levelling Up Fund and PEACEPLUS funding

1.37 The Commission recommends that:

- the Department for Levelling Up, Housing and Communities (DLUHC) should publish an evaluation of the Community Renewal Fund as soon as possible to inform the continuing development and outworking of the SPF. The evaluation should include details on how equality of opportunity and good relations have been considered and promoted and which Section 75 groups have benefitted;
- the DLUHC should clarify the allocation of just under 3% of funding in Levelling Up 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;
- there should be ongoing evaluation of the Levelling Up Fund to include details on how equality of opportunity and good relations have been considered and promoted and which Section 75 groups have benefitted;
- the Northern Ireland Executive provides bridging arrangements to ensure there is no gap in funding between the end of PEACE IV funding and commencement of the PEACEPLUS programme;
- in line with the SEUPB's commitment, PEACEPLUS funding should enable smaller organisations to access funding provision.



ECNI recommendations

2. Section 75 and governance arrangements

Governance arrangements

The Commission recommends that governance arrangements for the UK Shared Prosperity Fund (SPF) should be delivered through existing Northern Ireland departmental structures.

Supporting rationale

- 2.1** An important feature of European Union (EU) funding, received by the UK, is that its administration was decentralised and carried out by government in each of the devolved nations. As identified by the research report, this has a number of benefits, such as enabling the strategic allocation of resources to ensure EU funds were aligned with domestic political priorities.¹⁴ For example, Northern Ireland could coordinate funding allocations with its Programme for Government (PfG).
- 2.2** Further, as noted in the research report, there is evidence that local agencies in Northern Ireland have already developed standards of ‘responsiveness, professionalism and high levels of engagement’¹⁵ which are important for the success of the EU-funded programmes.¹⁶ This includes the Department for the Economy which, as the research report states, has significant experience in managing this kind of fund in the past, and has developed familiarity with stakeholders, needs and priorities, and Section 75 requirements – all key aspects to assist in effective allocation and management.¹⁷ Over the past two decades, they have administered European Regional Development Fund (ERDF)¹⁸ and European Social Fund (ESF)¹⁹ funds.

14 Rory O’Connell and Tim Cunningham, [Impact of Brexit on Section 75 Equality Groups in Northern Ireland: EU Funding, Equality Commission for Northern Ireland](#), 2022, page 98.

15 Department for the Economy, [An Impact Evaluation of the Northern Ireland European Social Fund Programme, 2014-20](#) (2020), page 88.

16 Rory O’Connell and Tim Cunningham, [Impact of Brexit on Section 75 Equality Groups in Northern Ireland: EU Funding](#), Equality Commission for Northern Ireland, 2022, page 97.

17 Ibid. pages 15 and 104.

18 Department of Economy website for the [European Regional Development Fund](#)

19 Department of Economy website for the [European Social Fund](#)

- 2.3** We note that local authorities in England, Scotland and Wales will have responsibility for developing their investment plan which will enable local authorities ‘to set out measurable outcomes that reflect local needs and opportunities.’ In Northern Ireland, the UK Government has indicated that that it wanted ‘to work closely with local partners to design a Northern Ireland investment plan’ and to ‘refine the plan in consultation with stakeholders in a way that reflects the needs of Northern Ireland’s economy and society’. It indicated that this group ‘could include representatives from Northern Ireland Executive Departments, local authorities, businesses and the community and voluntary sector.’ This plan will be used by the DLUHC who will have oversight of delivery.²⁰
- 2.4** Given the emphasis on local needs and opportunities in other parts of the UK, it is unclear why the Northern Ireland Executive/Departments have not been allocated a greater role in undertaking the design and implementation of the investment plan, particularly given their knowledge and role in shaping local priorities and previous experience in the allocation of EU funding.
- 2.5** As regards the devolved administrations, the prospectus has indicated that it will take on a number of roles and responsibilities in the fund, and that the Scottish and Welsh governments and the Northern Ireland Executive have been invited to be part of a UK-wide Ministerial forum that will support delivery of the fund. To date, it is not clear the exact role of the forum and the level of influence the devolved administrations will have in that role.
- 2.6** The Northern Ireland Union for Supported Employment (NIUSE) and the Northern Ireland Council for Voluntary Action’s (NICVA) ESF Users group have raised concerns that the Northern Ireland Executive and Departments will have a limited role, if any, in informing the preparation and roll out of the SPF or determining local funding priorities.^{21 22} This is despite the fact that the fund will spend money on matters that lie primarily within areas of devolved responsibility for the Northern Ireland Executive, such as transport, skills and economic development.²³

20 Department for Levelling Up, Housing and Communities, [UK Shared Prosperity Fund: Prospectus](#), 13 April 2022, Section 4.2.

21 NIUSE, [Future funding for disability employment services](#), Policy Group Briefing Paper, No 3, December 2021.

22 NICVA, [ESF User Group Briefing Paper](#), November 2021, page 7.

23 Ibid. page 7.

- 2.7** Aligned to this, as identified in the research report, there are risks associated with the UK Government's preferred approach, in particular that, if the funding is delivered from outside Northern Ireland, there may be a failure to take fully into account 'context specific' equality issues, the specific requirements of Section 75 and local sensitivities, including the post-Brexit context in relation to community relations.²⁴
- 2.8** The unique circumstances of Northern Ireland were also highlighted in the landscape report commissioned by the Department for the Economy and the Department for Communities, which 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.²⁵

- 2.9** 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 if there is overlap by the UK and devolved ministers in funding similar services;
 - 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.²⁶

24 Rory O'Connell and Tim Cunningham, [Impact of Brexit on Section 75 Equality Groups in Northern Ireland: EU Funding](#), Equality Commission for Northern Ireland, 2022, pages 14, 91-93.

25 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, page 13.

26 As cited in Rory O'Connell and Tim Cunningham, [Impact of Brexit on Section 75 Equality Groups in Northern Ireland: EU Funding](#), Equality Commission for Northern Ireland, 2022, page 101.

- 2.10** Equality stakeholders have also expressed concerns to the Commission about the risks associated with different monitoring and accountability mechanisms and the potential for projects to ‘fall through the gap’ if governance arrangements for the SPF are delivered centrally via a UK Government department/s.

Section 75 designation

- 2.11** In the event that the SPF funding in Northern Ireland is delivered centrally via a UK Government department/s, as proposed by the UK Government, the Commission makes the following proposed recommendation.

The Commission recommends the Secretary of State for Northern Ireland should designate for the purposes of Section 75 the UK Government department(s) responsible for the delivery of SPF funding in Northern Ireland.

Supporting rationale

- 2.12** The UK Government has indicated that in Northern Ireland, the Department for Levelling Up, Housing and Communities (DLUHC) will ‘manage delivery at Northern Ireland scale.’ It has stated that the DLUHC will be accountable for the overall implementation of the fund, working in partnership with a range of UK government departments.
- 2.13** If designated for the purposes of Section 75 of the Northern Ireland Act 1998, the UK Government department will be required to carry out its functions, relating to the delivery of the SPF funding in Northern Ireland, with due regard to the need to promote equality of opportunity on certain equality grounds and regard to the desirability of promoting good relations on three equality grounds.^{27 28} This will help ensure that Section 75 considerations are embedded into SPF processes and procedures and that equality and good relations considerations are at the heart of government policy making in this area. It will assist the UK Government department with assessing the degree to which it meets any objectives, set under the SPF relating to the promotion of equality and social inclusion which, as set out below, are recommended by the Commission.

²⁷ [Northern Ireland Act 1998](#)

²⁸ 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.

- 2.14** Importantly, the UK Government department will be required to put in place, and comply with, an approved equality scheme.²⁹ Equality schemes outline the public authority's arrangements for assessing compliance with Section 75 duties, assessing and consulting on the impact of policies on the promotion of equality of opportunity, monitoring any adverse impact on the promotion of equality of opportunity, publishing the results of such assessments, training staff and ensuring and assessing public access to information and services provided by the public authority.³⁰ A breach by a public authority, in terms of its compliance with its equality scheme, can also be challenged both by the Commission and individuals.³¹
- 2.15** As the research report highlighted, to date, initial decisions regarding allocation from the Levelling Up and Community Renewal funds have been made without the DLUHC being designated for Section 75 with the published details about funding decisions making only brief reference to Section 75.³²
- 2.16** It will be noted that the Northern Ireland Minister of Finance, in his written submission to the Northern Ireland Affairs Committee, has called for the designation of DLUHC in this context.³³
- 2.17** Further, the Northern Ireland Executive has identified priorities for the SPF in Northern Ireland that includes Section 75 compliance, and the need for Section 75 considerations to be built into the delivery models for SPF in Northern Ireland.³⁴

29 Approved by the Equality Commission for Northern Ireland.

30 Equality Commission for Northern Ireland, [Section 75 of the Northern Ireland Act: A Guide for Public Authorities](#) (2010), page 11.

31 Under paragraph 10 and 11 of Schedule 9 of the Northern Ireland Act 1998, the Equality Commission has powers to investigate complaints that public authorities have failed to comply with their equality schemes from people who are directly affected by such failure, and the Commission can also initiate such investigations. A person can complain to a public authority that it has failed to comply with what it committed to do in its Equality Scheme. If the public authority's response to the complaint is not satisfactory, then the complaint can be brought to the Commission, for investigation. See ECNI - Section 75 Investigations and Formal Investigations

32 Rory O'Connell and Tim Cunningham, [Impact of Brexit on Section 75 Equality Groups in Northern Ireland: EU Funding](#), Equality Commission for Northern Ireland, 2022, page 65.

33 In response to the Investment in Northern Ireland inquiry, the Minister of Finance requested a review of the reasons for the failure to make a Section 75 designation in respect of DLUHC. He highlighted that "other bodies such as HMRC and the NIO are in receipt of a designation, but DLUHC have been able to operate outside its scope and this is not acceptable." [Written evidence submitted by the Minister of Finance MLA, Northern Ireland, regarding the Investment in Northern Ireland inquiry](#), 2022

34 'In all its activities in NI the SPF should consider the cross-community dimension and ensure compliance with Section 75 of the Northern Ireland Act 1998'. See: Northern Ireland Executive Future Funding Priorities – SPF.

- 2.18** In addition, the research report has identified concerns of stakeholders that centralised UK Departments may not be aware of, or be sensitive to, all of the Northern Ireland specific equality issues and that there will be a focus on ‘English centric’ equality considerations³⁵ which do not reflect the social, political or legal framework of Northern Ireland, including the Section 75 equality duties. It has also indicated that compliance with Section 75 obligations is relevant, and important, given stakeholder concerns that debates about Brexit and the Ireland/Northern Ireland Protocol have harmed community relations, with Section 75 of the Northern Ireland Act providing a structure in which equality of opportunity and good relations can be considered.³⁶
- 2.19** Section 75 processes can also assist the UK Government Department to identify any barriers to equality of opportunity and good relations for Section 75 groups and mitigating measures to lessen the impact of these barriers.

Section 75: Ensuring Good Practice

- 2.20** The following recommendation applies in relation to a Government Department (whether a UK Government Department or a Northern Ireland Department) that is responsible for the delivery of SPF funding in Northern Ireland, and which is designated for the purposes for Section 75.

The Commission recommends that the Government Department responsible for the delivery of SPF funding in Northern Ireland, if designated, should show leadership and commitment in fulfilling its Section 75 duties, in the context of carrying out its functions in this area.

Supporting rationale

- 2.21** Regardless of whether or not it is a UK Government Department, as is proposed under the SPF prospectus, or a Northern Ireland Department responsible for or involved in the delivery of SPF funding in Northern Ireland, if designated for the purposes for Section 75, it is essential that the relevant Department shows leadership and commitment in fulfilling its Section 75 duties, in the context of carrying out its functions in this area.

35 Rory O’Connell and Tim Cunningham, [Impact of Brexit on Section 75 Equality Groups in Northern Ireland: EU Funding](#), Equality Commission for Northern Ireland, 2022, pages 91-93.

36 Ibid. page 93.

- 2.22** This should include ensuring that its Section 75 practices demonstrate good governance, meaningful equality assessments, communication and engagement, and actions to address persistent inequalities.³⁷
- 2.23** Further, this should include undertaking screening and equality impact assessments, as required under its equality scheme, and ensuring that they are timely, of good quality, coherent and evidence based. It also includes working with other public bodies to implement the duties, for example, if they also have a role in developing or implementing policies relating to SPF funding. There should also be transparency of decision-making and equality considerations relating to SPF funding, and to ensuring that a Section 75 action plan is in place to addresses persistent inequalities that is based on a robust audit of inequalities, and which includes a consideration of inequalities relevant to areas relating to the SPF funding.
- 2.24** The promotion of equality of opportunity and good relations should also be embedded in the relevant Department's procurement practices, aligned to best practice guidance,³⁸ and good practice adopted should include the use of equality (gender) budgeting tools.³⁹
- 2.25** As noted above, the Northern Ireland Executive has identified priorities for the SPF in Northern Ireland that includes Section 75 compliance and the need for Section 75 considerations to be built into the delivery models for SPF in Northern Ireland.⁴⁰

37 Equality Commission for Northern Ireland, [Section 75: Demonstrating Effective Leadership](#)

38 See Equality Commission for Northern Ireland and Department of Finance and Personnel, Guidance, [Equality of Opportunity and Sustainable Development in Public Sector Procurement](#), 2008. See also Equality Commission for Northern Ireland, [Budgets and Section 75: A short guide](#), 2016.

39 See Equality Commission for Northern Ireland, [Programme for Government guidance on budgets and procurement](#), 2022, page 21.

40 'In all its activities in NI, the SPF should consider the cross-community dimension and ensure compliance with Section 75 of the Northern Ireland Act 1998'. See: [Northern Ireland Executive Future Funding Priorities – SPF](#).

3. Shared Prosperity Fund: collaboration, partnership/engagement, collection of equality data

- 3.1** Regardless of whether or not a relevant UK Government Department is designated for the purposes of Section 75, the Commission makes the following recommendations relating to collaboration with government departments in Northern Ireland - ensuring the allocation of funding across Section 75 grounds that align with local needs and priorities and ensuring the collection of robust equality data.

Collaboration and identifying local needs

The Commission recommends that the UK Department/s involved in delivering SPF funding in Northern Ireland should put in place formal structures for collaboration with relevant government departments in Northern Ireland and follow best practice, with regards to the promotion of equality of opportunity and good relations, in the allocation of funding across Section 75 groups aligned with local needs and priorities.

Supporting rationale

- 3.2** Should the UK Government proceed with adopting a centralised approach to the delivery of funding, as it has indicated, it is important to ensure that formal structures for collaboration between the UK Department/s involved in delivering the SPF, primarily DLUHC, and relevant Northern Ireland Departments are developed.
- 3.3** The UK Department/s must work with Northern Ireland Departments, including the Department for the Economy, the Department for Communities, the Department of Finance and other relevant departments, to ensure that those in the positions of decision making are aware of, and work to, address the promotion of equality of opportunity and good relations in Northern Ireland through SPF funding. It should take a transparent, consultative approach rooted in coordination and communication.

- 3.4** The research report identified a risk that should the UK Government centralise the funding, decisions could be made by departmental staff who are unfamiliar with local needs and priorities in Northern Ireland and who do not learn from and consult Northern Ireland Departments' experience and expertise.⁴¹ It also identified potential issues on coordination and duplication/overlap of funding, including duplication of functions, fragmentation of service provision, confused accountability, funding uncertainty and lack of clarity about funding allocation.⁴²
- 3.5** As the research report also points out, utilising and consulting Northern Ireland Departments and other public bodies is important to ensure that specific challenges in Northern Ireland are understood and taken into account - challenges which differ from conditions in the UK.⁴³ It also highlights issues, such as the devolution settlement, that Northern Ireland is a society emerging from conflict which has specific political, social and economic impacts, and notes that those administering replacement EU funding should be cognisant of, and responsive to, these circumstances and the context. It also refers to the importance of considering local needs and priorities and understanding the importance of promoting equality and good relations within the local socio-political context.⁴⁴
- 3.6** Further, we note that the UK Government has committed to working with partners to consider 'the strategies and funding of the Northern Ireland Executive' and its specific reference to this including, at a minimum, the Northern Ireland Programme for Government Draft Outcomes Framework 2021.⁴⁵ It is important that relevant objectives relating to the promotion of equality and good relations set out, not only in the Programme for Government, but in current and future equality strategies, such as the disability strategy and gender equality strategy, are also considered. However, it should be noted that some such equality strategies are still under development and may not be completed prior to the finalisation of the investment plan. It is therefore important that, when completed, these strategies are considered in the context of future funding priorities and objectives.

41 Rory O'Connell and Tim Cunningham, [Impact of Brexit on Section 75 Equality Groups in Northern Ireland: EU Funding](#), Equality Commission for Northern Ireland, 2022, pages 98-101.

42 Ibid. page 101-102.

43 Ibid. page 15.

44 Ibid. page 15.

45 Department for Levelling Up, Housing and Communities, [UK Shared Prosperity Fund: Prospectus](#), 13 April 2022, Section 2.6.

Partnership/engagement

The Commission recommends that the Government Department, responsible for delivering SPF funding in Northern Ireland, should urgently ensure effective partnership working and engagement with key stakeholders, including with equality stakeholders and groups in Northern Ireland, and follows best practice in terms of engagement with equality groups. This should include in relation to a) the design and implementation of the funding and b) engaging with the Department for the Economy and SEUPB on best practice in consultation.

Supporting rationale

- 3.7** As noted in the research report, partnership and participation have been key to the success of EU funding in Northern Ireland and it is important that the design and implementation of successor funds should follow this approach and provide for adequate consultation and participation by all stakeholders, including equality stakeholders representing Section 75 groups, in all stages of the programme.⁴⁶ Stakeholders could also include the Northern Ireland Executive and Departments, local councils, business representatives, and representatives from the community and voluntary sector. This should consider good practice in engagement and participation including co-design.
- 3.8** The research report notes the Special EU Programmes Body (SEUPB) as an example, which undertook an extensive consultation exercise when planning for PEACEPLUS, which has been recognised at the European Commission level as an example of best practice.⁴⁷
- 3.9** Concerns regarding adequate levels of consultation by the UK Government, with both devolved authorities and wider stakeholders regarding replacement/successor EU funding, have been raised across each of the devolved nations and remain key concerns.⁴⁸
- 3.10** As highlighted in the research report, it is critical that such participation and consultation is undertaken urgently to inform the development of the SPF.⁴⁹

46 Rory O'Connell and Tim Cunningham, [Impact of Brexit on Section 75 Equality Groups in Northern Ireland](#): EU Funding, Equality Commission for Northern Ireland, 2022, page 106.

47 Ibid. page 106.

48 Ibid. pages 10, 11, 23, 74, 107-108.

49 The report refers to: "Estimates of the time needed for developing a new programme range from 1-2 years (preferably 2) to 3-5 years. 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". Ibid. page 109.

- 3.11** In addition, evidence within the research report points to the evolution or ‘journey’ that the Department for the Economy has been on, working with community and voluntary groups in receipt of EU funding, and how this had been positively impacted by a partnership ethos. As it is likely that the SPF will evolve over the years, it is essential that this partnership ethos, with those stakeholders in receipt of funding, is maintained to ensure the SPF is flexible, is reactive to local circumstances and is fit for purpose.⁵⁰
- 3.12** Equality stakeholders have raised with the Commission the need for urgent meaningful engagement by the DLUHC on the SPF prospectus, particularly in light of the short timelines associated with submitting an investment plan. They have also called for greater clarity on planned timing and processes related to ongoing engagement with the DLUHC.
- 3.13** If designated for the purposes for Section 75, the Government Department should follow the Commission’s guidance on best practice relating to equality impact assessments and consultation.⁵¹
- 3.14** In the event that the Government department is not designated, it should, on a rolling basis, be underpinned by robust equality data and informed by engagement with equality groups, seek to assess and identify opportunities to better advance equality.

Collection of equality data

The Commission recommends that the Government Department responsible for delivering SPF funding in Northern Ireland should ensure the collection and monitoring of robust equality data across all Section 75 groups, including disaggregated data, as well as ensuring the effective monitoring of outcomes related to equality and good relations.

Supporting rationale

- 3.15** It is essential that any UK or Northern Ireland Department responsible for delivering SPF funding in Northern Ireland collects, monitors and analyses robust equality data across all Section 75 groups in order to assist with assessing and monitoring how the funding is benefitting these different groups; what impact the funding has on the needs of members of the different Section 75 groups; and whether or not positive outcomes relating to the promotion of equality and good relations. Data should also be sufficiently disaggregated, for example, by type of disability to allow for meaningful equality analysis.

50 Rory O’Connell and Tim Cunningham, [Impact of Brexit on Section 75 Equality Groups in Northern Ireland: EU Funding, Equality Commission for Northern Ireland](#), 2022, pages 50 and 106.

51 Equality Commission for Northern Ireland, [Section 75: Demonstrating Effective Leadership](#)

- 3.16** The research report has underscored the Commission's position on the importance of robust data collection on equality in Northern Ireland,⁵² identifying that the collection of equality data across Section 75 grounds enables effective monitoring of how funding, such as future SPF funding, is benefitting different groups, identifying gaps in those benefiting from funding and ensuring that funding is adequately targeted at those who need it most.⁵³ Ensuring the effective collection of equality data, under the first phase of SPF funding, will also be useful for informing the priorities for beyond the 2022/23 – 2024/25 funding cycle.
- 3.17** In addition, the research report has also identified that geospatial analysis may enable 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.'⁵⁴ However, it notes that geospatial data is not necessarily broken down by Section 75 grounds so may only provide limited data on patterns of inequality.⁵⁵ The research report recommends that organisations in charge of providing funding should consider how to improve the collection of equality data including data suitable for geospatial analysis.⁵⁶ It is noted that this would fit with the stated Community Renewal Fund objective to ensure 'a fair geographical spread of approved projects across Northern Ireland.'⁵⁷
- 3.18** The monitoring of outcomes, in relation to the SPF and the promotion of equality and good relations across the Section 75 grounds, is also essential to ensuring that the identified inequalities are being addressed, including through the effective use of the tools of equality (gender) budgeting.⁵⁸

52 Equality Commission for Northern Ireland, [Programme for Government and Budget Recommendations](#), 2022.

53 Rory O'Connell and Tim Cunningham, [Impact of Brexit on Section 75 Equality Groups in Northern Ireland: EU Funding](#), Equality Commission for Northern Ireland, 2022, pages 92-93.

54 Ibid. page 93.

55 Ibid.

56 Ibid.

57 Ibid.

58 Equality Commission for Northern Ireland, [Women in Northern Ireland: UN Convention on the Elimination of All Forms of Discrimination against Women](#), Shadow Report (Examination of United Kingdom, 2019), pages 2-3.

4. Shared Prosperity Fund: Clarity on funds, gaps in funding, simplified procedures and support for organisations

Clarity on funds

The Commission recommends that the UK Government should urgently provide greater clarity on how the SPF will ensure continued support for the promotion of equality of opportunity and good relations in Northern Ireland, including for some of the more disadvantaged groups.

Specifically, there is a need for greater clarity on:

- the arrangements for the SPF, including:
 - a. how the objectives of the SPF will support, and the criteria that will be used to measure, these equality objectives;
 - b. the exact nature of the relationship between the Community Renewal Fund and the SPF;
 - c. match funding requirements, including what percentage of matched funding organisations will be required to obtain; and
 - d. accountability and reporting mechanisms.
- **The Commission recommends that:**
 - the SPF should, on an ongoing basis, support projects for 3 years or longer; and
 - there should be no reduction in previous levels of funding available under the ESF.

Supporting rationale

Lack of Clarity

- 4.1** The research report has highlighted that over the last several decades, European structural funds have been important in supporting equality of opportunity and good relations in Northern Ireland for some of the most disadvantaged Section 75 groups, including disabled people, and as such there is a need for clarity about replacement funds to ensure the continuation of this important support.⁵⁹

59 Rory O'Connell and Tim Cunningham, [Impact of Brexit on Section 75 Equality Groups in Northern Ireland: EU Funding](#), Equality Commission for Northern Ireland, 2022, pages 13, 62-66.

- 4.2** The research report has identified a number of serious concerns about the measures outlined by the UK Government to replace EU funding, noting that ‘more than five years after the Brexit referendum, it remains unclear how the Shared Prosperity Fund is intended to work in practice.’⁶⁰ It is also noted that there remains ambiguity regarding how much money Northern Ireland has lost as a result of the departure of the UK from the EU.⁶¹
- 4.3** The research report has also identified a lack of clarity about if the SPF will provide 100% of funding to successful applicants, or if grant recipients will be required to match funding for SPF, meaning a percentage of income is obtained from other sources.⁶²
- 4.4** Following the publication of the SPF prospectus in April 2022, we welcome that there is greater clarity on some of these areas. We note that in terms of how funding is to be allocated across the different regions, the UK Government has indicated that, for Northern Ireland, recognising the different role local authorities play here compared to England, Scotland and Wales, it is not allocating below the Northern Ireland level.⁶³
- 4.5** However, although the UK Government has stated that match funding will not be required to unlock an area’s allocation, we note, as regards Northern Ireland, it has indicated that project applicants and delivery partners will be asked to state if they have match funding as part of their application and that this will be ‘considered as part of the value for money assessment of interventions and as part of State Aid assessment.’⁶⁴ In light of the short timelines for application, it is important that the UK Government urgently provides clarity on this issue to ensure that, if required, organisations, particularly smaller organisations, have sufficient time to secure match funding. If such funding is not secured, these organisations could potentially be at a disadvantage during the application process.

60 Rory O’Connell and Tim Cunningham, [Impact of Brexit on Section 75 Equality Groups in Northern Ireland: EU Funding, Equality Commission for Northern Ireland](#), 2022, page 11.

61 Ibid.

62 Ibid. page 11.

63 It states that ‘in terms of total allocations, the SPF will, at a minimum, match the size of some EU structural funds across the UK. Only the European Social Fund (ESF) and European Regional Development Fund (ERDF) were allocated directly to England, Scotland, Wales and Northern Ireland – so our methodology will ensure that the SPF will match the size of these two funds in Scotland, Wales, Northern Ireland and in all areas of England. A methodological note that sets this out in more detail is available’. The full model will be published in May 2022. See: [UK Shared Prosperity Fund allocations: methodology note](#).

64 Department for Levelling Up, Housing and Communities, [UK Shared Prosperity Fund: Prospectus](#), 13 April 2022, paragraph 7.4.

- 4.6** Further, the UK Government should clarify why the match funding criteria detailed in the SPF prospectus differs for Northern Ireland compared to other parts of the UK.⁶⁵ For example, as regards England, Scotland and Wales, it is stated that match funding is not required but is encouraged. However, for Northern Ireland, applicants will be asked to state if they have match funding in their application, and that this will be considered as part of the value for money assessment.⁶⁶
- 4.7** As noted, the UK Government has so far carried out limited consultation with Northern Ireland Departments and community and voluntary sector stakeholders on how the SPF will be allocated and delivered.⁶⁷ Furthermore, the research report has identified that 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.’⁶⁸
- 4.8** It continues that ‘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.’⁶⁹ This uncertainty impacts on the ability of organisations to plan for the future, such as seeking and securing alternative sources of funding. It is damaging to staff morale and it also creates a great deal of uncertainty about the future of services that benefit some of the most disadvantaged groups in society⁷⁰ including people with disabilities, women and minority ethnic groups.

65 The SPF prospectus states: “Although match funding is not required and will not form part of the investment plan assessment criteria, in England, Scotland and Wales, all lead local authorities are strongly encouraged to consider match funding from the private, public and third sectors and leverage options when selecting communities and place and supporting local business interventions to fund. In Northern Ireland, project applicants and delivery partners will be asked to state if they have match funding as part of their application. This will be considered as part of the value for money assessment of interventions and as part of State Aid assessment.”

66 UK Government Guidance, [UK Shared Prosperity Fund: Prospectus](#), 13 April 2022, paragraph 7.4

67 Ibid. pages 13, 24.

68 Rory O’Connell and Tim Cunningham, [Impact of Brexit on Section 75 Equality Groups in Northern Ireland: EU Funding](#), Equality Commission for Northern Ireland, 2022, page 24.

69 Ibid. page 11.

70 Ibid. pages 11, 80-85.

- 4.9** Also, whilst we welcome that some of the interventions for Northern Ireland include actions to help support equality in some areas for some Section 75 equality groups, including in areas relating to reducing economic inactivity,⁷¹ it is not clear from the stated objectives and interventions how the SPF will help address other key inequalities experienced by Section 75 groups in Northern Ireland, including in the area of employment.
- 4.10** Whilst we note that the SPF prospectus includes some detail on monitoring and accountability arrangements, further clarity on accountability and reporting mechanisms is required, particularly if, as is proposed, the SPF is not delivered through Northern Ireland Departments. For example, concerns have been raised with the Commission by stakeholders, that it is unclear if/how the UK Government's centralised approach would allow for robust accountability of delivery of the SPF by the DLUHC to the Northern Ireland Executive, Assembly and Departments, as well as a lack of clarity as regards reporting arrangements. Concerns were also raised about the need for clarity as regards responsibilities in relation to addressing the mitigation of any gaps in funding following the end of ESF funding.

Multi-annual funding

- 4.11** The research report further identified another important feature of EU structural funds, which is that they were based on a 7-year cycle, which is significantly longer than with typical domestic funding which is typically a 3-4-year cycle. One benefit of the longer timeframe of EU funding is that it enabled longer term planning, more stability and transparency in financial planning, helped to avoid short-term approaches and allowed for better planning in recruitment, development and retention of staff.
- 4.12** The Welsh Affairs Committee has also received evidence that funding projects with a three years or longer implementation period provides greater security and stability. It has consequently recommended the continuation of the multi-year funding framework approach.

71 For example, in relation to the objective 'people and skills' it refers to the intervention of 'reducing levels of economic inactivity through investment in bespoke intensive life and employment support tailored to local need'. It indicates that 'expected cohorts include, but are not limited to, people aged over 50, people with a disability and health condition, women, minority ethnic people, young people not in education, employment or training and people with multiple complex needs (homeless, care leavers, ex/ offenders, people with substance abuse problems and victims of domestic violence)'.

- 4.13** Stakeholder evidence in the research report confirmed that the longer timeframe associated with EU funding is preferable, and that multiannual frameworks are viewed as especially beneficial for organisations working with excluded or hard-to-reach groups where there are challenges developing relationships. Stakeholder evidence also indicated that organisations working with Section 75 groups, for example, people with mental health issues or learning disabilities, require a longer project cycle, namely more than a year, to achieve a meaningful outcome.
- 4.14** Whilst the UK Government has indicated that funding is confirmed for the SPF for three financial years – 2022-23, 2023-24 and 2024-25 – and that all interventions should end by March 2025, it is not clear what the funding cycle/s will be post-March 2025, and whether or not future cycles will operate in cycles of 3 or more years.

Level of funding

- 4.15** The research report highlighted that the Autumn 2021 Budget and Spending Review stated that the SPF will be worth £2.6 billion over three years, £400 million in 2022-2023, £700 million in 2023-2024 and rising to £1.5 billion per year by 2024-2025. This total will include an earmarked £559 million for a ‘UK-wide adult numeracy’ programme, entitled ‘Multiply’. 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.’⁷²
- 4.16** The research noted that 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 and the SPF prospectus.⁷³ For instance, since the SPF also includes £559 million of ring-fenced funding for a new adult numeracy programme, ‘Multiply’, then funding available for other purposes is reduced by this amount. This means that over these three years, the total core UK-wide SPF funding available will be £2.08 billion, with £559 million allocated specifically to ‘Multiply’. In Northern Ireland, core SPF funding will be £105 million, with £22 million allocated to ‘Multiply’.⁷⁴

72 Rory O’Connell and Tim Cunningham, [Impact of Brexit on Section 75 Equality Groups in Northern Ireland: EU Funding](#), Equality Commission for Northern Ireland, 2022, page 65.

73 UK Government Guidance, [UK Shared Prosperity Fund: Prospectus](#), Published 13 April 2022.

74 As detailed in the [UK Shared Prosperity Fund allocations: methodology note](#), Published 13 April 2022. Northern Ireland’s core SPF funding allocation is as follows: £13m in 2022-2023, £25m in 2023-2024 and £67m in 2024-2025.

- 4.17** It also noted that the UK Government’s commitment does not take into account that if the UK had remained in the EU, then there is a possibility that more UK regions might have been entitled to structural funds.⁷⁵ A recent analysis of this issue in a House of Commons research briefing (2022) has identified that ‘several UK regions are now relatively less economically developed than they were in 2014-20, compared to the EU average, which would result in them receiving higher funding under the new EU funding framework, if the UK were participating in this framework under its current rules.’⁷⁶
- 4.18** The research report⁷⁷, and other reports by NIUSE⁷⁸ and NICVA’s ESF User Group⁷⁹, have also expressed concern about how much funding will be allocated to Northern Ireland and whether this money will be allocated based on need.
- 4.19** The research report noted that 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.
- 4.20** The Northern Ireland Affairs Committee has heard evidence to the effect that replacement funds should be allocated outside the Barnett formula⁸⁰ and in line with the approach previously taken by the EU.⁸¹ In addition, NICVA’s ESF User Group expressed concern that allocations to Northern Ireland be based on need, to at least maintain existing levels of ESF funding, and uphold ‘the UK Governments commitment that Northern Ireland will “not be a penny worse off” as a result of Brexit.’⁸²

75 Rory O’Connell and Tim Cunningham, [Impact of Brexit on Section 75 Equality Groups in Northern Ireland: EU Funding](#), Equality Commission for Northern Ireland, 2022, page 65.

76 Philip Brien, House of Commons, [Research Briefing: The UK Shared Prosperity Fund](#), 26 April 2022, page 16.

77 Rory O’Connell and Tim Cunningham, [Impact of Brexit on Section 75 Equality Groups in Northern Ireland: EU Funding](#), Equality Commission for Northern Ireland, 2022, page 65.

78 NIUSE, [Future funding for disability employment services](#), Policy Group Briefing Paper, No 3, December 2021, page 9.

79 NICVA, [ESF User Group Briefing Paper](#), November 2021, page 8.

80 The research noted that the Barnett formula allocates money to the devolved regions based on changes in spending on public services in England but does not take account differing needs or regional economic disparities. See Rory O’Connell and Tim Cunningham, [Impact of Brexit on Section 75 Equality Groups in Northern Ireland: EU Funding](#), Equality Commission for Northern Ireland, 2022, page 65.

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

82 NICVA, [ESF User Group Briefing Paper](#), November 2021, page 8.

- 4.21** We note that, following the publication of the SPF in April 2022, the UK Government has indicated that UK wide funding is £2.6 billion over three years to 2024-25 and, that the fund will ramp up to £1.5 billion in 2024-25, including Multiply (adult numeracy programme). As regards to Northern Ireland, it will receive a core amount (£104,947,606) plus Multiply (£21,906,539) making a total amount of approx. £126,854,145.⁸³
- 4.22** The Government has indicated that funding is confirmed for three financial years – £400 million for 2022-23, £700 million for 2023-24 and £1.5 billion for 2024-25, providing predictable baseline local growth funding. It has also stated that its methodology will ensure that the SPF will match the size of two EU funds (ERDF and ESF) in Scotland, Wales, Northern Ireland and in all areas of England⁸⁴ and therefore will not be based on the Barnett formula. It has stated that the allocation for each region is based on the UK Government’s estimate, in real terms, of the average annual size of ERDF and ESF in each part of the UK from the 2014-2020 round of funding.⁸⁵
- 4.23** Between 2014-2020, Northern Ireland received on average, per year, £37.5 million of ERDF funding and £25.2 million of ESF (and YEI⁸⁶) funding,⁸⁷ a total of £62.7 million. Under UK SPF, in 2022-2023, Northern Ireland will receive £19 million, in 2023-2024, £33 million, and in 2024-2025, £74 million.^{88 89}

83 Under UK SPF in 2022-2023, Northern Ireland will receive £19m (£13m of core SPF and £7m of Multiply), in 2023-2024 £33m (£25m of core SPF and £8m of Multiply) and in 2024-2025 £74m (£67m of core SPF and £8m of Multiply).

84 The nominal average ERDF and ESF for Northern Ireland is £63m and the real term average ERDF and ESF for Northern Ireland is £74m.

85 The nominal and real estimates of average ESF and ERDF for NI is £63m and £74m respectively. These figures are significantly lower than other regions across the UK.

86 [Youth Employment Initiative](#).

87 Philip Brien, House of Commons, [Research Briefing: The UK Shared Prosperity Fund](#), 26 April 2022, page 6,

88 UK Government Guidance, [UK Shared Prosperity Fund allocations: methodology note](#), Published 13 April 2022,

89 Under UK SPF in 2022-2023 Northern Ireland will receive £19m (£13m of core SPF and £7m of Multiply), in 2023-2024 £33m (£25m of core SPF and £8m of Multiply) and in 2024-2025 £74m (£67m of core SPF and £8m of Multiply).

- 4.24** The UK Government's commitment to ensuring it will match the funding provided by ERDF and ESF funding across the UK regions is to be welcomed. However, the Commission is concerned that the indicated level of funding for 2022-2023 and 2023-2024 represents a reduction, as regards Northern Ireland, from what was received under ERDF and ESF funding. This is especially the case when the ring-fenced 'Multiply' funding is taken into account. We note that the UK Government has also indicated that the UK SPF is to ramp up over the years, so that it gets to a point where it will at least match the receipts of the EU structural funds.⁹⁰ The Commission is concerned that replacement funding will not, as a minimum, match the size of EU funds prior to 2024-2025.
- 4.25** We note that concerns as to the level of future funding have also been raised by NICVA's ESF User group.⁹¹ It has indicated that the amount of funding available would only build up to 'the £1.5 billion shortfall from lost EU receipts in 3 years' time.'
- 4.26** Further, the House of Commons research briefing (2022) on the SPF has also highlighted that the devolved administrations and some English regional authorities have claimed the approach to ramp up funds by 2024-25 is a breach of the Conservative manifesto pledge on maintaining funding levels.^{92 93}
- 4.27** The briefing further highlights that the UK Government's 'ramping-up' approach is designed to mirror the 'tailing-off' of EU funding, and that the combined funding from both sources would equate to the same level of funding provide by EU funding alone.⁹⁴ However, it notes that this justification is not included in the SPF prospectus, and there does not appear to be data on how much funding will be received by the UK from remaining EU structural funds between 2021-23, and therefore it cannot be confirmed if the levels of funding will be sustained between 2022-23 and 2023-24.^{95 96}

90 Quote from Secretary of State Brandon Lewis during the [House of Commons Oral questions on Northern Ireland](#) on Wednesday 27th April 2022 who indicated that: "the UK SPF will ramp up over the years, so that we get to a point where it will at least match the receipts of the EU structural funds."

91 NICVA (2021) [ESF User Group Briefing Paper](#), NICVA: Belfast, November 2021, page 8.

92 Philip Brien, [House of Commons, Research Briefing: The UK Shared Prosperity Fund](#), 26 April 2022, page 15.

93 Ibid. The research briefing states: "representatives of the devolved administrations and some English regional authorities have claimed that this lag represents a breach of the Conservative manifesto pledge to maintain the level of funding from the structural funds."

94 Philip Brien, [House of Commons, Research Briefing: The UK Shared Prosperity Fund](#), 26 April 2022, page 16.

95 Ibid.

96 Ibid. The research briefing states: "this justification is not included within the Fund's prospectus itself, and we are not aware of any available data on how much money is expected to come to the UK from the remaining EU structural funds between 2021 and 2023. This means that the library cannot confirm whether the levels of funding that local areas receive will actually remain the same during 2022/23 and 2023/24."

- 4.28** It further states that there will be possible gaps in funding as EU funding will end in 2023, but the SPF will not reach the full level of funding until 2024-25.⁹⁷
- 4.29** In Northern Ireland, Call 3 of ESF funding is ongoing and will support projects until March 2023.⁹⁸ The Commission is concerned that the lower level of funding in 2023/24 may lead to a shortfall or gap in funding in Northern Ireland which may impact on services provided by organisations supporting Section 75 groups.
- 4.30** We note that Northern Ireland is to receive the lowest overall allocation of UK regions as regards funding under the core SPF and Multiply (approx. £127 million total). Further, it is not clear what the level of funding for Northern Ireland will be after March 2025, and whether there will be an ongoing commitment to match funding with ERDF and ESF in real terms in future years.
- 4.31** Moreover, £559 million of the total SPF funding allocated has already been ring-fenced for the ‘Multiply’ programme reducing the amount available for other projects and/or programmes, including those that support equality of opportunity and good relations.

Gaps in Funding

The Commission recommends that continuation funding and bridging arrangements should be provided until the SPF is operational to avoid a financial ‘cliff-edge’ or break in funding, including for those organisations working with Section 75 groups that received Call 3 funding. Once operational, the SPF should include timelines that avoid gaps between funded programmes.

Supporting rationale

- 4.32** The research report has identified a challenge facing current grant recipients during the ‘gap’ period when current EU funding comes to an end and income from the SPF is received, noting that this is especially problematic given the delays in announcing details for future replacement funding.⁹⁹

97 Philip Brien, [House of Commons, Research Briefing: The UK Shared Prosperity Fund](#), 26 April 2022, page 16.

98 Department of the Economy, [ESF Information Memo 14/21](#) - Launch of third call for applications to the NI European Social Fund (ESF) Programme 2014-2020.

99 Rory O’Connell and Tim Cunningham, [Impact of Brexit on Section 75 Equality Groups in Northern Ireland: EU Funding](#), Equality Commission for Northern Ireland, 2022, pages 12-13, 85-88.

- 4.33** The pre-launch guidance for the SPF fund says that the first two of the investment priorities (communities and place; local businesses) and the Multiply programme will be the main focus of the fund in its first few years.¹⁰⁰ As indicated in the House of Commons briefing paper (2022)¹⁰¹ this implies that until 2024/25 there will be little, if any, further funding for people and skills. However, the UK SPF prospectus highlights that this will only apply to England and that ‘in recognition of their specific circumstances, places in Scotland, Wales and Northern Ireland will be able to select interventions from the people and skills investment priority from 2022-2023.’¹⁰²
- 4.34** The research report has identified that 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.¹⁰³ 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.¹⁰⁴
- 4.35** This means that even successful projects, who are granted SPF funding, may be required to make staff redundant when one funding stream comes to an end and the next funding stream income has not been received. Funding/ financial constraints mean that many organisations do not have alternative sources of revenue to fill the funding gap created by the end of one funding revenue and the beginning of another.¹⁰⁵
- 4.36** The research report has noted that 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, but that the problem now is that this risk of a break in funding still exists for organisations in 2023, especially given how little is still known about how the Shared Prosperity Fund will operate in practice.’¹⁰⁶ It highlighted the need for the SPF to make urgent arrangements to ensure groups who benefitted from Call 3 are not disadvantaged in the roll-out of SPF funding.¹⁰⁷

100 Department for Levelling Up, Housing and Communities, Guidance: UK Shared Prosperity Fund: pre-launch guidance, 2 February 2022.

101 Philip Brien, House of Commons, [Research Briefing: The UK Shared Prosperity Fund](#), 26 April 2022, page 16.

102 UK Government Guidance, [UK Shared Prosperity Fund: prospectus](#), Published 13 April 2022.

103 Rory O’Connell and Tim Cunningham, [Impact of Brexit on Section 75 Equality Groups in Northern Ireland: EU Funding](#), Equality Commission for Northern Ireland, 2022, page 13.

104 Ibid. pages 12-13, 85-88.

105 Rory O’Connell and Tim Cunningham, [Impact of Brexit on Section 75 Equality Groups in Northern Ireland: EU Funding](#), Equality Commission for Northern Ireland, 2022, pages 12, 80.

106 Ibid. page 85.

107 Ibid. pages 12-13.

- 4.37** Stakeholder evidence in the research report highlighted 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.¹⁰⁸ The 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.¹⁰⁹ Similarly, the research report noted that previous research has highlighted the impact of the pandemic on Section 75 equality groups, particularly young people and persons with disabilities.¹¹⁰ The research report highlighted that this impact is likely to increase the demands for the type of services provided by ESF-funded projects for these groups.¹¹¹ The research report also highlighted the need, aligned to stakeholders’ concerns, for arrangements to be put in place by the UK Government and Northern Ireland Department for the Economy 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 SPF funding.
- 4.38** We note that the UK Government has stated that the SPF can support investment in interventions that start from 1 April 2022 where they fit with the relevant interventions toolkit and all fund requirements set out in this prospectus. However, we note it makes clear that any such interventions will be at risk prior to sign off of local investment plans. We note that DLUHC anticipate that the investment plans will be developed over the summer, with applications for funding open from August, with funding potentially commencing from October 2022.¹¹² It is essential that arrangements for the SPF, once operational, includes timelines that avoid gaps between funded programmes including for those organisations working with Section 75 groups.

108 Rory O’Connell and Tim Cunningham, [Impact of Brexit on Section 75 Equality Groups in Northern Ireland: EU Funding, Equality Commission for Northern Ireland](#), 2022, page 87.

109 Equality Commission for Northern Ireland, Annual Report and Accounts 2020-2021, 2021, Foreword.

110 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’. Previous research had also identified that persons with disabilities face difficulties returning to work if they are out of work for an extended period. Rory O’Connell and Tim Cunningham, [Impact of Brexit on Section 75 Equality Groups in Northern Ireland: EU Funding, Equality Commission for Northern Ireland](#), 2022, page 87.

111 Ibid.

112 UK Government Guidance, [UK Shared Prosperity Fund: prospectus](#), Published 13 April 2022.

Simplified procedures and support for organisations

The Commission recommends that the Government Department responsible for delivering SPF funding in Northern Ireland ensures that the funding processes and auditing requirements are simplified, where possible, and measures are put in place to support organisations to apply for funding, especially for smaller organisations. However, any simplification should not detract from the need for transparent and objective criteria, fair processes, and the ability to monitor equality outcomes.

Supporting rationale

Simplify procedure

- 4.39** Stakeholder evidence in the research report identified that a frequent complaint about accessing EU funding has been the level of bureaucracy, often entailing lengthy periods before users can receive and use funds.¹¹³ The Welsh Affairs Committee also drew attention to this problem.¹¹⁴
- 4.40** The research report highlighted that the overly bureaucratic nature of EU funding also manifested itself in inflexibility as well as excessive monitoring including the risk of clawback of funds.¹¹⁵ However, the research report suggests that while EU funding had been, at least originally, overly bureaucratic, over time and through partnership between the funding bodies and those in receipt of funding, significant lessons have been learned and the monitoring and audit arrangements are become much more proportionate. At the same time, there was a recognition that the auditing and monitoring arrangements serve a useful purpose.¹¹⁶
- 4.41** Implementing best practice in addressing bureaucracy and monitoring arrangements will be particularly beneficial for smaller organisations, many of which currently undertake a range of valuable projects under current ESF funding that help promote equality and good relations in Northern Ireland.

113 Rory O'Connell and Tim Cunningham, [Impact of Brexit on Section 75 Equality Groups in Northern Ireland: EU Funding](#), Equality Commission for Northern Ireland, 2022, page 52.

114 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

115 Rory O'Connell and Tim Cunningham, [Impact of Brexit on Section 75 Equality Groups in Northern Ireland: EU Funding](#), Equality Commission for Northern Ireland, 2022, page 52.

116 Ibid. pages 53-54.

4.42 While the research report noted the stated aims of the SPF is to ‘simplify procedures and reduce bureaucracy compared to the EU approach,’¹¹⁷ it also notes that one important purpose behind the bureaucracy associated with the EU funding schemes was to ensure transparency, accountability and objectivity.¹¹⁸ The report highlights that any simplification should not detract from the need for transparent and objective criteria, fair processes, and the ability to monitor equality outcomes.¹¹⁹

Support for organisations

4.43 The research report identified the benefits of co-working between the funding administration body and organisations in receipt of funds.¹²⁰ The research also identified that it is anticipated the funding administrative body for the PEACEPLUS programme in Northern Ireland intends to continue this ethos of co-working by providing practical assistance for ‘pre-development work’ to provide advice and assistance for applications.¹²¹

4.44 Drawing on lessons learned in Northern Ireland from the administration of EU funding, the Government Department responsible for the delivery of the SPF can help support organisations apply for funding, particularly smaller organisations, through the provision of training and assistance required by stakeholders and beneficiaries on the funding process and auditing requirements.

4.45 Further, we note that there is a short period of time for an investment plan to be submitted, as the deadline closes on 1 August 2022, and a short window during which the investment plan is to be submitted is approximately one month over the summer period (from 30 June 2022 to 1 August 2022). The need for support for organisations, particularly smaller organisations, is even more critical due to the timelines for application.

117 Rory O’Connell and Tim Cunningham, [Impact of Brexit on Section 75 Equality Groups in Northern Ireland: EU Funding, Equality Commission for Northern Ireland](#), 2022, page 104.

118 Ibid.

119 Ibid. page 54.

120 Ibid.

121 Ibid.

5. Shared Prosperity Fund: aims and criteria, arrangements for sick/maternity leave, measuring 'soft' outcomes, apprenticeships

Aim of funding

The Commission recommends that the SPF should include aims to promote equality and social inclusion, and combat poverty in Northern Ireland, and address the particular local needs of Section 75 equality groups, including those who are most marginalised and disadvantaged.

Supporting rationale

- 5.1** The Commission notes that in its SPF prospectus the UK Government has not explicitly stated any aims or objectives relating to the promotion of equality and social inclusion or combatting poverty; though reference is made to supporting disadvantaged people and those furthest removed from the labour market.¹²² This is in contrast to ESF funding which had explicit aims to promoting social inclusion and combating poverty, which the research report has identified as being a benefit of EU funding in Northern Ireland.¹²³
- 5.2** The research report notes that EU funding in Northern Ireland has supported a range of projects helping people from Section 75 groups and that given the changes in the funding environment there is a risk that such projects might not be supported.¹²⁴
- 5.3** Importantly, the research report identified that 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.'¹²⁵

122 Department for Levelling Up, Housing and Communities, [UK Shared Prosperity Fund: Prospectus](#), 13 April 2022, section 2.5.

123 Rory O'Connell and Tim Cunningham, [Impact of Brexit on Section 75 Equality Groups in Northern Ireland: EU Funding](#), Equality Commission for Northern Ireland, 2022, pages 6-7, 14.

124 Ibid. page 89.

125 Ibid. page 90.

- 5.4** Whilst socio-economic status is not a specified ground under equality legislation, the barriers and inequalities experienced by equality groups can be exacerbated by poverty and social exclusion. As there is a clear link between poverty and social exclusion and inequalities faced by individuals and groups protected under equality legislation, there is a need for the SPF to include aims to combat poverty.
- 5.5** In addition, as referenced in more detail below, an assessment of inequalities experienced by equality groups should take into account the adverse impact of the Covid 19 pandemic on particular groups. The Commission has highlighted, for example, 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.¹²⁶ Similarly, the research report noted that previous research has highlighted the impact of the pandemic on Section 75 equality groups, particularly young people and persons with disabilities.¹²⁷ The research report highlighted that this impact is likely to increase the demands for the type of services provided by ESF-funded projects for these groups.¹²⁸
- 5.6** For example, NIUSE has highlighted that disability employment and inclusion core services under the ESF programme have had a critical role to play alongside other interventions in supporting disabled peoples' life chances, health and emotional wellbeing. NIUSE has called for resourcing and investment for these most vulnerable people in this sector to be sustained and protected, supported by a clear plan to ensure disabled people are not disproportionately affected by the pandemic.¹²⁹
- 5.7** Further, the Northern Ireland Executive has indicated that the SPF must recognise that the scale of the interventions required has increased as a result of the pandemic and that many of the groups previously supported by European funds are likely to be adversely impacted by the economic consequences of the pandemic.¹³⁰

¹²⁶ [Equality Commission for Northern Ireland, Annual Report and Accounts 2020-2021](#), 2021, Foreword

¹²⁷ 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'. Previous research had also identified that persons with disabilities face difficulties in returning to work if they are out of work for an extended period. Rory O'Connell and Tim Cunningham, [Impact of Brexit on Section 75 Equality Groups in Northern Ireland: EU Funding](#), Equality Commission for Northern Ireland, 2022, page 87.

¹²⁸ Ibid. page 87.

¹²⁹ NIUSE, [Future funding for disability employment services](#), Policy Group Briefing Paper, No 3, December 2021.

¹³⁰ 'In all its activities in NI the SPF should consider the cross-community dimension and ensure compliance with Section 75 of the Northern Ireland Act 1998'. [Northern Ireland Executive Future Funding Priorities - SPF](#)

- 5.8** The Commission has highlighted the key inequalities in employment faced by Section 75 equality groups in Northern Ireland¹³¹ that urgently need addressed.
- 5.9** We have also recommended action to: support women's economic participation, including through access to appropriate, accessible and affordable childcare; address the exploitation and forced labour of migrant workers and the concentration of some minority ethnic workers in low paid employment; support people with disabilities to access and remain in the workplace; and ensure the provision of training and programmes that are accessible and inclusive for all to get into, or stay in, work.¹³² Actions to address these employment policy priorities should be progressed through SPF funding and/or mainstream funding streams by the Northern Ireland Executive and relevant Departments.
- 5.10** We note that in the SPF prospectus, published in April 2022, there are three proposed objectives; Community and Place; Supporting Local Businesses and People and Skills Objectives. As set out above, we welcome that some of the interventions for Northern Ireland include actions to help support equality in some areas for some Section 75 equality groups, including in areas relating to reducing economic inactivity.¹³³ We also welcome the inclusion of the promotion of STEM subjects for women/girls and the provision of ongoing support to increase the uptake of STEM subjects for women/girls, and numeracy skills courses for parents with dependants.
- 5.11** However, it is not clear from the stated objectives and interventions how the SPF will help address other key inequalities experienced by Section 75 equality groups in Northern Ireland, including in the area of employment, and consideration should be given as to how SPF funding can address these key inequalities.¹³⁴

131 Equality Commission for Northern Ireland, [Key Inequalities in Employment Statement](#), May 2018.

132 Equality Commission for Northern Ireland, [Employment PfG priorities and recommendations](#), pages 6-7.

133 For example, in relation to the objective 'people and skills' it refers to the intervention of 'reducing levels of economic inactivity through investment in bespoke intensive life and employment support tailored to local need'. It indicates that 'expected cohorts include, but are not limited to, people aged over 50, people with a disability and health condition, women, minority ethnic people, young people not in education, employment or training and people with multiple complex needs (homeless, care leavers, ex-offenders, people with substance abuse problems and victims of domestic violence).'

134 Noting (among other things) that there is a persistent employment gap between people with and without disabilities; that women experience a lower employment rate and a higher economic inactivity rate when they have dependants; prejudicial attitudes both within and outside the workplace are experienced by people with disabilities, women, and minority ethnic groups; and those aged 18-24 years old have higher unemployment rates than those aged 25 years and older. See: Equality Commission for Northern Ireland, [Key Inequalities in Employment Statement](#), May 2018, page iii.

- 5.12** It is also not clear the extent to which the SPF will address inequalities experienced by equality groups that have increased as a result of the pandemic, or how the SPF will address particular barriers experienced by some minority ethnic groups, recently arrived in Northern Ireland, such as asylum seekers and refugees.

Criteria for funding

The Commission recommends that the SPF should include transparent, objective criteria for eligibility and award and have adequate monitoring and accountability systems in place, including to ensure the effective promotion of equality of opportunity and good relations.

Supporting rationale

- 5.13** The research report has identified that a benefit of EU funding was that it was based on objective criteria and recommended that it is essential that successor funds retain the same degree of integrity.
- 5.14** One of the stated aims of the SPF is to 'simplify procedures and reduce bureaucracy compared to the EU approach.'¹³⁵ Whilst this is to be welcomed, as noted by the research report, there has been an important purpose behind the bureaucracy associated with the EU funding schemes, namely, to ensure transparency, accountability and objectivity.¹³⁶
- 5.15** Further, the research report identifies the importance of transparent and objective criteria when replacement funding is awarded, stating that such safeguards will protect against perceived or actual politicisation of funding decisions,¹³⁷ which is important in relation to the promotion of good relations. It should also be clear if the UK Government is prioritising, sustaining and building on existing work, or on developing new projects.
- 5.16** 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 relevant. In its report, the Committee investigated the £3.6 billion 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 535 out of 541 towns).

¹³⁵ Department for Levelling Up, Housing and Communities, Guidance: UK Shared Prosperity Fund: pre-launch guidance, 2 February 2022.

¹³⁶ Rory O'Connell and Tim Cunningham, [Impact of Brexit on Section 75 Equality Groups in Northern Ireland: EU Funding](#), Equality Commission for Northern Ireland, 2022, page 104.

¹³⁷ Ibid. page 104.

According to the report:



[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.^{138 139}

- 5.17** In relation to this, the research report highlighted concerns about transparency and objectivity which are especially important in a society emerging from conflict where there were legitimate concerns about discrimination, and therefore recommends that monitoring and accountability arrangements should be put in place to ensure funds are utilised in line with the stated criteria.¹⁴⁰
- 5.18** We note that the SPF prospectus, launched in April 2022, includes criteria and some detail on monitoring and accountability arrangements. The UK Government has set out indicative outcomes and outputs in relation to intervention in Northern Ireland. We also note that lead authorities are also strongly encouraged to conduct their own causal quantitative impact evaluations for certain projects, where feasible.
- 5.19** However, whilst some of the proposed indicative outputs and outcomes are relevant to the promotion of equality, for example, as regards disability accessibility,¹⁴¹ it is essential that, where appropriate as regards each intervention, that relevant outcomes and outputs are established to measure the promotion of equality across all Section 75 groups and as regards the promotion of good relations. Further, we note, that there is only limited reference to interventions related to gender equality, for example, there is a reference in the area of addressing economic inactivity, and there are no/limited outputs/outcomes relating to the promotion of gender equality.

138 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.

139 Rory O'Connell and Tim Cunningham, [Impact of Brexit on Section 75 Equality Groups in Northern Ireland: EU Funding](#), Equality Commission for Northern Ireland, 2022, page 105.

140 Ibid. pages 16, 105.

141 For example, in the area of increased accessibility for disabled people in town centres/high streets.

- 5.20** Further, we note the exact detail of the national approach to evaluation has to date not been fully specified and the UK Government has indicated that its evaluation methodology will not be fully specified until it has received investment plans. It is therefore not clear at this stage the degree, in terms of the national approach, to which robust and adequately monitoring processes will be put in place to monitor outcomes relating to the promotion of equality and good relations.
- 5.21** It is important that there is ongoing evaluation of the SPF and that this is made public. This assessment should include details on how equality of opportunity and good relations have been considered and promoted in Northern Ireland, and which Section 75 groups have benefitted, in order to better inform the continuing development and implementation of the programme.

Arrangements for sick leave and maternity leave

The Commission recommends that there should be arrangements in the SPF to support sick leave and maternity leave for persons in funded posts in line with domestic legal requirements.

Supporting rationale

- 5.22** The research report identified some criticisms of the model of EU funding, including that it did not provide for sick pay or maternity pay, in line with domestic legal requirements within the UK/Northern Ireland.¹⁴²
- 5.23** The research report highlighted the negative financial impact of this for small community or voluntary organisations and that this lack of flexibility represented a failure to understand the realities of the work in the organisations and their responsibility towards their staff.¹⁴³
- 5.24** This is concerning as the report illustrates that the failure to take account of structural issues within the labour market could have resulted in some EU projects perpetuating inequalities between men and women, rather than promoting equality.¹⁴⁴
- 5.25** There is no indication in the SPF details set out in April 2022 that these arrangements are to be put in place.

142 Rory O'Connell and Tim Cunningham, [Impact of Brexit on Section 75 Equality Groups in Northern Ireland: EU Funding](#), Equality Commission for Northern Ireland, 2022, page 56.

143 Ibid.

144 Ibid.

Measuring 'soft' outcomes

The Commission recommends that the SPF should measure both tangible and 'soft' outcomes, including 'distance travelled' metrics, particularly in areas relating to the promotion of equality of opportunity and good relations.

Supporting rationale

- 5.26** The research report identified concerns from stakeholders that a further criticism of EU funding was that it was overly focused on tangible outputs.
- 5.27** A report commissioned by the Department for the Economy and Department for Communities on the ESF mentions concerns that the programme has been too focused on short term outputs rather than on sustainable, meaningful employment outcomes. In particular, it noted that it has not done justice to the full range of tangible and 'soft' and 'distance travelled' outcomes.¹⁴⁵ This report recommended that any successor programme included metrics to measure tangible and soft outcomes, including distance travelled metrics.
- 5.28** The research report highlighted the views of some stakeholders who noted that the nature of EU funding was that evaluation tended to focus on the numbers, and not on how life-changing projects were, and how ESF-funded programmes had enabled them to address important 'soft' outcomes and help disadvantaged individuals from Section 75 groups along a journey to greater social inclusion and full participation in employment. This perspective from stakeholders supports the view that programmes must not just be focused on easy 'wins' and quantifiable outputs but also need to reflect the full range of benefits to the individual in relation to equality outcomes, especially the 'distance travelled' by some recipients of funding.
- 5.29** As set out above, we note that the SPF prospectus includes some details as regards indicative outcomes and outputs, though there appears to be limited reference to the degree that they will measure both tangible and 'soft' outcomes, including 'distance travelled' metrics, particularly in areas relating to the promotion of equality of opportunity and good relations.

¹⁴⁵ 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, page 23.

Apprenticeships

The Commission recommends that the SPF should support apprenticeships in Northern Ireland, taking into account Northern Ireland's unique circumstances. Should the SPF not include provisions to support apprenticeships, the Commission recommends that the Northern Ireland Executive should provide assurances that apprenticeships in Northern Ireland will continue to be funded.

Supporting rationale

- 5.30** In Northern Ireland, the ESF has been used to support an apprenticeship programme. The research report identified that the 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. The report identified that there is a risk that the SPF will not continue to support apprenticeships in Northern Ireland and this funding will be lost.¹⁴⁶
- 5.31** The research highlighted that 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.¹⁴⁷ Of these 11,000 have gone into employment and 7,000 into further education.¹⁴⁸
- 5.32** 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; the target was 44,590 persons, but 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.¹⁴⁹
- 5.33** This 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'.¹⁵⁰

¹⁴⁶ Rory O'Connell and Tim Cunningham, [Impact of Brexit on Section 75 Equality Groups in Northern Ireland: EU Funding](#), Equality Commission for Northern Ireland, 2022, page 101.

¹⁴⁷ 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 in [Rory O'Connell and Tim Cunningham, Impact of Brexit on Section 75 Equality Groups in Northern Ireland: EU Funding](#), Equality Commission for Northern Ireland, 2022, page 101.

¹⁴⁸ European Social Fund and Regional Development Fund projects have transformed the lives of thousands across Northern Ireland, page 101.

¹⁴⁹ Department for the Economy, [An Impact Evaluation of the Northern Ireland European Social Fund Programme](#), 2014-20, 2020, page 24.

¹⁵⁰ Ibid. page 40.

- 5.34** The research report highlights that there are currently 66 projects supported across Northern Ireland under ESF Programme 2014-2020.¹⁵¹ The report noted that these programmes have generated significant benefits for the Northern Ireland economy with a conservative estimate from the DfE indicating that the people who found employment immediately would generate €231m in one year.¹⁵²
- 5.35** 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.¹⁵³
- 5.36** We note that the SPF launched in April 2022, as regards the intervention related to economic inactivity, refers to the provision of wrap around support for those undertaking apprenticeships in Northern Ireland. However, it is not clear whether or not a different approach has been taken in relation to apprenticeships in Northern Ireland due to the different approach in England as regards the use of the apprenticeship levy there. In the event that there is only limited funding as regards apprenticeships under the SPF, there is a need for the Northern Ireland Executive to provide assurances that support will be continued should replacement funding not be available, particularly to support Section 75 groups who experience inequalities in terms of accessing and participating in employment.
- 5.37** A number of equality stakeholders have raised concerns with the Commission that funding for apprenticeships under the SPF could be disproportionate and detract from the funding of other equality and good relations projects/ funding priorities. It is therefore important to ensure that the amount of funding allocated to apprenticeships via the SPF in Northern Ireland should be justifiable and proportionate. It should also take into consideration the need for funding to address other equality and good relations projects/ funding priorities.
- 5.38** Further, consideration should also be given to the provision of other sources of funding that could support apprenticeships for Section 75 groups in Northern Ireland, including the possibility of the mainstreaming of funding of apprenticeships via Northern Ireland Executive funding.

151 European Social Fund and Regional Development Fund projects have transformed the lives of thousands across Northern Ireland. Ibid. page 35.

152 Department for the Economy, [An Impact Evaluation of the Northern Ireland European Social Fund Programme, 2014-20](#), 2020, page 60.

153 Ibid. page 7.

5.39 In addition, measures taken to support apprenticeships should also consider the need to address the under-representation of women in certain apprenticeship schemes.¹⁵⁴ The Commission has called for steps to be taken to address any such under-representation of women.¹⁵⁵



154 The Commission has identified gender imbalances in certain types of apprenticeships and has recommended Government action to ensure women's economic independence in Northern Ireland Equality Commission for Northern Ireland, [Women in Northern Ireland: UN Convention on the Elimination of All Forms of Discrimination against Women, Shadow Report](#), 2019, page 12.

155 Ibid. See also evidence on gender imbalances in apprenticeships – ARK, [Gender Budgeting: Working Paper 2 Case Study: Apprenticeships in Northern Ireland](#), 2021.

6. Structural support for equality

The Commission recommends that:

- the Government department delivering SPF funding in Northern Ireland should identify any wider structural barriers to equality experienced by Section 75 groups (for example, lack of affordable, quality childcare) and take mitigating measures that will help lessen the impact of these barriers;
- the Northern Ireland Executive and relevant Northern Ireland departments should develop and implement wider strategies to address these structural barriers experienced by Section 75 groups.

Supporting rationale

- 6.1** The research report identified that the new funding environment provides an opportunity for 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.¹⁵⁶
- 6.2** The report highlighted the need to identify the barriers to social empowerment and equality of opportunity in the context of Northern Ireland, for example, a lack of affordable childcare, a lack of transport and rural isolation, and to develop strategies to address them. The report noted that without a focus on these strategic issues there is a risk that projects might help individuals but might not lift communities out of deprivation.¹⁵⁷
- 6.3** Evidence from stakeholders set out in the research report highlighted concerns that the SPF funds might help people into employment, but this might be insecure, poorly-paid and not contribute to overall improvement of the community.¹⁵⁸
- 6.4** If the Government department is designated for the purposes of Section 75, Section 75 processes, including screening and equality impact assessments, provide opportunities for these strategic issues to be identified, highlighted and addressed.

156 Rory O'Connell and Tim Cunningham, [Impact of Brexit on Section 75 Equality Groups in Northern Ireland: EU Funding](#), Equality Commission for Northern Ireland, 2022, page 96.

157 Ibid.

158 Ibid. page 96.

- 6.5** As highlighted in the research report, programmes like the SPF will not, by themselves, adequately promote equality of opportunity and good relations. There is therefore a need for the Northern Ireland Departments and the Northern Ireland Executive to show leadership and commitment to the promotion of equality and good relations through the adoption of strategies to support equality and good relations. The Commission has continually called for the adoption and implementation of a childcare strategy, a gender equality strategy, a disability strategy and other equality related strategies so as to remove structural barriers to social inclusion and participation of Section 75 groups.¹⁵⁹
- 6.6** As regards the SPF launched in April 2022, and following engagement with equality stakeholders and groups, we will review the degree to which the SPF will address wider structural barriers to equality in Northern Ireland.



159 For example, see Equality Commission for Northern Ireland, [Policy Positions on Childcare: Maximising the Economic Participation of those with childcare responsibilities, usually women](#); Equality Commission for Northern Ireland, [The need for childcare is greater than ever](#); Equality Commission for Northern Ireland, [Childcare Strategy – Equality Commission response to Dept of Education update on progress](#); Equality Commission for Northern Ireland, [Response to the Executive’s Consultation on a programme for Government Draft Outcomes Framework](#), March 2021.

7. The role of Northern Ireland Executive/ Departments

Continued support from Northern Ireland Executive/Departments

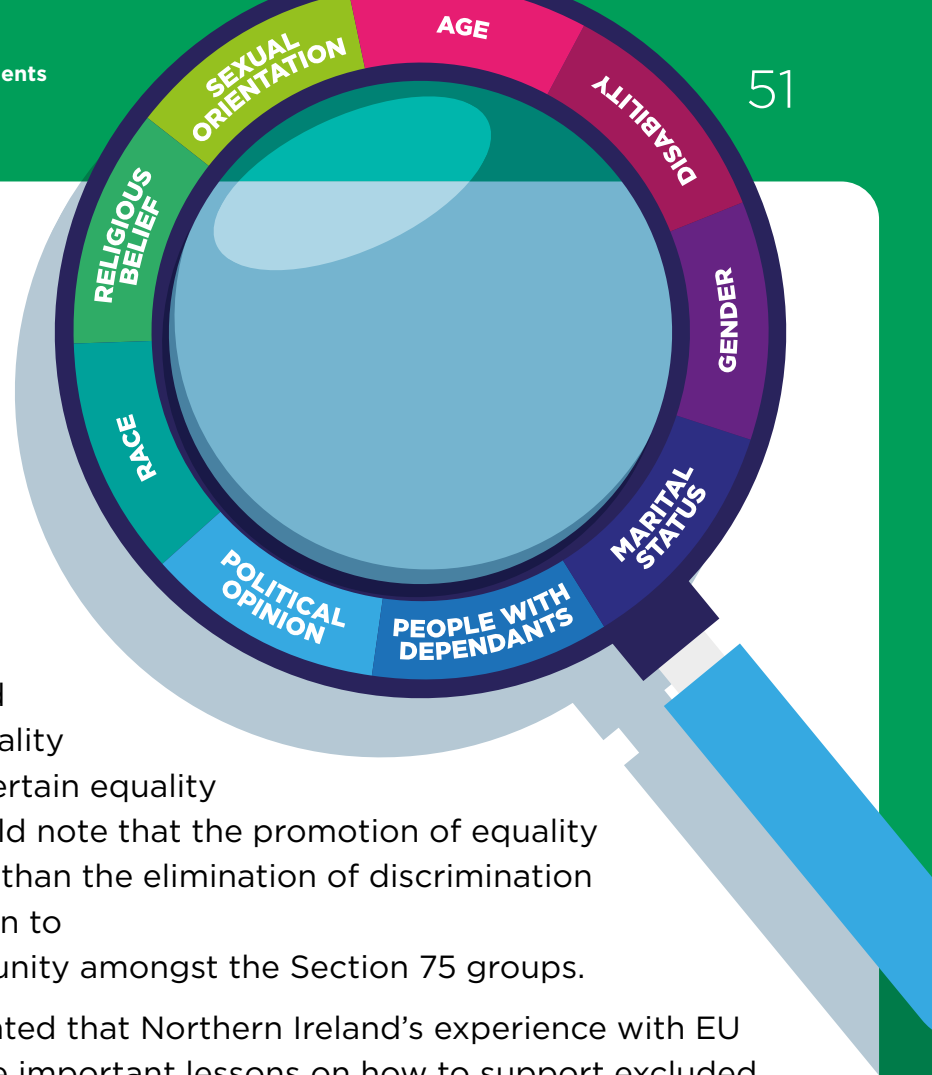
The Commission recommends that the Northern Ireland Executive and Northern Ireland Departments should clarify how the needs of people from different equality groups, who have been supported through European funding, particularly ESF, will be supported by the Executive in the future; address any potential shortfall in funding; and incorporate ‘lessons learnt’ into future funding programmes.

Supporting rationale

- 7.1** The research report has identified concerns that, if funding is administered centrally from a UK Department or if UK replacement funds no longer provide funding for particular programmes, Northern Ireland Departments might no longer provide strategic oversight or support for these programmes. The research report noted that local departments had begun to look at the next steps after the ending of ESF, but this was halted when it became clear that the SPF would be centrally administered.¹⁶⁰
- 7.2** The research report noted that ESF funding had been seen as ‘shoring up support for the most vulnerable in society that should really have been coming direct from the government.’¹⁶¹ It has also highlighted the potential impact on organisations in the voluntary/community sector should there be a gap in funding. It is therefore important that Northern Ireland Departments consider the impact and challenges that will be caused if programmes that have helped promote of equality and good relations are no longer funded through the UK replacement funds and ensure that the funding of these key equality programmes are mainstreamed through the Northern Ireland Executive and sustained going forward.

160 Rory O’Connell and Tim Cunningham, [Impact of Brexit on Section 75 Equality Groups in Northern Ireland: EU Funding](#), Equality Commission for Northern Ireland, 2022, page 94.

161 Ibid.



- 7.3** Further, in considering actions to address any shortfall in funding, Northern Ireland Departments should also be mindful of their Section 75 equality duties, including the need to have due regard to the need to promote equality of opportunity as regards certain equality grounds. Departments should note that the promotion of equality of opportunity entails more than the elimination of discrimination and requires proactive action to promote equality of opportunity amongst the Section 75 groups.
- 7.4** The research report highlighted that Northern Ireland's experience with EU funding 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.¹⁶²
- 7.5** In terms of examples of potential shortfalls in funding after the end of ESF funding, concerns have been raised with the Commission by representatives from the disability sector that there will be no pre-employment training programme for people with disabilities post-April 2023 should replacement funding not be put in place.

162 Rory O'Connell and Tim Cunningham, [Impact of Brexit on Section 75 Equality Groups in Northern Ireland: EU Funding](#), Equality Commission for Northern Ireland, 2022, page 95.

8. Recommendations for other funding programmes: Community Renewal Fund, Levelling Up Fund and PEACEPLUS funding

Community Renewal Fund

The Commission recommends that the Department for Levelling Up, Housing and Communities (DLUHC) should publish an evaluation of the Community Renewal Fund as soon as possible to inform the continuing development and outworking of the SPF. The evaluation should include details on how equality of opportunity and good relations have been considered and promoted and which Section 75 groups have benefitted.

Supporting rationale

- 8.1** It is recognised that there are valuable lessons to be learned about the implementation of the Community Renewal Fund¹⁶³ which are applicable to the SPF – both in Northern Ireland and the other devolved nations of the UK.
- 8.2** The UK Government has indicated that the SPF ‘forms part of a suite of complementary Levelling Up funding and that it builds on the competitive Levelling Up Fund and Community Ownership Fund.’¹⁶⁴ As indicated in the research report, the Community Renewal Fund is 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. Therefore, it is important that assessments about the relative success of the programme to date are reviewed and made public. This should happen as soon as possible, in order to better inform the continuing development and outworking of the SPF.¹⁶⁵

¹⁶³ 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. The research report noted it was introduced to mitigate the risk that EU funding would run out before the new Shared Prosperity Fund was available. The Community Renewal Fund was intended to act as a pilot scheme for the Shared Prosperity Fund. Rory O’Connell and Tim Cunningham, [Impact of Brexit on Section 75 Equality Groups in Northern Ireland: EU Funding](#), Equality Commission for Northern Ireland, 2022, page 70.

¹⁶⁴ Department for Levelling Up, Housing and Communities, Guidance: UK Shared Prosperity Fund: pre-launch guidance, 2 February 2022.

¹⁶⁵ Rory O’Connell and Tim Cunningham, [Impact of Brexit on Section 75 Equality Groups in Northern Ireland: EU Funding](#), Equality Commission for Northern Ireland, 2022, page 68.

- 8.3** Issues with the operation of the Community Renewal Fund were highlighted by the National Audit Office. For example, it highlighted that there was a delay in announcing the results of the applications which made it more difficult for the Department to learn from the lessons of the Community Renewal Fund when designing the SPF.¹⁶⁶
- 8.4** Further, the Scottish Affairs Committee recommended that the UK Government evaluate the Community Renewal Fund and publish its findings in March 2022.¹⁶⁷

Levelling Up Fund

The Commission recommends that the Department for Levelling Up, Housing and Communities should:

- **clarify the allocation of just under 3% of funding in Levelling Up 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;**
- **there should be ongoing evaluation of the Levelling Up Fund to include details on how equality of opportunity and good relations have been considered and promoted and which Section 75 groups have benefitted.**

Supporting rationale

- 8.5** The Levelling Up Fund is a £4.8 billion (over 4 years) fund intended to support town centres and high street regeneration, local transport projects and cultural and heritage assets.¹⁶⁸ According to its prospectus, at least 3% will be allocated to Northern Ireland in rounds one and two.¹⁶⁹
- 8.6** There have been criticisms of the Levelling Up Fund by Parliamentary committees and the Institute for Government, for example, that its aim seems unclear, and also that the funds may be inadequate to achieve its aim, and that there has been a lack of consultation.¹⁷⁰

166 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; and added to the general uncertainty about replacement funds. National Audit Office, [Supporting Local Economic Growth: Department for Levelling Up, Housing & Communities](#), HC 957, 2 February 2022, page 38.

167 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.

168 Rory O'Connell and Tim Cunningham, [Impact of Brexit on Section 75 Equality Groups in Northern Ireland: EU Funding](#), Equality Commission for Northern Ireland, 2022, page 72

169 UK Government, [Levelling Up Fund: Prospectus](#), 2021; NICVA Levelling Up Round 2 webinar, 26 April 2022.

170 Rory O'Connell and Tim Cunningham, [Impact of Brexit on Section 75 Equality Groups in Northern Ireland: EU Funding](#), Equality Commission for Northern Ireland, 2022, page 73-74.

- 8.7** 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 £48.79 million for 11 projects.¹⁷¹ This amount broadly reflects Northern Ireland's share of the UK population rather than its position of relative disadvantage.
- 8.8** There are concerns by stakeholders regarding the funding allocation to Northern Ireland, and the research report raises concerns that the UK Government may not have sufficiently considered the specific context and related funding requirements in Northern Ireland, in relation to socio-economic, political and post-conflict and issues, including equality and good relations, which differ to those in the rest of the UK.¹⁷²
- 8.9** As highlighted in the research report, Northern Ireland is a region that is significantly disadvantaged in several respects, including lower GDP per person,¹⁷³ lower levels of productivity,¹⁷⁴ and greater levels of economic inactivity.¹⁷⁵ Unlike other parts of the UK, Northern Ireland is also a region emerging from conflict.
- 8.10** As highlighted in the report, the 2.9% allocation to Northern Ireland is different from the approach taken in the allocation of ESF which saw Northern Ireland receive 5% of funding, and it is also different from the approach taken by the UK Government in relation to the Community Renewal Fund.
- 8.11** It is unclear whether the relative disadvantage of Northern Ireland or its post-conflict context was considered in the allocation of funding. In addition, it is unclear to what extent equality of opportunity and good relations considerations were taken into account in the allocation of funding.^{176 177 178}

171 Rory O'Connell and Tim Cunningham, [Impact of Brexit on Section 75 Equality Groups in Northern Ireland: EU Funding](#), Equality Commission for Northern Ireland, 2022, page 75.

172 Ibid.

173 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.

174 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, page 16.

175 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.

176 The research notes that, as with the Community Renewal Fund, these decisions were 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.' The report indicates that: 'According to a note on the decision-making process these equality requirements were considered' but provides no further details. Rory O'Connell and Tim Cunningham, [Impact of Brexit on Section 75 Equality Groups in Northern Ireland: EU Funding](#), Equality Commission for Northern Ireland, 2022, page 77.

177 Department for Levelling Up, Housing and Communities, [Levelling Up Fund: Explanatory Note on the Assessment and Decision-making Process, 2021](#).

178 The [Levelling Up Round 2 Prospectus](#) does state in relation to equality legislation: 'Bids supported by the Levelling Up Fund must comply with all relevant UK legislation, including relevant equalities legislation, obligations on subsidy control and for some applicants in Northern Ireland due diligence, to be eligible for funding.'

8.12 In March 2022, the prospectus and call for bids for round two of the Levelling Up Fund were published.¹⁷⁹ It is important that an evaluation of the relative success of the Levelling Up programme to date is carried out and made public and that ongoing evaluations of the programme are carried out as the Levelling Up Fund is rolled out over multiple years. This assessment should include details on how equality of opportunity and good relations have been considered and promoted, and which Section 75 groups have benefitted, in order to better inform the continuing development and implementation of the programme.

PEACEPLUS funding

Breaks in funding

The Commission recommends that the Northern Ireland Executive provides bridging arrangements to ensure there is no gap in funding between the end of PEACE IV funding and commencement of the PEACEPLUS programme.

Supporting rationale

- 8.13** As part of the Brexit negotiations the UK and EU agreed to support the PEACE and INTERREG under a new PEACEPLUS programme 2021-2027.¹⁸⁰ PEACEPLUS has made a provision for an indicative budget of approximately €1.14 billion, including proposals from the EU budget, the Government of Ireland, the Northern Ireland Executive and the UK Government.¹⁸¹
- 8.14** The research report notes that PEACEPLUS is distinct from the UK replacement funds, 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 Ireland¹⁸² and therefore has a role in promoting good relations.
- 8.15** The research report highlighted that funding for PEACE IV projects is coming to an end over the next 12-18 months and that there could be a gap in funding, at a critical time where there is a rise in political tensions over Brexit and the operation of the Northern Ireland Protocol.¹⁸³

179 Department for Levelling Up, Housing and Communities, [Levelling Up Round 2 Prospectus](#), published 23 March 2022.

180 Rory O'Connell and Tim Cunningham, [Impact of Brexit on Section 75 Equality Groups in Northern Ireland: EU Funding](#), Equality Commission for Northern Ireland, 2022, page 59.

181 Special EU Programmes Body, European Territorial Co-Operation 2021 - 2027 Preparing the EU PEACEPLUS Programme for the 2021 - 2027 period, [Consultation Information Document](#), page 4.

182 Rory O'Connell and Tim Cunningham, [Impact of Brexit on Section 75 Equality Groups in Northern Ireland: EU Funding](#), Equality Commission for Northern Ireland, 2022, page 59.

183 Ibid.

- 8.16** The research report stressed¹⁸⁴ that gaps in funding are not unique to the end of PEACE IV and have always been an issue with PEACE funding. However, given the rise in political tension a gap in funding could create a ‘vacuum’ between projects at a critical time, wherein beneficiaries would not receive much needed services.
- 8.17** The research report highlighted that any gap in funding creates uncertainty and organisations may be forced to make staff redundant, creating a risk that ‘capacity and expertise will be lost during this interregnum period.’¹⁸⁵
- 8.18** The Commission understands that the implementation of PEACE IV remains ongoing, with some projects completed and others ending in 2022 or concluding in 2023. We also understand that the Department of Finance is working with the SEUPB to ensure PEACEPLUS opens as soon as possible in order to minimise any potential gaps, and that the timing of funding calls is subject to the conclusion of negotiations between the EU and the UK Government.
- 8.19** Further, the Commission understands that PEACE IV and PEACEPLUS are two distinct and separate funding streams and that there is no mechanism for the SEUPB to provide gap funding to PEACE IV projects in anticipation of PEACEPLUS beginning. It is therefore essential that the Northern Ireland Executive should provide bridging solutions for organisations supporting Section 75 groups who benefit from and rely on such funding to provide much needed services.

184 Rory O’Connell and Tim Cunningham, [Impact of Brexit on Section 75 Equality Groups in Northern Ireland: EU Funding](#), Equality Commission for Northern Ireland, 2022, page 59.

185 Ibid.

Funding for small organisations

The Commission recommends that, in line with the SEUPB's commitment, PEACEPLUS funding should enable smaller organisations to access funding provision.

Supporting rationale

- 8.20** The research report stated¹⁸⁶ that participants had expressed concern that PEACE monies were increasingly aimed at larger organisations, leaving smaller community groups without support.
- 8.21** The research report also indicated¹⁸⁷ that there was a perception that PEACE IV had been more geared towards larger projects and organisations and that smaller civil society groups lacked the capacity to apply for or manage PEACE funding. However, sometimes larger umbrella organisations might be successful in applying for fundings and then invite smaller organisations to deliver the project.
- 8.22** Issues relating to the management of PEACE grants were also raised in the research report, stating that 'smaller civil society groups lacked the capacity to apply for or manage PEACE grants or at least this was the perception.'¹⁸⁸
- 8.23** The Commission welcomes that the SEUPB has committed to ensuring that PEACEPLUS funding will ensure continued PEACE support to small organisations.¹⁸⁹ It also welcomes the commitment of the SEUPB to streamline and simplify the process.
- 8.24** Smaller organisations play an important role in working to promote good relations, so it is critical that barriers to their accessing funding are removed, where possible. The Commission notes that PEACEPLUS funding is yet to be awarded and awaits the outcome of the funding allocations to understand the impact of this commitment for smaller organisations.

Equality Commission, May 2022.

186 Rory O'Connell and Tim Cunningham, [Impact of Brexit on Section 75 Equality Groups in Northern Ireland: EU Funding](#), Equality Commission for Northern Ireland, 2022, page 60.

187 Ibid. page 61.

188 Ibid. page 61.

189 Under Theme 1 'Building Peaceful and Thriving Communities', the SEUPB has, within Strand 1, developed the 'The Empowering Communities to Embed Peace Small Grants Programme', which will "will enable participation by smaller organisations who can often be best placed to effect real change and embed peace at local community level, through the provision of a small grants programme, with more streamlined and simplified bureaucracy and access." (See: Special EU Programmes Body, European Territorial Co-Operation 2021 - 2027 Preparing the EU PEACEPLUS Programme for the 2021 - 2027 period, [Consultation Information Document](#), page 30).

Equality Commission

FOR NORTHERN IRELAND

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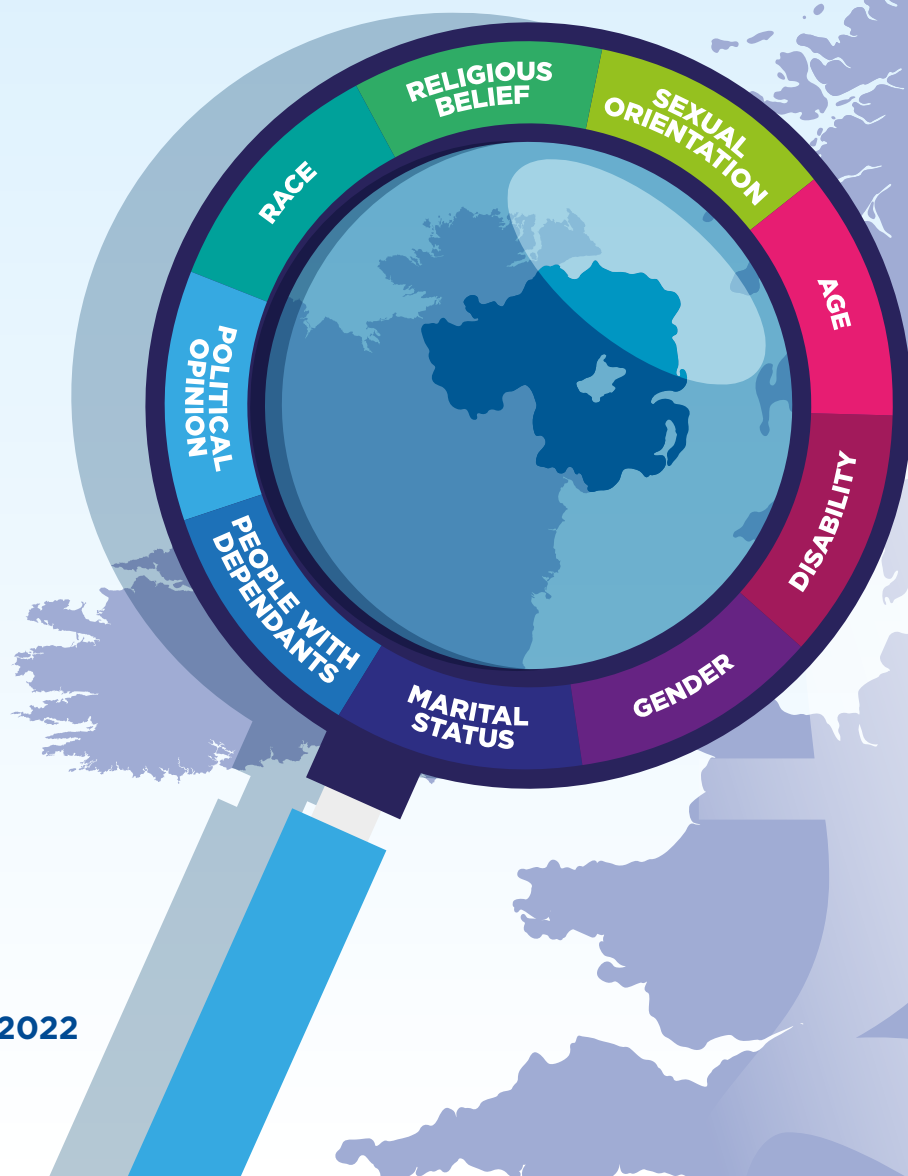
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