

Equality Commission

Northern Ireland

Funding for Equality Groups in NI

The impact of the transition from EU

Funding to UK Shared Prosperity Fund

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Horizons Research



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The views expressed within this paper are those of the authors, and any statements, errors, or omissions within this report rest with the authors.

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List of Abbreviations

CO3	Chief Officers Third Sector
DfE	Department for the Economy
DLUHC	Department of Levelling Up, Housing and Communities
ECNI	Equality Commission for Northern Ireland
EI	Economic Inactivity
ERDF	European Regional Development Fund
ESF	European Social Fund
ESIF	European Structural and Investment Funds
EU	European Union
GB	Great Britain
GDPR	General Data Protection Regulation
IFS	Institute for Fiscal Studies
IPPR	Institute for Public Policy Research
LGBTQIA	Lesbian, Gay, Bisexual, Transgender, Queer, Intersex, Asexual, Plus
LGIU	Local Government Information Unit
MHCLG	Ministry of Housing, Communities and Local Government
NI	Northern Ireland
NIHRC	Northern Ireland Human Rights Commission
NICVA	Northern Ireland Council for Voluntary Action
NIUSE	Northern Ireland Union of Supported Employment
SEUPB	Special EU Programmes Body
SOLACE	Society of Local Authority Chief Executives
TEO	The Executive Office
UK	United Kingdom
UKG	United Kingdom Government
UKSPF	United Kingdom Shared Prosperity Fund

Executive Summary

Background and Aims

This report examines the impact of Brexit on Section 75 equality groups in Northern Ireland (NI), with a focus on impacts resulting from the transition from EU structural funding to the United Kingdom Shared Prosperity Fund (UKSPF). This project has been commissioned by the Equality Commission for Northern Ireland, and has been undertaken by Horizons Research. This is a follow-on study to the expert report produced by O’Connell and Cunningham in 2022.¹ The research analyses the development, design, delivery and implementation of the UKSPF, and the impacts of the funding transition on equality groups and good relations in NI.

Methodology

We employed a mixed-methods and comparative approach to the question of post-Brexit funding impacts on Section 75 equality groups in NI, and the design and implementation of the UKSPF, which we conducted in three stages. Data collection methods included: (1) a review of the literature; (2) semi-structured research interviews with stakeholders, including NI and UK policy-makers, NI voluntary and community sector organisations, and representatives of equality groups in NI; (3) an online survey with organisations supporting equality groups in NI; (4) a quantitative analysis of UKSPF funding in comparison with the previous rounds of European Social Fund (ESF) and European Regional Development Fund (ERDF) funding; (5) the construction of five case studies providing greater contextual analysis and depth around the equality impacts of the loss of EU funding and transition to the UKSPF; and (6) an engagement event in Belfast with key stakeholders, to solicit feedback on interim results and engage in a futures thinking workshop around funding models.

¹ O’Connell, R. and T. Cunningham (2022) *Impact of Brexit on Section 75 Equality Groups in Northern Ireland: EU Funding*, Belfast: Equality Commission for Northern Ireland.

Key Findings

(a) Development and design of the UKSPF

The previous Conservative UK Government made an initial commitment to create a United Kingdom Shared Prosperity Fund in their 2017 Conservative and Unionist Party manifesto², and the UKSPF Prospectus was published in April 2022. During that period, the UK Community Renewal Fund helped to provide an important bridge between the end of the Brexit transition period and the launch of the UKSPF. Few details were released about the UKSPF prior to April 2022, and there was no full public consultation on the design of UKSPF.

The period immediately following the publication of the UKSPF Prospectus in April 2022 coincided with the collapse of the NI Executive. A decision had previously been made for the UK Department of Levelling Up, Housing and Communities (DLUHC, which was later renamed the Ministry of Housing, Communities and Local Government) to manage the UKSPF in NI. This was in contrast to the rest of the UK, where Local Authorities were the managing authorities. This was also in contrast to the EU structural funding, which had been managed by the NI Department for the Economy.

DLUHC established a UKSPF NI Partnership Group to develop a UKSPF Investment Plan for NI following a series of engagements with communities in NI. While DLUHC made significant efforts to engage with communities, the voluntary sector and businesses in NI to inform the development of the UKSPF NI Investment Plan, some organisations which participated in this research felt they were not sufficiently consulted. Furthermore, the NI Executive – despite an invitation from DLUHC to act as secretary for the NI Partnership Group – felt unable to participate in the UKSPF as DLUHC was not designated under Section 75 of the Northern Ireland Act (1998) and there were consequently legal concerns about this.

The UKSPF Investment Plan was published on 5 December 2022, giving funding applicants 6 weeks (from 14 December 2022 to 27 January 2023) to absorb the requirements of the new funding for NI, explore partnerships with other organisations to form project consortia (which was a new focus of the UKSPF funding), and prepare and submit their project applications. However, the real issue of time pressures emerged when the UK Government did not announce a list of successful projects in NI until 31 March 2023 – the day that ESF funding ended. This created significant anxiety within the sector and resulted in the significant loss of staff owing to redundancies, which impacted on the ability to deliver services.

(b) UKSPF divergence from previous EU funding

The UKSPF is a very different model compared to the EU structural funds that it follows. In the 2020 Spending Review, the UK Government committed to ‘replacing’ the ESF and ERDF through the UKSPF. However, over time, this commitment changed from ‘replacing’ the EU funds to being a ‘successor’ of those funds. The UKSPF thus did not have the same requirements as the EU structural funds. There were a number of ways in which the UKSPF diverged from the previous EU funds:

- in the amount of funding being awarded (see below)
- in the focus of the fund, away from promoting social inclusion to focusing on tackling economic inactivity and ‘levelling up’ places across the UK; and
- in the management of the funds (with DLUHC managing the UKSPF NI, rather than the NI Department for the Economy, which managed the EU funds)

Notably, the UK Levelling Up agenda strongly influenced the design of the UKSPF, marking a shift away from the emphasis of the EU structural funding on social inclusion to the UKSPF focus on economic inactivity and reducing inequality between places. To elaborate, under the ESF programme, a positive destination for an individual could be moving towards employment/economic activity *or* social inclusion. In contrast, under the UKSPF the main positive outcome has been how many project participants become economically active and gain employment. This distinction between the two funding programmes has affected the type of service users that projects are able to help, with UKSPF recipient organisations informing us that the transition to UKSPF has meant that they have had to turn away service users who do not fall into the economic inactivity category, resulting in organisations being able to help fewer people.

(c) Overall financial impacts of the loss of EU funding

The UKSPF represents a significant shortfall in funding compared to the previous EU structural funds (ESF and ERDF). Compared to the total sum for ERDF and ESF structural funding levels in NI in 2014-20, there was a shortfall of approximately £20-£23 million per year on average for NI (accounting for currency fluctuations and rounding) between the UKSPF (2022-25) and previous EU funding levels (2014-20), representing a reduction of approximately 32-34%. Moreover, as £22.6m of UKSPF NI funding was repurposed and allocated to the NI Executive as part of the Executive Restoration Package settlement, this meant that the actual annual average amount allocated to the UKSPF in NI over 2022-23, 2023-24 and 2024-25 has been £35m, equating to a 43.8% reduction in comparison with the ESF/ERDF average of £62.7m.

When specifically comparing ESF funding in NI (which played a key role in supporting social inclusion and employability for equality groups) to subsequent UKSPF economic inactivity funding, the total annual average amount received by projects fell from £41.4m under ESF Call 3 (2022-23) to £28.8m under the UKSPF (a shortfall of 30.4%).

It is important to note two points in relation to this comparison between EU (ESF/ERDF) and UKSPF funding. Firstly, when comparing ESF funding levels in NI to subsequent UKSPF economic inactivity funding, it is important to note that while the ESF had a required match-funding component (of 35% of funds), the UKSPF did not require this. In terms of core contribution, the level of funding allocated by the UK Government to the UKSPF is comparable to (and indeed slightly higher than) the core EU/NI Department for the Economy contribution to the ESF (without the match-funding component). This suggests that the absence of match-funding to complement the UKSPF (which under ESF often came through NI Executive Departments) is an important factor in explaining the adverse financial impacts experienced by voluntary and community sector organisations as a result of the funding transition.

Secondly, the UK Government designed the UKSPF funding to ‘taper in’ as ESF and ERDF spending tapered down, reflective of the fact that ESF/ERDF investment allocated through the 2014-20 Operational Period continued to be spent up until the end of 2023. This involved what has been described as a method of ‘double-counting’ of EU funding during the first two years of the UKSPF, which was criticised by stakeholders across the UK. The tapering method led to lower levels of UKSPF funding in the initial two-year period (2022-24). Importantly, the UK Government’s tapering calculation did not acknowledge the fact that new EU funding would have been allocated to NI if it had not been for Brexit. Due to a lack of available data, it is difficult to assess the extent to which the remaining EU structural funds that continued into the first two years of UKSPF may have ameliorated the overall funding shortfall in NI.

(d) Delivery of the UKSPF and financial support for equality groups

The delivery of the UKSPF in NI has seen £57.6m million allocated to projects in NI over the two-year period from March 2023-25. This funding pot was split amongst 18 projects, the majority of which are consortia involving multiple project partners. These projects were aimed at addressing economic inactivity, in line with the primary objectives of the fund, most of which have incorporated at least a partial focus on improving outcomes amongst one or more Section 75 equalities groups. For instance:

- Two projects (£16.7m) aimed specifically at people with disabilities and one (£4.8m) incorporated a strong focus on people with disabilities. In terms of size of financial allocation, projects supporting people with disabilities represented the largest equalities-related focus of both UKSPF and ESF funding in NI, accounting for 37.2% of economic inactivity (EI) UKSPF funding in 2023-25.
- Three projects (£7.98m) aimed specifically at young people, which represented the second-largest equalities-related focus of UKSPF EI funding, which received 13.9% of funding for economic inactivity under UKSPF.
- Two projects (£2.14m) aimed specifically at women, which accounted for 3.7% of total UKSPF funding to NI in 2023-25.
- There was one UKSPF funded project (£0.48m) that aimed at supporting migrant and ethnic minority participants who are economically inactive, accounting for 0.8% of total UKSPF economic inactivity investment.
- While not a Section 75 equality characteristic, there is one UKSPF funded consortium that seeks to support ex-offenders (£1.56m), accounting for 2.7% of funding.

In addition, eight economic inactivity UKSPF projects in NI (amounting to £23.9m) have been oriented more generally towards the economically inactive. In the interviews, we were informed that these projects have sought to support particular equality groups such as people with disabilities, but eligibility for them under the UKSPF rules is based on economic inactivity. Some of these more general projects also include organisations with a particular Section 75 relevance as partners.

With regards to funding levels for specific Section 75 equality groups, our financial analysis has revealed that there is now less funding available to projects supporting people with disabilities, young people and women under the UKSPF (2023-25) than there was under the 2014-20 ESF programme. In contrast, there is slightly more funding being allocated to projects targeted at ethnic minority people, and more aimed at projects with a more general focus on supporting economically inactive individuals (some of which incorporate a partial focus on individuals from Section 75 groups).

(e) Impacts of transition to UKSPF on Section 75 equality groups

This research has found that equality groups, and the community and voluntary organisations that represent, support or serve them, have as a whole been adversely affected by reductions in funding at the UK (UKSPF) and NI (match-funding) levels.

UKSPF-funded organisations in NI received reductions in funding in comparison to the ESF of up to 50%. There were significant staff losses when UKSPF allocations were announced on 31 March 2023, with ongoing recruitment and retention issues across the sector. There has been a strong sense from those we spoke to, that the post-conflict legacy and needs of NI have not been fully taken into account, and many organisations indicated that they had been unable to continue supporting service users due to the strict criteria around economic inactivity. Thus, equality groups, and the community and voluntary organisations that represent, support or serve them, have experienced a number of common impacts as a result of the loss of EU funding and transition to the UKSPF.

However, through the comparative case study analysis, the evidence also suggests that the transition to the UKSPF has affected groups differently. The project has found that some equality issues received more funding than others; some organisations were more adversely affected by the transition to the UKSPF (losing out on funding or cutting services) than others; while some organisations experienced indirect effects of the loss of EU funding, including more competition for funding elsewhere.

We have suggested that these differences in impacts are the result of several different types of factors. These include: factors that are internal to organisations that have enabled them to respond effectively to the changes in the UKSPF model (based on their resources, capacity and networks); factors resulting from the specific requirements of the UKSPF funding that some organisations have been better-placed to satisfy than others (alignment with economic inactivity focus, ability to form consortia around the UKSPF requirements); and factors associated with structural barriers within NI (for example geographical inequalities, and size of equality group population cohorts).

Notably, the move to consortium working associated with the transition to the UKSPF has been broadly welcomed by organisations we spoke to who are a part of successfully, funded consortia. However, there was a perception, including amongst those from previous ESF recipients who were not successful in accessing UKSPF funding, that the consortium bidding process favoured larger and Belfast-based organisations who were able to offer NI wide provision through their consortia. Other research on the impact of Brexit on third sector organisations in NI has similarly found that smaller organisations and rural communities have been particularly affected by the cessation of ESF funding.

(f) Equality considerations of UKSPF in NI

The UKSPF Guidance note on 'Equalities' states that local authorities in Great Britain are required to meet their statutory obligations under the UK Equality Act (2010) in carrying out their duties in relation to the fund. However, in the UKSPF guidance note, no mention is made of the equality responsibilities of authorities *outwith* Great Britain, that is, in Northern Ireland, where the Equality Act (2010) does not apply and where equal opportunities and discrimination are 'transferred matters' under the Northern Ireland Act (1998), notably the equality provisions for Section 75 groups.

The UKSPF NI Investment Plan acknowledged that DLUHC (renamed MHCLG) was not a designated body for the purposes of Section 75 of the Northern Ireland Act (1998). However, it also recognised the need to give 'due regard to the additional equalities considerations that apply in Northern Ireland,' including the Section 75 categories, despite the DLUHC not being a designated body under Section 75.

Research participants in the NI policy community criticised the absence of a strong equality focus in the UKSPF funding, and the lack of designation of DLUHC under Section 75. It was felt that a Section 75 designation of the managing authority for the UKSPF would ensure that funding processes and procedures were compliant with NI public sector equalities duties and the specific requirements that come with this, such as the completion of an Equality Impact Assessment to assess implications for Section 75 equality groups in advance of the implementation of the UKSPF funding. Moreover, concerns around DLUHC's lack of Section 75 designation led to NI Executive and NI Departments' concerns about the inability of the UKSPF to properly consider Section 75 equalities issues, which, in turn, led to their decision to not sit on the NI Partnership Group.

(g) UKSPF Impacts: NI comparison with the rest of the UK

In our comparative analysis of NI with the rest of the UK, we have found that there have been a number of similar UKSPF impacts. These include funding shortfalls resulting in severe financial impacts for third sector organisations, leading to the loss of jobs; a lack of clear and timely guidance around UKSPF processes, including applications; and shorter funding timeframes compared to EU structural funding. However, there have also been notable differences, due to the specific situation of NI. In particular, the context in NI is informed by the presence of considerably higher rates of economic inactivity due to sickness and disability than across the rest of the UK, and lower rates of employment and economic activity amongst women.

The central management of the UKSPF in NI by DLUHC (renamed MHCLG) and late notification of successful UKSPF projects on 31 March 2023 are also distinctive to the NI case. In contrast, a local authority-led commissioning model is in place across the rest of the UK (though delays in the confirmation and allocation of funding have also taken place in some local authority areas in Great Britain).

Conclusions: benefits and challenges of the funding

This project has found that the transition to the UKSPF has been associated with a range of challenges, as well as some benefits, for equality groups in NI.

Stakeholder research participants have identified five key benefits of the UKSPF funding:

- 1 The availability of funding (despite perceived shortcomings, elaborated below).
- 2 Benefits from project partnerships, collaboration and consortia-working.
- 3 Greater flexibility in making changes to the funding mid-project and less onerous reporting requirements (compared to the ESF).
- 4 Good relationships with DLUHC (renamed MHCLG) staff managing the UKSPF.
- 5 A cost model that includes staff sickness and maternity leave.

On the other hand, stakeholders raised a number of concerns around the transition to the UKSPF, which has created challenges for voluntary and community organisations supporting Section 75 equality groups. These include the following issues:

- 1 Funding shortfalls (compared to previous EU funds), which had a detrimental impact on the delivery of services and support for reducing inequalities in NI.
- 2 Short and long-term impacts of the ‘cliff edge’ late announcement of UKSPF funding on 31 March 2023, which led to staff losses and recruitment issues.
- 3 Shorter time-scales for UKSPF funding, which was considered insufficient to enable organisations to fully support people into being economically active.
- 4 Minimal consultation with local partners by the previous UK Government in the design and development of the UKSPF prior to the release of the Prospectus.
- 5 The narrow focus on economic inactivity in the UKSPF, which did not account for wider social and economic barriers that equalities groups in NI faced.

- 6 The absence of a 'social inclusion' focus in the UKSPF, which was embedded in the previous ESF funding and was viewed as important for bridging divided communities (and including participation of excluded groups in society) and addressing the high rates of deprivation, unemployment and disability in NI that have been associated with the legacy of the Troubles.
- 7 A view that the UKSPF funding did not sufficiently address geographical inequalities in NI and tended to favour larger organisations with pan-NI reach and/or were based in Belfast, disadvantaging smaller and rural organisations.
- 8 The lack of devolved input into previous UK Government decision-making on the UKSPF, owing to concerns within the NI Executive that DLUHC (renamed MHCLG) was not designated under Section 75 of the Northern Ireland Act (1998).
- 9 The lack of a match-funding element, which significantly reduced the money available to organisations under the UKSPF.
- 10 UKSPF funding shortfalls led to greater competition for other resources (such as funding from trusts and foundations), squeezing out some organisations.
- 11 The lack of designation of DLUHC (renamed MHCLG) in respect of Section 75, and therefore its compliance with the Section 75 equality duty in NI, created a number of challenges. These included NI Executive concerns about the inability of DLUHC to properly consider Section 75 equalities issues. Further stakeholders considered that these concerns had contributed to relevant NI departments not working closely with DLUHC on the new funding programmes. Stakeholders in the NI policy community suggested that this had in turn led to the absence of a close alignment of UKSPF funding priorities with devolved NI policy areas. In addition, they felt that the lack of designation had resulted in a lack of an Equality Impact Assessment of the UKSPF prior to its implementation.

Recommendations

In the October 2024 Autumn Budget, the current Labour UK Government announced an extension to the UKSPF funding for one year from 1 April 2025 to 31 March 2026. This was presented as a ‘transitional arrangement’ in advance of wider funding reforms. This extension involves a reduced level of UKSPF funding amounting to £900m for the year. At the time of writing, 2025-26 allocations below the UK-level (including for NI projects receiving funding thus far) have not yet been announced. It should be noted, however, that organisations that did not receive UKSPF funding under the first round in 2023-25 in NI would not be able to get funding during the extension in 2025-26. Furthermore, the impact of that reduced level of funding on equality groups in NI is not yet known.

However, the one-year extension to the UKSPF funding means that there is now time to review the funding model to meet the needs of communities in NI in advance of wider reforms. We have set out a number of recommendations, based on the findings from this research, to consider when reviewing and redesigning future funding models.

Our recommendations are designed to ensure that the future funding model better supports the delivery of services to Section 75 equality groups and the promotion of equality of opportunity in NI. These recommendations have been grouped into four thematic areas. Furthermore, these recommendations are aimed at the UK Government, unless stated otherwise.

Theme A: Funding amount and duration

Recommendation 1: Funding amounts

To increase funding available from the 2026-27 funding cycle onwards, to more closely align with amounts received by NI from EU structural funds (ESF and ERDF) during 2014-2020 (and updated for inflation since then). This would be in line with the UK Government’s previous commitment to match the EU funds through the UKSPF.

Recommendation 2: Match funding

Together with NI Departments, to explore the possibility of re-introducing an optional match-funding element (to increase the overall amount of funding being awarded). Match-funding should be optional, rather than a mandatory part of funding.

Recommendation 3: Filling in funding gaps

For NI Departments, to explore alternative means to fill the gaps in funding under current and future funding models. This should include considering how to support organisations that cannot apply for the UKSPF in 2025-26.

Recommendation 4: More autonomy over funding by local partners

To remove practices of the UK Government ‘top-slicing’ funding (that is, reserving a certain amount of UKSPF funding for specific projects that are centrally mandated) as was the case with the Multiply adult numeracy programme. Instead, the UK Government should enable local partners to choose to opt-in to national programmes or to use these funds for other projects. This would help to ensure that local partners have the autonomy to address the unique needs and priorities of communities in NI.

Recommendation 5: Longer time horizons

To create longer multi-year funding periods for the UKSPF. Previous EU funding was structured over a 7-year period with an additional three years for potential roll-overs, while the first tranche of the UKSPF was only for two years. Going forward, the UKSPF should revert to longer-term multi-year funding tranches (of at least 3-5 years, if not the EU standard of 5-7 years) to support local communities.

Recommendation 6: Flexibility and full-costing

To maintain the flexibility of the first round of the UKSPF to enable organisations to repurpose and reprofile funds if necessary in the course of the project implementation. Future UKSPF funding should continue to use the positively-received practice of a full cost model to cover staff costs, such as when staff are on sick leave or maternity leave.

Theme B: Management and delivery of funding

Recommendation 7: Appropriate reporting

For the managing authority, to ensure that monitoring and reporting requirements for the UKSPF are measured and appropriate. A target would be reporting requirements that are sufficient for transparent and thorough monitoring and evaluation, but not so onerous as to be an administrative burden to organisations.

Recommendation 8: Clear and timely communications

For the managing authority, to ensure that the application process for future UKSPF funding is clearly and effectively communicated to potential recipients. This includes giving sufficient advance notice of deadlines, providing clear guidance for potential applicants, ensuring that all potential applicants are notified, and communicating funding decisions in a timely fashion to avoid any future 'cliff edge' scenarios.

Recommendation 9: Support for potential applicants

For the managing authority, to provide support to organisations that require additional help in preparing funding applications and building project partnerships. This will help to ensure a more level playing field for all potential applicants (whether they are large or small organisations, serving urban/rural geographies, and with local or NI-wide reach). This could also serve to help organisations with staff who have any language barriers.

Recommendation 10: Specific funding streams

To create specific funding streams within overall UKSPF models that seek to address disadvantage amongst equality groups, for instance, for those living in rural areas and for smaller organisations that represent or provide services to equality groups. Specific funding streams could help target money to fund projects that help groups at the greatest risk of discrimination and those furthest from the labour market.

Theme C: Policy alignment and equalities impacts

Recommendation 11: Expand the criteria and focus

To broaden the scope and permitted eligibility criteria of UKSPF funded activities. This would involve a move away from the strict focus on economic inactivity and quantifiable employment outcomes, towards a broader social inclusion focus (as with the ESF funding) that enables organisations to support people with different experiences of labour market participation. This includes broadening the criteria of

target groups eligible to benefit for funding, so as to enable organisations to support people who are unemployed, those who require supported employment, those who are experiencing low-wage job insecurity, those who are focussed on skills development through education and training, or those who are in need of support to overcome societal barriers. This shift in focus would allow funded organisations to support a wider range of people from equalities groups.

Recommendation 12: Align with NI devolved policies

To ensure that future UKSPF/EU replacement funding is joined up with NI devolved policies through the involvement of the NI Executive in the development, design and implementation of future funding models in NI. This could entail either the delivery of the UKSPF through the NI departmental structures, or at the very least the formal involvement of the NI devolved administration in decisions around strategic priorities, allocations and management of the funding, including an enhanced role for the NI Executive in UKSPF decision-making, and data-sharing between the UK Government and NI departments on the roll-out and impacts of the funding.

Recommendation 13: Designation under Section 75

To ensure that the managing authority for the UKSPF funding in NI (currently MHCLG) is designated under Section 75, so that UKSPF funding processes and procedures are compliant with Section 75 of the Northern Ireland Act (1998). This designation will ensure that funding policies and procedures are compliant with the NI public sector equality duties, and the specific requirements that come with this, such as the carrying out of an Equality Impact Assessment to assess implications for equality groups.

Recommendation 14: Building equalities into the funding

To ensure that the promotion of equality is more fully built into the next funding criteria, beyond the designation of the managing authority with Section 75 and compliance with equality scheme processes in line with that duty. This may involve, for instance, developing an equality strategy and plan for the UKSPF funding; embedding equality goals and approaches into all relevant funding materials and guidance manuals with reference to good practice; ensuring that equalities principles are embedded into project selection, reporting and monitoring; giving consideration in the funding prospectus of how to reduce intersectional inequalities; and providing training on equal opportunities to individuals involved in the development and delivery of the funding.

Recommendation 15: Aligning funding with NI equalities strategies

To ensure that the development of equality criteria for future post-Brexit funding models in NI is aligned with the new, revised and updated NI social inclusion strategies, which are due to be published by the NI Executive; and to identify areas where there are gaps (for instance in the area of LGBTQIA+ inclusion) to support all equality groups in NI, in certain circumstances.

Recommendation 16: Equalities experience on funding panels

To ensure that funding bodies are fully informed of the experiences and barriers that equality groups face, and funding decision-making bodies and panels have a mix of experiences. Consideration should be given to appointing individuals and organisations representing different equality groups to funding panels. This would help ensure fair representation and avoid the risk of equalities groups being left out of key decisions.

Theme D: Future decision-making and consultation

Recommendation 17: Robust data

To ensure that future funding allocations are based on up-to-date and robust data, including equality data that is disaggregated, to better address the specific needs of communities and to monitor outcomes relating to equality. Researchers have found that the financial allocation of the UKSPF is based on outdated data,³ whereby the UK Government used the 2014-2020 allocation of EU funding as a reference for UKSPF funding (which was collected prior to 2014). This means that the underlying data for the UKSPF is now over ten years old, and much has changed since then, including as a result of the impacts of Covid-19, inflation, and the cost-of-living crisis, which have led to an increase in deprivation, unemployment and economic inactivity in NI. Future funding should be based on updated and robust economic and social data, including equality data, in NI.

Recommendation 18: Substantive consultation

To develop a strategy for a substantive consultation process on future funding models in NI. This should include a detailed plan for engagement around the design of the next phase of the programme, consulting specifically on the promotion of equality in NI and how to best achieve this. The consultation strategy might involve identifying (a) key organisations to be involved in the design of the funding (that is, UK Government, NI departments, local government, voluntary and community sector organisations); (b) mechanisms to ensure effective

3 Institute for Fiscal Studies (2022), *IFS response to UK Shared Prosperity Fund*.

communication amongst organisations involved in the development of the funding; (c) organisations to be consulted (with the aim of being inclusive of all equality groups); and (d) methods to enable and encourage organisations to engage in the consultation process (being mindful of consultation fatigue and geographical/language/financial/other barriers to participation).

Recommendation 19: Provide clarity on future funding

To avoid another crisis in the voluntary and community sector in NI, which happened as a result of the cliff-edge funding announcement on 31 March 2023, clarity should be provided on the post-March 2026 funding within a sufficient timeframe to allow for adequate consultation, planning and preparation for wider funding reforms.



1

Background, aims and methodology



1.1 Background

This report has been commissioned by the Equality Commission for Northern Ireland to examine the post-Brexit impacts of the transition from EU structural funding to UK replacement funding on Section 75 equality groups in Northern Ireland (NI). This is a follow-on study to the expert report produced by O’Connell and Cunningham in 2022.⁴ The research analyses the development, design, delivery and implementation of the UK Shared Prosperity Fund, the actual and potential social and economic impacts of the funding transition on equality groups and good relations in NI, and develops recommendations to improve funding mechanisms in future.

1.2 UK context

Over two years after the UK left the European Union (Brexit), the previous Conservative UK Government launched the UK Shared Prosperity Fund (UKSPF) in April 2022, with a pot of £2.6 billion to be distributed to nations and regions to ‘level up’ local economies over a 3-year period until March 2025. The Conservative Government at the time stated that the fund would ‘match’ previous EU funding to ensure that communities across the UK would continue to be supported.⁵

The UKSPF replacement fund was proposed as being more ‘flexible and locally led’ than the European Social Fund (ESF) and European Regional Development Fund (ERDF). UK communities would benefit from an end to the ‘bureaucratic, rigid and complex processes of EU structural funds’ and the previous Conservative UK Government made a clear commitment to ‘match what was previously spent.’⁶



4 O’Connell, R. and T. Cunningham (2022) *Impact of Brexit on Section 75 Equality Groups in Northern Ireland: EU Funding*, Belfast: Equality Commission for Northern Ireland.

5 UK Government (2022) *UK Shared Prosperity Fund: Prospectus*, London: UKG.

6 UK Government (2022) Press Release: Communities across UK handed control of £2.6 billion levelling up funding, 13 April.

The Secretary of State for Levelling Up at that time, the Rt Hon Michael Gove MP, said that, “We have taken back control of our money from the EU and we are empowering those who know their communities best to deliver on their priorities.”⁷

However, since this announcement was made, a number of community groups, charities and devolved public officials have questioned whether the UKSPF has lived up to its promises. The Welsh and Scottish governments have, for instance, criticised the shortfall in funding compared to previous EU structural funds and the centralised nature of funding allocations that have excluded devolved administrations.⁸

Some Local Enterprise Partnership leaders in England criticised the roll-out of the UKSPF as a ‘shambles’ due to the slow allocation of funding and uncertainty around requirements, making it difficult to ensure continuity of projects.⁹

Separately, the Institute for Fiscal Studies (IFS) described the UKSPF as using an ‘arbitrary, poorly designed, out-of-date funding allocation mechanism’ that did not account for population size or change.¹⁰ In its study of Welsh councils, the IFS found that the deprivation element of the funding formula does not account for population size, meaning that ‘two areas with the same levels of deprivation receive the same total funding from this element, irrespective of how big their populations are’.¹¹

After Labour won the UK General Election in July 2024, it proposed in its Autumn Budget to continue the UKSPF at a reduced level for an additional year. The Labour Government committed to providing £900 million in funding across the UK to ‘allow local authorities to invest in local growth’ during 2025-26. This was presented as a transitional arrangement to provide ‘as much stability as possible in advance of wider local growth funding reforms.’ While few details have been released at the time of writing (January 2025) on what those funding reforms might look like after March 2026, there is some indication from Labour Ministers that this could involve greater devolution of the funding to the regions and nations of the UK. For instance, in response to a question about future UKSPF funding for Wales, Lord Khan of Burnley, a UK Labour Government minister responsible for regional aid, said in December 2024 that,

7 UK Government (2022) *Communities in Scotland handed control of £212m levelling up funding*, 13 April.

8 See Scottish Government (2022) *EU Replacement Funding 60% Shortfall*, Edinburgh, 30 December; and Civil Society Media (2023) *Government criticised over EU replacement funding as charity closes*, 22 September.

9 According to Steve Rotheram, Labour mayor for Liverpool City Region, in an interview with the Financial Times. See Williams, J. and P. Foster (2023) ‘Post-Brexit grants mired in red tape and uncertainty, warn local leaders’, *Financial Times*, 18 June.

10 IFS (2022) *IFS Response to Shared Prosperity Fund*, 13 April.

11 IFS (2022) *UK Shared Prosperity Fund allocations for Welsh council are flawed, costing some areas millions*, 18 July.

“We have brought in a transitional year to prepare for post March 2026. All these conversations are yet to be had ... This Government is committed to restoring relationships with devolved governments and showing the utmost respect to the devolution settlement. We are working closely with the Welsh Government to discuss our commitment to restore decision-making on structural funding to representatives of Wales.”

Another decision by the incoming Labour UK Government was to change the name of the governmental department administering the UKSPF, which involved removing the words ‘Levelling Up’ from its title. The Department for Levelling Up, Housing and Communities (DLUHC) was renamed the Ministry for Housing, Communities and Local Government (MHCLG). This signalled that the Levelling Up agenda – which was at the heart of the previous Conservative Government’s growth agenda, and underpinned the core themes and priorities of the UKSPF – was likely to change under Labour.

1.3 Northern Ireland context

The wider funding context and extensive budget cuts in NI have had significant impacts across sectors, deeply affecting public services. These financial constraints have led to the reduction or even closure of some essential services, impacting on, for example, health care, education, and social services. This, arguably, has exacerbated inequalities within communities.¹² The cuts have also stalled public infrastructure projects, hindering economic growth and development prospects.

In NI, where the power-sharing Executive was restored on 3 February 2024 after a two-year gap,¹³ the impacts of the transition from EU structural funds to UK replacement funding have arguably been greater. This is due to several factors.

NI did not have an operating Executive or Assembly from the time of the devolved election in May 2022 until February 2024. During this period, DLUHC (which was renamed the Ministry for Housing, Communities and Local Government after Labour won the election in July 2024) had control over the allocation of UKSPF funding for NI.

12 ECNI and NICVA (2023) Budget Cuts and Inequality in Northern Ireland, Joint Press Release 26 October.

13 McLoughlin, P. (2024) ‘Northern Ireland deal to restore power-sharing after two year gap – how it happened and what comes next’, *The Conversation*, 30 January. Stormont was restored after two years of political deadlock following the publication of the UK Government’s (2024) ‘Safeguarding the Union’ command paper’ and the DUP’s agreement to new post-Brexit trade arrangements.

The previous Conservative UK Government’s decision to make DLUHC the managing authority for the UKSPF in NI, rather than allocating funds to Local Authorities in NI, was taken prior to the collapse of the NI Executive in May 2022, with the UKSPF Prospectus being published the month previously. As one UK civil servant explained in an interview, substantive engagement took place after April 2022:

“The fund was announced in the Autumn of 2021, but it was April 2022 when we published the Prospectus for the UKSPF, and that was the starting point for substantive engagement right across the UK and the development of investment plans. The Investment Plan for Northern Ireland was started around that time. There was a period between April to June when we, along with the Northern Ireland area team and other parties in the [DLUHC] department, were working with Northern Ireland’s officials [and] there was ministerial-level discussions about the extent to which we could include and engage Northern Ireland officials and Northern Ireland Departments in formal structures and more informally in the design and development of the Investment Plan.”¹⁴

The lack of a functioning NI Executive during this crucial period of ‘substantive engagement’ on the UKSPF created challenges for NI representatives in fully engaging with the UK Government on the funding transition or evaluating the potential impacts of the UKSPF on NI equality groups. Specifically, NI elected officials were unable to have a say in the design and initial implementation of the funding, for instance regarding procedures for reopening competitions for projects that had narrowly missed out on funding. Nor were NI elected officials able, during February 2022-January 2024, to pass legislation, including budgets, to provide any match-funding or equivalent for community groups.

The ‘absence of devolved government’ in NI was also cited by DLUHC at the time as a reason for temporarily withholding ‘Levelling Up’ funding for NI amounting to £57m, including elements of the UKSPF, in November 2023.¹⁵

Members of the voluntary and community sector in NI described a ‘funding crisis for vital services’ because of the transition to UK replacement funds.¹⁶ In March 2023, representatives of 1,000 community groups in NI organised a demonstration in Belfast to protest the proposed cuts in funding, which had led to projects facing

14 Interview with UK civil servant, 3 May 2024.

15 BBC (2023) ‘Levelling Up: £57m withheld from Northern Ireland due to Stormont collapse’, 23 November.

16 Belfast Telegraph (2023) ‘DUP and Sinn Fein call on UK Government to ‘fulfill their promise’ and replace EU funding for community groups’, 28 March.

redundancies, reduced services and closures. These cuts coincided with an overall reduction of £130 million (or 16%) in the 2023-24 Budget for NI announced by the Secretary of State for Northern Ireland, compared to the Draft Budget 2022-25.¹⁷

1.4 Aims and objectives of the research

This research is being undertaken to assess the impact of the post-Brexit transition from EU funding on equality of opportunity and good relations for Section 75 equality groups in NI. In order to build an evidence base of post-Brexit funding changes and implications for the rights of equality groups, the Equality Commission for Northern Ireland (ECNI) has commissioned this report to understand the impacts of the transition to the UK Shared Prosperity Fund on the rights of equality groups. This is a follow-on study to the expert report produced by O’Connell and Cunningham in 2022.¹⁸

The ECNI is responsible for overseeing equality and discrimination law in NI. Together with the Northern Ireland Human Rights Commission (NIHRC), the ECNI has oversight of the UK Government’s commitment in the Windsor Framework to ensuring that any post-Brexit changes do not result in a reduction in certain rights, safeguards and protections, including for equality groups, contrary to Article 2 of the Windsor Framework. As part of this commitment, the ECNI and NIHRC are also responsible for monitoring, advising, reporting and enforcement of this commitment.

With significant changes to the funding streams to support equality groups caused by Brexit, and mounting pressures within the voluntary and community sector in NI caused by uncertainty, delays and funding cuts, this is a significant turning point for the sector. This research seeks to ensure that the ECNI and other organisations have access to evidence-based and stakeholder-informed analysis of the impacts of funding changes on the voluntary and community sector and their ability to provide services and support to equality groups, with recommendations for improvement.

17 The draft budget set out potential spending allocations for the years 2022-23 to 2024-25. See NI Executive (2023) Department for the Economy Spending Plans for 2023-24 Consultation, 30 August; see also an assessment of the budget by the NI Fiscal Council: Northern Ireland Fiscal Council (2022) *The NI Executive’s 2022-25 Draft Budget: An Assessment*, January.

18 O’Connell, R. and T. Cunningham (2022) *Impact of Brexit on Section 75 Equality Groups in Northern Ireland: EU Funding*, Belfast: Equality Commission for Northern Ireland.

1.5 Research design and methodology

We have employed a mixed-methods approach to the question of post-Brexit funding impacts on Section 75 equality groups in NI, which we conducted in three stages.

First, we reviewed the evidence base on the UKSPF. The aim was to examine the development, design and implementation of the UKSPF in NI, and to evaluate the impact of the transition from EU funding to the UKSPF on the promotion of equality in NI, including the impact on Section 75 equality groups. Data collection methods included: (a) a literature review of the key policy documents, government papers and academic literature that made up the existing evidence on the design, delivery and implementation of the UKSPF; (b) a quantitative analysis of the transition to UKSPF funding, comparing this with the previous rounds of ESF and ERDF funding; (c) semi-structured interviews with key individuals involved in the development, design, scrutiny, delivery and implementation of the UKSPF in NI at the UK and NI levels; and (d) an online survey of organisations providing services to Section 75 equality groups.

Second, we undertook a comparative analysis of funding impacts across Section 75 equality groups in NI, and a comparison of equality impacts between NI and the rest of the UK. The aim was to understand the actual/potential impacts of the loss of EU funding and transition to the UKSPF on equality groups. Methods included: (a) a review of the literature on the impacts of the transition to the UKSPF on equality groups, including reports, press releases, media analysis and academic research; (b) semi-structured interviews with third sector organisations that represent and/or provide services to equality groups in NI; (3) five case studies on specific Section 75 equality groups in NI; and (4) a comparative analysis of the impacts of post-Brexit funding changes on equality groups in NI with those in the rest of the UK (GB).

Third, we focussed on stakeholder engagement. We held an in-person event in Belfast in October 2024 to present our interim research findings to key stakeholders (including funding recipients, applicants, service providers, and policymakers at the NI and UK levels). We also conducted a 'futures thinking' workshop to encourage stakeholders to consider what the funding might look like in the future, and the outcomes they sought.

Ethics has been given prime consideration in this research. Ensuring the confidentiality of participants is of the highest importance, and the project team has followed the protocols of the Economic and Social Research Council Research Ethics Policy with respect to handling sensitive information, consent and clarity of the uses and objectives of the research, and data protection. Full consent was sought for interviews, survey and engagement sessions, and all participants have remained anonymous unless they have preferred otherwise. In addition to this, maximum effort was made, through clear and open-ended communication, to ensure participants understood the purpose of the research, their role within it, and the use and processing of the data collected.

2

Review of the UKSPF



This chapter provides an overview of the UK Shared Prosperity Fund (UKSPF). It examines how the fund was designed, developed and implemented across the UK, and in NI in particular. It considers the extent to which it differs from the European Structural and Investment Funds (ESIF), which it was intended to replace. It explores the level of engagement that local actors have had in the design, development and allocation of funding and analyses the UKSPF's provisions for addressing equalities issues.

2.1 What is the UKSPF?

The UKSPF is a fund allocated by the UK Government to reduce inequalities between communities. The fund was intended as a replacement for the ESIF (otherwise known as EU structural funds) after the UK left the European Union (EU).

Development of the Fund in the UK

The UKSPF was proposed as a replacement for EU funds several years ago, however, the substantive development of the fund has only taken place recently.

The UKSPF was first mentioned in the UK Conservative Party manifesto of 2017, one year after the UK voted to leave the EU. The Shared Prosperity Fund was specified as a long-term replacement for EU structural funds:

“We will use the structural fund money that comes back to the UK following Brexit to create a United Kingdom Shared Prosperity Fund, specifically designed to reduce inequalities between communities across our four nations. The money that is spent will help deliver sustainable, inclusive growth based on our modern industrial strategy. We will consult widely on the design of the fund, including with the devolved administrations, local authorities, businesses and public bodies. The UK Shared Prosperity Fund will be cheap to administer, low in bureaucracy and targeted where it is needed most.”¹⁹

This goal was reiterated in the previous Conservative Government’s Industrial Strategy white paper published in 2017²⁰ and in a written statement published by the Secretary of State for Housing, Communities and Local Government James Brokenshire in July 2018.²¹ The Secretary stated that the fund would “reduce inequalities between communities across our four nations”, that it would “of course respect the devolution settlements”, and that the government would consult on the design of the fund.

However, according to the House of Commons Library, “very few further details about the Fund were published” over the following years, despite requests for information from organisations across the UK and the proximity of the UK’s withdrawal from the EU in January 2020.²² The previous Conservative Government’s commitment in 2017 to ‘consult next year on the precise design and priorities for the fund’²³ did not happen.

Some details about the UKSPF were made public several months after the UK departed from the EU. In the 2020 Spending Review, the previous Conservative Government committed to replacing two key pillars of the ESIF – the European Regional Development Fund (ERDF) and European Social Fund (ESF) – in the UKSPF.²⁴ It also emphasised the UK-wide focus of the fund, with no mention of devolved administrations. The previous Conservative UK Government also stated that final decisions on the design of the UKSPF would be made in advance of the UK Spending Review, though no consultation was held at that time.²⁵

In 2021, the previous Conservative UK Government announced the creation of a Community Renewal Fund as ‘bridging finance’ to fill the gap between the end of the Brexit transition period (when the UK was no longer eligible for EU funds) and the launch of the UKSPF.²⁶

The UK Community Renewal Fund provided £220m of funding during 2021-22 through a competitive bidding process for places in Great Britain. In contrast, there was a pre-determined allocation for NI of £11m. The fund was intended to support local areas to “transition away from EU structural funds” and “pilot imaginative new approaches and programmes that ... prepare them to take full advantage of the UK Shared Prosperity Fund when it launches in 2022.”²⁷

20 See UK Government (2017) *Industrial Strategy: Building a Britain Fit for the Future*.

21 See UK Parliament (2018) *Written Statement. Local Growth*. Statement by James Brokenshire made on 24 July 2018.

22 Brien, P. (2022) *The UK Shared Prosperity Fund*, House of Commons Library.

23 UK Government (2017) *Industrial Strategy: Building a Britain Fit for the Future*, p228.

24 UK Government (2020) *Spending Review*, 15 December.

25 See UK Parliament (2019) *Written Statement. UK Shared Prosperity Fund*, 29 January.

26 UK Government (2021) *Community Renewal Fund. Prospectus 2021-22*, 11 May; For a good analysis of the UK Community Renewal Fund, see <https://crossborder.ie/newsite/wp-content/uploads/2021/08/UK-Community-Renewal-Fund-FINAL.pdf>

27 UK Government (2021) *Community Renewal Fund. Prospectus 2021-22*, 11 May

In the Autumn 2021 Budget and Spending Review, more details about the proposed UKSPF were released. The total funding pot for the first tranche of the UKSPF was announced for the three-year period 2022-25, which included £0.4 billion allocated for 2022-23, £0.7 billion for 2023-24 and £1.5 billion for 2024-25. The total amount budgeted for the UKSPF was £2.6 billion through to March 2025.

There were two debates in the UK House of Commons about the UKSPF during its development and design phase. The first debate, on 14 May 2019, included questions on when the consultation would take place, with Conservative UK Government representatives stating their reluctance to commit to specific decisions on the funding before a consultation had happened.²⁸ The second debate, on 26 June 2019, focussed on the amount of money to be made available, with concerns around shortfalls in UKSPF funding in comparison to the previous EU structural funds.

The UKSPF was launched with the publication of its prospectus on 13 April 2022. Despite committing several times to a formal public consultation on the development and design of the UKSPF, the previous Conservative UK Government later dropped this commitment.²⁹ There was no full public consultation on the design of UKSPF, or on the design of the UK Community Renewal Fund, its temporary predecessor.

Design of the fund in the UK

The UKSPF was designed by the previous Conservative UK Government, primarily DLUHC, which thereafter had responsibility for fund oversight. The Department of Education was responsible for designing and delivering the Multiply programme. The UK Government at the time engaged informally with stakeholders over the design of the funds, however no full formal consultation was held.³⁰

The UKSPF was intended to replace a major funding stream, the European Structural and Investment Funds (ESIF), following the UK's departure from the EU. A key impetus of the UKSPF was therefore to take into consideration the aims and outcomes of the funds it was replacing – namely, the European Regional Development Fund (which addressed structural inequalities between regions) and the European Social Fund (which addressed inequalities amongst groups in society). These factors were integrated into the UKSPF's funding priorities (see below).

28 House of Commons Library (2022) UK Shared Prosperity Fund: design and development, 30 March.

29 In the Prime Minister's Questions on 16 March 2020, a question by Stephen Kinnock MP asked whether it was still the UK Government's policy to 'undertake a public consultation' on the UKSPF. Simon Clarke replied that 26 public engagement events had been held, but there was no mention of a consultation.

30 UK House of Commons Library (2022) *UK Shared Prosperity Fund: Design and Development*, Research Briefing, 30 March.

At the same time, the previous Conservative UK Government sought to redesign the UKSPF replacement funding in accordance with its own funding priorities. Central to these priorities was the Levelling Up agenda, which it described as “a moral, social and economic programme for the whole of government ... [to] spread opportunity more equally across the UK.”³¹

The UK Levelling Up agenda has strongly influenced the design of the UKSPF, marking a shift away from the emphasis of the EU structural funding on social inclusion to a specific focus on employment. As one UK civil servant said in an interview,

“There are probably aspects of ESF which perhaps aren’t as well addressed [in UKSPF]. Some of those people who are even further away from the labour market and are just needing support in their daily lives in order to have a more fulfilling life, that’s probably something that isn’t such a focus of UKSPF. Because the primary drive was to focus on getting people into employment and helping those who are in employment with upscaling.”³²

While both funds shared a commitment to reducing inequalities between places, then, the ESF sought to reduce both economic and social inequalities amongst places and groups. Social inclusion did not take the same level of precedence in the UK funding.



31 UK Government (2022) *Policy Paper: Levelling up the UK*, 2 February.

32 Research interview with UK civil servant, 3 May 2024.



Funding priorities for UK

According to the UKSPF Prospectus, the primary goal was to “build pride in place and increase life chances across the UK.”³³ This was a key pillar of the previous Conservative Government’s Levelling Up agenda, which sought to ‘increase people’s satisfaction with their town centre and engagement in local culture and community’. The fund focused on places people lived to drive improvements to communities.

Within the overarching aim of building *pride in place* and *increasing life chances*, there were three UKSPF investment priority areas that aligned with Levelling Up missions³⁴:

- 1 **Communities and place.** This included fostering pride in place, satisfaction with town centres, and local community engagement (which all fell under Mission 9 of the Levelling Up agenda), increasing healthy life expectancy (Mission 7), improving wellbeing (Mission 8) and reducing crime (Mission 11).
- 2 **Supporting local business.** This again included pride in place, satisfaction with town centres, local community engagement (Mission 9), in addition to increasing pay, employment, productivity (Mission 1) and greater levels of domestic public investment to stimulate innovation and growth (Mission 2).

33 UK Government (2022) *UKSPF Prospectus*, 13 April.

34 UK Government (2024) *Statement of Levelling Up Missions*, 26 February.



3 **People and skills.** Beyond pride in place, satisfaction with town centres, local community engagement (Mission 9), and increased pay, employment and productivity (Mission 1), this included increasing high-quality skills training (Mission 6), increasing life expectancy and improving wellbeing (7 and 8).

In particular, within the ‘People and Skills’ investment priority area, which was most closely aligned with the European Social Fund focus, there was a strong emphasis on labour market participation, including supporting people who were economically inactive back into the workforce. The UKSPF objectives for People and Skills included:

- Reducing levels of economic inactivity through investment in bespoke intensive life and employment support tailored to local need.
- 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.

Economic inactivity was defined in the UKSPF Prospectus as:

“those without a job who have not sought work in the last four weeks and/or are not available to start work in the next two weeks, although in practice many people who are inactive will have been so for a long time. For UKSPF people and skills investments the term includes people not in work who are on and off benefits, with the exception of Universal Credit, Jobseekers Allowance or Employment and Support Allowance claimants.”

Economic inactivity is an internationally recognised labour market classification. The International Labor Organization (ILO) has proposed that people of working age can be classified according to their labour force status into three mutually exclusive groups:

- 1 the employed (who have a job)
- 2 the unemployed (who are jobless, but available and looking for a job)
- 3 persons outside the labour force (who are jobless but not available and/or are not looking for a job), previously termed ‘economically inactive’ by the ILO.³⁵

The ILO provides further detail around people who are economically inactive, or ‘outside the labour force’ and who are not actively seeking work:

“Typically, persons outside the labour force include full-time students, people engaged in household or family duties full time, and retired individuals. But people may be outside the labour force for many other reasons as well. The degree of attachment to the labour market of persons outside the labour force is varied: some people outside the labour force may have no interest whatsoever in joining the labour force, whereas others may have a very strong attachment to the labour market even though they are currently not in the labour force.”³⁶

35 ILO (2019) ‘Persons outside the labour force: How inactive are they really?’ ILOSTAT, Spotlight on Work Statistics, 8 August.

36 Ibid.

The UKSPF had a specific focus on economic inactivity (EI), rather than providing support to those who are unemployed (and looking for a job) or who are employed (but would benefit from further support and upskilling, such as those who are underemployed or in low-wage or insecure employment). The decision to focus on EI marked a significant change from the ESF. The ESF had broader objectives, with the aim of “supporting employment, labour mobility, education and social inclusion, including by helping to eradicate poverty, and thus contributing to the European Pillar of Social Rights objectives,” thereby extending support to a larger number of people.³⁷

Funding Formula, Allocations and Delivery for UK

The 2021 Spending Review set the budget for the UKSPF for 2022-25 as £2.6 billion, which was confirmed when the Prospectus was published in April 2022. The UKSPF Prospectus stated that all places across the UK would receive a conditional allocation of funding, and that the main delivery agents would be local authorities:

“each place will have flexibility to invest across a range of activities that represent the right solutions to improve local pride in place, increase life chances, to help spread and create opportunity, and a sense of community and belonging. The balance of priorities should reflect local need and opportunity ... This flexible approach represents a key shift from the previous EU system.”³⁸

However, the definition of ‘local’ partners has varied across the UK:

- In England, delivery partners included Mayoral Combined Authorities, the Greater London Authority, district councils and lower-tier unitary authorities.
- In Wales and Scotland, the UKSPF is delivered at the local/regional level. Delivery geographies mentioned in the prospectus included ‘strategic regional areas’ such as areas covered by existing City and Growth deals, Regional Economic Partnerships (Scotland) and Corporate Joint Committees (Wales).
- In NI, the UK Government decided to allocate the Fund across all local authorities as a whole. The funding would be allocated centrally by DLUHC.

37 European Parliament (2024) *European Social Funds Plus*, April.

38 UK Government (2022) UKSPF Prospectus, 1 August.

When we asked UK civil servants in an interview why Local Authorities were not chosen as delivery agents in NI, unlike in GB, we were informed that,

“The UKSPF is delegated in full to local authorities. But because of a range of factors, not least the preference of the Northern Ireland Executive and other partners, it wasn’t delegated at a level below the Northern Ireland geographic level. And also the fact that the [NI] Executive ... fell in effect just at the point at which UKSPF was being launched. Then the delivery arrangements for Northern Ireland are slightly different and they’re managed more directly by the UK government ... there’s a fairly consistent view from the [NI] Executive and its Departments that Northern Ireland as a functional geography operates best at the Northern Ireland level. It’s got 1.9 million people. You know when you compare it to some of the geographies that we operate in England, Scotland and Wales, it’s fairly consistent with the North East or Manchester ... I think the view from officials in the Northern Ireland government was that many of the levers and funding envelopes do not go down as far as the Councils [in NI], whereas in England, Scotland and Wales there’s a power of general competence, which I think also exists in Northern Ireland to some extent.”³⁹

Funding allocations for UKSPF were based on a pre-determined formula, rather than inviting local partners to compete for a share of funding. This formula was based on the amount of funding areas received under the previous EU funding system. Specifically, the UKSPF funding formula began by estimating how much each nation of the UK was allocated under the ERDF and ESF funds during the EU’s Multiannual Financial Framework of 2014-20, and then updated these amounts based on inflation. The allocations for 2024-25 are then set to this level (while allocations for 2022-23 and 2023-24 were lower, as previously allocated EU structural funds tapered down).

The UK Government used its powers in the UK Internal Market Act 2020 to deliver UKSPF funding to places across the UK, which sparked criticism amongst the devolved nations for overriding devolved powers.⁴⁰ DLUHC was given responsibility for overseeing the fund.

The overall UKSPF total fund was made up of two elements:

- core funding, covering most of the fund's priorities, allocated directly to places
- the UK Government's 'Multiply' numeracy programme.

The Multiply programme, which aimed to boost adult numeracy by offering maths courses to adults over the age of 19, was assigned £40 million of the overall UKSPF funding for 2024-25.⁴¹ As financial commentator Jessica Hill pointed out, this money would have been spent on structural funding projects across the UK prior to Brexit.⁴²

Local investment plans in GB

Local governments in England, Wales and Scotland (in Great Britain, outside NI) were given responsibility for developing investment plans for the UKSPF, which were then approved by the UK Government. The UKSPF Prospectus provided guidance on how lead local authorities should write their investment plans, and they were given a one-month window to submit their investment plans by 1 August 2022. Lead local authorities had responsibility for managing allocations and assessing and approving applications. This included making decisions about how to deliver the funding, the scale of projects and the design of project selection and contracting processes.

In contrast, in NI, the previous Conservative UK Government designed a UKSPF Northern Ireland Investment Plan with local partners, while DLUHC was given oversight of the delivery of projects in NI (which is explored in detail in section 2.4).

Implementation in GB

DLUHC made decisions about the local investment plan applications in GB in December 2022. This was nine months after the UKSPF was launched in April, and also nine months into the funding year for 2022-23 (the first year of UKSPF

40 The First Minister of Wales Vaughan Gethan, formerly the Welsh Minister for the Economy, described the UK's use of new powers to deliver the funding as 'an assault on Welsh devolution'.

41 For 2022-23, £49m was assigned as centrally retained Multiply funding, for 2023-24 the figure of £40m was assigned, and for 2024-25 £40m was assigned. Please see Table 1 below for further details.

42 Hill, Jessica (2023) 'Multiply - The maths scheme that doesn't add up', *FE Week*, 10 July 2023,

funding). Lead local authorities therefore had very little time to on-board projects or to spend the monies allocated for the first year of the UKSPF. Specifically, they had less than three months to launch projects with local partners and to spend the whole year's funding by the end of March 2023. It is therefore unsurprising that no lead local authority was able to spend their allocated amount of funding within the first year.

The process for developing the Investment Plan in NI took a different form, whereby the previous Conservative UK Government set up the UKSPF NI Partnership Group to develop a single Investment Plan for the whole of NI. This is explained in Section 2.4.

The Welsh Government described the implementation of the UKSPF as 'chaotic' and that delays to implementing the fund had "put local authorities under extreme pressure, forcing them to support short-term, sub-optimal projects that will have limited impact."⁴³ Vaughan Gething, then Minister of the Economy for Wales, said that, "there is no prospect of the entire annual budget being spent in the remainder of this financial year."⁴⁴ A study by Dr Jack Shaw at Cambridge University, using data uncovered under the Freedom of Information Act, found that⁴⁵:

- 95% of the local authorities that received funding under the UKSPF in 2022-23 were unable to spend all of their share;
- across the UK, 43% of £429m in funding was not spent;
- no council in the north of England, Scotland or Wales spent its full investment;
- 223 of 235 groups requested additional time to spend their funding; and
- only 12 local authorities spent the full funds, including Slough and Woking councils, which issued bankruptcy notices.

While the previous Conservative UK Government agreed to roll over the unspent funds into the next year, Dr Shaw said there was a 'big risk' that mistakes could be repeated in future. He said the underspend in funding was due to delays by the UK Government, giving the local authorities closer to 2 months to spend their allocations in 2022-23 rather than the full 12 months.

43 Welsh Government (2023) Response to recommendations from the Economy, Trade and Rural Affairs Committee's Report: Post-EU Regional Development Funding.

44 O'Carroll, Lisa, Sean Clarke and Pamela Duncan (2022) 'UK ministers pledged to match EU funds after Brexit. How's that going?', *The Guardian*, 30 December 2022.

45 Savage, Michael (2023) 'Almost all UK councils have not spent total share of levelling-up fund', *The Guardian*, 5 November 2023.



Professor Graeme Atherton at West London University was also critical of the implementation of the UKSPF. In an article in the *Guardian*, he said,

“Part of the problem is that funding was reduced and distributed rather differently. As has happened with all the levelling-up fund, there are more strings attached than initially appear. You have to submit a plan – and the plan doesn’t necessarily fit with local need. Also, the areas that had a lot of the funding had it cut. Once you cut money, it’s then hard to rebalance it. It’s not as straightforward as saying, we’ll just reduce the cost of everything ... those who have been tasked with spending this money at local authority level are very strapped for capacity. What they need is core funding.”⁴⁶

46 Cited in Savage, M. (2023) ‘Almost all UK councils have not spent total share of levelling-up fund’, *The Guardian*, 5 Nov.

Evaluation of the UKSPF and funding extension

The UK Government’s evaluation strategy for the UKSPF comprises programme-level, place-level and intervention-level evaluations, with the Fund to be evaluated in line with the Levelling Up objectives of building price in place and increasing life chances across the UK.⁴⁷ The evaluation is currently underway, with final reports and outputs due to be published in 2025-26. In addition to publishing evaluation plans for the place-based evaluations and a feasibility report for the intervention-level evaluation,⁴⁸ the Ministry of Housing, Communities and Local Government published an early update report setting out emerging findings from the process evaluation of the Fund in October 2024.⁴⁹

Key findings and ‘early insights’ from the October 2024 update include the following:

- interventions would not have been possible without UKSPF funding
- local authorities and delivery partners worked well together
- delivery has generally adhered to initial timelines and projects were on track to achieve their desired outputs and outcomes
- for project teams, guidance could have been clearer and more timely, in relation to outputs, outcomes and indicators required for project reporting
- for delivery partners, there was some uncertainty regarding the amount of funding allocated to projects, and some teams had to scale down delivery plans as the UKSPF allocation received was less than originally bid for
- the short delivery timeframe for projects, ending in March 2025, was considered a challenge by most project teams, who preferred longer funding periods.⁵⁰

In the October 2024 Autumn Budget, meanwhile, it was announced that the UKSPF would be continued at a reduced level of £900m in funding for a further year in 2025-26; a “transitional arrangement” intended to “provide as much stability as possible in advance of wider local growth funding reforms.”⁵¹ At the time of writing (in January 2025), 2025-26 allocations below the UK-level (including for NI) had not yet been announced. At the time of writing, the UK Ministry for Housing, Communities and Local Government planned to have an

47 UK Government (2024), *UKSPF: evaluation strategy*.

48 UK Government (2024), ‘UK Shared Prosperity Fund: place-based evaluations’; UK Government (2024), *UKSPF: intervention-level evaluation feasibility report – executive summary*.

49 UK Government (2024), *UK Shared Prosperity Fund intervention-level evaluation: early update report*.

50 UK Government (2024), *UK Shared Prosperity Fund intervention-level evaluation: early update report*.

51 HM Treasury (2024), *Autumn Budget 2024*. Pg 68.

initial conversation with partners in the UKSPF NI Partnership Group, in addition to NI Executive departments, before engaging with individual project deliverers shortly thereafter about the extension.⁵²

2.2 UKSPF vs EU funding allocations

One of the key points of contention about the UKSPF has been whether it provides the same amount of funding as the previous EU structural funds. Below, we summarise the views across government, and a number of organisations on this point, before presenting our own analysis.

Is it the same amount? Views of government/organisations

The previous Conservative UK Government argued that the UKSPF matched the funding received by the previous EU structural funds. In England, funding allocations for the UKSPF were based on the amount that Local Enterprise Partnerships (LEPs) received during the EU's 2014-20 round. In Wales, Scotland and NI, allocations were based on previous amounts received by the Welsh, Scottish and NI Executives (as managing authorities for the ESIF) during the 2014-20 EU framework.

However, the UKSPF only matched the EU funding allocations for the third year of this tranche, for 2024-25. In the first two years, the UKSPF was 'tapered in' as parts of the UK continued to receive some EU funding until the end of 2024, as part of the previous EU programme's ramping down. The years 2022-23 and 2023-24 of the UKSPF comprised a combination of new funding from the Conservative UK Government, and old previously allocated EU funding from the 2014-20 programme. The total funding amounts for the UKSPF 2022-25 are provided in Table 1 below.

Table 1:

UKSPF funding components, 2022-25

UKSPF component	2022/23	2023/24	2024/25
Core UKSPF	£250m	£500m	£1,332m
Multiply	£130m	£150m	£150m
Centrally retained Multiply	£49m	£40m	£40m
TOTAL	£429m	£690m	£1,522m

Source: DLUHC/MHCLG, UKSPF methodology paper (2022)

In contrast, the Institute for Public Policy Research (IPPR) found that the amount allocated for the UKSPF represents a 43% cut compared to the EU funding (£873m per annum on average for the UKSPF between 2022-25 compared to £1.5 billion per annum provided through EU funding to the UK during the period 2014-20).⁵³

The Welsh and Scottish Governments calculated that the UKSPF funding allocated was significantly less than the 2014-20 EU funding round. They argued that the UKSPF allocations should fully replace the EU structural funds each year, including the initial period when the UKSPF was ‘tapered in’ in 2022-23 and 2023-24, instead of including the previous allocations from the EU 2014-20 programme that had not yet been spent.

The Welsh and Scottish Government argued that, had the UK remained in the EU, the nations and regions of the UK would have been eligible for *new* structural funds during this period. As a result, the Welsh Government calculated that there was a shortfall in UKSPF funding compared to EU funding for Wales of £772m. It argued that Wales would have received £1.4 billion in EU structural funds from 2021-22 to 2024-25, but that it only received £632m through the UKSPF and Community Renewal Fund.⁵⁴

Meanwhile, the Scottish Government claimed that the UKSPF allocation for Scotland during the three-year period 2022-25 was £337m less than what it would have received under the EU structural funding programme. Over the period 2022-25, Scotland was allocated £212m in UKSPF funding. The previous Conservative UK Government stated that the UKSPF funding matched what was previously spent in Scotland. The Scottish Parliament Information Centre (SPICe) published an analysis of the competing UK and Scottish Government claims as to whether the UKSPF matched EU funding.⁵⁵

53 IPPR (2022) *Shared Prosperity Fund: what can we learn from the government's plan to replace EU funds?* 13 April.

54 See Welsh Government (2022) Written Statement: Loss of Funding to Wales, 4 May.

55 SPICe (2022) *The UK Shared Prosperity Fund: Competing Claims*. SPICe Spotlight, Scottish Parliament, 17 May.

It found that there were two factors explaining the different outcomes:

- 1 The previous UK Government's calculations rested on the UKSPF replacing two EU structural funds, the ERDF and ESF. However, the Scottish Government also included the European Territorial Cooperation Programmes and LEADER funding in its calculations, which added £21m to the funding each year.
- 2 The Conservative UK Government spent a lower level of funding in the first two years of the UKSPF (when it was 'tapered in'), as EU funding from the 2014-20 framework for this period was still being spent. The UK Government thus argued that the full amount of replacement funding was not required until 2024-25.

The SPICe paper noted that the UK calculations were criticised as 'double counting' because "the EU funds that will be received in 2022 and 2023 are part of an earlier EU allocation, some of which remains to be spent, so will be claimed this year and next ... if the UK had remained part of the EU, it would have received a new allocation for the period 2021-27 that would not have been adjusted downwards."

Organisations in England were also critical of the UKSPF's so-called 'double-counting' approach for the years 2022-23 and 2023-24. For instance, the Local Government Information Unit (LGIU) stated that the previous Conservative UK Government's assertion that,





“no area will get less than they received under ESIF only applies to the financial year 2024-25 ... In 2023-24 they will get 27% of what they might have got from ERDF/ESF and this year 15% of what they might have got. This vague assertion is explained away because areas are still in receipt of [ESIF] monies – but this is neither evidenced for individual areas nor does it make any sense conceptually.”

Similarly, the Northern Powerhouse Partnership described the double-counting in the first two years of the UKSPF as, “a bit like saying that a child doesn’t get any birthday money because they haven’t spent their Christmas money yet.” The former Head of the UK Civil Service, Lord Bob Kerslake, concurred, saying that,

“only in the last year [2024-25] does it match in real terms the EU structural funds. The Government argue that this allows for the winding down of current EU funding but I’m afraid that this a pretty obvious sleight of hand. EU funding would have had an ‘overlap’ across programmes so the practical effect of the Government’s proposals is that the available funding is reduced by almost a half.”⁵⁶

56 Kerslake, B. (2022) 'UK Shared Prosperity Fund: there is time to put flaws right', TheMJ.co.uk, 19 April.

The exact calculations for UKSPF funding allocations also differed across the nations and regions of the UK. In England, local partners received allocations based on two measures: 70% on population size, and 30% based on need (based on the index of need used by the UK Community Renewal Fund, which provided bridge-funding prior to the UKSPF launch). Meanwhile, in Wales, local partners received 40% of allocations based on population size, 30% based on the needs-based index, and 30% based on the Welsh Index of Multiple Deprivation. In Scotland, the calculations were: 60% based on population, 30% based on need, and 10% based on population density. In contrast, funding to NI was not allocated based on a formula, but distributed centrally.

Finally, The Welsh and Scottish governments, along with several organisations, including the IPPR, LGIU, Northern Powerhouse Partnership, IFS and third-sector organisations noted that the UKSPF is more short-term in nature than EU funding. The UKSPF funding was initially for 3 years from 2022-25. This compared to the seven-year funding allocations made under the EU structural funds programmes, which also provided the ability to roll-on spending on committed projects for a further three years.

Our analysis of funding amounts (Northern Ireland)

Looking specifically at the picture in Northern Ireland, UKSPF funding was similarly designed to ‘taper in’ as ESF and ERDF spending tapered down.

In total, £127m was allocated to the UKSPF in NI, with investment levels intended to rise from £19m in 2022-23 to £33m in 2023-24, before reaching £74m in 2024-25.⁵⁷ This equates to an average of £42.3m across the three-year funding period. By comparison, as shown in Table 2 below, NI received an average of £62.7m per year from the two EU structural funds which were succeeded by the UKSPF.

Table 2:
ERDF/ESF and UKSPF funding allocations per year (average) in NI

Area	(a) ERDF & ESF 2014-20	(b) UKSPF (incl Multiply) 2022-25	Difference between (a) and (b)
Northern Ireland	£62.7m	£42.3m	£20.4m

57 NICVA (2022), ‘Latest on the UK Shared Prosperity NI Programme – Update from Dept for Levelling Up’.

Based on these figures, with the total sum for ERDF and EFS based on the House of Commons Library's calculations of EU structural funding levels in NI,⁵⁸ we calculated that there was a shortfall of £20.4m between UKSPF (2022-25) and EU (2014-20) funding levels per year (on average) in NI, representing a reduction of 32.5%.

In written evidence submitted to DLUHC in December 2022, meanwhile, the NI Department of Finance and Department for the Economy estimated that the total loss to NI Departments as a result of the transition from EU structural funding to the UKSPF amounted to £23m per annum, indicating a slightly larger proportional reduction of 34.9%.⁵⁹ (Having discussed these figures with NI officials, the discrepancy between these two estimated reductions is due to currency fluctuations and rounding, with NI Departments calculating their 2014-20 ESF/ERDF allocations as £65m annually).

It should also be noted that, in February 2024, £22.6m of previously ring-fenced UKSPF funding in NI was repurposed and allocated to the NI Executive as part of the Executive Restoration Package settlement.⁶⁰ In practice, then, the actual annual average amount allocated to the UKSPF in NI over 2022-23, 2023-24 and 2024-25 (excluding the Executive Restoration Package) was £35m, rather than £42.3m. This equates to a 43.8% reduction in comparison with the ESF/ERDF average of £62.7m.

It is also important to note that while in the most recent Operational Programme ESF and ERDF investment was committed over a seven-year period (2014-20), in practice this funding was spent in NI over a longer time-frame continuing up to the end of 2023.

Consequently, the figures calculated above do not fully represent actual spend patterns for the years in question. As discussed earlier in this section, the 'tapering in' of the UKSPF was intended to reflect the fact that EU structural funding for the 2014-20 period continued to be spent during the first two years of the UKSPF (2022-23 and 2023-24). As seen, the 'double-counting' of EU funding during the first two years of the UKSPF has been criticised by a range of stakeholders across the rest of the UK.

58 House of Commons Library (2022), 'The UK Shared Prosperity Fund'. Pg 6.

59 Levelling Up, Housing and Communities Committee (2022), *Written evidence submitted by Northern Ireland Department of Finance and Department for the Economy [FFL 040]*.

60 Northern Ireland Office (2024), *UK Government Funding Streams Summary (Financial Settlement Annex)*

In addition, as noted in a House of Commons Library analysis, a lack of available data makes it difficult to assess the extent to which the remaining EU structural funds would have ameliorated the overall funding shortfall experienced across different the UK.⁶¹ This makes it difficult to discern the impact in NI of the EU structural funding for the 2014-20 EU funds, which continued to be spent during the first two years of the UKSPF.

ESF funding had a particular relevance to Section 75 equality groups in NI, supporting a wide array of social inclusion and employability projects targeted at groups including people with disabilities, young people not in employment, education or training, and women. As discussed more fully later in this chapter, and in Chapters 3 and 4, the EU structural funding came to an end in NI in March 2023, and was succeeded by a tranche of UKSPF funding for projects aimed at reducing economic inactivity (EI).

Table 3 provides a comparison of levels of funding allocated through these elements of EU structural and UKSPF funding.

Table 3:
ESF and UKSPF EI funding (only): Funding allocation per year (average) in NI

Funding type	ESF Call 2 (April 2018 to March 2022)	ESF Call 3 (April 2022 to March 2023)	UKSPF (April 2023 to March 2025)
Core contribution (EU/DfE for ESF, UK Gov for UKSPF)	£26.9m	£26.9m	£28.8m
Required match funding element (35% for EU/DfE for ESF; not required for UKSPF)	£14.4m	£14.5m	N/A
Total amount received by projects	£41.3m	£41.4m	£28.8m

61 House of Commons Library (2022), 'The UK Shared Prosperity Fund'. Pg 16.



For the ESF, Table 3 breaks down the elements of the funding, by showing both the 65% core allocation provided by the EU and Department for the Economy (DfE), and the total investment received by projects including the compulsory 35% match-funding requirement.⁶² When looking at the average funding allocation per year and including the match-funding element in a comparison between the ESF and the UKSPF, there is a shortfall of £12.6m (30.4%) per annum on average in NI under the UKSPF (2023-25) amount of £28.8m compared to the previous ESF Call 3 (2022-23) amount of £41.4m.

As seen later in the report, this level of reduction in funds accords with the experiences of many organisations in the voluntary and community sector in NI, many of whom have experienced severe financial impacts as a result of the loss of EU funding.

Nevertheless, it is also relevant to note that in terms of core contribution (shown in the first row of Table 3), the level of funding allocated by the UK Government to the UKSPF in 2022-23 is comparable to (and indeed slightly higher than) the core EU/DfE contribution to the ESF (without the match funding component). This suggests that the absence of match-funding to complement the UKSPF (which under ESF often came through NI Executive Departments) is an important factor in explaining the negative financial impacts experienced by voluntary and community sector organisations as a result of the loss of EU funding and transition to the UKSPF.

62 Department for the Economy (2022), 'European Social Fund Call 2 and Call 3 Projects by constituency and council area'.



2.3 Devolution and the UKSPF

The UKSPF was first mentioned in the 2017 Conservative manifesto, when the party made a commitment to giving the devolved administrations a role in decision-making around the UKSPF. In follow-up statements over the subsequent years, members of the previous Conservative UK Government reaffirmed their desire to “respect the devolution settlements in Scotland, Wales and NI and will engage the devolved administrations to ensure the fund works for places across the UK.”⁶³ However, some stakeholders have questioned whether this role or engagement fully materialised.

The UKSPF Prospectus stated that “the UKSPF is establishing new relationships between the UK government, devolved administrations, local government and local partners across the UK.”⁶⁴ However, this new relationship appeared to have a centralising tendency, in that the devolved governments were excluded from decision-making in relation to the UKSPF, while local authorities were required to align with national Levelling Up outcomes and deliver the centralised Multiply programme. The First Minister of Wales at the time, Vaughan Gethen, said that,

63 James Brokenshire, Secretary of State for Housing, Communities and Local Government, in a written statement on the UKSPF to the UK Parliament in July 2018.

64 UK Government (2022) UKSPF Prospectus, 1 August.

“... neither have we had any genuine engagement with the [UKSPF] bidding assessment exercise, and with our proposed input being restricted to entirely unacceptable terms. This is an opaque and distant process that does not represent devolution to local communities. The UK Government have forced councils to compete and act as administrators, with bids being assessed in Whitehall and funding decisions made by UK Ministers in Westminster.”

The devolved administrations had previously held the role of Managing Authority for the EU funding, with the relevant knowledge, relationships and processes of how to distribute regional funding, while aligning national funding with devolved policies.

However, the role of the devolved administrations in delivering the UKSPF has been much smaller to date. The UKSPF Prospectus stated that the funding worked “to a UK-wide framework published by the UK Government” and that investment plans required approval by the UK Government. The devolved administrations have had no formal role in contributing to the design, approval or delivery of the UKSPF, though they were invited to support lead local authorities in developing investment plans. The Prospectus did mention 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.”⁶⁵ However, no details have been published on whether the UK-wide UKSPF ministerial forum was created or if meetings took place.

Instead, the emphasis of the UKSPF Prospectus with regard to devolution was that the lead local authorities had a responsibility to take account of any devolved policies or priorities when developing their investment plans: “Each place in Scotland and Wales should involve the Scottish and Welsh governments ... to identify links to relevant national policies and priorities ... The UK government will work with partners to also consider the strategies and funding of the Northern Ireland Executive.”⁶⁶

The Welsh and Scottish governments have been highly critical of the UKSPF, and their perceived exclusion from decision-making. The Scottish Minister for the Just Transition, Employment and Fair Work, Richard Lochhead, stated in July 2021 that,

65 Ibid.

66 Ibid.

“we remain beyond disappointed by the continued refusal of the UK Government to engage the Scottish Government in any meaningful way in the development of both the UK Shared Prosperity Fund and the other funds announced in the March [2021] budget ... The level of engagement stands in sharp contrast to the close working relationship that the Scottish Government had with the European Commission on the development of the Structural Fund Programmes: these negotiations were always predicated on Scottish national and regional priorities, subject to discussion between Scottish Government and the European Commission on equal terms ... I am aware ... that my disappointment regarding engagement on these matters is shared by my Devolved colleagues.”⁶⁷

The Minister for the Economy of Wales at the time, Vaughan Gething, expressed similar concerns about the UKSPF to the Welsh Parliament in September 2021:

“this Senedd overwhelmingly agreed that the UK Government’s approach to European Union successor funds represented an assault on Welsh devolution. It is clear that these distant and poorly defined plans at present systematically exclude this Senedd on matters that its Members are elected to take decisions upon. We now face a vast reduction in funding this year despite repeated promises that Wales would not be worse off financially after Brexit.”⁶⁸

The former Welsh Minister for the Economy went on to say that the choice of local delivery partners was limiting. “Making these funds solely available to competing local authority bids, the UK Government is also wilfully creating sector funding gaps, including among higher and further education, the third sector, and business.”⁶⁹

Furthermore, the Institute of Welsh Affairs and Wales Fiscal Analysis have argued that the UKSPF has altered the landscape of regional development funding in Wales, by shifting funding away from local authorities in West Wales and the Valleys, towards East Wales, as part of a ‘deliberate retrenchment of devolution’.⁷⁰

67 Scottish Government (2021) ‘UKSPF and Levelling Up Agenda: letter from the Just Transition, Employment and Fair Work Minister, 5 July 2021.

68 Welsh Parliament (2021) Statement by the Minister of Economy: The Shared Prosperity Fund and the Levelling Up Fund, Welsh Parliament Plenary Session on 28 September 2021.

69 Ibid.

70 Welsh Senedd Research (2022) *The Shared Prosperity and Levelling Up Funds: what’s the latest?*, Welsh Parliament, 12 May.

Beyond these key concerns, the Welsh and Scottish governments have been critical generally of the shortfall in funding compared to previous EU support, the delayed and allegedly disorganised implementation of funding, the centralised nature of funding design and delivery of allocations, the adverse impacts on community organisations as a result of the above, and the resulting loss of services to communities.

2.4 The UKSPF in Northern Ireland

The UK Shared Prosperity Fund Prospectus from April 2022 stated that giving local authorities the responsibility to manage an area’s allocations and approve applications “recognises that pride in place and increasing life chances can be best achieved by delivery close to local people and businesses; by authorities that understand each place’s unique local context and identity, and with established governance.”⁷¹

However, in NI local authorities did not manage allocations or approve applications for the UKSPF; this role was instead taken by the UK Government via DLUHC (renamed MHCLG). Furthermore, the funding was allocated centrally by the DLUHC rather than being allocated to local authorities based on a formula, as in the rest of the UK.

UKSPF: Relations with Devolved Executive

The UKSPF Prospectus stated that, in managing the delivery of the fund in NI, the Department for Levelling Up, Housing and Communities sought to

“work with local partners to design an investment plan. We will refine the plan in consultation with stakeholders in a way that reflects the needs of Northern Ireland’s economy and society ... [the investment plan] will maximise local intelligence, insight and knowledge, in recognition of the opportunities and challenges unique to Northern Ireland and the distinct and different role local authorities play there.”⁷²

In addition, the previous Conservative UK Government stated its commitment to take into account existing policies and “work with partners to also consider the strategies and funding of the Northern Ireland Executive” when developing and implementing the new funding model, including the NI Programme for Government.⁷³

71 UK Government (2022) UKSPF Prospectus, 1 August.

72 UK Government (2022) UKSPF Prospectus, 1 August.

73 Ibid.

However, when speaking to representatives in the NI Executive, there was a strong feeling that the UKSPF was not well integrated with devolved policies, and that the NI Executive's inability to access the data being collected by DLUHC (renamed MHCLG) on the UKSPF funds made it difficult to plan other policy interventions to support communities. A senior official in the NI Civil Service said in an interview that,

“We’d like to know what’s working well and what is not working well [under the UKSPF], in order that we can design policy responses ourselves to look at the gaps. It’s harder to do that when you can’t get an understanding of the information in the granular detail that you’d like to ... It’s a big chunk of money for us to not understand. We’ve got constrained resources and we’re trying to think: where can we have the most impact? Who needs help? Where should the interventions be targeted? It’s harder to do that when we’re not as clear on what is or what is not working across SPF delivery.”⁷⁴

Furthermore, one interviewee based in the NI Civil Service felt that communications with DLUHC on the development of the UKSPF had not been ideal,

“We were very open to conversations [but] I have a sense that they had fairly firm boundaries about what they could and could not communicate back to us. ... We found it frustrating at times not to be able to have the kind of conversations that as officials we’re used to having.”⁷⁵

74 Research interview with NI civil servant on 7 May 2024.

75 Research interview with NI civil servant on 7 May 2024.

UKSPF NI partnership group

In July 2022, the previous Conservative UK Government set up the UKSPF NI Partnership Group. This was part of the UKG’s commitment to create local partnership groups across the UK, to access “local insight and expertise [as being] essential for each place to identify and address need and opportunity, and respond with the right solutions for each place.”⁷⁶ In the rest of the UK, the Conservative Government stated that lead local authorities would decide on the composition of partnership groups, ensuring a diverse and representative membership, as well as convene the groups. However, in NI the DLUHC made these decisions and acted as convenor. This was due to reasons previously explored in this report, including the preference to maintain NI as a single geographical unit for the funding, the different competences of local authorities in NI compared to those in GB, and the absence of a functioning NI Executive.

The main aim of the UKSPF NI Partnership Group was to “advise on the development of the investment plan and support [DLUHC] in aligning the UKSPF prospectus to the specific needs and circumstances of Northern Ireland.”⁷⁷ The membership of the NI Partnership Group included the following groups⁷⁸:

- Ministry for Housing, Communities and Local Government (formerly the Department for Levelling Up, Housing and Communities)
- Northern Ireland Office
- Society of Local Authority Chief Executives (SOLACE)
- Queen’s University Belfast
- Northern Ireland Council for Voluntary Action (NICVA)
- Chief Officers Third Sector (CO3)
- NOW Group
- Northern Ireland Chamber of Commerce
- Confederation of British Industry
- The National Lottery Community Fund

76 UK Government (2023) *Guidance: UK Shared Prosperity Fund: Frequently Asked Questions*, 1 August.

77 UK Government (2023) *Guidance. UKSPF Investment Plan Northern Ireland*, updated 12 June 2023.

78 UK Government (2022) *Guidance: UKSPF - Delivery in Northern Ireland, 1 August 2022*.

The NI Partnership Group has met a total of 11 times between July 2022 and September 2024 to discuss the design, development, delivery, operation and outcomes of the UKSPF in NI. Meeting notes can be accessed on the UK Government website.⁷⁹ NI Partnership Group members were asked to ensure coordination and engagement across their sectors to provide rounded views to the group.

A UK civil servant involved in delivering the fund in NI said in an interview that,

“We established a Partnership Group to provide us with some steering and advice and guidance. It covered the third sector, private organisations through representative groups, higher education councils and the Northern Ireland Office, along with ourselves. And that group provides advice to and intelligence and insight to the department as it’s delivering the fund.”⁸⁰

NI partnership group: engagement

DLUHC (renamed MHCLG) also stated its intention, beyond the NI Partnership Group, to engage with a “wider range of stakeholders to inform and influence the development of the Investment Plan including community groups, voluntary organisations, and business voices to ensure it reflects the needs and opportunities of Northern Ireland.”⁸¹ To that end, DLUHC organised the following engagement activities:

- Two workshops for the voluntary and community sector in conjunction with NICVA and CO3, involving 120 individuals.
- An engagement session with local council officers.
- An engagement session with universities and colleges in NI.
- Engagement with SOLACE and its relevant subgroups.
- An engagement session for Social Enterprise Northern Ireland.
- An engagement session with over 25 business representatives.
- Engagement with the Northern Ireland Union of Supported Employment, Disability Action, Northern Ireland Environmental Link, The Rural Communities Network and the NI Youth Forum.

79 See UK Shared Prosperity Fund: Northern Ireland Partnership Group minutes (2022-24).

80 Research interview with UK Government civil servant on 3 May 2024.

81 UK Government (2022) *Guidance: UKSPF - Delivery in Northern Ireland*, 1 August.

- Engagement with complementary funders including the Special EU Programmes Body (SEUPB) who administer Peace Plus.
- Engagement with relevant teams within the Department of Finance, Department for the Economy, Department for Communities and Invest NI.⁸²

We asked interviewees why the NI Executive was not represented in the UKSPF NI Partnership Group, given that it is a key ‘local partner’. We were informed by UK Government officials that they had invited the NI Executive to act as secretariat of the UKSPF NI Partnership Group, but this invitation had been turned down. DLUHC officials also informed us that they had suggested creating a ‘steering group’ that sat above the partnership group, which would involve the NI Executive and NI Departments, but this had also not materialised. One interviewee said that,

“We were exploring with officials in the Northern Ireland government whether there was scope for their involvement, which would include the Department for the Economy, Department for Communities, Department of Finance and possibly also other departments, including those responsible for Peace Plus to sit as part of a governance structure. We were keen to explore looking at kind of a steering group that would sit above a partnership group. That wasn’t possible. In the end, the departments felt that it wasn’t within the realms of what they could agree to.”⁸³

When we asked NI Executive officials about the invitation to become involved in the UKSPF NI Partnership Group or steering group, we were told that they had no recollection of the DLUHC suggestion to become part of a steering group. We were also told that the NI Executive turned down the invitation to act as secretariat of the Partnership Group because of DLUHC’s lack of designation in respect of, and therefore compliance with Section 75 of the Northern Ireland Act (1998) as regards the UKSPF funding.

82 UK Government (2023) *Guidance. UKSPF Investment Plan Northern Ireland*, updated 12 June 2023.

83 Research interview with UK Government civil servant on 3 May 2024.

According to one senior civil servant in the NI Executive,

“When a partnership panel was first mooted, we were keen to become a part of that, as were other [NI] departments. However, we were always pushing to understand, what would be our role? And when I say we, I mean Executive Departments. Ultimately, there was a decision within DLUHC that Executive Departments would be offered a secretariat role to the Partnership panel, but no decision-making powers. So that left us in a difficult place because, well, here is funding which hasn’t complied with our legislative requirements; where, in some ways, we’d be complicit in those decisions but have no influence on those decisions. So for those kinds of reasons, we didn’t feel we could be the secretariat to the partnership panel ... [so] apart from it being a secretariat role that departments didn’t feel comfortable being involved in that partnership, the spend wouldn’t be Section 75 compliant.”⁸⁴

As for the operation of the UKSPF NI Partnership Group, members we spoke with were complimentary about the organisation of the group, its focus and remit, and its engagement with the wider voluntary and community sector in NI. One interviewee, who sat on the UKSPF NI Partnership Group, explained,

“We attend a meeting, probably quarterly, that is convened by the NIO [Northern Ireland Office] and the staff within the SPF [DLUHC]. We meet to discuss the pertinent issues in, I have to say, a very professional manner. The meetings are structured in a professional manner. There’s a lot of openness and transparency within the room. The representation in the room is fairly unique in the sense that you have the community, voluntary, public, private business.”⁸⁵

However, other interviewees, who did not sit on the Partnership Group, have shared with us that they did not feel that there was sufficient consultation and communication between the UK Government and the voluntary and community sector in NI on the UKSPF. One interviewee, who works in the NI Assembly, stated that,

84 Research interview with NI civil servant on 7 May 2024.

85 Research interview with member of the UKSPF NI Partnership Group on 25 April 2024.

“Judging by the correspondence we’ve had from the third sector and the communication we would have had with departmental officials, the engagement [between the UK Government and the NI voluntary and community sector] is minimal to the point where there’s huge frustration.”⁸⁶

One interviewee, who works in the NI civil service, felt that the rationale behind the development of NI Partnership Group,

“was a little vague, I didn’t quite understand how people were selected to be on that Partnership Panel. We did make commentary that we didn’t feel that the Partnership Panel was necessarily as inclusive or as representative as we felt it should be. But it is their [DLUHC’s] panel and they made the decision with the people that they have on it, and proceeded on that basis.”⁸⁷

After making it clear that the NI Executive could not act as secretariat for the UKSPF NI Partnership Group, ministers in NI were still keen to contribute to the design and development of the UKSPF. However, there was a general feeling that they had insufficient input into the UKSPF. For one NI civil servant interviewee,

“Alongside colleagues [in other NI Departments], we did our best to influence the outcomes of the design of SPF and how the SPF should be delivered ... We felt that the SPF might have been better delivered through the Executive Departments in partnership, rather than direct delivery through DLUHC, but we were told that that wasn’t a decision outcome we could influence.”⁸⁸

86 Research interview with civil servant in NI Assembly on 19 April 2024.

87 Research interview with civil servant in NI Department for Communities on 7 May 2024.

88 Ibid.

NI Executive civil servants also shared that they felt there was an absence of effective communications and consultation from the UK Government on the UKSPF:

“It was hard to get information from DLUHC, so sometimes we were asking and asking and then there would just be a [public] announcement ... It wasn’t as easy to understand their timelines or their process as well as we’d hoped, when we’re working with other departments. So that was a bit frustrating ... but we did our 100% best to maintain good, open lines of communication because ultimately we wanted to see good outcomes for citizens in NI, no matter who’s delivering.”⁸⁹

This feeling was also echoed by civil servants working in the NI Assembly, who said they had made several attempts to invite officials from the previous Conservative UK Government to give evidence to NI Assembly committees about UKSPF. This situation was not helped by the NI Assembly not functioning for a period of time:

“One of our key discussions is trying to get access to the UK Chief Secretary to the Treasury. If we can get our hands on them for discussion, that would be great, or even Treasury officials ... to talk to us about what their interpretation of what the Treasury does is, because it impacts directly on the funding that our collective governments have and how they spend it ... Even now we’re having a difficult situation trying to get any kind of direct communication ... And [with] the timing of our assembly being down, we missed out on that whole period when work was being done around these [UKSPF] funds.”⁹⁰

As mentioned earlier, the previous Conservative UK Government stated that one of its intentions with the UKSPF was to establish new relationships with the devolved administrations and local government.⁹¹ However, the recalibration of relationships has not always been welcomed, especially when decisions were made in areas of devolved competence without effective input from devolved institutions.

89 Research interview with NI civil servant on 7 May 2024.

90 Research interview with a civil servant in the Northern Ireland Assembly on 19 April 2024.

91 UK Government (2022) *UKSPF Prospectus*, 1 August.

UKSPF investment plan for Northern Ireland

The NI Partnership Group finalised the Investment Plan for NI following a series of engagement events with communities, voluntary and community groups and business organisations, as listed above. The resulting UKSPF Northern Ireland Investment Plan was published on 5 December 2022.⁹²

The UKSPF NI Investment Plan set out its ambitions for different investment priority areas including ‘Supporting Local Business’, with a focus on Entrepreneurship Support Service, Investment in Research & Development and Innovation, Made Smarter, Wider Sectoral Support, and Discrete Green Growth Activity. Notably for this research on equalities, the Plan set out its goals for the ‘People and Skills’ priority area.

The NI Investment Plan stated that the People and Skills investment priority aimed to “harness Northern Ireland’s growth potential by investing in activity that will support individuals to enter and progress in employment and fulfil their personal potential.”⁹³ Specifically, the Plan set out the priority of creating a “programme of support to help economically inactive people move towards and secure sustainable employment.”⁹⁴



92 UK Government (2022) *UK Shared Prosperity Fund: Northern Ireland Investment Plan*, 5 December.

93 Ibid.

94 Ibid.

Economic inactivity (EI) was a key priority area in the UKSPF Investment Plan for NI. The NI Investment Plan stated that low productivity was a long-standing feature of the NI economy, resulting in poor economic performance. High rates of economic inactivity were identified as drivers of NI’s productivity gap relative to the rest of the UK, and the NI Plan perceived a “lead opportunity for UKSPF to support vital services and address this issue [through] support for economically inactive people and create lasting impact.”⁹⁵ As such the primary ‘cornerstone intervention’ of the UKSPF in NI was

“addressing high levels of economic inactivity [in Northern Ireland through] a programme of support to help economically inactive people move towards and secure sustainable employment.”⁹⁶

High levels of economic inactivity in NI have been highlighted elsewhere. For instance, a report by Pivotal Public Policy Forum Northern Ireland found that, in the first quarter of 2024, there were 314,100 people in NI who were economically inactive, that is, people aged 16-64 years who are not in formal employment or actively seeking employment. Economically inactive people made up 26.7% of the working age population in NI. Pivotal emphasised how EI is distinct from unemployment, since individuals classified as inactive are not looking for work or available for work. It identified the main categories of inactivity as “sickness and disability, looking after family or home, fulltime education, and early retirement.”⁹⁷

To underline the importance of addressing economic inactivity through the UKSPF in NI, this term was used in the name of the December 2022 to January 2023 UKSPF competition and March 2023 list of successfully funded projects in NI, which were called ‘economic inactivity projects’.⁹⁸ As mentioned in section 2.1, this strict focus on economic inactivity marked a departure from previous ESF funding, which focussed more broadly on employment, labour mobility, education and social inclusion, thereby targeting a wider range of people seeking support.

95 UK Government (2024) *UKSPF Investment Plan Northern Ireland*, updated 29 July.

96 Ibid.

97 Pivotal (2024) *Economic Inactivity in Northern Ireland*, 1 May.

98 UK Government (2023) *UKSPF: Northern Ireland List of Successful Economic Inactivity Projects*, 31 March.

UKSPF NI project competition

The NI Investment Plan was soon followed by the publication of a Competition Document on 14 December 2022.⁹⁹ This document set out the key guidance documents for applicants, a list of priority areas and information on the kind of applications sought, specific requirements for projects and information on how to apply.

In the Competition Document, applicants were encouraged to deliver against Indicator *NI33 – Employment Support for Economically Inactive People*, which involved:

“Employment support for economically inactive people: Intensive and wrap-around one-to-one support to move people closer to mainstream provision and to gain and retain employment, supplemented by additional and/or specialist life and basic skills (digital, English, maths and ESOL) support where there are local provision gaps. This provision can include projects promoting the importance of work to help people to live healthier and more independent lives, alongside building their future financial resilience and wellbeing. Expected cohorts particularly 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).”¹⁰⁰

The Competition Document defined economic inactivity as “those without a job who have not sought work in the last 4 weeks and/or are not available to start work in the next 2 weeks although in practice many people who are inactive will have been so for a long time.” Moreover, the Competition Document stated that, “[we] are particularly interested in collaborations between delivery organisations, which can achieve scale efficiencies, enhance value for money outcomes, provide flexibility benefits for deliverers and reduce duplication/complexity for end users ... Delivery in community settings and with trusted intermediaries will be critical to accessing and supporting economically inactive people. This will require close working with the dedicated voluntary and community sector, which has delivered significant activity in this field.”

99 UK Government (2022) UKSPF – Northern Ireland: Competition Document, 14 December.

100 Ibid.



Finally, the Competition Document listed a number of groups that UKSPF NI Economic Inactivity projects should target. These included a number of Section 75 equality groups, including: 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).

The document included a link to an online portal to register and apply for funding. Applicants then had from 14 December until 27 January 2023 (some 6 weeks) to form consortia for project proposals and submit their final applications to DLUHC.¹⁰¹ The application process included a supplementary information template with data on project estimated expenditure, outputs, delivery plan and risks.

In its ‘Additional Information for NI’, the UK Government published information about expected UKSPF project reporting requirements. It stated that its approach to reporting performance management “should be proportionate, asking only for the information we need to understand delivery progress and satisfy our own duties.” This included quarterly progress reports and 6-monthly quantitative reports, setting out progress against project milestones, spend and deliverables.¹⁰²

Finally, the NI Investment Plan also set out its ‘Equality Considerations’, which are explored in section 2.5 below.¹⁰³

101 UK Government (2022) *UKSPF: Northern Ireland Frequently Asked Questions*, 21 December.

102 UK Government (2024) *UKSPF: additional information for Northern Ireland*, updated 29 July.

103 UK Government (2022) *UK Shared Prosperity Fund: Northern Ireland Investment Plan*, 5 December.

UKSPF NI successful projects

Following the project competition, the previous UK Government published a list of successful UKSPF economic inactivity projects in NI on 31 March 2023 (the day that EU funding ended).¹⁰⁴ The list comprised 18 projects, based largely on consortia of organisations partnering to deliver services. At the time, DLUHC (renamed MHCLG) stated that the projects would run from April 2023 to March 2025 (that is, two years).

Individual projects funded by the UKSPF in NI were then performance-managed by officials from DLUHC, based either in Belfast or London. The DLUHC was also responsible for measuring whether funding has been spent to agreed timescales, milestones and outcomes, with the stated 6-monthly reporting requirement.

The previous UK Government stated that the UKSPF funding would be evaluated based on a Theory of Change aligned with the objectives of the Levelling Up Agenda, and that local authorities would participate in process and impact evaluations (in GB). The early update report on the intervention-level evaluation of the UKSPF published in October 2024 featured a list of projects anticipated to be included in the full intervention-level evaluation, of which four are NI-based UKSPF projects/consortia.¹⁰⁵

2.5 Equalities provisions in the UKSPF

This section explores the equality provisions within the UKSPF. In particular, we address the following questions: To what extent has the UKSPF taken into account the promotion of equality? Does the UKSPF meet relevant principles to promote equality across the UK, including in NI? How have these factors been integrated into the design, development, delivery and implementation of the UKSPF? Specifically, we analyse whether the UKSPF in NI meets the following UK Government commitments:

- the commitments of the UK Government to match previous EU funding and to create ‘flexible and locally led’ mechanisms that ‘empower those who know their communities best’ as stated at the time of the fund’s launch;
- the commitment of DLUHC (renamed MHCLG) to consider additional equalities considerations to ensure that the UKSPF in NI gives due regard to the principles of Section 75 of the Northern Ireland Act (1998) in relation to equality.¹⁰⁶

104 UK Government (2023) *UK Shared Prosperity Fund: Northern Ireland List of Successful Economic Inactivity Projects*.

105 UK Government (2024) *UK Shared Prosperity Fund Intervention-Level Evaluation: early update report*, 16 October.

106 The UK Government’s UKSPF Investment Plan for NI states that it will ‘give due regard to the additional equalities considerations that apply in Northern Ireland. In designing the fund, we have considered our public sector equality duties under the Equality Act 2010, as well as the 9 section 75 categories in Northern Ireland.’ See UK Government, UKSPF Investment Plan for Northern Ireland, updated July 2024.

UKSPF guidance on Equalities

The UK Government’s UKSPF guidance note on ‘Equalities’ stated that local authorities in Great Britain were required to meet their statutory obligations under the UK Equality Act (2010) in carrying out their duties in relation to the fund:

“In Great Britain, the public sector equality duty under the Equality Act 2010 requires public authorities in exercising their functions to have due regard to the need to: eliminate discrimination, harassment, victimisation, and any other conduct that is prohibited by or under the Act; advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; foster good relations between persons who share a relevant protected characteristic and persons who do not share it. The protected characteristics under the Act are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, and sexual orientation.”¹⁰⁷

However, in the UKSPF Equalities guidance note, no mention is made of the equality responsibilities of authorities in NI, where the Equality Act (2010) does not apply. Instead, equal opportunities and discrimination are ‘transferred matters’ under the Northern Ireland Act (1998). In NI, there is no single Equality Act, but rather a number of pieces of legislation – including provisions for Section 75 groups in the Northern Ireland Act (1998) – that provide differing levels of protection across different equality grounds.¹⁰⁸

However, DLUHC (renamed MHCLG after July 2024), which administers the UKSPF in Northern Ireland, has not been designated for the purposes of Section 75 and is therefore not required to comply with the NI Act (1998) Section 75 duties. As a result, Section 75 does not apply to UKSPF funding processes and procedures in NI.

107 UK Government (2022) ‘Guidance – UK Shared Prosperity Fund: Equalities (9)’, 19 July.

108 For relevant pieces of equality legislation in Northern Ireland, see the Law Society of Northern Ireland. The lack of a consistent and harmonised framework for equality legislation in NI has been criticised by the ECNI for creating a hierarchy of rights, as well as gaps and shortfalls in international standards. See: ECNI, *Gaps in Equality Law in Northern Ireland*.

UKSPF NI investment plan equality considerations

The UK Government’s UKSPF NI Investment Plan acknowledged that DLUHC (renamed MHCLG) was not a designated body for the purposes of Section 75 of the Northern Ireland Act (1998). However, it also stated that “we recognise the importance of not only meeting our legal obligations under the Equality Act 2010 but also giving due regard to the additional equalities considerations that apply in Northern Ireland. In designing the fund, we have considered our public sector equality duties under the Equality Act 2010, as well as the nine section 75 categories in Northern Ireland.”¹⁰⁹

The UKSPF NI Investment Plan went on to specify how protected equalities groups could potentially benefit from the UKSPF programme in NI, and that a number of the projects were likely to have a positive impact on protected groups. These included an emphasis on age, disability, gender, people with dependents, and racial groups in the People and Skills investment priority area. The Plan also discussed its aim to “build on our considerations of equality as we move to delivery.” Here, it is stated that applicant organisations are asked to describe “how their project will impact on people with protected characteristics, including any measures they plan to positively impact on or promote good relations between groups set out in Section 75 of the Northern Ireland Act 1998 and the Equality Act 2010, as part of project design and implementation.”¹¹⁰

The UKSPF NI Investment Plan also stated an objective to “build an understanding of impact on protected groups over time and enable project deliverers to address any adverse impacts in project delivery over the life of the fund.”



109 UK Government (2022) *UK Shared Prosperity Fund: Northern Ireland Investment Plan*, 5 December.

110 Ibid.

NI Executive response to lack of Section 75 designation

In our interviews with policymakers in NI, it became increasingly clear that the NI Executive has been particularly concerned about the lack of reference to Section 75 of the Northern Ireland Act (1998) in the UKSPF Prospectus for NI, and its lack of application to the funding. The Minister of Finance for Northern Ireland, Caoimhe Archibald, said in an interview in May 2024 that,

“one of the aspects that there is a particular shortcoming from our perspective is in relation to the equality consideration and the lack of the inclusion of our Section 75 duty in terms of the design and delivery of those programmes.”¹¹¹

The decision of the previous UK Government not to designate DLUHC under Section 75 of the Northern Ireland Act (1998) resulted, as we saw earlier, in the decision of the NI Executive not to sit on the UKSPF NI Partnership Group convened by DLUHC.

Policymakers and voluntary and community stakeholders who we interviewed in NI were especially concerned about the lack of an Equality Impact Assessment for the UKSPF funding, which most likely would have been required if DLUHC was Section 75 designated. As one senior civil servant in the NI Executive told us,

“We were keen to see the spend through the UKSPF be subject to Section 75 legislation, and we were told by DLUHC colleagues that because they were an English department, that it needn’t apply. We felt that it ought to, because the spend would be in Northern Ireland and we were told they had done their own equality impact assessment. We did ask to see the equality impact assessment they stated they’d undertaken, but we’ve never had sight of that.”

111 Research interview with Northern Ireland Minister of Finance Caoimhe Archibald, 7 May 2024.

When we asked DLUHC/MHCLG representatives about how equality requirements were being met with the UKSPF, we were informed that,

“The overall fund is UK-wide and therefore the Equality Act applies and ministers have a duty to consider the equalities implications of any investment decision or policy decision they take, so that forms part of advice that we provide to ministers. For Northern Ireland we supplemented that with advice that set out the additional considerations that apply there ... We looked at those protected characteristics that are specific to Northern Ireland and whether there would be a positive, negative or neither impact and then when it came to the competition and the selection decisions, we looked at the analysis at that point as well.”¹¹²

When we asked about whether any Equality Impact Assessment of the UKSPF had been undertaken with regard to Section 75 equality groups in NI in advance of the launch of the fund, we were told by an official from the UK Government that,

“We set out that we wanted to understand from the applicants, which cohorts [of equalities groups] that we’re intending to support. And we didn’t have a precise percentage to go on, such as people with disabilities ... That was a judgement that we took after engagement with a range of partners, with the view being that there wasn’t a clear way to do that. So we’ll see what comes, and then assess that against the numbers that exist from an equalities point of view.”¹¹³

In the Investment Plan for NI, the UK Government stated its intention to “continue to build on our considerations of equality as we move to delivery.” In particular, DLUHC requested that project teams ensure that equality considerations are built into their applications, monitoring and reporting. The Plan requests the following information:

- that non-public sector applicant organisations describe how their project will impact on people with protected characteristics, including any measures they plan to positively impact on or promote good relations between groups set out in Section 75 of the Northern Ireland Act (1998) and the Equality Act (2010).

112 Research interview with UK Government civil servant on 3 May 2024.

113 Research interview with UK Government civil servant on 3 May 2024.

- that public sector applicants set out how their proposed project is compliant with Section 75 of the Northern Ireland Act (1998) and Equality Act (2010).
- that all successful recipients of funding in NI, as part of the conditions of the award, collect information on the 9 categories set out in Section 75.¹¹⁴

Applicants and recipients of UKSPF funding in NI are therefore expected to play a key role in developing the evidence base on the impact of the UKSPF on equality groups. This project data will be included in the evaluation of the UKSPF in 2025, which has been commissioned by MHCLG (formerly DLUHC) and conducted by independent evaluators.¹¹⁵ Providing further rationale around this approach, a UK civil servant said,

“Because we’re requiring deliverers to submit equalities data on beneficiaries, we will be able to look at whether there are any particular trends or particular deficiencies or particular over-performance even that we want to highlight, and reflect back to them and ask them to address that. Because of the way reporting works, there’s not an awful lot of time series data there, but we will be doing that analysis and sharing that with them. We do have quarterly engagement with the cohort of economic inactivity projects and quarterly meetings of the Partnership Group. So it will be shared there. And all those public bodies in Northern Ireland have a Section 75 responsibility. And, you know, that ensures strong alignment with Northern Ireland priorities.”¹¹⁶

Equalities duties in GB and NI

Under the UK Public Sector Equality Duty, contained in section 149 of the Equality Act (2010), public authorities must have due regard to several equality considerations when exercising their functions, including eliminating discrimination, harassment and victimisation and advancing equality of opportunity between people who share relevant protected characteristics and people who do not share it.

114 UK Government (2024) *UKSPF Investment Plan Northern Ireland*, updated 29 July.

115 UK Government (2024) *UKSPF intervention-level evaluation: early update report*, 16 October.

116 Research interview with UK Government civil servant on 3 May 2024.



While the Equality Act (2010) does not require public authorities to carry out Equality Impact Assessments, it is generally good practice to conduct these in cases where there is a significant change in policy that may impact equality.

Under Section 75 of the Northern Ireland Act (1998), public authorities must identify:

“whether there are major, minor or no impacts on equality of opportunity; and good relations between people of different religious belief, political opinion or racial group. Where a policy clearly has major implications for equality (for example the potential equality and/ or good relations impacts are likely to be adverse; the policy is significant in terms of strategic importance; the policy is significant in terms of expenditure) or is likely to affect a large number of customers or staff in a disproportionate way, then a more detailed equality analysis should be undertaken before the policy is implemented.”¹¹⁷

117 This text was drafted for another wing of the UK Government, the HMRC, as part of its ‘Northern Ireland Equality Scheme for HMRC’ corporate report. Clearly then, some departments of the UK Government are compliant with Section 75.

There appears, therefore, to be a responsibility gap, as the DLUHC (renamed MHCLG) is not designated for the purposes of Section 75 under the Northern Ireland Act (1998), and yet the UKSPF funding that it administers in NI marks a significant policy change from the previous EU funding, which has major implications for equality in NI.

Monitoring of equalities data

In its previous role as Managing Authority for the ESF and ERDF in NI, the NI Department for the Economy was required to monitor and review the Section 75 composition of project participants “to inform future policy development and to ensure programmes are meeting their requirements under Section 75 of the NI Act 1998.”¹¹⁸ ESF programme participation was monitored annually to identify any participation or take-up rates which were lower than expected, and the causes for this.¹¹⁹

Along similar lines, the UKSPF Investment Plan NI stated that:

“All project deliverers will also be asked, as part of the conditions of the award of funding, to collect information on the nine categories set out in Section 75. We will review this at plan level, which will help build a fuller evidence base as to the impact that UKSPF can have on all protected groups, especially those where evidence is currently more limited.”¹²⁰

However, the UKSPF NI Investment Plan also states that the UKSPF is “prefaced on a light touch approach to monitoring to enable project deliverers to focus on delivery and outcomes”; while the UKSPF intervention-level evaluation early update report in October 2024 found that some UKSPF recipients felt that “MHCLG guidance could have been clearer or more timely, including in relation to outputs, outcomes, and indicators they were asked to report to MHCLG for project monitoring.”¹²¹

In interviews carried out as part of this research with UKSPF and (previous) ESF recipient organisations, some concerns were raised with regard to the emergence of potential data gaps in areas where data was collected under ESF, but that data is now not reported on under UKSPF. For example, one organisation, which

118 Department for the Economy, *ESF Information Memo 10/21 – Section 75 monitoring*.

119 Department for Employment and Learning (2014), *Northern Ireland European Social Fund Programme 2014 – 2020*. Pg 137.

120 UK Government (2024) *UKSPF Investment Plan Northern Ireland*, updated 29 July.

121 UK Government (2024), *UK Shared Prosperity Fund intervention-level evaluation: early update report*.

received ESF and then UKSPF funding, stated that they are not now required to report data on project participation which is disaggregated according to disability type for UKSPF. This was seen as likely to limit the ability of policymakers and service providers to identify trends and gaps in the provision of support for people with different types of disability in NI.

2.6 Funding delays

All of the voluntary and community sector organisations with whom we spoke conveyed a sense of frustration around the tight deadlines and late announcement of the UKSPF funding. The previous Conservative UK Government confirmed successful recipients of the UKSPF funding on the very last day that EU funding ran out: 31 March 2023.

This timing put extreme pressure on voluntary and community sector organisations in NI, especially those which had received EU funding, and which did not know if they were successful in winning the new UKSPF funding. Without the certainty of continued funding under UKSPF, many organisations in NI had begun making redundancies and lost other staff who were looking for financial security and took up other jobs. Other organisations had to let go of staff and close services when they found out they had been unsuccessful in winning funding under the UKSPF. The late announcement had a detrimental impact on staff retention in the short-term, but according to interviewees, it has also had an adverse longer-term impact on staff recruitment into the voluntary and community sector. One interviewee felt that,

“it was unconscionable that we had to wait until the afternoon of the 31st March 2023 to get an indication of whether or not the projects that we had applied for had been successful, as we obviously needed to inform staff. We all had issues of redundancy with our staff teams and even though we were successful in bringing in other business and other contracts, we still had 14 or 15 people at that time on our staff team who we didn’t know right up to the thirty-first of March, whether they were going to have a job or not.”¹²²

In interviews with NI civil servants, we were informed that the NI Executive had warned DLUHC that the timelines and turnaround for the funding were too tight. They had also provided advice to DLUHC about the delivery of large funding schemes in NI, based on their experience of managing the EU funds. One interviewee said,

“from our perspective, we were happy to share our learnings of how ESF was delivered. So with DLUHC officials, as did other departments, we shared a landscape review that we jointly commissioned by SIB (Strategic Investment Board) when we had stood up a joint project with the Department for Economy on the replacement of ESF, before the decision was made. We shared that landscape report that was done in co-design with the sector. We shared the outcomes, the monitoring and the evaluation that we had from ESF. We shared the design of the other programmes that we deliver, so that there wouldn’t be duplication. We explained how we delivered labour market partnerships. We gave them an overview of that. And, I suppose just generally, we explained how long it really takes to design and deliver a big piece of funding of that scale, and our feeling was that there wasn’t enough time for them to design and deliver something in that time frame. So we explained to them that we thought it was too short for the time that they had to design and deliver a scheme, and so it proved.”¹²³

However, NI civil servants that we spoke to did not think that the DLUHC civil servants were to blame for the crisis created by the late 31 March announcement in the voluntary and community sector. Instead, one interviewee felt that,

“DLUHC was set by the direction of ministers ... and I feel like the officials were put under very significant pressure. I’m not sure anyone could have delivered in the time frame they were given. To be fair to them, it’s not that they ignored the information that we gave them, it’s that there simply was not the time to design and deliver in a robust way. And I think they tried to do the best with what they had, and the time that they were given, but I do not feel they were given enough time to really define this. So it’s not that they ignored information that we gave them, it’s that there simply wasn’t time to incorporate all of that into. What they were trying to deliver in what really was an impossible time frame.”¹²⁴

123 Research interview on 7 May 2024.

124 Research interview on 7 May 2024.

Many interviewees from the voluntary and community sector in NI with whom we spoke prior to the UK Government Budget announcement in October 2024 felt like the same thing was happening again, with uncertainty around the continuation of funding, tight deadlines, and adverse impacts on the sector. According to one interviewee,

“You know, the time that DLUHC would have had to design and deliver and go live [with the UKSPF] ... the same issue exists now because there are no decisions about the future ... And it’s my understanding they don’t yet have a plan for what next. And if you were going to be designing something differently, then that’s very little time to be ready to go live on the first of April 2025.”¹²⁵

2.7 Conclusion

The transition to the UKSPF funding has been beset by a number of issues. While an initial commitment to create a UK Shared Prosperity Fund was made by the governing UK Conservative Party in 2017, the Prospectus for the UKSPF fund was not published until May 2022. During that period, the UK Community Renewal Fund helped to provide a stop-gap between the end of the Brexit transition period and the launch of the UKSPF, which provided crucial transitional funding for organisations. However, during this period, few details were released about the UKSPF, and there was no formal public consultation on the development and design of the UKSPF.

After the UKSPF Prospectus was finally published in April 2022, and the UKSPF NI Partnership Group published its Investment Plan for NI on 5 December 2022, funding applicants only had 6 weeks to absorb the requirements of the Plan for NI, explore partnerships with other organisations to form project consortia (a new focus of the UKSPF funding), and prepare and submit their project applications. However, the real issue of time pressures emerged when the UK Government did not announce a list of successful projects in NI until 31 March 2023 – the day that ESF funding in NI ended. This created significant anxiety within the sector and resulted in the loss of staff, due to organisations having to give staff advance notice of redundancy.

While DLUHC made significant efforts to engage with the voluntary sector, businesses and communities to inform the development of the UKSPF NI Investment Plan, some organisations felt they were not sufficiently consulted. Furthermore, the NI Executive, despite an invitation from DLUHC to act as secretary for the NI Partnership Group, felt unable to participate as DLUHC was not designated under Section 75 of the Northern Ireland Act (1998) and there were consequently legal concerns about this.

When looking at the funding model itself, we begin to see that the UKSPF is a very different creature from the EU structural funds that it follows. In the 2020 Spending Review, the UK Government committed to ‘replacing’ the ESF and ERDF through the UKSPF. However, this commitment changed from ‘replacing’ the EU funds to being a ‘successor’ of those funds. In short, the UKSPF did not have to meet the same requirements as the EU structural funds. There were a number of key differences between the EU structural funds and UKSPF, based on the UKSPF Prospectus: first, in the amount of funding being awarded; second, in the focus of the fund (away from reducing social inequalities to more narrowly focussing on tackling economic inactivity and ‘levelling up’ places across the UK); and third in the management of the funds. While the NI Department for the Economy had been the main managing authority for the EU structural funds in NI, the UK Department for Levelling Up, Housing and Communities in London became the managing authority for the UKSPF.

Notably, the UK Levelling Up agenda strongly influenced the design of the UKSPF, marking a shift away from the emphasis of the EU structural funding on social inclusion to the UKSPF focus on economic inactivity and routes into employment.

In looking at the funding amounts, it is clear that the UKSPF represents a shortfall in funding compared to the previous EU structural funds (ESF and ERDF). Compared to the total sum for ERDF and EFS structural funding levels in NI in 2014 to 2020, there is a shortfall of approximately £20 million to £23 million per annum on average (accounting for currency fluctuations and rounding) between the UKSPF and previous EU funding levels, representing a reduction of approximately 32-34%. Looking more specifically at the funding allocated to projects under the ESF and then through UKSPF economic inactivity (EI) funding, there has been a reduction of 30.4% per annum on average (though this can be accounted for by the absence of a match funding requirement to complement the UKSPF, as was in place under the ESF).

Moreover, as £22.6m of (previously ring-fenced) UKSPF NI funding was repurposed and allocated to the NI Executive as part of the Executive Restoration Package settlement in 2024, the actual annual average amount allocated to the UKSPF in NI over the three year period of 2022-23, 2023-24 and 2024-25 has been £35m, equating to a 43.8% reduction in comparison with the ESF/ERDF (2014-20) average of £62.7m.

It is important to note that the UKSPF funding was designed to ‘taper in’ as ESF and ERDF spending tapered down (with ESF/ERDF funding committed during 2014-20 continuing to be spent up until the end of 2023). This involved what has been termed by think-tanks and devolved governments as a method of ‘double-counting’ of EU funding during the first two years of the UKSPF. This method has been criticised by a range of stakeholders across the UK, as it led to lower levels of UKSPF funding in the initial two-year period, without taking into account the likely new EU funding that would have been allocated to NI during this period had Brexit not happened.

Stakeholders in the NI policy community, who participated in this research, have also criticised the absence of a strong equality focus in the UKSPF funding. While the UKSPF NI Investment Plan stated its intention to give ‘due regard to the additional equalities considerations that apply in Northern Ireland’, concerns were raised about the fact that DLUHC was not designated under Section 75 of the Northern Ireland Act (1998) meant that a publicly available Equality Impact Assessment was not undertaken in advance of the implementation of the funding. Moreover, concerns around DLUHC’s lack of Section 75 designation led to NI Executive and NI Department concerns about the inability of the UKSPF to properly consider Section 75 equalities issues, which led to their decision to not sit on the NI Partnership Group. Finally, some concerns were raised with regard to the emergence of potential data gaps in areas where data was collected under ESF, but that data is now not reported on under UKSPF, including some equality data.

3

UKSPF projects in Northern Ireland



This chapter provides an overview of the delivery and implementation of the UKSPF in Northern Ireland in 2022-24. It examines which organisations received funding, which consortia were created and how the new collaboration-based model works. It also explores which equality themes were covered by the UKSPF funding in comparison to the previous European Social Fund allocations (and which equality issues and groups may have been excluded by one or the other, or both funding schemes). Finally, the chapter includes an analysis of what the UKSPF funds were used to achieve by consortia in NI, and impacts of the UKSPF on equality groups during this period.

3.1 Recipients of funding

In total, £57.6 million was allocated to projects in Northern Ireland over the two-year period from March 2023-25. This funding pot was split amongst 18 projects, the majority of which were consortia involving multiple project partners. Many of the projects funded by the UKSPF had relevance to Section 75 groups, including:

- Two projects (£16.7m) aimed specifically at people with disabilities (SkillSET – Action Mental Health; EMPOWER) and one (PROSPER, £4.8m) incorporating a strong focus on people with disabilities
- Three projects (£7.98m) aimed specifically at young people (Moving Forward, Moving on; Youthstart – Springvale Training Ltd; YouthStart – Youth Action)
- Two projects (£2.14m) aimed specifically at women (Building Futures; Scaling Up Women’s Training, Education & Employment Skills)
- One project (£0.48m) aimed specifically at people from migrant or ethnic minority backgrounds (Migrant Access Programme)
- Though not a Section 75 equality group, one project (£1.56m) focussed specifically on ex-offenders (SkillSET – NIACRO)



In addition, eight projects (£23.9m) have been oriented more generally towards the economically inactive. In the interviews, we were informed that these projects have often sought to support particular equality groups such as people with disabilities, but eligibility for them under the UKSPF rules was based on economic inactivity. Some of these general projects also included organisations with a particular Section 75 relevance as partners, for example Women’s Aid is a partner for the Employ Me project.

A full list of economic inactivity projects funded through the UKSPF in NI during 2023-25 is provided in Appendix D. In addition, full details of the range of partner organisations involved in each project can be found on the UK Government website.¹²⁶ Further information, including summaries of each project that has been funded, can be found in a guidance note published in July 2024.¹²⁷

3.2 Consortium partnerships

The move to predominantly consortium-based working for projects represents one important way in which the UKSPF differed from comparable previous EU funding streams in NI. The UKSPF project competition document encouraged prospective applicants to “consider working with other organisations to develop bigger projects to maximise impact and delivery flexibility”.¹²⁸ According to one interviewee with insight into the competition process, encouraging consortium-based working was seen as a way of ensuring that “we get organisations coming together, we get economies of scale and we get really efficient bids that are going to hit the mark.”¹²⁹

The shift towards consortium-based working was seen by many research participants as having had some beneficial impacts for equality groups in NI. As noted by one interviewee, there were now in the voluntary and community sector in NI “a number of large-scale collaborative programmes that didn’t exist under ESF ... our sector always talked about improving collaboration and sharing experiences etcetera. So I see that as a benefit.”¹³⁰ Several interviewees representing organisations in UKSPF-funded consortia similarly described increased opportunities for the sharing of knowledge and best practice as a benefit they had experienced as a result of consortium working.

126 UK Government (2023), ‘UK Shared Prosperity Fund: Northern Ireland list of successful economic inactivity projects’.

127 UK Government (2024), ‘UK Shared Prosperity Fund: Northern Ireland project information’.

128 UK Government (2022), ‘UK Shared Prosperity Fund – Northern Ireland: project competition’.

129 Research interview on 17 June 2024.

130 Research interview on 24 July 2024.

As described in further detail in the case study chapters of this report, interviewees from organisations involved in UKSPF consortia providing support to particular equality groups have described broadly positive experiences of consortium working, notwithstanding some difficulties. With regards to the disability support sector, for example, one interviewee from a partner organisation in the SkillSET consortium felt that the establishment of a consortium bringing together organisations with different but complementary areas of specialism had “really worked well”, enabling the development of a more comprehensive support offer for those with disabilities. Likewise, in relation to the youth work sector, the YouthStart Consortium brought together seven partner organisations with complementary areas of focus, which one interviewee felt “should really benefit young people” by creating “one single entry point” for accessing wraparound employability support.¹³¹

At the same time, there were ways in which the move to consortium working was received less positively. While the majority of the 51 organisations who had previously received comparable funding as part of ESF Call 3 were part of at least one successful UKSPF consortium, 14 organisations who previously received this European funding were not successful UKSPF recipients.¹³² Amongst research participants from these organisations, there was a perception that the consortium bidding process favoured larger and Belfast-based organisations who were able to offer NI-wide provision through their consortia, at the expense of smaller and more locally-oriented organisations for whom this was less realistic. Along these lines, one interviewee working in policy in NI shared their opinion that,

“my sense is, from conversations with stakeholders, that certainly the bigger consortia were made up of slightly larger voluntary and community sector organisations who were organised and worked together collectively to put in strong proposals to attract the SPF funding.”¹³³

131 Research interview on 24 July 2024.

132 Access Centre NI; Active Communities Network Limited; Derry Youth & Community Workshop; Job Directions Ltd; Kilcooley Women’s Centre; Limavady Community Development Initiative (LCDI) Poleglass Community Association ; RAPID Ltd; RCD/4Rs; Roe Valley Community Education Forum Ltd; The Advantage Foundation Ltd; The Conservation Volunteers; Training for Women Network Ltd; Women’s Centre Derry; Workforce Training Services.

133 Research interview on 7 May 2024.

Recent research from De Montfort University, meanwhile, found that smaller third sector organisations and rural communities had been hit particularly hard by the cessation of ESF funding, due to a relative lack of success in accessing UKSPF funding compared to larger organisations.¹³⁴ Some of the smaller unsuccessful third sector organisations have “simply closed down”, with some rural areas “losing all the [third sector] employability support they once had.”¹³⁵ These impacts were seen as linked to the new emphasis on consortium-based bidding, with the researchers finding “an acceptance ... that the process may have had an inbuilt bias in favour of larger organisations that can act as anchors to consortia and which have the resources to bring in outside help to advise on the shaping of applications.”¹³⁶

3.3 Equality issues addressed

This section provides a breakdown of UKSPF economic inactivity funding during 2023-25 with regard to its relevance to particular Section 75 equality areas (Tables 4 to 10), in order to provide a sense of the relative extent to which different equalities-related groups were beneficiaries of this funding. By way of comparison, a similar numerical breakdown is provided for ESF Call 3 (funding period April 2022 to March 2023), helping to give an indication of the extent to which organisations of relevance to different equalities groups were likely to have experienced positive or negative financial impacts during the past few years of transition away from EU funding.

The two main sources upon which this analysis is based are the UK Government’s list of successful economic inactivity projects in NI, published in March 2023,¹³⁷ and the NI Department for the Economy’s list of ESF Call 2 and Call 3 projects by constituency and council area, published in May 2022.¹³⁸

It is important to note that the ESF allocations provided in the tables are total eligible project costs, including both the core 65% EU/DfE allocations to projects and the required 35% match-funding element of the ESF. The UKSPF does not include a match-funding requirement, so the UKSPF allocations in the tables consist only of UK Government funding allocations. This means that the tables do not provide a like-for-like comparison of EU funding with UK Government funding levels, but rather show the extent to which projects of different kinds benefited from funding available under the (match-funding inclusive) ESF compared to under the UKSPF.

134 Butler, P., Payne, J. and Rose, J. (2024). *Third Sector Organisations Delivering Employment Support in Northern Ireland: Funding and Commissioning After ‘Brexit’*. Pg 5.

135 Ibid.

136 Ibid, Pg 13.

137 UK Government (2023), ‘*UK Shared Prosperity Fund: Northern Ireland list of successful economic inactivity projects*’.

138 Department for the Economy (2022), *European Social Fund Call 2 and Call 3 Projects by constituency and council area*.

In addition, it should be noted that this kind of comparison between UKSPF and ESF funding is somewhat complicated by the high number of broader, economic inactivity-oriented consortia funded through the UKSPF, which often have some relevance across a number of equalities groups while not having a direct focus on supporting a particular equalities-related target group in the way that many ESF projects had. The financial allocations to these more general economic inactivity consortia are included in Table 9; where either the project description or the partner organisations involved indicate a relevance to one or more equalities areas, these projects are also noted in the tables for these areas (though without their financial allocations being counted twice).

Disability projects

Firstly, in terms of size of financial allocation, projects supporting people with disabilities have represented the largest equalities-related focus of UKSPF and ESF funding in NI.

As shown in Table 4, there are two disability-focused consortia (SkillSET and EMPOWER) funded through the UKSPF annually (2023-25). In addition, PROSPER – while also providing support to economically inactive people who are not disabled – incorporates a strong focus on people with disabilities and all of its consortium partners had previously delivered disability-focused ESF projects, and as such it is included in this table. These three consortia account for £10.7m in annual investment, equating to 37.2% of total UKSPF economic inactivity funding.

By way of comparison, 22 projects focused on supporting people with disabilities received a total of £15.6m in the final year of ESF funding (2022-23), accounting for 37.7% of the year's total allocation. Of the 21 separate organisations who received funding for disability-related projects through ESF Call 3, 15 are part of at least one current UKSPF consortium, while six did not receive any UKSPF funding.¹³⁹

¹³⁹ Organisations not receiving UKSPF funding: Access Centre NI; Derry Youth & Community Workshop Limited ; Job Directions Ltd; Limavady Community Development Initiative (LCDI); RAPID Ltd; and RCD/4Rs.

Table 4:**Organisations receiving EU funding and UKSPF funding for projects relating to supporting people with disabilities**

EU funding (ESF Call 3) Project / Organisation(s)	Amount per annum (£)¹⁴⁰	UKSPF Consortium / Organisation(s)*	Amount (£) per annum
Specialisterne NI C.I.C - WWW.WORK.3	67,114.76	SkillSET: Action Mental Health (AMH) Cedar Foundation Orchardville NOW Group Royal National Institute of Blind People Mencap NI Adapt NI	6,024,108.50
Access Centre NI - Skills to Succeed 4	145,736.94	EMPOWER: Ulster Supported Employment Limited (USEL) Disability Action NI Specialisterne NI	2,318,276
Access Employment Ltd (AEL) - Hands on Training (HOT)	188,317.18	PROSPER: Triangle Housing Association Ltd Access Employment Ltd Appleby Trust Compass Advocacy Network Stepping Stones NI	2,395,482
Action Mental Health - AMH Working it Out Project	3,574,652.17	N/A	-
Clanrye Group Limited - Positive Directions	685,157.00	N/A	-
Compass Advocacy Network - WE CAN (3)	248,960.63	N/A	-
Derry Youth & Community Workshop Limited - LEARNING North West 2022	183,175.92	N/A	-
Disability Action - Job Match	502,067.12	N/A	-

140 Total eligible project costs including 35% required match funding.

EU funding (ESF Call 3) Project / Organisation(s)	Amount per annum (£)	UKSPF Consortium / Organisation(s)*	Amount (£) per annum
Job Directions Ltd - Wee Job	82,317.48	N/A	-
Limavady Community Development Initiative (LCDI) - Empower, Qualify, Upskill and Learn (EQUAL)	290,824.70	N/A	-
Mencap NI - EmployAbility3	1,098,167.16	N/A	-
Orchardville Society Ltd - Ignite3	859,527.57	N/A	-
RAPID Ltd - So Keep Farming	121,968.21	N/A	-
RCD/4Rs - Active Inclusion	233,737.10	N/A	-
RNIB NI - Eye Work Too 2022	130,350.00	N/A	-
Specialisterne NI C.I.C - WWW.WORK.2	91,996.21	N/A	-
Stepping Stones NI - Stepping Stones to Employment 2	1,075,864.05	N/A	-
The Appleby Trust - Employment Preparation Service	242,432.67	N/A	-
The Cedar Foundation - Inclusion Works	2,425,969.98	N/A	-
The NOW Project Ltd t/a NOW Group - Verve	1,301,526.48	N/A	-
Triangle Housing Association Ltd - Triangle Progression to Employment Service 2023	1,101,935.46	N/A	-
Ulster Supported Employment Limited - STRIDE (Support & Training to Realise Individual Development & Employment)	1,002,337.50	N/A	-
Total	£15.6m	Total	£10.7m

* Note that those with disabilities are also specified as partial focuses of the following broader EI-focussed UKSPF consortia (included in Table 9):

- Employ Me
- Rural Economic Accelerator Programme
- GROW

Young people's projects

Projects aimed at supporting young people represent the second-largest equalities-related focus of UKSPF economic inactivity funding in 2023-25. As can be seen in Table 5, the three UKSPF consortia aimed specifically at supporting young people – Moving Forward Moving On, YouthStart, and the YouthStart Consortium – accounted for £3.99m in annual funding, equating to 13.9% of UKSPF economic inactivity funding. In addition, some broader economic inactivity-oriented consortia, including REAP, include young people as one of their focuses, though the financial allocations for these consortia are counted in Table 9 rather than Table 5.

In the final year of ESF funding (2022-23), meanwhile, there were a total of 20 projects targeted at young people, predominantly through the Not in Education, Employment or Training (NEET) investment strand. These accounted for a total of £9.93m in investment, or 24% of total ESF funding in 2022-23. Of the 19 separate organisations who received ESF Call 3 funding for projects targeted at young people, 14 became part of a UKSPF-funded consortium in 2023-25, while five did not.¹⁴¹

Table 5:

Organisations receiving EU funding and UKSPF funding for projects relating to supporting people of different ages

EU funding (ESF Call 3) Project / Organisation(s)	Amount per annum (£)¹⁴²	UKSPF Consortium / Organisation(s)*	Amount (£) per annum
The Prince's Trust NI- Reaching Further	789,817.34	Moving Forward, Moving on: Extern NI Business in the Community NI	324,000
21 Training Ltd- PULSE (Pathways for Urban Learners to Succeed in Employment)	214,701.19	YouthStart: Springvale Training Ltd	664,765.50

¹⁴¹ Organisations not receiving UKSPF funding: Active Communities Network Limited; Job Directions Ltd; The Advantage Foundation Ltd; Training for Women Network Ltd; Workforce Training Services.

¹⁴² Total eligible project costs including 35% required match funding.

EU funding (ESF Call 3) Project / Organisation(s)	Amount per annum (£)¹⁴²	UKSPF Consortium / Organisation(s)*	Amount (£) per annum
Active Communities Network Limited - GOALS+	283,500.00	YouthStart Consortium: Youth Action NI Bytes Project Princes Trust NI Start360 Springboard Opportunities Ltd Include Youth NI Youth Forum	3,000,000
Ashton Community Trust - CORE Project	744,647.08	N/A	-
DFPF Ltd t/a People 1st - Building a Career in Construction	71,951.94	N/A	-
Extern NI - Moving Forward - Moving On	323,853.90	N/A	-
GEMS NI Ltd - Co-Ment	466,397.68	N/A	-
Include Youth - Give and Take Scheme	1,102,974.20	N/A	-
Job Directions Ltd - Social Engagement Employability Destinations (SEEDs)	455,798.23	N/A	-
Network Personnel - Up for Work (UFW)	286,162.08	N/A	-
South West College - College Connect	786,108.14	N/A	-
Springboard Opportunities Ltd - JobWorks+	322,770.30	N/A	-
Springvale Training - Youth Start	348,568.30	N/A	-
Start360 - Switch onto Employment	213,330.18	N/A	-
The Advantage Foundation Ltd - Quest	118,957.75	N/A	-

EU funding (ESF Call 3) Project / Organisation(s)	Amount per annum (£)	UKSPF Consortium / Organisation(s)*	Amount (£) per annum
The Bytes Project – Launch Pad – STEM, Youth Work and Personal Development	355,270.70	N/A	-
The Prince’s Trust NI – Journey to Success	1,988,249.15	N/A	-
Training for Women Network Ltd – PASS – Promote, Advance and Support for Success Project	237,560.53	N/A	-
Workforce Training Services – Get Connected	268,500.00	N/A	-
Youth Action NI – GET SET for Work	551,843.68	N/A	-
Total	£9.93m	Total	£3.99m

* Note that young people were also specified as a partial focus of the following broader EI-focussed UKSPF consortia (included in Table 9):

- GROW
- Rural Economic Accelerator Programme
- Exploring Self-Employment and Enterprise Skills Together.

In addition, older people (50+) were specified as a partial focus of the following broader EI-focussed UKSPF consortia (included in Table 9):

- GROW:
- Employ Me
- Rural Economic Accelerator Programme.

Women's projects

There were two UKSPF consortia aimed specifically at supporting women in 2023-25: Building Futures, and Scaling Up Women's Training, Education & Employment Skills. As shown in Table 6, these consortia accounted for £1.07m in annual UKSPF economic inactivity funding (3.7% of total funding) during 2023-25. In addition, women were cited as a partial focus of some broader UKSPF NI consortia such as Employ Me. By comparison, there were five projects targeted at women funded through ESF Call 3 (2022-23), making up £1.58m in annual investment (3.8% of total funding).

Table 6:

Organisations receiving EU funding and UKSPF funding for projects relating to supporting people of different genders

EU funding (ESF Call 3) Project / Organisation(s)	Amount per annum (£)¹⁴³	UKSPF Consortium / Organisation(s)*	Amount (£) per annum
First Steps Women's Centre (FSWC) – Women Towards Education and Employment (WTEE)	441,763.24	Building Futures; WOMEN'S TEC (Training, Enterprise and Childcare) Bolster Community Women in Business	436,203.50
Training for Women Network – The Pathways Project	263,080.02	Scaling Up Women's Training, Education & Employment Skills Women's Resource and Development Agency – WRDA NI Rural Women's Network Women's Support Network Atlas Women's Centre Ballybeen Women's Centre Falls Women's Centre Footprints Women's Centre Greenway Women's Centre Shankill Women's Centre Windsor Women's Centre	635,105.50

EU funding (ESF Call 3) Project / Organisation(s)	Amount per annum (£)	UKSPF Consortium / Organisation(s)*	Amount (£) per annum
Training for Women Network Ltd - PASS - Promote, Advance and Support for Success Project	237,560.53	N/A	-
Women's Centre Derry - PROSPER 4	348,178.09	N/A	-
Kilcooley Women's Centre - Step Up 2 Employment	286,452.21	N/A	-
Total	£1.58m	Total	£1.07m

* Note that: Women are also specified as a partial focus of the following broader EI-focussed UKSPF consortia (included in Table 9):

- GROW
- Employ Me
- Rural Economic Accelerator Programme

Minority ethnic projects

As shown in Table 7, meanwhile, there is one UKSPF funded project aimed at supporting people of different racial and ethnic groups: the Migrant Access Programme, which is targeted at legally resident migrant and ethnic minority participants who are economically inactive. This accounts for £0.24m in annual funding, or 0.8% of total UKSPF economic inactivity investment (2023-25).

By contrast, there were no projects targeted specifically at supporting people of different racial groups funded through ESF Call 3 (2022-23), though some projects identified migrants and/or ethnic minority participants as one of their partial target groups. With regards to the UKSPF, ethnic minority participants are also identified as one of the target groups of the broader EI-focussed GROW and REAP consortia.

Table 7:

Organisations receiving EU funding and UKSPF funding for projects relating to supporting people of different racial groups

EU funding (ESF Call 3) Project / Organisation(s)	Amount per annum (£) ¹⁴⁴	UKSPF Consortium / Organisation(s)*	Amount (£) per annum
N/A	-	Migrant Access Programme (MAP): <ul style="list-style-type: none"> DFPF Ltd t/a People 1st 	242,389
Total		Total	£0.24m

* Note that: Ethnic minorities also specified as a partial focus of the following broader EI-focussed UKSPF consortia (included in Table 9):

- GROW
- Rural Economic Accelerator Programme

People with dependants projects

As shown in Table 8, there were no UKSPF-funded consortia (2023-25) which related specifically to supporting people with dependants, though single parents and carers are included as one of the target groups of the broader economic inactivity-focussed Employ Me consortium.

Under ESF Call 3 (2022-23), by contrast, five projects relating to people with dependants were supported through the Community Family Support Programme (CFSP) investment strand, accounting for £3.38m in annual funding (which was 8.2% of the total investment allocated during the 2022-23 ESF funding period).

Table 8:

Organisations receiving EU funding and UKSPF funding for projects relating to supporting people with dependants

EU funding (ESF Call 3) Project / Organisation(s)	Amount per annum (£) ¹⁴⁵	UKSPF Consortium / Organisation(s)*	Amount (£) per annum
21 Training Ltd - Community Family Support Programme	620,013.75	N/A	-
Clanrye Group Limited - Family Foundations	668,124.26	N/A	-
21 Training Ltd - Community Family Support Programme	620,013.75	N/A	-

EU funding (ESF Call 3) Project / Organisation(s)	Amount per annum (£) ¹⁴⁵	UKSPF Consortium / Organisation(s)*	Amount (£) per annum
Clanrye Group Limited – Family Foundations	668,124.26	N/A	-
DFPF Ltd t/a People 1st – People 1st Community Family Support Programme	348,686.40	N/A	-
Network Personnel – Community Family Support Programme	1,197,922.74	N/A	-
Upper Springfield Development Trust – CFSP Family First Belfast	544,039.99	N/A	-
Total	£3.38m	Total	

* Note that: Single parents and carers are specified as a partial focus of the following broader EI-focussed UKSPF consortia (included in Table 9):

- Employ Me

Broader economic activity-focused projects

Table 9 lists the UKSPF (2023-25) and ESF Call 3 (2022-23) projects in NI which primarily aim to improve economic and/or employment-related outcomes amongst a broad target population. We have described these as broader economic inactivity (EI) projects. These are projects which, while often incorporating a partial focus on several equalities-related groups, do not target their activities at one particular such group (as the projects listed in Tables 4-8 do).

There are eight consortia/projects of this kind supported through the UKSPF 2023-25 in NI, accounting for £12m in annual funding (41.7% of total annual UKSPF economic inactivity investment in NI). Where there are particular target groups listed as part of these projects' descriptions, this is noted in the table.

Under ESF Call 3 (2022-23), projects of this sort were largely funded through the Unemployed and Economically Inactive investment priority. Thirteen projects funded through this strand were not targeted specifically at an equalities-related group, which accounted for £9.68m in annual funding (23.4% of total ESF Call 3 investment). As with UKSPF projects, it is important to note that a number of these projects did however incorporate a partial focus on equalities-related groups within their activities.

¹⁴⁵ Total eligible project costs including 35% required match funding.

Table 9:**Organisations receiving EU funding and UKSPF funding for broader economic activity-focused projects**

EU funding (ESF Call 3) Project / Organisation(s)	Amount per annum (£)¹⁴⁶	UKSPF Consortium / Organisation(s)	Amount (£) per annum
Bryson Energy - Step into Employment Project	257,390.73	GROW (Growth, Resilience, Opportunities and Work) Partnership: Network Personnel Ltd 21 Training Workspace Enterprises Ltd (includes a focus on those aged 50+, with a disability / health conditions, women, ethnic minorities, young people, people with multiple complex needs)	1,020,010
Derry Youth & Community Workshop - LEMIS North West 2022	647,514.37	Employ Me Southern Regional College Clanyre Group Community Advice Newry, Mourne and Down Women's Aid (includes a focus on those with a disability, those aged 50+, women returners, single parents and carers)	1,520,950
DFPF Ltd t/a People 1st - LEMIS Works	364,804.95	Belfast Works Connect Upper Springfield Development Trust East Belfast Mission GEMS NI Impact Training Ashton Community Trust	4,923,068
Enterprise NI - Exploring Enterprise Programme (EEP)	459,892.20	Maximise Employment Bryson Charitable Group	839,159

EU funding (ESF Call 3) Project / Organisation(s)	Amount per annum (£)	UKSPF Consortium / Organisation(s)	Amount (£) per annum
Fermanagh and Omagh District Council - ASPIRE	822,854.95	Work It Out DFPF Ltd t/a People 1st	322,051
Network Personnel - Jobmatch	813,784.67	Exploring Self-Employment and Enterprise Skills Together Enterprise NI Ltd Local Enterprise Agencies Prince's Trust NI (includes a focus on young people)	944,121
Poleglass Community Association - Building Your Future (BYF)	186,500.00	Success North-West Triax Ltd Community partners: Greater Shantallow, Dove House, Churchtown, Creggan, Glen Development, Lettershandoney, Waterside, Claudy, Strabane	988,162
Roe Valley Community Education Forum Ltd - Learn to Earn	230,354.59	Rural Economic Accelerator Programme South West College Fermanagh & Omagh District Council COSTA - Local Rural Support Network First Steps Women's Centre South Tyrone Empowerment Programme Fermanagh Rural Community Initiative	1,409,120
Roe Valley Community Education Forum Ltd - Learn to Earn	230,354.59	Dungannon & Coalisland Neighbourhood Renewal Partnership Fermanagh Rural Community Network Omagh Forum for Rural Associations Rural Community Network Western Health & Social Care Trust (includes a focus on young people (16-24), women, those aged 50+, those with a disability and health conditions, ethnic minorities)	1,409,120

EU funding (ESF Call 3) Project / Organisation(s)	Amount per annum (£)	UKSPF Consortium / Organisation(s)	Amount (£) per annum
South West College - Step Up to Sustainable Employment + (SUSE+)	836,438.82	N/A	-
The Conservation Volunteers - Training for Employment	398,591.09	N/A	-
TRIAX Skills - North West (NW)	808,629.89	N/A	-
USDT - Belfast works	3,589,469.26	N/A	-
Workforce Training Services - Path 2 Employment	261,719.90	N/A	-
Total	£9.68m	Total	£12m

Ex-offenders projects

While not a Section 75 equality characteristic, both the UKSPF (2023-25) and ESF Call 3 (2022-23) included investments in projects aimed specifically at ex-offenders. As shown in Table 10, the UKSPF NIACRO SkillSET consortium accounted for £0.78m in annual investment (2.7% of total UKSPF in NI funding in 2023-25). Through ESF Call 3, meanwhile, £1.38m in funding was allocated to the NIACRO - Working Well project in 2022-23, amounting to 3.34% of funding.

Table 10:

Organisations receiving EU funding and UKSPF funding for projects relating to supporting ex-offenders

EU funding (ESF Call 3) Project / Organisation(s)	Amount per annum (£) ¹⁴⁷	UKSPF Consortium / Organisation(s)	Amount (£) per annum
NIACRO - Working Well	1,377,868.60	SkillSET NIACRO	777,645
Total	£1.38m	Total	£0.78m

3.4 Activities and outcomes of the funding

Successfully funded organisations have utilised UKSPF funding to undertake a variety of activities aimed at improving the employability prospects of economically inactive individuals. Types of activities supported through UKSPF funding included:

- **Outreach and engagement** of economically inactive individuals, including those experiencing social, educational or other barriers to employment;
- **Mentoring support** aimed at improving the skills, confidence and personal development of those participating in projects;
- **Community navigation and networking** to build relationships with local groups and employers;
- **Providing employment-related skills and qualifications**, for example, around numeracy and English language skills;
- **Wraparound and tailored support** aimed at helping individuals overcome specific barriers to achieving sustained employment.

Overall, those UKSPF-funded organisations we engaged with through this research reported having achieved participation targets and positive outcomes for economically inactive individuals. Some UKSPF consortia, for example, Success North West and Belfast Connect, have undertaken evaluations of their UKSPF activities to date, through which they have gained a sense of participation numbers and outcomes achieved through their programmes. Interviewees from UKSPF recipient organisations felt confident that their projects were having positive and transformative impacts in the lives of those they engaged with. However, as explored further in the Section 75 case studies, many also expressed frustrations with aspects of the UKSPF, such as restrictive project eligibility criteria and short funding timescales, which they felt made it more difficult for their organisations to achieve the positive outcomes they desired.

Some interviewees expressed frustration at the lack of availability of data with regards to the activities and outcomes of UKSPF projects, particularly in comparison with the more comprehensive data collection and reporting requirements under ESF. Other interviewees from UKSPF recipient organisations appreciated that the reporting requirements of UKSPF funding were ‘lighter-touch’ compared to under the ESF. While the resulting lower level of bureaucracy this has entailed was welcomed by several organisations in receipt of UKSPF funding, others expressed concern around a perceived lack of monitoring of UKSPF project outcomes and disaggregated data (or a lack of transparency with regards to the monitoring that is taking place).

Researchers from De Montfort University also highlighted concerns around “a lack of auditing of the success (or otherwise) of the projects that had been funded” through the UKSPF in NI, contrasting this with the substantive processes in place under the ESF.¹⁴⁸

The previous UK Government stated that the UKSPF funding will be evaluated based on a Theory of Change aligned with the objectives of the Levelling Up Agenda, and that DLUHC (renamed MHCLG) will coordinate the evaluation with participation from lead local authorities (and in NI, local partners and grant recipients), with final reports due to be published towards the end of 2025 / early 2026. The UK-wide evaluation encompasses a programme-level evaluation, place-based evaluations and an intervention-level evaluation.

In October 2024, an early update report on the intervention-level evaluation was published.¹⁴⁹ This report featured a list of projects anticipated to be included in the full evaluation of the funding, of which four are NI UKSPF projects/consortia. While the early update report found that UKSPF projects were performing well and on track to achieve desired outputs and outcomes, the short delivery timeframe for projects was highlighted as a challenge by most project teams, and some felt that DLUHC (renamed MHCLG) guidance in relation to outputs, outcomes, indicators and project eligibility criteria could have been clearer or more timely. The full process and impact evaluation is due to be published towards the end of 2025, along with a value for money assessment. An analysis of ‘early insights’ from the update report on the UKSPF evaluation, published in October 2024, is provided in section 2.1.

3.5 Benefits and challenges of the funding

We have identified a number of benefits and challenges of the transition to the UKSPF funding model for voluntary and community organisations serving equality groups in NI, based on interviews we conducted with stakeholder organisations.

Firstly, the funding delays caused significant distress, whereby the late announcement of funding on 31 March 2023 (otherwise known as the “cliff edge”), on the same day that the ESF projects ended, created significant stress for organisations as well as a loss of staff (where many staff had already been notified of redundancies or who had taken other jobs as a result of job uncertainty due to the funding transition).

Second, the UKSPF encouraged organisations to partner up into consortia to deliver projects, and while this new model was largely seen to benefit collaborative practices amongst successful organisations who received funding in NI, other organisations felt it created unnecessary competition.

148 Butler, P., Payne, J. and Rose, J. (2024). *Third Sector Organisations Delivering Employment Support in Northern Ireland: Funding and Commissioning After ‘Brexit’*. Pg 12-13.

149 UK Government (2024), *UK Shared Prosperity Fund intervention-level evaluation: early update report*.

Third, there was general relief amongst successful recipient organisations that funding was available, but financial impacts varied, ranging from relatively small losses which could be absorbed without too much difficulty, to much more severe cuts in income of up to 50%, resulting in redundancies regardless, and the closure of some services.

In addition, there were a number of organisations who were previous recipients of ESF, but were unsuccessful applicants to the UKSPF. For example, of the 52 organisations who received funding through ESF Call 3 in the 2022-23 funding period, 15 did not receive any UKSPF funding in 2023-25. This included organisations which had received ESF funding for projects aimed at supporting disabled people, young people, and women. Similarly, there were also some organisations who had previously not been successful in applying to the ESF, but who became recipients of UKSPF funding.

Across the board, of both successful and unsuccessful organisations, there was a strong sense of frustration at the narrower focus of the funding on economic inactivity and the move away from social inclusion. This was seen to be compounded by the shorter-term nature of UKSPF funding, which gave organisations less time to support people who were furthest away from the labour market and needed more time and support to return. Social inclusion had previously been a primary focus of much ESF funding in NI, which involved longer funding timescales, and which was one of the four Investment Priorities for the 2014-20 ESF Programme.

On the plus side, many successful UKSPF recipients in NI were positive about the reduced reporting requirements and paperwork. However, some organisations preferred the more thorough and transparent EU processes with more bureaucracy.

Finally, there were a range of different views amongst recipient organisations on working directly with the UK Government, and not going through NI Departments. While some preferred to liaise directly with the UKG, others felt there was a large policy hole as a result of the absence of devolved NI involvement in the funding. Overall though, recipient organisations noted positive relationships with DLUHC/MHCLG staff.

3.6 Conclusion

The delivery of the UKSPF in NI in 2023-25 resulted in £57.6m in funding being allocated across 18 projects aimed at addressing economic inactivity, most of which incorporated at least a partial focus on improving outcomes amongst one or more Section 75 equalities groups. As was the case with the ESF in NI, the largest

recipient categories have been projects aimed at people with disabilities and projects aimed at young people. In addition, there are two consortia aimed specifically at women and one with particular relevance to people from migrant or ethnic minority backgrounds.

The move to consortium working associated with the transition to the UKSPF has been broadly welcomed by organisations who are a part of successfully-funded consortia. However, there is a perception – including amongst those from previous ESF recipients who were not successful in accessing UKSPF funding – that the consortium bidding process favoured larger and Belfast-based organisations who were able to offer NI-wide provision through their consortia. Other research on the impact of Brexit on third sector organisations in NI has similarly found that smaller organisations and rural communities have been hit particularly hard by the cessation of ESF funding.

With regards to funding levels, under UKSPF there was less funding available to projects supporting people with disabilities, young people and women than there was under the most recent funding period (Call 3) of the 2014-20 ESF programme (taking into account both the core EU/DfE contributions and compulsory match funding contributions to ESF projects). There was slightly more funding allocated to projects targeted at ethnic minority participants under the UKSPF, and more funding aimed at projects with a more general focus on supporting economically inactive individuals (some of which incorporated a partial focus on individuals from Section 75 groups).

In addition, some organisations which received funding under ESF Call 3 (2022-23) for projects aimed at supporting disabled people, young people and women have not received any funding under the UKSPF. UKSPF recipients we engaged with reported having achieved participation targets and positive outcomes for economically inactive individuals, though some others we spoke to expressed frustration regarding a lack of accessible data on UKSPF-funded activities and outcomes. DLUHC's evaluation of the UKSPF, encompassing NI, is underway at the time of writing.

Finally, we have identified a number of benefits and challenges associated with the transition to UKSPF funding as experienced by the voluntary and community sector in NI, including around the financial impact of the transition on organisations, the eligibility criteria for participation in UKSPF projects, and the “cliff-edge” experienced by organisations previously in receipt of ESF funding on 31st March 2023. These are explored in further detail in the next Chapter (Section 75 case studies).

4

Section 75 case studies



This chapter develops five case studies of Section 75 equality groups that have been affected by the loss of EU funding and transition to the UKSPF replacement funding.

The groups we have selected cover five of the nine Section 75 characteristics:

- Disabled People
- Children and Young People
- Women
- People from Minority Ethnic communities
- People from LGBTQIA+ communities

These case studies draw on the views expressed by research participants who work in the voluntary and community sector in NI, through interviews, surveys and engagement events. We believe that stakeholders who have a strategic role in delivering services to equality groups and pursuing funding outcomes, have valuable practical experience and insight to share on the impacts of the funding transition on equality groups.

4.1 Disabled people

Background and context

Data from the 2021 Census shows that 24.3% of the NI population has a long-term health problem or disability which limits their day-to-day activities, up from 20.7% in 2011.¹⁵⁰ This includes 10.9% of the NI population who have mobility or dexterity difficulty that limits basic physical activities, 5.8% who experience deafness or partial hearing loss, and 3.1% who have a learning difficulty (such as dyslexia).

Until March 2023, the European Social Fund played a key role in supporting social inclusion, skills development and access to employment amongst people with disabilities in NI. Priority 2: Social Inclusion of the 2014-20 Northern Ireland ESF Programme identified “*Projects supporting people with a disability to access employment, education and training*” as a key target for funding. Under ESF Call 2 (April 2018 to March 2022), 22 projects were funded to support progress towards this aim, with combined eligible project costs of £59m over this four-year funding period. Under ESF Call 3 (April 2022 to March 2023), meanwhile, 21 such projects were funded with combined eligible project costs of £15.6m.¹⁵¹

¹⁵⁰ NISRA (2022), *Census 2021 Main statistics for Northern Ireland Statistical bulletin: Health, disability and unpaid care*.

¹⁵¹ Department for the Economy (2022), ‘European Social Fund Call 2 and Call 3 Projects by constituency and council area’. *Northern Ireland Executive*. Accessed 3/7/24.



The impact evaluation of the 2014-20 ESF Programme in NI found that these programmes had surpassed key milestones and targets, with 11,038 participants engaged as of December 2019.¹⁵² Projects were also assessed as being on track to meet targets for moving participants with disabilities into employment, while also surpassing targets for moving participants into education. In addition, a survey carried out as part of the ESF impact evaluation found that 88.9% of participants with disabilities either agreed or strongly agreed that their participation in an NI ESF programme had increased their chances of gaining employment or entering education/training.¹⁵³ O’Connell and Cunningham’s 2022 report highlighted the value of the ESF’s multiannual funding framework in enabling projects to undertake longer-term work with people with disabilities, and to thereby achieve meaningful outcomes.¹⁵⁴

The current policy context in this respect is informed by the large disability employment gap which exists in NI, with the employment rate amongst disabled people in NI (39%) the lowest in the UK.¹⁵⁵ ECNI analysis of data gathered through its Measuring Equality in Northern Ireland (MENI) Framework has found that disabled people have the lowest employment rate and highest economic inactivity rate of any equality group in NI, with a gap of 33% between the disability employment rate and the overall employment rate.¹⁵⁶

152 Grant Thornton (2020), *An Impact Evaluation of the Northern Ireland European Social Fund Programme, 2014-20*. Pg 48.

153 Ibid, Pg 79.

154 O’Connell, R. and T. Cunningham (2022) *Impact of Brexit on Section 75 Equality Groups in Northern Ireland: EU Funding*, Belfast: Equality Commission for Northern Ireland. Pg 47.

155 Pivotal Public Policy Forum NI (2024), *Economic inactivity in Northern Ireland*. Pg 25.

156 ECNI (2024), *Commission Statement on Equality in Northern Ireland: Employment Summary Report*.

There is not a current Disability Strategy in NI. The development of a new strategy was postponed by the Department for Communities due to the absence of a functioning NI Executive between February 2022 and February 2024. In its August 2023 submission to an Inquiry by the Committee on the United Nations Convention on the Rights of Persons with Disabilities, the Northern Ireland Human Rights Commission and ECNI recommended that the NI Executive take immediate steps to finalise a robust Disability Strategy for NI, and that the Department for Communities develop and implement a Disability Employment Strategy to reduce the disability employment gap in NI.¹⁵⁷

Following the restoration of the power-sharing Executive in NI in 2024, the Department for Communities Business Plan 2024-25, published in August 2024, included as a Key Deliverable the development of a strategy for disability, to be presented to the NI Executive as a draft for public consultation by 31 January 2025.¹⁵⁸

With regard to the transition to UKSPF funding, in March 2023 disability support groups expressed concern about what they described as the potentially devastating impacts of the ending of ESF funding in NI, warning of widespread redundancies if they were unable to access sufficient replacement funding from the UKSPF and elsewhere, and the impact this would have on their ability to run projects and provide services.¹⁵⁹

In July 2023, the ECNI set out a range of adverse impacts likely to be experienced by people with a disability as a result of departmental allocations in the 2023-24 Budget for NI, which included proposals to reduce payments for support services provided by the voluntary and community sector and a reduction in funding for Departmental Core Grant Schemes (Department of Health) to voluntary and community sector organisations that provide services for people with a disability.¹⁶⁰

157 Northern Ireland Human Rights Commission, Submission on the implementation of recommendations by the Committee on the Rights of Persons with Disabilities in its 2016 report for Northern Ireland (2023)

158 Department for Communities (2024), *Key Deliverables 2024 - 2025*.

159 'Mencap NI jobs and services 'at risk' over EU funding cuts'. *BBC News*, 2/3/23.

160 ECNI (2023), *Briefing Note: Concerns regarding cumulative equality impacts of proposed Departmental Budget allocations for 2023-24*. Pg 8.

Transition to the UKSPF

The final list of successful economic inactivity projects funded through the UKSPF from April 2023 to March 2025 included two consortia aimed specifically at people with disabilities: SkillSET (led by Action Mental Health-AMH) and EMPOWER (led by Ulster Supported Employment Limited-USEL). The SkillSET consortium was made up of seven partners (AMH, Cedar Foundation, Orchardville, NOW Group, Royal National Institute of Blind People, Mencap NI, and Adapt NI) and was allocated a total of £12,048,217 for the funding period. The EMPOWER consortium consisted of three partners (USEL, Disability Action NI, and Specialisterne NI) and was allocated a total of £4,636,552 for the funding period.¹⁶¹ In addition, PROSPER – while also providing support to economically inactive people who are not disabled – incorporated a strong focus on people with disabilities, and all of its consortium partners (Triangle Housing Association Ltd, Access Employment Ltd, Appleby Trust, Compass Advocacy Network and Stepping Stones NI) had previously delivered disability-focused ESF projects. PROSPER was allocated a total of £4,790,964 for the 2023-25 funding period.

With regard to the transition period from the ESF to the UKSPF in early 2023, research participants from disability-related organisations described largely negative experiences. Firstly, some interviewees highlighted what they felt was a lack of clarity and clear guidance regarding what was expected and required of them under the UKSPF. One interviewee, who had previously been in receipt of ESF funding, described the difficulties they experienced during the application process:

“When you were doing the European application, you had to provide very detailed information of what you delivered, how you delivered it, what success you had. The UK [SPF] one just wasn’t very clear, it was the most unclear application I’ve ever done as to exactly what they want out of it. So we found it very difficult. I mean we worked very hard. There was a group of five of us [who] applied together for the funding, but we were unsuccessful.”¹⁶²

161 UK Government (2023), ‘UK Shared Prosperity Fund: Northern Ireland list of successful economic inactivity projects’. Accessed 4/7/24.

162 Research interview with a staff member from a disability support organisation, 3 June 2024.

Amongst interviewees whose organisations were successful in applying for UKSPF funding, there was a similar sense of a lack of clarity and clear communication in the initial months during and following the funding transition. Interviewees described a lack of clear guidance around key issues such as eligibility criteria, contributing to a sense of uncertainty amongst those in the sector. As described by one interviewee:

“The roll out of the [UKSPF] programme was quite slow starting, in terms of the communication of programme delivery from DLUHC [renamed MHCLG] at the start. Even the eligibility criteria wasn’t overly clear and very grey within the first three to four months. That was very difficult.”¹⁶³

Participants also emphasised the negative impacts caused by the uncertainty experienced by organisations in relation to whether or not they would be successful in their applications for UKSPF funding, with organisations only receiving confirmation of this on 31st March 2023 (the day before the funding was due to commence). One interviewee described how this uncertainty had contributed to their organisation losing staff who sought greater certainty and job security elsewhere:

“We will lose and have lost a number of staff – skilled, experienced and valued staff – to other employers due the constant funding rounds, and particularly this funding round where it came to the 31st of March where we got confirmation [of funding] ... The pressure and stress that it puts on staff within the sector is huge and we will go through it again in the next 6 to 9 months.”¹⁶⁴

These staff losses and pressures were in turn described as having negatively impacted upon disability organisations’ ability to deliver services, with several interviewees stating that their organisations now have less capacity to deliver support services to people with disabilities (particularly those with more severe levels of disability).

163 Research interview with a staff member from a disability support organisation, 31 May 2024.

164 Research interview with a staff member from a disability support organisation, 31 May 2024.

The late confirmation of UKSPF funding, and consequent uncertainty and loss of staff, also put recipient organisations in a more difficult position when it came to getting their newly-funded projects off the ground, as described by another interviewee:

“So we were told at the end of March that it was starting for two years and a lot of our staff had left and you were almost starting from a standing start really, you’ve almost missed your first quarter of it. So it wasn’t very well organised in terms of that.”¹⁶⁵

Overall, then, research participants from disability-related organisations experienced the initial period of transition from ESF to UKSPF funding as a difficult and uncertain time, due to a lack of clear communication and guidelines around the new programme, delays in the confirmation of funding, and the loss of staff and expertise experienced as a result of the delayed confirmation. This had adverse impacts on organisations’ abilities to provide the services for which UKSPF funding had been secured.

Financial impacts of the transition on disability support organisations

Participants from disability-related organisations were also keen to highlight the broader financial impacts they had experienced as a result of the transition from EU to UKSPF funding, with consequences lasting beyond the initial period of transition in early 2023.

Research participants from several disability-related organisations in receipt of UKSPF funding for 2023-25 reported receiving less funding as a result of the transition. For some, the funding reduction had significant negative impacts with regard to the retention of staff and the overall financial viability of their organisation. One interviewee described the funding transition as contributing to their organisation’s staffing headcount falling by around half, while another discussed

165 Research interview with a staff member from a disability support organisation, 6 June 2024.

“occasions that some people had to lose their jobs for certain periods of time ... [There were] lots of difficulties then with recruitment and getting people to come on temporary contracts. It has been a bit of a nightmare. It’s been a harder transition than what we ever imagined it would have been.”¹⁶⁶

The UKSPF was also described as being more restrictive than the ESF in terms of what funding could be used for, on top of core staffing costs, with one interviewee feeling this had limited their organisation’s flexibility and contributed to further financial difficulties.

Amongst organisations who were not successful in winning UKSPF funding, meanwhile, the financial impact of the transition has been in some cases calamitous. For example, Derry Youth and Community Workshop – which received EU/DfE funding of over £570,000 to deliver projects aimed at people with learning disabilities across ESF Calls 2 and 3 (2018-23) – reported having lost 15 staff in March 2023 as a result of their unsuccessful UKSPF application.¹⁶⁷ Due to the resulting loss of services, a research participant described how there was “nobody to help” many disabled people locally who had previously been in receipt of the organisation’s support.¹⁶⁸

For some participants, the financial impact of the transition had been exacerbated by the loss of match-funding they had previously accessed as ESF recipients (which is not a requirement for UKSPF funding). One interviewee highlighted that:

“For a lot of the disability organisations that would have been funded under ESF, it was sort of made-up of a cocktail of funding ... the Department of Communities was probably one of the main match funders, but also the Department of Health also match-funded quite a few of the disability projects as well.”¹⁶⁹

166 Research interview with a staff member from a disability support organisation, 30 May 2024.

167 Research interview with a staff member from a disability support organisation, 30 May 2024.

168 Research interview with a staff member from a disability support organisation, 3 June 2024.

169 Research interview with a staff member from a disability support organisation, 29 May 2024.

The loss of match-funding from devolved NI Departments, as well as wider budget cuts in NI during this period, contributed to what one interviewee called a

“double blow for some of the organisations. They were not only losing their potential match-funding from the department, but they were also losing some core grant funding that they would have received through from the department as well.”

While research participants for this project expressed mixed views on the previous ESF match-funding requirement, participants from disability support organisations were more likely to see it as having a positive impact, with one feeling that it “helpfully forced local government departments to work together ... it prevented silo working.”¹⁷⁰



170 Response to survey conducted by Horizons Research, May 2024.

A final important point raised by research participants in this respect concerned the shorter time frame of UKSPF funding (two years, compared to 3-4 years for ESF funding rounds). In the case of people with disabilities, this was seen as making it harder for some organisations to have the time to provide the kind of person-centred support they would like to, which does not always bear fruit within a 6 or 12 month time period. The shorter time frame for the UKSPF also contributed to concerns that disability support organisations were once again (following the cliff edge of March 2023) experiencing considerable uncertainty around what their future funding environment will look like. Interviewees reported that this made it difficult to plan ahead and provide a sustainable service, and that it contributed to high levels of anxiety amongst staff.

Move to consortium working

Another significant change experienced by research participants from disability support organisations as a result of the transition from ESF to the UKSPF was the move to consortium working. On balance, those from disability organisations tended to feel that this had been a positive development, notwithstanding some difficulties and challenges faced in adapting to this new way of working. One interviewee felt that:

“In the cold light of day, it’s probably been a good thing that there has been that consortium working. And even when I talk to the guys on the other projects, you know, I think they probably were a bit hesitant about doing the consortiums as well. But I think they’ve seen the advantages of it too.”¹⁷¹

Advantages highlighted by this interviewee included being better able to share experiences and best practice with partner organisations.

Another research participant highlighted the strong working relationships between the consortium partner organisations as helping to smooth the transition to the UKSPF in this respect. Furthermore, the establishment of a consortium bringing together organisations with different but complementary areas of specialism with regards to disability was felt to have worked well by several interviewees, helping the consortium in question to develop a more comprehensive support offer for those with disabilities.

171 Research interview with a staff member from a disability support organisation, 6 June 2024.



Interviewees reported that within each consortium, the lead partner organisation took on much of the responsibility for managing communication with DLUHC. Participants expressed differing perspectives on the impacts of this change. One interviewee (from an organisation which is the lead partner in a disability-focused consortium) indicated satisfaction with the new arrangement, highlighting effective contract management and flexibility around the use of UKSPF funding, particularly in comparison with what was felt to be the more stringent approach under the ESF.

However, another participant (from an organisation which is not a lead partner) stated that they had preferred the situation under the ESF when they were able to manage their own communication and processes with the funder as an individual organisation. By contrast, under the UKSPF, the participant described what they felt was a lack of direct communication with DLUHC (renamed MHCLG), and consequently a lack of constructive feedback being provided to their organisation by the funder.

Overall, then, while the move to consortium working was seen to have presented some challenges in relation to issues such as communication with fund managers and adjustments to new processes and ways of working, research participants also highlighted positive impacts of the change with regards to encouraging collaboration, the sharing of learning and comprehensive service provision.

Changes to project focus and eligibility criteria

Interviewees from disability support organisations expressed a range of concerns with regards to changes in project focus and eligibility criteria under the UKSPF, highlighting what they saw as a significant shift from the more social inclusion-oriented model of the ESF to a more outcomes-driven approach with a strong emphasis on the achievement of paid employment by individuals being supported.

One aspect of this change is the UKSPF's greater emphasis on economic inactivity (discussed in Section 2.1), which interviewees described as having limited the breadth of people they were able to offer support to. This meant that UKSPF projects must target their provision at economically inactive disabled people, to the exclusion of those who are unemployed but nonetheless economically active (for example, because they are already actively looking for work). As described by one interviewee:

“I suppose where it’s not great is its only economic inactivity that we deal with, whereas under ESF you could deal with all unemployment. So that would be the big one for me – if somebody’s got a disability and they’re unemployed, they can’t come on our programme. They have to be economically inactive. It’s heartbreaking sometimes when you say to people that really want our help [that] because they’re not classed as economically inactive, they can’t come on our programme.”¹⁷²

Other interviewees, meanwhile, felt that the stronger focus on the achievement of employment outcomes had contributed to the exclusion of some people with disabilities for whom a progression towards training or education may be a more realistic ambition. This includes individuals who had previously benefited from support under the ESF, which incorporated a broader social inclusion focus in addition to employability outcomes. For one interviewee:

“Before, yes, it was getting people into work, but it was also about training, development, coaching, mentoring, counselling [and] how you could sort of move them and progress them. Whereas now it’s very much, it’s probably quite brutal in that it’s, ‘did you get them into work and did you sustain their work?’”¹⁷³

172 Research interview with a staff member from a disability support organisation, 6 June 2024.

173 Research interview with a staff member from a disability support organisation, 6 June 2024.

The change in outcomes from ESF to UKSPF has therefore made it more difficult for organisations to support individuals further from the labour market, due to the need to prioritise supporting individuals who have a better chance of achieving employment over the duration of a project in order to demonstrate success and positive impact.

Interviewees expanded upon the negative impacts they saw as resulting from these changes to project focus and eligibility criteria under the UKSPF. As described by one interviewee, “if somebody has a disability and they’re unemployed [that is looking for work, rather than economically inactive] – there’s no provision there for them. There’s no support.” Under the ESF, on the other hand, both unemployed and economically inactive disabled people were eligible for support. In addition, while a number of organisations who under the ESF would have worked with people with more severe levels of disability, it was felt that “now they’re probably more reluctant to do that because your figures are dependent on how many people you get into work. So if you take more people who you know aren’t going to go to work, it lessens your chances of hitting your targets.”¹⁷⁴

In addition, the shorter funding round of the UKSPF in comparison with the ESF was highlighted by multiple interviewees as limiting the kinds of support their organisation was able to provide, as well as the breadth of individuals they were able to engage with. One interviewee, for example, felt that “because the programme is a two year programme with a very high turnaround of participants ... it doesn’t allow for a longer journey, so it is more geared to those that are closer to the labour market”¹⁷⁵ – such as those with mild/moderate learning disabilities compared to those with more severe learning disabilities. According to another interviewee, meanwhile:

“This programme is more time limited, so you have to get people out a lot quicker ... A lot of the people that are on the programme need to be very close to the labour market, so it’s quick fixes rather than intensive support, which we can actually feel quite guilty about.”¹⁷⁶

174 Research interview with a staff member from a disability support organisation, 6 June 2024.

175 Research interview with a staff member from a disability support organisation, 30 May 2024.

176 Research interview with a staff member from a disability support organisation, 30 May 2024.



Overall, then, interviewees generally favoured the broader approach to project focus and eligibility they associated with the ESF to the changes they had experienced in this respect with the transition to the UKSPF. In particular, the UKSPF's stronger focus on economic inactivity and employment outcomes was seen as having created gaps in provision for those who do not meet these criteria or are not suited to achieving these outcomes, such as those who are unemployed (but not economically inactive) and those who may be better suited to longer-term, holistic support aimed initially at progression towards education or training rather than employment.

Impacts on people with disabilities in Northern Ireland

Because of the change of focus from 'social inclusion' (under ESF) to 'employment' (under SPF) as a positive outcome, UKSPF-funded research participants said their organisations were no longer able to offer a number of services. This included for example, paid work placements (to act as a stepping stone into employment), as well as items such as suitable clothing for work to support project participants to prepare for job interviews, and a range of different forms of IT equipment used to support people with different forms of disability to move towards employment. This meant that people with specific disabilities who would benefit from assistive technology to move into work have been particularly impacted by the move to the UKSPF, as organisations now have inadequate funds with which to acquire such technology and less time (within the reduced funding timeframe) to devote to training in the use of this technology.

Even amongst interviewees whose organisations had been successful in receiving UKSPF funding, there was a sense that the very specialist support that they were able to provide under ESF – such as mentoring and confidence-building – takes time, which was not possible to provide under the shorter timeframe of the UKSPF funding. Other organisations which had previously received funding under ESF but were unsuccessful under UKSPF found that they were having to turn people away as they were no longer able to fund the projects which had previously provided support to them. One interviewee from an organisation which had lost out on UKSPF funding said:

“We had a big [ESF] programme where we were supporting about 60-70 people [with disabilities] a year on an ongoing basis. Those people still call in here looking for help, and there’s nobody to help them.”¹⁷⁷

The loss of funding for projects to support people with disabilities was also highlighted as having broader impacts beyond the lives of just the individuals themselves:

“We have parents of disabled young people who are basically saying to us, what are we going to do come the end of this year? Within our youth training programme, I would say at the minute we have 20, maybe 22, young people who have quite severe learning difficulties. And parents are very worried. At the minute they’re here maybe 30 hours a week, but if they’re not here 30 hours a week, parents have to look after them themselves and it’s a difficult situation.”¹⁷⁸

With regards to reporting on equalities impacts under the UKSPF, another research participant expressed concerns around insufficient data being collected by UKSPF on types of disability, and the lack of sufficient disaggregation of this data. They stated that, while their organisation does report on Section 75 information, under the UKSPF reporting requirements “the question is asked: are you disabled or non-disabled? ... It doesn’t actually break down the areas of disability, so they can’t even look in to see what areas are the gaps, what disabilities are not being covered and to what level.”

177 Research interview with a staff member from a disability support organisation, 3 June 2024.

178 Research interview with a staff member from a disability support organisation, 3 June 2024.

Summary of advantages and disadvantages

The disadvantages of UKSPF funding noted by participants included: the exclusion of those in need of more tailored, longer-term support; a reduction in the type of support disability-related organisations is able to provide due to less funding; and the change in focus of funding. The reduction in funding also led to the loss of community projects which had previously played an important role in providing support to people with disabilities, including the provision of relevant specialist equipment and supported employment opportunities. Participants also expressed concerns regarding the extent to which the UKSPF was adequately prioritising and collecting detailed data on impacts on equalities groups, such as people with disabilities. Participants further noted that the loss of specialist support services was causing difficulties for the families of people with disabilities, including parents of young people (of employment age) with learning disabilities who had previously been participants in ESF-funded projects. In addition, concerns were raised with regards to the lack of collection of sufficient disaggregated data on disability under the UKSPF, which was seen as likely to limit the ability of policymakers and service providers to identify trends and gaps in the provision of support for people with different types of disability in NI.

More positively, the move to consortium working as a result of the introduction of the UKSPF was felt to have brought some important benefits, helping to facilitate the sharing of knowledge, experiences and best practice between partner organisations. It was also felt that this collaboration was contributing to positive impacts for people with disabilities, with the formation of consortia bringing together organisations with different but complementary areas of specialism around disability enabling the development of a more comprehensive support offer for those with disabilities.

Looking forward beyond 2025

It should be noted that the interviews for this research took place prior to the UK budget announcements in October 2024, which included a commitment to extend the UKSPF for an additional year at a reduced level of £900m during 2025-26. However, all of the research participants from the disability sector expressed concern around future funding, and the impact of this reduction on equality groups in NI is as yet unclear.

Participants noted high levels of anxiety among staff due to the difficulty in planning ahead and providing a sustainable service to people with disabilities. One highlighted what they felt was a lack of clear communication with regards to how future outcome monitoring and reporting should be managed when the funding comes to an end:

“We’re looking at a situation where we’re technically supposed to be enrolling people right up when the funding ends on 31st March 2025. After that point, there’s still the expectation of reporting and recording on your six month sustained outcomes of paid employment and there’s been no communication from DLUHC as to how that’s expected to be managed.”¹⁷⁹

For some interviewees, this linked into wider uncertainties around the funding landscape for organisations supporting people with disabilities in NI, and what this may mean for their financial viability. One highlighted that the nature of working in a context of a looming funding cliff-edge meant that they were “constantly thinking about where’s the next money coming from ... you don’t feel stable.”¹⁸⁰

As a result, a number of participants expressed a desire to see the funding model reformed so as to enable longer-term funding rounds, of the kind many disability support organisations experienced under the ESF. As described by one interviewee:

“If I could wave my magic wand, you’re talking about a 3 to 4 year +1 [year] programme of supported employment with social inclusion elements.”¹⁸¹

In addition to better enabling organisations to avoid the uncertainty and job losses associated with funding cliff-edges, participants felt that longer term funding would enable them to provide tailored, wraparound support for those furthest from the labour market. Participants from disability support organisations also highlighted the positive factors associated with the match-funding element of the ESF, which enabled them to access more funding, and encouraged funders from different government departments to work together. Others noted a desire to see

179 Research interview with a staff member from a disability support organisation, 31 May 2024.

180 Research interview with a staff member from a disability support organisation, 30 May 2024.

181 Research interview with a staff member from a disability support organisation, 31 May 2024.

a broader approach adopted in relation to eligibility and criteria for inclusion in the UKSPF programme, so as to enable organisations to support a greater diversity of people with disabilities:

“It is making sure that everybody does get an equal chance in terms of training, development and having a chance to move into work. And it is that looking at all cohorts, so not just people who are economically inactive – looking at somebody who is unemployed that has a disability, for me it’s really important that we give them the support as well.”¹⁸²

Ideally, a broader approach to eligibility would involve some form of provision for people whose disability means they are not likely to immediately move into employment, but could nevertheless benefit immensely from longer-term support aimed at building up their skills and moving them closer to the labour market.

Finally, another commonly expressed wish amongst disability organisations with regards to future funding arrangements was for there to be greater cooperation between the UK Government, NI Executive and NI Departments in the development and management of funding. One interviewee highlighted that NI Departments, such as the Department for the Economy, had a deep understanding of the labour market and disability in NI, in part due to their central role in the delivery of the ESF. Those running the programme on behalf of the UK Government, meanwhile – while seen as good to work with – were felt by some to lack the level of detailed understanding of different cohorts’ needs which had been built up in NI Departments over the ESF years.

A greater level of involvement for the devolved departments was also seen as something which would enable closer alignment between the UKSPF funding and devolved strategic priorities, such as those set out in the NI Executive’s Programme for Government, helping to make the context in which disability support organisations operate more coherent, consistent and easy to navigate.

182 Research interview with a staff member from a disability support organisation, 6 June 2024.



4.2 Children and Young People

Background and context

According to NISRA population estimates, around 11% of NI's population (200,606 people) is aged 16-24, with this proportion expected to rise to 13% by 2032 before going into long-term decline.¹⁸³ The 2021 Census figures further show that 19.2% of the NI population is aged 0-14, with children making up a higher proportion of the population in NI than in any other part of the UK.¹⁸⁴

ECNI analysis of data gathered through the MENI Framework found that young people aged 16-24 have the highest unemployment rate of any equality group in NI (10%, compared to an overall unemployment rate of 4%), as well as the second highest rate of economic inactivity (51%) of any group after disabled people (though it is important to note that 16-24 is the typical student age in NI).¹⁸⁵

Prior to March 2023, EU funding constituted an important part of the funding landscape in relation to support for children and young people in NI. Under Investment Priority 1 (Access to Employment) of the 2014-20 Northern Ireland ESF Programme, a key target for funding was *“Projects supporting young people aged 16-24 not in employment, education or training to integrate into the labour market.”*

183 Department for the Economy (2023), ‘Young People Inequalities in the Northern Ireland skills system’.

184 NISRA (2022), *Census 2021 Population and household estimates for Northern Ireland: Statistical bulletin*.

185 ECNI (2024), *Commission Statement on Equality in Northern Ireland: Employment Summary Report*.

A total of 18 projects targeted at young people not in employment, education or training (NEET) were supported through ESF Call 2 (April 2018 to March 2022), with combined eligible project costs of £35.7m. A further 19 projects aimed at meeting the needs of NEET young people were funded through ESF Call 3 (April 2022 to March 2023), with combined eligible project costs of £9.14m.¹⁸⁶

In addition, ESF Investment Priority 2 (Social Inclusion) included a focus on *“Projects supporting participants not in employment, education or training aged 16 and over within families receiving community family support to access employment, education and training.”* A total of five projects with combined eligible project costs of £13.3m were supported through the Community Family Support Programme (CSFP) investment strand in ESF Call 2, while a further five projects with combined eligible project costs of £3.38m received funding through ESF Call 3.¹⁸⁷

The impact evaluation of the 2014-20 ESF Programme in NI found that ESF projects across both of these investment priorities had made significant progress towards achieving key milestones and targets for participation, with a total of 12,372 participants in NEET-focused projects and 4,376 in CFSP projects as of December 2019. The projects had also surpassed key targets for moving participants into employment or education/training.¹⁸⁸

O’Connell and Cunningham’s 2022 report, commissioned by the ECNI, highlighted how ESF funding enabled organisations in NI to provide person-centred, tailored and wraparound support to young people facing a diverse range of intersecting challenges, including care-experienced young people, young people with mental health issues and unaccompanied minors.¹⁸⁹ The ESF impact evaluation similarly highlighted the role CFSP projects played in providing pastoral care for their participants, aimed at supporting young people in a wide-ranging way until they reach such a point that they feel confident in entering work.¹⁹⁰

186 Department for the Economy (2022), ‘European Social Fund Call 2 and Call 3 Projects by constituency and council area’. *Northern Ireland Executive*.

187 Ibid.

188 Grant Thornton (2020), *An Impact Evaluation of the Northern Ireland European Social Fund Programme, 2014-20*. Pg 48.

189 O’Connell, R. and T. Cunningham (2022) *Impact of Brexit on Section 75 Equality Groups in Northern Ireland: EU Funding*, Belfast: Equality Commission for Northern Ireland. Pg 44.

190 Grant Thornton (2020), *An Impact Evaluation of the Northern Ireland European Social Fund Programme, 2014-20*. Pg 93.

The wider policy context is informed by the NI Executive's Children & Young People's Strategy 2020-30, which sets out an overarching framework for improving the lives and wellbeing of children and young people in NI.¹⁹¹ There are also a number of initiatives in NI aimed more specifically at supporting employment amongst young people, such as the Department for Communities' JobStart scheme.¹⁹² In July 2023 the ECNI warned of a range of potential negative impacts likely to be experienced by young people in NI as a result of proposed cuts in NI Department budget allocations, including reductions in funds for schools to support pupils with Special Educational Needs (SEN) and cuts in the funding provided to groups working with young people in the voluntary and community sector.¹⁹³ Finally, the 2024-27 Draft NI Programme for Government (PfG) features a number of commitments relevant to children and young people, with the NI Executive's priority areas in the PfG including the delivery of more affordable childcare and better support for children and young people with SEN.¹⁹⁴

Transition to the UKSPF

The final list of successful economic activity projects funded through the UKSPF from April 2023 to March 2025 included three consortia aimed specifically at young people: Moving Forward, Moving On (led by Extern Northern Ireland); YouthStart (led by Springvale Training Ltd); and YouthStart (led by YouthAction Northern Ireland).

The Moving Forward, Moving On project includes Business in the Community Northern Ireland as a partner, and was allocated £648,000 for the UKSPF funding period 2023-25. YouthStart (Springvale Training Ltd) was allocated £1,329,531 for the funding period, while the YouthStart consortium led by YouthAction NI consists of six other partner organisations (Bytes Project, Princes Trust NI, Start360, Springboard Opportunities Ltd, Include Youth, and NI Youth Forum) and was allocated £6,000,000 in funding.¹⁹⁵ The total amount allocated to these youth-specific consortia under the UKSPF during 2023-25 was £7.98m. In addition, some other organisations previously in receipt of ESF funding under the NEET and CFSP investment strands were allocated UKSPF funding as part of broader economic inactivity-oriented consortia.

191 Northern Ireland Executive (2020), *Children and Young People's Strategy 2020-2030*.

192 Department for Communities (2023), 'Successful youth employment scheme relaunched by DfC'. Accessed 11/7/24.

193 ECNI (2023), *Briefing Note: Concerns regarding cumulative equality impacts of proposed Departmental Budget allocations for 2023-24*. Pg 3-5.

194 Northern Ireland Executive (2024), *Draft Programme for Government 2024-2027*.

195 UK Government (2023), 'UK Shared Prosperity Fund: Northern Ireland list of successful economic inactivity projects'.

Overall, youth work organisation representatives who participated in the research found the transition from ESF to UKSPF funding to be challenging. Several interviewees described difficulties they had experienced as a result of the late confirmation of UKSPF funding, with organisations only finding out on 31 March 2023 whether or not they had been successful in applying for funding for projects that were due to begin on 1 April 2023. This resulted in organisations having to put staff on protective notice and staff leaving due to job uncertainty. As described by one interviewee from a youth work organisation, “it was so close to the wire and we’re really fearful it will happen again.”

Some of these concerns are summed up by the following quotes from participants:

“[having] staff sitting, myself included, with letters on 31st March, not knowing whether or not we were successful until lunchtime or something of that day.”¹⁹⁶

“As people are aware that funding is ending, they might get a bit nervous and naturally ... might start looking externally, or might indeed consider if the third sector feels very unstable, I’m going to pursue alternative employment in the private sector or public sector.”¹⁹⁷

Research participants were also concerned about the lack of consultation leading up to the transition to UKSPF funding as well as the scale of the replacement funding.

While interviewees described initially being under the impression that “there would be transitional funding which would be matched to the current [ESF] financial package”, in reality they felt that this did not prove to be the case:

“We were told by high up people in Westminster that it wouldn’t be a penny less in terms of the allocation, and then you find out that the allocation doesn’t even go to the local need, it goes elsewhere.”¹⁹⁸

196 Research interview with a staff member from a youth work organisation, 3 June 2024.

197 Research interview with a staff member from a youth work organisation, 19 June 2024.

198 Research interview with a staff member from a youth work organisation, 3 June 2024.

This statement links into broader points of contention around the transparency of the UKSPF consultation process as highlighted and experienced by research participants, and frustration with what was felt to be a lack of attention paid to the existing evidence base around social need and inclusion in NI. As described by one interviewee:

“Their starting point should have been, ‘what is the evidence already that exists in there that tells you what works?’ ... We had consultations ... It’s shallow to me in a sense because there’s good strong evidence of what actually works that should have been drawn on as a starting point for how to move forward.”¹⁹⁹

The UKSPF consultation process was also felt by some to have been insufficiently attentive to the specificity of the NI context, with one participant recounting

“sitting on UK wide [consultations] rather than sitting on ones that should have been locally based, because the need is very different in the different regions. Being on a call with somebody from Manchester and Liverpool, I’m thinking, you know, this is mad.”²⁰⁰

In summary, participants in the research from youth work organisations generally found the initial period of transition to the UKSPF to be rushed and poorly communicated, with insufficient focus on the evidence and needs of NI, with the effect of putting many organisations in the sector (and their staff) in precarious and uncertain positions.

Financial impacts of the transition on youth work organisations

A range of financial impacts of the transition to the UKSPF were highlighted by youth sector participants in the research. Several interviewees reported experiencing substantial negative impacts on their funding as a result of the transition, generally as a result of having been granted a UKSPF funding allocation that was less than the amount they had applied for.

199 Research interview with a staff member from a youth work organisation, 3 June 2024.

200 Research interview with a staff member from a youth work organisation, 3 June 2024.

For example, while the YouthStart consortium had applied for a total of £10 million in UKSPF funding, they were ultimately allocated only £6m, with significant consequences in relation to staffing and service provision. The total amount received by YouthStart consortium partners for their individual projects during the final year of ESF funding was £5,324,555, in comparison to which the £3m received per annum by the consortium under the UKSPF represented a considerable decrease.

This reduction in UKSPF funding had adverse impacts on capacity and staffing at the individual organisational level, as described by a staff member from one consortium partner: “We got 60% of what we’d applied for. So we had redundancies. [There was a] direct impact on staff, a direct impact on what you can offer and how many young people you can see.”²⁰¹ An interviewee from a different consortium partner expressed similar challenges: “for us it meant I had a 50% reduction across my whole staff team. It meant I could no longer provide a regional service, I had to do a locality based thing.”²⁰²

These UKSPF reductions fed into broader concerns around the viability of youth work projects in NI in the new funding landscape, particularly given the reliance of many community organisations on funds such as the ESF and UKSPF. One interviewee from a youth work organisation described their sense that:

“There has been a significant drop in investment in NI ... the third sector cannot survive and continue to provide services for those that need them without funding. And once lost, it’s not a ‘we can hang on by the skin of our teeth for a few months or a year or whatever’. Without that funding, the services are lost.”²⁰³

201 Research interview with a staff member from a youth work organisation 3 June 2024

202 Research interview with a staff member from a youth work organisation, 3 June 2024.

203 Research interview with a staff member from a youth work organisation, 19 June 2024.

However, some positive aspects of the UKSPF were noted by participants from youth work organisations. In particular, multiple interviewees highlighted the elimination of the need for match funding as being something they welcomed. As described by one interviewee,

“with SPF, you don’t have to demonstrate match funding ... it probably is for some organisations a lot better ... 100% funding as opposed to having to secure [match] funding from other sources in the current economic climate.”²⁰⁴

Another interviewee agreed with this sentiment, explaining that “one of the big challenges of ESF we found was getting that other 35% was always hard, trying to put together different pots of money to make up that 35% that you needed”.²⁰⁵ This interviewee further welcomed the reduction in reporting and bureaucracy their organisation experienced under the UKSPF compared to under the ESF. Yet there was also frustration that more funding had not been allocated to local projects supporting young people, of the kind of level that would have enabled projects to maintain the same extent of service provision they had delivered when in receipt of ESF funding.

There was a perception among youth work research participants that the reduction in funding was not reflected in a reduction in need, with one participant noting “if anything they’ve magnified, because you have economic inactivity growing, you have the health inequalities growing, you have all the issues growing.”

Move to consortium working

Participants from youth work organisations also offered a range of perspectives on the move to consortium working, another significant change associated with the transition to the UKSPF. Overall, most participants from youth work organisations saw the move to consortium working as positive, while recognising the need for adjustments to some ways of working. For example, consortium working was seen as promoting greater collaboration between partner organisations, something which interviewees welcomed. As put by one UKSPF consortium member in NI:

204 Research interview with a staff member from a youth work organisation, 19 June 2024.

205 Research interview with a staff member from a youth work organisation 3 June 2024.

“It does feel like there’s lots of collaboration. Lots of meetings ... looking at ways we can work together or resolve certain challenges, so that’s a lovely aspect of this type of funding. It probably happened to a degree with ESF, but everybody was, you know, paddling in their own canoe. And whereas now, you know, there’s more of a look outward, so that’s got to be a good thing.”²⁰⁶

The consortium approach was also seen as harnessing the complementary skills and focuses of different youth-oriented organisations, while also helping to ensure a consistency of approach amongst partners. One interviewee described the approach adopted by members of their consortium as trying to “offer a wrap-around support with the young people who are referred into the programmes. It’s very much about working with individuals and supporting those young people to gain the skills that they need.”



Changes to project focus and eligibility criteria

Interviewees also described various changes to the scope and focus of their projects that had occurred as a result of the transition to the UKSPF.

Overall, organisations saw the UKSPF as having a more limited and exclusive scope compared to what they had previously been accustomed to under the ESF. In particular, under the UKSPF there is a stronger focus on economic inactivity, a category which encompassed a less diverse group of young people than the NEET category which was targeted under ESF.

In the words of one interviewee,

“Programme eligibility and expectations are very ambitious and exclusive, specifically targeting economic inactivity ... whereas ESF targeted social need and NEET young people aged 16-24, and eligibility for the programme was more inclusive in my opinion.”²⁰⁷

Interviewees felt that some groups of young people were being excluded as a result of this narrower focus on economic inactivity. In order to ensure a project is reaching the young people eligible for it (that is, the economically inactive), interviewees described how they needed to target young people who were specifically *not* looking for work, rather than those who were unemployed but were looking for work (and who were therefore classed as economically active). As a result, youth work organisations found that many young people who they felt would benefit from accessing their services (and did so under the ESF) were no longer able to do so because of UKSPF programme eligibility. One interviewee described the difficult situation this put their organisation in:

“We’re currently in a position where we’re still working with groups of young people and only some of them can be counted for the Shared Prosperity work, and other young people, equally in need and who equally could do with the same programmes, we can’t cover under this work. So we have to find resources elsewhere to be able to do that work.”²⁰⁸

207 Research interview with a staff member from a youth work organisation, 3 June 2024.

208 Research interview with a staff member from a youth work organisation, 3 June 2024.

Relatedly, compared to the broader range of positive outcomes under ESF (which included social inclusion and improved wellbeing) the overwhelming emphasis on achieving employment outcomes in UKSPF funding was seen as not sufficiently valuing potential steps towards employment, which were valued under ESF, such as education or training.

As explained by one research participant:

“SPF does feel more focused on employability outcomes than ESF. And a big part of our work is stabilising a young person’s life, but then helping them, maybe on a progression which could be into education and training, because maybe they didn’t do so well in younger life and it opens up opportunities.”²⁰⁹

More broadly, interviewees from youth work organisations felt that social inclusion was much less of a priority under the UKSPF than it had been the ESF, with the result that organisations were required to target their support in a way which was narrower and more limited than they were accustomed to. For one interviewee,

“The starting point for ESF was social inclusion, and it was a great category ... to be welcoming and bring young people onto your programme. It was pretty open, and [that’s] one of the frustrations around the Shared Prosperity Fund.”²¹⁰

More positively, one participant welcomed the geographical scope of the UKSPF funding, finding that it had been “structured well, in being available to projects working with beneficiaries throughout NI – allowing for NI-wide work or hyper-local approaches.”²¹¹ This was felt to have helped to avoid a postcode lottery in the delivery of services, whereby organisations would be unable to accept young people onto their projects if they lived outside a particular postcode area.

209 Research interview with a staff member from a youth work organisation, 19 June 2024.

210 Research interview with a staff member from a youth work organisation, 3 June 2024.

211 Research interview with a staff member from a youth work organisation, 19 June 2024.

However, the main point youth work organisation research participants were keen to emphasise with regard to project scope was the UKSPF's narrower focus on economic inactivity and employment outcomes, which was felt to have limited youth work groups' abilities to provide comprehensive and socially inclusive services.

Impacts on children and young people in Northern Ireland

Interviewees highlighted a range of impacts they felt had been experienced by children and young people in NI as a result of the transition away from EU funding.

Overall the shift to a stricter programme eligibility criteria based on economic inactivity under the UKSPF was felt to have contributed to the exclusion of several groups who do not meet this criteria, including NEET young people who are not economically inactive, and unaccompanied minors who did not meet the criteria for UKSPF-funded activities.

In addition, the shorter-term nature of UKSPF funding, coupled with the reduced capacity of many youth work organisations to offer services as a result of reduced funding, was felt to have contributed to the exclusion of children and young people furthest from the labour market. These factors made it more difficult for youth work organisations to provide young people furthest from the labour market with the kind of holistic, long-term, wraparound support they often required.

This tighter criteria was also considered to have the effect of excluding specific vulnerable groups from UKSPF-funded activities, including unaccompanied minors: For one interviewee,

“Just thinking about our core programme, we were not able to register some of the young people who are referred into us by the health trusts – the unaccompanied minor work. They’re seen as being care-experienced young people, so they’re able to access our service that we have under our contract with the health trust, but they’re not able to access the programme.”²¹²

212 Research interview with a staff member from a youth work organisation, 3 June 2024.

Another interviewee from a youth sector organisation highlighted asylum seekers as the “critical group I feel is losing out ... or not benefitting in the way they would have through ESF support.”²¹³ This is because asylum seekers are typically prohibited from working while their asylum claims are processed. While young people from this group had been eligible to access ESF programmes undertaken by youth work organisations in NI, which had included outcomes related to personal and social skills and employability, they were not eligible to access the projects funded through the UKSPF because they were focused on moving economically inactive young people into employment.

One interviewee described the “very clear division” between those eligible and ineligible for participation as being something which has resulted in young people being excluded from programmes which would be beneficial for them. The interviewee also said:

“The current eligibility criteria for UKSPF is very narrow and as a consequence young people who really need support are losing out because they are deemed ineligible. Under UKSPF jobseekers, for example, are ineligible. It’s a difficult situation as we don’t want to turn any young person away ... but it’s not our decision.”²¹⁴

The changes in criteria under the UKSPF have also seen the disruption of established pathways for young people to access support built up over many years of ESF funding, affecting the links and relationships youth work organisations have held with other services in NI, including Jobs and Benefits Offices.

Some of those interviewed reported that the tightened scope and criteria of the UKSPF funding was challenging their organisations’ ability to work with young people in the kind of holistic, tailored way that they felt was appropriate for the young people they served. One interviewee cited the “fundamentals of youth work” as being at the core of their approach to working with young people, which included peer mentoring, wrap-around support, one-to-one support and a holistic approach to meeting the needs of young people. As explained by the interviewee:

213 Research interview with a staff member from a youth work organisation, 3 June 2024.

214 Research interview with a staff member from a youth work organisation, 3 June 2024.

“Youth work has played a key role in young people’s journey to employment and needs to be given the place and recognition it deserves in the educational process. It especially works well for young people who have not achieved in formal education and its impact as a pathway into work has been well documented and evidenced. We can clearly demonstrate that youth work works for young people.”²¹⁵

Change in funding timescale

One interviewee who worked for a youth organisation in NI highlighted that the shorter two-year funding stream under UKSPF meant that there was little time to get projects up and running before project managers had to start planning the cessation of services, with little certainty about funding thereafter. The short timescales of the UKSPF, resulting in shorter-duration services, was seen by the interviewee as

“really destabilising ... for the voluntary and community sector because you’re on this constant rollercoaster of uncertainty about what’s going to happen and what the impact’s going to be on the young people and the users of our service.”²¹⁶

Interviewees also felt that the shorter-term funding round made it more difficult for their organisations to make the kinds of transformative, positive impacts in the lives of young people they sought to achieve. Participants noted that the lack of secure and longer term funding affected their ability to provide support to young people, particularly in light of the challenging circumstances many young people in NI found themselves in. As explained by one interviewee:

“The cost of living crisis has really hit young people badly and you’re trying to help young people put money in their meter, because they don’t have enough money to keep their house warm, or getting them access to food banks because they don’t have enough food to eat. That’s the reality of young people’s lives that they’re dealing with.”²¹⁷

215 Research interview with a staff member from a youth work organisation, 3 June 2024.

216 Research interview with a staff member from a youth work organisation, 3 June 2024.

217 Research interview with a staff member from a youth work organisation, 3 June 2024.

Finally, interviewees highlighted that the young people they worked with are often those with some of the highest levels of multiple and complex needs in Northern Irish society, with their organisations providing a critical safety net in situations where mainstream or statutory provision had not proven to be effective. A staff member at a youth work organisation in NI said in an interview that, when working with young people who have found it difficult to engage with statutory services, due to their caring responsibilities or because of mental health issues they are experiencing,

“we tailor that package individually and we assess their need and match that need. And that’s why we have a huge success rate in terms of engaging this particular population.”²¹⁸

As a result, reductions in the capacity of youth work organisations were seen as having a particularly severe impact on some of the most vulnerable and disadvantaged young people in society, as well as impacting upon society more broadly:

“If a service such as ours weren’t providing those critical interventions and supports, there would be a further drain in the public purse across health, justice and employability because at the end of the day, those needs and those complexities are often mitigated and risk managed by ourselves as a sector.”²¹⁹

Overall, then, the transition from the ESF was seen by research participants to have had significant impacts on children and young people in NI, particularly in relation to reduced access to services, the exclusion of specific vulnerable groups including unaccompanied minors and young people who are asylum seekers, and a shift away from holistic, long-term support towards shorter-term interventions more oriented around employment outcomes. These changes were felt to risk leaving many young people without the tailored, comprehensive support they need to overcome complex challenges and achieve positive outcomes in their lives.

218 Research interview with a staff member from a youth work organisation, 3 June 2024.

219 Research interview with a staff member from a youth work organisation, 3 June 2024.

While the shift to consortium working was felt to have facilitated better collaboration between partners with complementary focuses in the sector, and the absence of a match-funding requirement in the UKSPF was welcomed given the difficult current funding context, the transition from the ESF to the UKSPF was generally seen to have contributed to job losses and the contraction of provision in the youth work sector, even amongst youth sector organisations who were successful in accessing UKSPF funding.

Looking forward beyond 2025

Research participants from the youth work sector expressed a range of concerns, hopes and recommendations with regards to the future provision of support for children and young people in NI.

It should be noted that the interviews, survey and engagement event for this research took place before the current Labour Government's budget announcement of an extension of the UKSPF for an additional transition year in 2025-26. Prior to this, participants emphasised the critical need for there to be a clear funding pathway in place for youth work organisations post-March 2025. Without continued, long-term and sustainable funding, interviewees raised serious concerns about the youth work sector's continued ability to function, with one stating that:

“If investment of this kind ends, even for a few months, NI’s community and voluntary sector will be in crisis with no means of supporting continued provision for the most vulnerable groups across NI.”²²⁰

Moreover, participants reported that the previous lack of clarity regarding what would take place beyond March 2025 (before the Autumn Budget announcement) was taking a significant toll on those working with children and young people in NI. One interviewee felt that “the lack of clarity is very scary and very real at this point. And what are we, nine months before funding ends? And we have no clarity.”²²¹ As described by another research participant:

220 Response to survey conducted by Horizons Research, May 2024.

221 Research interview with a staff member from a youth work organisation, 19 June 2024.

“The uncertainty of funding is having a huge impact – on the young people who benefit from our services, staff morale and retaining/keeping on experienced, skilled staff etc. The lack of proper planning, Government strategy and short term funding are huge issues. We need proper investment if we are to continue to provide critical services.”²²²

Interviewees expressed a strong preference for longer-term funding commitments to be made going forward, which would help reduce the level of fear and uncertainty experienced by those in the youth work sector, as noted by these participants:

“[My] magic wand would be multi-year funding ... ideally, three, even five years of clarity because it allows you to know what you’re doing. It allows you to retain staff and talent and expertise.”²²³

“Knowing where we’re at, being able to reassure beneficiaries as much as reassuring colleagues ... and then to be able to have that space for strategic vision.”²²⁴



222 Response to survey conducted by Horizons Research, May 2024.

223 Research interview with a staff member from a youth work organisation, 19 June 2024.

224 Research interview with a staff member from a youth work organisation, 19 June 2024.

Interviewees were also keen to see less restrictive eligibility criteria attached to any future funding arrangements, so as to broaden the scope of which young people can be supported and in what ways. One participant noted that this would avoid “having to turn away young people because of what funding allows us to do.” It was felt that broader criteria would help promote equality, particularly amongst young people facing intersecting challenges and disadvantages, and those furthest from the labour market.

Interviewees expressed a preference for future funding models to maintain an approach which is NI-specific and tailored to the particular context of Northern Ireland as a post-conflict society. As described by one interviewee:

“I think when you look at the transition of Northern Ireland, particularly with the conflict, there’s been a lot of trauma. People aren’t just economically inactive because of their well-being or their health. It’s because of a situational crisis.”²²⁵

In order to respond as effectively as possible to the needs of young people in this context, it was felt that the best approach is “NI specific”, with youth work organisations working “collaboratively in an integrated way with our statutory partners and colleagues.” More generally, interviewees expressed a wish to see funders “invest in models which work and have the evidence,” taking advantage of the skills and experiences built up in NI’s voluntary and community sector through the years of ESF funding and since the onset of the UKSPF. They felt that without this investment, organisations in NI would find it increasingly difficult to fulfil the pivotal role they have played in supporting children and young people in NI in recent decades, and “the most vulnerable and disadvantaged will not be supported in the ways that have demonstrable efficacy.”

Looking forward, there is significant concern within the youth sector in NI regarding the potential crisis that could occur without continued funding, both for organisations themselves and for the vulnerable populations they serve. Ideally, those who participated in the research would like to see clear, longer-term funding commitments that recognise NI’s specific needs, allow for broader eligibility criteria for projects, and continue to support proven models of intervention.

225 Research interview with a staff member from a youth work organisation, 3 June 2024.

4.3 Women

Background and context

In Northern Ireland, the lack of a current NI Executive Gender Equality strategy means there is a reduced governance and oversight for gender equality in terms of actions taken by government. The Department for Communities began to develop social inclusion strategies in 2020, which were due to be published in 2021. However, at the time of writing, these are yet to be delivered. The social inclusion strategies were to focus specifically on Anti-Poverty, Disability, Sexual Orientation, and Gender Equality, with the latter strategy promising to address “the issues, barriers and disadvantages that undermine equal opportunity in our community.”²²⁶ The ECNI has raised concerns about the lack of progress on implementing these strategies, including an updated Gender Equality Strategy.²²⁷

In December 2020, the Gender Equality Strategy’s advisory panel released a paper on research themes and key findings. The report stated that gender inequalities were “deeply embedded” in NI and that there was “overwhelming evidence that women disproportionately experience disadvantage and discrimination, a reflection of historical unaddressed inequality, but also that inequalities have been exacerbated by austerity, welfare reform and by the impact of the COVID-19 pandemic.”²²⁸



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- 226 NI Department for Communities (2020) *Gender Equality Strategy*. The commitment to delivering this strategy was part of the New Decade, New Approach deal to begin restoring the power-sharing executive in NI following a three-year hiatus. The paper was published by the UK and Irish Government in January 2020 and received the support of the main parties in the NI Assembly. See UK and Irish Governments (2020) *New Decade, New Approach*, January.
- 227 Barr, Kathryn (2024) ‘The wait for equality strategies in Northern Ireland’ ECNI Blog, 14 May 2024.
- 228 Gray, Ann Marie et al (2022) *Gender Equality Strategy, Executive Summary of Thematic Research Areas, Key Findings and Recommendations*, Northern Ireland Department of Communities.

In September 2024, the NI Executive agreed a draft Programme for Government 2024-2027, *Our Plan: Doing What Matters Most*.²²⁹ However, the draft Programme for Government does not include a commitment to a new Gender Equality Strategy.

Research has shown that women in NI have experienced challenges in the labour market. The employment rate for men and women in NI stands at 76.1% and 69.5% respectively, while women's economic inactivity rates are at 29.4% compared to men's 21.5%.²³⁰ This makes employment and economic activity rates amongst women in NI slightly lower than across the UK as a whole. Employment rates amongst men and women in the UK are 78.1% and 72.1% respectively, while economic inactivity rates are 25.3% amongst women and 18.4% amongst men.²³¹ ECNI analysis of data gathered through the MENI Framework has also found that only 38% of women in employment in NI have an employer they feel is flexible and supportive, compared to 59% of men.²³² However, the issue of women's employment is not a strong focus of the draft NI Programme for Government 2024-27, beyond a commitment to supporting women returning to the labour market through the Apprenticeship Inclusion Challenge Fund.²³³

Transition to the UKSPF

Research participants told us that voluntary and community sector women's organisations of varying sizes rely on external funding sources, like the ESF and UKSPF, to sustain their vital work.

Under ESF Call 3 (2022-23), as shown in Chapter 3, a total of £1.58m was allocated to five projects targeted specifically at women. This was considerably less than the equivalent figures for people with disabilities and for young people, though more than was allocated to projects aimed at people from minority ethnic communities and from LGBTQIA+ backgrounds. In addition to this, however, a total of £3.38m was allocated under the ESF through the Community Family Support Programme (CFSP) investment strand. While not aimed specifically at women, the impact evaluation of the ESF in NI found that women made up 67.2% of participants in CFSP projects (compared to 42% of participants across all ESF projects in NI).²³⁴

229 NI Executive (2024) *Our Plan: Doing what matters most. Draft Programme for Government 2024-27*, September.

230 NISRA (2024), *Women in Northern Ireland 2023*.

231 Francis-Devine, B. and Hutton, G. (2024), 'Women and the UK economy'. *House of Commons Library*.

232 ECNI (2024), *Commission Statement on Equality in Northern Ireland: Employment Summary Report*.

233 Northern Ireland Executive (2024), *Our Plan: Doing What Matters Most Draft Programme for Government 2024-2027*.

234 Grant Thornton (2020), *An Impact Evaluation of the Northern Ireland European Social Fund Programme, 2014-20*. Pg 27.

The list of successful women’s group projects funded through the UKSPF from April 2023 to March 2025 included two consortia aimed specifically at women, led by Women’s TEC (Training, Enterprise and Childcare) and the Women’s Resource and Development Agency (WRDA). The Women’s TEC consortium was made up of Bolster Community and Women in Business, and received £872,407 in 2023-25. The WRDA consortium was comprised of nine partners – Northern Ireland Rural Women’s Network; Women’s Support Network; Atlas Women’s Centre; Ballybeen Women’s Centre; Falls Women’s Centre; Greenway Women’s Centre; Shankill Women’s Centre; and Windsor Women’s Centre – and it received £1,270,211. Collectively, this equates to annual UKSPF funding of £1.07m, compared to £1.58m in ESF Call 3.²³⁵ In addition, women are included as a partial focus of some broader economic inactivity consortia, such as Employ Me (which includes Women’s Aid as a consortium partner).

Importantly, the transition from ESF to UKSPF funding involved organisations who were in receipt of ESF funding being unsuccessful in accessing UKSPF funding, as well as organisations who had previously been unsuccessful ESF applicants being a part of successful UKSPF consortia. The Kilcooley Women’s Centre, for example, was allocated a total of £286,452 through ESF Call 3 in 2022-23 for its Step Up 2 Employment project, in addition to £844,860 through ESF Call 2 in 2018-22, but it was an unsuccessful applicant to the UKSPF. Women’s TEC, on the other hand, had been an unsuccessful applicant for Call 2 of ESF funding (2018-22), resulting in a “very difficult and intense time” for the organisation in 2018, but are now the lead partner in a successful UKSPF consortium. Similarly, the WRDA – lead partner in the other women-focussed UKSPF consortium – did not receive any funding through the 2014-20 ESF programme in NI, though had been a successful ESF recipient prior to 2014.

The move to consortium working

One significant change associated with the transition to the UKSPF was the move to consortium-based working. Those we engaged with from the women’s sector in NI saw both positive and negative consequences in this shift. Overall, while interviewees from successful UKSPF consortia highlighted positive impacts on their ways of working and collaborating with other organisations, the shift was also felt by some to have caused difficulties for the sector as a whole. One interviewee explained how they were able to use the consortium model to bring together partners with complementary focuses and skills, to the overall benefit of their project:

235 ESF figure includes both core EU/DfE contribution and required 35% match funding element.

“I understand the power of collaboration now. It was easy to work with these organisations because everybody was bringing something completely different and different skills to the table, which I think really strengthened our bid.”²³⁶

Nonetheless, in the context of the women’s sector in NI more broadly, some interviewees were less positive about the impacts of the shift. In particular, it was felt that in cases where organisations provided similar and/or overlapping types of support to women, consortium working was a less comfortable fit and arguably contributed to additional competition between organisations in the sector, as groups were forced to coalesce into separate partnerships which must then compete against one another for access to a finite pot of funding, upon which they may be highly dependent. As described by one interviewee:

“There were many difficulties for other organisations ... it’s a very unfair and difficult process to partner with organisations that are delivering the same as you are. Forcing people [together] who offer similar things I think is very difficult.”²³⁷

It was also felt that the consortium model arguably favoured larger (pan-NI) organisations with more backroom staff to help pull together bids and coordinate partners to gain an advantage in a highly competitive process.

Impacts on women in Northern Ireland

Those we engaged with through the research offered a range of perspectives as to the ways in which the transition from EU to UKSPF funding had impacted on women in NI.

Research participants from organisations who were unsuccessful UKSPF applicants felt that the transition had favoured larger, Belfast-based organisations at the expense of smaller and regionally-located groups. This engendered a sense of competition amongst organisations. One survey respondent from a women’s organisation said that

236 Research interview with a staff member from a women’s organisation, 6 June 2024.

237 Research interview with a staff member from a women’s organisation, 6 June 2024.

“We were unsuccessful. Competitive bidders from Belfast included [our rural area] as a regional bid, but are not actually delivering in the region ... they [UK Government have] seen applications purporting to deliver across the whole of NI and accepted this, whereas most were Belfast based and used the regional wording to advance their application to the cost of the sub regional providers who were already delivering.”²³⁸

Research participants from women’s organisations who had been successful in receiving UKSPF funding, on the other hand, provided more positive thoughts with regards to the impact of the transition, including with regards to the upfront allocation of money and reduced levels of bureaucracy. For example, comments from participants included:

“In terms of the release of funding and money being paid upfront, it’s a much more positive situation than what it was with the ESF.”²³⁹

“For us it’s much more flexible. With the European Social fund, the bureaucracy around spend is just huge.”²⁴⁰

Even amongst organisations who were in receipt of UKSPF funding, and had described positive impacts for their own organisations, there was a sense that the women’s sector as a whole had suffered. One such interviewee, for example, felt that the overall impact of the transition to the UKSPF had been to “close more doors” to women’s groups with regard to opportunities for funding and investment, making an already stretched financial environment even more difficult to operate in. Another interviewee from a UKSPF recipient organisation in the women’s sector described their perspective as to the impacts of the transition on other groups in the sector:

“The groups that were in the European Social Fund at the time were all fighting for survival. I mean it ... made-up much more of their income. I know groups lost out and I absolutely felt their pain.”²⁴¹

238 Response to survey conducted by Horizons Research, May 2024.

239 Research interview with a staff member from a women’s organisation, 30 May 2024.

240 Research interview with a staff member from a women’s organisation, 6 June 2024.

241 Research interview with a staff member from a women’s organisation, 6 June 2024.

While the women-focused UKSPF consortia involved partners from across a range of local areas in NI, it is clear that there are some particular areas where the loss of EU funding has had a considerable impact on the ability of organisations to provide support and services to women. Women’s Centre Derry, for example, received a total of £1.2m through ESF Call 2 (2018-2022), and £348,178 in funding through ESF Call 3 (2022-23) for projects aimed at supporting women furthest from the labour market. However, it was unsuccessful in accessing UKSPF funding. This led to six job losses at the Centre in April 2023.²⁴² Kilcooley Women’s Centre was likewise unsuccessful in accessing UKSPF funding, having received over £1m between 2018 and 2023 through ESF Calls 2 and 3; while interviewees identified First Steps Women’s Centre and the Training for Women network as further examples of organisations that experienced adverse impacts, including job losses, as a result of the loss of ESF funding.

The eligibility criteria of the UKSPF emerged as an additional factor seen as limiting the extent to which different groups of women can benefit from funding support. One interviewee, for example, contrasted the eligibility of the UKSPF unfavourably with that of the Community Renewal Fund (the temporary predecessor to the UKSPF), which their organisation had been in receipt of prior to receiving UKSPF funding:

“With the Community Renewal Fund, it was basically all women. But with SPF, it’s economically inactive, and that can exclude women who are in part time jobs, and those on Jobseeker’s Allowance as opposed to Universal Credit.”²⁴³

Other specific groups cited by interviewees as having been excluded were older women (who are not of working age, and therefore not classed as economically inactive) and women with families and children, many of whom would previously have received support through the ESF Community and Family Support investment strand. It was felt that this investment strand, along with other previous ESF priorities including people with disabilities and young people not in employment, education or training, no longer featured as a distinct priority under the economic inactivity-oriented UKSPF. For example, one interviewee said:

242 Mullan, K. (2023). ‘Derry Women’s Centre describes end of European funding as ‘devastating’’. *Derry Journal*, 3/4/23.

243 Research interview with a staff member from a women’s organisation, 30 May 2024.

“All previous ESF programmes [were] squeezed into economically inactive, particularly disability which consumed a huge percentage of the pot.”²⁴⁴

Interviewees also highlighted the complex and overlapping range of challenges often experienced in the lives of economically inactive women in NI. As discussed in the previous case study sections, the social inclusion element of the ESF was felt to have created the scope for organisations to provide a broader range of more tailored forms of support for individuals at various stages of the journey towards employment than is possible under the UKSPF, with its tighter focus on employment outcomes. In addition, research participants felt that women furthest from the labour market also faced a degree of exclusion as a result of the two-year funding timeframe of the UKSPF, which was a shorter funding timescale than was provided by the ESF. For example, one interviewee said:

“It’s mental health. It’s domestic sexual violence. Rural isolation ... That’s a longer journey. You’re very far removed from the labour market. So longer programmes give you the opportunity and the chance to really bring women on that journey right through into work, support them and work out a way to go.”²⁴⁵

Finally, another interviewee expressed concern that the lack of Section 75 designation had meant that the likely negative impacts of the transition from ESF to UKSPF on women had not been adequately anticipated and accounted for:

“... it’s about looking at those Section 75 categories to make sure that the disadvantage is mitigated as far as possible, and that I don’t think happened.”²⁴⁶

244 Response to survey conducted by Horizons Research, May 2024.

245 Research interview with a staff member from a women’s organisation, 6 June 2024.

246 Interview with staff member from a third sector umbrella organisation in NI, 17 June 2024.

Looking forward beyond 2025

Research participants from the women's sector also shared several perspectives as to how they felt the post-Brexit funding landscape should evolve in the years to come.

There was a strong sense that it was vital that there should be longer-term, sustained funding and support for women's sector organisations in the years ahead. This is in the context of interviews from this research taking place at a time when the future of the UKSPF was unconfirmed post-March 2025. Interviewees emphasised the importance of the voluntary and community sector support for women within a context of rising living costs and persistent poverty in NI.

For example, one interviewee said:

“This needs to be sustained because, on an individual basis, it has had such a huge impact on individual women’s lives. And also given the cost of living crisis, which is still going on. I mean to listen to the news, read the papers, you think that it has all gone away. It hasn’t gone away. It’s all still here.”²⁴⁷

It was also felt that the positive impact of UKSPF funding could be increased if there was a move away from the restrictive eligibility criteria around economic inactivity, which research participants felt had contributed to the exclusion of some women, with one interviewee commenting.

“I would like to see it opened up and not just based on economic inactivity because there’s lots of other people who could benefit from this programme, and really benefit, but they’re not by definition economically inactive.”²⁴⁸

There were mixed opinions regarding how the funding should be administered in future. Whilst some interviewees felt that the ESF had been seen as more local, due to it being run through the devolved NI Departments, it was also felt that there was a lack of understanding within these departments with regard to issues around gender equality. In addition, one interviewee felt that the management of the UKSPF funding arrangements by DLUHC (renamed MHCLG) had been easier to work with than under the ESF, when NI Departments had played a significant role in the delivery of funding.

247 Research interview with a staff member from a women's organisation, 30 May 2024.

248 Research interview with a staff member from a women's organisation, 30 May 2024.

4.4 People from minority ethnic communities

Background and context

This case study focuses on the impacts of the loss of EU funding and transition to the UK Shared Prosperity Fund on people from minority ethnic communities in NI, including people from a migrant background, refugees and asylum seekers.

Data from the 2021 Census showed that the number of people from ethnic minorities in NI quadrupled in the previous two decades.²⁴⁹ Whereas in 2001, ethnic minorities comprised 0.8% of the population in NI (14,300 people), in 2021 they had grown to represent 3.4% of the NI population (65,600 people). An updated classification for the 2021 census was developed in 2023 by the Executive Office (TEO) Racial Equality Division, together with TEO Statistics and Research Branch and the Northern Ireland Statistics and Research Agency (NISRA) Census Office. Their TEO Racial Equality Classification variable combined the census questions of ethnic group, national identity, and religion. In this analysis 8.1% (153,000) of the NI population in 2021 were recorded as minority ethnic (a combination of 3.4% who chose non-white ethnicities in the ethnic group question, and 4.7% of minority ethnic people within the white ethnic group).²⁵⁰



249 NISRA, 'Census 2021. Main Statistics for Northern Ireland. Statistical Bulletin. Ethnic Group', Northern Ireland Statistics and Research Agency NISRA), 22 September 2022.

250 ECNI (2024) Policy Recommendations: Impact of Brexit on Minority Ethnic and Migrant People in Northern Ireland, August.

The minority ethnic population is clearly a growing demographic in NI, albeit a relatively small equality group compared to the previous case studies. In similarity to the other equality groups analysed, this is a heterogenous group, and from an intersectional perspective it is important to note that minority ethnic people may fall into other equality categories such as women, disabled people, and younger/older people.

A large body of research has revealed that many minority ethnic people in NI have experienced discrimination and racism. In its 2023 report on Racial Equality Indicators, the Executive Office (TEO) in NI found that there had been increasing levels of prejudice against people from minority ethnic communities.²⁵¹ In August 2024, minority ethnic communities in NI experienced a spike in hate crimes, when businesses and homes were damaged following an anti-immigration protest in Belfast.²⁵² In September 2024, the Police Service of Northern Ireland (PSNI) released provisional figures showing that the number of reported race hate crimes in the previous 12 months had risen by a third, and were at their highest level since records began in 2004.²⁵³

Research by the ECNI in 2023 found that minority ethnic and migrant groups said that “racism is a daily fact of life in Northern Ireland.”²⁵⁴ The ECNI report found that they felt that Brexit had made life more difficult for some migrant groups in NI, due to changes in legal rights and access to public services, however this was on top of existing high levels of structural racism in society.²⁵⁵ Since then, the ECNI has published research on the problems of racial prejudice in society, the under-reporting of hate crimes, and the need for stronger hate crime legislation.²⁵⁶

The high levels of racism and discrimination against minority ethnic people, including migrant people, is a potential barrier to accessing and remaining in employment in NI. According to an ECNI analysis of the 2021 census statistics on the economic activity of Section 75 groups, people from Irish Traveller (21.7%) and Arab (34.3%) and Chinese (46.7%) ethnic backgrounds had the lowest rates of economic activity.²⁵⁷ Furthermore, their analysis found that rates of economic activity within each ethnic group was lower for women than for men. Further ECNI analysis of data gathered through the MENI Framework has found that the unemployment rate in NI amongst individuals of ethnicities other than white is

251 The Executive Office, ‘Northern Ireland Racial Equality Indicators Report 2014-21’, Northern Ireland Government, March 2023.

252 BBC News (2024), ‘Police condemn violence and disorder on streets of Belfast’, 4 August; Northern Ireland Assembly (2024), Committee for The Executive Office Meeting, 18 September.

253 BBC News (2024), ‘NI race hate crime reports up by one third, police say’, 3 September.

254 Equality Commission for Northern Ireland (2023), ‘Racism is a Daily Fact of Life in Northern Ireland’, Press Release, 8 June.

255 Equality Commission for Northern Ireland (2022), ‘Impact of Brexit on Minority Ethnic and Migrant People in Northern Ireland’, conducted by Pivotal, 25 November.

256 See, for instance, ECNI (2024), ‘End hate crime in Northern Ireland’, Blog, 11 October; ECNI (2023), ‘Policy Position. Race Law Reform: Priorities and Recommendations’.

257 ECNI (2023), ‘Census 2021 Briefing Paper: Economic Activity by Section 75 Grounds’, October.

more than double the overall unemployment rate (9% compared to 4%), while the economic inactivity rate amongst people of other ethnicities (35%) is likewise higher than the overall economic inactivity rate in NI (27%). The analysis also found that 11% of non-white individuals in NI report having personally experienced a situation in the past 12 months where they were not treated with dignity and respect in the workplace, the highest such proportion of any equality group in NI.²⁵⁸

An analysis of the census data by the UK House of Commons Library found similar results, with people from Irish Traveller (76.8%) and Arab (64.9%) backgrounds having the highest rates of economic inactivity in NI.²⁵⁹ This compared to much lower economic inactivity rates for people from Arab (48.0%) and Gypsy and Irish Traveller (53.3%) backgrounds in England and Wales.²⁶⁰ Other research has indicated that, as a result of high levels of economic inactivity and challenges in gaining employment, minority ethnic people in NI face a higher likelihood of poverty and poorer life outcomes.²⁶¹

The NI Executive published a Racial Equality Strategy 2015-2025, which sought to tackle racial inequalities, eradicate racism and hate crime, and promote good race relations and social cohesion.²⁶² However, the ECNI have raised concerns about the slow progress to develop an outcome-focused action plan to address racial inequalities.

Furthermore, minority ethnic groups have drawn attention to the challenges that they have faced when seeking to obtain funding to address racial inequality and support communities. For instance, Mr Takura Donald Makoni, Policy Officer at the African and Caribbean Support Organisation NI, told an Executive Office Committee at Stormont that organisations run by and for migrants and minority ethnic groups are struggling to win funding that allows them to run services to improve outcomes for communities.²⁶³

In addition, while the 2024-27 Draft NI Programme for Government (PfG) includes a reference to the “introduction of a strategic approach to racial equality”, the ECNI has raised concerns regarding the lack of explicit commitment and specific detail contained within the draft PfG to underpin the delivery of a revised racial equality strategy.²⁶⁴

258 ECNI (2024), *Commission Statement on Equality in Northern Ireland: Employment Summary Report*.

259 Murray, A. (2024) 'Unemployment by ethnic background', House of Commons Library, Research Briefing Number, 16 August.

260 Murray, A. (2024) 'Unemployment by ethnic background', House of Commons Library, Research Briefing Number, 16 August.

261 NISRA (2022), Census 2021. See also: Belfast City Council, 'Research Report: Inequalities experienced by Black, Asian, Minority Ethnic and Traveller people residing in Belfast', December.

262 Northern Ireland Executive (2015), 'Racial Equality Strategy 2015-2025', The Executive Office.

263 Mr Makoni is cited in an article by E. Rosato (2024), 'Failure to address racism in NI, committee hears', BBC News, 18 Sept.

264 ECNI (2024) *Consultation Response to the Draft Programme for Government 2024-2027*. Pg 9.

Transition to the UKSPF

The transition from EU funding was felt differently by minority ethnic groups in NI compared to the other groups, as there were no projects targeted specifically at supporting people of different racial groups through ESF Call 3, though some projects identified migrants and/or ethnic minority participants as one of their target groups.

Previous research indicates that ESF funding was successful in supporting minority ethnic communities in NI, even if this was not through direct funding to minority ethnic organisations. For instance, in the ECNI commissioned report by O’Connell and Cunningham (2022), women’s sector representatives said that, with ESF funding, they frequently worked with women with intersecting identities, such as women from minority ethnic groups, while a public sector representative stated that,

“There are many projects addressed that brought together many different groups ... giving them opportunities, particularly those underrepresented groups. So, there are projects ... which bring together the Traveller community, migrants, refugees and how they were being integrated into local communities.”²⁶⁵

One representative from a minority ethnic organisation that we interviewed for this project said that the organisation had previously received EU funding, but because they recently joined the organisation, they were unaware of exact levels of previous EU funding: “I know that, years ago, we had a lot of European funding. So some of the projects were funded with EU funding. But without that we [have had to] cut staff and the saddest thing is that some of the projects actually couldn’t continue.”²⁶⁶

Staff at some minority ethnic organisations that we spoke to expressed a lack of awareness about the new UKSPF funding after Brexit. One interviewee shared that, “I didn’t know there was something after [the EU funding] that was helping people to transition [to the UKSPF]. I don’t think we were aware of that type of model or funding opportunity for us.”²⁶⁷ Furthermore, at discussions during the Engagement Event organised for this project in Belfast in October 2024, some participants also expressed the view that ethnic minority groups were not aware of the new funding situation (the transition to the UKSPF) and they did not know that they could apply for this funding. There was a feeling of “not being consulted” and “left out” of networks.²⁶⁸

265 Interview cited in O’Connell, R. and T. Cunningham (2022), ‘Impact of Brexit on Section 75 Equality Groups in Northern Ireland: EU Funding’, Equality Commission for Northern Ireland, April, p33.

266 Research interview with a staff member from a minority ethnic organisation, 6 November 2024.

267 Research interview with a staff member from a minority ethnic organisation, 6 November 2024.

268 Research participants from minority ethnic organisations, 10 October 2024.

Only one of the 18 NI projects funded by the UKSPF during 2023-25 specifically addressed the needs of people from minority ethnic communities in NI. This was the Migrant Access Programme, which was run by the training organisation DFPF Ltd (trading as People 1st). The aim of the programme was to support people of different racial groups who were economically inactive and “has been specifically created to aid migrants that are now living in Northern Ireland. It helps those migrants that are economically inactive with English language classes in order to help them gain employment.”²⁶⁹ It is open to migrants or people from ethnic minority backgrounds in NI who are not working. This project accounts for £0.24m in annual funding, or 0.8% of total UKSPF economic inactivity investment in NI.

Ethnic minority participants were also identified as one of the target groups of the GROW and REAP (the Rural Economic Accelerator Programme) consortia funded by the UKSPF in NI. The GROW Partnership is led by Network Personnel, and was allocated a total of £2,040,020 in UKSPF funding; it adopts a ‘one-stop-shop’ approach to supporting economically inactive individuals to increase their skills and confidence and secure employment. REAP is led by South West College, and was allocated a total of £2,818,240 in UKSPF funding. This project aims to improve the knowledge and skills of economically inactive individuals in the Fermanagh and Omagh District Council area.

Other UKSPF projects which included an intersectional focus have also, to varying degrees, sought to address the needs of minority ethnic people who are economically inactive. For instance, one of the key partner organisations in the Belfast Works Connect consortium project delivers a range of services to support people who are economically inactive, including people from minority ethnic and migrant backgrounds.

A staff member informed us during an interview that, over the years,

“More people who didn’t have English as their first language were coming in [to access our services], and we realised that as a small organisation we needed to become more culturally competent and work with people who didn’t have English as their first language, and who needed help and support to understand the very different recruitment practises here in Northern Ireland.”²⁷⁰

269 People 1st (2024), ‘Migrant Access Programme’ [webpage], accessed 5 October.

270 Research interview with a staff member from an employment charity in NI, 4 June 2024.

However, interviewees felt overall that the needs of minority ethnic people were underserved by the UKSPF, especially those who did not meet the stricter criteria of being ‘economically inactive’. Interviewees have shared with us that the strict criteria around economic inactivity means that many people from migrant groups as well as those from minority ethnic communities are left out, for instance, those who are asylum seekers (and therefore are not eligible to work), and those who are underemployed or unemployed. According to a representative from a voluntary organisation supporting equality groups, who was interviewed for this project:

“I do feel that there have been people in groups that have been left behind by the demarcation between unemployment and economic inactivity ... we’re seeing refugees, asylum seekers, have been left behind [with the transition to the UKSPF] ... it’s a very narrow lens to just look at economic inactivity. Economic inactivity is just one symptom of the wider economic and social barriers and exclusion and marginalisation that the groups you’re looking at experience, and you cannot lump people into silos of where you think their needs are.”²⁷¹

Beyond the strict criteria of the UKSPF funding focus on economic inactivity, which has limited the ability of projects to support minority ethnic communities facing broader challenges (of social and economic inclusion, racism and discrimination, and unemployment), the transition to the UKSPF has highlighted other challenges in supporting this Section 75 equality group. Notably, the absence of minority ethnic organisations who were involved in applying for and winning UKSPF funding.

As noted earlier, only one project was successful in winning funding to specifically support minority ethnic groups, and this was a local training organisation rather than a minority ethnic organisation. During our Engagement Event, participants representing minority ethnic groups discussed the problem of lack of inclusion of minority ethnic organisations in funding processes. They felt that they were not consulted on or informed of the funding change, and that while the UKSPF had led to the creation of consortia, it has not led to the inclusion of minority ethnic community groups in these consortia or the acknowledgement of their needs.

Other minority ethnic organisation research participants have shared that, being unaware of the UKSPF funding, they have looked to other sources of funding to support their communities. However, interviewees raised concerns around the wider current funding context in NI, which they felt was challenging. In particular, interviewees felt that only small amounts of funding were currently available to them.

271 Research interview with a staff member from an employment charity in NI, 4 June 2024.

Overall, some minority ethnic group organisations who participated in this project felt excluded from funding opportunities in NI. They identified a number of reasons for this. Respondents reported feeling that they were not adequately informed of funding opportunities under the UKSPF. Respondents also felt that they were not embedded in voluntary and community sector networks in NI. Respondents noted that minority ethnic organisations in NI often tended to be small and locally focussed, which meant that they had fewer staff and less capacity to network effectively and apply for funding. Some interviewees also mentioned that having English as a second language meant that there were often language barriers in writing funding applications.

More broadly, some minority ethnic group organisations we spoke to felt that they were not part of the policy conversation in NI, and their needs weren't taken into account. Some organisations spoke of their communities as being 'invisible' and 'left out', due to high levels of racism and the predominance of initiatives to foster cohesion among the two main communities in NI – the republican/nationalist/Catholic community and the loyalist/unionist/Protestant community. This aligns with research by Bennett, which found that the focus on cohesion between these two dominant groups in NI has led to the exclusion of other communities, including minority ethnic groups.²⁷²

Impacts of the loss of EU funding on minority ethnic people

There was a mix of views amongst research participants on the impact of the loss of EU funding on minority ethnic communities in NI. Some interviewees felt that the EU funding – notably, the ESF – had provided support for their communities, through collaborative projects involving a focus on minority ethnic communities. Other representatives from minority ethnic and migrant groups felt that the transition to the UKSPF funding model had no real positive impact on minority ethnic people in NI. Some research participants suggested that the high levels of racism and discrimination against minority ethnic people in NI has been compounded by the lack of inclusion of minority ethnic people in funding processes and decisions.

The evidence collected for this project has revealed some challenges around the accessibility of information about funding opportunities for minority ethnic groups. Organisations often do not have the capacity to hire policy officers, fundraising managers and grant-writing staff who can explore the funding opportunity landscape and engage in networking. Moreover, some organisations have shared that they have limited skills and capacity to develop strong grant

272 Bennett, A. (2024). Queer lives during conflict in Northern Ireland: deconstructing the “two communities” model. *International Feminist Journal of Politics*, 26(2), 329–350.

applications. This impacts their ability to apply for and win funding, which affects the number of services they can provide.

For those groups who were able to apply for UKSPF funding to support minority ethnic groups, and were successful in participating in consortia to deliver services, there was a sense that the stricter eligibility criteria around economic inactivity meant that many minority ethnic groups could not be supported. One interview, from a representative from an organisation helping people into employment, said:

“Things have been quite challenging from the end of the European Social Fund. I think probably in terms of the client groups that we work with ... still maybe 60 to 65% of our clients ... wouldn’t have English as their first language and that doesn’t always mean that they meet the eligibility criteria for UK shared prosperity support.”²⁷³

One interviewee, who worked at a youth organisation in NI, felt that, support for asylum seekers had been adversely affected by the loss of EU funding:

“We had to stop supporting young people who were NEET or who were ineligible for SPF. So, for example, asylum seekers would not be included through SPF project activity and supported in that way ... if somebody is an asylum seeker and is coming from a certain ethnic background, we’re not able to help them through the SPF. That’s where it feels like with ESF we could have recognised them and [linked] them into the services that funding provided.”²⁷⁴

Some research participants informed us that, overall, the strict eligibility criteria for the UKSPF – focussing on economic inactivity rather than social inclusion – meant that organisations were unable to support people who were furthest away from the labour market or those on low-paid jobs, which often included migrants and people from minority ethnic communities, particularly refugees and asylum seekers in NI.

273 Research interview with a staff member from an employment charity in NI, 4 June 2024.

274 Research interview with youth organisation staff member in NI, 19 June 2024.

Looking forward beyond 2025

In October 2024, the current Labour UK Government announced that it would extend the UKSPF for a further year at a reduced programme allocation across the UK of £900m for 2025-26. It is therefore possible that the UKSPF project focussed on supporting people from migrant and ethnic minority backgrounds – the Migrant Access Programme – may receive an extension to funding. However, as the UK Government’s commitment to extend UKSPF funding only applied to pre-existing funding recipients, this means that other organisations cannot apply for the UKSPF for 2025-26.

Research participants in this project have focussed on the need for structural changes to the funding landscape to support minority ethnic communities after the next tranche of the UKSPF funding ends in March 2026. Minority ethnic organisations have recommended that funding processes and models be more inclusive of minority ethnic people going forward. Research participants called for outreach among minority ethnic and migrant groups with regard to future UKSPF funding to ensure that these organisations are informed of funding opportunities.

One interviewee said:

“I think we are lacking knowledge of what’s out there, what’s available to us, and that is one of the difficulties or barriers that we are facing.”²⁷⁵

Research participants also advocated for more representation of minority ethnic people on funding bodies and panels, which they felt would ensure greater awareness of minority ethnic needs in the development, design, allocation and implementation of funding in NI. For instance, a participant in our Engagement Event felt that,

“funders have little connection to ethnic minorities. So [we need] more representations on funding bodies from black and minority ethnic people. Inclusive recruitment should be built in.”²⁷⁶

Beyond the inclusion of minority ethnic groups in the development, design and communication of funding models and opportunities, research participants felt that minority ethnic groups would benefit from greater support to put together applications. Research participants told us that many organisations were small, without policy or grant-writing staff, and did not have the time or capacity to develop applications. Some staff in organisations also faced the obstacle of having English as a second language.

275 Research interview with a staff member from a minority ethnic organisation, 6 November 2024.

276 Research participant from a minority ethnic organisation, 10 October 2024.

4.5 People from LGBTQIA+ communities

Background and context

Our final case study focuses on the impacts of the loss of EU funding and transition to the UK Shared Prosperity Fund on people from the Lesbian, Gay, Bisexual, Trans, Intersexual and Asexual (LGBTQIA+) community in Northern Ireland.

The 2021 Census, which was the first to ask about sexual orientation in NI, found that 31,600 people aged 16 and over (amounting to 2.1% of the population) identified as lesbian, gay, bisexual or other.²⁷⁷ This makes the LGBTQIA+ community the smallest Section 75 Equality Group under analysis in this study. There is also significant variation in the demographic profile of this group, with larger concentrations of people identifying as LGB+ living in urban areas, and a higher number of young adults identifying as LGB+ compared to older cohorts (that is, 4.6% of 16-24 year olds identify as LGB+ compared to 1.2% of 40-64 years olds in NI).



277 NISRA (2023), 'Census 2021. Main Statistics for Northern Ireland. Statistical Bulletin. Sexual Orientation', Northern Ireland Statistics and Research Agency (NISRA), 21 March.

The LGBTQIA+ community in NI has been described as a ‘hidden population’, due to a combination of the lack of public policy focus to understand the needs of the LGBTQIA+ people, the lack of services available (for example, gender identity healthcare services) and the historic lack of robust recording and monitoring of data on sexual orientation and gender identity, prior to the 2021 census.²⁷⁸ Moreover, academic research points to the historic stigmatisation of the LGBTQIA+ community, whereby Jarman and Tennant have described homophobia as an ‘acceptable prejudice’ in NI.²⁷⁹

NI has tended to lag behind developments in the rest of the UK with regard to LGBTQIA+ rights. For example, homosexuality was not decriminalised in NI until 1982 (fifteen years after the rest of the UK in 1967), and same-sex marriage was not legalised until 2020 (six years after the rest of the UK). LGBTQI+ people in NI have also experienced discrimination and prejudice. The Police Service of Northern Ireland (PSNI) has been recording homophobic incidents since 2000, and annual figures show an upwards trend. While the period 2000-2004 saw an average of 50 homophobic incidents recorded annually, in 2022 reported homophobic hate crimes had risen to 462, making it the biggest increase on record.²⁸⁰

The rise in homophobia as noted above, may be accompanied by discrimination within the workplace, creating barriers to sustainable employment. The 2021 census found that LGB+ people in NI have a lower economic activity rate than average.²⁸¹

Research by the ECNI found that societal prejudice can have a major impact on the work environment and workplace culture. ECNI analysis of data gathered through the MENI Framework found that LGBTQI+ individuals are the least likely of any equality group in NI to feel that, in general, workplaces are welcoming and inclusive, with 19% disagreeing with this statement (compared to 9% of heterosexual people). LGBTQI+ individuals in NI are also the least likely to feel that workers are generally treated with dignity and respect, and are the second-most likely group (after those of non-white ethnicities) to say they have personally experienced a situation where they were not treated with dignity and respect in the workplace in the past 12 months.²⁸²

278 Rainbow Project (2021), ‘The Rainbow Project welcomes the release of 2021 Northern Ireland census data for sexual orientation’, Press Release.

279 Jarman, N. and Tennant, A. (2003), *An Acceptable Prejudice? Homophobic Violence and Harassment in Northern Ireland*, Belfast: Institute for Conflict.

280 See: PSNI (2005), ‘Statistical Report No. 3: Hate Incidents and Crimes. 1st April 2005 – 31st May 2006’; PSNI (2008), ‘Statistical Report No. 5: Statistics Relating to the Security Situation. 1st April 2007 – 31st March 2008’; Belfast Telegraph (2022), ‘Record number of LGBTQ hate crime incidents reported in Northern Ireland branded shocking local charity, 19 May’; PSNI (2024), ‘Incidents and Crimes with a Hate Motivation Recorded by the Police in Northern Ireland. Update to 31 March 2024’, PSNI Statistics Branch, 16 May.

281 NISRA (2023), ‘Census 2021. Main Statistics for Northern Ireland. Statistical Bulletin. Sexual Orientation’, Northern Ireland Statistics and Research Agency (NISRA), 21 March.

282 ECNI (2023), ‘Briefing Paper. Equal access to and equal opportunities for all at work’, March; ECNI (2024), *Commission Statement on Equality in Northern Ireland: Employment Summary Report*.

Despite the societal prejudice and inequalities that LGBTQIA+ communities face in NI, however, the NI Executive has not yet produced an LGBT+ or sexual orientation strategy. Unlike some other equality strategies in NI, there is currently no clarity as to when one will be taken forward. Although there was a commitment by the NI Executive to launch a Sexual Orientation strategy in 2021, this did not happen (and indeed, some other social inclusion strategies have yet to be delivered). The ECNI has advocated for the urgent development of social inclusion strategies, including for LGBTQIA+ groups, especially given the rise in hate crimes and the likelihood that an LGBTQIA+ strategy would “help improve equality of opportunity for LGBTQIA+ people.”²⁸³ The ECNI also noted the lack of commitment to an LGBTQIA+ strategy in both the Draft 2024-27 NI Programme for Government and the Department for Communities Business Plan 2024-25.²⁸⁴

Transition to the UKSPF

LGBTQIA+ organisations in NI have faced challenges when seeking funding to address inequalities and discrimination. The LGBTQIA+ community has, in similarity to minority ethnic groups, been less of a focus in both the EU structural funding and the UKSPF economic inactivity funding. As such, evidence collected for this project suggests that research participants from LGBTQIA+ representative organisations have felt the transition from EU funding to the UKSPF differently to organisations representing other Section 75 equality groups, such as young people, disabled people or women.

It should be noted that there were no ESF Call 3 projects (2022-23) that specifically focussed on LGBTQIA+ people, and there are no current UKSPF economic inactivity projects specifically focussed on LGBTQIA+ people. In this regard, it would appear at first glance that there have not been direct impacts on LGBTQIA+ people as a result of the transition from ESF to UKSPF. People from LGBTQIA+ communities have, however, benefitted in the past from activities carried out as part of some ESF projects that had a wider equalities focus. For instance, research by O’Connell and Cunningham commissioned by the ECNI found that some activities carried out as part of ESF projects included a focus on LGBTQ issues, such as projects by the Playhouse Theatre.²⁸⁵ This was, as the authors note, due to the wider focus on social inclusion under the ESF. In addition, there have been a number of more indirect impacts on people from LGBTQIA+ as a result of the funding transition, as outlined later in this section.

283 K. Barr (2024), ‘The wait for equality strategies in Northern Ireland: Blog’, ECNI 14 May.

284 ECNI (2024) *Consultation Response to the Draft Programme for Government 2024-2027*. Pg 8-9.

285 O’Connell, R. and T. Cunningham (2022), ‘Impact of Brexit on Section 75 Equality Groups in Northern Ireland: EU Funding’, Equality Commission for Northern Ireland, April, p33.

Other UKSPF projects which include an intersectional focus, for instance with a primary focus on other equalities issues (that is, disabled people, women, young people) or on the general theme of economic inactivity, do have the capacity to address the needs of disabled, female, young, out-of-work, or other LGBTQIA+ people. However, LGBTQIA+ organisation staff who were interviewed for this project were unaware of any current UKSPF NI projects that were focussing on the LGBTQIA+ community specifically.

Instead, LGBTQIA+ organisations have looked elsewhere for funding. This has come primarily from the non-public sector realm, including individual foundations, charitable trusts and the Lottery. One interviewee from a large LGBTQIA+ organisation said that they had received small amounts of funding from NI Departments, including the Department of Justice and Department of Health, but generally did not receive a large amount of public funding. When asked why this was the case, the staff member responded by saying, “we’re not seen as important, despite the fact that the work we do is often really, really urgent and pressing and life-saving because of the specific issues faced by LGBTQIA+ populations.”

They went on to say that,

“There was a long time there where the LGBT sector in Northern Ireland received no government funding. That changed within the past 10 years. And even still [we’re] receiving very, very limited sums.”²⁸⁶

Interviewees have expressed the challenges of applying for multiple small pots of funding for different types of services from different funders, which may have a stop-start nature and impact their ability to deliver services for the community.

When discussing the shift in criteria from EU structural funding to the UKSPF focus on economic inactivity, LGBTQIA+ organisation research participants highlighted to us that they felt that there were ‘countless’ employability programmes in NI. And while supporting people to become more employable is “important and good work and we have engaged in employability work, it doesn’t address the structural issues that lead to underemployment.”

Research participants felt that the broader focus on social inclusion was more beneficial for people from LGBTQIA+ communities.

286 Interview with a staff member from an LGBTQIA+ organisation in NI, 2 October 2024.

Impacts of the loss of EU funding on LGBTQIA+ people

Despite being unsuccessful in winning either ESF or UKSPF funding, interviewees have shared that the loss of EU funding and transition to the UKSPF has nonetheless had a significant indirect impact on the LGBTQIA+ community.

As there is now significantly less funding available across the voluntary and community sector in NI, due in part to the reduction in funding available via the UKSPF compared to the EU structural funds, many research participants reported that there is more competition for other pots of funding in NI. As one interviewee said,

“I’m sure you’ve heard this from every participant in this research from the community and voluntary sector, which is that there’s a real crisis of funding for community sector organisations in Northern Ireland. I know organisations who were receiving a lot of that funding, and with the cliff edge last March, it really impacted the community sector.”²⁸⁷

In particular, organisations that were not successful in securing UKSPF funding, or who received less funding from UKSPF, have been turning to other sources of funding such as trusts, charitable foundations and lottery funding, to support the delivery of services. Interviewees reported that organisations, such as those supporting the LGBTQIA+ community, have been relying on such sources of funding for many years. However, now that there is more competition for such funding, LGBTQIA+ organisations have shared that they have become less successful at winning those other funds. One interviewee stated:

“We’ve just been turned down for two pieces of funding that we were really hoping to receive and the reason wasn’t that our application was bad or anything like that, but because there’s been a 300% increase in applications for this particular area of funding. And I think that is probably a knock-on impact from some of the turmoil arising from this transition from the ESF to the UKSPF.”²⁸⁸

287 Interview with a staff member from an LGBTQIA+ organisation in NI, 2 October 2024.

288 Interview with a staff member from an LGBTQIA+ organisation in NI, 2 October 2024.

One LGBTQIA+ organisation noted the impact this competition for funding had had in rural areas in particular. This was because the small population of service users (especially in rural areas, where there is a smaller concentration of people identifying as LGB+ due to geographical spread²⁸⁹) means that they are unable to apply for funding that is expected to benefit large numbers of people. One interviewee said,

“It’s often quite hard to apply for funding from the EU Structural Funds or even the Shared Prosperity Fund, where it requires you to say: how many people are you reaching in this area of Northern Ireland? ... Our rural development work has been really important and we just lost funding for that because of a massively oversubscribed funding [pot].”²⁹⁰

Research by the Rainbow Project has highlighted the particular challenges facing LGBTQIA+ people living in rural areas, and difficulties in accessing services. Their survey found that people in rural areas of NI were four times less likely to have an LGBT service or community organisation in their area compared to those living in urban areas.²⁹¹ Furthermore, LGBT people living in a rural area were three times less likely to access services because it was too far to travel compared to those in urban areas.

In summary, the indirect impacts of the loss of EU funding and transition to the UKSPF may be far greater for LGBTQIA+ organisations than direct impacts (that is, not winning the funding). This is due to the overall reduction in funding for organisations in NI as a result of the loss of the EU structural funds (and the shortfall in UKSPF funding compared to these), which created more scarcity and competition for funding. This has led to a rise in applications for other sources of non-governmental funding, whereby research participants felt that other Section 75 equality organisations may be better placed to demonstrate impacts on groups with a larger population size.

289 The 2021 census revealed that there was significant geographic variation in NI with regard to the size of the LGBT+ population across different local government districts, varying from 4.1% of adults (1 in 25) in Belfast to 1.1% of adults in Mid-Ulster. See: NISRA (2023), ‘Census 2021. Main Statistics for Northern Ireland. Statistical Bulletin. Sexual Orientation’, 21 March.

290 Interview with a staff member from an LGBTQIA+ organisation in NI, 2 October 2024.

291 O’Doherty, J. (2016) *Outstanding in your field. Exploring the needs of LGB&T people in rural Northern Ireland*, The Rainbow Project, March.

Looking forward beyond 2025

As the current Labour UK Government has only committed to extend the UKSPF funding through to 2025-26 for existing recipients, this means that organisations not already in receipt of UKSPF funding cannot apply for the UKSPF for 2025-26.

Organisations supporting LGBTQIA+ communities have informed us that they have sought to avoid relying on public funding as a result of their historic lack of success in receiving funding from the NI Executive. While they expect to receive small amounts of project funding from the Department of Justice and Department of Health, they have relied more on funding from private foundations and charitable trusts, in addition to fundraising and corporate training services. These sources of funding, however, have been described as ‘patchwork’ and insufficient to enable organisations to deliver the full breadth of services they feel LGBTQIA+ communities need, especially in rural areas.

Looking beyond 2026, research participants have suggested a number of changes to funding models to reduce inequalities and discrimination against LGBTQIA+ in NI. In particular, they have recommended that the NI Executive publish an LGBTQIA+ Strategy to focus attention on the needs of the community, including the smaller numbers of people requiring support that are spread across districts in NI. Research participants felt this focus would help to shape calls for funding and eligibility criteria. One interviewee said:



“Something that we often say to ministers and decision makers is that, we almost don’t even get the crumbs off the table. We would love a few crumbs. But again, it’s [a problem] because of that smaller [LGBT] population size.”²⁹²

More generally, and in line with the views expressed by organisations supporting other equality groups in NI, research participants felt that longer-term funding will have a more substantive impact on reducing inequalities, rather than the ‘stop-start’ nature of current funding models. One interviewee felt that short-term funding was a problem as

“it means you get six months to ramp up a service, and you only have two years to deliver that service, and then in the last six months, people will start looking for other jobs because they know that the funding’s reaching a cliff edge ... if the UKSPF were to do something better, it would be to look at providing long term funding and providing organisations with the overarching capacity to build out their funding streams elsewhere. As far as I’m aware, that’s not happening.”²⁹³

Interviewees also felt that the focus of the UKSPF should be expanded to include social inclusion (as with the ESF), which they felt would enable broader support for LGBTQIA+ people facing structural barriers, homophobia and discrimination.

Finally, research participants felt that funding decisions should be made as locally as possible, and that funding should be ring-fenced for equality groups, and based on a careful assessment of their needs. In particular, there was support for devolving the management of the UKSPF (and whatever funding model replaces it) back to NI.

292 Interview with a staff member from an LGBTQIA+ organisation in NI, 2 October 2024.

293 Interview with a staff member from an LGBTQIA+ organisation in NI, 2 October 2024.

5

Comparative equality impacts in NI



This chapter provides a comparative analysis of the impacts of the loss of EU funding and transition to the UKSPF on the Section 75 equality groups explored in the case studies. It explores both common impacts across these Section 75 equality groups, and differentiated impacts on specific groups. This analysis highlights key similarities and differences in impacts, and identifies a number of factors that help to explain why organisations supporting certain Section 75 equality groups in NI experienced the loss of EU funding differently. Furthermore, this comparative analysis helps to underpin recommendations to improve post-2026 funding models based on lessons learned.

5.1 Common impacts on equality groups

The case studies presented in Chapter 4 suggest that the voluntary and community sector supporting Section 75 equality groups in NI has experienced a number of shared impacts as a result of the loss of EU funding and the transition to the UKSPF.

(a) Reductions in funding

All of the voluntary and community sector organisations we spoke to in NI had been adversely affected by reductions in funding. The transition to the UKSPF, as analysed earlier in this report, resulted in a shortfall in funding compared to the previous EU structural funds for organisations in NI. Organisations highlighted the adverse impacts of reduced funding on their ability to support Section 75 equality groups, many of whom had to reduce services to people who had relied on them.

(b) Late confirmation of funding in March 2023

Organisations supporting Section 75 equality groups were adversely affected by the late confirmation of the UKSPF funding on 31 March 2023 – the day that ESF funding ended. This was viewed as having adverse impacts on staff retention and recruitment, and as a result, the capacity of organisations to provide services to equality groups. This has also led to uncertainty around whether UKSPF funding would continue.

(c) Recruitment and retention issues

Research participants from the voluntary and community sector in NI reported significant job losses as a result of the transition from ESF to UKSPF. In addition to staff losses, stakeholders reported ongoing recruitment and retention issues across the sector as a result of the funding changes, affecting their capacity to deliver services.

(d) Focus on economic inactivity in UKSPF

Another common impact was the UKSPF's focus on economic inactivity, which required voluntary and community organisations to narrow the services they were offering to a smaller group of people who met the economic inactivity criteria. This meant they were unable to deliver to services who were not deemed economically inactive. This included people who were unemployed, underemployed or in training and education, as well as those who were furthest away from the labour market, who had previously benefited from ESF funding under its wider social inclusion approach.

(e) Less bureaucracy and good support from UK Government

Organisations who had been successful in winning UKSPF economic inactivity funding were complementary about the support offered by UK Government officials managing the scheme, and appreciated the lower levels of bureaucracy involved.

(f) The absence of a devolved assembly during 2022-24

Another shared impact on Section 75 equality groups was the absence of the devolved Assembly and representation through MLAs to the UK Government at a crucial time in the design, development and delivery of the new UKSPF funding model (2022-24). This resulted in fewer channels for the voluntary and community sector representing Section 75 groups in NI to influence the funding via elected representatives.

(g) A sense that the specific context of NI was not taken into account

Voluntary and community sector organisations representing equality groups felt that their views were not being fully represented to the UK Government, arguably as a result of the absence of a devolved assembly during a crucial period in the development of the UKSPF. Many interviewees shared a sense that the specific needs of communities in NI were not fully being taken into account in the UKSPF funding.

5.2 Differential impacts on equality groups

In addition to the common impacts of the transition to UKSPF funding for Section 75 equality groups in NI, the evidence collected for this project also indicated that there were differences across groups. This includes differences in the financial implications of the funding transition for organisations supporting equality groups (that is, the ability of organisations to ‘weather the storm’ of reduced funding), as well as differential impacts on the rights and wellbeing of equality groups.

(a) Success/failure in winning UKSPF funding

Under the ESF (Call 3), 65 projects (across 52 organisations) in NI had been funded; while only 18 projects (mostly consortia) were funded under the UKSPF. There were 37 organisations who received funding from *both* the ESF (Call 3) and UKSPF. This meant that 15 organisations that had previously won ESF funding (Call 3) did not receive UKSPF funding, leading to cuts in services and the closure of some organisations in NI.

(b) Capacity to absorb reductions in funding

In contrast, other organisations that were funded under the ESF continued to receive funding from the UKSPF, resulting in a smoother transition. Although, even amongst successful UKSPF funding recipients, there was variation in the financial impacts on organisations. While some organisations were able to absorb the reductions in funding, those without a strong financial buffer had to lay off large numbers of staff.

(c) Exclusion from funding

Meanwhile, some organisations were unsuccessful in receiving funding from either the ESF or the UKSPF. These included minority ethnic organisations and LGBTQIA+ organisations, who were unaware of, or failed to win, funding from either source.

Interviewees felt that an equality impact assessment of the UKSPF before it was implemented, in line with the Section 75 equality duty, would have ensured that there were no disproportionate impacts on equality groups as a result of the funding change.

(d) Ability to form consortia

The introduction of the consortium model for the UKSPF had different impacts on organisations supporting equality groups. While many organisations (especially successful recipients of UKSPF funding) felt that the consortia model was successful in bringing together complementary skills and experiences from a range of organisations, others felt that the consortia model created competition amongst organisations providing similar services, which created an additional obstacle to winning funding.

(e) Location and reach

The evidence collected for this project suggested that the location of organisations and their geographical reach (for instance, in focussing on local residents, or in offering services to groups across NI) led to different impacts in some cases. Some research participants felt that larger organisations that offered pan-NI services were able to develop more compelling applications for UKSPF funding (in the scale of impacts on economic inactivity) compared to smaller, locally focussed, and rural organisations.

5.3 Explaining variation

The loss of EU funding and the transition to the UKSPF has had different impacts on Section 75 equality groups in NI. In the next section, we identify key factors that may explain differences in outcomes, and analyse how each explanatory variable has affected equality groups in NI differently.

(a) Organisational resources

In the course of the interviews and survey for this project, it became clear that some voluntary and community sector organisations supporting Section 75 equality groups had greater organisational resources than others. This meant that some organisations – especially those which were larger, more established and had a pan-NI remit and services – were better placed to apply for funding. In particular, they were more likely to have staff that could navigate the funding and write applications, and they were better able to pivot to the specific requirements of the UKSPF (with its focus on economic inactivity) due to their larger size, range and breadth of services, and resources.

Furthermore, it became clear that some organisations had stronger financial buffers to maintain core functions and support the continued employment of staff, in addition to more diversified funding streams to ensure resilience in times of financial uncertainty. Other organisations, meanwhile – which tended to be smaller, more locally oriented and often more rural – had fewer organisational resources

(that is, core funding, size of workforce, service reach). As a result, they had less capacity to write funding applications and pivot their services to the new requirements of the UKSPF. They also had less financial resilience to navigate losses in EU funding.

(b) Networks

Another factor that may help to explain the difference in the impacts of the loss of EU funding and transition to the UKSPF on equality groups is networks, which is crucial for the development of consortia, and important in campaigning and lobbying. This is often related to organisational resources, but it's also linked to geography and service reach. Here, the evidence collected for this project suggested that some organisations may have more capacity to build partnerships with organisations across NI (in the case that they have a pan-NI reach), allowing them to more effectively engage in strategic partnerships for consortia. Meanwhile, other organisations that are more locally oriented, may have more geographically circumscribed networks.

Larger pan-NI organisations also appeared to have greater policy capacity (and sometimes more direct links with policymakers), and a greater ability to dedicate time and resources to communicating with policymakers. Organisations that were NI branches of UK-wide bodies also had stronger pan-UK networks, and were able to liaise with partners experiencing similar UKSPF impacts in Scotland, Wales and England, giving them more shared resources and insights into the funding model across the UK. In contrast, smaller organisations serving local communities had less capacity and reach to develop these larger pan-NI or pan-UK networks.

(c) Alignment with UKSPF focus on economic inactivity

Some organisations were, as a result of their service focus, better placed to meet the eligibility requirements of the UKSPF in seeking to reduce economic inactivity. These tended to be organisations working in the employability space that were already working, to varying extents, with people who were economically inactive. As a result, meeting the requirements of the UKSPF was not such a great stretch for them. In contrast, other organisations were either entirely excluded from the UKSPF's economic inactivity model (for instance, organisations that were focused on training/education, not employment) or they had to significantly reduce the beneficiaries of their services to meet the UKSPF's focus. This included organisations that had been focussed on supporting a range of people across the labour market (including people who were unemployed, underemployed or in supported employment, or people outside the labour market – such as children and young people) and had to cut services.

(d) Complementary skills in consortia

Our stakeholder interviewees have told us that, in some cases, consortia were easier to establish when the key partners had a range of complementary skills around a topic and areas of focus. However, consortia were harder to establish when two or more partners had overlapping services/skills, which was seen to create competition.

(e) Visibility / narrative on equality issues

With regards to the NI funding environment more generally, some stakeholders from equalities groups expressed the view that some equality issues received more support from politicians, policy-makers and the public than others in NI. While some equalities issues were felt to be more accepted in NI society and relatively uncontroversial, other equalities issues were seen to be more polarised. Notably, several representatives of minority ethnic and LGBTQIA+ communities told us that they often felt ‘left out’ of policy and funding discussions in NI, despite rises in hate crimes against both communities in recent years. Furthermore, some women’s group representatives expressed the view that they received less support overall due to ongoing sexism in society; and disability groups expressed concern around the hostility and abuse disabled people faced as a result of being perceived as workshy or ‘scroungers’ in the media. In some cases, groups felt that they received less overall policy, funding and public support as a result of polarisation around a particular equality issue, and fewer public donations.

(f) Geography / population represented

Finally, in the course of the interviews and surveys with voluntary and community sector organisations, some research participants shared their concerns that the UKSPF process tended to favour larger, Belfast-based organisations who were able to offer NI-wide service provision and geographical reach through their consortia. This was felt to come at the expense of smaller, locally oriented and rural organisations, who were less able to offer NI-wide reach. Indeed, research by De Montfort University has found that smaller and rural organisations have been especially underrepresented in successfully winning UKSPF funding.²⁹⁴ Some of the organisations who participated in this research expressed the view that they had failed to win funding primarily because they were a local group without NI-reach, and as a result had to significantly cut back services or close altogether. In addition, some organisations felt that, because they were trying to support

²⁹⁴ Butler, P., Payne, J. and Rose, J. (2024). *Third Sector Organisations Delivering Employment Support in Northern Ireland: Funding and Commissioning After ‘Brexit’*.

equalities groups that comprised smaller numbers of people, they were less able to demonstrate impact on a larger scale, and thus less successful in winning funding that focused on quantifying impacts on large numbers of people.

5.4 Conclusion

The loss of EU funding and transition to the UKSPF has had a range of impacts across Section 75 equality groups in NI. This project has found that equality groups, and the community and voluntary organisations that represent, support or serve them, have experienced a number of common impacts as a result of the funding changes. However, through the comparative case study analysis, the data also suggests that the transition to the UKSPF has affected groups differently.

With regard to similar impacts across NI, the project has found that the voluntary and community sector as a whole has been adversely affected by reductions in funding at the UK (UKSPF) and NI (match funding) levels. All of the UKSPF-funded organisations we spoke to reported having experienced reductions in funding as a result of the transition to the UKSPF. Research participants reported significant staff losses when UKSPF allocations were announced in March 2023, with ongoing recruitment and retention issues across the sector. There has been a sense that the post-conflict legacy and needs of NI have not been fully taken into account, and many organisations have been unable to support previous service users due to the economic inactivity criteria.

However, there are also notable differences. This research has found that some equality issues received more funding than others; some organisations were more adversely affected by the transition to the UKSPF (losing out on funding or cutting services) than others; while some organisations experienced indirect effects of the loss of EU funding, including increased competition for alternative funding pools elsewhere.

We have suggested that these differences in impacts are the result of several different types of factors. These include: factors that are internal to organisations that have enabled them to respond effectively to the changes in the UKSPF model (based on their resources, capacity and networks); factors resulting from the specific requirements of the UKSPF funding that some organisations have been better-placed to satisfy than others (alignment with economic inactivity focus, and ability to form consortia around the UKSPF requirements); and factors associated with structural barriers within NI (support for equality issues, geographical inequalities, and size of equality group population).

6

Comparing devolved impacts of the UKSPF



In this chapter, we compare NI to other regions and nations in the UK, with respect to transition funding impacts on equality groups. The main research questions explored are: Is NI being treated similarly to other parts of the UK? Are there differentiated impacts? In undertaking this comparative analysis with other UK regions, the analysis factors in the particular circumstances of NI including, for example, its position as a post conflict society, high level of need, and higher disability employment rates.

6.1 Background to the funding transition

On the surface, each region and nation in the UK has in common the shared circumstance of having each recently experienced the loss of EU funding and the transition to the UKSPF.

Another similarity across the different devolved contexts in recent years is the presence of constrained public finances, often impacting upon employability services and the voluntary and community sector more broadly. In 2022-23, for example, the Scottish Government reduced funding for employability support by £53m, representing a 43% cut compared to the previous year.²⁹⁵

At the same time, there are also important factors which make the background to the funding transition in NI distinctive in comparison to the other devolved contexts. Historically, for example, NI has been the part of the UK with the highest rates of economic inactivity, with the inactivity rate fluctuating between 25% and 30% of NI's population over the past 15 years, compared to 20-25% across the UK as a whole. This nevertheless represents a decline since the 1990s when the economic inactivity rate in NI frequently stood at over 30%, and indeed in Q1 of 2024 Wales became the part of the UK with the highest rate of economic inactivity (the first time in decades this position was not taken by NI).²⁹⁶

Women in NI also experience lower rates of employment and higher rates of economic inactivity than those in other parts of the UK: employment and economic inactivity rates amongst women in NI stand at 69.5% and 29.4% respectively, compared to 72.1% and 25.3% across the UK as a whole.²⁹⁷

295 Fraser of Allander Institute (2022), 'The rationale for employability support'.

296 Pivotal Public Policy Forum NI (2024), *Economic inactivity in Northern Ireland*. Pg 13.

297 NISRA (2024), *Women in Northern Ireland 2023*.; Francis-Devine, B. and Hutton, G. (2024), 'Women and the UK economy'. *House of Commons Library*.

What further distinguishes NI in this respect is the role of sickness and disability as a key explanatory factor behind economic inactivity. In NI, 43% of the economically inactive population is because of sickness and disability; in total, 11.9% NI's working age population is economically inactive due to sickness and disability, compared to 6.9% in the UK as whole.²⁹⁸ The employment rate amongst disabled individuals in NI is considerably lower than in any other region of the UK, at 39%. By way of comparison, in Scotland the disability employment rate is 53%. NI's comparatively high levels of sickness and disability have been attributed in part to the legacy of the Troubles; economic inactivity due to sickness and disability has also risen faster in NI than the UK as a whole since the onset of the Covid-19 pandemic.²⁹⁹

6.2 Size of funding shortfall (compared to EU structural funds)

As shown throughout this report, NI's voluntary and community sector has experienced significant funding shortfalls as a result of the transition from EU structural funding to the UKSPF. As discussed in Section 2.2, meanwhile, both the Scottish and Welsh Governments and regional English bodies such as the Northern Powerhouse Partnership have argued that UKSPF funding allocations represented a significant shortfall in comparison to levels of EU structural funding.

Looking at the picture across different UK contexts, researchers at De Montfort University have found NI's overall funding shortfall to be "unexceptional in broader UK terms."³⁰⁰ While there are a number of complexities involved in comparing UKSPF with EU structural funding levels, our calculations in this report indicate an annual average shortfall of 43.8% under the UKSPF in NI in comparison with ESF/ERDF funding levels (see Section 2.2 for a fuller discussion of this issue). This is closely comparable to the 43% shortfall calculated by the IPPR with regards to the UK as a whole.³⁰¹

The delegation of UKSPF funding to local authorities across the rest of the UK, meanwhile, adds a layer of complexity to the task of comparing the size of the funding shortfall across different UK contexts. Third sector organisations in both England and Scotland, for example, have complained of instances of "cash-strapped councils" using UKSPF allocations to fund their own in-house employability services, to the further detriment of third sector organisations in this space who had previously benefited from European structural funding.³⁰² This factor is not applicable to the NI context. Delegation to local authorities has also led to differences in the extent of the funding shortfalls experienced across

298 Pivotal Public Policy Forum NI (2024), *Economic inactivity in Northern Ireland*. Pg 24.

299 Ibid, pg 26.

300 Butler, P., Payne, J. and Rose, J. (2024). *Third Sector Organisations Delivering Employment Support in Northern Ireland: Funding and Commissioning After 'Brexit'*. Pg 5.

301 IPPR (2022) *Shared Prosperity Fund: what can we learn from the government's plan to replace EU funds?* 13 April.

302 Payne, J., Butler, P. and Rose, J. (2024). *Shouting into the Void? The introduction of the UK Shared Prosperity Fund and its impact on third-sector organisations delivering employment support in England*. Pg 10.

different areas of the other nations and regions of the UK. County Durham, for example, is cited by Payne et al (2024) as an example of a local authority whose UKSPF allocation was less than half the size of previous ESF allocations (£33.6m compared to around £80m).³⁰³

6.3 Delivery and management of the UKSPF

The centralised management of the UKSPF in NI by DLUHC (renamed MHCLG) represents a clear point of difference between NI and the rest of the UK with regards to the transition away from EU structural funding. As shown earlier in the report, this has had a range of consequences relevant to the impacts of the transition to the UKSPF on equality groups in NI, including the absence of Section 75 designation for the UKSPF in NI and the lack of any substantive role for the NI Executive in the development and implementation of the fund. In addition, many stakeholders we spoke to in the voluntary and community sector in NI expressed a feeling that they were not sufficiently consulted in relation to key aspects of the fund, including the move to eligibility criteria oriented more narrowly towards economic inactivity and employment outcomes.

Notwithstanding this clear point of difference with regards to the role of DLUHC, there is also evidence of similarity across the devolved contexts concerning the delivery and management of the UKSPF. In particular, third sector organisations across the rest of the UK have complained of “non-existent” levels of engagement with the third sector by some local authorities,³⁰⁴ while third sector providers in Scotland have argued there is a “fundamental problem of lack of transparency and accountability” regarding how local authorities are using UKSPF funding.³⁰⁵ In addition, as shown in Chapter 2, both the Scottish and Welsh Governments – which, like the NI Executive, were previously managing authorities for EU funding – have been critical of their perceived exclusion from decision-making in relation to the development and implementation of the UKSPF.

Finally, experiences have differed across the other UK nations and regions with regard to other aspects of the delivery and management of the UKSPF, largely due to the different approaches taken by local authorities in different areas. As discussed in Chapters 3 and 4, for example, one change associated with the transition from EU to UKSPF funding in NI has been a reduction in the levels of bureaucracy associated with applying for and receiving funding, something which has been welcomed by some of the third sector organisations we have engaged with through this research.

303 Ibid, pg 8.

304 Ibid, Pg 9.

305 Payne, J., Butler, P. and Rose, J. (2024). *Local authority commissioning of employability support in Scotland and its impact on third-sector provision*. Pg 20.

The evidence suggests, however, that this aspect of the UKSPF has not been replicated in third sector organisations’ experiences across many other parts of the UK. In England, for example, Payne et al (2024) found that “in many cases, the hoped-for reduction in bureaucracy associated with ESF had not materialised”, with some councils simply replicating previous ESF paperwork for use with the UKSPF and others introducing “equally onerous compliance requirements of their own.”³⁰⁶

6.4 Impacts on equalities groups

Looking more specifically at the impacts of the funding transition on equality groups across other parts of the UK, there are both commonalities in relation to all-UK impacts, as well as areas in which impacts in NI have been more distinctive.

It is clear that third sector organisations across the rest of the UK have experienced many of the same difficulties associated with the UKSPF that organisations in NI have identified, including challenges in supporting people from different equalities groups.

Significantly, organisations in the rest of the UK have been similarly affected by the shorter funding periods associated with the UKSPF (in comparison with the ESF). Indeed, in many parts of the UK, local authority-commissioned contracts for employability support have had a typical length of no more than 12 months, in comparison with the two-year funding period of the UKSPF in NI. This has had comparable impacts to those seen in this report with regards to NI, making it harder for third sector organisations in other parts of the UK to recruit and retain staff, and harming the provision of the kind of longer-term, one-to-one support which is often best suited to the needs of those furthest from the labour market.³⁰⁷

The precise circumstances of the late notification of successful UKSPF applicants in NI – taking place on 31st March 2023, the same day on which European funding ended – is distinctive from the rest of the UK, where local authorities in England, Scotland and Wales had the ability to inform successful applicants in advance of this date. Nevertheless, it is clear that in some local authority areas, third sector organisations across the rest of the UK in practice experienced comparable difficulties to those in NI around delays in the confirmation and allocation of funding. For example, Payne et al (2024) highlight Tees Valley as an area in which third sector organisations experienced a six-month gap in local authority funding for employability support, between the ending of European funding and the onset of the UKSPF funding locally.³⁰⁸

306 Payne, J., Butler, P. and Rose, J. (2024). *Shouting into the Void? The introduction of the UK Shared Prosperity Fund and its impact on third-sector organisations delivering employment support in England*. Pg 10

307 Ibid, pg 11-12.

308 Ibid, pg 8.

As in NI, delays of this kind have meant that third sector organisations in these local authority areas lost the knowledge and expertise of staff who were driven to seek more stable employment or who organisations simply could not afford to retain during the uncertainty of the funding transition, to the detriment of those accessing services. In addition, the uncertainty surrounding the future of the UKSPF, which persisted throughout much of 2024 (until the Autumn Budget), has been a further commonality in the experiences of voluntary and community sector organisations across the UK, making it harder for organisations to retain staff with the knowledge, experience and skills needed to provide personalised support to individuals with high levels of need.

At the same time, the move to local authority-led commissioning has also created different dynamics in the rest of the UK with regards to the kinds of organisations which have benefited from the new funding model. In particular, Payne et al (2024) highlight that in the case of England it is larger organisations which operate at a regional or national scale who are seen as being comparatively disadvantaged under the new local authority-led funding model. This is because they must now engage with and submit applications to multiple local authority commissioners for relatively small tenders, whereas under ESF they could bid for contracts commissioned across much larger Local Enterprise Partnership areas.³⁰⁹ This stands in direct contrast to the situation in NI, in which the DLUHC-led NI-wide commissioning model has been seen by some as favouring organisations with a broader regional reach at the expense of smaller local and community organisations.

It is also important to note that the nature of the local authority-led commissioning model has meant that some local authorities have come to be seen as examples of good and effective practice with regards to UKSPF commissioning, helping to ameliorate some of the negative impacts of the transition experienced by third sector organisations and those they support. In England, for example, the Greater Manchester and Greater London authorities have been praised by third sector organisations as being transparent, responsive and effective at partnership working in their commissioning arrangements.³¹⁰ In Scotland, meanwhile Edinburgh has been cited as a positive example of a local authority which has provided a seven-year funding contract to support disabled people into work, and Fife Local Employability Partnership has been highlighted as a “bastion of good practice” in working with the third sector.³¹¹

309 Ibid, pg 12.

310 Ibid, pg 19.

311 Payne, J., Butler, P. and Rose, J. (2024). *Local authority commissioning of employability support in Scotland and its impact on third-sector provision*. Pg 24.

6.5 Conclusion

Overall, it is clear that there have been some similarities with regards to devolved impacts of the UKSPF across different parts of the UK. Each part of the UK has similarly undergone the transition from EU structural funding to UKSPF funding within a context of constrained public finances, which have impacted upon the voluntary and community sector across all of the UK. The transition has led to a funding shortfall across each of the devolved contexts in comparison to the levels of funding that could have been expected had EU funding continued, with often severe financial impacts for third sector organisations, including job losses. In addition, some of the specific concerns voluntary and community sector organisations have raised with regards to the UKSPF in NI, including a lack of consultation and engagement, and shorter funding timeframes compared to the ESF, are also relevant across other devolved UK contexts.





Nevertheless, there are important factors which differentiate NI's experience of the transition from these other contexts. Up until 2024, NI had for decades stood as the part of the UK with the highest rates of economic inactivity. NI continues to have considerably higher rates of unemployment and economic inactivity due to sickness and disability than the rest of the UK, which has been attributed in part to its status as a post-conflict society. The UKSPF in NI has been managed centrally, by the UK Government's DLUHC (renamed MHCLG); elsewhere in the UK, delivery of the UKSPF has been managed by local authorities. The late notification of successful UKSPF applicants in NI, on 31 March 2023, is distinctive to the whole of NI, though delays in the confirmation and allocation of funding have also taken place across some local authority areas in the rest of the UK. Finally, the local authority-led commissioning model present across the rest of the UK has in some cases led to particular dynamics which do not apply to the situation in NI, such as even shorter (less than one year) funding rounds and increased levels of bureaucracy for those in receipt of funding.

7

Conclusions and Recommendations



This project has explored the impact of the loss of EU funding and transition to the UKSPF on equality groups in NI. This has involved a focus on the development, design and implementation of the UKSPF in NI, and impacts on Section 75 equality groups.

This project has found that the transition to the UKSPF has been associated with a range of challenges, as well as some benefits, for equality groups in NI. Moreover, the evidence collected for this project suggests that while equality groups experienced some common impacts as a result of the funding change, we can also identify variation across equality groups that led to more positive or negative experiences. This chapter will summarise those key findings, including those based on the views of stakeholders who participated in this research, before setting out a number of recommendations for future funding models based on learning from this project. Further detail on the specific concerns and on the stakeholders who raised those concerns is set out in the Chapters above.

7.1 Benefits of the UKSPF funding

There have been a number of positive responses from stakeholders who participated in this research to aspects of the UKSPF in relation to its delivery in NI.

(1) Funding available

Stakeholders expressed relief that the UKSPF funding was available, offsetting fears that there would be nothing to replace the EU structural funds. Even though there were changes to the amounts, focus, processes and eligibility for funding, and the duration of funding was shorter (2 years) compared to EU funding, organisations were positive about the UKSPF existing as a funding source.

(2) Consortia working

Stakeholders on the whole expressed positive views about the introduction of consortium projects. For those who were successful in receiving UKSPF funding in particular, voluntary and community sector organisations felt that the consortia model had promoted greater collaboration within the sector.

(3) Less bureaucracy / more flexibility

Successful recipients of UKSPF funding had positive views about the flexibility in reprofiling the funding if activities changed, and reduced bureaucracy / lower amounts of reporting required (compared to the EU structural funds, which many stakeholders agreed involved quite onerous monitoring and reporting requirements).

(4) Good relationships with DLUHC

Successful recipients of UKSPF funding, and especially lead partners for consortia, reported having positive relationships and good communications with the UK Government staff in DLUHC (renamed MHCLG) who were managing the fund.

(5) Full cost model

Successful recipients of UKSPF funding appreciated the new cost model of the UKSPF, which allowed for 100% of staff costs to be covered, including staff on sick leave or maternity leave. This was in contrast to previous (ESF) funding, which removed money if staff were off sick, requiring organisations to assume the costs.



7.2 Challenges of the UKSPF funding

On the other hand, stakeholders who participated in this research from the voluntary and community sector and the NI devolved administration raised a number of concerns around the transition to the UKSPF, which has created challenges for organisations.

(1) Funding shortfalls

Stakeholders have been critical of the funding shortfalls of the UKSPF, compared to the previous levels of EU structural funding received in NI. Evidence presented in this report has shown that the amount of funding allocated to the UKSPF is considerably less than that previously received under the EU programmes. Moreover, the UK Government's calculation (which sought to match the UKSPF to EU funds, but which took into account the remaining EU funding yet to be drawn down) *did not acknowledge the fact that new EU funding would have been received if it had not been for Brexit*. This resulted in a significant shortfall in funding, which had a detrimental impact on the delivery of services and support for reducing inequalities in NI.

(2) Cliff edge impacts

Stakeholders were concerned about the short- and long-term impacts of the 'cliff edge' late announcement of UKSPF funding on 31 March 2023. As explored in the case studies, this led to high levels of uncertainty around the ability of organisations to continue employing staff to deliver services to equality groups, with many organisations having to issue redundancies in advance of the late funding announcement, and other organisations losing employees in the weeks and months leading up to 31 March as a result of job uncertainty. Several interviewees shared that the loss of a substantial cohort of experienced staff in the third sector as a result of the cliff edge funding announcement has had longer-term impacts, with difficulties recruiting into what is seen as a volatile sector to work in, compounded by the use of short fixed-term contracts (due to the short funding timescales). This has impacted on the delivery of services.

(3) Short timescales

Stakeholders felt that the timescales for UKSPF were too short to enable organisations to fully support people into being economically active. Voluntary and community organisations in particular emphasised how people who were economically inactive tended to be furthest away from the labour market, and therefore required more support over the long term to help them into employment. One- and two-year rounds of funding were seen as insufficient to support people over the long-term. Research participants preferred the ESF model of funding over a 7-year period, with 3-year rollovers. Furthermore, stakeholder interviewees expressed concerns around the impact of short timescales on their ability to attract and retain staff, given the necessity of using short fixed-term contracts, rather than open-ended positions.

(4) Lack of consultation

There was felt to be minimal consultation or engagement with local partners by the previous Conservative UK Government in the design and development of the funding prior to the release of the UKSPF Prospectus, missing a key opportunity for co-creation of the funding. This happened during a challenging time for NI society and politics, whereby communities and organisations were recovering from the impacts of the Covid pandemic, and the devolved institutions were not functioning. Voluntary and community organisation stakeholders felt that the decision-making processes of DLUHC regarding funding lacked clarity and transparency, which may have contributed to the delays in implementing the Investment Plan for NI and confirming successful funding bids in NI. In particular, local organisations felt that the timelines to prepare project applications following the fund's launch were tight, adding further difficulty to the process.

(5) Narrow focus on economic inactivity

Stakeholders expressed deep frustration with the specific focus on economic inactivity in the UKSPF in NI. This was considered to be a 'narrow lens' that did not account for wider social and economic barriers that equalities groups in NI faced. It also prevented organisations from supporting other people who were seeking to improve their employability prospects in NI, such as people in education and training, people who were unemployed, people with disabilities seeking supported employment, asylum seekers and refugees, and people who were in low-wage, insecure work. Below, we provide an overview of labour market categories, based on categories developed by the Office of National Statistics, the International Labor Organization, and research conducted by Haskel and Martin (2022).³¹²

312 ONS (2020), *A guide to labour market statistics*, 16 June; ONS (2024) *Labour Market Survey (LFS) QMI*, 15 October; ILO (2024) *Labour Force Statistics*; Jonathan Haskel and Josh Martin (2022) *Economic Inactivity and the labour market experience of the long-term sick*, working paper, Imperial College London.

Labour Market Categories: Population 16 and over

Economically Active (in work or actively seeking work)

- In Employment
 - Secure, thriving
 - Supported Employment (that is, for people with disabilities)
 - Insecure, Low-paid, Zero-hours contracts
- Unemployed
 - Wants a job, actively seeking work, available
- Economically Inactive (not in work and not actively seeking work)
 - Wants a job
 - Would like a job but not available (that is, long-term sick, disabled, looking after family/home)
 - Not searching but available (that is, early retirees, discouraged workers)
- Doesn't want a job
 - Not searching (for example, students, pensioners)

Under the ESF programme, a positive destination for an individual could be moving towards employment/economic activity *or* social inclusion. In contrast, under the UKSPF the main positive outcome has been how many project participants gain employment. Thus, while the ESF funding could be flexed to offer services to people across all of the categories included in the overview above, under the UKSPF the focus has been primarily on one group (economically inactive individuals who would like a job but are not available). This distinction between the two funding programmes has affected the type of service users that projects are able to help, with UKSPF recipient organisations telling us that the transition to UKSPF has meant that they have had to turn away service users who do not fall into the economic inactivity category, resulting in organisations being able to help fewer people.

(6) Absence of social inclusion focus

Related to this, stakeholders advocated bringing back the ‘social inclusion’ element of the previous ESF funding. Social inclusion is the process of improving the terms of participation in society, particularly for those who are disadvantaged. Research participants felt that a social inclusion focus was especially important in NI, due to the legacy of the Troubles (a period of violent conflict which took place from 1968 to 1998), which was still being felt in communities. A social inclusion focus was not only viewed as important for bridging divided communities (and including participation of excluded groups in society), but also for addressing the high rates of deprivation, unemployment and disability in NI that have been associated with the legacy of the Troubles.

As the ECNI has stated, “addressing the legacy of the past remains an ongoing issue, and ... Northern Ireland does not yet benefit from a fully reconciled and shared society”.³¹³ Stakeholders felt that a narrow focus on economic inactivity as part of a UK-wide ‘levelling up’ agenda was insufficient to address the broader fractures in society and the economy in NI that have resulted from three decades of recent conflict; fractures that, according to many interviewees, have not been improved by the impacts of the Covid pandemic and recent cuts to public services in NI. As such, the decision not to include ‘social inclusion’ as an investment priority area in the UKSPF funding, which was a previous focus of the ESF, was seen by many stakeholders in NI, who participated in this research, as detrimental to the promotion of equality and good relations in NI.

(7) Geographical and size imbalances

A number of research participants felt that the UKSPF funding did not address geographical inequalities in NI, and tended to favour larger organisations that had a pan-NI reach and/or were based in Belfast, and could therefore offer services to more economically inactive people. There were concerns that the UKSPF had insufficient emphasis in supporting communities in rural areas with smaller populations. More locally oriented organisations outside Belfast also suggested that the consortia model was more challenging for them, given their lack of NI-wide reach and networks.

313 ECNI (2018), *Response to NIO Consultation – Addressing the legacy of Northern Ireland's past*, October.

(8) Lack of devolved input

Despite the previous Conservative UK Government stating in the Prospectus for the UKSPF that it would give a role to the devolved administrations in Wales, NI, and Scotland in contributing to funding decisions, this does not appear to have been the case. In NI, there was a distinct lack of devolved input into UK Government decision-making, owing to concerns within the NI government that DLUHC was not designated under Section 75 of the Northern Ireland Act 1998 (see below).

In interviews with NI civil servants, it was revealed a lack of data sharing between DLUHC (renamed MHCLG) and NI departments on the focus and impacts of the UKSPF on communities in NI had resulted in a lack of UKSPF alignment with devolved programmes and policies. NI civil servants said they were unable to access UKSPF data, and therefore were unable to tell which groups and communities were being supported by the UKSPF (for instance, how many disabled people were benefitting from UKSPF projects in a particular local council area), and which groups were not being supported, leading to problems in determining where to focus other devolved funding and to join up programmes to reduce inequalities. In addition, civil servants and voluntary and community organisations in NI expressed concerns around the lack of disaggregated equalities data being collected under the UKSPF. NI civil servants, as a result of this exclusion from the UK-managed UKSPF funding (due to NI Executive/Departments concerns about the lack of designation of DLUHC under Section 75), were also unable to fully support organisations seeking to apply for UKSPF funding.

(9) Lack of match funding

Previous EU structural funding in NI was often accompanied by match-funding from the NI government. Stakeholders told us in interviews that they had appreciated the match-funding as a way to increase resources to provide services, and had expected that the transitional funding model would also be match-funded (though some organisations did highlight the pressures on staff time caused by having to secure match-funders and report to multiple funders under the ESF). Research participants also reported that the match-funding element of the ESF encouraged government departments to work together. However, match funding was not included under the UKSPF. Some interviewees felt that this decision was not fully communicated by the UK Government, and was indicative of a lack of consultation with NI communities.

This research has found that the absence of a match-funding requirement significantly reduced the money available to organisations under the UKSPF. Indeed, as shown in Section 2.2 of this report (see Table 3), while the size of the core UK Government contribution to UKSPF Economic Inactivity projects in 2023-24 and 2024-25 is closely comparable to that of the core EU/Department for Economy contribution under the most recent ESF funding round, a £12.6m (30.4%) shortfall per annum on average under the UKSPF 2023-25 emerges when compared to total ESF project allocations inclusive of match funding allocated through Calls 2 and 3 of the 2014-20 ESF Operational Programme.

In addition to providing additional resources, stakeholders felt that the match-funding element of the ESF was helpful in building collaborations across the public and third sector. For instance, one interviewee felt that match-funding “helpfully forced local government departments to work together; it prevented silo working” and helped organisations build relations with charity match-funders.³¹⁴

(10) More competition for other funding resources

In the course of the interviews for this project, it was revealed that the UKSPF funding shortfall has meant that there were more pressures on other funding schemes (such as those offered by charitable foundations and private trusts) to meet demand. As organisations previously receiving ESF funding either (a) did not receive UKSPF funding or (b) received UKSPF but at lower levels than the ESF (with successful recipient organisations suggesting a reduction in funding by up to 50%), they had to look elsewhere for funding. Unfortunately, during (part of) this time, devolution in NI was still paused and civil servants were not able to sign off on full amounts of NI government funding. As a result, community and voluntary organisations looked to other funding sources, creating more competition for non-public sector grants. Some smaller organisations interviewed for this project, which had not been reliant on EU or NI funding and had diversified into these trust and foundation-based funding schemes, felt the impacts of this. They expressed their concern around higher levels of competition for fewer sources of funding, and the increasing difficulty they had in winning funding, adversely affecting their services for communities.

314 Research participant survey response by a mental health organisation representative, 14 May 2024.

(11) Lack of designation/compliance with Section 75 equality duty

Finally, stakeholders across the voluntary and community sector and policy community in NI were concerned about the UKSPF funding processes and procedures not being designated under, and compliant with, NI equalities law.

DLUHC (renamed MHCLG) was not designated under Section 75 of the Northern Ireland Act (1998), and the lack of Section 75 designation led to NI departmental concerns about the inability of DLUHC to properly consider Section 75 equalities issues. According to stakeholders in interviews for this project, these concerns contributed to NI departments not working closely with DLUHC on the new funding programmes. Stakeholders in the NI policy community suggested that this has prevented a close alignment of funding priorities of the UKSPF with the NI Programme for Government and other devolved policy areas in NI. In addition to this, as DLUHC was not designated under Section 75, it was felt that DLUHC was not required to produce an Equality Impact Assessment, which stakeholders felt could have helped assess and mitigate potential impacts on different equalities groups in NI as a result of the funding changes. Broadly speaking, stakeholders in NI felt that the UKSPF overall lacked a strong equalities orientation, due to the absence of an equality impact assessment or focus on reducing social inequalities amongst groups.



7.3 Recommendations

In the October 2024 Autumn Budget, the current Labour UK Government announced an extension to the UKSPF funding for one year from 1 April 2025 to 31 March 2026. This was presented as a ‘transitional arrangement’ in advance of wider funding reforms. This extension involves a reduced level of UKSPF funding amounting to £900m for the year. At the time of writing, 2025-26 allocations below the UK-level (including for NI projects receiving funding thus far) have not yet been announced.³¹⁵ Furthermore, the impact of that reduced level of funding on equality groups in NI is not yet known.

However, the one-year extension to the UKSPF funding means that there is now time to review the funding model to meet the needs of communities in NI in advance of wider reforms. Based on our interviews, surveys and engagement activities, which have led to our synthesis of key benefits and challenges of the UKSPF funding as perceived by key stakeholders, we have formulated a series of recommendations to consider when reviewing and redesigning future funding models.

Our recommendations are designed to ensure that the future funding model better supports the delivery of services to Section 75 equality groups and the promotion of equality of opportunity in NI. These recommendations have been grouped into four thematic areas. Furthermore, these recommendations are aimed at the UK Government, unless stated otherwise.



³¹⁵ It should be noted, however, that organisations that did not receive UKSPF funding under the first round in 2023-25 in NI would not be able to get funding during the extension in 2025-26.

Theme A: Funding amount and duration

Recommendation 1: Funding amounts

To increase funding available from the 2026-27 funding cycle onwards, to more closely align with amounts received by NI from EU structural funds (ESF and ERDF) during 2014-2020 (and updated for inflation since then). This would be in line with the UK Government's previous commitment to match the EU funds through the UKSPF.

Recommendation 2: Match funding

Together with NI Departments, to explore the possibility of re-introducing an optional match-funding element (to increase the overall amount of funding being awarded). Match-funding should be optional, rather than a mandatory part of funding.

Recommendation 3: Filling in funding gaps

For NI Departments, to explore alternative means to fill the gaps in funding under current and future funding models. This should include considering how to support organisations that cannot apply for the UKSPF in 2025-26.

Recommendation 4: More autonomy over funding by local partners

To remove practices of the UK Government 'top-slicing' funding (that is, reserving a certain amount of UKSPF funding for specific projects that are centrally mandated) as was the case with the Multiply adult numeracy programme. Instead, the UK Government should enable local partners to choose to opt-in to national programmes or to use these funds for other projects. This would help to ensure that local partners have the autonomy to address the unique needs and priorities of communities in NI.

Recommendation 5: Longer time horizons

To create longer multi-year funding periods for the UKSPF. Previous EU funding was structured over a 7-year period with an additional three years for potential roll-overs, while the first tranche of the UKSPF was only for two years. Going forward, the UKSPF should revert to longer-term multi-year funding tranches (of at least 3-5 years, if not the EU standard of 5-7 years) to support local communities.

Recommendation 6: Flexibility and full-costing

To maintain the flexibility of the first round of the UKSPF to enable organisations to repurpose and reprofile funds if necessary in the course of the project implementation. Future UKSPF funding should continue to use the positively-received practice of a full cost model to cover staff costs, such as when staff are on sick leave or maternity leave.

Theme B: Management and delivery of funding

Recommendation 7: Appropriate reporting

For the managing authority, to ensure that monitoring and reporting requirements for the UKSPF are measured and appropriate. A target would be reporting requirements that are sufficient for transparent and thorough monitoring and evaluation, but not so onerous as to be an administrative burden to organisations.

Recommendation 8: Clear and timely communications

For the managing authority, to ensure that the application process for future UKSPF funding is clearly and effectively communicated to potential recipients. This includes giving sufficient advance notice of deadlines, providing clear guidance for potential applicants, ensuring that all potential applicants are notified, and communicating funding decisions in a timely fashion to avoid any future 'cliff edge' scenarios.

Recommendation 9: Support for potential applicants

For the managing authority, to provide support to organisations that require additional help in preparing funding applications and building project partnerships. This will help to ensure a more level playing field for all potential applicants (whether they are large or small organisations, serving urban/rural geographies, and with local or NI-wide reach). This could also serve to help organisations with staff who have any language barriers.

Recommendation 10: Specific funding streams

To create specific funding streams within overall UKSPF models that seek to address disadvantage amongst equality groups, for instance for those living in rural areas and for smaller organisations that represent or provide services to equality groups. Specific funding streams could help target money to fund projects that help groups at the greatest risk of discrimination and those furthest from the labour market.

Theme C: Policy alignment and equalities impacts

Recommendation 11: Expand the criteria and focus

To broaden the scope and permitted eligibility criteria of UKSPF funded activities. This would involve a move away from the strict focus on economic inactivity and quantifiable employment outcomes, towards a broader social inclusion focus (as with the ESF funding) that enables organisations to support people with different experiences of labour market participation. This includes broadening the criteria of target groups eligible to benefit for funding, so as to enable organisations to support people who are unemployed, those who require supported employment, those who are experiencing low-wage job insecurity, those who are focussed on skills development through education and training, or those who are in need of support to overcome societal barriers. This shift in focus would allow funded organisations to support a wider range of people from equalities groups.

Recommendation 12: Align with NI devolved policies

To ensure that future UKSPF/EU replacement funding is joined up with NI devolved policies through the involvement of the NI Executive in the development, design and implementation of future funding models in NI. This could entail either the delivery of the UKSPF through the NI departmental structures, or at the very least the formal involvement of the NI devolved administration in decisions around strategic priorities, allocations and management of the funding, including an enhanced role for the NI Executive in UKSPF decision-making, and data-sharing between the UK Government and NI departments on the roll-out and impacts of the funding.

Recommendation 13: Designation under Section 75

To ensure that the managing authority for the UKSPF funding in NI (currently MHCLG) is designated under Section 75, so that UKSPF funding processes and procedures are compliant with Section 75 of the Northern Ireland Act (1998). This designation will ensure that funding policies and procedures are compliant with the NI public sector equality duties, and the specific requirements that come with this, such as the carrying out of an Equality Impact Assessment to assess implications for equality groups, in certain circumstances.

Recommendation 14: Building equalities into the funding

To ensure that the promotion of equality is more fully built into the next funding criteria, beyond the designation of the managing authority with Section 75 and compliance with equality scheme processes in line with that duty. This may involve, for instance, developing an equality strategy and plan for the UKSPF funding; embedding equality goals and approaches into all relevant funding materials and guidance manuals with reference to good practice; ensuring that equalities principles are embedded into project selection, reporting and monitoring; giving consideration in the funding prospectus of how to reduce intersectional inequalities; and providing training on equal opportunities to individuals involved in the development and delivery of the funding.

Recommendation 15: Aligning funding with NI equalities strategies

To ensure that the development of equality criteria for future post-Brexit funding models in NI is aligned with the new, revised and updated NI social inclusion strategies, which is due to be published by the NI Executive; and to identify areas where there are gaps (for instance in the area of LGBTQIA+ inclusion) to support all equality groups in NI.

Recommendation 16: Equalities experience on funding panels

To ensure that funding bodies are fully informed of the experiences and barriers that equality groups face, and funding decision-making bodies and panels have a mix of experiences. Consideration should be given to appointing individuals and organisations representing different equality groups to funding panels. This would help ensure fair representation and avoid the risk of equalities groups being left out of key decisions.



Theme D: Future decision-making and consultation

Recommendation 17: Robust data

To ensure that future funding allocations are based on up-to-date and robust data, including equality data that is disaggregated, to better address the specific needs of communities and to monitor outcomes relating to equality. Researchers have found that the financial allocation of the UKSPF is based on outdated data,³¹⁶ whereby the UK Government used the 2014-2020 allocation of EU funding as a reference for UKSPF funding (which was collected prior to 2014). This means that the underlying data for the UKSPF is now over ten years old, and much has changed since then, including as a result of the impacts of Covid-19, inflation, and the cost-of-living crisis, which have led to an increase in deprivation, unemployment and economic inactivity in NI. Future funding should be based on updated and robust economic and social data, including equality data, in NI.

Recommendation 18: Substantive consultation

To develop a strategy for a substantive consultation process on future funding models in NI. This should include a detailed plan for engagement around the design of the next phase of the programme, consulting specifically on the promotion of equality in NI and how to best achieve this. The consultation strategy might involve identifying (a) key organisations to be involved in the design of the funding (that is, UK Government, NI departments, local government, voluntary and community sector organisations); (b) mechanisms to ensure effective communication amongst organisations involved in the development of the funding; (c) organisations to be consulted (with the aim of being inclusive of all equality groups); and (d) methods to enable and encourage organisations to engage in the consultation process (being mindful of consultation fatigue and geographical/language/financial/other barriers to participation).

Recommendation 19: Provide clarity on future funding

To avoid another crisis in the voluntary and community sector in NI, which happened as a result of the cliff-edge funding announcement on 31 March 2023, clarity should be provided on the post-March 2026 funding within a sufficient timeframe to allow for adequate consultation, planning and preparation for wider funding reforms.

316 Institute for Fiscal Studies (2022), *IFS response to UK Shared Prosperity Fund*.

Appendix A – Extended research methodology

We have employed a mixed-methods and comparative approach to the question of post-Brexit funding impacts on Section 75 equality groups in NI, and the design and implementation of the UKSPF, which we conducted in three stages.

Below, the aims and scope of each stage are set out, including key research questions, methodology and data collection methods.

Stage 1: Review of evidence and evaluation of the UKSPF

The first stage of the research reviewed the evidence base on the UK Shared Prosperity Fund and evaluated its commitments. The aim was to examine the development, design and implementation of the UKSPF in NI, and to evaluate the impact of the transition from EU funding to the UKSPF on the promotion of equality and good relations in NI, including the impact on Section 75 equality groups. We were guided by the following research questions during this stage:

- To what extent has the UKSPF taken into account the promotion of equality and good relations in NI? How have these factors been integrated into its design, development, delivery and implementation? And to what extent have stakeholders who provide services to equality groups been consulted?
- How has the UKSPF differed from EU structural funding, with regard to scope, requirements, mechanisms and priorities? Are there any differences in emphasis on tackling inequality, poverty and social inclusion?
- How has the delivery of the UKSPF in NI been managed?
- What have been the benefits and disadvantages of the move to the UKSPF with regards to equality and good relations (as perceived by stakeholders)?

This stage comprised four principal methods of data collection:

(a) Literature review

We collected and reviewed the policy documents, government papers and academic literature that make up the existing evidence on the design, scrutiny, delivery and implementation of the UKSPF. We identified the primary and secondary literature forming the basis of this analysis through an electronic database search of policy documents, academic literature and a manual search. We updated the literature review throughout the project, as new policy decisions were announced.

(b) Quantitative analysis

We conducted a quantitative analysis of the transition to UKSPF funding, comparing this with the previous rounds of ESF and ERDF funding. For this, we analysed the allocated EU funding streams (European Social Fund and European Regional Development Fund) and examined how the EU funds compared to UKSPF replacement funding, based on the Prospectus published by the UK Government in August 2022, allocations announced to each region and nation, and the results of competitions, including the UKSPF Northern Ireland List of Successful Economic Inactivity Projects published in March 2023. This involved a quantitative analysis of the levels of UKSPF funding allocated so far towards projects relevant to each Section 75 group in comparison with under the most recent allocations of EU funding, as well as a further comparison of emerging trends in this respect in NI with UKSPF funding patterns to date across the other regions and nations of the UK.

(c) Research interviews with key UKSPF stakeholders

We conducted semi-structured interviews with 11 key individuals involved in the development, design, scrutiny, delivery and implementation of the UKSPF in NI at the UK and NI levels. The aim of the interviews was to solicit greater detail and insight into the design and operation of the UKSPF, and to gauge their perspectives on the post-Brexit funding landscape for NI going forward. The interviews were conducted online via Microsoft Teams, and took between 30-60 minutes to complete. In advance of the interview, research participants were informed about the purpose of the project and how their data would be used. We asked for the research participants' permission to record the interview on Teams, and used the recordings to help with transcription. The interviews were recorded, transcribed, stored, used and destroyed in compliance with UK GDPR and UK data protection regulations.

(d) Survey

We designed a short online survey and invited representatives of Section 75 equality groups in NI to complete it. The purpose of the survey was to help inform and underpin later parts of the study. We created a microsite in which we embedded the survey using Typeform. It included 13 questions focussed on the impacts of the UKSPF funding transition on equality groups in NI. An invitation to

complete the survey was sent out to 32 voluntary and community sector organisations in NI involved in supporting, delivering services to, or representing equality groups. Of those invited, 14 organisations have filled out the survey.

Stage 2: Comparative analysis of impacts on equality groups

The second stage of this project focused on a comparative analysis of funding impacts across Section 75 equality groups in NI. This section of the project developed a wide-ranging evidence base on the actual and potential impacts of the replacement UKSPF funding on Section 75 equality groups in NI. It analysed common impacts across all Section 75 equality groups in NI, and differentiated impacts on specific groups. It also examined common impacts across the regions and nations in the UK, and differentiated impacts exclusive to NI.

We were guided by the following research questions during this stage:

- What have been the actual/potential impacts of the loss of EU funding and new UKSPF funding on equality groups (financial implications for groups, rights of equality groups, promotion of equality and good relations in NI)?
- How do the impacts of UKSPF replacement funding compare across equality groups in NI?
- How do the impacts of UKSPF replacement funding compare across equality groups in other UK regions and nations?
- What have been the impacts of the UKSPF in the context of the broader funding landscape (including recent budget cuts) across NI?

This stage comprised four principal data collection methods:

(a) Literature review

We collected and reviewed policy documents, press releases, media analysis and other literature that make up the existing evidence on the impacts of the transition from EU to UK replacement funding on equality groups in NI. As before, we identified the literature through an electronic database search of policy documents and academic literature, and a detailed manual search. We add to the literature review throughout the project, in response to the publication of new documents and the sharing of follow-up papers by interviewees.

(b) Interviews with NI equality groups

We conducted semi-structured 18 interviews with third-sector organisations that represent and/or provide services to equality groups in NI. We anticipated that the interviews would provide richer data on the impacts of the new funding model on the provision of services to Section 75 equality groups in NI, and an opportunity for people to offer their own suggestions to improve the UKSPF. The research interviews lasted approximately 45min and were conducted online. The data was used in compliance with GDPR data protection regulations.

(c) Case studies on Section 75 equality groups

We constructed five case studies based on the literature review, quantitative analysis, surveys and interviews. These focus on the following groups: Women, Disabled People, Children and Young People, Minority Ethnic Communities, and people from the LGBTQIA+ community. Each case study provides greater contextual analysis and depth around the equality impacts of the loss of EU funding and transition to the UKSPF on specific Section 75 equality groups. The case studies explore impacts of the transition from EU funding to the UKSPF on the rights of the equality groups, on access to services, and on social and economic inclusion.

(d) Comparative analysis of the NI experience with the rest of the UK

To contextualise this study on NI in a broader UK context, we have compared the experience and impacts of post-Brexit funding changes on equality groups in NI with those in the rest of the UK (rUK). This analysis has drawn largely on a review of the literature on the impacts of the loss of EU funding in England, Scotland, Wales and NI.

Stage 3: Stakeholder engagement on UKSPF and equality impacts

The final stage of this project focused on Stakeholder Engagement. We organised an event in Belfast in October 2024 to engage important stakeholders, which was attended by 30 participants with different levels of involvement with the UKSPF in NI (that is, as recipients, applicants, service providers, policymakers).

We were guided by the following research questions during this stage:

- What are your views on the transition to the UKSPF?
- What are your views on our interim research on equality impacts in NI?
- What other factors are affecting the promotion of equality in NI and the protection of Section 75 rights since Brexit (for example, budget cuts, the COVID pandemic, the cost-of-living crisis, power-sharing gaps)?
- What recommendations could improve the scope, functioning and impacts of UKSPF funding in promoting equality and good relations in NI?

The workshop was a collaborative open-space event. It was designed as a facilitated ‘carousel’ event (small groups move round different tables), where participants were invited to provide ideas and feedback on the interim findings, to think critically and creatively about what they wish the replacement funding would look like in future, and to reflect on the outcomes they sought from the UKSPF.

Appendix B – Interview schedules

Below are the two sets of interview schedules included in Stage 1 (policymakers) and Stage 2 (organisations supporting Section 75 equality groups in NI) of our project.

Stage 1 – Interview schedule (UKSPF policy focus)

Introductory questions

- Could you begin by telling me about the work that you do?
- How did you first learn about the UK Shared Prosperity Fund?
- What involvement have you [your organisation] had in [either] the development, design, scrutiny, delivery or implementation of the UKSPF?

EU comparison

- How do you think the UKSPF has differed from EU structural funding? [For instance, with regard to its scope, mechanisms and emphasis?]
- Would you say there are any differences between the UKSPF and EU structural funds in terms of emphasis on tackling inequality / social inclusion?

Management of fund

- How well do you think the delivery of the UKSPF in Northern Ireland has been managed by the Department of Levelling Up, Housing and Communities?
- To what extent have key stakeholders in NI, including funding applicants, been communicated with and consulted on the introduction of the UKSPF?

Equality and good relations

- To what extent do you think the UKSPF has taken into account the promotion of equality and good relations in NI?
- Do you think the UKSPF complies with all relevant principles and commitments to promote equality and good relations in Northern Ireland?

Benefits and disadvantages

- What have been the benefits of the move to the UKSPF with regards to equality and good relations in NI?
- Are there any examples you would highlight as UKSPF success stories in NI?
- What have been the disadvantages of the move to the UKSPF with regards to equality and good relations in NI?
- What would you say are the opportunities and challenges for the post-Brexit funding landscape in Northern Ireland in the coming years?
- How might (future) funding models better support equality and good relations?
- How do you feel the UKSPF could be improved to support equality and good relations in NI?

Extra (if time)

- How has the Peace Plus Programme been affected by gaps in funding and delays in implementation and roll out, and what has the impact of this been on the promotion of equality and good relations in NI?

Wrap-up

- Is there anyone else we should talk to or documents we should look at?
- Is there anything you would like to add?

Stage 2 – Interview schedule (equality group impacts focus)

Introductory questions / background

- Could you begin by telling me about the nature of your work and the work of your organisation?
- Have you been a recipient of EU structural funding in the past? If so, could you tell me about the funding you received (for instance, the amount and what it was used for)?
- Are you a recipient of UKSPF funding?

EU comparison

- To what extent do you think the UK Shared Prosperity Fund differs from EU funding, with regard to its scope, process and emphasis on social inclusion?

UKSPF focus and management

- Do you feel that the UK Shared Prosperity Fund (SPF) has taken into account the promotion of equality and good relations in NI?
- How has the delivery of the UKSPF in NI been managed by the DLUHC?
- Do you feel you were sufficiently consulted on changes to the funding model and the introduction of the UKSPF?

Impacts on equality groups

- What are the financial implications of the UKSPF funding for your organisation and how do these compare to EU funding implications?
- How has your organisation's financial position also been affected by the broader funding landscape in NI, including recent budget cuts?
- What would you say are the actual and potential impacts of the replacement of EU funding with the UK SPF on equality groups in Northern Ireland?
- Then follow-up questions if time/necessary ...
 - What have been the impacts on the financial sustainability of organisations supporting equality groups?
 - What have been the impacts on the social and economic rights of equality groups?
 - What have been the impacts on the overall promotion of equality and good relations in Northern Ireland?
- Do you think some equality groups are affected more than others with the loss of EU funding and transition to the UKSPF model?

Benefits and disadvantages

- What have been the benefits of the move to the UKSPF with regards to equality and good relations in NI, and what have been the disadvantages?

- Can you think of any case studies of UKSPF funding that you would highlight as examples of successes?
- How do you feel the UKSPF could be improved to support equality in NI going forward?

Wrap up

- Is there anyone else we should talk to or documents we should look at?
- Is there anything you would like to add?

Appendix C – Survey questions

Below, we share the questions we included in our survey of community and voluntary organisations supporting or representing equality groups in Northern Ireland.

Explanatory/introductory note: The study, carried out by Horizons Research, seeks to understand the effects of the transition from EU structural funding to the UK Shared Prosperity Fund in Northern Ireland, particularly on Section 75 equality groups. The research was commissioned by the Equality Commission for Northern Ireland, and builds on the Commission’s previous research in this area.

As part of this, we are eager to hear from any individuals/organisations relevant to Section 75 equality groups who have been impacted by the transition from EU to UK funding. Your experiences and insights will be hugely valuable in helping shape our research, and ultimately the recommendations we make regarding the delivery of replacement funding in Northern Ireland.

If you are interested in participating, we invite you to provide some initial information on your insights and experiences in this area through the short survey below. We value all input and look forward to your contribution to the research.

- 1 What is your name and the name of your organisation?
- 2 What is the nature of your work and the work of your organisation?
- 3 If your organisation provides services to people to advance equality in Northern Ireland, which Section 75 categories are a primary focus? [Please tick all that apply]
 - Religious belief
 - Political opinion
 - Gender
 - Race
 - Disability
 - Age
 - Marital status
 - Dependents
 - Sexual orientation

- 4 Has your organisation been a recipient of EU structural funding (that is, European Social Fund or European Regional Development Funding)?
 - a Yes
 - b No
 - c Don't know
- 5 If yes, could you tell us a little more about the EU structural funding you received? (For example, how much you received, what you used it for)
- 6 Has your organisation been a recipient of UK Shared Prosperity Fund funding?
 - a Yes
 - b No
 - c Don't know
- 7 If yes, could you tell us a little more about UK Shared Prosperity Fund funding you have received? (For example, how much you received, what you used it for)
- 8 What has been your general experience in relation to the EU and/or SPF funding?
- 9 What are your views on any similarities and differences between the past EU structural funding and the new UK Shared Prosperity Fund?
- 10 Aside from EU and UKSPF funding, does your organisation receive funding from any other sources? If yes, could you tell us a little about what other sources your organisation receives funding from?
- 11 Would you be happy to take part in a research interview in the coming months exploring your experiences and thoughts around the end of EU structural funding and the transition to UKSPF replacement funding in Northern Ireland, including how this has impacted upon Section 75 equality groups?

a Yes

b No

- 12 If yes, please provide an email address you would be happy to be contacted on.
- 13 Finally, do you have any additional thoughts you would like to share with us on the transition from EU structural funding to the UKSPF replacement funding?

Appendix D – UKSPF project information

Table 12:
Successful UKSPF economic inactivity projects in Northern Ireland, 2023-25

Consortium / Project	Funding allocated (2023-25)
GROW Partnership	£2,040,020
Employ Me	£3,041,900
Belfast Works Connect	£9,846,136
SkillSET	£12,048,217
Empower	£4,636,552
Rural Economic Accelerator Programme	£2,818,240
NIACRO SkillSET	£1,555,290
Moving Forward Moving On	£648,000
PROSPER	£4,790,964
Maximise Employment	£1,678,318
Migrant Access Programme	£484,778
Work It Out	£644,102
Exploring Self-Employment and Enterprise Skills Together	£1,888,242
Women Breaking Barriers	£1,270,211
Success North-West	£1,976,324
YouthStart Consortium	£6,000,000
Building Futures	£872,407
YouthStart	£1,329,531

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