

Appendix II

Department for Employment and Learning's (DEL) consultation on the Northern Ireland 2014-2020 European Social Fund (ESF) Investment for Growth and Jobs Programme

Draft Belfast City Council response for consideration by CMT – October 2013

1. Belfast City Council welcomes the opportunity to respond to the above consultation. Through the Council's 2012-2015 Investment Programme, we are committed to a range of employability-related initiatives, both as an employer and as a funder of external projects to address key sectors including:
 - Working with local partners to deliver targeted employability initiatives across the city, providing pre-employment support for 1,200 people and helping around 400 into employment (through ESF projects);
 - Committing over 400 work placement, internship and apprenticeship opportunities within the Council with a focus on graduates, young long-term unemployed and people with disabilities
 - Creating 200 employment opportunities at no additional cost to the ratepayer;
 - Providing a £300,000 bursary fund to help 16-24 year-olds move into further education, training and employment.

2. The implementation of Local Government Reform in 2015 provides an important context for the development of the 2014-2020 ESF Investment for Growth and Jobs programme. This will result in significant changes for local government in terms of the geographic boundaries and population as well as the transfer of functions such as planning and regeneration from central to local government. In addition, community planning will provide a framework for councils and other partners to improve the social, economic and environmental well-being of their area. It will ensure effective and co-ordinated service delivery that meets community needs by engaging all key stakeholders, including the community.

3. As the overarching strategic framework for an area, the community plan and associated local area plans have the potential to connect central government and local government commitments ensuring greater alignment of the regional and local priorities and delivery. An effective, strong community plan has the potential to connect the region to the local therefore enhancing the effectiveness of decision-making and delivery by creating real alignment policy and resources to address identified priorities and shape areas for the future. In this context, it is considered that there is significant potential to maximise the impact of ESF and other EU funded interventions by ensuring that they are aligned to wider, locally-agreed priorities.

4. Our responses and comments on the questions posed in the consultation document are included below:

<p>Q1</p>	<p>Do the selected thematic objectives and investment priorities demonstrate best use of ESF funding?</p> <p>Priority 1 - Thematic Objective 8 - Promoting employment and supporting labour mobility Priority 2 - Thematic Objective 9 - Promoting social inclusion and combating poverty Priority 3 - Thematic Objective 10 - Investing in education, skills and life-long learning</p> <table border="1" data-bbox="284 696 1310 831"> <tr> <td style="width: 20%;"></td> <td style="width: 20%;"></td> <td style="width: 20%; text-align: center;">✓</td> <td style="width: 20%;"></td> <td style="width: 20%;"></td> </tr> <tr> <td style="text-align: center;">Strongly Agree</td> <td style="text-align: center;">Agree</td> <td style="text-align: center;">Neither agree nor disagree</td> <td style="text-align: center;">Disagree</td> <td style="text-align: center;">Strongly Disagree</td> </tr> </table>			✓			Strongly Agree	Agree	Neither agree nor disagree	Disagree	Strongly Disagree
		✓									
Strongly Agree	Agree	Neither agree nor disagree	Disagree	Strongly Disagree							
<p>A1</p>	<p>The Council understands and agrees in principle with the focus on economic inactivity among young people (Priority 1). However, we note that at present, this is to receive the smallest percentage of funding available (28.5% compared with 30% and 40% for Priorities 2 and 3 respectively). We consider that this figure should be revised upwards to take account of the ongoing employability and skills challenges. Despite the fact that the Government's Economic Strategy identifies Belfast as the key driver for economic growth in the region and the NI Executive references the importance of Belfast to regional prosperity, the following challenges remain within the city:</p> <ul style="list-style-type: none"> - Inactivity in the labour market is currently the biggest drag on the Belfast's competitiveness, according to recent research commissioned by the Council¹. Benchmarked against 10 other cities, Belfast had the lowest levels of economic activity (41.6%) and considerably below that of Dublin (22.9%). This research shows there are 16 wards in Belfast with less than 50% of residents in employment; - Belfast has relatively highly skilled residents but also has a high proportion of people with no formal qualifications. The Centre for Cities comparative analysis² of Belfast with 63 other UK cities placed the city at the bottom of the group; - Obtaining a level two qualification is out of reach for many Belfast residents. The Integrated Economic Strategy for the city (currently at draft stage) recognises the progress made between 2001 and 2011 in skills attainment, where the proportion of Belfast's population with no qualifications decreased from 41% to 30.4%. In some parts of the city, the level increases to almost 90% of the working age population; and - An additional 15,000 people with no formal qualifications will come under Belfast city's jurisdiction in 2015. Finding a solution to these issues is key to maximising economic prosperity and we call for fair balance in funding allocation among the three priority areas. <p>In relation to Thematic Objective 9 (Priority 2), Belfast City Council welcomes the fact that ESF will support actions to promote social inclusion and combat poverty and that the allocation to this priority goes beyond the draft legislation</p>										

¹ Research into the Competitiveness of Belfast, Oxford Economics (2011)

² Presentation on Belfast: Future City Conference (May 2013)

recommendation. The need to tackle poverty and exclusion is demonstrated by the fact that³:

- Poverty and deprivation has been concentrated, historically, in certain parts of the city. Many of the deprived areas in Belfast in 2011 are the same areas that were the most deprived in the city in 1991 (Ardoyne, Shankill, New Lodge, Falls, Crumlin appear in successive studies of multiple deprivation). Most of these areas are those in and around interfaces.
- 46% of Belfast's population live in the most deprived Super Output Areas in Northern Ireland
- 35% of the population in Belfast are income deprived; compared to 25% in NI as a whole
- 16% are employment deprived in Belfast compared to 13% in NI as a whole.
- Whiterock is ranked as the most deprived ward in Northern Ireland
- A recent report by the Child Poverty Action Group⁴ revealed that the cost of dealing with child poverty in Northern Ireland has reached £1bn. Estimates provided in the report revealed that there are around 97,979 children in Northern Ireland defined as living in poverty, with the cost estimated at 1,065bn. In Belfast around 21,186 children are considered to be living in poverty with an estimated annual cost of 230 million.

Belfast City Council's Framework for Tackling Poverty and Social Inequalities is currently being reviewed in light of the Delivering Social Change Framework and Belfast Strategic Partnership's Framework for Action to Address Life Inequalities (2011-15). These frameworks for Belfast recognise multi-faceted nature of poverty which impacts on life opportunities and social inclusion in terms of employability, education, health, housing, community relations etc. As is the case across the UK, there is also growing trend of in-work poverty in NI, therefore facilitating access to employment opportunities requires a more co-ordinated and holistic approach to tackling poverty, improving social inclusion and increasing aspirations. The most recent figures on workless households in the UK regions positions Northern Ireland in second place (22%), narrowly behind the North East (23%)⁵. Belfast City Council would therefore request that the forthcoming ESF Programme takes a holistic approach and does not restrict project activity to combating poverty through facilitating access to the labour market alone, but supporting individuals to overcome obstacles and cyclical patterns which prevent them from leading a satisfying and fulfilling life.

While recognising the scale of the economic inactivity challenge, the Council would also contend that the skills challenge is a significant one for Belfast and the wider region. We support a sustained focus on skills based on the following evidence:

- It is estimated that over 85% of jobs in Belfast in the next 10 years will require a degree qualification or equivalent. Currently, 26% of the resident population in the city has qualifications of level 4 and above⁶; and
- A report commissioned by Belfast City Council in 2009 identified the scale of the skills challenge across the city and its potential to impact adversely on the city's economic growth due to issues of skills mismatch and also due to the geographical concentration of those with low skills

³ Draft Framework to Reduce Poverty and Tackle Inequalities, Belfast City Council, October 2011

⁴ Local Authorities and Child Poverty, Rhys Farthing, July 2013

⁵ Working and Workless Households 2013 - Statistical Bulletin, Office for National Statistics, August 2013

⁶ Belfast Integrated Economic Strategy Stage 1: Economics and Policy Synopsis, April 2013

levels, which risked widening the social divide in the city. It noted that, while some areas of the city had large volumes of residents with “low or no skills” levels and 6 out of 7 jobs in the future would require qualification levels in excess of this.

We welcome the fact that Priority 3 (investing in education, skills and life-long learning) is to receive the largest percentage of funding available but we would ask that consideration is given to making this funding additional to mainstream provision, as opposed to supporting existing mainstream activity.

Under the 2007-2013 ESF programme, there was an open call for applications under which in excess of 80 projects were supported and more than 50 were based in the Belfast City Council area. While many of these projects were doing invaluable work, it is difficult to measure their impact. We consider that a more focused approach detailing specific targets may have improved the overall programme’s effectiveness.

To make the best use of ESF funding under the thematic objectives, the Council believes that economic prosperity and growth can be achieved by developing a locally based employability and skills strategy to address long standing employability and skills issues within Belfast. This commitment is outlined in the Northern Ireland Economic Strategy. We would be keen to work with DEL on the development of a city-wide strategy which would promote greater coherence between supply and demand with the aim of improving city competitiveness and supporting access to employment.

The Council has already met with DEL and Belfast Metropolitan College to explore the potential for developing an Employability and Skills strategy for the city. We would welcome further engagement with these and other relevant partners with a view to establishing creative and collaborative solutions to addressing these challenges.

The Council acknowledges that ESF is a regional initiative but we believe that a local response to local issues is required and we recommend a city strategy partnership model which operates successfully in other parts of the UK. This partnership approach could also contribute to:

- Improvement in the quality of life, health and education for people in areas of greatest need;
- More cohesion of services to boost and develop confidence within communities;
- Improved life chances for children and young people.

Evaluation of the city strategies model identified a number of key lessons that may be relevant to any Belfast-specific approach. These include:

- The importance of giving initiatives time to make a difference, given the scale of the challenges to be addressed;
- The need for national policy to work in the same direction as local policy and vice versa – to reinforce each other’s aims;
- Recognition that different geographical scales are important for different types of interventions;
- Discretionary funding can play an important role in helping partnerships to provide services to address local needs; and
- The importance of looking at the role of demand as well as supply in tackling worklessness.

<p>Q2</p>	<p>Is the proposed programme funding sufficiently focused, given the limited resources likely to be available for Northern Ireland?</p> <p> <input checked="checked" type="checkbox"/> Yes <input type="checkbox"/> No </p>
<p>A2</p>	<p>Broadly, the Council welcomes the new objectives proposed and notes the similarity between the proposed and former programmes.</p> <p>We would not however be supportive of the current process of allocating funding by an open call, The Council believes there is a substantial risk of the activity not focusing on those groups and locations in most need of support. We would therefore recommend that the allocation model prioritises those population groupings and communities which are in greatest need of support. We would also advocate an area based “commissioning approach” based on measurable outcomes. This will encourage collaborative applications as opposed to a large number of stand-alone projects, where a disproportionate resource is used to cover administrative overheads and dissipates impact.</p> <p>The Northern Ireland Economic Strategy commits government to employment and skills strategies for Belfast and Derry/Londonderry and the Council believes this approach would create a framework within which funds could be allocated more effectively.</p> <p>The case for developing a locally based strategy, with clearly defined targets and outcomes to address long standing employability and skills issues within Belfast have been documented in question one. There are substantial long-term gains to be made by setting targets to overcome the high number of people disengaged from the labour market or those with no formal qualifications. This strategy must include an examination of DEL’s existing commitments and programme activities and re-focus resources to address the challenges identified below:</p> <ul style="list-style-type: none"> - While Belfast is the economic driver of the region, it is also the location of the 9 out of the 10 most deprived electoral wards (using the Northern Ireland Multiple Deprivation Measure (NIMDM)); - The current claimant count for the Belfast (July 2013) sits at 7.9%, joint second highest with Strabane among district council areas and but below Derry (8.5%). There are significant variations in claimant numbers within Belfast wards ranging from 17.2% of working age population in Waterworks to 2.1% in Stormont. 32.2% of those claiming benefits have been unemployed for more than a year compared to 29.6% in the region. The youth claimant count sits at 26.5% which is down 2.7% compared to the previous year, but still unacceptably high; and - The welfare reform programme is likely to have a significant impact on the employability arena and the levels of poverty in society, with a focus on “making work pay” as opposed to staying on benefits. Universal Credit – bringing together all income-related social security benefits (Jobseekers’ Allowance, Employment and Support Allowance and Income Support) as well as housing benefit and working and child tax credits will be introduced in April 2014. The low levels of skills and the concentration by population in certain areas of the city means that, unless specific and targeted interventions and support mechanisms are put in place, future employment opportunities will remain out of the reach of many Belfast residents. Macro level changes such as the welfare

	<p>reform agenda are likely to lead to an increase in those with low or no skills levels seeking employment in a declining market. The timeframe for introduction of this programme means that the Welfare Reform changes will be starting to impact, particularly on certain groups and/or geographical areas.</p>						
<p>Q3</p>	<p>Implementation arrangements</p> <p>What are your views on the extent to which the proposed interventions identified under each of the three Priorities (see Chapter 6) will address those Priorities?</p> <table border="1" data-bbox="284 613 1118 719"> <tr> <td data-bbox="284 613 568 680"></td> <td data-bbox="568 613 871 680" style="text-align: center;">✓</td> <td data-bbox="871 613 1118 680"></td> </tr> <tr> <td data-bbox="284 680 568 719" style="text-align: center;">Completely</td> <td data-bbox="568 680 871 719" style="text-align: center;">To some extent</td> <td data-bbox="871 680 1118 719" style="text-align: center;">Not at all</td> </tr> </table>		✓		Completely	To some extent	Not at all
	✓						
Completely	To some extent	Not at all					
<p>A3</p>	<p>The Council welcomes proposed interventions outlined in paragraphs 6.1 to 6.4 and the socio-economic analysis provided in paragraph 6.2.</p> <p>Belfast City Council's Investment Programme 2012-2015 supports the need for specific, targeted interventions to ensure that the city's residents have the opportunity to develop the skills necessary to apply for and secure jobs, with a particular emphasis on young people who have been badly impacted by the economic downturn. However, investment in skills and training will be minimised unless there are relevant employment opportunities.</p> <p>We believe that the actions under Priority 2 do not adequately address the underlying issues within Northern Ireland that impact on poverty and social inclusion. We believe that greater emphasis should be placed on issues raised in "Together Building a United Community"⁷ and the need to ensure all our communities, especially those most affected by the legacy of 'the Troubles' are supported.</p> <p>The extent to which the actions will actually address the priorities identified will be dependent on the quality of programme implementation, monitoring and review. We recognise that actions proposed in paragraph 6.28 will help to address this.</p> <p>We welcome DEL's focus on the economic sectors relating employment and skills provision (paragraph 2.29). This correlates to joint research commissioned by Belfast City Council and Invest NI⁸ which shows:</p> <ul style="list-style-type: none"> • An increase in the proportion of employment taken up by sectors such as administration and support, professional, scientific and technical and information and communication; • An increase in the employment between 2002 and 2012 in the finance and insurance sector. Employment in the sector has remained relatively steady in Belfast, despite the expectation of contracting in the financial crisis; • The average growth rate in the manufacturing sector from 2008 – 2012 was 3.1%. It reflects the national trend of moving towards high-value added manufacturing, as the Western World struggles to compete with emerging nations on a cost basis; • The presence of arts facilities in conjunction with TV programming and 						

⁷ Together: Building a United Community' Strategy, OFMDFM (May 2013)

⁸ Belfast Integrated Economic Strategy Stage 1: Economics and Policy Synopsis (April 2013)

	<p>broadcasting, suggests the emergence of the creative industries sector in Belfast. Computer programming, the creative industries and the wider renewables or green industries present significant clustering opportunities for Belfast in the future;</p> <ul style="list-style-type: none"> • Employment levels in the number of people employed in art, entertainment and recreation sector have increased. This trend is estimated to continue, with employment rising on average by 1.6% each year between 2012 and 2022, taking the number from 3,800 to 4,600 employees within the Art, Entertainment and Recreation sector; and • The accommodation and food sector has a sizable opportunity to increase its productivity with an average growth of 2.0%. This sector has a vital role within the economy of Belfast, accounting for 5.8% of total employment with over 12,000 employees. <p>Across all the priority areas, we consider it critical that there should be a focus on ensuring that funded activities meet the needs of both employers and programme participants. While the focus of the programme is on supply-side measures to address the challenges of economic inactivity and low skills levels, we consider that there is a need to work closely with businesses – particularly SMEs – to understand their employability and skills requirements and to provide solutions that meet their needs in a way that helps them improve their business productivity.</p> <p>In order to improve the effectiveness of the interventions, we would strongly advocate the establishment of a single area based fund, bringing together ESF and other employability- focused resources from central government departments including the Department of Social Development (DSD) and the Office of the First and deputy First Minister (OFMdfM). This fund could be managed by a programme board to oversee the commissioning of programmes which would target support on those communities and locations in most need of employability and skills investment. This approach fits with the following initiatives:</p> <ul style="list-style-type: none"> - DSD’s Neighbourhood Renewal strategy which aims to tackle disadvantage in the areas of highest deprivation. A mid-term review ⁹ of this strategy recommends linking regeneration policies with wider policies, particularly economic development; and - OFMdfM’s Delivering Social Change framework which aims to co-ordinate key actions across Departments to take forward work on priority social policy areas. <p>The creation of a single fund would negate the need for delivery agents seeking to secure 35% of their funding from other sources, ensure that projects are fully funded from the outset, substantially ease the administration and reduce the time taken to get projects off the ground.</p>
<p>Q4</p>	<p>Do you think that a more strategic approach should be taken to the selection of projects - for example, commissioning by themes rather than open call?</p>

	✓			
	Completely	To some extent	Not at all	
A4	<p>Belfast City Council believes that the city strategies model proposed in the answer to question one is a more strategic approach.</p> <p>The Council acknowledges and commends the valuable role played by community-based projects in tackling employment and skills issues. However, a locally agreed framework would create priority areas of focus with associated targets in order to ensure that all activities are contributing towards agreed goals. One way to achieve this is to create a framework using the city strategy model where activity can be commissioned against agreed priorities and themes (see above).</p> <p>The Council believes this strategy should focus on a longer-term approach. Training and employment projects cannot be delivered in isolation of each other and a framework is required to bring all training and employment providers, funding bodies and employers together to set targets and determine outcomes.</p> <p>Currently there are over 50 ESF projects being delivered in Belfast. We believe that the overall effectiveness of the programme can be improved by commissioning projects to meet a common agreed strategy and outcome related targets.</p> <p>While we would encourage partners to explore opportunities for commissioning, we recognise that this change would require effective communication and capacity building to support access to funds and to ensure quality in the implementation of subsequent projects.</p>			
Q5	How might the implementation of the 2014-2020 programme be simplified and streamlined?			
A5	<p>The Council has called for a joined up city-wide strategy in the answer to question one, together with the need to reduce the proliferation of individual projects outlined in the answer to question four.</p> <p>Post-2015, consideration should be given to the development of area based “Single Outcome Agreements” in the new 11 Council areas linked to the Community Plan. It is recognised however that there will still be programmes which are best delivered at a regional level.</p> <p>We believe that the 2014-2020 programme can be simplified and streamlined by ensuring consistency across all EU-funded programmes and determining how funds can complement each other (for example ERDF). DEL should use this opportunity to review administration and monitoring arrangements across all EU funded projects and with organisations that provide match funding.</p> <p>The Council calls for a consistent monitoring system to be put in place across all ESF funded programmes to make implementation effective, simple and</p>			

⁹ People & Place, A Strategy for Neighbourhood Renewal, Mid-Term Review Report, DSD (February 2011)

	<p>streamlined. While all programme interventions now have targets, these are often around programme participation (inputs/outputs) as opposed to outcomes and longer-term impact. Equally, the outcomes vary from initiative to initiative and it is therefore difficult to gain a cumulative perspective on the impact of employability initiatives across a range of partners and programmes.</p> <p>To this end, it may be appropriate to consider establishing clear baseline information for any target intervention and to create appropriate Key Performance Indicators (KPIs), targets and outcomes measurements for all three priorities that can be reviewed on a regular basis to note the progress made. This would mean a move away from the programme-based approach towards a target for a specific group or location, with consideration of the wider impact on issues such as health and deprivation levels.</p> <p>Outputs should not only include the number of programme participants but also qualification attainment, whether or not the qualification was useful in the labour market and whether or not job starts have been sustained or led to job progression and should track pay rates and pay progression of participants.</p> <p>The Council's experience of the flat rate approach for indirect costs and a simplified regime for procurement below the EU threshold values implemented over the course of the European Regional Development Fund (ERDF) PEACE III Programme has been positive. We welcome a continuation of this approach in all EU Structural Funds for the next programming period, with a continued focus on the costs directly related to project delivery, and limits on the levels that can be claimed as overheads.</p>
<p>Q6</p>	<p>We have asked a number of specific questions. If you have any related issues which we have not specifically addressed, please use this space to set them out:</p>
<p>A6</p>	<p>Belfast City Council is keen to be an active partner with DEL and other agencies in addressing the employability and skills challenges that impact on the economic and social wellbeing in our area. We do not necessarily see our role as a delivery agent for ESF projects; however, the Council is preparing for new powers of regeneration, place-shaping and wellbeing under the Reform of Local Government in 2015 and is seeking to agree initial priorities for Belfast's development. We will have community planning powers requiring us to work with partners to develop local services to meet the needs of the relevant localities. While the statutory responsibility for employment and training is outside our remit, we are keen to promote greater co-ordination of employment and training activities to maximise opportunities for economic growth and to promote social inclusion in the city.</p> <p>We note that DEL is working closely with the Special EU Programmes Body (SEUPB) to ensure the ESF programme and the proposed PEACE IV programme (paragraph 1.8) complements each other and we support DEL's cross-departmental engagement with local government on implementation arrangements (paragraph 7.10). We would encourage similar collaboration with OFMdFM and DSD to ensure that we maximise the use of all resources aimed at addressing employability and skills provision.</p> <p>At an operational level, we would welcome greater ongoing engagement to ensure mutual understanding of challenges facing the city in the area of employability and skills and to develop practical solutions to address these.</p>

At present, Belfast City Council is match funding five projects – three of which have sought council funding as they have failed to secure match funding from other sources. Due to the nature of the application process we have not been able to plan for these resource requests and do not see this as a sustainable approach going forward.

The ongoing community tensions in Belfast and other areas across Northern Ireland highlight that social cohesion, and specifically addressing the legacy of conflict within Northern Ireland, remains a key challenge. Although it is recognised that other programmes and funding are specifically designed to address these issues, it is important that the ESF takes more account of this underlying issue. A strong, stable and cohesive society will be essential to attracting inward investment and building a strong economy – without this the investment in skills and employment opportunities could be seriously undermined.

The consultation document mentions some funding being held for a performance reserve which would be distributed at the mid-term point of the programme. Further clarification is required as to whether this is on a financial basis or not. Belfast City Council suggests that it would be more beneficial to focus on outcomes rather than compliance and administrative process. We believe this review and reserve funding should be held to support a more joined-up outcomes based approach using the new community planning process post 2015.

We understand from early engagement in the consultation process for this new programme that DEL is likely to require project partners to be accredited training organisations. Belfast City Council welcomes this proposal from the point of view of maintaining quality of provision. We would also support the creation of an MIS system for the overall programme to allow project promoters to share information in a controlled manner and in compliance with all relevant legislation. This would allow instances of repeat training episodes to be flagged at an early stage and would allow programme managers to focus on identifying the appropriate intervention from the outset, thereby improving the experience for both the project promoter and the participant.

We note the equality impact assessment and the steps proposed to ensure compliance with Section 75, the commitment to mainstream equality considerations and the proposed evaluation framework and reporting arrangements. The shared future policy screening (paragraph 3.22) is also to be welcomed.

Having considered the mid-term evaluation of the ESF report¹⁰, the Council recommends that DEL improve the information provided to ESF programme participants (and where relevant their parents) in a range of accessible formats and in plain English. Given the number of training and employment initiatives on offer, it can be difficult and confusing for users to navigate and make informed decisions on their career paths. Success rates of obtaining employment or gaining a relevant qualification from a training or employment provider must be made publicly available. A lack of clear information can create unnecessary barriers for the hardest-to-reach particularly at transition points in their lives and increases the risk of dropout. This also is relevant to those statutory and community partners, who inform, advise and guide programme participants.

¹⁰ Mid-term Evaluation of the Northern Ireland European Social Fund Programme, DEL, (2012)

<p>To ensure that programmes have a strong customer focus, the Council recommends that potential programme participants should be involved in the programme design, content and evaluation processes. This could be achieved via focus groups and would strengthen redress systems where programmes are failing to meet their expectations. Evaluation systems must not only capture successful outcomes but identify and track people at risk of early disengagement, and provide wrap-around support to help those at greatest risk to secure sustainable employment or gain meaningful qualifications.</p>
