THIRD SECTOR ORGANISATIONS DELIVERING EMPLOYMENT SUPPORT IN NORTHERN IRELAND: FUNDING AND COMMISSIONING AFTER 'BREXIT'

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Background

This report is the third in a series investigating how third sector organisations (TSOs) delivering employment and skills support are navigating the changing funding and commissioning landscape in the UK after 'Brexit'. Our first report investigated the situation in England[1], while our second report looked at Scotland[2]. These reports highlight certain differences experienced by TSOs across the devolved nations of the UK, and caution policymakers about ignoring such contextual specificity. Collectively, however, they find a sector which has experienced significant cuts to funding at a time when many TSOs are reporting that increasing numbers of clients are presenting with more complex needs in the aftermath of the pandemic and during a 'cost-of-living crisis'.

Introduction

The UK's exit from the European Union on January 31, 2020 meant that European Structural and Investment Funds would cease to operate in the UK by the end of 2023.

[1] Shouting-into-the-Void.pdf (ersa.org.uk)
[2] Third Sector Employability Support Providers in Scotland Under Strain, DMU academics report.

A key component of this was the European Social Fund (ESF). Ending access to this fund is important for a variety of reasons, not least because ESF was one of the main funds that supported TSOs specialising in employment and skills support, and provided relatively long-term funding packages of at least three years informed through a broad social inclusion agenda. This is important, given that many of the long-term unemployed and economically inactive need sustained, tailored support to address their often complex and multiple barriers to employment. Indeed, a wide range of academic research has demonstrated the important role that TSOs can play in supporting those furthest from the labour market into work (Damm, 2012, Lindsay et al., 2018; Payne and Butler, 2022).

The UK Conservative Government, under the then premiership of Boris Johnson, signalled that alternative funding would be made available. The Community Renewal Fund was launched for 2021/22 to prepare for a new UK Shared Prosperity Fund (UKSPF) that would replace European Structural Funds. UKSPF came online in April 2022 and is currently scheduled to run to March 2025. In Great Britain the funding was devolved through Combined Authorities and 'lower-tier' local authorities to use across three investment pillars – 'Communities and Place', 'Supporting Local Businesses', and 'People and Skills'. The 'People and Skills' element was expected to replace the loss of ESF for organisations delivering employment and skills support. However, in Northern Ireland, unlike the rest of the UK, the People and Skills element of SPF was commissioned centrally through the Department for Levelling Up, Housing and Communities (DLUHC)[3]. This makes Northern Ireland something of a special case. Furthermore, as discussed below, Northern Ireland has a specific set of localised issues and demands that warrant explicit attention. Against this backdrop, research was undertaken to:

(a) gain a clearer understanding of the opportunities and challenges that TSOs involved in delivering employability support in Northern Ireland are facing with the transition to UKSPF; and

(b) ascertain how they are responding to the new funding and commissioning environment.

[3] Renamed the Ministry of Housing, Communities and Local Government (MHCLG) by the new Labour government as of July 2024

Research methods

Perspectives on the changes in funding and commissioning were obtained via semi-structured interviews with senior personnel employed by TSOs and representatives of 'stakeholder' groups. Three individual interviews, and one joint interview, were undertaken with five different interviewees (**Table 1, below**), between May 2024 and June 2024. Although this is exploratory research drawing upon a relatively small sample, it is also the first to examine the perspectives of third-sector providers in Northern Ireland, which often tend to be neglected.

An interview guide was used flexibly to cover key topics of interest. All interviews were audio-recorded and transcribed verbatim, and a qualitative thematic analysis adopted to organise the data. This involved reading interview transcripts in detail to gain familiarity with the content and noting recurrent themes. Given the sensitivity of the discussion around public funding support and the small size of the sector in Northern Ireland, we decided against the use of 'disguised identifiers' to differentiate between interviewees' responses, and care has been taken to ensure any contextual information does not compromise anonymity. In accordance with research ethics protocols, interviews were based on informed consent and voluntary participation. Consistent with academic guidelines, the researchers secured prior ethical approval from De Montfort University's research ethics committee.

Table 1: Interviewees

1	Senior Manager of a charity providing a range of services, including disability employability services that help people back to work (joint interview)
2	Chief executive of the above organisation (joint interview)
3	Chief executive of a charity providing an array of services including an employability project that helps people back to work
4	Representative of an umbrella organisation in the employability space
5	Chief Executive of an umbrella organisation in the voluntary, community and social enterprise (VCSE) leadership development space.

The Northern Ireland Context

UKSPF was allocated on a per capita basis related to an area's level of deprivation. The extent to which this is reflected in the Northern Ireland funding package is, however, controversial. Northern Ireland has very high levels of economic inactivity, with around 28.3% of the 16-64 age group economically inactive in April - June 2022.

This is significantly higher than the rest of the UK where over the same period the figure stood at 21.4% (NISRA, 2022). Similarly, a higher share of working-age adults lacks any qualifications than anywhere else in the UK - 12.6%, or around 1 in 8, nearly twice the UK average of 6.6% (Gov.UK, 2022). The causes of these problems are manifold, but respondents cited the process of de-industrialisation, the ‘collapse’ of social services and the legacy of ‘the Troubles’.

TSOs offering employment support have a crucial role in addressing the issues Northern Ireland faces. Indeed, an independent report commissioned by the Northern Ireland Council for Voluntary Action (NICVA), a body that represents the voluntary and community sector, identified that, in 2017, nine in ten people had used a service provided by a community or voluntary organisation in the last year (NICVA, 2023). The demand for such services has increased as a result of the COVID pandemic and the cost-of-living crisis. In line with the findings in England and Scotland, there was much discussion of the important work undertaken by TSOs around employment support. One responded expressed it as follows:

> If you have a young person, maybe with a disability and they are supported by a charity into some sort of training and ultimately into a work placement and ultimately into a job, first of all, that young person's economic outcomes are better, their health outcomes are better. Their social outcomes are better, so they take pressure out of the social services system, out of the health system, potentially out of the judicial system. And they're contributing to society… It has a ripple effect on a whole region, so to me that's the big picture that is often completely missed.

As NICVA (2023) have noted, when considering the operation and funding of public services in Northern Ireland, it is vitally important to take full account of the public services which are delivered outside the umbrella of the public sector by voluntary, community and social enterprise organisations. Within the interviews TSOs were depicted as providing an array of ‘wrap around’ support services, some of which involved meeting basic human needs:

> We're going in and we're taking care of those first order things. You are fed and have something in your belly. You feel safe and have a roof over your head tonight. You're not ill, or if you are ill, we're helping you to get that

resolved as quickly as we can so that we can get along to your conversation about employability so your mind is now in a place where you're able to cope with that.

The cessation of ESF placed pressures on charities delivering services around employability and economic inactivity. While some consortia made up of larger and smaller providers were successful under UKSPF, many smaller TSOs failed to gain funding. Rural communities have been especially hard hit with some losing all the TSO employability support they once had. As one respondent noted, 'the smaller ones [TSOs] simply closed down'.

In Northern Ireland the UKSPF fund represented £127m over three years. This consisted of £105m core UKSPF funding and £22m for the adult numeracy programme, called Multiply (see below) (NICVA, 2022). It has been widely reported that UKSPF made up only around one half of what was previously available under ESF in Northern Ireland (Young et al., 2023) - although estimates vary. Such problems are particularly acute because of the impact of the loss of EU funds on other areas of essential public service provision, including funding for peacebuilding (PEACE IV), cross-border co-operation and meeting the needs of border communities (Interreg VA).

While the funding shortfall is unexceptional in broader UK terms (see, for example, the England and Scotland reports), it is notable that TSOs in Northern Ireland have been more active and vociferous in terms of active 'grass-roots' campaigning. Representatives of a thousand organisations staged a demonstration in Belfast in March 2023 (Young et al., 2023), after which an additional £15m of funding was made available by DLUHC. One of the interviewees noted:

> The group had good effect… because it represented all of Northern Ireland. It also represented the main areas of unemployment work – youth, health, NEETS[4].

Although welcome, the release of extra funding was widely seen by the sector as a 'sticking plaster', hurriedly found in response to relentless campaigning. One

[4] NEETS refers to young people who are Not in Education, Employment, or Training.

commented that compared to ESF 'it wasn't going to touch the sides'. Financial pressures have been compounded due to public sector funding cuts (NIVCA, 2023).

The erratic presence of a Northern Ireland Executive with budget setting powers — budgets have been set by the Northern Ireland Secretary of State since 2022 — has added to the financial uncertainty. Crucially, there was no executive in place when ESF ended. ESF provision had attracted 35% matched funding from Stormont (BBC, 2023), which has a statutory responsibility for employability. With the suspension of the Northern Ireland Assembly and a hamstrung government, civil servants have been limited in the spending decisions they can take and UKSPF has not benefited from additional, localised Northern Ireland funding. An interviewee complained, 'today in Northern Ireland, Stormont is not putting one pence in and that was a decision of [the] permanent secretaries because there are no politicians to decide.'

Impact of funding changes: bureaucracy, value and scope

One anticipated outcome of the move away from ESF to UKSPF was that it would reduce the level of bureaucracy associated with ESF. As noted, in contrast to Great Britain, Northern Ireland commissioning is undertaken centrally by DLUHC, rather than through local authorities. Two interviewees argued that this centralised commissioning model had given rise to a more streamlined approach:

> The officials in DLUHC are great. The civil servants that we deal with, they're really good.

> The positives of it [UKSPF] are the bureaucracy levels drop. Still good monitoring. Still very good monitoring.

Others, however, pointed to a range of problems. Some commented that the desire to reduce bureaucracy had given rise to a situation where commissioning parties had not been given clear guidelines on what DLUHC were looking for under UKSPF. According to one respondent, the desire to make the process 'lighter touch' had paradoxically made it even more complicated than ESF:

> Under ESF, through the Department for Economy, whilst there was a lot of hoops to jump through, they were very clear hoops and organisations clearly understood what the requirements were.

Matters are further complicated because of the lack of a centralised database of UKSPF participants, so it is not possible to ascertain, for example, if clients have been supported by services organised by other providers. Many operating systems were not in place at the commencement of the programme and there are clear examples where systems were being developed during the delivery of the programme.

More generally, the transition away from ESF has presented significant problems to a sector that was already facing a 'challenging and unpredictable environment' (Belfast Telegraph, 2018). There was much comment around staffing and service provision. Interviewees noted the overall reduction in the size of funding had fallen by as much as a half. The upshot was that around 800 jobs had been lost across the sector. One interviewee lamented the lack of media attention:

> I would suggest that anywhere in the UK, but certainly in the population of 1.6m in Northern Ireland, if in any other sector 800 jobs have been lost, that would have been a major media story. But in the community sector, no!

It was becoming hard to recruit staff at all levels because of the absence of employment security. Referring specifically to leaders, one interviewee commented they knew of senior managers who had taken up posts in the Northern Ireland civil service, attracted by the job security and pension benefits. Inevitably, such cutbacks have resulted in fewer clients being supported. One organisation expects to have its ESF delivery capacity (number of participants) reduced by over two thirds during the two-year period of the UKSPF programme. There was some mention that TSOs could have done more to strategize when notice of the ending of ESF was announced: 'there's an argument to say those organisations should have been looking to diversify at that point'. Yet, it was also noted that 'there aren't that many options in Northern Ireland'.

Echoing our English and Scottish studies, there were also serious concerns around the short-term nature of funding. For example:

> We don't have anyone getting funded for more than a year at a time through statutory means, which is criminal because, you know, really in a year, you're just getting into your stride with a program, you're just getting going, really. And you know, there's no other sector expected to operate like that. The private sector simply wouldn't tender for a one-year contract. It's not worth their while to set themselves up to deliver it.

Another source of dismay was that funding decisions on UKSPF were made at the ‘11th hour’. Whereas in the rest of the UK local authorities could inform successful applicants for People and Skills funding in advance of EU funding ending, in Northern Ireland organisations were only informed by DLUHC on 31st March 2023 - the very day European funding ended. In some instances, redundancy notices to affected staff had already been posted. The myriad of frustrations with last-ditch funding decisions are captured by the three interviewee comments below:

> EU funding was ending in March 2023, and they only got the funding applications out to people to fill in on December 2022. It had to be completed by the end of January 2023 and it literally went down to the wire of when organisations would be made aware of who was getting the funding. ESF ended on the 31st of March, which was a Friday, and people got word that they've got their UK Shared Prosperity Fund at about 11:00 o'clock on the morning of the 31st of March.

> It's very hard to convey the trauma that this inflicted on the sector and particularly the leaders of these organisations, the people that we work with, who were sitting down with beneficiaries and their families explaining why the services weren't going to be there anymore. They were sitting down with really, you know, experienced, accomplished, well-trained members of staff with years and years of experience and saying I'm really sorry, but I can't guarantee your job.

> I was sitting with my 17 staff, I deliberately left it to after lunchtime on the 31st of March. So, the last day of the financial year. We made it to two o'clock. I'm basically saying goodbye to them, I have their redundancy cheques. And I am literally minutes from handing the redundancy cheques

> over when I get a text to say your funding’s through. That's no way to treat anybody.

Unsurprisingly, other interviewees also spoke of a sector ‘under extreme pressure.’ One remarked, ‘I don't think the sector is imploding completely, but certainly it's under severe pressure.’ Consistent with the English and Scottish findings, the data point to a lack of clarity around what will happen when the current tranche of UKSPF ends in March 2025. This uncertainty, allied to staff losses, was seen as potentially ‘weakening any programmes that will come afterwards’. Such a scenario is supported by broader data that refers to the detrimental impact on ‘expert staff’ caused by increasing financial uncertainty (NIVCA, 2023).

Problems with respect to service delivery are further compounded because UKSPF does not fund the breadth of groups previously targeted under the four ESF Investment Priorities. The focus of UKSPF is primarily on economic inactivity. Even within these restricted terms of reference coverage is tightly bounded:

> It's very focused, even though it's focused on economic inactivity, it’s people that are closest to the labour market and not necessarily supporting those people who would have been furthest from the labour market.

This has resulting in real concerns across the sector that those most in need may be unsupported (NIVCA, 2023). There was reference to the lack of funding for general disability and social inclusion support, and it was repeatedly stressed that ESF was far more targeted at those with complex needs. Projects were being discontinued and/or clients ‘exited’. In some instances, whole categories of clients had lost support:

> The women’s sector in particular didn't receive the funding that they would have received beforehand. Some disability organisations and some organisations had to close. So, it really was a very, very, very difficult time.

Interviewees stressed that it was no longer possible to offer the bespoke, ‘wrap around’ support that is often associated with TSOs working in the employability sphere in the form of, for example, help with childcare and disability support:

> We recognise that many of our client group, our constituents are being excluded from the programs that are being funded at present and that's an issue not just for us but for the other disability sector organisations as well.

In an ironic twist, the point was made that because the focus of UKSPF was narrowly placed on economic inactivity, TSOs operating in the field of employment support could not help the long-term unemployed in receipt of unemployment benefits. One interviewee voiced frustration that they have to 'turn those people away' and point them in the direction of other agencies.

An under-reported component of UKSPF is the opportunity to apply for 'Multiply funding', aimed at improving the functional numeracy of adults (Gov.UK, 2022). This seeks to 'invest in meaningful participation that boosts people's ability to use maths in their daily life, at home and work' (Gov.UK, 2022). While the Department for Education implemented Multiply in England, DLUHC works with lead local authorities and the devolved administrations to oversee Multiply in Scotland, Wales and Northern Ireland (Gov.UK, 2022). One respondent described the sums involved (£559m across the UK; £22m in Northern Ireland) as insufficient and something of a policy afterthought – – 'it was as if the department needed a way to bolster the fund and bolted on Multiply'. There was a suggestion that there had also been very few applications because of the complexity of the process, leaving a portion of the funding unutilised:

> People are saying… there was an element of Multiply which hardly anybody applied for because they [DLUHC] made it so difficult.

However, outcomes appear to be variable and driven by resource issues. Another TSO had a 'number of staff' with the 'available skillsets'. The organisation had made use of an ongoing relationship with PwC whose staff are allocated volunteering days. The partnership was used to reach out to families to help them understand how to live on a low budget which satisfies the requirements of the Multiply programme.

The Commissioning Process: Centralisation and the Role of DLUHC

As noted above, in contrast to the rest of the UK, where UKSPF funding has been devolved to local authorities, the picture is more mixed in Northern Ireland. The 'People and Skills' element is commissioned centrally by DLUHC. This degree of centralisation was supported by the respondents and deemed consistent with the broader system of governance in Northern Ireland. For example, social housing falls under the remit of central government and not local authorities as in the rest of the UK.

It was argued this kind of centralisation was appropriate as ‘it gets more money to the coal face, less on support functions.’

> No, you wouldn’t use local authorities for this type of commissioning. Northern Ireland is too small.

Devolution to the eleven district councils was viewed as especially problematic, given the potential for denominational bias depending on their political/religious make up. At least when in operation, there were in-built safeguards within Stormont’s various departments because of the power sharing agreement. Similarly, and in line with the data in England and Scotland, it was suggested some cash-strapped councils would be likely to ‘hoover up’ the money and not release it to TSOs.

At the outset, DLUHC had made it clear that they wanted TSOs to put in collaborative i.e. consortia bids. This has given rise to considerable consolidation across the sector. While there were formerly 67 projects managed by individual TSOs under ESF, this number has been reduced to 21, several of which are ‘quite big consortia’. Certainly, this is unfortunate for the TSOs that no longer exist and the 800 staff lost across the sector. However, it was viewed by one respondent as a positive development for the surviving smaller TSOs, given the opportunity to adopt best practice and learn from larger ‘anchor organisations.’

Notwithstanding the degree of consolidation across the sector, the Northern Ireland context was seen as potentially conducive to sustaining smaller TSOs insofar as large private sector ‘primes’ have struggled to penetrate the market. In England, large private-sector organisations dominate the market, with some using TSOs as ‘bid candy’ to win contracts but then not making sufficient referrals to render the contract financially viable for them. In contrast, the Northern Ireland market was seen as a tougher one for large primes to break into due to political and religious complexity, entrenched socio-economic problems, and, relatedly, the sheer volume of work that needs to be put into getting clients into employment. As a result, there is a tendency for large private sector players to submit bids that underestimate the work involved with the targets of funders being unmet. As one interviewee put it:

> Over the last 20 years, a couple of larger national private sector companies have come in and tried it. In every case, [they have] given the contract back to government before the contract term was up because they didn't

> understand Northern Ireland well enough and were basically losing their shirt.

A charge of a lack of knowledge and inability to understanding local needs was levelled at the Belfast DLUHC office in one set of discussions. Developing this point, it was suggested that that centralisation was not problematic *per se*. Indeed, it was viewed as preferable to the fragmentation associated with local authority funding and commissioning in the rest of the UK. Rather, the criticism was that funding and commissioning would have worked better if it had been channelled through Northern Ireland's Department of the Economy that had thirty years' experience of managing ESF. However, another vehemently disagreed with this view, stating 'that would be a complete disaster'. There was a belief that civil servants did not understand the vicissitudes of the economically inactive and would seek to use the money to fund mainstream employment provision, for example, apprenticeships, that did little to reach the hardest-to-help:

> Those civil servants will take a healthy proportion of that money and divert it to the schemes that they want to fund. They still don't understand that with this particular cohort of people who are economically inactive, they are not going to go down to the mainstream educational provision.

There was some further criticism of departments beyond DLUHC and discussion of how within the Departments for the Economy, Communities and Health there is 'a silo mentality' and, as such, a lack of joined up governance. As one interviewee put it, 'this UK shared prosperity fund organisation…[DLUHC] are doing like the pre-employment element and then other departments are going off and doing other type things.' In terms of the latter, the Department of Communities has set up Labour Market Partnerships based in each of the 11 local authorities with what was described as 'very small pots of money'. The argument was the departments should be doing more to work together to *collectively* tackle employment-related issues. In any event, departmental budget cuts mean departmental programmes provide at best one year's funding.

In England and Scotland criticism has been aimed at some local authorities and the opaque nature of commissioning decisions. A similar concern was applied to the role of DLUHC. There was reference to a lack of auditing of the success (or otherwise) of the projects that had been funded. It was claimed that DLUHC were only evaluating 'two or three projects' whereas under ESF 'each project would have been assessed and scored'. There was comment on the overall absence of accountability and transparency regarding UKSPF funding decisions. Uncertainties were voiced as to whether the decisions were taken alone by DLUHC or whether there was any external input. Interestingly, broader Hansard data flags similar issues:

> The winning bids are in the public domain, but the other applicants are not. In the interests of transparency, reassurance and learning for future schemes, will the Minister therefore share details of the original Northern Ireland shortlist of projects and their ranking, as presented after the assessors' moderation meeting? Will she also advise what, if any, additional considerations informed the Minister's decision? Can she clarify whether the funding decisions were taken by the Minister alone? (Clare Hanna, Hansard 1 Feb 2023).

However, another suggested that the overall process was 'robust'. There was an acceptance nonetheless 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. One organisation we interviewed, for example, had been successful with 90% of its UKSPF applications submitted with consortia partners.

Inevitably the topic of what should replace UKSPF from April 2025 was highlighted as a matter of urgency. It was argued there is a need for transition funding of at least one year from DLUHC when the current round of UKSPF comes to an end – preferably with a 'multi-year long-term solution'. As with the earlier 'cliff edge' when ESF ended, the pressure was beginning to build. Two interviewees commented:

> I've had so many senior leaders on the phone, distraught about what's going on. About conversations… [they are] having to have with the young people they serve, with the parents of those young people, with their own staff teams.
>
> Here we are with six months to go when I will have to once again issue protective redundancy notices to them, because there's no funding to

> replace UKSPF at the minute from 1st of April…. and we're back in that vein again.

To summarise, opinions diverged on whether the funding and commissioning of employment support would be better undertaken via a Westminster government department or through Northern Ireland’s own Department of the Economy. There was agreement, however, that devolving commissioning to local authorities was impractical in the Northern Ireland context, and that funding needed to be long-term and inclusive of those furthest from the labour market, with decisions made well in advance to allow third-sector providers to plan accordingly. Whatever commissioning model is adopted going forwards, building the capacity to understand local user needs and procure appropriate provision from proven third-sector organisations will be key. However, given the small number of interviews, further research is needed to fully explore these capacity issues.

Voice – Influencing government

There were some observations regarding the challenges TSOs face in shaping government policy. The Northern Ireland Council for Voluntary Action (NICVA) is the umbrella body for the voluntary and community sector. In the past, NICVA has attracted the ear of the UK government. For example, the body was awarded a place on The Northern Ireland Partnership Board, set up by DLUHC, along with representatives from the UK government, local government and social enterprise, skills and education entities to provide input on the Northern Ireland UKSPF plan. NICVA has voiced criticism of the resultant shortcomings of UKSPF:

> This [UKSPF] in no way adequately replaces funding previously available to the sector via the European Social Fund (ESF), in either scope or value, with some voluntary and community sector services reporting they are having to significantly reduce or withdraw services as a result. The UKSPF does not fund the breadth of groups previously targeted under the four ESF Investment Priorities, with a focus primarily on economic inactivity, resulting in real concerns across the sector that those most in need and furthest from the workplace may be unsupported (NIVCA, 2023).

A critical issue in the Northern Irish context is the suspension of Stormont and the resultant power vacuum which presents challenges in terms of who the third sector can engage with in influencing policy. As one interviewee noted:

> When you've got no government who do you lobby? So, we were lobbying Westminster. [For], these people who are ministers in Westminster, Northern Ireland is right down at the bottom of the list, like it's not a priority for them. There's no votes here. No one here votes for the Conservatives or Labour government. What we needed were ministers in Stormont to be going to Westminster lobbying on behalf of Northern Ireland and advocating for the people that needed this support and we just didn't have that.

It thus remains an open question as how much influence TSOs can exert with the Northern Irish Executive frequently experiencing protracted stasis.

Recommendations

- When funding decision are made, successful organisations need to be informed early on of the success or otherwise of bids. The situation that occurred on March 31st 2023 when successful organisations were informed of the UKSPF funding allocations on the day European funding ended has to be avoided, given the problems it creates for TSOs and clients alike.
- Following the UK general election on July 4th, DLUHC has been renamed the Ministry of Housing, Communities and Local Government (MHCLG). Should commissioning decisions continue in the hands of MHCLG, the process needs to be more transparent in terms of the way funding is allocated and why some projects are successful and others are not. The details of shortlisted projects should be in the public domain along with their rankings. There needs to be greater clarity in terms of who within MHCLG is actually making the funding decisions to further aid transparency.
- On the strength of these interviews, there appears little appetite among third sector providers in Northern Ireland for local authorities to be the lead commissioning body for employment support funding. However, the precise form that commissioning should take is complicated given the political

complexity of Northern Ireland. The intermittent lack of a standing power sharing executive body is problematic. The tendency to have departmental leaders from diametrically opposed political parties (e.g., Sinn Féin versus the DUP) could make cross departmental working more challenging. Such complexities aside, as in the rest of the UK, there needs to be clarity on what will replace UKSPF from April 2025. Any future solution needs to involve ring-fenced, multi-year funding for employment support awarded through the Northern Ireland Executive – albeit with some external oversight.

- There is the need for a more varied program than that which is found under the People and Skills element of UKSPF. Although the focus on economic inactivity is potentially encompassing, the interviews suggest there is limited provision for expansive 'wrap around' support because, unlike ESF, the terms of reference do not include employability *and* social inclusion. It was suggested those furthest from employment, for example, people with disabilities, are losing out. There needs to be a more varied provision that can do more to help these groups.
- Policy makers need to realise the urgency of the current situation and the requirement to find a rapid resolution to it. At the very least, there has to be a transition period where UKSPF is extended. During this time relevant Northern Ireland government departments (Economy, Communities and Health) should co-design and co-produce with representatives of the TSO community an employability and social inclusion programme to address economic inactivity. This should be aimed specifically at those furthest from the labour market (e.g. disabled people and those with health conditions, NEETS, etc), allowing for a more targeted and strategic approach.
- Finally, it is important to emphasise that the political context has changed with the recent election of a UK Labour government. While the previous Conservative administration had indicated it would abolish UKSPF (Phillips 2024), the new government has yet to show its hand. The only substantive change to date is the erasure of the 'Levelling Up' motif and the renaming of DLUHC as the Ministry of Housing, Communities and Local Government. Clearly the overall uncertainty is worrisome for the sector as a whole. The findings in this and the English and Scottish reports remain pertinent and it is to

be hoped TSOs working in the employability space will be given greater clarity in the Autumn 2024 budget. Claims of a £22bn public finance shortfall (Guardian, 2024), however, indicate the space for an enhanced financial package, when UKSPF ends on March 31, 2025, is limited. The new Work and Pensions secretary, Liz Kendall, announced in the build-up to the election that ‘a life on benefits will not be an option’ (FE Week 2024). Such a statement, on the surface at least, neglects the complex barriers to employment experienced by many in receipt of social security, not to mention the economically inactive who do not engage with the UK’s benefits system. If it is accepted that the third sector has a key role to play in addressing such challenges, then the sector and those it supports deserve greater clarity around the future of funding and commissioning.

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