



Northern Ireland
Assembly

Committee for Employment and Learning

OFFICIAL REPORT (Hansard)

European Policy Developments and
European Social Fund: DEL Briefing

7 May 2014

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Mr Robin Swann (Chairperson)
Mr Sammy Douglas
Mr David Hilditch
Mr Chris Lyttle
Mr Fra McCann
Ms Bronwyn McGahan
Mr Pat Ramsey
Mr Alastair Ross

Witnesses:

Mr Colin Jack	Department for Employment and Learning
Mrs Patricia McVeigh	Department for Employment and Learning
Mrs Briege Rainey	Department for Employment and Learning

The Chairperson: I welcome Mr Colin Jack, director of strategy at the European and employment relations division; Mrs Patricia McVeigh, head of the European policy branch; and Mrs Briege Rainey, head of European social fund (ESF) future funding. Folks, you are very welcome. Colin, over to you.

Mr Colin Jack (Department for Employment and Learning): Thank you, Chairman. I will start by talking about the European social fund programme. We are currently working on the development of the operational programme for the new round of funding. As members will be aware, that funding round is labelled 2014-2020, but the process of member states and regions agreeing their operational programmes happens only during the first year of the programme, so we do not expect significant spend under the programme until the 2015-16 financial year.

We held a consultation exercise on the structure of the programme over the summer last year. The responses that we received, as the Committee has been informed two or three times already, were broadly supportive of the structure of the programme that we proposed, so the operational programme — the technical document that is being put together at the moment — will be based closely on the structure set out in the consultation document.

The first stage in the submission of our proposals to the Commission was the element covering our social fund programme that was included in the UK partnership agreement. Each member state is required to submit a partnership agreement to the Commission that covers the whole range of structural funds programmes. The UK partnership agreement is led by the Department for Business, Innovation and Skills (BIS). It was submitted to the Commission on 17 April, which was two months later than had originally been planned. There were some issues — they were English issues rather than anything relating to the devolved Administrations — that held that up. That having been

submitted, we are now in a position to submit the operational programme any time up to 17 July. There is a three-month period within which we can submit the programme, and we are on track to do that. It will need to be considered by the Executive in June before submission. In respect of the arrangements for administering the programme, we have had a series of discussions with local government, including officials and representatives of NILGA. That has focused on ensuring that there is complementarity between the European social fund programme and the activities of councils at local level. We are seeking to design the process for selecting projects to ensure involvement from local government and to make sure that there is a better strategic fit between what we are supporting under the ESF and not just local government programmes but other DEL programmes and those of other Departments.

As to the process that remains for the ESF, as I said, we intend to submit the operational programme well before the deadline of 17 July. In parallel with that work, we are designing the process for the call for applications to the programme because we want funding to be available as soon as the current round of funding finishes. We have allocated funding to projects up to the end of March 2015. We want there to be no gap in provision. That means that we need to run the application process during the autumn. We expect there to be a closing date of early November. We will publicise the opportunities that the new ESF programme will offer through a series of roadshows around the region.

As I mentioned, we are anticipating a more strategic approach than in the past. We have a number of priorities in the programme. Last time round, we had just two, and there was one open call for applications. This time, we have a number of specific strands. One strand is targeting young people not in education, employment or training. Another strand is for people facing other barriers to employability; I suppose that you could describe that as an economic inactivity strand. Under priority 2, we intend to support work to build on the community family support programme, which has been supported as one of the Delivering Social Change signature projects. Under priority 2, which is the social inclusion strand, we intend to support programmes promoting employability for people with disabilities and learning conditions.

Priority 3 of the programme will be building on the work that we supported under the current programme on apprenticeships. It will take into account the reviews that are under way of apprenticeships and youth training. That is the European social fund element. I can take questions on that now, or I could go on to address the broader European policy.

The Chairperson: Just carry on, Colin. We will ask questions at the end.

Mr Jack: OK. Turning to DEL's engagement in the Barroso task force working group on European policy, the major focus for all the work of the task force has been on increasing Northern Ireland's drawdown of competitive EU funding. There is a Programme for Government target to increase that drawdown by 20% over the life of the Programme for Government. With the extension of the Assembly term, work is under way to consider the extension of the Programme for Government for a further year. Consideration is being given across Departments to what that means for the target for increased drawdown of competitive funds. Performance to date on the 20% target has been very positive, and we anticipate that the target will be exceeded. DEL has played a major role in that; we are the Department with the biggest drawdown of competitive funding to date. That is largely due to the opportunities that are available. We are a major contributor under framework programme 7, which has been the research programme up to now. We have been responsible for 35% of drawdown under FP7. We have also been responsible for around 65% of drawdown under the lifelong learning programme, which, under the previous round of funds, had a number of strands including ERASMUS, Leonardo, Grundtvig and so on. We have cumulative drawdown of competitive funding over the years 2011-12 to 2013-14 of around £24 million. That is a DEL contribution of £24 million in an overall drawdown of around £72 million across the Executive.

We are now in a period of transition to the new programmes. The ERASMUS+ and Horizon 2020 programmes have been getting up and running this year. That may have some short-term impact on drawdown levels.

There were some issues towards the end of the previous programmes with additional calls for applications being issued, which meant that the opportunities were greater than had originally been envisaged. It may be that we are not going to see a uniform level of increase as we move into the new funding period. There may be a slight dip for a short time before we resume increasing allocations. It will take a bit of time for those applying for the funds to get used to the new application processes and assessment criteria. For some of the lifelong learning programmes, there was a very short period of notice given by the Commission about the application processes and so on.

Nonetheless, a lot of effort has gone into encouraging the likes of further education colleges, universities and others to apply for the competitive funding. Our hope is that they were well placed to submit applications when the opportunities for funding opened. It is a bit difficult at the moment to predict what the drawdown for 2014-15 will be, but efforts are continuing to maximise drawdown.

ERASMUS+ is a single programme that replaces the individual programmes under lifelong learning. The managing authority for the UK is the Department for Business, Innovation and Skills, but the national agency that administers the decentralised actions under the programme is a consortium of the British Council and an organisation named Ecorys. Patricia is the DEL representative on the ERASMUS+ programme board, which is chaired by BIS. That is a development from the previous round of funding. We hope that it will give us a better opportunity to steer issues at UK level in the development of ERASMUS+. We also intend to establish a Northern Ireland focus group with key relevant stakeholders to consider issues related to ERASMUS+ here. We are also holding meetings with counterparts and the national agencies in the Republic to increase opportunities for cooperation on a North/South basis in respect of accessing the new rounds under ERASMUS+. That follows on from a successful seminar that we held at the end of January, when we brought together the FE colleges with the institutes of technology in the South and alerted them to the opportunities under all the competitive funding programmes. We know that some new cooperative ventures have been started on the back of that initiative, and we are looking forward to hearing of successful applications resulting from it.

We recently met Ecorys, which is part of the national agency, about how we will get information on drawdown under the new programme. We need to overcome some data protection issues about the applicants and so on. We are trying to make sure that we have the information on the levels of drawdown for Northern Ireland to report to Ministers and the Assembly because, obviously, this is a programme in which we are not in direct drive, so we need to get the information from others.

Horizon 2020 came up during Eoin's research briefing. Infrastructure to support applicants in pursuing funding has been put in place. A series of Northern Ireland contact points in particular subject areas have been established. They have been in place for about a year and are rapidly establishing networks and getting started with concrete cooperation. Those are the main issues on the funding opportunities.

There was a competition in the spring for new liaison officers to replace the desk officers at the Office of the Northern Ireland Executive in Brussels. The competition has appointed, I think, two new officers, but one of the posts is still to be filled. Therefore, the capacity of the Brussels office is not quite at its full level. We hope that we will be in a position to brief the Committee further on how that develops the next time we are here.

Finally, we have recently been advised that László Andor, the EU Commissioner for Employment, Social Affairs and Inclusion, is visiting Northern Ireland. It will be a very short visit on 20 May; he will be available for about an hour and a half. He will be meeting our Minister and the junior Ministers in OFMDFM to discuss a range of issues, such as how we are tackling youth unemployment, how we propose to meet the requirements for the youth guarantee and how Northern Ireland intends to take forward work to build on that of the Barroso task force. That follows on from a couple of meetings that the Minister had with Commissioner Andor in Brussels. We know that the Commission has been quite impressed with the work that we have been doing in Northern Ireland under the European social fund, particularly the conference that was held last November. During his visit, there will be an opportunity for Commissioner Andor to engage with some of the young people who were involved in that conference. That is all that I have to say by way of introduction. I am happy to take questions

The Chairperson: Thank you, Colin. I am quite impressed with DEL's drawdown that from Europe. How reliant is the Department on those funds continuing?

Mr Jack: They certainly make a significant difference. The Horizon 2020 budget is the biggest research budget in the world. We are not as reliant, perhaps, as our counterparts in the South, because my understanding is that they do not have national research funds; they encourage the institutions to fund the bulk of their research from Horizon 2020. We have funds within the DEL budget for research so, in a sense, the money under Horizon 2020 is genuinely additional. The way in which it is structured encourages international cooperation and various institutions to work together, so it adds value to the research funding that we have ourselves. I do not have the precise figures for our own research budget but we can get that information for the Committee.

The Chairperson: What about the lifelong learning funding and the ESF funds underpinning work to deal with educational needs and difficulties? There is money for research, but is there enough money in the Department to keep those other programmes running if bids for European funding were unsuccessful or not available?

Mr Jack: Well, Horizon 2020 is a research budget. As I said, we have our own research budget —

The Chairperson: I am asking about the social side of things: lifelong learning, the ESF and supporting those with educational needs.

Mr Jack: There are different budgets. The ESF is part of the structural funds —

The Chairperson: How dependent is the Department on European money for those programmes?

Mr Jack: The European social fund, when you take into account match funding, accounts for about 7% of DEL's overall budget. Therefore, it is not massively dependent but it is enough to make a real difference to the groups and organisations that benefit from it and the programmes that are supported by it. If we look at the size of the new European social fund programme that we are expecting, we consulted on €183 million of ESF that we expected to receive. We understand that that figure is likely to be adjusted slightly upwards to take account of inflation, so it will be roughly a €200 million ESF allocation over seven years. When you add the match funding, that comes to somewhere between €450 million and €500 million over the seven-year period. When you consider that the overall DEL budget is somewhere in the region of £800 million a year, it is a significant allocation of money.

The Chairperson: I want to ask about the community framework for state aid for research and development and innovation. There is an EU Commission paper dated 18 December in which member states were invited to give their explicit and unconditional agreement to the proposed measures. What action did the Department take on that?

Mrs Patricia McVeigh (Department for Employment and Learning): The Department was not consulted directly but, from a DEL perspective, state aid primarily falls to DETI, even for R&D. My understanding is that it is more appropriate to R&D in relation to companies or where there is competitiveness, whereas primarily the R&D in which the Department is involved with the universities would be described as being further away from the labour market and from competitiveness and more about blue-sky thinking. The Department's position would be represented by the BIS, so the assumption is that DETI would be in discussions with BIS about that, because it will represent the UK. We do not see the state aid element that is under discussion at the moment having a significant impact, or any impact, potentially, on the Department's funding of R&D in the university setting.

The Chairperson: Right. That paper was left to BIS and DETI.

Mr Douglas: Thank you very much for your presentation and report. Colin, I want to bring you back to a couple of things. You mentioned ERASMUS+ and Horizon 2020 and you talked about an initial dip in Northern Ireland's drawdown. Could you tell us a wee bit more about that? You also talked, in the same context, about the promotion of those programmes through the various Departments.

Mr Jack: In a sense, we are speculating about that dip at the moment. The new programmes have just opened up this year, and the previous programmes have just ended. The deadlines for applications under some of the programmes were in February, March and April, but that was announced only in January. Not much time was given for institutions to apply. Certainly, we had encouraged institutions to think about how they might benefit from the funding, and there was a fair bit of information available about the general structure of the programme and what it was about. We hope that there will not be too much of a dip, but there is a likelihood that there will be a little bit of a dip just because of the short notice that institutions got of the application opportunity.

Mrs McVeigh: There are some other issues. For example, when there were distinct programmes, such as the ERASMUS stand-alone programme, Grundtvig, Leonardo etc, an organisation such as a college could apply for a Leonardo or Grundtvig programme etc. However, now they have the opportunity to apply only once, under ERASMUS+. So, whereas you might have had four applications, this time you have only one. So, you have to consider how you can articulate all that you want to do in one application. That will be a learning process; it is a learning for them. There may then be a reduction in the number of applications. The system has changed, as Colin said.

Applications now have to go through a new portal IT system. I think that there is not a lot of hand-holding or detailed information available, so that is why we are anticipating a dip in applications in year 1. The more we become aware of the issues and problems, the more we will want to address them and expect a better performance in year 2.

Mr Jack: You asked about the promotion. We are working by ourselves, and in partnership with whomever we can, to alert institutions and others who are eligible for this funding. For example, there is a youth strand of ERASMUS+ which is open to individual groups of young people. So, we are working with the national agency, which is the British Council and Ecorys. We are also working with organisations like Colleges NI, and the Northern Ireland European Regional Forum to alert the wider group of potential applicants to the opportunities. We are certainly working with the national agency to get assurance about the level of support and advice that potential applicants can receive.

Mr Douglas: You mentioned the national agencies, and you have a meeting planned with the national agency in the Republic of Ireland. How do you think that that will improve Northern Ireland's performance?

Mrs McVeigh: There are two agencies operating, and I have already met one of them. Really, this is about the lessons learned. Moving forward with the new programme, the issue is whether we can learn anything from them about promotion or support? Have they come up with any issues? It is about that sharing of information, so that we can be better informed to help our constituents. We should also try to work together, as Colin said, in partnerships. Some of the EU funding streams require three partners. Northern Ireland is really well placed for that, because we may already have developed partnerships with colleagues in the South, which is another member state. So it is about maximising all those opportunities.

Mr Douglas: I know that this is not your call, Colin, but you mentioned a meeting between the Commissioner, the junior Ministers and the Minister. What are your views about our Chair and deputy Chair attending that meeting? One of the big issues we have raised on a number of occasions is youth unemployment. Obviously, the Minister has already spoken to the Commission about that. However, if the Chair or deputy Chair were available for that meeting, I think it would be good if they were able to attend it.

Mr Jack: Arrangements are being coordinated by the Commission's office in Belfast; however, I know that the Commissioner is working on a very tight time frame. He has to leave Belfast by 10.30 am on the morning of 20 May. It is a very short opportunity. However, if you wanted to make representations —

Mr Douglas: I suggest that we could piggyback on that meeting; that is what I am saying. We do not expect a separate meeting.

Mr Jack: You could do so through the Commission's office in Belfast. I can certainly mention it to them. I told them that, today, I would be advising the Committee of the visit. Certainly, it is building on a couple of visits that the Minister has made to Brussels. The junior Ministers have met him in Brussels as well. This is really part of a tour that the Commissioner is making of quite a number of places in Europe, before the term of the current Commission ends, an event which coincides with the European elections.

The Chairperson: Two days later.

Mr Jack: Indeed; you could call it a farewell tour.

Ms McGahan: Thank you for your presentation. You mentioned colleges, and I think you said that universities were encouraged draw down funding. For our scrutiny role, it might be important to get a sense of the universities that did draw down funding and those that did not, and if they did not do so, why not, given the fact that we have a 20% drawdown figure.

With regard to meeting the national agencies in the Twenty-six Counties, could you give us a bit more detail of what you learned from that meeting?

Mrs McVeigh: Obviously, their structure is very different, because one of the national agencies there is the Higher Education Authority, which already has a funding relationship with that sector.

Therefore, they already have a distinct and very different relationship. They are inviting us to their promotional events, and they have also extended an opportunity for some of my team to go down to their team to look at their help desk and see how it works, how the application process works and what the issues are. We are going to do the practical things as well. We are going to avail ourselves of that opportunity with the higher education sector to meet Léargas, the agency that looks after the voluntary and community sector, to learn what issues it has and whether there is anything practical that we could gauge.

Ms McGahan: We got a report, although I am not sure whether it fits in with the all-Ireland research-based programme. It appears to be very impressive, and I know that there was job creation as a result. I would appreciate it if you could send us a report of that engagement. I think that that would be important.

Mrs McVeigh: Right, no problem.

The Chairperson: Bronwyn, are you looking for clarity of the drawdown under the new programmes?

Ms McGahan: No, it is the engagement with the national agency and what was learned from that to help us with drawdown.

Mr Jack: With respect to the first part of your question about colleges and universities, and which ones have benefited or will benefit, there is a clear expectation from the Department that all colleges and institutions of higher education will apply for and, hopefully, receive competitive funding. There is a process that they have to go through before they can make applications. It is the ERASMUS+ Charter, and they have all signed up for that. That is the first step. There is information available on the Internet about drawdown under the previous programmes. For example, some of it would be on the British Council website, and there are lists of applicants and where they came from. You can see the historical pattern of the different institutions that have benefited from ERASMUS.

Mrs McVeigh: For example, the Department collects information from colleges. Therefore, we know who has done so and who has not, because we ask those questions. The expectations will increase, and we will be asking more questions. If there are particular difficulties or whatever, we will be working with them to address those difficulties.

The Chairperson: Can you provide that information to the Committee, Patricia?

Mrs McVeigh: Yes.

The Chairperson: Does anybody else want to ask a question?

OK folks, thank you very much for your time.

Mr Jack: Thank you.