



Northern Ireland
Assembly

Committee for Employment and Learning

OFFICIAL REPORT (Hansard)

European Policy Developments including
European Social Fund 2014-2020:
Department for Employment and Learning

8 October 2014

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Mr Robin Swann (Chairperson)
Mr Thomas Buchanan (Deputy Chairperson)
Mr Phil Flanagan
Mr William Irwin
Ms Anna Lo
Mr Fra McCann

Witnesses:

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

The Chairperson (Mr Swann): Patricia, do you want to come up to the table?

Mr Colin Jack (Department for Employment and Learning): I was just going to say that in light of the time. I had thought of doing these two issues separately, but maybe you would prefer it if we do —

The Chairperson (Mr Swann): Yes, bring the two together, Colin, if you can.

Mr Jack: All right. I was going to talk first about the European social fund (ESF) programme. The Committee has been briefed about that a number of times. We are now at the stage where we have formally submitted the programme to the Commission. That was in July. It has been undergoing inter-service consultation among the various Directorates-General in the Commission. Yesterday, we received formal observations from the Commission on the draft of the operational programme. It generally supports the direction in which it is going. We have a number of detailed issues to work through, and we will do that. We will resubmit the revised version to it.

As for the formal process for the approval of the operational programme, it can be approved only once the UK partnership agreement, which covers all of the UK's structural funds programmes, is agreed. There have been some delays, with issues that are largely English, with the partnership agreement, but, nonetheless, we are working ahead with the proposals and plans for rolling out the ESF programme. I suppose that the most public manifestation of that will be the call for applications that we will have towards the end of November. In fact, we have a series of roadshows, which will start on Monday 13 October. A commitment was given to the Committee that we would have a roadshow in each of the 11 new council areas. We will fulfil that commitment. There has been some publicity for the roadshows. Indeed, one or two of them are already fully booked, but I think that places are still

available at most of the roadshows that we are holding. We have given you the dates and venues of those in our paper.

I will give a quick reminder of the structure of the programme. The investment priorities are targeting unemployed and inactive people, including long-term unemployed people, young people aged between 16 and 24, and people with a disability. The total ESF funding that we have available over seven years is €205 million, which, with match funding, gives a total programme value of €513 million. We have an intervention rate of 40%. From that overall programme, €85 million is directed at tackling economic inactivity generally; €61 million is directed specifically at young people not in education, employment or training; €128 million is directed at people with disabilities; €26 million is for community family support; and €205 million is for apprenticeships and youth training. It is a substantial programme over the next seven years.

We are setting up selection panels that involve staff from DEL and other key statutory organisations and potential match funders to consider the applications. Applicants will need to detail how they meet the key principles of the programme, and how they will avoid duplication and provide additionality to what is provided by other government programmes. They will also need to provide information on equality. The projects will all need to be open to inspection by the Education and Training Inspectorate. They will need to set out the proposed outputs while taking into account new monitoring arrangements that we will have. They will also need to meet a financial capability check. It will be quite a challenging process for organisations applying, but it is important that we make sure that the activity that we are supporting is of good quality and will help people to get towards employability and into work. We have been having discussions with some of the other potential match funders to make sure that they are prepared for the organisations that are successful in the call for applications to come forward.

I can take any questions on ESF now, if members have them.

The Chairperson (Mr Swann): OK. You clarified where we are at the minute. You said that the Commission is generally supportive, although there are some detailed issues. You said that you have resubmitted, and that you have to wait for the entire UK. How much ahead of the game will you be when you go to your public workshops next Monday? How big a change could there potentially be? I appreciate the work that the Department has done. I am not knocking you for being proactive in this, but I am concerned that maybe you are putting the cart before the horse slightly until you get final confirmation.

Mr Jack: The reason we are doing what we are doing is that we do not want there to be a gap in the funding flowing to organisations. Obviously, a new set of organisations will get funding in the new round. However, I am thinking more about the beneficiaries; we do not want a gap in provision. If we were to wait for the Commission to come through with final approval of the programme, we would have a gap in funding between the end of the funding that we have allocated under the current programme, which runs until the end of March, and our plan to bring in the new round of funding, which would go to organisations from 1 April 2015. We have been engaging in informal dialogue with the Commission for many months to make sure that it is broadly content with the general shape of our programme. The issues it is coming back with are matters of detail that will not really have a major impact on what we will be presenting to potential applicants at the roadshows.

The Chairperson (Mr Swann): So, the Commission is content with what you are doing.

Mr Jack: We have had informal discussions and, at this point, there is nothing to say that any showstopper is likely to emerge. We really need to get the planning under way, because it will take a lengthy period to get economic appraisals considered, approved and so on. We are working on streamlining the process for that to make sure that it can be done as part of the application process, rather than as a later stage that needs to be added on nearer the time.

Mr John Noble (Department for Employment and Learning): Just to add to that, Mr Chairman, the roadshows are more about spelling out to the organisations the process that will happen. For example, how they can apply; the terms and conditions that they will have to meet; what sort of objectives they should be looking at and making them SMART; making sure that they are aware of the financial capability check; making sure that they know the monitoring arrangements that are new to this programme, which are completely different from those in the existing programme. It is really about spelling out that process, which is already sitting there; we know that.

The Chairperson (Mr Swann): That bit is guaranteed.

The Committee did push for one roadshow in each new council area to make sure that the information was going out. I was slightly concerned, Colin, when you said that some of the workshops are entirely booked out. Is an organisation that did not get access to one of those roadshows to hear explained the details about monitoring and applications, as John has said, going to be at a disadvantage?

Mr Jack: We will be encouraging them to attend the other roadshows.

Mr Noble: We have 11 roadshows. The only one that is full at the moment is the Belfast one, which we expected. We are redirecting people to the ones that are not full. Most of the other 10 have only about 50 people on average. The information will be exactly the same. For example, if they wanted to go to Lisburn, we would encourage them to go to Lisburn, so that they are able to attend one of the workshops.

Mr Jack: At the moment, we are in the position of requiring people to travel from Belfast to other locations.

Mr Flanagan: Proper order. *[Laughter.]*

The Chairperson (Mr Swann): Well, I do not think that Fra will agree with you, Phil.

Do members have any other questions on the ESF?

Ms Lo: As I said, Colin, I am new to the Committee, so I may be asking stupid questions. What kind of projects are you expecting? Are they from voluntary and community groups or councils, for example?

Mr Jack: Of the activity that we support under priority 1 of the current programme, about 80% of projects are run by voluntary and community organisations and about 20% are run by statutory organisations. Quite a wide group of organisations can apply. It is open to councils to apply, but most of the organisations that received funding in the past were voluntary and community organisations, and I see no reason why that would change significantly. We do support some departmental programmes under the programme, such as the apprenticeships programme and the new youth training arrangements. Obviously, those are subject to review at the moment, but we will have new programmes to replace the current ones, and we expect those to be supported under the programme as well. So, a mix of organisations provides the programmes that will benefit from the programme.

Ms Lo: The match funding will come from you, as well as other organisations.

Mr Jack: Arrangements differ between the different priorities of the programme, but to take the strand of funding that the voluntary and community sector is most likely to access, we provide 25% match funding to bring the grant up to 65% and then the organisation is expected to find 35% from other sources.

Ms Lo: And that would be what?

Mr Jack: If we look at the types of organisation that have filed match funding in the current programme, we see that we have health and social care trusts, councils and one project was match funded by the Department of Agriculture and Rural Development. There are some other pots of DEL money that can be used for match funding for certain types of project. The disability employment service has match funded some projects.

Ms Lo: However, 35% of the project's whole budget is still quite a bit to find.

Mr Jack: Yes. That is why we have been in discussions with other potential match funders to expect applications. Indeed, we are involving those match funders in the selection process.

The Chairperson (Mr Swann): Colin, I want to ask about the selection of projects. You said that it will involve the Department's staff and key stakeholders, including the local government sector. Will there be participation from elected representatives at all?

Mr Jack: We are discussing it with the chief executives of the 11 new councils, and they will advise us on who will be involved from the council sector in the selection process.

The Chairperson (Mr Swann): Will there be elected representatives or not? Is the chief executive of each council going to decide whether to put forward elected members or staff members?

Mr Jack: We will need some representatives to come forward from the sector. It will not be one representative from each council, because the number of people that we will require on the panels will be probably four or five from across local government, across the region. We are not prescribing whether those are councillors or staff of the councils.

The Chairperson (Mr Swann): The Department will not prescribe, but the 11 chief executives may come together and decide that there will not be councillors. Is that —

Mr Jack: We will expect them to have engaged with their councillors and to nominate people who are well placed to take part in the selection process.

The Chairperson (Mr Swann): OK. Colin, do you want to go on?

Mr Jack: All right. I will bring you up to date on other EU matters.

The Executive's European priorities for 2014-15 are being finalised currently and are due to go to the Executive for approval on 23 October. Work is also under way to report on the targets for the mid-year review of the European priorities, which will go to the Executive for approval shortly afterwards.

We have had the target from the Programme for Government to increase Northern Ireland's drawdown of European competitive funds by 20%, which was originally to be achieved by March 2015 because that is when the Programme for Government was due to end. However, there is a need to extend that target to cover the 2015-16 year because of the extension of the Assembly's term. Some proposals are being drawn up for Ministers to consider how that target will be recalibrated. To date, progress has been such that the 20% target is expected to be exceeded by March 2015, so it will be important to set a target for 2015-16 that is stretching but achievable. DEL has been a major contributor to achieving the target up to now, but we have new programmes that have come into operation in the current year: ERASMUS+ and Horizon 2020. So this may be a transitional year, in that organisations that are applying for funding will be getting used to new application processes, different assessment criteria and so on. It is possible that there may be a slight dip in 2014, before all the efforts that are going into encouraging increased applications for competitive funds show their effect in subsequent years. We are working with the national agency for ERASMUS+ and colleagues in other Departments to promote the new programmes and to try to make sure that, if there is a dip in performance, it is as small as possible.

The Office of the Northern Ireland Executive in Brussels has been undergoing restructuring. A legal officer has been appointed for a trial period of a year. We have lost our former colleague Brian Smart, who appeared before the Committee a number of times. He has become the deputy director of the office. We are hoping that he will be able to support the work that DEL wants to take forward at a European level from that new position. We also have new liaison officers for each of the thematic groups under the Barroso task force working group to replace the previous desk officers. Those are in place, and we are planning to build on the relationships that we already have there.

I move, finally, to the appointment of the new Commission. Jean-Claude Juncker was proposed as the candidate for president of the Commission by the European Council on 27 June. He was elected by the European Parliament as president of the Commission in July. Within the past couple of weeks, he has announced the structure of his new Commission, which differs from the previous Commission because there are six new vice president posts. The remit of one of the vice presidents, Jyrki Katainen, the vice president designate for jobs, growth, investment and competitiveness, is very relevant to DEL. There are four other commissioners who touch on our policy areas. I will mention Marianne Thyssen, commissioner designate for employment, social affairs, skills and labour mobility; Tibor Navracsics, who is responsible for education, culture, youth and citizenship; and Carlos Moedas, who is responsible for research, science and innovation.

The European Parliament needs to give its consent to the entire college of commissioners, and it has been holding hearings with the commissioners over the past couple of weeks as part of the process of considering whether to agree the appointment of the new Commission. We are hoping to establish

contact with the new commissioners as soon as possible once they are formally appointed. They will bring with them new cabinets — the staff who will be their closest advisers, and so on. So, there is a new set of relationships for the Executive to establish with the Commission. DEL will contribute to the work being led by OFMDFM to take up where the previous Barroso task force and the working group on that left off. Obviously, since Commissioner Barroso is no longer there, one of the issues will be a new name for the Barroso task force working group.

The Chairperson (Mr Swann): I have a question on Horizon 2020 and the introduction of the Northern Ireland contact points (NICPs). Queen's and the University of Ulster (UU), supported by the NICP, have supported 98 full proposals — 58 from Queen's and 40 from UU. There are 172 applications under development, of which 52 are from Queen's and 120 from UU. Why is there that difference in the number of applications under development? Is it the institution or is it the NICP?

Mrs Patricia McVeigh (Department for Employment and Learning): To be honest, I do not know, but I assume that it is the type of call with a focus on a particular aspect of research. In the past, the Department was aware that Queen's was putting in more than UU. I think that UU is now making a concentrated effort to do that. Our expectation is that both universities will avail themselves of every opportunity to put in applications.

The Chairperson (Mr Swann): Is Horizon 2020 open to the Open University?

Mrs McVeigh: Yes.

The Chairperson (Mr Swann): But it does not put in applications.

Mrs McVeigh: Other aspects of Horizon 2020 will be open to companies, and there will even be social aspects to Horizon 2020.

Ms Lo: Horizon 2020 is a very exciting programme, and there is a massive amount of money to be had, no doubt. The universities need to work hard to tap into that. However, they are putting quite a lot of projects forward. How realistic is that? Are they just trying to cast the net as widely as they can?

Mrs McVeigh: Their applications would have to be quality applications. They recognise that it is a tough competition. The emphasis on Horizon 2020 is that we recognise that our universities are doing well and are maximising their opportunity. The other focus is on industry in Northern Ireland also availing itself of Horizon 2020. I know that DETI is looking at supporting small to medium-sized enterprises (SMEs) in that regard.

Mr Jack: The other point about EU competitive funding programmes generally is that they often require a number of partners across the different member states. It may be that some of these proposals are ones in which the universities are not the lead partner but are contributing to a project. In order to make the system work, individual institutions probably need to be engaged at some level or another in quite a number of projects.

Ms Lo: I just wonder whether our target of €145 million is a bit too low and not ambitious enough for us. The fund is €800 million, is it not?

Mrs McVeigh: The target is a significant increase on what it was previously. It has been agreed by Ministers.

Ms Lo: The South has *[Inaudible.]*

Mrs McVeigh: Yes, but we are not a member state, so it is still recognised as a challenging target.

Mr Jack: It would be a significant improvement on the performance under FP7 in the previous programme.

Ms Lo: Which was abysmal, really.

I want to ask about our office in Brussels. How many are there now altogether?

Mrs McVeigh: There is the head of the Brussels office and the deputy —

Ms Lo: Who is that now?

Mrs McVeigh: The head is Gerry Mulligan from OFMDFM. There is the deputy head and three liaison officers.

Ms Lo: Did they replace the four desk officers?

Mrs McVeigh: Yes, they did. There has been a restructuring of the thematic groups and the support. There are about 10 staff in total.

Ms Lo: I thought that the Barroso interdepartmental group was going to finish. No? Is it just going to find a new name?

Mr Jack: I think that it will find a new name. There is an issue about the Commission. The Commission has had the Barroso task force, and there is a need to engage with the Commission to see how that work is carried on and whether there will be a dedicated group with a focus on Northern Ireland under the new Commission. It will be part of the Executive's agenda to encourage that to happen.

Ms Lo: It would be good if we can have that, because the Barroso task force helped us enormously.

Mr Buchanan: Given the replacement of the lifelong learning FP7 programme, how much of a dip are we expecting before the drawdown when a new programme gets under way?

Mr Jack: It is very difficult to predict that. Our concern about a dip probably applies more to ERASMUS+ than to Horizon 2020. There has been so much effort with Horizon 2020 going into establishing the contact points and so on that, perhaps, that may not be so much of a problem. There have been some significant changes in how ERASMUS+, which is the programme for mobility of students and teachers and others, works. Some of the deadlines for applications were very early in the year with very little notice given of what the deadline would be. It is probably more an ERASMUS+ concern than a Horizon 2020 concern.

Mrs McVeigh: Horizon 2020 has predicted a drop as well. We have those figures in our predictions, and I am sure that we can share them with the Committee. However, they are only predictions.

The other thing is that there is a new 2015 call for ERASMUS+, which came out only yesterday. It is imperative that we, as a Department, work with the national agency and others to support people going forward. As Colin said, it is a big change, and that is why we anticipated the dip.

Mr Jack: It is good to see that information coming out from the Commission yesterday about the deadlines for 2015 for ERASMUS+, because that is considerably earlier than we knew what the deadlines were for 2014.

Mr Buchanan: That gives the Department no excuse now not to be on top of that.

Mr Jack: Yes, and that goes for all of the organisations that need to apply. We certainly encourage them all to.

Mr Flanagan: I will not keep you long. There are 27 commissioners with 27 responsibilities for work, but we have, what, five liaison officers. Who fills in the gap for the other areas, or do we only focus on the things that were in the Barroso task force?

Mr Jack: We have three liaison officers, in fact. All the staff in the office in Brussels are keeping an eye on that. It is also up to the individual Departments to identify which areas and Directorates-General in the Commission are most relevant to them. As I understand it, the appointment of the six vice presidents has allowed a bit of rationalisation in the number of Directorates-General below that. So, although there are more commissioners than there were in the previous Commission because we have had the addition of Croatia as a new member state, giving these new vice presidents responsibility for several of the DGs below helps with the numbers, but it also makes the process a

little more complex in the Commission because any proposal being brought forward has to have the support of one of the vice presidents.

Mr Flanagan: Una deals with economic stuff, Ben deals with environment stuff, and Keith deals with social and employment stuff. Who deals with the rest of the stuff?

Mrs McVeigh: There are other staff as well. Invest NI has staff in Brussels, and DARD has staff there. As Colin said, Departments will also go out to Brussels and make links. For example, DRD is quite active regarding the Trans-European Network (TEN) proposals. So, Departments also have access out there. The three staff members who you just named are there to support the thematic groups; that is their role. As I said, Departments will have an additional role.

Mr Jack: All the Departments in the Executive are part of those thematic groups, but there are generic issues that probably do not fall neatly under any of the three, and those are the broader responsibility of the office to follow up.

The Chairperson (Mr Swann): Colin, John, Briege and Patricia, thank you.