HOUSE OF COMMONS

Northern Ireland Affairs Committee

Oral evidence: Local Growth Fund, HC 1415

Wednesday 29 October 2025

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Watch the meeting

Members present: Tonia Antoniazzi (Chair); Sorcha Eastwood; Adam Jogee; Katrina Murray; Dr Al Pinkerton; Gavin Robinson; David Smith.

Questions 1-27

Witnesses

I: Celine McStravick, Chief Executive, Northern Ireland Council for Voluntary Action (NICVA); David Babington, Chief Executive, Action Mental Health (AMH); and Dr Martin McMullan, Chief Executive, Youth Action Northern Ireland.

Written evidence from witnesses:

Examination of witnesses

Witnesses: Celine McStravick, David Babington and Dr Martin McMullan.

Q1 **Chair:** Welcome to the Northern Ireland Affairs Committee session on the local growth fund. I would like to welcome Dr Martin McMullan, Celine McStravick and David Babington. Can you please explain your role, and that of your organisation, in relation to economic inactivity?

Celine McStravick: Thank you very much, Chair, and to the Committee for this invitation. We are really keen to gain your support and to let you know what is happening in Northern Ireland with the local growth fund. I am the chief executive of NICVA, the umbrella organisation for the voluntary and community sector in Northern Ireland, with over 1,500 members. We also lead the Economic Inactivity Coalition, which comprises over 60 organisations in Northern Ireland that are delivering economic inactivity programmes, funded by the UK shared prosperity fund. We thought it was particularly important to bring those organisations together to ensure that we were going to collectively tell the story of the impact in respect of the UK shared prosperity fund and to prepare for the local growth fund.

Dr McMullan: Thanks to the Committee for having us here today. My name is Martin McMullan and I am the CEO of Youth Action Northern Ireland. We lead one of the consortiums that have been funded through the UK shared prosperity fund since April 2023. Our consortium is called Youth Start, and we prioritise economic inactivity among young people.

We have seven leading youth work charities working in that area, improving the life and work skills of young people. It has been a great investment from the UK shared prosperity fund, and we welcome the conversation about where we go to next.

David Babington: Good morning, Chair and Committee members. Thanks for inviting us to the Committee. As you know, my name is David Babington, and I am the chief executive of Action Mental Health. Clearly, we are an organisation that delivers mental health services, but we also lead something called the SkillSET partnership under this programme, with six other partners. Effectively, we are quite a unique pan-disability consortium, because we look after people with not only mental health difficulties but learning disabilities, physical disabilities, sight loss and hearing loss.

Q2 **Adam Jogee:** Thank you for making the effort to come and see us; we are always grateful when folks fly over here. Can you please set out the impact that you think the UK shared prosperity fund has had on communities and the people you have been working with in Northern Ireland?

Celine McStravick: If you don't mind, I will take that question at a high level, and then pass over to my colleagues. We are very confident in the impact of the UK shared prosperity fund in Northern Ireland. We can identify over 24,000 people who have been supported by the UK shared prosperity fund. We understand that Northern Ireland has the highest rates of economic inactivity in the UK. We are really tackling persistent economic inactivity, and the UK shared prosperity fund has been able to support wraparound, user-led programmes that actually meet people where they are. We are talking about young people who are disengaged from education, ex-prisoners, returners and people with learning disabilities, physical disabilities or mental health issues, so the most vulnerable are part of those 24,000 who have been supported.

Fifteen of the 16 current UK shared prosperity funded projects in Northern Ireland are led by the voluntary and community sector, which is best placed to deliver that support. At the minute, the UK shared prosperity fund is funding 650 staff and employees to deliver these programmes. We are very confident of not only the impact we are having, but the long-term impact we could have if the fund was maintained. The stop-start nature of things is not helping the people at the coalface.

Q3 **Adam Jogee:** To unpick that, can you give us a flavour of some of the organisations that are delivering the work that you touched on?

Celine McStravick: There are 16 different consortia, each of which includes a number of organisations. You have an example here—Action Mental Health—and we have Stepping Stones, NIACRO and women's centres. There is a wide variety of organisations across every single council area in Northern Ireland.

What was interesting about this money is that because it came directly into Northern Ireland, it encouraged the voluntary and community sector to work collaboratively. Because of the scale, we have been able to be more efficient, more effective and more productive and, as I said before, we have been meeting people where they are and making it easy. For example, the Belfast Works Connect programme is working right across the whole city, so anyone who needs support into employment finds a gateway into it readily. That is what is most important. Breaking down those barriers when you are economically inactive is that magic ingredient. That is where our sector comes in.

Q4 **Adam Jogee:** I am interested in the impact you think this may have had on reconciliation. I totally understand the focus on employment and tackling those entrenched inequalities and barriers you have referred to. More widely, we would be interested to know about the impact on reconciliation and bringing people together, because those barriers take many forms, as you all know, and we have spent many months looking at that, so a taste of that would be really helpful.

Celine McStravick: It is a sad state of affairs when poverty brings people together in Northern Ireland, and poverty is often linked to community tensions as well. We have many examples from across the consortiums of where people are being brought together for life skills development, digital literacy, childcare and accredited qualifications. When those people are brought together, clearly communities are also working together, because this is a shared issue. Our colleagues might have particular examples.

Dr McMullan: The legacy of the conflict permeates every part of our society, obviously, and none more so than children and young people. We spoke with a colleague who is here today about the reality of what goes on in communities—particularly interface communities—whether that be in rural communities or urban contexts such as Belfast. Young people are left with the legacy of the conflict, often with hopelessness, despair, poverty, intergenerational trauma and lack of aspiration. In our project, through the Youth Start consortium, it has been important to understand the lived realities of young people.

It is not so easy to get a job over there, because young people are often moving across communities. We have an example of one young person in north Belfast, from the New Lodge, who got a job over in south Belfast, towards the village area. That was a great outcome for us from the UK shared prosperity investment. One day into that job that young woman did not feel safe crossing different communities due to flags and a feeling of intimidation. Something might not have actually happened, but they had that feeling and that experience. We are still dealing with that.

Mobility to get a job is just not as easy as it might seem. We are dealing with issues of poor mental health and wellbeing. There is a lack of job aspiration, and perhaps parents have not had the opportunities for work for various reasons. Youth work enters that forum, reaches the young people who are hardest to reach, and who others cannot reach, and provides a space for young people to have a sense of hope and aspiration for life. We improve the life and work skills of young people. Youth work is the critical intervention at that point in time for young people.

David Babington: From our experience at my own organisation, Action Mental Health, you can appreciate that mental health has no barriers in terms of backgrounds and so on. For example, we have a number of veterans who have PTSD in our services, but we also have people from perhaps the other side as well. They all come together in common cause to help their recovery and to get back into work. You genuinely see real friendships and reaching out across the divide by coming together under such a programme as this. Certainly, from our experience as an organisation, it makes a major contribution to that.

Q5 **Adam Jogee:** On young people specifically, I had some engagement with the King's Trust, and I was able to hear a little bit more about what that organisation has been contributing as part of the Youth Start consortium, and the impact and legacy it has had. Can you give us a flavour of how you think we can further that impact through the replacement of the fund, and guarantee that funding so that we make sure that contribution is still made?

Dr McMullan: The King's Trust is one of the partners on the Youth Start consortium, along with Springboard Opportunities, Include Youth, Start360, the Northern Ireland Youth Forum and Bytes. From a statistical point of view, you know that we have worked with 2,400 young people. These are young people who have been economically inactive, and they are the hardest people to reach. They are still dealing with the legacy of covid and they are having serious problems with their mental health and anxiety.

We had a co-design event with young people just two weeks ago today, and some of those young people were saying that, for almost six years, they were not able to leave their house due to anxiety-related issues. Other young people find themselves in debt through no fault of their own. Some young people have found themselves homeless, or they are living in situations where there is violence within the home. All these circumstances compound the challenge facing young people.

We are glad to report that we have worked with 2,400 young people over the two years of the investment, and 64% of those young people then progressed into employment or further education. We would argue that this investment in education, and the training that people undertake for qualification development, is as important as the actual employability itself. Young people have different starting points. They have not been in the work environment and they have not had work experience. When I was growing up, I had a paper round, and I was also a spud gatherer. We had opportunities that young people do not have these days.

We are building the confidence of young people to have their first steps in employment—for example, learning how to deal with feedback from a supervisor without throwing their head up. It is also about realising the challenging circumstances that young people experience. It is not so easy just to get into a job, and once you are in a job, there are often relapses as well. The young person might also find themselves back with addiction problems, for example.

The impact on the outcomes has been phenomenal. We heard from young people just two weeks ago that they feel positive for the future, and they said, "I'm chasing my dream," and "I know where I'm going." You might just go, "Oh, that's lovely," but where those young people started from and where they are now as a result of that investment is phenomenal.

Q6 **Adam Jogee:** When we have been in Northern Ireland, we have seen the impact of race on some of the community tensions, including not just internal tensions between people in Northern Ireland but tensions with those who have moved to Northern Ireland and are trying to make that work. Of the 2,400 young people you have helped, can you give us a flavour of how many come from ethnic minorities? They will have several more barriers to engage with.

Dr McMullan: I do not have a number at this point, but large numbers of young people from black and minority ethnic communities, as well as from countries such as Syria, spoke at the co-design event two weeks ago. Yes, they face multiple barriers in language and fitting in, but I want to say that the young people we work with, and young people in general, are not the ones with these attitudes. They are hearing it from other places, and our job is to continue to support young people to have outward and forward attitudes, and to embrace diversity and inclusion, whatever that may be.

We also heard from a young person who was LGBTQ about being bullied in school. He started to play truant, which then impacted on his educational outcomes, because of his sexual orientation. Those lived realities are very hard, but our job is to continue to support interculturalism. One of the joys of youth work is that we bring young people together in group-based contexts, where they are supporting one another to help to reduce isolation, and they also get to experience difference in those places.

Adam Jogee: Keep going!

Q7 **Gavin Robinson:** Good morning to the three of you, and thank you for coming. It is important that you are here today to try to build the case for greater clarity from Government. You have been doing a lot of the work since the summer, whenever it became clear that Northern Ireland was again being told, "Details to follow." We as Northern Ireland MPs, and the Chair, are very pleased that we can be part of allowing you to raise awareness.

Two weeks ago, the Secretary of State replied to a parliamentary question of mine indicating that he was "committed to engagement with stakeholders" on the local growth fund to design what is best for Northern Ireland. I am going to ask this of each of you in turn. Celine, have you met with the Secretary of State? How has that engagement been?

Celine McStravick: That would be a very short answer, and the answer would be no, despite several letters to the Secretary of State—

Gavin Robinson: Just hold it there, Celine. Martin?

Dr McMullan: No, I haven't met with the Secretary of State.

Gavin Robinson: David?

David Babington: No, I haven't.

Q8 **Gavin Robinson:** It is interesting, because you can see that the answer to that question came two weeks ago, and the Secretary of State indicated how important engagement was, but all three of you are indicating that there has been none. That is with the Secretary of State directly; have you had any engagement with his officials?

Celine McStravick: None.

Dr McMullan: No.

David Babington: No.

Q9 **Gavin Robinson:** What about with MHCLG?

Celine McStravick: No.

Dr McMullan: No.

David Babington: No.

Q10 **Gavin Robinson:** Thank you. That is interesting. It highlights exactly the sort of frustration that you have on behalf of your members, service users and beneficiaries, and how important that is. Could I ask you, Celine, and then Martin and David, to indicate the impact of the lack of clarity for yourselves as previous recipients of the UKSPF, and of the uncertainty that brings for voluntary and community organisations?

Celine McStravick: I will try not to get too frustrated—I'll speak as calmly as I can.

Thank you for noticing our campaign ramping up over the summer. I can assure you that as soon as the transition year was announced for the UK shared prosperity fund, our campaign started in earnest, because we did not want to lose the opportunity of having a transition year to co-design a new programme, which was the promise. When we started that year, we asked MHCLG, NIO and our own Departments if we could get together as soon as possible and start thinking very clearly about how to avoid the cliff edge yet again. When we brought together the Economic Inactivity Coalition, all of us were hugely anxious. We could almost see the future—as if we had a crystal ball—and that we were going to sleepwalk into this issue again.

We brought together our three Departments in Northern Ireland—the Department for Communities, the Department for the Economy and the Department of Finance—in an emergency meeting in January, with the three Ministers in one room. We were really concerned as an organisation that this policy area could fall between our own Government Departments, because of where economic inactivity sits. I wanted to make sure that our Northern Ireland Executive were sighted on the potential cliff edge. I was really assured when our Department of Finance stepped in and said they would lead any discussions on behalf of the NI Executive. So we have worked closely with our Department of Finance, the civil servants there, the permanent secretaries and the Ministers—we have had two—who have been very helpful.

However, we were constantly told that we would find out the quantum in the spring statement—we would find out about the money. It was, "Wait until you know the money and then we'll start." As soon as the announcement regarding the money was made in June, we ramped it up: "What is happening? How are we going to co-design? How are we going to work out how this is divided up in Northern Ireland?" Everything fell on deaf ears. I can show you the letters—almost identical—that we received, assuring us of a bespoke programme, with local context, working with stakeholders: "We hear you. We understand you." Yet there was absolutely no action.

We also worked with our MPs here in Westminster, who had been really supportive and, equally, had written to the Secretary of State and then showed me their replies, which were almost all identical: "We'll work with stakeholders"—as Gavin said—"We'll co-design. It'll be a local context." None of that has happened. The September reshuffle did not help us either, because we got a new Minister, Steve Reed. We had been dealing with the previous Minister, so that really affected progress as well. In fact, the impact on our sector is difficult to quantify because we almost knew this was going to happen. We are yet again being completely and utterly ignored.

Q11 **Gavin Robinson:** Is this the third consecutive year in which groups have benefited from schemes—employability schemes primarily, but not just them—have had a cliff edge towards the end of a financial year?

Celine McStravick: Yes, it is almost like the boy who called wolf. Here we go yet again.

Q12 **Gavin Robinson:** Explain to the Committee what impact that has. What steps have you taken? At what point do you start issuing letters of notice to staff members, never mind service users?

Celine McStravick: I have talked about over 600 people being employed by these programmes for 24,000 people. We are now at the start of November, effectively, and this money runs out at the end of March, so we are talking a few months away. Our organisations have to start looking at their books and asking what staff they have to start giving notice to, so they stay within our employment law. No one wants to do this, but to stay within our employment law, you have to give notice.

Also, staff are already starting to look around, and think, "What do I do? Am I out of a job at the end of March?" Of course, people will naturally have to start thinking of themselves, because they have mortgages to pay. They have to start planning their own future. The uncertainty is unbearable. What is most difficult is that, because we are now working with the media and others, you then have the families and young people who use these programmes thinking, "Where am I going to go? What is happening? Why am I not being respected?" The staff in our sector are having to go on notice.

I was told last week, again, that the NIO will definitely co-design and that it is definitely going to do something in November. I was thinking, "Even if it starts tomorrow to do something, does that mean it is going out with a grant programme in January or February? Is that what we are talking about here?" I do not know how, even if it started tomorrow, that is a good option.

Q13 **Gavin Robinson:** Thank you; that's helpful. David, could I ask you to draw from the perspective of Action Mental Health on the real-world consequences for your service users?

David Babington: I will start by saying quite bluntly that I despair at the fact that we are here having to talk about this in the first place. I have the bruises from the end of ESF funding and then from the one-year extension we are in now as well. On both of those occasions, we had to put in bids in January, and we heard at the end of January whether we had secured those bids. As Celine has outlined, that causes enormous uncertainty.

I can tell you that right now I am being asked, quite rightly, by my board: what is happening, and when are we going to start telling staff? Staff are already asking me personally when I go around the services, and some of them are going. That was our experience from the last year and at the end of ESF as well—the same happened. We had those same two experiences, and we have not learned from that. That is why I despair. Here we are again with another deadline.

It is the staff who we are concerned about, but more importantly, as Celine said, it is about the participants, the families and our communities. My organisation supports people with mental health issues, such as stress, anxiety, depression and many other issues—goodness me, this is not going to help them, is it? For some of those people, their issues will regress or go back. Certainly, that has happened the last two times when we had these cliff edges. It is very detrimental. I ask you to do everything you can to ensure that we sort this out as quickly as possible.

Q14 **Gavin Robinson:** There is a willingness on our part to make sure that we are bringing these issues to the fore. We do not want this to be a lengthy series. This is part of our economic growth inquiry, but we are not going to wait to the end of that inquiry to make some of these issues known, because that would be too late for you, I dare say. This process today is meant to be beneficial and helpful. Do you have anything to say on that question, Martin, before I pass back to the Chair?

Dr McMullan: The most important thing to say is that over 11,000 beneficiaries are at risk here from right across the consortium delivering through the UK shared prosperity fund. There are seven partners in the consortium. There was very short notice between the end of ESF and the introduction of the UK shared prosperity fund. We were working with all our partners as well to identify who is delivering where across the region; it is really important that we deliver regionally as well as locally. That takes a lot of effort—working out finances and who is getting what—and it was in such a short timeframe. We were working literally over Christmas to get those applications in and to get signed agreements from the chief executives of each consortium partner.

Cliff-edge funding makes it really challenging, given the practicalities of running charities and providing certainty for boards. We have five-year strategies, so it just makes life very difficult for all involved. Again, I would advocate on behalf of young people; they have enough chaos in their lives, and they need some form of stability. We would ask for at least transitional funding to keep some form of certainty in the lives of young people, as well as staff in the workforce.

Q15 **Dr Pinkerton:** I want to pursue some of the issues that you were exploring with Gavin. You have already drawn out of some of the impacts that you are all experiencing. Here is the soapbox for you; this is hopefully your opportunity to speak directly to the NIO. What do you need from them? What kind of timescale do you want them to adhere to now in order to confirm the future of this funding settlement?

Celine McStravick: Our first key ask has to be clarity. One of the pieces of information that we found out in the past few weeks was that the proposal is to split the money into 70% capital and 30% revenue. In itself, that does not align with Northern Ireland's specific needs, even though we were promised bespoke local context—70% capital is not what we need in Northern Ireland. That is also backed up by our Finance Minister, who would confirm that that is not the split Northern Ireland needs. We need that to be reconsidered immediately.

Also, as Gavin rightly said, if we are receiving letters saying, "We will develop a bespoke programme," that split is not applicable to Northern Ireland. We need a dedicated, bespoke programme for Northern Ireland, and one that places the voluntary and community sector at its core and guarantees funding levels. Even the funding amount that was announced in the June spending review was going to be flat cash. We already knew that it was going to be another cut, yet the needs are growing in Northern Ireland.

Martin has alluded to a transition or contingency. I genuinely cannot see how in November we could have anything less than some purchase of a contingency or bridging arrangement that says, "Actually, nothing will happen until next June, and we will start in earnest now, because we have wasted the past number of months. We have not used them effectively." We definitely need an urgent contingency or bridging arrangement. I think if the NIO were honest, and actually read their own correspondence with us, they would not see any alternative to that.

We also need to make sure that any programme involves genuine co-design. I say that word "genuine" because the letters that I have seen from the NIO promise co-design, but I cannot see how you co-design anything in the space of 48 hours, which feels like all we have at the minute. We want to make sure that we safeguard all the good practice that we have developed over the years. It is hugely frustrating that it always feels like we are back to ground zero when it comes to the most vulnerable people. There are decades of experience in our sector, and as soon as we feel like we are making any headway in shifting that dial in people's lives, we are back to square one in a grant programme, which is completely inappropriate.

Our three asks have to be really clear. We want that contingency or bridging arrangement, the 70:30 split absolutely needs to be reconsidered urgently, and we want actual co-design—not the words, not the promise, but the actual reality of it.

Q16 **Dr Pinkerton:** On the timescale, Martin and David both spoke very passionately about the effects of these temporary financial interventions. What type of timescale do you now require from the Government to make this announcement? When are you looking for this to be announced? You are also well-connected people; do you have any sense of what is leading to this current delay?

Celine McStravick: No. It bemuses me, and it frustrates me—I do not understand it. I worry that Northern Ireland is caught in a hierarchy that is not benefiting us. We are the last thought on anyone's mind in Westminster. I think we have been put at the end of everyone's to-do list, despite a year-long campaign with all the organisations. No one can deny that they did not foresee this is an issue—no one. In terms of timing, David?

David Babington: Tomorrow, please. From 11 June—that summer statement—we understood that the local growth fund was announced by the Chancellor, and we were told three years of funding. Since then, we have heard nothing, but we have had an expectation. Clearly, as you appreciate, we are now nearly in November. What is going on? We have tried, and Celine and her organisation in particular have led the charge in trying to find out what is going on. Maybe you can tell us, because we do not know.

Dr McMullan: That rapidly reducing timeline does nothing to reassure us, our beneficiaries, the workforce or the staff. We need clarity on timescale, structure, scope and what the overall level of investment might be. None of that is there. We talk about co-design, and I get a wee bit frustrated by that, because we have been involved in so much research and impact evaluation over the last two and a half years, for example through Frontier Economics and BMG Research, but what has become of that?

The lessons learned are there, the impact has been demonstrated and the evidence is clear. This is value for money, and it shows brilliant outcomes in our case for young people in their skills and capabilities, but also wider societal outcomes. We contribute to other Government priorities in terms of our programme for Government, whether that be things like reduced antisocial behaviour or improved health and wellbeing. The outcomes are phenomenal. We all work really hard to make sure that every citizen—in this instance, young people—has the best possible opportunity and start in life, which often they do not, through no fault of their own.

Dr Pinkerton: Thank you all very much. You have made the situation as experienced by your staff colleagues—and potentially by your clients—very clear today. I hope that the NIO will hear exactly your message ringing through to them, and we will certainly do everything we can to amplify it.

Q17 **Chair:** What more needs to be done to support people into employment in Northern Ireland? Are the Northern Ireland Executive doing enough?

Celine McStravick: The Northern Ireland Executive are running a number of programmes through the Department for Communities for those who are economically inactive, and some of our organisations have worked closely with the Government Department. There is always more that the Northern Ireland Executive can do, and I think the Executive themselves would admit that. There is also a long to-do list for the Executive. There are pressing issues around health and education budget deficits. Those long systemic issues need to be addressed. My fear is that the people we work with on the ground are often a casualty of all that. When money is tight in the Executive, it is often the voluntary and community sector that is hit the hardest. We are the lowest-hanging fruit; it is the easiest to decommission projects that we are running, yet it is those people who really need support.

Interestingly, I was at the event Martin alluded to where we had young people on stage talking about the impact of this money, and as each one came up with their story I was thinking, "That's our mental health waiting list. That's our people sitting in A&E. That's our schools and our high truancy levels." You could see the impact and you could see that if these programmes are not properly funded, the pressure on the NI Executive will increase exponentially. There is definitely a relationship with our NI Executive. My fear is that our sector and the people we work with are caught in the middle of a really unhealthy brinkmanship—that is what it feels like.

It feels like a game of poker where no one knows the rules. We play by the rules, apply for the money and deliver the best impact we possibly can, and, in exchange, we are left wondering and hoping—and in some ways pleading—on behalf of the people we work with. For me, that does not sit well. I am part of a UK-wide group of sister organisations, and we have been involved in supporting DCMS here in developing the UK covenant. Prime Minister Starmer says that this is to reset the relationship between Government and our sector, but if you are looking for any case studies on where that relationship is being absolutely undermined and disrespected, this is one. I would love to give some case studies where it is different, but the UK covenant does not ring true for me at the moment.

David Babington: On your question about what the NI Executive is doing, clearly there are some programmes that the Executive is doing, such as JobStart, but they are mainstream programmes. These programmes are supporting people who have particular issues, and certainly from the disability perspective, these are the people who are furthest from the marketplace and getting into employment. They need specialist help, and that is exactly what we had. That has effectively been built up over a generation across the voluntary and community sector, so there is something there. We also complement each other; what they are doing is different from us, so we do not duplicate but complement each other.

Dr McMullan: Again, it leads me back to the lived storytelling event with young people two weeks ago. There are two quotes that land with me, one of which was: "I was trapped in a mentally and physically abusive relationship." That came from a young woman, and part of this project is also about supporting that young woman in that instance to get out of that relationship, and to think about healthy relationships as well. That obviously corresponds with the ending violence against women and girls strategy, for example.

Really sadly, one of the young people who spoke said: "I had a plan to end my own life." They stood up and said that in public, and that should prick all of our consciences in Northern Ireland and beyond in the UK. A young person was planning to end their own life—that makes me really sad, and a young person should never be in that situation. Again, that speaks to health priorities and how we support the wellbeing of our citizens.

Q18 **Chair:** Do you think you have enough engagement with Executive Ministers?

Celine McStravick: As I said earlier, we brought together the three Executive Ministers from the three Departments. We have been working through the Department of Finance, and I have felt very much supported and engaged by our Finance Minister. I have also been assured that he is taking briefings to the NI Executive. I think there are other issues happening with the NI Executive that they need to raise over and above this one in the local growth fund, and sometimes we can get lost in that.

Yes, I think all our Ministers have been supportive and I would encourage that to continue, as have our MPs in Westminster. With all due respect, all our MPs have backed this. Most recently, we had a motion on the floor of the Northern Ireland Assembly, and I witnessed from the Public Gallery cross-party support, which is not always the case. There was not a single dissenting voice; they all said, "This fund needs clarity. We need the information now." Really, they were all supporting the voluntary and community sector in this campaign.

Chair: Thank you, Celine.

Q19 **Sorcha Eastwood:** I want to express my frustration—I think you have done very good job of holding back some of the frustration, Celine, as have David and Martin. If another sector—for want of a better word—came with the huge impact that you have had on social metrics, in a context where Northern Ireland has the highest unemployment rates of people with a disability, and the highest economic inactivity rates in the UK, do you think the response would be the same if that sector was being told what you are right now?

Celine McStravick: Of course not. I have had that discussion with politicians and policy makers in Northern Ireland as well. I have said, "If this was the fintech industry, film or biochem, there would be absolute outrage." It feels like our sector will always pick up the pieces. We will not walk away because we are so values based; we are the safety net of safety nets. If we were in the private sector at this stage, we would be handing back the money and going, "Do you know? The risk is too high."

We see the risk every single day, but we cannot do that in our sector because of the way we work. We cannot look those people in the face and say, "We cannot support you tomorrow." We say, "We are on the road for the long haul. We are with you until you come out of the trauma that you are suffering from." I think that is taken advantage of.

David Babington: What is extraordinary is that this time last year, we were in exactly the same position, so no one has learned. I already mentioned the ESF, which was two years before that. We are always left to the last minute, "Ah sure, they will sort it out in the end—maybe."

Q20 **Sorcha Eastwood:** That is what I was just going to say, David. This is not even one, two or three years; to my mind, this has been going on since EU exit. I am not going to get into relitigating that, but it is very clear that any funding subsequent to that has not been like for like. It has never been fully replaced and as you said, Celine, Northern Ireland is at the bottom of the pile. I sit here as an MP representing Northern Ireland in Westminster, and I completely understand that. I do not let it stop me; I will shout as loud as I can, but in the context that I think we all know, that tells its own story.

Dr McMullan: Research shows that underfunding and lack of investment in the whole community and voluntary sector, particularly through a youth lens, leads to an increase in negative outcomes. You will see increases in antisocial behaviour, addiction and homelessness, for example. It is a false economy not to provide that investment. It is really important, particularly with rising numbers of young people not in employment, education or training. I think we are at 12.5% of young people in that category. We need to work with them and to extend the definition beyond those who are economically inactive to those who are not in employment, education or training, because they are on the periphery as well.

Q21 **Katrina Murray:** Thank you very much for coming in. To pick up on some of the other points, changes to funding in the sector—changes to pockets and envelopes of funds—at short notice is nothing new. Thirty years ago I worked in an urban programme funding projects in communities. I had that stack of redundancy notices that came out on 31 December, knowing fine well that you would not know until the week before the end of the financial year whether you were shutting a project down or running the next year. Being able to do all of that is part and parcel of the sector, being able to react quickly and to deliver quickly. That short notice is part of being there.

I want to dig a bit more into one particular issue. One of the frustrations I have as a Scottish MP is seeing work on employability declared part of projects in England, with dates announced, when you know fine well that what will come with the Barnett consequentials will go to the Scottish Government, and waiting to see what happens. If it is part of one big Barnett consequential, it might never be used for the purpose that was intended, because of the nature of the devolution settlement when the fund was created. This money was delivered directly by the Northern Ireland Office to the sector. Now that Stormont is up and running again, it rightly sits there. Is that one of the biggest issues—that it is no longer direct funding? Is it having to go through all the relationships with devolution?

Celine McStravick: I genuinely do not know what the biggest issue is. Our Department of Finance is equally perplexed. It does not feel like it is being briefed at the same time as other devolved nations. We have said as a sector that when the money comes into Northern Ireland, our preference is that it is ringfenced and does not go via Departments, but we understand that that is what is going to happen—as long as we do not lose the expertise that we have gained by delivering it.

You talk from a Scottish perspective. Interestingly, one of the frustrations for us is looking at what is happening in the other devolved nations: for example, our colleagues in Wales were able to send us their programme for co-design that started a few weeks ago. What is happening there? Why is Northern Ireland further behind than Wales? They have already started; they are having their workshops and they know exactly what is happening. For me, the question is this: what is the block? I cannot really comment on what the delay is; I do not know.

Dr McMullan: Even though there has been some CSF as well, it is possibly around £15 million to £20 million less investment in this area. The experience generally—getting over the hurdles of the application and all those things that we spoke about with the UK shared prosperity fund—has been positive overall. We experienced less bureaucracy than before, and that is really important. Emphasis on consortium working is great, because it is about the added value of working together. There are many positives and great support from the team there, but what might that look like moving forward in the local growth fund? As we continue to say, who knows?

Q22 **David Smith:** I should have asked my questions earlier, because you have very comprehensively covered the situation. I was going to ask you what engagement or consultation you have had with the NIO about the local growth fund, but the answer seems to be none, or next to none. I declare an interest, having been a youth worker in Northern Ireland and then having run a homelessness charity in the north-east of England as ESF ended and the UKSPF came in. I had to make people redundant, not because we did not win contracts, but because the delay was so great. I completely empathise and understand exactly where you are at. My question is therefore a broader one: what do you think it will take for Governments over time and in different jurisdictions to understand the value of the VCSO and the fact that the entire work of the Government depends and is built on the VCSO? What will it take?

Celine McStravick: I think MPs can answer that better than I can, because I am perplexed. The Northern Ireland programme for government, which came out this year, had a few lines in it about the voluntary and community sector. The good news was that it acknowledged the role of the sector in making Northern Ireland work. It also acknowledged that the unsustainable stop-start funding of the sector was damaging it and damaging Northern Ireland, and said that it would seek to have a plan to support the sector better.

For me, that was a big win, and that says a lot; just to have it acknowledged is important. My frustration often is that our sector is probably the most evaluated sector you will ever find; we can prove our impact to the nth degree, we can show you our social return on investment and our value for money and so on, yet—to go back to the point I was making to Sorcha—it feels as though we are completely taken for granted. I often say, "Close your eyes for a second and imagine a Northern Ireland without the voluntary and community sector." I dread to think about it, yet nothing seems to change.

In Northern Ireland we have our Northern Ireland partnership agreement with a set of funding principles that we are hoping will change the dynamic slightly. Even the terms that we now use—as a sector we talk about wanting investment, not funding; we want to be part of the problem solving and the solution making, rather than having people think, "There's nothing else we can do. There's a crisis. Go to the voluntary and community sector." We are also there for making things better. I wish I had the answer to that.

Q23 **David Smith:** David, that approach would not be tolerated in the public or private sectors, would it?

David Babington: Absolutely not. As Celine said, we are there picking up the pieces; we are the safety net for some of the public sector services that are not there.

What is interesting from my perspective, particularly in Northern Ireland, is that for the first time we have had leadership reaching out to us as a sector, particularly in the health sector. I am happy to say that the health sector in Northern Ireland is broken. I work in it day in, day out with my staff, and for once someone has come in from outside and said—never waste a good crisis, as they say—"Actually, we need to rethink this." The neighbourhood model that is being promoted now across all of health is involving us. It is taking savings from, for instance, acute care and the statutory services to put into the voluntary and community sector. That is the first time I have heard of that.

So in terms of what it takes, maybe a crisis is what it takes—and someone having the courage and leadership to say, "This is where we can really make a difference. This is how we can move forward in a sustainable way for all our citizens."

Dr McMullan: It is great when there is a fellow youth worker among us, and Celine as well. Youth work in particular is really important. Jacob Diggle at UK Youth carried out a report a few years back about the economic value of youth work across England and Wales. I think we need something like that in Northern Ireland to give us an evidence base to show that additionality—the added value of outcomes—and that contribution to broader Government priorities. That is the first thing.

At the co-design event two weeks ago, we had representatives of the NIO and the UK shared prosperity fund, and the Minister of Health, Mike Nesbitt. That is great, because it is people there in the room with you, listening to the beneficiaries and being part of the co-design process.

To reiterate, when it comes to the failure to invest in our young people, who have a fundamental right to life and to social and economic support, I think the Government need to listen and really wake up to that. They need to recognise that the investment has to be here and now, and not always repeat this mantra of, "Young people are the future." Young people are in the here and now, and if we do not get that foundational commitment at this point, I despair about how things might look down the line.

I would say that we as an organisation are valued by many Government Departments, but often not by the one we are most aligned to, which is the Department of Education, and particularly the Youth Service, which we sometimes have to convince of what we do. But we are definitely recognised by other Government Departments for the role we play.

Q24 **Chair:** Martin, what are your asks of the Government in relation to the new local growth fund?

Dr McMullan: The first thing, to reiterate, is clarity—clarity about what the level of investment is, what the scope is and what the structure might look like—so that we can all start work with our consortium partners. That would be one for me.

I would ask for consideration to be given to the parameters around the definition of economic inactivity, and extend that to young people not employment, education or training. I would also ask for recognition that employment outcomes are really important, but so are qualifications, skills development and experience.

On that point, just to reiterate, young people have very different starting points. We do want young people to get into work, to set up their own businesses or whatever, but it takes time, particularly depending on where their starting points are.

Celine McStravick: I go back to my previous point: we are in the mouth of November and the money runs out at the end of March, so we need clarity urgently. We need the 70:30 split—capital/revenue—reviewed so that we can deliver what the local context requires. That is not me putting my words in anyone's mouth; that is what we were promised.

Serious consideration should also be given now to a contingency or bridging arrangement to get us beyond that cliff edge in March. Imagine, a world where the Government can make a decision like that and say, "We have listened, and we are going to work differently," rather than what I received last week, which was further assurance that we will start co-design soon. That is genuinely not good enough.

Q25 **David Smith:** Quite honestly, the 70:30 split seems like madness to me. It looks like the Government are giving a lot of money to the sector, but then restricting 70% of it to capital. That is next to no good, especially for smaller charities, where revenue funding is everything and you are getting by from year to year, and sometimes from month to month. I may be putting words in your mouths, so tell me what you think of my opinion, but it feels like suddenly moving 70% of the funding to capital could have a bigger effect than there being no money in the first place, or than the delay. Do you have any indication of why that is happening?

David Babington: Our understanding is that it is a model that maybe works for other parts of the UK. For instance, we heard about Wales having that split. Perhaps that is what works for them and local authorities who deliver those types of programmes. In Northern Ireland we are different. It is the voluntary and community sector who deliver those types of programmes and, clearly, we need revenue for that. So that is how we heard about it and that is what we believe has been put in place.

Celine McStravick: Obviously the money comes from the Ministry of Housing, Communities and Local Government. The further suggestion is that their budget is 70:30, and they are just trickling that down to Northern Ireland rather than having any discretionary percentage. They are just rolling that over to us.

Q26 **David Smith:** Isn't it true to say that the work you do primarily focuses on people to support people, not buildings?

Celine McStravick: Absolutely, and that is why it is a genuine untruth if we are being told this will be a bespoke local context programme. To then say, "And it will be 70% capital," those two things do not correspond. The two things cannot be true.

Q27 **Chair:** Celine, you started talking about what the Government can do and how this situation can be avoided in the future. The cliff edge is not acceptable. If Wales have started, why have you not started? I say that as a Welsh MP, because I feel it passionately that the people in Northern Ireland are treated differently and should not be. If it started there, it should have started for you. In your assessment with regard to the cliff edge, how can this be avoided in the future?

Celine McStravick: In the future, any programme should have a long-term plan. Looking at those most vulnerable in society and thinking it is good enough to have a two-year, a three-year or a one-year plan—you would not run a Government Department like that. Well, maybe you would run a Government Department like that, but for economic activity we need to acknowledge that this is not a short-term fix.

Let's be honest about this: there must be a way whereby, if a transition year is provided, there is an onus on the people to deliver, with clear metrics to call them to account if they do not. There seems to be no remedy for inaction. It seems to be acceptable. I would like to see what happens, because if we behaved like that as a sector, we would not get money again. We would be told, "You are not eligible for funding. You do not have the background or experience to run that." I would like to see some type of remedy for Government Departments that can treat the sector like this.

David Babington: It goes back to that fundamental relationship that the sector has with Government, which you have already alluded to—having that in place and something that is written down that is honoured and followed through and stuck to. There are things like the covenant or whatever, but a lot of them are just on paper and not really followed through in terms of our relationship with the Government.

Dr McMullan: And there is no contingency. It is not as if we are sitting around going, "There is option B and there is option C." There is not. You can hear references sometimes to PEACEPLUS. I am a big advocate of the PEACEPLUS investment, but it is a very different type of programme, with the 3.2 youth call, for example. You have employment outcomes there, but that is not the focus of the programme. The focus is on good relations, citizenship and personal development, with 26-week programmes delivered to different young people in a different way. So I would say there is no contingency here. We need to be able to plan for our workforce and for the beneficiaries at the end of the day.

Chair: I would just like to say that Claire Hanna has been delayed and was not able to join us today, but she would like to meet up with you later. We will be taking action immediately and pulling something together. Thank you, Martin, Celine and David for your time today.

Dr McMullan: Thank you.

Celine McStravick: Thank you.

David Babington: Thank you.