Northern Ireland Assembly

Committee for Infrastructure

OFFICIAL REPORT (Hansard)

EU Successor Funding: Northern Ireland Local Government Association; Society of Local Authority Chief Executives

5 May 2021

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Members present for all or part of the proceedings:
Miss Michelle McIlveen (Chairperson)
Ms Martina Anderson
Mr Roy Beggs
Mr Cathal Boylan
Mrs Dolores Kelly
Ms Liz Kimmins
Mr Andrew Muir

Witnesses:

Mr Derek McCallan	Northern Ireland Local Government Association
Ms Lisa O'Kane	Northern Ireland Local Government Association
Mr John Tully	Society of Local Authority Chief Executives

The Chairperson (Miss McIlveen): Attending via StarLeaf we have Derek McCallan, chief executive of the Northern Ireland Local Government Association (NILGA); Lisa O'Kane, head of performance and partnerships at NILGA; and Mr John Tully, director of city and organisational strategy at Belfast City Council. I welcome you all to the Committee.

Can I first of all apologise? A couple of weeks ago we were unable to take your briefing, and you very patiently waited. Apologies for that, but I am glad to see you this morning and look forward to your presentation

Mr Derek McCallan (Northern Ireland Local Government Association): Renewed thanks for the invitation to have us back at the Committee. I know that you will see us about planning later in the month. The Committee will have received some time ago the Ekosgen report about EU funding. That set out local government's priority for future funding. The evidence paper that you rightly alluded to you received a week or so ago. Those were prepared following details of the Community Renewal Fund and the Levelling Up Fund, which, collectively, are multi-annual, multibillion-pound funds designed, in theory anyway, to replace EU structural and social funds.

We, along with the Society of Local Authority Chief Executives (SOLACE), have been lobbying on the methods and impacts of replacement EU funding for as long as the EU exit referendum outcome was known. We have seen the possibilities for reshaping public funding, ensuring that such funds are invested where they are most needed and according to local and regional priorities. The recent publication of details on future funding like this has given some reassurance that the work of and investment in local regeneration, community and economic development activities will continue.

Nonetheless, in practice, we regret that this is perhaps an opportunity missed to reshape how investment is made on the ground.

How we turn Northern Ireland's economy from a COVID-recovery phase to a unique, multifaceted, sustainable and locally driven economy needs much more local direct investment, as the foreign direct investment that we all know about does not always embed wealth permanently in the community. By using the emerging Programme for Government (PFG) and the 11 councils' community plans, we could plan our public-sector investment in the economy in the manner that our government colleagues in Wales and Scotland and, indeed, in much of Europe do: that is, with locality-based opportunity.

We believe there is a better way of allocating specific funds, namely a predecessor fund called the Community Renewal Fund, in order to minimise duplication and to ensure that local and regional priorities are at the centre of investment allocations. Our council colleagues in England, Scotland and Wales have been given the role of locally coordinating those bids. The primary reason for that is to make sure that there are not competing bids of equal quality with neither or both of them getting funding. That would cause duplication, complexity and small "p" politics. We do not want that for the very good stakeholders in our local economy that we have in government, business and the community. An illustration of where it worked is the LEADER model of programme management, steering committees and EU programmes. All three, in different ways, and, indeed, the local action groups (LAGs) provided a successful bottom-up rural development programme (RDP) management context. That principle has been ditched, and that is a retrograde step.

Notably, none of the new UK funds allow for cross-border projects, either North/South or east-west. Again, that seems to limit opportunity, given the need to avoid back-to-back development on a cross-border basis and for more complementarity with other funding schemes.

The Community Renewal Fund is with us now for the year. We believe that, with the Committee's support, we can advocate for much greater *[Inaudible owing to poor sound quality]* in designing, delivering and achieving complementarity of the future fund starting next year *[Inaudible owing to poor sound quality.]* Those are our introductory remarks. Since we submitted the paper to the Committee last week, there has been an update on the multibillion-pound Levelling Up Fund. To ensure that there is a flow to this evidence and to assist you as Chair, we will cover those points in questions. My colleague John simply wants to outline some of the key issues in the Ekosgen report to help the Committee, and then we would be happy to answer members' questions.

Mr John Tully (Society of Local Authority Chief Executives): I echo Derek's thanks for the opportunity to present at Committee today.

I would like to start by offering a Belfast perspective on the current EU funding model and the real value that it has brought. Belfast City Council, through the work of its economic development unit, has supported the organisations that have used the European structural funds by providing advice and support and match funding on specific projects. Some of those projects have provided vocational training to people so that they can enter the labour market. They have targeted those furthest from the labour market, looked at people with disabilities or health conditions to help them to gain employment and supported people with learning difficulties and autism to provide them with jobs with a future. We have seen at first hand the work to deliver those projects to local communities and provide the employment and skills that address the economic hardship experienced by people furthest from the labour market. There are limitations with that model, and, when we look towards the Shared Prosperity Fund (SPF), we see a real opportunity to address some of those limitations.

The report that Derek mentioned refers to the Ulster University Economic Policy Centre (UUEPC) analysis of the impact of COVID across Northern Ireland and the impact on productivity, GDP and job losses. Local government needs to use the Shared Prosperity Fund in the context of the recovery from COVID. We need flexibility to adapt to changes at a local level. The priority areas identified by SOLACE for a Shared Prosperity Fund include skills and employability, particularly in the context of COVID, reskilling, upskilling and tackling long-term economic inactivity. It also looks at areas of business growth where we can help organisations to build resilience and support all the stages of business growth and boost the sectors that have future growth prospects and look at locally led innovation and digitisation and growing much more innovative businesses.

As Derek said, it is a focus on place. It is about developing local partnerships and taking a place-based approach through community planning, city deals and partnership working. It is also about infrastructure and how we can build on the things that are identified through the city and growth deals on investment in digital, transport and hospitality and tourism.

Those are the areas for the Shared Prosperity Fund that SOLACE has identified. Some really important principles are also outlined in the Ekosgen report that are important to that fund operating successfully. As Derek said, alignment at national, regional and local level is critical. Being able to target those funds at local need and taking a strong collaborative approach with partners, councils, Invest NI, education, health, the community and voluntary sector and industry are all important partners in making this successful. We also believe that there needs to be a focus on the outcomes and impacts from the funding used and being able to demonstrate meaningful progress towards targets such as employment.

There needs to be a flexible approach that looks at local need but also looks across all the other funding sources available. We believe that, where that responsibility is devolved, being able to manage and deliver at a local level and being able to minimise the bureaucracy in relation to the balance between risk, outcomes, scrutiny and oversight are critical to success. Those are the some of the principles that, we think, are important.

Of course, that is the Shared Prosperity Fund, but our immediate focus is on the Community Renewal Fund and the Levelling Up Fund, because the submission deadline for those funds is 18 June. There is an opportunity to use the Community Renewal Fund in particular as a way of setting out the long-term approach to shared prosperity funds. That will give Northern Ireland £11 million of investment in 2021-22 to help with preparing for the Shared Prosperity Fund. That fund focuses on investment in skills, in local business, in communities and place and in supporting people into employment. It is an important fund, and there is an opportunity to get some innovative thinking in that one-year funding.

In parallel with that, we are looking at the Levelling Up Fund, which is largely focused on capital. The first round will provide for projects in Northern Ireland that are likely to be in the region of £20 million and will focus on high streets and town centres, regeneration and cultural investment. With the deadline being 18 June, we are busy preparing submissions and are keen to make sure that, as much as possible, the principles of the Shared Prosperity Fund are seen as part of the learning and the approach for the longer term.

Those three funds are important for targeting those most in need through programmes designed at a local level. Through the COVID recovery work, the work of community planning partnerships and the city and growth deals, councils have demonstrated their ability to convene partners, work through a partnership approach, develop local priorities and drive sustainable economic growth. The councils are positioned well to play an important leadership role for those funds. Thank you, Chair.

The Chairperson (Miss McIlveen): Thank you.

Mr McCallan: Chair, those were the introductory remarks and the context. Rather than go through further technical details, I think that it would be in the interests of political scrutiny if you were to ask us questions about the funds or about the wider policy and economic issues. It could happen now. All the pieces of the jigsaw are in place; we just wish for all those pieces to be put together in the right way, because bottom-up economic investment works. We are open to questions, Chair, if you are willing.

The Chairperson (Miss McIlveen): Thank you for your presentation. I note from your written briefing that you have engaged widely with parties, with other Committees and with Ministers. What do you consider the role of the Committee will be?

Mr McCallan: From the perspective of communication, we feel that as many scrutiny Committees and cross-party bodies as possible should emphasise the local and regional design, as Mr Tully mentioned. There are specific asks, and my colleague Lisa may wish to amplify some of those to assist with the record.

Ms Lisa O'Kane (Northern Ireland Local Government Association): We have engaged quite heavily with the Ministry of Housing, Communities and Local Government (MHCLG) on the future funding. Most of the councils accept that we have little chance to influence the Community Renewal Fund, which is in operation for this year. We want to focus our efforts on making sure that, when it is issued, released and designed, the Shared Prosperity Fund takes into account the issues of co-design at local and regional level. We raised that in our paper. We believe that the Departments and councils need to work together so that the community plans, the Programme for Government, and the city and growth deals are all part of the jigsaw and are all funded appropriately, as Derek outlined.

We believe that there has to be a greater role for local scrutiny. You will have noticed in the papers for the Levelling Up Fund and the Community Renewal Fund that there is little role for the Executive and none for councils in determining how bids go forward, unlike in GB, where councils have a central and critical role in avoiding duplication and coordinating bids from the community and voluntary sector, the business sector and the government sector. Work needs to be done, and we would like to do that work in partnership with Departments.

Mr McCallan: The regional coordination role is essential. If the Committee wishes to support direct communication with MHCLG and with Luke Hall MP, the Minister with responsibility for investment in the devolved areas, that would be enormously helpful.

The Chairperson (Miss McIlveen): OK. Can you elaborate on the funding itself?

Mr McCallan: Yes, of course, and we will keep it as brief and as broad as possible. Building on the report, my colleague Lisa may want to offer the Committee some of the headlines on the processes and the desired outcomes. John has covered some of the content.

Ms O'Kane: The Community Renewal Fund for this year is a total of only £11 million, which is substantially less than we would have received from EU funding, and I know that Departments are concerned about that as well. It is unclear at this stage who will bid for it. The councils will all have projects. It is unclear whether there will be a significant bid from arm's-length bodies (ALBs) such as Invest Northern Ireland or other groups. It is open as well to Enterprise Northern Ireland and other business organisations.

There is a lack of coordination, and we are trying to work our way through that to ascertain who is doing what. Our concern about the Community Renewal Fund is that it is meant to be a precursor to the Shared Prosperity Fund. There is a little time to prepare the bids. The bids are meant to be innovative and are meant to be pilot projects that pave the way for a bigger project on shared prosperity. The likelihood of new innovative projects is low. We also have a concern about the procurement process. Given that the bids are due in June and we are only receiving acknowledgement or awards of funding in the summer, if a substantial bid is made, the procurement process could be 14 to 15 weeks, so you are talking about autumn before the projects start, and that is for delivery by the end of March.

Levelling Up accords us more time to prepare bids. However, questions have been raised about what exactly is on the table. We just discovered on Friday that there will be £20 million for Northern Ireland this year, but that is across transport, regeneration and culture. Given the size of a transport project, that £20 million will be eaten up easily. Therefore councils and Departments really need to sit down and work out how to put forward what is the best for Northern Ireland in the bids due in June. I am happy to take any specific questions on the funds.

The Chairperson (Miss McIlveen): I am content. A number of members have indicated, and I am conscious of everyone's time. That may be explored in other questions. Thank you very much for that.

Mr Boylan: Derek and the team, you are welcome back.

Listening to Lisa and John, I have concerns about the Community Renewal Fund, because, clearly, they are bypassing the Executive and asking local authorities and all to bid. I know that they are going to set up an office in Belfast through the Ministry there.

Realistically, how will we get the money into the areas most in need? How will that work? The Chair asked what role the Committee would have, but the Executive are being bypassed. We need to work together on this to expose as much as possible. Councils know the areas in most need and what projects are out there. How can we go about that if there is limited time and scope?

Mr McCallan: Through a collective push to use this financial year. By that, I mean engaging with Ministers and the Secretary of State for Housing, Communities and Local Government to make sure that we are not dealing with another load of committees, subcommittees or tennis match correspondents and instead are properly, at a regional and Executive level, looking at a means of co-ordinating all three tiers of government so that any changes are positive and bring about the long-sought locality-based budgets.

There may be the perception of bypass, but, if we all are working with the same communication and engagement and asking for this to be better designed and to have coordination at local and regional level, you will avoid the possibility of duplication and, in some cases, triplication. That way, you will at least bring into the equation this year the ability to have east-west and North/South investment, which are not in the script at the moment. As the Chair said, we are contacting parties and all the scrutiny Committees to make sure that we provide consistent and clear evidence of how this can be corrected. If those remarks are echoed by other Committees, that is our best way forward. One or both of my colleagues may want to amplify that point.

Mr Tully: It is about alignment. The real challenge is the timescale of 18 June: there is no denying that it will be exceptionally challenging to get alignment in that time frame. The opportunity is to get as much learning from the Community Renewal Fund embedded in the approach for the Shared Prosperity Fund when it comes on stream, If there is alignment with the community plans and the new Programme for Government, there will be a real opportunity to move into that space where we get all the principles outlined in the report in place for the Shared Prosperity Fund. That way, there will be alignment nationally, regionally and locally and a true co-design approach. It takes all those tiers to line up to get it right. That is where the opportunity is.

Mr Boylan: I appreciate that, John. I am not saying what the best conduit would be, whether it is the Executive, the councils or both working collectively. The most important thing for us is having the expertise to access as much as we can to deliver on the ground. I am not saying that the Executive should be the conduit; the most important thing is getting the money into the areas of need.

My second question leads on to the Shared Prosperity Fund. The British Government talk about levelling up, but how do we ensure that the moneys that come down the tracks over the next number of years do not go to big Tory constituencies and big businesses and that we get our fair slice? Do we have the expertise? Is there a model? Obviously, we are only learning, as it is a new fund, so how can we help? Is there a model in some other area that we can use to get as much money out of that fund as we can and get our fair share?

Mr McCallan: The emphasis that John placed in answer to the previous question was on locality-based budgeting. If we are part of the advocacy, we will say to MHCLG, and to Departments, that a locality-based budget approach should use the data that has been harvested in the 11 community plans. That data has been underused. It is really rich. If harvested, there will be locality-based budgets and an avoidance of duplication. As John and Lisa said, knowledge of where the greatest need is means that, whether it is skills or digital, you can build it around local or subregional. That is the way to do it. The trick is getting the three tiers to fuse together to ensure that they are properly designed and, equally importantly, monitored. If some of the schemes are not hitting the spot, the funds should be redirected. Getting that model — that pyramid — to work will be essential during this financial year; otherwise, it will be opportunity lost.

Mr Boylan: My final question is about something that Derek touched on. I represent a border constituency, and there are opportunities but also challenges along the border corridor. You have had conversations about opportunities in the model to develop those areas. What is the group's thinking in that regard?

Mr McCallan: We certainly want to avoid what might be construed as back-to-back development; in other words, two good projects separately funded when there could be a subregional approach. My colleague Lisa is doing work on that. We have engaged with bodies such as the Association of Irish Local Government. Our colleagues in Scotland and Wales are advocating almost exactly the same thing as we are. There is a clear evidence-based push going on. My colleague Lisa may amplify the point about North/South.

Ms O'Kane: None of the UK funds at the moment allows for any cross-border working, whether North/South or east-west. The city and growth deal partnerships would like to extend some of their work. The Belfast-Dublin economic corridor is a prime transport project that could be funded through that but cannot be at the moment. You will be aware of the PEACE PLUS funds, which bring together the former INTERREG and peace funding. There are opportunities in that regard. The three main cross-border groups are working up their plans and strategies for how to draw down that funding. You may also want to look at the paper issued by the Centre for Cross Border Studies in the past week or two about the Shared Prosperity Fund and the Levelling Up Fund and its concerns regarding the absence of cross-border working in them.

Mr Boylan: Thank you very much.

Ms Kimmins: Thank you for the presentation. I have a couple of questions. The Community Renewal Fund is being implemented differently in the North; Cathal touched on some of that. A list of prioritised areas for Britain has been released. I was concerned that some of the most deprived areas in Wales have been excluded. How do we ensure that that does not happen here?

Ms O'Kane: It appears that no such list will be put together for Northern Ireland. MHCLG has indicated that it will seek to ensure that there is a balance of regional projects so that the funding is not all concentrated on one area. We can only take its word for it and see what comes out when the first bids are assessed.

Ms Kimmins: That is grand. Given that we have such high levels of deprivation here, I would hate to think that areas would miss out.

Where are the main areas in which EU funds help people but in which we see gaps in the SPF? For example, will social inclusion, access to employment etc still be priorities? If so, will you give a bit of detail on those?

Ms O'Kane: I will make a general comment, and perhaps John, who is more in tune with the skills side, will comment. At the moment, our concern is that there has been a lack of focus on rural development. We were initially told that the Shared Prosperity Fund would encompass the former LEADER programme and local action groups, yet there is no mention of rurality in the Community Renewal Fund. As yet, we have not had a regional strategy for rural development in Northern Ireland or heard how the LEADER programme will be replaced. For us, that is the big gap. John, do you want to add anything?

Mr Tully: Yes. There is a really strong focus on skills in the work of the Community Renewal Fund and in the bids, which are very much a work in progress at this stage, as we are still preparing them. We anticipate that it will be similar for the Shared Prosperity Fund. As I said, the bids are taking shape at the moment. We have not put them through committee yet to get approval. I anticipate, however, that that level of focus on skills for employability — digitisation skills and so on — will remain.

Ms Kimmins: The point about the gap when it comes to rurality is important. In my area in particular, rural development funding was critical. Do you think that there is scope for it to be considered as part of that fund?

Ms O'Kane: We will have to see what MHCLG proposes and whether it will carve out a rural strand in the Shared Prosperity Fund. Our reading so far indicates that that will not be the case. We are really waiting for the Department of Agriculture, Environment and Rural Affairs to bring forward its new rural development strategy, which we have been waiting for for some time. The Department was probably thinking that there would be an allocation of money and thematic expenditure across the Shared Prosperity Fund, but that has not materialised.

Ms Kimmins: At any stage, were you or any other local government stakeholders consulted by the British Government on the design of the Shared Prosperity Fund?

Ms O'Kane: We were invited to one meeting, which was probably in 2018. We were just asked general questions. There was no paper, no framework and no outline on which we could comment. Our first sight of the fund was when it was launched just after the spending review.

Ms Kimmins: I suppose that we are waiting to see what is coming. Thank you both for your answers. They have been very helpful. Thanks a million.

Ms Anderson: Thanks for the presentation. I listened intently to all that you said, particularly about the lack of consultation. Unfortunately, everything that I feared would happen when we were told that the British Government would replace European funding has happened. Ultimately, the North will lose £3·5 billion. You can see from the process that you have been involved in and the lack of consultation on the Shared Prosperity Fund that the North, once again, will see a massive reduction in funds, and that will impact on the communities that we all serve.

Derek, I was interested in a comment that you made. This is probably about policy. You talked about how foreign direct investment, as important as it has been, does not really embed investment in communities. I have been doing quite extensive work on community wealth building in Derry. Has SOLACE taken a look at any of that, particularly the Preston model, because it looks at how local communities can generate their own wealth, have an inclusive economy and align procurement practices? I am not sure whether it was you or Lisa who talked about those practices and about how long procurement would take, but we need to look at a number of other pillars. Procurement in council is different from procurement in the Assembly. We know, for instance, about the work that Conor Murphy has done to change the Procurement Board and about that done by Colin Jess and others from Social Enterprise. On the basis of what has been said about the lack of attention, focus and opportunity that there will be in the North once European funding has been removed completely, I am concerned that we will need to look at ways in which we can generate business or change how we do it. For instance, Derry has one of the highest levels of working-age adults with either low levels of qualifications or none at all and thus needs the opportunities from the skills agenda, the city deal and the inclusive strategic growth plan. For that, as has been said, cross-border, all-Ireland work is being done, and yet the Shared Prosperity Fund has an absence of a rural development focus and cross-border, all-Ireland work. I have not heard you reference it, but have you been looking at community wealth building? Have you been looking at the Preston model? Has SOLACE done work on any of that, as it will be crucial going forward?

Mr McCallan: In a word, yes. We have taken on the concept and policy of community wealth building. NILGA travelled to Preston with a small group of elected members and officers from across the 11 councils and brought the concept, practically, back to our councils in NI. There has been a recalibration of the Preston model, and John may be able to give you some of the headlines from a Belfast perspective.

Mr Tully: Thanks, Derek. A blended approach is very much being taken. We have a large number of SMEs that need our focus at the moment to assist with COVID recovery, and that is foremost in our mind. The concept of the Preston model and community wealth building has, however, certainly been a really important part of the community planning approach in Belfast. The concept of a city charter is being developed, where we would use the power of anchor institutions across the city for procurement, recruitment and so on as a means of furthering the inclusive growth agenda. There have been continued linkages with Preston, and it has advised us throughout our work on the city charter. There has been recent work done through community planning and with the council to develop the community wealth building model and to look at practical ways in which to embed that across the city.

Ms Anderson: Is that —?

Mr McCallan: Pardon me, Ms Anderson. We respectfully suggest that the Committee encourage the utilisation of the community planning models. Each of the community wealth building models is different, as they are locality-based. The utilisation of those models in the funds would make an enormous difference to both impact and the pace of getting a new economy in a post-COVID environment. All 11 councils' community plans have been COVID-changed to reflect the new period ahead. It is immensely important that the community plans model be used in those funds going forward, and any support communicated by the Committee will benefit NI, full stop. It is not about institutions such as councils and Departments but about citizens.

Ms Anderson: What you say is crucial. I sound a note of caution, however. Perhaps I have misread some of the material that came through, but I was a little concerned when you referred to the levelling-up agenda needed across the North. I concur with the view that money needs to be allocated on the basis of objective need, as it is in 'New Decade, New Approach'. Money needs to go to where it is needed, and there is lots of empirical evidence for where that needs to happen. This is only my view, but when you use the language that the Tory Government are using about the levelling-up agenda, you fall into a potential trap of justifying their stripping of money and revenue away from the North. For those that believed it, the British Government promised during Brexit that they would replace European funding. When Lisa mentioned the lack of focus on rural development, it did not surprise me, although it was something that I wanted to see. I talked about the low levels of qualifications in the city of Derry, but we have suffered from constantly high unemployment and joblessness; indeed, there has not been full employment since partition. This goes back to what you were saying about community wealth building and how public money is spent. It is probably the same for other MLAs in theirs, but, for my constituency in Derry, I want to ensure that opportunities for individuals are fairly distributed and that those who are pushed to the margins and are further away from those opportunities are supported effectively so that they can access what is on offer.

That fits in with what you said about the work that you have done. You told us to make sure that we looked at community planning, because of what has been done in council. You said that it has to be a bottom-up engagement and a process that ensures that the funding allocation goes to where it is most needed. My difficulty is that I just do not believe that the British Government ever intended to replace the volume of European funding. That will impact badly on our streets, on our communities and on community organisations across the North, regardless of their political preference. It will be another consequence of being dragged out of the EU.

Mr McCallan: Thank you, Ms Anderson. As you can imagine, we are keen to sweat the asset of any funding that hits our streets. We are not looking at the ideology or at the consequences of things. We just want to sweat the asset. The best way to do that is in the manner that has been described in the Ekosgen report and our briefing paper. Regardless of whether it is Stormont Department funding, MHCLG funding or INTERREG funding, we believe that the best way to do this is to remodel how economic investment and economic development is run here. Now is the time to do it, as we move from COVID recovery to transformation.

Mrs D Kelly: Thanks for the presentation. I would not mind some clarity on a few things.

It is interesting to note that, although the British Government would try to suggest that this is about giving more power to local places and local authorities, it seems to be about disempowering the devolved regions, particularly given that the authority rests with the British Secretary of State for Housing, Communities and Local Government.

In some councils, there have been discussions recently on regeneration powers and on greater devolution of powers from the Assembly to councils. Where do you think the gaps are on which councils could take the lead, thus enabling a more holistic approach, particularly on the delivery of the community plans?

Do you anticipate there being any difficulties arising from the differential statutory functions across the devolved regions, particularly when we are compared with England and Wales, where councils have greater authority over, for example, road maintenance, hospitals and social care?

How do you see the community and voluntary sector, which has played such a critical role in delivering services across the North over many years, working in collaboration? Will there be a lot of duplication of effort?

Finally, I want to express my real concern about the lack of ability to match up with or join forces with the Taoiseach's Shared Island unit to deliver projects.

Mr McCallan: Thank you. I will start with your point about regeneration. We feel that a legislative change that gives regeneration powers to councils will simply provide them with the competitive advantage to rebuild better and faster the four dimensions of infrastructure, investment, economic and social economy work. The template exists elsewhere, and that is why, from a policy point of view, NILGA will look to have that transfer of regeneration powers done, bringing with it resource and legislative impact, as soon as it is politically and practically possible.

Another good point raised was about the differentials. Councils in NI have broadly similar local economic development powers, so they can invest in different but coordinated ways. The benchmark is being applied here already, and that was why we wanted local councils to have that coordinating role, in order to avoid the potential for duplication.

The other point that I will make in response to the three tiers of well-articulated questions is that, on the voluntary and community sector, councils regularly look to commission bodies such as social economy organisations and small business organisations rather than take an institutionally led approach. That is one way to have much greater local knowledge and impact when delivering those schemes. Lisa and John may wish to amplify the points about the three layers that you mentioned there, Mrs Kelly. They may wish to come in.

Mr Tully: I will comment briefly. On the regeneration powers, I agree with everything that Derek has said about the opportunity that legislative change would bring for local place-making and addressing local need. The way in which that would sit within councils' broader role in community planning and place-making is to be welcomed.

I will also mention our links with the community and voluntary sector. The initial COVID response really strengthened that relationship. Through the community planning model in Belfast, that continues to grow. A sector advisory panel from the community and voluntary sector sits on all the boards of our community planning structure; in fact, I will co-chair a meeting this afternoon on community planning with the chair of that panel.

I again emphasise an opportunity here. If we get that alignment and can remove duplication through a joined-up and co-design approach, we can really make a difference with the funding, if we get the model right. I emphasise the importance of the need to get a linkage through to community planning and for it to be aligned with the new Programme for Government.

Ms O'Kane: On the Shared Island initiative, we will miss an opportunity by not joining up to the two funds. That will be of particular interest to the Committee, given that so many of the Shared Island projects are likely to focus on transport and on improving transport across the island. That is something that we could work on jointly.

Mr Beggs: Thanks for the update. I have been looking more closely at the information on HMG's website about the issue, and it is clear that there are quite a lot of detailed criteria about how the process is to be managed in Great Britain. It will be primarily managed around local authorities, but there is a dearth of information for Northern Ireland, other than where bids are invited from a wide range of applicants, including councils, the community and voluntary sector, universities and perhaps other educational institutions. There is a huge danger of too many applications that might be weak coming in or perhaps not even enough. There needs to be greater clarity for Northern Ireland, and local authorities here could play a significant role in that.

Which, if any, Ministers in Northern Ireland have a role to play in liaising with Her Majesty's Government on the scheme, which is applicable to Northern Ireland? Is it the Executive Office? Is it the Department for Communities? Is it the Department for the Economy? Is it the Department for Infrastructure? There needs to be greater clarity. It probably sits with the Executive Office at the minute. Is that correct?

Ms O'Kane: My understanding is that it is being led by the Department of Finance, which is working closely with the Ministers in Wales and Scotland to highlight the concerns of the three devolved regions.

Mr Beggs: Right. Again, looking at some of the criteria being set for Great Britain, I think that I spotted somewhere that all expenditure has to be completed by March 2022, so it has to be done in this financial year. The applications will go in in June, and there is then a deciding process. It will all happen very fast, and there are probably limits to being able to deliver a good, long-term project from it. Has any clarity come from the Department of Finance? If that Department is leading it, are you addressing the Finance Committee and the Finance Minister?

Mr McCallan: The short answer to the last part of the question, Mr Beggs, is yes. Once we have sought and got information, we offer that to the Department of Finance; indeed, we have brought up the subject with and have provided the report to parties and Ministers in Stormont and Westminster. From our side, we have made sure that information, as it comes through and as it changes, is articulated to those who need it most. That brings me back to the idea that, if we are able to work collectively as a regional design, scrutiny and measurement body, councils should be materially involved. Look at what they did for small businesses with European regional development funding and social funding, and look what they did for the local action groups with rural development funding. They brought in the local community and got bigger bang for their buck, so that is the way forward.

I appreciate your point, Mr Beggs, about making sure that principal Departments and Ministers are on this. We are doing everything that we can to make sure that they are, and we are coupling with them as we look at the design and the content moving forward.

Mr Beggs: I share your desire to have greater engagement from the bottom up and to engage with the councils on their community planning. Given the timescales, will that really be practical in this financial year, or is this planning for a scheme that might run into the next financial year?

Mr McCallan: Lisa, do you want to come in? We are aware that this is the year in which we have to get the future model right, so there may be some opportunity lost in this financial year, to be frank. My colleague Lisa may wish to add to that.

Ms O'Kane: There is £11 million available in this financial year, and time is tight, as you said, for getting bids in, assessed, procured, delivered and financed by the end of March 2022. As Derek mentioned, our focus needs to be on making sure that that short process, which has had little co-design with the councils, is substantially altered when the real Shared Prosperity Fund comes in next year.

We have been impressed by the level of engagement from MHCLG. We have had access, when we have needed it, to the departmental officials. They have been very forthcoming in listening to our concerns about the need for something localised here that looks at the coordination and duplication issues that you raised. Hopefully that message will be heard.

Mr Beggs: I hope that it will be heard, but there needs to be a high level of engagement in order to get greater involvement from people on the ground in Northern Ireland, and councils could play that coordinating role in that. There needs to be engagement at Executive level.

The Chairperson (Miss McIlveen): No one else wishes to come back with a supplementary question. Thank you very much for the presentation and for taking questions this morning. The issue is now very much in Committee members' minds. Where we can be of assistance, we will. Thank you.

Mr McCallan: Thank you very much, Chair. It was good to see you and your colleagues this morning. We will be back to talk about planning later in the month.

The Chairperson (Miss McIlveen): We will see you then, Derek.