

Public Consultation: The Local Growth Fund in Northern Ireland (2026–2029)

Consultation response form

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Responses should be returned by **5:00pm on Friday, 26 June 2026**

Please provide your comments and send it to either of the following:

- **Email:** NILGFconsultation@nio.gov.uk

or

- **Post:**

Northern Ireland Office,
Erskine House,
20-32 Chichester St,
Belfast,
BT1 4GF

Anonymity

Responses to the consultation may be published. Your response will be anonymous.

Consultation Questions

Strategic Priorities

Question 1.

Do you agree that the two core priorities - Enhancing Productivity and Promoting active participation in the workforce - are the correct priorities for the Local Growth Fund over the next three years?

Enhancing Productivity

(insert an X under the relevant heading)

Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree

Supporting comments:

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Promoting Active Participation in the Workforce

(insert an X under the relevant heading)

Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
x				

Supporting comments:

NICVA's Pivotal Report 2024 on economic inactivity in Northern Ireland highlights the persistently higher rate of economic inactivity in Northern Ireland compared with the rest of the UK and Ireland, particularly were linked to sickness and disability. The report also demonstrates how addressing economic inactivity can support wider policy objectives across health, education, regional economic development, social security and welfare. Its analysis of the labour market and the historic role of the voluntary and community sector (VCS) further illustrates that effective responses to economic inactivity are inherently cross-cutting and align closely with the strengths of the VCS (NICVA, Pivotal Report 2024).

Question 2.

Looking at the proposed activities under each priority, is the indicative balance of funding between the priorities appropriate? If not, what should it be? *(To note: this question is not asking about the total Resource and Capital funding split for the Local Growth Fund but is asking about the proposed funding balance between the two priorities, Enhancing productivity and Promoting active participation in the workforce).*

(insert an X under the relevant heading)

Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
			x	

Supporting comments:

We recommend that the Local Growth Fund initially prioritise active labour market participation, before shifting emphasis to productivity once participants are ready for the workplace. Enhancing productivity is unlikely to be effective unless individuals are first supported to enter and sustain employment. On this basis, we support a 70:30 allocation, with 70% directed towards promoting active participation and 30% towards enhancing productivity.

Although this question does not directly concern the overall resource and capital funding split for the Local Growth Fund, we reiterate the position consistently raised by Voluntary and Community Sector organisations with relevant expertise: the current resource/capital model applied in Northern Ireland, as elsewhere in the UK, does not adequately reflect local need. Resource funding is required to provide tailored, person-centred support for individuals facing multiple and complex barriers to employment; capital investment alone is insufficient for this purpose.

Priority 1- Enhancing productivity

Question 3.

Which of three sub-priorities identified (Business support and innovation, Strategic infrastructure investment, Skills enhancement), or others, would you focus on to deliver higher value-added activity and increase the efficiency of the economy?

(insert an X under the relevant heading)

Business support and innovation	
Strategic infrastructure investment	
Skills enhancement	

Supporting comments:

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Question 4.

How can the Local Growth Fund best support SMEs and business start ups to grow and move up the value chain, including engaging in Research and Development?

Answer:

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Question 5.

Regarding local growth infrastructure, which specific local barriers (e.g., wastewater, flooding, transport, digital, green energy) are most significantly preventing business growth in your local area?

Answer:

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Priority 2 - Promoting active participation in the workforce

Question 6.

What specific support is most needed to help those currently economically inactive move toward employment, including self-employment and starting their own business?

Answer:

Young people who are economically inactive face multiple and often overlapping barriers to employment. Extern's response focuses on young people who are not in education, employment or training (NEET), particularly those furthest from the labour market. The latest NISRA Labour Force Survey estimates that 23,000 young people aged 16–24 in Northern Ireland were NEET in January–March 2026, representing 11.6% of this age group. Of these, 18,000 were economically inactive rather than actively seeking work (NISRA, 2026).

Extern has direct experience of supporting young people facing significant barriers, including poor mental health, homelessness or housing instability, disrupted education, low confidence and limited qualifications. For this cohort, movement towards employment, self-employment or enterprise requires sustained, relationship-based and trauma-informed support.

The most effective support should include dedicated one-to-one mentoring, emotional support, practical guidance, signposting, and ongoing “hand-holding” as young people progress towards work. This approach is consistent with Catch22 and New Economics Foundation research, which found that coherent, responsive support for vulnerable 16–25-year-olds improves life chances and reduces long-term social and economic costs (Catch22/NEF, 2011).

Since 2013, Extern's *Moving Forward Moving On* project has provided this model of support to young people who have disengaged from mainstream education and/or have a history of offending behaviour. The project is flexible, person-centred and trauma-informed, recognising that those furthest from the labour market often require longer-term engagement before they can participate successfully in mainstream employability provision.

Evidence from Extern's delivery of *Moving Forward Moving On*, including previous European Social Fund provision and UK Shared Prosperity Fund delivery, demonstrates the value of this approach, with programme targets consistently met or exceeded. Policy and research evidence also supports this approach. The Department for the Economy's *Enabling Success* strategy emphasises targeted, voluntary support to help economically inactive people move towards and into work. Pivotal's report on economic inactivity similarly highlights the need to address complex individual barriers, including health, skills, caring responsibilities and access to appropriate support (Department for the Economy, 2015; Pivotal, 2024).

In summary, the support most needed is long-term, person-centred and adequately resourced provision that addresses practical, emotional and structural barriers before expecting young people to enter employment or self-employment.

Question 7.

What specific adult education or reskilling models have proven most effective at re-engaging those with qualifications below NQF Level 2?

Answer:

Extern's experience indicates that adults and young people with qualifications below NQF Level 2 are most effectively re-engaged through community-based, flexible and person-centred learning models. These models are often more accessible than traditional college settings, particularly for learners who have had negative experiences of mainstream education or who face additional barriers such as low confidence, poor mental health, disability or disrupted learning histories.

Evidence supports this approach. The AONTAS *Northern Ireland Community Education Census 2021–2022* found that community education provides both accredited and non-accredited learning, with reported benefits including improved confidence, wellbeing, resilience, social integration and learner progression. It also highlights the importance of wrap-around support for learners who may not yet be ready to engage with formal provision.

The Northern Ireland Audit Office's 2024 report, *Developing the skills for Northern Ireland's future*, found that adult participation in education or training had decreased and that the proportion of working-age adults qualified to at least Level 2 or Level 3 had also fallen. The Northern Ireland Assembly Public Accounts Committee subsequently examined these findings in its 2025 *Report on Developing the Skills for Northern Ireland's Future*, reinforcing the need for more effective action to address barriers to skills development and progression

Question 8.

What capital programmes / projects can best promote active participation in the workforce?

Answer:

Capital programmes should support projects that bring lifelong learning and employability opportunities into community settings, particularly in areas where people may face barriers to accessing traditional education, training or employment services. Investment in community buildings, digital infrastructure, equipment and flexible learning spaces can strengthen local capacity to deliver skills development, mentoring, job fairs and employer-led engagement close to where people live. This approach can help create more accessible pathways into the workforce by connecting individuals with learning, support and local employers in trusted community environments.

The creation of "One Stop Shops" in the heart of communities for young people where statutory and community services could co-locate would be of significant benefit.

Delivery and equality

Question 9.

Which organisations are best placed to deliver each sub-priority of the fund and why? (For example, NI departments, local government, third sector organisations, the private sector, education providers).

Answer:

The Voluntary and Community Sector is particularly well placed to deliver the Local Growth Fund's economic inclusion and early intervention sub-priorities, in partnership with education, training and statutory providers.

Community and voluntary organisations have trusted relationships with young people and families who may be disengaged from mainstream education or statutory services, particularly where previous experiences have created mistrust or barriers to engagement.

Through community-based provision, mentoring, relationship-building and practical support, the sector can identify need earlier, re-engage young people, and create accessible pathways into learning, skills development and employment.

Conor's Story illustrates the impact of this approach:

Conor, age 20 from Belfast, faced various struggles both at home and at school whilst he was growing up. His school attendance levels were low and he felt as though he was heading down a dark path. With support from Extern and a determination never to give up, Conor completely turned things around. Today, he is studying Politics and International Studies at university and is passionate about supporting young people who are struggling in education.

"Though my teachers at school tried their best, I struggled to focus on learning because I had so much to deal with in my personal life and was in and out of the care system. I didn't find schoolwork engaging and struggled to sit in a classroom and concentrate. I began to rely on unhealthy coping mechanisms just to help me survive."

At age 14, Conor got a place at the Pathways Project, an alternative education provision designed for children who are at risk of exclusion from mainstream school. With the support of his mentor, Gary, Conor enrolled in the King's Trust Achieve programme, delivered by Pathways. Over the next few years, he felt able to engage in education and his self-belief grew.

"For the first time, I felt as though I could bring my whole self to the classroom. I felt supported and began to feel confident enough to work on my own self-development. I started to work on my Maths and English GCSEs alongside Achieve and the interactive, practical style of learning really suited me. Achieve doesn't just demand written work, there's lots of visual learning and teamwork which I loved. I felt as though the staff genuinely wanted me to succeed and even through challenging times, like the pandemic, I knew they were there for me."

Conor had 100% attendance across the three-year programme, and completed his History GCSE alongside Maths, English and his King's Trust qualification which was the

equivalent of four GCSEs. He also returned to his original school one day a week to secure a qualification in Irish. These results meant that he was able to progress to studying A Levels.

“Today, I am studying Politics and International Studies at university. If you had told me in my teens that I was capable of achieving this, I don’t think I would have believed you! I’m still involved with the staff at the Pathways Project and now have a part-time role helping to tutor young people currently on the Achieve programme. My role involves one-to-one support and mentoring. Being part of the team that helped me so significantly feels incredible.”

“I have also spoken at events to advocate on behalf of those in university who have come through the care system and hope that by sharing my story, I can inspire other people. You don’t have to be defined by your past and, with the right support, it really is possible to achieve anything.”

Conor disengaged from mainstream education at age 14 and was supported through Extern’s alternative education provision. However, Extern’s experience indicates that effective early intervention should begin before this point, particularly during the transition from primary to post-primary education. Through its Youth Engagement Programme, Extern supports young people at this critical stage. More coordinated working between statutory services, schools, voluntary and community organisations, young people and families - including support for those not attending school - could help prevent young people from becoming NEET.

(Please note: the names of service users and staff referred to in the case study presented here have been changed for purposes of anonymity)

Question 10.

Are there opportunities to better align with existing or planned provision (For example by boosting an existing local or NI project or initiative)?

Answer:

Northern Ireland’s Community and Voluntary Sector already provides substantial and effective support for people who are furthest from employment, with evidence of positive outcomes. Delivery under the UK Shared Prosperity Fund (UKSPF) illustrates this. Between April 2023 and March 2025, £57 million was committed to tackling economic inactivity through 18 projects supporting disabled people, young people not in education, employment or training (NEET), and individuals facing multiple and complex barriers. According to NICVA, over the same period UKSPF-supported provision reached 23,942 people; 6,636 moved into employment; 3,445 sustained employment for at least six months; and 8,875 progressed into further education or training (NICVA, September 2025).

These strong outcomes were achieved because provision was rooted in local knowledge, built on trusted relationships, and delivered by community-based organisations with specialist expertise. The most effective opportunity is therefore not to create new provision, but to strengthen and sustain what is already working well.

Despite clear evidence of impact, many organisations—including Extern—have experienced significant reductions in staffing and capacity, even as referrals and levels of need continue to rise. This is creating a widening gap between demand and available support. The 64% reduction in Local Growth Fund (LGF) resources for 2026–2027 has had a particularly severe effect. Within Extern’s *Moving Forward Moving On* service, annual engagement capacity has fallen from 135 young people to 40, despite receiving 80 referrals in May/June alone from Alternative Education Providers and EOTAS. The *Moving Forward Moving On* team has been reduced from 7 staff to 2.

Two of the staff made redundant were young people who had progressed through Extern’s services and been upskilled into full-time employment—demonstrating the long-term value of sustained investment.

Anna’s story reflects the impact of this loss of lived-experience leadership. Anna first engaged with Extern at age 14 and progressed to become a Peer Mentor and then a Mentoring Support Worker, explained:

“I first came to Extern when I was about 14 or 15 years old. I have social anxiety, so being in a mainstream school my attendance was very poor. I was depressed and never left the house. I can’t remember any of my teenage years because they were all spent in my bedroom watching television. I never went out and made friends, which is so important when you’re that age.... At school I was seen as a troubled girl who couldn’t be helped, whereas the guys at Extern actually sat down and got to know me. Extern gave so much to me, so I wanted to give back to them, and that’s why I now work as a Mentor in MFMO.... I have so much experience behind me now, and I want to share that with other young people.”

Anna has now been made redundant due to LGF cuts, resulting in the loss of a skilled, credible, lived-experience practitioner whose insight cannot be replicated through new or short-term provision.

Cuts to the programme also result in the loss of valuable, long-term and trusted support. A young person whose support worker is due to finish at the end of the month sent this message to the programme manager:

“Hi Catherine, Leanne told me what's happening, my heart is breaking. I haven't stopped crying since I got in from the group. Leanne has been my support worker for over 10 years now, she's helped me in so many ways over them years and she is an absolute credit to MFMO. As someone with agoraphobia, Leanne is one of my safe places. 10 years of building a trusting safe relationship and now our silly Government is taking that away, and for many others too!! I really hope and pray I don't lose Leanne as my support worker, she's one of the best! Can you show this message to whoever is in charge of these things please!”

This illustrates the relational nature of the work: a decade of trust cannot be replaced by new provision or short-term interventions.

Kelly’s story also reflects the impact that funding cuts can have on these trusted relationships which have developed over time. Kelly attended Extern’s Pathways Project up to age 16 and later progressed into training before becoming a mother. Her 14-year-old son, who has severe autism, has been without a school placement for over

six months due to challenging behaviour. She had to take the Education Authority to Judicial Review to secure a placement.

Kelly's Extern support worker signposted her to the Children's Law Centre; supported her through legal processes; attended meetings with her, and provided essential emotional and practical support. The special educational needs school stated they could not manage her son's behaviour, yet Kelly has been left to manage the same behaviour alone at home. Kelly faces multiple and complex barriers to employment, but with sustained support, progression is possible. Without it, the negative impact on her wellbeing and her son's stability is profound.

There is a clear opportunity to better align with existing, high-performing provision by restoring and stabilising funding for community-based employability and progression services. Strengthening what already works will protect proven, evidence-based programmes; retain specialist and lived-experience staff; ensure continuity of trusted relationships; meet rising demand from those with the most complex needs, and prevent long-term harm and higher future costs.

The most effective alignment is investment in the services that are already delivering strong outcomes for Northern Ireland's most vulnerable people.

(Please note: the names of service users and staff referred to in the case studies presented here have been changed for purposes of anonymity)

Question 11.

Are there any groups protected under Section 75 who may be adversely affected by the proposed sub-priorities set out in this proposed Framework? Are there opportunities for promoting good relations?

Answer:

Initiatives that support groups protected under Section 75 should be properly considered, resourced and funded. People who are furthest from employment often require additional, tailored support to access the same opportunities as others, and this must be reflected in programme design and funding decisions. A fair and accessible approach should recognise different starting points and ensure that targeted supports are available locally to help reduce barriers and promote equality of opportunity.

Question 12.

The Local Growth Fund aims to promote regional balance. Are there any further considerations we should give to ensuring support benefits rural communities as per the Rural Needs Act (NI) 2016? How can we ensure that investments in infrastructure and skills are delivered in a way that effectively supports rural communities and businesses?

Answer:

From our experience, rural transport is a key barrier, particularly for young people. Limited public transport can restrict access to education, employment, training, social opportunities and leisure, meaning that a young person in a rural area may not have the same opportunities as someone living in Belfast or another urban centre. To promote regional balance and meet rural needs, investment decisions should consider physical accessibility to education and employment support services.

Question 13.

If you have any related comments which have not been addressed in the above questions, please use this space to share them.

Answer:

Extern has extensive experience delivering education and employment support to young people and adults who are furthest from the labour market. Many individuals face multiple and overlapping barriers, including poor mental health, disrupted education, homelessness or housing instability, care experience, low confidence and limited qualifications. These barriers cannot be addressed through mainstream provision alone; they require sustained, trauma-informed and relationship-based support delivered in trusted community settings.

Extern's delivery experience shows that effective engagement begins with **building trust, confidence and stability**. Consistent one-to-one mentoring, practical advocacy, emotional support and flexible progression pathways are essential before individuals can move into education, training, employment or enterprise. This aligns with evidence highlighting the importance of "emotional support", "informed guidance and signposting" and "hand holding" for those with complex needs (Catch22/New Economics Foundation, 2011).

This approach is particularly important in Northern Ireland, where economic inactivity remains persistently high. Pivotal notes that inactivity is shaped by "personal and often complex issues" and that many people require wider services—such as health, childcare or social care—before they can enter employment (Pivotal, 2024).

Extern has delivered this model through programmes such as *Moving Forward Moving On*, providing flexible, person-centred support to young people disengaged from education and those with offending histories. Since 2013, the programme has helped participants build confidence, gain qualifications and progress towards further education,

training or employment, consistently meeting or exceeding targets under ESF and UKSPF funding.

There is strong evidence that **existing community and voluntary sector provision is already delivering results**. Extern's experience confirms that **trusted relationships are central to success**. Community-based organisations are uniquely placed to engage people who are disconnected from mainstream services, identify needs early, and provide sustained, tailored support that responds to real-life circumstances.

However, recent reductions in Local Growth Fund resource funding have significantly reduced delivery capacity. Extern has had to reduce engagement from 135 to 40 young people annually, and reduce staffing from seven posts to two, despite ongoing demand for this support. This includes the loss of staff who progressed through Extern's own programmes—demonstrating both the impact of the work and the consequences of disinvestment.

Based on Extern's experience in this area and evidence that shows existing community-based supports are working, Extern believe the Local Growth Fund should:

- focus first on active workforce participation, with productivity following once individuals are work-ready;
- recognise the importance of trust, lived experience and person-centred support in helping people furthest from the labour market progress;
- ensure resource funding supports staff, relationships and long-term engagement—not just capital infrastructure, and
- prioritise investment in proven voluntary and community sector provision, rather than creating new programmes.

Sustained investment in community-based services will protect what already works, meet rising demand, and deliver better long-term economic and social outcomes.