

Brexit : What Does It Mean For Adult Education Stakeholders?

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Impact of Brexit: Key Areas of Concern

1. EU Funds -

- a) ESF 2014-20 . Current situation.
- b) Proposals for “replacement” of EU Funds (esp.European Social Fund)

2. Impact of Migration Changes

- a) Change in Labour Market
- b) Need for ‘home grown’ skilled workers.

2. Impact on Community Cohesion and other factors.

3. Regulatory Change

Background to Brexit

In case you haven't been paying attention!

- June 23rd 2016 Referendum on UK Membership of the European Union
- Question? “Should the United Kingdom remain a member of the European Union or leave the European Union?”

The Result

Remain: 16,141,241 (48.1%)

Leave: 17,410,742 (51.9%)

Total Electorate: 46,500,001

Turnout: 72.2%

What's Happened So Far?

- Article 50 triggered end of March 17
- This gives UK 2 years to negotiate a deal to leave
- Date of exit set for March 29th 2019
- EU Withdrawal Bill
- “Transition Period” (confirmed by EU on 29/1/18 as lasting from 29/3/19 – 31/12/20)

Current EU Funds (1)

- The majority of EU structural funding that the UK receives is through ERDF and ESF. (Along with EAFRRD, these are the ESIF Funds)
- A total of £8.4bn was awarded to the UK for the period 2014-20.
- ESF is the programme to increase job opportunities and help people to improve their skill levels, particularly those who find it difficult to get work.

Current EU Funds (2)

- The current funding round, which runs from 2014 to 2020, is worth approx £2.3bn across England.
- Matched with domestic funds this is approx £5bn

Current ESF Programme – From 2018-20 (1)

- An initial agreement concerning Article 50 between the negotiators for the UK Government and the European Union was published on 8th December

[Brexit Agreement Phase 1](#)

8 December 2017

JOINT REPORT FROM THE NEGOTIATORS OF THE EUROPEAN UNION AND THE UNITED KINGDOM GOVERNMENT

ON PROGRESS DURING PHASE 1 OF NEGOTIATIONS UNDER ARTICLE 50 TEU ON THE UNITED KINGDOM'S ORDERLY WITHDRAWAL FROM THE EUROPEAN UNION

Current ESF Programme – From 2018-20 (2)

- Paragraphs 71-73 referred to continuing participation in 2014-20 funded programmes (including ESF)
- This confirmed that participation would continue to the end of the Programmes

UK participation in programmes of the MFF 2014-2020

71. Following withdrawal from the Union, the UK will continue to participate in the Union programmes financed by the MFF 2014-2020¹⁰ until their closure (excluding participation in financial operations which give rise to a contingent liability for which the UK is not liable as from the date of withdrawal). Entities located in the UK will be entitled to participate in such programmes. Participation in Union programmes will require the UK and UK beneficiaries to respect all relevant Union legal provisions including co-financing. Accordingly, the eligibility to apply to participate in Union programmes and Union funding for UK participants and projects will be unaffected by the UK's withdrawal from the Union for the entire lifetime of such projects.

Erasmus+

- Erasmus+ funds students to study in another EU country for between 3 and 12 months as part of their degree.
- The 1st stage Brexit deal agreed on 8th dec means the UK would continue its funding of Erasmus, until the end of this EU budget period in 2020.
- There is no indication that this will continue beyond that in terms of new programmes.

How Much ESF Is Left?

- Approx £3bn allocation for ESF for England 2014-20
- With the devaluation of the £££ after Brexit Referendum , about £300m ESF is unallocated (i.e. not assigned to LEPs in nominal allocations)
 - This will likely be kept in a national pot.
 - Individual LEPs could apply into that pot if they have already spent or committed their initial allocation.
 - Especially for projects where there is underperformance on outputs such as basic skills and 50+ (Contact Local LEP).
- Less than 50% has been committed to date by LEPs/CFO's from their current allocations.

Co-Finance organisations* For Info

- *CFO's are public organisations that bring match funding to the ESF programme and manage/deliver/procure ESF projects alongside their own core activities.
- In the 2014-20 programme CFOs are

HMPPS

ESFA

BLF

A few LA's/Combined Authorities i.e. Greater Manchester

What comes after ESF? (1)

Current Govt policy position:

- The Conservative Manifesto (June 2017 General Election) promised a UK Shared Prosperity Fund (SPF)
- “It will be designed to reduce inequalities between communities delivering “sustainable, inclusive growth”.
- The SPF will “balance local/national decision making” and “take place within the current decentralisation agenda and with respect to recent devolution deals”.
- The SPF will continue the ESIF focus of ‘reducing inequalities both between regions and communities’

What comes after ESF? (2)

- “The SPF as it is developed will present an opportunity to think about how we can redesign, and potentially extract, some of the complexities that were in the existing EU funds into a model that works for the UK and for the places in the UK that will be implementing these funds*, rather than those set by EU priorities that had been agreed by both the UK government and also the EU. “

Kris Krasnowski (Deputy Director, Department for Business, Energy and Industrial Strategy) 18/10/17

* A reference to the “devo friendly” commitment made on the Conservative Manifesto in May 2017

What comes after ESF? (3)

- It is the Govt's intention to consult on the new SPF.
- Timetable for this is unknown, however:
- “The consultation phase that we create will enable us to take on board comments and design features as well as then implement them in time to be live from day one of the UK's exit from the EU. It is that transition that we need to make sure happens effectively. The time it takes will depend on the type of scope that we are looking 14 for, but our commitment is to make sure that from day one we have a scheme in place that takes over from the European funds that have been lost as a result.”

Kris Krasnowski (Deputy Director, Department for Business, Energy and Industrial Strategy) Oct 2017

What comes after ESF? (4)

A couple of points worth noting:

- AEB is being devolved from in 2019. How will this play into the SPF/devo arrangements in terms of match funding and local priorities?
- The [Industrial Strategy White Paper](#) itself was published 27/11/17. The SPF will almost certainly have to be developed within this context.

What is Current VCSE Sector Position? (1)

- In early 2017, the NCVO and Employment Related Services Association (ERSA) brought together a cross-sector Working Group of organisations with the aim of developing a set of design principles for the successor fund to the ESF after the UK leaves the European Union.
- The Working Group comprises reps from skills and training, employment support, VCSE providers, local authorities, LEPs and private sector organisations, as well as frontline providers of ESF.

“Despite the many successes of structural funds, leaving the EU provides an opportunity to design a better, world-leading initiative to replace the investment made through ESF. “

ERSA/NCVO Interim Report (Sept 2017)

“If the Government took a decision tomorrow that said, “Your funding is not going to be European anymore; it is going to be domestic and it is going to be much less bureaucratic and you can spend it on what you like”, we would all be quite happy. “

Alex Conway (European Programmes Director, Greater London Authority)

Some points in response to the 'Alex Conway view'

- Is it just a case of 'money is money is money'? What matters is how much?
- Is it important "how" the money is spent as well as "how much" is spent?
- Are the principles of joint working and partnership , enshrined in EU Funding processes important in the new ESF?
- Will there be as much emphasis on gender, disability, regional disparities once we are outside the "European Social Model?"
- Isn't domestic govt as capable of generating bureaucracy and red tape as the EU?

Key Design Principles For a New ESF

The VCSE “Ask” (1)

- Ensure that it delivers interventions that reflect the link between health, wellbeing and employment services, as well as other interlinking barriers.
- Be developed and delivered through multi-agency and multi-sectoral community partnerships which could be commissioned around place and needs
- Include a mix of long term funding and short-term trials, for stability and flexibility
- Involve a better and quicker process to identify need and allocate funds, providing an earlier return on investment and impact on communities

The VCSE “Ask” (2)

- There should be a condition made that it only funds initiatives that target disadvantaged groups and people with complex needs neglected by existing public services and engage with the hardest to reach. (What is impact on higher level skills programmes??)
- A successor fund to ESF should include programmes with a mix of short-term trials for flexibility and testing ideas, and long-term funding which provides stability for commissioners and providers.
- Need should be identified through regional boards consisting of statutory partners, LEPs, local voluntary sector infrastructure organisations, skills and training and employment support providers. (A return to ESF Committees?)

The VCSE “Ask” (3)

- The effectiveness of any fund to deliver education, training and employment support to a range of target groups, requires a diversity of providers, each specialising in specific areas of activity.
- A successor fund to ESF should ensure that a greater proportion of smaller providers are able to participate as prime or lead contractors in programmes, rather than Justas subcontractors. (Big current issue for VCSE)
- A successor fund to ESF should take a holistic approach by promoting service integration, preventative action, and community cohesion.

Other “Asks”

- Whilst alluded to in the VCSE “ask” LEP’s have generally been focussed on three issues relating to the post Brexit funds (i.e. the SPF)
 - A single investment pot covering both capital and revenue.
 - Local decision-making.
 - impact of investment to be based on outcomes **not** outputs.

Impact of Migration Changes (1)

Migrant Workforce

- Economist **don't agree** on the impact of reductions of migrant labour from EU27 post Brexit.
- However accepted evidence suggests that it will be some sectors such as health, digital and construction that will be particularly affected.
- Economist **do agree** that the impact will have geographical variability.

Impact of Migration Changes (2)

- e.g – The % of “foreign born” workers (born in the EU27 or non-EU nationals, in the construction industry is estimated at 54% in London but only 3% in the North West. - The Construction Challenge in Greater Manchester. Inclusive Growth Analysis Unit, UoMcr Jan 2018)
- Therefore the loss of EU workers could be considered in some regions outside London, to be a relatively small scale issue compared with the broader problem of skill shortages, and declining numbers of younger workers.

Impact of Migration Changes (3)

Opportunities ?

- To upskill non-migrant workforce.
- This will need more “local” people to have high skill levels for some of the sectors affected by skills shortages.
- Challenge to produce skilled indigenous workforce to fill entry level roles.
- * COMMENT: To address gaps left by migrant labour, implement the post-16 skills plan and deal with the productivity issues that will become even more of a drag on the economy post-Brexit, you would expect more UK Govt investment in skills in future.

Impact on Community Cohesion (1)

- By large majorities, voters who saw multiculturalism, action on the environment, migration as **positive** voted to **remain** in the EU.
- Those who saw them as **negative** voted by even larger majorities to **leave**.
- The potential for social conflict and issues around social cohesion are obvious.

Impact on Community Cohesion (2)

- England has seen a surge in hate crime and racial abuse reported since the EU referendum.
- *“Hate crimes involving racial and religious discrimination have soared at an unprecedented rate since the Brexit vote, prompting warnings that minority groups feel “more vulnerable than ever”. Police figures show incidents surged by 23 per cent – from 40,741 to 49,921 – in the 11 months after the EU referendum, compared with the same period the previous year, marking an unparalleled rise.” The Independent , July 2017*

There has been and will continue to be an increased demand for services around:

- Hate crime
- Domestic violence
- Refugees/asylum seeker support

Impact on Community Cohesion (3)

- There has been and will continue to be an increased demand for services around:
 - Hate crime
 - Domestic violence
 - Refugees/asylum seeker support
- The sector that provides much of the project delivery around these issues is the VCSE. And to a lesser degree , Local Authorities.

Impact on Community Cohesion (4)

- The decline in the capacity of the VCSE as a result of cuts in access to grants, and income, from various sources impacted by austerity measures should be of concern.
- The ability of public bodies such as Local Authorities and health bodies to partner with VCSE organisation in a context of declining capacity should be of wider concern that the VCSE.

Impact on Community Cohesion (5)

The ESOL challenge and the Loss of ESF

- The profile of ESOL learners, particularly in larger urban areas suggest most come from outside of the EU and there is currently too little funding in the Adult Education Budget to meet this challenge.
- There are some shorter term funding programmes through DCLG e.g. Talk English and the Controlling Migration Fund which funds ESOL to deliver community cohesion objectives.
- However, ESF since 2014 has provided welcome additional funding to projects , particularly to provide ESOL work leading to improved learning, employment and skills outcomes as well as community cohesions objectives.

ESF ESOL and Employment Support 2014-15

You are here: The Learning Partnership > Our Projects > Previous Projects > ESF ESOL and Employment Support 2014-15

The ESF ESOL and Employment Support project, funded by the European Social Fund and Luton Borough Council, was designed to deliver ESOL training and Employment Support to workless migrant adults, with the aim of improving their English and employability skills to move them closer to paid employment.



The project started in April 2014, completed in May 2015, with the aim of delivering a package of activities and support based on individual needs. To be eligible participants had to be a workless migrant adult who was actively seeking employment, not already engaged in a ESF funded Programme and a UK resident living in Luton.

Participants accessed structured work related beginner level **ESOL English Language Training**, to help participants gain an understanding of workplace processes, communication and health and safety whilst gaining language skills. During their language training participants were also offered:



- **Into Employment Support** through our Work Clubs and Information, Advice and Guidance sessions, identifying individual training and employment needs and included help with CV writing, job seeking, application form completion, covering letters and interview techniques.
- **Qualification Comparison** service using the government endorsed NARIC system which compares the UK status of overseas qualifications.

[ESF Funded ESOL Project - Luton Borough Council et al](#)



Regulatory Change (1)

European Withdrawal Bill

- On the day of Brexit (29/3/19), EU laws will be enshrined in British law but the British government can then change, amend or get rid of unwanted laws.
- If they are to be retained, they will need to be adapted to reflect the fact that the UK is no longer a member of the EU.
- There is a feeling amongst some policy groups that the bill falls short of retaining important principles in EU treaties which form a big part of our legal framework in many areas, such as the **'polluter pays'** principle

SECTOR-SPECIFIC REGULATORY ISSUES (1)

A number of areas in which the VCSE operates are heavily influenced by EU legislation.

- Environment.

Fear of a potential weakening of environmental protection and conservation measures that are currently embedded within EU legislation (eg the Habitat Directives and Environmental Impact Assessments) *(See 'polluter pays issue cf.)

- Refugee and asylum rights.

Concerns that the UK will regress from the standards it has previously applied as a result of EU directives it has opted into (in particular Reception Conditions Directive, Dublin Regulation).

- Women's rights and domestic abuse.

Key concern of protecting the rights of victims of crime and survivors of domestic abuse when they travel and move within Europe as well as employment rights relating specifically to Women.

[Fawcett Society Briefing Sept 2017](#)

- Others

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|------------------------------|-----------------------|
| VAT | (Costs) |
| Procurement Policy | (Contract Management) |
| Data Protection | (Management) |
| Status of EU nationals in UK | (Workforce) |

What Might Brexit Mean for Your Organisation?

Regardless of how the Brexit process develops, there are some questions you want to ask yourself:

- Do you have funding provided directly from the EU?
- What are you doing to find out about replacement funding?
- Is your activity connected to work being carried out in the EU?
- Do you work in partnership with European based organisations?
- Do you carry out projects in Europe?
- Do you employ non-UK EU nationals?

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