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Stormont's return must come with real change

The restored Assembly and Executive can help Northern Ireland begin to address its many social and economic challenges. However, according to a new report from think tank Pivotal, simply re-establishing government is not enough. The Executive needs big changes in how it operates – with more cross-party political cooperation and unity, longer-term budgets that are tied to policy goals, and a willingness to make tough choices. Underpinning all this is the need for a sustained period of stable government.

The return of an Executive and Assembly gives Northern Ireland a chance to deal with its many issues, but unless Stormont works differently from how it has in the past, this chance may be lost.

Almost two years without proper government have left both public services and public finances in a precarious position. A lack of real decision making meant Northern Ireland stood still while its many problems grew – the health service is on its knees, many schools are running way over budget, there are multiple public sector pay disputes, and special educational needs provision is unable to meet demand. Progress on important issues like childcare, poverty, productivity and climate change has largely ground to a halt.

A new report from Pivotal, the independent think tank for Northern Ireland, analyses how the Executive needs to work differently. Published today [MONDAY, FEBRUARY 5], *The return of Stormont: time for real change* outlines how the nature and scale of local challenges mean there is no room to repeat the mistakes of the past.

Pivotal provides some recommendations for the returning Assembly and Executive:

- Northern Ireland needs a period of stable government. There is a need to re-commit to the spirit of leadership and compromise that underpinned the Belfast / Good Friday Agreement
- The Executive should agree a short-term stabilisation plan for public services and budgets, making the best use of the new financial package
- A longer-term Programme for Government and multi-year budget are needed to set out agreed priorities for the next three years
- The Executive needs to front up to difficult decisions and strive for unity around these choices, particularly about public service transformation
- There should be a sustained focus on improving public services so that people see the benefits in their day to day lives

Ann Watt, Director of Pivotal, said: “The return of the Executive and Assembly is very good news. Northern Ireland needs proper government and Stormont is the best place for that. However, simply coming back is not enough. A period of stability, with ministers focused on policy challenges rather than political disagreements, is essential. There is a need to recommit to the spirit of leadership and compromise that underpinned the Belfast / Good Friday Agreement.

“Northern Ireland is suffering from the scarring impacts of budgetary pressures and a lack of decision making for almost five of the last seven years. Some of the most pressing examples are the need to reconfigure the health service and provide some short-term alleviation to waiting lists and GP access. To fundamentally improve the economy, work needs to be done to boost productivity, infrastructure and skills. Childcare provision is sorely lacking and needs investment. An anti-poverty strategy is long overdue. A climate change action plan is required.

“The UK Government has offered a financial package to coincide with Stormont’s return. While this is welcome, it does not provide a long-term solution to the public finances. The extra money should be used to draw up a short-term plan for stabilising public services, including making pay awards. At the same time, the Executive must pursue reforms to how public services are provided to ensure that they are able to meet long-term needs.

“A clear example of this is the health service. The need for transformation has been well documented for over a decade, but progress has been slow. Now we have waiting lists that are off the scale, with some services facing collapse. An immediate plan to stabilise services is needed, but also longer-term plans for transformation.

“Ministers must think about prioritisation. Addressing the needs in health will take significant amounts of money. The public purse is limited and cash spent in one area means less overall for everything else. That’s why tough decisions are needed on what the priorities are. Health will almost certainly be one of the main areas of focus, as will some others. In the past, difficult choices about prioritisation and reform have often been avoided.

“Drafting a detailed Programme for Government can provide a proper policy roadmap for the new Executive – as well as a way for those outside government to hold ministers to account. A return to multi-year budgeting is essential. Budgets should be assigned to policy aims rather than individual departments. Traditionally, public finances have been carved up between individual departments, which encourages inefficient silo working. Many policies cut across different departments and pooled budgets would mean that ministers have to work together on policy.

“Northern Ireland faces a very challenging period. Getting the best possible outcomes for people in the day-to-day lives is imperative. The Executive and

Assembly are the institutions best placed to take on these challenges – but merely coming back after two years of collapse won't be enough.

“Northern Ireland needs a sustained period of stable devolution. The Executive needs to be united in purpose, strategic in decision making, and determined to make tough choices as required. It must focus on making sure it implements those decisions properly.”

Pivotal's report looks in some detail at two separate but related areas that need to change.

Firstly, how the Executive, comprised of elected representatives from several different political parties, needs to work together in a more positive, strategic and unified fashion than has historically been the case.

Secondly, how budget processes that are more focused on long-term planning can help Northern Ireland get the most out of public funds that are stretched thin.

The Executive and Assembly need to work differently

A period of stability is needed. Northern Ireland has not had an Executive for almost five of the past seven years, leaving little room for strategic decision making. Long-term problems have grown in scope while public services have deteriorated.

The Executive needs to agree a Programme for Government (PfG) and multi-year budget. A proper PfG, perhaps agreed before the formation of the Executive is finalised, could provide direction for a group of politicians with differing views and priorities. This could make it easier to navigate periods of tension. Developing a multi-year budget at the same time would give a firm indication of how funding will follow priorities.

Difficult decisions must be taken. It can be politically easier to sidestep difficult decisions or implementation of policy. In the past, short-term fixes often trumped long-term investment. Previous Executives avoided tough calls, which has increased the problems of today – e.g. slow progress in health service reform over the past decade, impacting on services in the present.

Ministers need to act with common purpose. Many policy needs cut across several departments but previous Executives defaulted to silo working rather than a collective approach. Jointly-owned budgets and targets could help avoid repeats of this mistake.

Focus on better outcomes. Historically, the emphasis has been on publishing new policy documents and strategic plans, rather than delivery. The new Executive needs to focus on actual outcomes that affect people's lives. Clear reporting arrangements that allow proper scrutiny – including from the public and media – should be put in place.

Partnerships outside politics. Northern Ireland's business and civic society sectors are vibrant, and full of experience and ideas. Those sectors, as well as academics and the general public, should be more involved in policy development and scrutiny.

Make the most of unique access to UK and EU markets. The Executive needs a pragmatic approach to the Windsor Framework, aiming to maximise the benefits to the local economy. Opportunities need to be sought in export markets and inward investment.

A renewed commitment to the spirit of leadership and compromise that was central to the Belfast / Good Friday Agreement (B/GFA). Working with common purpose is essential to good government. Operating a coalition of opposing parties has been extremely difficult, especially when the two main parties have held a veto. All those involved in the Executive need to commit to making the institutions function, demonstrating leadership in tough situations, and compromise when needed.

UK and Irish governments need to maintain ongoing support. As joint stewards of the B/GFA, the two governments must stay engaged after devolution is restored. At the same time, the relationship between the EU and UK Government is now a key aspect of devolution – meaning the EU must also remain aware of its ongoing responsibility for managing significant regulatory changes.

Build capacity of the NI Civil Service (NICS). The RHI report and a 2020 Audit Office report both highlighted serious deficiencies in the civil service. Problems included gaps in expertise, an ageing workforce, and inadequate workforce planning. NICS needs an ambitious programme of recruitment, secondments and development to build up skills, experience and diversity, and to improve performance.

Budgeting for now and the future

The UK Government's financial package is welcome but is only a short-term fix. Without further action, budget problems will soon re-emerge. The new funding floor is only slightly more generous than the previous allocation and the UK's general fiscal outlook is tight. The incoming Executive faces tough choices about both spending and revenue raising.

A short-term recovery plan could stabilise budgets and services. The UK Government's financial package should be used to agree a recovery plan to address immediate problems – pay disputes, failing services and overstretched budgets. This plan should work in parallel with longer-term public service reform.

Ambitious public service transformation is needed. Restructuring of services has been discussed for many years, but progress has been slow. Continuing to deliver services in the same way as the past is unsustainable. The Executive should provide regular published information about transformation plans and progress, to enable scrutiny and challenge.

Consider a full range of options to get the most from public spending. Like governments elsewhere, Northern Ireland needs to consider a full range of

approaches to managing budgets. More local revenue raising and other sources of funding should be considered. Taking action in some of these areas may offer additional funding to improve public services.

Multi-year budgets will enable investment and reform. The Executive's last multi-year budget covered 2011-15. Since then, a series of single-year spending plans have created uncertainty and hampered strategic planning. Multi-year budgets should return, and departments should pass on multi-year allocations to public bodies, the voluntary and community sector and other organisations, to spread the benefits of greater financial certainty.

Budgets should be linked to the PfG, with funding allocated to match agreed priorities. Previous budgets divided money up between departments in a way that was acceptable to all Executive Ministers. Instead, if the PfG sets out governmental priorities, funding should be allocated to those priorities – not individual departments.

Use of the new financial package should be independently assessed. Previous settlements that accompanied the restoration of devolution failed to deliver most of the changes promised. A fresh approach is needed to ensure this additional money leads to results. Consideration should be given to external review of what the settlement delivers, perhaps following the model of the Fiscal Council which has independently assessed Northern Ireland's public finances in recent years.

ENDS

Notes to Editors

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1. Pivotal is an independent think tank launched in September 2019. Pivotal aims to help improve public policy in Northern Ireland
2. Pivotal's earlier reports are available [here](#)
3. Pivotal's Board of Trustees provides oversight of its work. They are David Gavaghan (Interim Chair); Richard Good; Sarah Creighton; Judith Gillespie; Jarlath Kearney; Sinéad McSweeney; Rosalind Skillen; Andrew McCormick; Seamus McAleavey; Alan Whysall
4. Pivotal's Director Ann Watt is a former senior civil servant with 20 years' experience in public policy development and delivery. Most recently Ann was Head of the Electoral Commission in Northern Ireland (2014-2019)

5. Pivotal has received funding and in-kind support from Belfast Harbour Commissioners, The Community Foundation Northern Ireland, the Department of Foreign Affairs and Trade, The Joseph Rowntree Charitable Trust, NICVA, Queen's University Belfast, Ulster University
6. For further information about Pivotal see pivotalppf.org or contact Pivotal's Director Ann Watt on 07932 043835
7. Follow Pivotal on Twitter @pivotalppf