



## **New Decade, New Approach agreement – response from Pivotal to Northern Ireland Affairs Committee Inquiry**

Pivotal is a new public policy think tank for Northern Ireland. Pivotal is independent of government and has no political alignment. We aim to help improve the use of evidence in policy making in Northern Ireland, and involve a wider range of people in public policy debate. We want to increase discussion about day to day public policy challenges in health, education, the economy and the environment, recognising that traditionally public debate in Northern Ireland has been dominated by issues of identity, nationality and the past.

Pivotal was launched in September 2019 and has published two reports so far: [Moving Forward - putting Northern Ireland on track for the future](#) (November 2019); and [Good Government in Northern Ireland](#) (March 2020). You can find more information about Pivotal [here](#) .

New Decade, New Approach (NDNA) is extremely welcome, as is the return of the Executive at Stormont. The return of the institutions with a clear programme of work is essential to moving forward in addressing the economic and social challenges Northern Ireland faces. But it is not sufficient: there must also be prompt and effective delivery of the programme.

Pivotal's recent report *Good Government in Northern Ireland* (March 2020) concluded that a significant culture change is needed at Stormont (and across wider society) if the commitments in New Decade, New Approach are to be delivered. Therefore the main point we would make to the Committee is that government in Northern Ireland needs to operate in much different ways if it is to be effective in the future. There cannot be a return to past ways of working. Examples of the culture change that is needed include: the Executive embracing a common vision; operating effectively across departmental silos; taking rather than avoiding tough decisions; making good policy choices for the long-term; and involving and valuing external experts and the public in policy development. The engagement in these debates of individuals and organisations outside political parties and government also needs to develop, to mirror the change in culture at Stormont.

Many of the changes to the institutions in NDNA are well-intentioned adjustments to avoid a recurrence of the recent three-year period without government. There have been many similar changes to the institutions in the past, but to limited effect. Pivotal's overall view is that the NDNA measures will only make a marginal difference without a commitment to addressing the cultural issues that have held back the Executive's development into a properly functioning government in the past. That cultural change involves us all.

The Covid-19 pandemic, and the government's response to it, will have an unprecedented impact on many aspects of government in the UK, including the public finances, for many years to come. The responses below do not take into account the impact of Covid-19 on government and the public finances in Northern Ireland, but we note the overall point that this will be significant and long-lasting.

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## ***Stability of Devolution in Northern Ireland***

### **1. Does the New Decade, New Approach agreement adequately address the institutional flaws that have contributed to the periodic breakdown of devolved government in Northern Ireland?**

Pivotal's view is that the changes introduced in New Decade, New Approach to how the institutions work (eg new Party Leaders Forum, reform of Petition of Concern, caretaker Ministers) may be useful in reducing the chances of the Executive breaking down in the future, or at least in delaying its collapse. In particular, the changes provide more opportunities and time for problem issues to be resolved between the political parties before the Secretary of State has a duty to call a new election. However, the changes in themselves cannot counteract a situation where a party or parties decides to bring an Executive to an end. For example, if these new measures had been in place in January 2017, we do not think that they would have prevented the collapse of the institutions or led to their restoration any sooner. Hence Pivotal's focus is on the need for the development of an improved political culture which encourages and enables the tensions in Northern Ireland's politics to be handled more effectively, with greater understanding then creating a firmer foundation for stable government.

### **2. What effect will the institutional reforms in the New Decade, New Approach deal have on collective responsibility and cross-departmental working in the Executive?**

#### **• What effect will the reform of the Petition of Concern have on unity in the Executive?**

Pivotal's recent report *Good Government in Northern Ireland* provided an assessment of how well past Executives did in providing effective government in Northern Ireland. A key issue identified was the failure of government departments to work together. While a lack of cross-departmental working is frequently cited as a general problem for governments, it is particularly challenging in Northern Ireland because departments are headed by ministers from different parties, who have been elected on different manifestos and without any sense of common purpose. In the past this has led to ministers operating in silos and a reluctance to address issues jointly, when of course many public policy challenges require action from several government departments.

The most significant measure in New Decade, New Approach to improve collective responsibility is the commitment to a revised Programme for Government, built on a set of outcomes that are jointly owned by the main relevant government departments. If delivered well, this Programme for Government could be very effective in setting out a common vision for government and driving cross-departmental working. The key will be whether there is the much-needed culture change, namely an acceptance by all parties that the Programme for Government genuinely represents the Executive's common aims and that it is binding on all ministers and departments. This must go beyond a willingness to sign up to an agreed set of outcomes, to being a genuine commitment from all parties to engage on working out the necessary policies and programmes, accepting the need to take hard decisions and reach difficult compromises.

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The reforms in NDNA to the Petition of Concern should make its use less likely, and bring it back closer to its original intended purpose. The commitment to only use the Petition of Concern “in the most exceptional circumstances and as a last resort” is welcome, but of course defining when this is the case will differ across different political parties and issues. As the NDNA document notes, most parties in the negotiations supported wider reform of the Petition of Concern.

### **3. What effect will the establishment of a Brexit sub-committee have on the Executive’s ability to handle issues derived from Brexit?**

The new Brexit sub-committee would appear essential given the significant impact of Brexit on many aspects of life in Northern Ireland, and also given the lack of government in Northern Ireland for much of the period since the EU Referendum in 2016. It is essential and urgent that the Executive focusses on finding maximum agreement on issues related to Brexit, and this Committee represents a way to work towards a common position on the key issues. We welcome the Committee’s membership being made up of at least one representative from each party in the Executive. The commitment in NDNA that the Brexit sub-committee’s work should be scrutinised by an Assembly committee is also important.

### **4. Does the introduction of reforms allowing ‘caretaker’ Ministers to remain in place following a breakdown in power-sharing mean that the civil service will never again have to run Northern Ireland?**

The reform to allow ‘caretaker’ ministers to remain in place should be helpful in ensuring important decisions can be taken even if the Executive is not functioning normally. This will prevent a full recurrence of the situation which happened for the three years from January 2017, where significant decisions had to be put on hold, with huge implications for the delivery of public services (although this was partly relieved by NIO legislation during this time enabling some decision-making by civil servants).

Again our central point here would be a cultural one. The widespread public acceptance during this period that Northern Ireland could function without a government was extremely striking. It needs to be more generally understood, within politics and beyond, that Northern Ireland cannot afford to do without a fully functioning government at any point, if the pressing economic and social challenges are to be addressed.

In practice however, these ‘caretaker’ ministers will be very limited in their ability to make decisions, given that they would be doing it in a context of a non-functioning Executive. There would likely be significant opposition to any controversial decisions. So while this measure would represent an improvement on the situation that existed from January 2017, there would clearly be a limit to what ‘caretaker’ ministers could do in practice. It is also worth pointing out that the 24 week period set out in NDNA for resolving political difficulties is of course much shorter than the three year period during which the Executive did not function from January 2017. In this case 24 weeks would not have been sufficient to resolve these difficulties.

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## ***UK Government Financial Commitments***

### **5. Will the New Decade, New Approach agreement achieve its stated aim of transforming public services in Northern Ireland?**

- **Does the Agreement have the level of ambition required to reform public services in Northern Ireland?**

New Decade, New Approach is extremely ambitious in its aims for improving public services in Northern Ireland, ranging from health and social care reform to a climate change strategy, and from major investment in infrastructure to an independent review of education provision. This level of ambition is welcome given the struggling situation many public services are currently in, with an urgent need for significant investment and/or reform in many areas.

At the outset we would query the extent of the ambition in NDNA to transform public services, rather than just spend more money on them. Transformation seems to be a key aim in health and social care (through a commitment to deliver the reforms set out in the Bengoa report and other recent independent reports), but otherwise it is not clear whether the measures in NDNA will in the end be mainly about increased funding rather than the transformation of public services. Clearly there are huge current funding short-falls in many areas which need to be addressed urgently, but this should be done at the same time as longer term thinking about how public services will be reformed to put them on track for the future. Serious steps need to be taken now more than ever to ensure that Northern Ireland is getting the best value for public funding in all areas of spending. Transformation is certainly needed, but yet most public dialogue focusses primarily on the need for more money.

The next question (see below) addresses the important issue of **whether sufficient funding** is in place to deliver the commitments in NDNA. Drawing on our *Good Government in Northern Ireland* report, we raise five further important issues about what the NDNA commitments will achieve:

- Whether the Northern Ireland Executive has the **capacity** to deliver such a large number of ambitious commitments. There would seem to be far more in NDNA than can realistically be delivered over the next few years. Prioritisation is needed, which may lead to political difficulties as some elements have to wait until the future. The Programme for Government will be important as the way to decide what will be done when.
- Previous Executives had a tendency to **avoid making difficult decisions**, but making these tough choices will be essential if public services in Northern Ireland are to be transformed. The most important example here is health and social care, where several independent reports have set out the need for radical reform. Little has so far happened in practice, although there were some signs under the previous Executive of an appreciation of the magnitude of change necessary.

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- In the past, Executives were not good at **long-term planning**. Policy design was tied to the life of an Executive, or even shorter periods, but genuine public service reform requires a much longer term view.
- There is a **poor track record of delivery** on policy commitments. In the past there have been multiple published policies and strategies on a wide range of areas, but an absence of real impact on the ground. So a relentless focus on delivery will be essential if the ambitions in NDNA are to be achieved. It is not clear at present that the Executive has recognised the extent of this delivery challenge, or has mechanisms in place to address it.
- The Executive should do much more to **engage outside individuals and groups** in policy development (including the public, academics, think tanks and interest groups). In the past, Stormont has been very closed to outsiders, with a reluctance to have any real external involvement. In turn, outside bodies need to be realistic about the scale of the challenges the Executive faces. A mature debate is needed about prioritisation given the resources available and the capacity to deliver change.

## **6. Is the UK Government's £2 billion financial commitment sufficient to support the delivery of the commitments made in the New Decade, New Approach document?**

Pivotal has not done any of its own analysis of the costs of delivery NDNA. We are a new think tank with a very small staff team, so while ambitious about our future impact we are limited in our capacity at present.

We note that those within government, academics and external commentators have been united in saying that the funding committed to NDNA so far is insufficient. The Finance Minister has had several meetings with the Treasury to make this point.

There is a lack of clarity about what the commitments in NDNA will involve, which makes realistic costings difficult. There are commitments to, for example, reform of health and social care, a childcare strategy, a mental health strategy, a climate change strategy, and an independent review of education provision (and many others), but nothing about the detail of what these will involve, and therefore no clarity at this stage about the costs attached.

As noted in the previous response, the financial resources available are not the only constraining factor. Also relevant are the capacity for policy debate, development and delivery across the public sector to bring about significant change on the wide range of fronts envisaged in NDNA.

The Covid-19 pandemic, and the government's response to it, will have an unprecedented impact on the UK's public finances for many years to come. This in turn will impact on the finances of the Northern Ireland Executive. So the initial plans for how NDNA would be funded and delivered will have to be reconsidered in the light of this.

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## **7. Does the Executive have clarity and certainty on the funding that will be made available to it to meet the commitments set out in the Agreement?**

See previous answer.

### ***Scrutiny and Conditionality of Public Spending in Northern Ireland***

## **8. What powers will the Independent Fiscal Council need to improve the long-term sustainability of Executive finances?**

### **• What are the barriers to the effective operation of the Independent Fiscal Council?**

Pivotal welcomes the announcement of a new independent Fiscal Council. Our *Good Government in Northern Ireland* report highlighted the absence of external voices in policy development, and said that policy making in Northern Ireland is weaker because of this absence of external scrutiny and challenge. The Fiscal Council's role will be to give an independent view of whether the Executive's finances and spending plans are sustainable, along with monitoring and reporting on the Executive's performance in delivering the Programme for Government. All this should be very helpful in providing objective independent assessments.

Key to the Fiscal Council's success will be ensuring that: its membership is truly independent; its members have sufficient expertise; that it is able and enabled to speak truth to power; that it is trusted and valued by the Executive, Assembly and the public; and that their advice is accepted and acted upon.

The effectiveness of the Fiscal Council will rely on a culture change both within government and among the wider public, including the many interest groups in Northern Ireland. In the past, external voices (even expert voices) have often not been welcomed, especially where they provide a challenge to government.

It will be difficult to get this right. Politicians need to see the usefulness of the Fiscal Council and how it can assist them in their difficult decision-making. If the Fiscal Council is not accepted as important and useful by politicians, it will have little impact. In turn the Fiscal Council needs to act independently and with integrity. It will need to be realistic in its assessments about the challenges facing the Executive, and be conscious of the importance of having a positive and constructive relationship with the Executive.

## **9. What effect will the creation of a Joint UK Government-Executive Board have on the long-term, sustainable use of public funds?**

Again Pivotal welcomes the announcement of the Joint Board to oversee some aspects of the use of public funds. We welcome it because of its potential to provide useful external expertise, challenge and assistance in managing Northern Ireland's public finances, as our view is that Northern Ireland suffers at present because of a lack of such external expert input. It is however an unusual arrangement in a devolved administration, and some will regard it as a step backwards towards the

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UK government having more control over devolved matters. It is difficult to imagine, for example, a similar body being set up in Scotland or Wales.

Again how the Joint Board works in practice will be key to its success. It needs to be constructive and positive, and if not it risks being a confrontational and unproductive relationship.

There is a lack of clarity in NDNA on a number of aspects of the Joint Board. For example, its remit seems to be about ensuring value for money in the much needed reforms of health and social care, but also mentions education, the justice system and infrastructure (but not other areas of public services). Its powers are unclear, particularly whether it will be advisory or decision-making. There is also no clarity on the Board's membership. Presumably all this will be made clear in the terms of reference.

## **10. What effect will linking funding for public services to the formation of the Executive have on the future stability of the Executive and governance in Northern Ireland?**

The conditionality of the funding in NDNA was a political decision used by the two Governments to incentivise the political parties to return to the Executive. The package on offer was announced to the public before the parties had signed up to the deal (including elements to settle the nurses' pay dispute and address health waiting lists, both of which had a very high public profile at the time), adding to the pressure on the political parties to accept the deal. Previous agreements to re-establish or sustain the institutions in Northern Ireland have often had additional funding attached, although not in such an explicitly conditional way as was used in NDNA.

Does this mean that future funding for public services in Northern Ireland will be conditional on the Executive being in place? While this might sound like it could provide an incentive against collapse, it is hardly realistic to think that the UK Government would starve public services in Northern Ireland of funding in the event of a future breakdown of the Executive (or indeed that it really would have done in this case if the Executive had not re-formed in January 2020). We would therefore question whether linking funding to the formation of the Executive would ever really be seen as a credible threat. In that sense it may not have much influence on the future stability of the Executive.

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