



# Public Policy Challenges

---

for Northern Ireland

A paper prepared for

**Pivotal Public Policy Forum**

by

## Contents

Acknowledgements.....	2
Foreword.....	3
1. Introduction .....	4
2. A vibrant participative democracy.....	5
3. The kind of society we want – the big issues.....	6
Tackling poverty and disadvantage .....	6
A flourishing economy .....	7
The future of health and social care .....	8
The climate and biodiversity crises.....	9
Community relations .....	9
4. Public finances .....	10
5. Ten public policy challenges .....	11
i. Poverty and welfare reform.....	12
The poverty-related gap in early childhood learning.....	12
Welfare reform mitigation.....	12
Universal credit.....	13
Housing .....	13
ii. Economic strategy.....	13
Industrial strategy.....	13
A Green New Deal.....	13
iii. Infrastructure .....	14
The North-South Interconnector .....	14
The water and sewerage system .....	14
Transport and digital.....	15
iv. Skills development.....	15
v. Educational reform .....	16
vi. Mental health.....	18
vii. Reconfiguration of health services .....	19
viii. Adult social care.....	20

ix.	Climate and biodiversity .....	20
	Closing the emissions policy gap.....	20
	Climate legislation.....	21
	Beyond the Common Agricultural Policy .....	21
	Environmental regulation .....	22
x.	Justice.....	22
	Mental health in the criminal justice system.....	22
	Tackling hate crime .....	23
	Children in the justice system.....	23
6.	Conclusion.....	24
	Endnotes .....	26

## Acknowledgements

This report was commissioned by Pivotal Public Policy Forum in April 2019. I would like to thank the many people across a wide range of organisations who made suggestions, offered feedback and contributed material for this report, even in the knowledge that space would not permit the inclusion of it all. I would particularly like to thank: Aidan Campbell, Rural Community Network; Alan Whysall; Alex Tennant, NICCY; Angela McGowan, CBI; Ann Watt, Pivotal; Anne Moore, Save the Children; Ben Collins, NIFHA; Bill Lockhart; Brian Gormally, CAJ; Clare Higgins, RCGP; Craig McGuicken, NI Environment Link; Eithne Gilligan, Age NI; Geoff Nuttall, NICVA; James Orr, Friends of the Earth; John Fitzgerald, TCD; John Barry, QUB; Kevin Higgins, Advice NI; Matthew Coyle; Neil Gibson, EY; Olwen Lyner, NIACRO; Paul Sweeney; Paula Rodgers, Include Youth; Richard Good; Roger Pollen, FSB; Terry Waugh, Action Renewables; Tony Gallagher, QUB; Seamus McAleavey, NICVA; Wesley Aston, UFU; and Will Haire.

John Woods, November 2019

## Foreword

Pivotal aims to stimulate conversation, engagement and debate on the issues that matter to people now, and that will shape the future of our society in the decades ahead. By doing so, it aims to shape public policy - the policies, laws and spending decisions made by government in order to meet the needs of the people it exists to serve.

Over recent months, as Pivotal has developed as a new organisation, we have been talking to a range of individuals and organisations across our society, and across different sectors, to begin to explore the issues that matter. This paper reflects some of those conversations, and some of our own initial research.

The paper is not intended to be the final word on what those issues are, nor does it set out the limit of the issues that Pivotal thinks matters. Quite the opposite, in fact. It is being put forward as a conversation starter, and we will use it to encourage others to join the debate on what our public policy priorities will be in the years ahead.

*The paper is not intended to be the final word on what issues matter. Quite the opposite, in fact. It is intended as a conversation starter.*

Where should our elected representatives and our public policy officials focus their attention? Where do we need to spend more and where can we spend less? Are the issues that currently dominate public debate the ones that will matter in five, or ten, years' time or are there other issues that we should be starting to tackle instead? Where do challenges remain unmet, or opportunities remain unexplored?

Pivotal won't ever be able to answer those questions on its own, nor does it want to try. Rather, we want to involve a wide range of other people and organisations – many of whom might not otherwise have an opportunity to engage with each other or perhaps to engage at all in debating public policy – in discussing and researching the challenges and opportunities that lie ahead.

There are organisations out there with great expertise in their own field, whether that might be business, education, or healthcare; we want to draw on that expertise and work with them to ensure that their views are heard and understood when policies are being made. And there are also many people whose lives and livelihoods will be affected by public policy and whose expertise lies in their own experiences; their voices also need to be heard.

So this paper suggests a range of issues – some of them over-arching, others related to a specific area of public policy – that we believe need to feature in collaborative, inclusive discussion of public policy. And it poses a number of questions around those issues that underline the fact that the paper isn't meant to provide all of the answers.

Pivotal looks forward to engaging with people on those questions, and to hear from them about the issues that the paper doesn't include. We'll use those responses and conversations to shape our own research and to guide our events and engagement activities. In doing so, we hope we can find ways to work with everyone who contributes to shape a new future facing, evidence based public debate about the kind of society people want to see in the future.

*Pivotal, November 2019*

## 1. Introduction

This paper sets out a number of public policy challenges facing government, in whatever form, in Northern Ireland. It starts with some observations on the state of our democracy and the fundamental role that a fully functioning and vibrant democracy plays in both developing public policy and in underpinning the wellbeing of our people. It argues that not only does good policy depend on effective public involvement but the ability to participate in the democratic process is itself an essential component of wellbeing.

The paper then goes on to set out five overarching issues that are central to our future wellbeing; all are interconnected and none can be tackled in isolation. The first of these is poverty and disadvantage - one in five of the population is living in poverty, including 110,000 children.<sup>1</sup> The second is health and social care and the immense challenges of a rapidly ageing population and lack of funding to sustain services in the face of this change. Third is our economy and the question of how to provide good work for all those who want it. Fourth is the existential threat posed by climate breakdown and biodiversity loss. And fifth, good relations between our different traditions are vital to the wellbeing of our community. We neglect this issue at our peril and any progress we make towards a better society is all too easily undermined by unresolved tension and potentially violent conflict.

All five of these issues combine emerging states of crisis to varying degrees, profound financial challenges and urgent decisions needed to tackle current problems or take advantage of new opportunities. All are also longer term issues that are fundamental to our wellbeing and require an approach that is about much more than producing another strategy. These are issues on which we really need to 'get a grip' and that means acting now to prioritise policies that can have significant impact and place us, confidently, on a trajectory towards a more inclusive and flourishing future.

Government is a complex business but it is in embracing complexity that the solutions to our greatest challenges lie. Very little can be tackled in isolation. Poverty, for example, is a function of, among other things, a lack of work and failures in education. It is a result of, and a contributor to, poor mental health. Likewise, living in poverty makes one more likely to be a victim of paramilitary control and to encounter the criminal justice system. A flourishing economy depends on an education system that produces the right skills and it, in turn, can create the quality jobs that lie at the heart of tackling poverty. These five overarching issues are set out in more detail in Section 3.

Underpinning nearly all of our aspirations for the future and critical to effective government are the public finances. Section 4 of this paper does not shy away from the urgent need for reform and the many challenges and difficult decisions we face.

Finally, Pivotal has chosen 10 public policy challenges many of which, if approached from a 'whole systems' perspective, have the potential to deliver on multiple fronts. They range from a focus on mental health to renewing infrastructure, from reforming education to considering the best approach to agricultural support. These are not presented as prescriptions or solutions; nor are they comprehensive in scope. Rather, these are challenges that we cannot afford to neglect. Successfully addressing them should deliver multiple benefits for society, the economy and the environment. These challenges are set out in more detail in Section 5.

## 2. A vibrant participative democracy

For a variety of often complex reasons Northern Ireland's fledgling democratic institutions have struggled to bear the burden of expectation placed upon them. Part of the problem may lie in an over-reliance on the traditional model of representative democracy whereby elected representatives attempt to respond to public expectations by designing policies and programmes to be implemented by the civil service and a range of other public bodies. Good government is no longer a case, if it ever was, of applying a series of top-down policy measures to a grateful public. In recent decades, the trend in many other jurisdictions has been a shift from hierarchies to networks and to growing dependence by government on partnership working in order to deliver change. Northern Ireland has not been immune to this trend and there are some excellent examples of more participative approaches such as the Department of Health's initiative on co-production, but the full potential of a shift to more participative forms of democracy has yet to be realised.<sup>2</sup> The prize could be both better and more stable government.

An example of the kind of fresh thinking available is the concept of the 'Enabling State' which recognises that the state is excellent at delivering standardised services but is not able to address our more complex social problems. Former Scottish Permanent Secretary, Sir John Elvidge, writes, 'The state should continue providing the public services that it excels at. It must also take on a new role, that of the "Enabling State" empowering and supporting communities, individuals and families to play a more active role in improving their own wellbeing.' A series of necessary policy innovations are needed, including moving from top down to bottom up, from representation to participation and from 'doing to' people to 'doing with' people.<sup>3</sup>

Such an approach does more than produce better public services. The active participation of people in the decisions that affect their lives, whether through co-producing services or being involved in some form of participative decision making, enhances wellbeing. As the Carnegie-QUB Roundtable on Measuring Wellbeing in Northern Ireland put it, 'meaningful civic participation in the democratic process is both a means and an end'. It is a means towards better policy making and delivery and 'it is an end because reasoned deliberation and engagement with the decisions that affect our lives is known to directly improve wellbeing. Moreover, understood in this wider sense, wellbeing also captures vital conditions for a deep democracy. A reported sense of control over our lives is one of the most reliable indicators of wellbeing.'<sup>4</sup>

Representative democracy has its limitations. It is not good at taking unpopular but necessary decisions and finds it difficult to see beyond the current electoral mandate. Government often appoints independent bodies or commissions to deal with particularly thorny issues and sometimes this can be a politically less painful means of proceeding.

Recent experiments in participative democracy, however, have demonstrated that asking the public to deliberate on politically challenging issues can produce answers that carry the legitimacy of having been crafted by 'ordinary' citizens while the process itself is one that deepens and widens democratic practice well beyond a trip to the polling station every few years. The recent citizens' assembly in Northern Ireland produced a detailed report on the future of adult social care. It was modelled on a series of citizens' assemblies held in the Republic of Ireland that tackled issues including abortion, an ageing population and climate change. Northern Ireland has used other forms

of public deliberation such as citizens' juries, deliberative opinion polls and participatory budgeting. The Building Change Trust has produced a suite of resources to support these forms of civic participation.<sup>5</sup>

Improving the quality of our democracy need not be confined to participative forms, however. The local government reforms of 2014 set the average local authority area population at approximately 160,000. For most people this is not reflective of the places they identify with: local towns, neighbourhoods, villages or townlands. There is no statutory provision in Northern Ireland for Community or Parish Councils as exist in Scotland, Wales and England, leaving a gap in our democratic structures at this critical level of 'place' where people live out their daily lives. Deepening democracy at very local levels can also help tackle sectarianism and support the process of reconciliation. When people participate together in addressing social, environmental and economic challenges, it is often possible to overcome traditional barriers. By widening its understanding of democracy to engage the active participation of citizens, government may be able to lighten the burden of expectation upon it and improve the lives of all citizens.

### **3. The kind of society we want – the big issues**

In researching this paper, five overarching issues rose to the surface. These are the issues, or outcomes, on which we need to focus if the draft Programme for Government's aspiration of 'Improving wellbeing for all' is to be achieved. In one word each they are poverty, economy, health, environment and community.

#### **Tackling poverty and disadvantage**

Levels of poverty in Northern Ireland have remained stubbornly high since the turn of the century as they have elsewhere in the UK. About a fifth of the population and more than a quarter of children live in poverty. The Commissioner for Children and Young People states 'children are the age group at highest risk of poverty, with a poverty rate of 23% compared to 17% for working age adults and 15% for pensioners. Despite this, they are the group most severely impacted by the "welfare reforms" of the social security and tax credit systems. The...Institute for Fiscal Studies [has] calculated that the relative poverty rate (AHC) across the UK will rise by two percentage points for the general population, but that this was entirely due to a seven percentage point rise in child poverty over this time [2017-18 to 2021-22]'.<sup>6</sup>

While there have been improvements for some groups, notably pensioners, things have worsened significantly for others such as working age adults without children. In-work poverty is also a growing phenomenon. Having an effective social security system that really delivers, supporting people in a caring and efficient way, is therefore essential. Northern Ireland has some, if limited, flexibilities in these areas and needs to use these flexibilities and mitigations to the maximum we can afford.

While there are a number of drivers of poverty, a significant issue is the relatively high level of workless households and low level of employment. Research by the Joseph Rowntree Foundation (JRF) suggests that raising the employment rate could have an impact in Northern Ireland where, for example, long term unemployment runs at more than twice the rate of the UK as a whole.<sup>7</sup> Access to work, especially work that can lift families out of poverty, is highly dependent on educational qualifications but 'There are more people with no qualifications and fewer people with

higher level qualifications in Northern Ireland than in the rest of the UK.<sup>8</sup> Failure in the educational and training systems is therefore a key factor in our sustained high levels of poverty.

Health inequalities and poverty go hand in hand. JRF states that people on lower incomes are more likely to experience poor physical and mental health and that the stress of living on a low income can have a negative impact on health. People with disabilities are also at higher risk of poverty. Housing is a critical issue for people on low incomes, whether as owner-occupiers struggling to pay a mortgage, private renters dealing with a power imbalance between tenant and landlord or the 24,000 applicants on the social housing waiting list deemed to be in 'housing stress'.

Thus, tackling poverty is intimately linked with the health of our economy, the effectiveness of our education and health systems as well as our social security and housing programmes. People living in poverty are often those who suffer from environmental degradation as well. Flooding, for example, tends to disproportionately affect those on low incomes while air pollution is generally rather worse in inner urban areas than it is in the suburbs. Measures to combat climate disruption can exacerbate poverty through higher energy prices, for example, or they can have the opposite effect through insulating homes and alleviating fuel poverty.

### **A flourishing economy**

Many of the challenges facing Northern Ireland's economy are well known. In terms of basic economic indicators we have the third lowest GVA per capita of the 12 UK regions, although in 2017, the latest year for which figures are available, we were the fourth fastest growing region by the same measure.<sup>9</sup> Comparisons with other European regions leave us well below the average in terms of GDP in purchasing power standards (PPS). Based on an EU index average of 100, Northern Ireland lies in the bracket of 75-90. By the same measure the Republic of Ireland is in the bracket above 150 with the Southern region at 216 or over twice the EU average.<sup>10</sup>

The Northern Ireland Composite Economic Index paints a picture of slow recovery from a low point of 95 in 2013 to 102 in early 2019 (Baseline: 2016 = 100). There is still some way to go to return to the high point of 107 in 2007. Employment statistics present a mixed picture. Employment reached a record high in June 2019 at 71.5% but this was the second lowest employment rate in the UK which has an average rate of 75.9%. Meanwhile Northern Ireland also has the lowest unemployment rate in the UK at 2.9%. Economic inactivity, however, is the highest in the UK.<sup>11,12</sup>

Northern Ireland has a small private sector relative to the rest of the UK and Ireland and is therefore uncomfortably reliant on the public sector as the basis of the economy. Lack of key infrastructure is a constraint for many businesses and, without an appropriately trained workforce, we are failing to attract sufficient investment. While there are many business success stories, overall our economy has struggled to support the wellbeing of all of our people. Add to this the rapidly changing nature of the global economy into one that is more automated, more distributed and required to reduce greenhouse gas emissions to zero, and a number of threats and opportunities emerge. The biggest challenge for government is to anticipate what is coming next and to act now in preparation for external shocks and new opportunities.

To succeed in meeting that challenge, it will not be enough to use the traditional policy tools available to us. To successfully transition to a flourishing 21<sup>st</sup> century economy, we must start thinking, planning and acting in very different ways. An example of such fresh thinking comes from Kate Raworth who, in her book *Doughnut Economics*, argues that there is 'a social foundation of



wellbeing that no one should fall below and an ecological ceiling of planetary pressure that we should not go beyond. Between the two lies a safe and just space for all.<sup>13</sup> She argues that our failure to live within these limits lies at the door of growth-focused economics which, when it succeeds in increasing GDP, fails to differentiate between public goods and public 'bads', between growth that benefits the population as a whole and that which is captured by a few individuals, and growth that sustains ecosystems from that which destroys them.

Radical new thinking is therefore required, much of it at the macro-economic level, although there are also plenty of opportunities for doing things differently at the regional level. The Programme for Government made a new departure with its overarching purpose of improving wellbeing with economic growth as a means to that end, rather than an end in itself,<sup>14</sup> and the draft Industrial Strategy carries an interesting focus on 'inclusive growth'.<sup>15</sup>

There are other things we can do without waiting for the economic text books to be rewritten. For example, while policies to help the growth of the private sector are clearly needed, by viewing the public sector only as an economic burden we are missing a number of tricks. Money spent by the public sector in procuring services can play a critical role in supporting local businesses. Health and Social Care Trusts, for example, are big spenders on food and catering services. If this spend is directed to local businesses and social enterprises there are obvious local economic pluses, as well as health benefits through increased employment and improved wellbeing. There can be environmental benefits, too, in reduced food miles. Local food procurement using long-term contracts can have a knock-on effect on the agricultural and food processing sector, providing security and incentives to produce healthy food.

### **The future of health and social care**

The challenges facing health and social care have been well documented in a succession of independent reports over a number of years. In spite of the government's positive response to the recommendations stemming from the most recent of these, the health sector is in the grip of a series of growing crises that make news on a regular basis. A shortage of nurses, GPs and specialists in certain areas, ever lengthening waiting lists, failing mental health services; the list seems to grow from week to week. Good work, of course, is being done to try to effect the transformation of services envisaged in the Bengoa report, the proposals of which were adopted by the last Health Minister in 2016. But this work cannot be expected to overcome profound budgetary constraints — over the last five years the health budget has witnessed an annual average increase of 3.35%. The cost of maintaining services at their existing level, however, requires a rise of 5% to 6%. In the last year, there was a budget increase of 4.6% but much of this came from the in-year reallocation of funds, making planning very difficult. Indeed, the fact that budgets have been set on an annual basis means that the civil service can only focus on short-term cost reduction instead of longer term reform. Officials have welcomed the £200 million allocated over two years to support transformation work but, in the context of a £5.4 billion budget, this is quite a modest sum.<sup>16</sup>

The challenge is immense and below we highlight the importance of focusing urgently on rationalising acute services and reforming adult social care. A transformation that prioritises prevention, early intervention, co-production, an enhanced role for primary care and reconfigured acute services, demands enormous political will to lead change and secure resources.

Success in other policy areas can bring about, over time, an easing of pressure on the health service:

reducing poverty, a food and agricultural policy that supports healthy eating, planning and infrastructure that promotes physical exercise, curbing air pollution, an educational curriculum that encourages active lifestyles, improvements to housing conditions and an economy that generates more and better jobs. All these things can improve the physical and mental health of the population.

### **The climate and biodiversity crises**

Climate disruption and rapidly declining biodiversity have recently accelerated to a high spot on the political agenda and in the public consciousness. Last year, the UN warned that we have just 12 years to limit the rise in global temperatures to 1.5°C, the point beyond which the risk of drought, floods and extreme heat significantly worsens.<sup>17</sup> In May this year, another UN science body published its global assessment on the state of nature, warning that one million species, a quarter of the total, are at risk of extinction driven by intensive agriculture, over-fishing, climate change and pollution.<sup>18</sup>

The implications for people in Northern Ireland are similar to those for people everywhere. These crises pose an existential threat to life as we have come to know it. The challenge for government is how to respond. One policy response that has gained a certain amount of traction here is adaptation which involves anticipating future changes, such as sea-level rise and changing weather patterns with a focus on flood protection, water supplies, eco-systems and crop resilience. Such policies, while prudent, are likely to be overwhelmed by a global temperature rise of 2°C or more.

The second response, the one that governments around the world are gradually becoming more firmly focused on is how to cut emissions and arrest species decline. This involves policies to cut emissions from energy production, transport and buildings; agricultural reform to cut emissions and restore biodiversity; and planning policies for a more sustainable future. This is where government in Northern Ireland is yet to make significant progress. While there is clearly a moral responsibility to ‘do our bit’, there will also be an economic price to pay for inaction. While businesses in other countries are innovating to adapt to a future of net zero carbon emissions driven by policies that are bearing down heavily on greenhouse gas emissions, by failing to set emissions reduction targets and introducing policies to cut carbon, we risk being stuck in an old economic model while the rest of Europe, and much of the world, has moved on.

### **Community relations**

‘It should be formally recognised’ states the recent review of sectarianism, ‘that the problem of sectarian division in Northern Ireland is still with us, both above and below the surface, and that it shows no sign of going away.’ It continues, ‘the issue of sectarianism must be prioritised and elevated to the top of the public agenda alongside the economy.’<sup>19</sup>

The report aims to ‘suggest positive and practical means whereby real progress might be made in bringing the issue of sectarianism here to a successful resolution through reconciliation.’ Key recommendations from the report include:

- A concrete and sustained commitment from the centre of government to address sectarianism;
- A means for the voice of civic society to be heard;
- Business to play a leadership role, particularly in relation to young people;
- A major focus on young people, including mentoring, inter-generational engagement and

- youth leadership;
- A range of measures in the schools system, including curricular and wider change;
- Developing a ‘culture of lawfulness’ and, in particular, renewing the relationship between young people and policing.

Community relations are a factor in just about every aspect of public policy in Northern Ireland. The link with poverty is well known and, as the report states, ‘poverty and the absence of any prospect of a prosperous future fuels resentment and alienation while sectarian division prevents any meaningful efforts to generate a flourishing economy by deterring investment and driving the flight of talent. Connecting anti-sectarian work with action to prevent and address poverty and deprivation is critical, especially in education, health, security and planning.’ Everything is connected to everything else. A key challenge for government is to find ways of exploiting the opportunities that those connections present.

Government has not been idle on the community relations front and through initiatives such as *A Shared Future* and *Together: Building a United Community* it has sought to make progress. That said, it might be argued that as long as the electoral success of many of our political parties depends on fear of the other side, government will struggle to provide the leadership needed to tackle sectarian division. Considering the human and economic costs of sectarianism, this is clearly a deep challenge for political leaders seeking to create a flourishing future for Northern Ireland.

#### **4. Public finances**

Several years of austerity policy at a UK level have left Northern Ireland’s public finances in a very difficult position. Before the collapse of the Executive, broad instruments of retrenchment had been used to balance the budget including downsizing of the civil service, cuts to a wide range of services and internal efficiency savings. Since then, without the political direction required for more strategic reforms, civil servants have been able to keep the system running but already there are significant budgetary problems, creating severe pressure on service delivery and real dangers of collapse.

The challenge for Government is to agree to a strategic approach to budgetary management, including the tough issue of increasing income generation. While structural reform planned for health will ultimately help to keep expenditure under control, although inevitably rising, it will take time to achieve this. As we suggest below, similar significant structural reforms are needed in education but once again these will take several years to reduce costs. Likewise the preventative impact of a comprehensive programme of early years support from before birth could return significant savings to health, education and justice budgets in future years, but the lead times are long.

Such changes and other preventative approaches require investment now while continuing to provide services at existing or higher levels as demand rises. Given the difficulty in balancing current budgets the challenge of how to secure the additional resources needed to achieve these longer term impacts is an enormous one, requiring a combination of some cuts to existing services and additional revenue streams.

The Department of Finance has set out a number of ways in which additional revenues might be secured.<sup>20</sup> One that stands out from the crowd in terms of scale is domestic rates. Compared with the rest of the UK, Northern Ireland households pay on average approximately £600 less per annum

in household charges. For example, raising our rates to just below the UK average of council tax and water charges could generate an additional £0.4 billion.<sup>21</sup> Add some further, no doubt unpopular, measures - such as the reintroduction of prescription charges, the withdrawal of concessionary fares for the over 60s, reduction in free home to school transport and charging for domiciliary care and the total in new income could be £0.5bn. If this was shared between the health and education sectors, for example, it could represent a 4.4% increase for the former and 12.5% for the latter.

Of course a hike of an average of more than £500 in household bills would be deeply unpopular even if introduced over, say, five years. It is therefore essential that any increase is allied to a tough approach to continued efficiency improvement across the public sector and clear structural reforms in major services as we describe. The fact that these additional funds would be used to ensure sustainable public services for the long term, investing in the necessary changes will be important, and this approach is going to need to be understood and championed across the parties. As politically unpalatable as such a measure may be, this is the kind of scale of intervention that is required if the Programme for Government's aim of 'Improving wellbeing for all' is to be taken seriously.

Some more creative thinking will be needed as well. For example, community planning is intended as an integrated approach for the delivery of services, enabling all the relevant arms of government to work together towards agreed outcomes at a local level. This has been developed at Local Government level and we now need to see how it can be linked into the outcomes approach set out in the previously developed Programme for Government. Aligned or pooled budgets are an important way of ensuring such partnerships can deliver and they are also a potentially more efficient means of using public funds.<sup>22</sup>

Social Impact Bonds (SIBs), where investors take on the risk of social projects commissioned by government, are another means of developing services.<sup>23</sup> The jury is still out as to how appropriate SIBs might be; there is clearly a need to fully explore this and other forms of social investment, drawing on experience elsewhere, to see what can be achieved.

NILGOSC, the local government pension fund, invests £8 billion on behalf of 122,000 members. The wellbeing of those 122,000 people and their families relies on the successful investment of that £8 billion yet their wellbeing is also reliant on a range of public services. There is an interesting discussion to be had as to how NILGOSC might make some comparatively low risk social investments, perhaps by purchasing Social Impact Bonds.

## 5. Ten public policy challenges

Flowing from the five overarching issues set out in Section 3 (poverty, economy, health, environment and community) are a plethora of public policy challenges, far too many to include in this paper. The ones highlighted below were garnered from a series of conversations with a broad range of individuals active in the public policy sphere across civil society. Their inclusion does not imply that they are more important than many equally significant challenges. Rather, they are designed to provoke debate about what should be prioritised and, critically, how we address these challenges in creative and connected ways.

## i. Poverty and welfare reform

### The poverty-related gap in early childhood learning

Recent research by Save the Children found that ‘young children growing up in poverty are much less likely to do as well as their peers in meeting a range of early learning outcomes at age five, and that this early gap can persist right through school.’ It continues, ‘there is a strong link between socio-economic disadvantage and educational underachievement at age 16.’ The educational achievement gap at that age is 31%.<sup>24</sup>

While the longer term challenge for government is to eliminate child poverty, it can, more immediately, act to improve early-learning outcomes for children in poverty. Save the Children is calling for transformation of the system including: integrating early education and childcare; workforce development; parental engagement; area based collaboration; and data collection on child development from birth.

### Welfare reform mitigation

The Fresh Start Agreement in 2015 recognised the negative impacts of UK-wide welfare reform on people in Northern Ireland and put a mitigation funding package in place. This expires in March 2020 with 34,000 households set to lose an average of £50 a month in bedroom tax mitigation leading inevitably to rent arrears and eviction. Around 1,500 families with children will be £42 worse off every month as the benefit cap is applied. Thousands of disabled people and their carers will lose their mitigation support.

The Department of Communities has recognised the case for renewing the bedroom tax mitigation: ‘Evidence clearly shows that the impact of this policy has not abated and is unlikely to change over the next few years with the number of affected claimants remaining largely constant. It is therefore considered that there is strong evidence to consider the continuation of this policy.’

Advice NI and NICVA have warned that the continued mitigation of the bedroom tax is absolutely necessary due to the fact that suitable alternative accommodation does not exist. They stress the need for continued benefit cap mitigation to protect the welfare of children in affected households and the continuation of independent advice services set up to help people through the welfare changes.

The House of Commons Joint Committee Report, *Welfare Policy in Northern Ireland*, published in September 2019 clearly sets out a path in terms of solving the looming mitigations crisis: ‘We recommend that the Secretary of State for Northern Ireland make a statement to Parliament as soon as possible making clear the UK Government’s intention to pass legislation to extend the mitigation package, and bring forward such legislation to come into effect before the end of March 2020. The UK Government should provide funding for the mitigation package—including the Discretionary Support Scheme, the Universal Credit Contingency Fund, and funding for independent advisory services— in a Northern Ireland Budget Act.’<sup>25</sup>

The challenge for government is to end the uncertainty faced by so many vulnerable people. The Chair of the Welfare Reform Mitigations Working Group, Professor Eileen Evason, spelt this out clearly in a recent comment: ‘What we have, limited as it is, is far in advance of what has been secured by other devolved governments and demonstrates what can be achieved through devolution when people work together. I am also very aware of the high level of social need that

continues to scar so many households and communities and is most evident in the growing reliance on food banks.<sup>26</sup>

### Universal credit

Universal Credit (UC), the new benefits regime that replaces a number of existing benefits with a single payment, has rolled out across Northern Ireland. All new benefit claimants must apply for UC and anyone currently in receipt of legacy benefits who has a change in circumstances may have to 'naturally migrate' onto UC. It is envisaged that existing means tested working age benefit claimants will be involved in a process of 'managed migration' to UC from 2021. Numerous problems have emerged with Universal Credit, several of which have been publicised in the media. In Northern Ireland, the Welfare Reform Group<sup>27</sup> has identified a number of issues. These include problems with online applications, people being moved prematurely without transitional relief, difficulties in navigating the new system for the most vulnerable (especially those with disabilities) and payment delays leading to severe hardship.

The challenge for government is to implement a system that does not cause financial difficulty.<sup>28</sup> The Welfare Reform Group recommends that the Department of Work and Pensions in Whitehall suspends new claims to Universal Credit until a seamless, managed migration is put in place. If that isn't done, they look to the Department of Communities to design a process that provides maximum safeguards to help claimants navigate the transfer.<sup>29</sup>

### Housing

In 2016, the Office for National Statistics reclassified Northern Ireland Housing Associations as public bodies, thus transferring their debts to the public sector balance sheet and severely constraining their ability to invest in new housing stock. With a waiting list of over 36,000 applicants for social housing, including 24,000 deemed to be in 'housing stress', this reclassification needs to be reversed to take Housing Associations out of the public sector.<sup>30</sup> Although there has been a derogation in force allowing the *status quo* to remain for the time being, legislation is now urgently needed.

## ii. Economic strategy

### Industrial strategy

In early 2017, the Department for the Economy published *Economy 2030: a draft Industrial Strategy for Northern Ireland* as a successor to the 2012 Economic Strategy.<sup>31</sup> It proposes measures that the Executive would take to drive economic transformation in areas such as innovation, infrastructure and skills. It also places an emphasis on wellbeing and inclusive growth, recognising, in a way that previous strategies had not, the important connections between economic and social policy. Without a finalised strategy there is inevitably a lack of coherence in the actions that government and its partners must take to support a flourishing economy.

### A Green New Deal

Taking its inspiration from Roosevelt's New Deal of the 1930s, the Green New Deal is where economic and industrial strategy meets climate breakdown. It first emerged as a kind of green Keynesian response to the financial crisis of 2008 and has reappeared on the agenda in both the US and Europe as the need to tackle climate disruption takes centre stage. The concept is to stimulate massive investment in energy efficiency, renewable energy and green technologies — a kind of zero-carbon industrial revolution, creating thousands of skilled jobs. As Nobel winning economist, Joseph Stiglitz, puts it 'The Green New Deal would stimulate demand, ensuring that all available resources

were used; and the transition to the green economy would likely usher in a new boom.<sup>32</sup>

Northern Ireland's traditional economic strengths of engineering, construction and agriculture are all well suited to embracing Green New Deal opportunities. As oil prices are on the rise again, the economics of domestic energy efficiency measures are compelling and for those in energy poverty, the situation is likely to get worse. A good place to start would be a large-scale housing energy efficiency retrofit programme. The challenge for government is to overcome the reputational damage that the mishandling of the Renewable Heat Incentive has caused to green energy policy, provide the necessary leadership and marshal the public and private resources needed to get started.

### **Food marketing body**

In 2013, the industry-led Agri-Food Strategy Board identified the need for a single agri-food marketing organisation to consolidate all marketing and promotional activities for Northern Ireland's food sector. These activities are currently undertaken by a range of organisations; some promote the industry locally, some internationally, and others only highlight individual strands of the industry. The board took the view that this creates confusion in terms of accessing information and support, along with raising confusion and duplication abroad. Six years later, industry leaders again highlighted the need for the body at this year's Balmoral Show. The Ulster Farmers Union and many others in the industry feel that this is something on which government could and should make rapid progress. Such a body could also explore opportunities to work with Bord Bia and Scotland Food and Drink in areas of mutual interest.

### **iii. Infrastructure**

Developing sustainable infrastructure is a constant challenge for government, especially in the face of climate change and a rapidly changing economy. Delays in decision making and difficulties over funding have been a significant feature in recent years. A number of projects now need to be urgently progressed.

#### **The North-South Interconnector**

Electricity supply is critical to both a functioning economy and to the wellbeing of the population. In a carbon-constrained world, electricity from renewable sources must swiftly replace that produced by fossil fuels. It will be needed to power cars and to heat homes. A crucial element in achieving security of supply across the island of Ireland, reducing energy prices and enabling the maximum use of renewables, is the construction of a second North-South interconnector between Tyrone and Meath. This will enable Northern Ireland to receive and supply electricity from a grid that is connected to England, Wales and France, complementing the existing connection to Scotland. It is critical to the proper functioning of the all-island electricity market.

There have been strong local objections to the proposed 400kv overhead lines and the High Court has quashed a decision to proceed on the basis that the decision must be made by an Executive minister. Objectors wish to see the interconnector installed underground but the developers say that this will triple the cost and is not feasible. The objectors dispute this. This issue clearly needs to be urgently resolved and a decision taken to proceed with the interconnector.

#### **The water and sewerage system**

In many parts of Northern Ireland our sewerage infrastructure is at its limit or beyond its capacity resulting in risks to the environment, public health and the public finances from potential EU fines.



To mitigate these risks, NI Water has not been approving new connections in a number of areas.<sup>33</sup> The issue is the lack of available resources for Northern Ireland Water to maintain and improve the infrastructure due to the fact that over 80% of its funding comes directly from government and has to compete with other calls on public funds.<sup>34</sup> Household water charges have been a feature of life in England and Wales for over 40 years and the average charge is now £376 a year.<sup>35</sup> In Scotland, it is slightly lower.<sup>36</sup> Given that domestic rates are substantially less costly in Northern Ireland than equivalent taxes elsewhere in the UK, there is clearly scope for establishing a sustainable revenue stream for NI Water to supply drinking water and waste water services into the future. The challenge for government is to do this in a way that does not harm vulnerable customers and also commands public confidence. One approach may be to change the status of NI Water from a government-owned company to an organisation with mutual status, focused on public benefit in perpetuity, as is the case in Wales.

### Transport and digital

A raft of other infrastructure issues need to be progressed, including the York Street Interchange, the A5 from Derry/Londonderry to Auchnacloy and the electric vehicle charging network. Northern Ireland's widely dispersed population poses a range of challenges, one of which is the roll out of digital infrastructure. While 5G data services have recently been launched in Belfast, broadband speeds in many rural areas can be pitifully slow. The challenge for government is to take these decisions in a connected way that improves access for all while meeting other policy priorities, such as the need to cut greenhouse gas emissions.

## iv. Skills development

Northern Ireland's skills shortage is one of business's greatest challenges and is exacerbated by Brexit. A survey from BDO and the Northern Ireland Chamber of Commerce and Industry said that one in two Chamber members cannot secure suitable workers, while 63% of those questioned said the skills gap was adversely affecting business performance.<sup>37</sup> Six in 10 members believe Brexit has further impacted on the ability to attract skilled workers to Northern Ireland. Some 77% of service sector firms and 74% of manufacturers said they were encountering obstacles in recruiting the right staff.

Catalyst's *Knowledge Economy Report* of 2017 identified skills and increasing innovation within businesses as key factors in accelerating growth.<sup>38</sup> The report also researched the future of automation, estimating that 500,000 jobs would be impacted in Northern Ireland in the decade between 2017 and 2027. The director of business engagement for Ulster University Business School, Professor Gillian Armstrong, states: 'A focus on disruption by developing more entrepreneurial thought and action will be important as we seek to provide joined-up solutions to prepare students and organisations for their collective work futures.'<sup>39</sup> She references requirements for an increased focus on future skills, multi-institutional pathways, personalised curriculums and offerings for lifelong learning services. Jackie Henry, office senior partner for Deloitte NI, points out, 'While the world is talking about the 35% of the UK workforce that could be replaced by automation in the next 20 years, we are talking about the 3.5 million new jobs it's going to create... As the average shelf life of a technical skill in the workplace is now only 2.5 years, we need our people to be adaptable, with a skill set based around communication, creativity and cognitive skills.'<sup>40</sup>

Contrary to received wisdom, the skills issue in Northern Ireland is not solely about a shortage of high level skills according to a report from the Nevin Research Institute (NERI) which argues that 'a



lack of demand for skills is of equal concern.’ It continues, ‘the underperformance in the supply of skills is likely driven by a lack of demand for skills and vice versa’, a situation described as Low Skills Equilibrium where ‘a country or region is trapped in a cycle of low skilled work leading to low value-added production and consequently low wages. Despite NI’s comparatively low skills base, there appears to be no mismatch between the skills of the workforce and those required by employers. In fact, NI has the lowest rate of skills mismatch of any OECD economy.’ In terms of policy, the report says that boosting the supply of skills will be pointless if it is not matched by equal action in terms of demand, requiring ‘coordination within the economy to match the efforts of both firms and workers.’<sup>41</sup>

Upgrading skills in order to respond to the demands of automation is an obvious focus for public policy. Another NERI report says, ‘more intensive use of technology will require a greater proportion of engineers, computer scientists and technicians. Furthermore, because higher-skilled workers are more likely to be shielded from the risk of job loss’ there is merit in applying policy in this way. The authors warn, however, that ‘there is an increasing requirement for workers in jobs that are not necessarily high-skilled, such as sales and customer service jobs and caring, leisure and other service jobs. Consequently, policy cannot solely focus on upskilling workers [for high tech jobs] and needs also to concentrate on reskilling workers for these jobs.’ This is particularly important as often relatively low-skilled jobs attract poor wages and yet this is the sector in which there is likely to be a greater proportion of future jobs. The NERI paper argues that policy will also need to focus on how this part of the workforce can command recognition and reward for its skills through skills councils, for example.<sup>42</sup>

Part of the challenge for government is to stimulate both supply of, and demand for, skills in high value added and high skilled industries. At the same time it needs to respond to automation by navigating a path between the demands of high tech workplaces and the need to enable lower-skilled workers to earn a decent living. The relationship between skills, employment, productivity, investment, economic performance, inequality and wellbeing is clearly a complex one requiring multiple, *connected* actions across government and beyond. The foundations of success are likely to be found in the reform of secondary education, which we turn to in section v. below.

## v. Educational reform

Northern Ireland’s post-primary school system is dominated by separation. For such a small place, we have found a surprising number of ways to separate our children from each other: by academic ability, religion, gender and language. Even where we have made a commitment to remove one of the barriers – for children with special educational needs – we have made little progress. This astonishingly complex system is very expensive, produces a range of inequalities and, for a great many children, doesn’t work.

The first of these inequalities is the performance gap between grammar schools and secondary schools. Research by Vani Borooah and Colin Knox at Ulster University points to a 56 percentage point gap in the number of students achieving ‘good’ GCSEs between the two types of school. They go on to highlight a second inequality which is between secondary (non-grammar) schools with 60% of these gaining five good GCSEs for just 28% of their students compared with 51% for the other 40%.

The third inequality is the attainment gap between pupils entitled to free school meals (FSM) and

those not entitled, with the 34% of the former obtaining five good GCSEs compared with 68% of the latter. These results correlate with the type of school attended, with just 7% of grammar school pupils entitled to FSM compared with 28% of pupils attending secondary schools.<sup>43</sup> The 2014 Peace Monitoring Report expresses this inequality in a different way: 83% of FSM pupils attend secondary schools while 16% attend grammar schools.<sup>44</sup> While these statistics vary from year to year it appears there is little evidence of improvement over time.

The FSM statistics point to a system that serves Northern Ireland's middle classes very well, enabling children from better off families to achieve high grades at GCSE and A level. While grammar schools are potentially open to all with ability, families who can afford tutoring or to send children to fee-paying preparatory schools can achieve a significant advantage. Many grammar schools expect additional fees to be paid, outlays on branded sportswear, for example, and a culture of expensive activities such as skiing trips, leading many parents from less well-off backgrounds to balk at the idea of their children attending such schools.

While there are areas of strength, and the teaching profession attracts well qualified young people, overall it is an expensive system failing a very significant number of students. John Fitzgerald concludes in a recent *Irish Times* article: 'This outdated selective system of secondary education has resulted in Northern Ireland having the lowest human capital of any UK region.'<sup>45</sup> Thus, in 2017, 21% of 30-34 year olds had not completed post-primary education. This was the highest of any UK region and compares with 12% in Scotland and just 9% in the Republic of Ireland.<sup>46</sup> He contrasts the performance of secondary schools in the Republic which are non-selective and mostly un-streamed and which he cites as the key reason for Ireland's economic growth and resilience since the 1980s.

Further, separation in education along religious lines has been endemic in Northern Ireland since it was established. The societal cost of separating our children from each other was recognised by the Good Friday Agreement, which contained a commitment to support integrated education. While the growth of integrated education has stalled under devolution, there has been significant progress in shared education with over 700 schools involved in shared education partnerships and over 100,000 pupils participating in shared classes.

While separation along religious lines does not itself lead to poor educational outcomes, the system does produce some inequalities with worrying implications. The 2014 Peace Monitoring Report found that the best performing pupils are non-FSM Catholic girls and the worst performing group were FSM Protestant boys.

The structure of our education system has frozen sectarian and class division into our society, and young people are not being prepared for a wider future, while the cost of these different separations cripples educational finances and will lead to further educational decline. Post-primary education therefore presents a series of challenges for government. The selective system is failing a high proportion of our children and continued religious separation inevitably militates against efforts to break down sectarian division. In bringing about fundamental reform a number of vested interests have to be taken into account including the Catholic maintained sector, the Protestant churches in their role on governing bodies of state schools and the grammar school sector which has essentially taken control of the selection system from government. It is essential that these interests are drawn into the debate on how to take things forward and accept the major responsibilities that are laid upon them if a sustainable, fair and effective education system is to be created.

It has been suggested that Bengoa-style inquiry is needed to address education challenges in a strategic way, an inquiry that might be usefully extended to the primary sector as this is where disadvantage starts for many children. Alternatively, or additionally, a citizens' assembly may be a way of deliberating on some very controversial issues, the recommendations from which would enjoy the legitimacy that comes with that depth of citizen involvement. In the short term, the existing interests need to start to see where they can make immediate changes towards a more unified system. Educational change is by its nature slow and only rapid pragmatic change now will lessen some of the damage that will inevitably impact on our children because of the failure to address educational reform since Sir George Bain set out his proposals over 10 years ago.

## vi. Mental health

Northern Ireland reports the highest incidence of mental ill health in the UK.<sup>47</sup> It is estimated that our mental health problems are 20–25% higher than anywhere in Great Britain.<sup>48</sup> In 2017, there were 305 deaths from suicide in Northern Ireland: 18.5 deaths per 100,000 people compared with 10.1 for the UK as a whole and 8.2 for the Republic of Ireland.<sup>49</sup> The scale of the problem was underlined by Action Mental Health in February 2018: '... more people have died through suicide since the Belfast Agreement was signed than died in the entirety of the Troubles. More than 4,400 suicides were registered in Northern Ireland in the 19 years between 1998 and 2016, whilst during the Troubles, between 1969 and 1997, it is estimated that 3,600 people died.'<sup>50</sup>

Northern Ireland's health budget sets aside 6% for mental health — half of the sum similarly devoted in England — and the prevalence of anti-depressant use in Northern Ireland placed it first in the UK in 2014.<sup>51</sup> In 2018, more than 3.1 million prescriptions were processed, a substantial increase on the 2.4m prescriptions logged in 2013/14.

It is now recognised that the origin of mental ill-health for the majority of adults is in childhood or as a result of Adverse Childhood Experiences (ACEs). It has long been said that mental health services are the Cinderella services in the health system, and that child and adolescent mental health services are the Cinderella services in the mental health sector. A recent review by the Children's Commissioner 'found a system under significant pressure, finding it difficult to respond to the scale of need, and the complexity of issues children and young people are presenting.'<sup>52</sup> The Commissioner has also expressed deep concerns at the implementation of new Mental Capacity legislation and what she sees as the failure to meet the needs of young people under 21.<sup>53</sup>

The impact of the Troubles in mental health is well established and Action Mental Health has highlighted the cross-party support for 'a regional trauma service to address the mental health legacy of the conflict.' The establishment of a facility to deal specifically with Troubles-related mental ill health has been an objective of the Northern Ireland Executive since the Stormont House Agreement of 2014.<sup>54</sup>

Mental health charity, Inspire, undertook a series of consultations two years ago that resulted in a number of key recommendations.<sup>55</sup> Inspire's overarching message was that there exists the need for 'a recovery-focused mental health eco-system for Northern Ireland'. The elements of this proposed system include a focus on early intervention and prevention; responsive and informed primary care; alternatives to A&E in times of crisis; a skilled and respected workforce delivering high-quality and consistent support; widely available, high-quality community-based services; and the removal of barriers to accessing those services. Action Mental Health is calling for the appointment of a mental

health champion for Northern Ireland.<sup>56</sup>

Policy makers have been slow to respond to the growing human and economic cost of mental ill-health. This may be due to an attitude that sees the solutions largely in terms of a shortage of resources in the context of highly constrained public finances. A more holistic approach to mental health, however, may reveal new opportunities to address this and other pressing social issues. Such fresh thinking is set out in the British Psychological Society's *Power Threat Meaning Framework*, a radical approach that largely rejects the notion that poor mental health is a diagnosable illness.<sup>57</sup> Rather the BPS research 'Recognises that emotional distress and troubled or troubling behaviour are intelligible responses to a person's history and circumstances' and that these are determined by power imbalances in their lives. Critically, this lack control or power over one's own life exposes 'the link between distress and social injustice.'<sup>58</sup>

The Power Threat Meaning Framework 'has important public policy implications. These can be summarised as follows. First, reducing economic and social inequality is probably the single most effective step we can take to improve the mental health of the population (as well as bringing many other benefits). Second, such a reduction would have the biggest impact on groups who have less power because of class, age, ethnicity, sexuality and/or gender; these are also the groups which experience proportionately more mental distress. Third, we need to recognise the profound psychological, educational, occupational, social, and economic impact and cost of adversities of all kinds, especially ones occurring early in life. Fourth, this implies that child protection and support for families and early years development is of central importance in prevention. Fifth, psychiatric medication is a major public health concern on its own. Sixth, since globally mental health is undermined most often by warfare, resolving conflict at this level may be the most important international priority for mental health (and for many other reasons). All of these priorities will be obscured and undermined by continuing to frame emotional and psychological distress in diagnostic terms.'<sup>59</sup>

The challenge for government that flows from this could hardly be clearer. It is only by understanding a plethora of social and economic issues as being intimately connected and addressing them in a systemic way, that mental health and a host of other outcomes will be achieved.

## **vii. Reconfiguration of health services**

A succession of independent reports on the health service in Northern Ireland has pointed to the urgent need to rationalise acute services, a process that necessarily involves centralising some services so they are less locally available and, inevitably, closing some hospitals. As the Bengoa report put it, 'There is clear and unambiguous evidence to show that specialised procedures concentrated on a smaller number of sites and dealing with a higher volume of patients, will improve outcomes.'<sup>60</sup>

The report continues, '...changing these services is not optional; it is inevitable. The choice is not whether to keep services as they are or change to a new model. Put bluntly, there is no meaningful choice to make. The alternatives are either planned change or change prompted by crisis'.

These changes are not about saving money: 'The money that is currently being used to prop up unsustainable services does not deliver good value or the best quality of care for patients and could be reinvested in other parts of the system, particularly in areas such as general practice and primary

care, mental health, learning disability and community care.’

These kinds of decisions can be politically extremely difficult as elected representatives are challenged by constituents focused on preserving local services, making it difficult to argue the need for change and spelling out the consequences of sticking with the status quo. Bengoa was clear: ‘The difficulty does not lie in deciding what needs to be done. The difficulty lies in doing it.’

The report set out a compelling vision of a new model of health and social care. In the absence of the Assembly, the Department of Health has been making progress in a number of areas but without major decisions on reconfiguration of services, the effectiveness of our health and social care will continue to decline. The challenge for government is to communicate the need for change to the public and to make the necessary decisions.

### **viii. Adult social care**

We are living through a period of dramatic change in the ageing of our population. In 2016, there were estimated to be 298,000 people over 65 with 36,000 of them over 85. In 10 years’ time those figures are projected to rise to 402,000 and 55,000, an increase of 35% and 53% respectively. Meanwhile, the overall population will have risen by only 5%.<sup>61</sup>

Often the debate about an ageing population is framed in terms of the huge expense involved in providing care for people as they live longer but often with poorer health in their final years. We focus on how to pay for residential care worrying about what the public purse can afford and what individuals should be required to pay, especially if they are homeowners. From an older person’s perspective, there are often fears of being institutionalised and the consequent loss of autonomy.

The recent citizens’ assembly on the issue took a more positive approach. It advocated care focused on the individual rather than on institutions, on transforming the structures of care and on developing both the paid and unpaid workforce. The assembly said, ‘...existing service models for delivering social care for older people do not meet the needs and expectations of current and future service users. We call for a comprehensive transformation programme, with public and user engagement at its heart, to design a system fit for purpose.’<sup>62</sup>

The challenge, as articulated by Reith lecturer Atul Gawande, is how we enable older people to remain authors of their own lives even when faced with declining physical and mental health.<sup>63</sup>

This is a complex challenge for government. Progress will depend on shifting from a tendency to see ageing as a problem to be dealt with by medical interventions, institutional care and money, to a focus on promoting the wellbeing of people as they age. Indeed, organisations such as Age NI emphasise that living longer is a good thing full of opportunities for older people themselves and for the younger generations.

### **ix. Climate and biodiversity**

#### **Closing the emissions policy gap**

In its latest report the UK Government’s Committee on Climate Change set a target for the UK of zero greenhouse gas emissions by 2050. This included a more ambitious target for Scotland and a slightly less ambitious one for Wales. Conspicuous by its absence from the targets is Northern Ireland which, 10 years after the UK Climate Change Act, has set no emissions targets and has enacted no legislation. In the period since the Act came into force, emissions in NI have fallen by just

9%, compared with 27% for the UK as a whole.<sup>64</sup>

Such is the concern at Northern Ireland's lack of engagement with the issue that the Committee on Climate Change published a separate report on reducing the region's emissions, in response to a request for advice from the Department of Agriculture, Environment and Rural Affairs (DAERA). The Committee points out that 30% of our emissions are from agriculture, compared with 10% for the whole of the UK. In spite of improvements in the dairy sector, agriculture emissions are still rising.<sup>65</sup>

All the powers that Northern Ireland needs to reduce emissions, including energy policy, are devolved. The first challenge for government is to implement a range of measures set out by the Committee to help close the 'policy gap' between the cuts expected of us and the ones we are actually making. These include:

- Establishing a route to market for new renewable energy, especially onshore wind;
- Using the post-CAP framework to link financial support to agricultural emissions reduction;
- Ramp up the rate of tree planting which falls well short of Forest Service targets;
- Provide incentives for installing low-carbon heating, especially for homes reliant on oil;
- Incentivise energy efficiency improvements in homes for both low income and able-to-pay households;
- More rapid deployment of electric vehicles, tighter conventional vehicles standards, and transport behaviour change.

### **Climate legislation**

As well as helping Northern Ireland make a fair contribution to cutting emissions, these measures provide a range of economic opportunities and improvements to people's lives. They are a small but significant part of a shift towards a low-carbon economy. A second challenge for government is to ensure that Northern Ireland is not left behind in this economic step-change and continues to cut emissions. In 2011, the Committee on Climate Change advised the then Environment Minister: 'Experience at the UK level and in Scotland suggests that legislation is useful in underpinning low carbon programmes, and providing certainty to business and policy-makers.'<sup>66</sup> A Climate Change Act for Northern Ireland would provide the framework for both emissions reductions and the shift to a new low-carbon economy.

### **Beyond the Common Agricultural Policy**

Brexit will see the end of the system of farm subsidies under the Common Agricultural Policy (CAP), a system that has been central to farming in Northern Ireland for the last 40 years. For every pound earned by Northern Ireland farmers, 87 pence comes from the EU Single Farm Payment. This compares with 53 pence for the UK as a whole.<sup>67</sup> It is highly unlikely that the UK Government will continue to subsidise farming at the same level as the CAP and although Northern Ireland farmers make a powerful case for retaining the current level of support, there is likely to be a shortfall that can only be made up from elsewhere in the block grant.

The approach being taken by the UK Government is one of 'public money for public goods', whereby in exchange for subsidy, farmers will deliver a range of primarily environmental outcomes. The scale of the climate and biodiversity challenges, however, and the link between public health and the availability of healthy food, has seen the RSA Food, Farming and Countryside Commission (FFCC) propose a much more fundamental transition to a sustainable farming system.<sup>68</sup> This might comprise



developing food and farming systems that increase diversity and use natural resources sustainably; maximising local processing, such as small abattoirs, and marketing potential to reduce transport and fossil fuel use; building soil organic matter and its ability to capture carbon; and integrating livestock and crop rotations.

Public engagement by the FFCC in Northern Ireland has found a large degree of consensus amongst stakeholders that the current food and farming system is broken, but there is very little agreement on the way forward. The challenge for government is how to bring all the stakeholders in the system together — including farmers, the food industry, environmentalists and citizens — to build a consensus on how best to make the transition to a sustainable food and farming system.<sup>69</sup>

### **Environmental regulation**

The Northern Ireland Environment Agency has been consistently criticised for lack of independence, lack of resources and lack of trust on the part of many stakeholders, leading to poor environmental and business outcomes. The European Commission has provided an important mechanism for receiving complaints and the threat of infraction fines has provided a strong incentive to government to regulate more effectively. Judicial review has also played a significant role in recent years. The UK departure from the EU removes a powerful regulatory tier that, in England and for non-devolved matters, is due to be replaced by the proposed Office for Environmental Protection (OEP). DAERA has proposed that the OEP's remit should extend to Northern Ireland on the basis that this would be in the public interest in the absence of the Assembly. The OEP proposals have been severely criticised by the House of Commons Environmental Audit Committee and by Environmental NGOs, however, on the basis that it lacks independence and has limited powers.<sup>70</sup>

The challenge for government is to ensure robust environmental regulation in Northern Ireland with appeal mechanisms, in a post Brexit scenario, equivalent to those provided by the EU Commission and to address the anomaly of Northern Ireland being the only jurisdiction in these islands that lacks an independent environmental protection agency.

## **x. Justice**

### **Mental health in the criminal justice system**

Many people who experience the criminal justice system experience mental ill health. NIACRO reports research by the Prison Reform Trust which shows that '10% of men and 30% of women have had a previous psychiatric admission before they entered prison. A more recent study found that 25% of women and 15% of men in prison reported symptoms indicative of psychosis. The rate among the general public is about 4%.<sup>71</sup> Indeed, many of those close to the justice system would argue that a significant proportion of prisoners' offending originates from their poor mental health and they, and society, would usually be better off if they were in the care of the health system rather than in prison.

NIACRO highlights the powerlessness felt by families who have a family member in custody and who feel powerless to support their relatives and the organization proposes an expert review of the current arrangements for supporting vulnerable prisoners. NIACRO recommends that the capability of staff in criminal justices organisations is developed to understand and respond to mental ill health; upon committal and release, individuals have access to a seamless and continual process of mental health care; and that government works with the voluntary and community sector to

improve mechanisms that support those with mental ill health within the criminal justice system.

### **Tackling hate crime**

NIACRO reports that 'In 2016-17 there were 2503 reported hate motivated incidents to the PSNI.<sup>72</sup> While hate crimes motivated by sectarianism are on the rise, there is a racially-motivated incident or crime an average of three times a day — despite the relatively small numbers of people in Northern Ireland from ethnic minorities or from other countries. The police figures show that fewer than one in five racist crimes result in any specific outcome, suggesting that over 80% of such hate crimes result in no prosecution or even warning for the person who has committed the offence. Homophobic hate crime remains particularly high with figures almost identical to those of the last two years, the highest ever recorded by the PSNI.'

The Department of Justice has recently appointed Judge Desmond Marrinan to conduct an independent review of hate crime in Northern Ireland. Judge Marrinan told BBC News that 'in recent times racist hate crime has overtaken sectarian crime in Northern Ireland...There are approximately 1,500 cases dealt with by the police in the last financial year...But they acknowledge that that is only the tip of the iceberg - there's probably between 7,500 and 10,000 race hate crimes committed in Northern Ireland every year.'<sup>73</sup>

The review fulfils a pledge by the last Justice Minister made some three years ago. A key issue is that hate crime legislation here is relatively weak compared to the rest of the UK. The challenge for government will be to respond to the review in a timely fashion. An interim report is expected in autumn 2019 with the final report in May 2020.

### **Children in the justice system**

In Northern Ireland, the age of criminal responsibility is just 10 years old. This is the age at which 'a child who commits an offence is considered to have attained the emotional, intellectual and mental maturity to understand their actions, can be formally charged and held responsible in a criminal procedure.'<sup>74</sup> In common with England and Wales, ours is one of the lowest in Europe and well below the minimum age of 12 set by the UN Committee on the Rights of the Child.

In 2011, the independent Youth Justice Review recommended that the age 'be raised to 12 with immediate effect, and that following a period of review of no more than three years, consideration should be given to raising the age to 14'<sup>75</sup>. Eight years on, nothing has been done and children are being brought into the criminal justice system unnecessarily. Dr Paula Rogers of Include Youth writes, 'It is entirely unacceptable that children who have just left primary education are being burdened with criminal records...Alternatives to criminalising children and address behaviour with better outcomes for children, families and communities exist and focus and energy must be placed on those methods as a matter of urgency.'<sup>76</sup>

The challenge for government is to overcome whatever resistance to change there is and swiftly raise the age of criminal responsibility.

Children in care experience the criminal justice system disproportionately. Audit Office figures show that although 'looked after children' represent less than 1% of the population under 18 years old, they account for between 9% and 17% of referrals to the PSNI.<sup>77</sup> There is a particular issue with children and young people being prosecuted for incidents taking place in residential care settings, often for something as basic as damage to furniture or a TV. Such behaviour in a family home would



not result in police or court action.<sup>78</sup>

Children in care start life with significant disadvantages. A criminal record ramps up the disadvantage to a very challenging level; a system that treats children in this way is clearly failing in its primary purpose.

The challenge for government is to achieve a several-fold reduction in the number of looked after children coming before the courts by implementing a welfare-based approach to children engaged in offending behaviour.

## 6. Conclusion

It is not the purpose of this report to come to a conclusion or conclusions. Rather it is to stimulate conversation, engagement and debate. One might, rather obviously, conclude that the challenges for government are many and various and leave it at that.

It is clear from this survey of the policy landscape, however, that very few of the challenges we face can be successfully addressed in isolation. This cannot be a matter of ticking items off the list as we work our way through the issues identified in this paper and the many others that are not included here. The system in which we are working is not just complicated but *complex*. The relationship between cause and effect is uncertain, there are often unintended consequences and the connections between different parts of the system are often undervalued, unrecognised or simply broken. How then, do we navigate the complexity we are faced with? Volumes have been written on how to approach the business of government from a 'systems thinking' perspective and here is not the place to add to that body of work.<sup>79</sup> Important thinking has been done in Northern Ireland, however, on how public policy can be developed and delivered in more holistic ways.

It is as well to start with a point of consensus. The overarching 'Purpose' of the 2016-21 draft Programme for Government is 'Improving wellbeing for all'. This focus on wellbeing emerged from a process of deliberation, engagement and debate in both the civic and political spheres. Much of the thinking behind it was set out in the Carnegie-QUB report 'Towards a Wellbeing Framework', itself the product of deliberations by a round table of public sector, business, academic, voluntary sector and political representatives. The report described wellbeing as 'a holistic concept, bringing together social, environmental, democratic and economic outcomes. A wellbeing approach asks us to consider how society is progressing in the round, rather than using economic indicators as a proxy for wellbeing or focusing on specific areas at the expense of others. It also asks us to look at the outcomes, focusing on how people's lives are improving (or not) rather than allowing the conversation to centre on the inputs or processes we use to improve society.'<sup>80</sup>

The round table identified a number of 'ways of working' for government and its partners that would underpin a commitment to improving wellbeing for all. These provide some essential guidance on how we can make progress and can be summarised as follows:

- **Partnership:** Government does not and cannot have all the answers. What is described in this paper as a challenge for government is equally a challenge for wider society. The round table put it like this, 'Achieving wellbeing outcomes requires action in partnership across departments,

local government and the wider public sector and a new relationship between citizens and government.’ We need to ‘appreciate that all outcomes are “coproduced” between a range of participants – be they citizens, public services, businesses or community and voluntary sector groups , including funding bodies.’

- **Outcomes:** Focusing on shared outcomes across the system helps the elusive goal of ‘joined-up government’ to be achieved. This approach is now becoming established across the public sector. There is a danger, however, that this can become a technocratic measurement exercise rather than a means of effective policy design and delivery. Accepting the complexity in the system poses challenges to traditional ways of working in government.
- **Prevention:** The round table recommended ‘a much greater focus on prevention ranging from upstream activities to avoid problems arising in the first place through early intervention to early remedial treatment. While this concept is most familiar in the health sphere it is relevant across government, from keeping young people out of the judicial system to pollution prevention and early years interventions for children in families at risk.’ The issue of how to finance preventative approaches is addressed in Section 4 above.
- **Budgeting for outcomes:** The round table identified that while budgets are allocated on a departmental or other government structure basis, the achievement of outcomes that cut across government requires similarly aligned budgets. This is a particular challenge to traditional ways of working but is likely to remain a brake on progress until it is addressed.
- **Policy appraisal:** ‘In terms of policy development and evaluation, appraisal of policy options that are focused on wellbeing outcomes cannot be achieved using conventional cost-benefit analysis, which undervalues or excludes many of the things that matter most to wellbeing. The adoption of new appraisal methodologies that accept the multi-dimensionality of policy impacts and allow for value judgements will be important.’<sup>81</sup>

As we approach three years without an elected government, perhaps the greatest challenge is to find ways of making progress even in the absence of those vital institutions established by the Good Friday Agreement. Perhaps these ‘ways of working’ offer some clues as to a way forward.

## Endnotes

---

- <sup>1</sup> Barnard, H. (2018) [Poverty in Northern Ireland 2018](#), Joseph Rowntree Foundation.
- <sup>2</sup> Department of Health. (2018) [Co-production Guide: Connecting and Realising Value Through People](#)
- <sup>3</sup> Elvidge, Sir J. (2014) [A Route Map to an Enabling State](#), Dunfermline: Carnegie UK Trust.
- <sup>4</sup> Woods, J, Doran, P, Wallace, J. (2015) [Towards a Wellbeing Framework: background report for the Roundtable on Measuring Wellbeing in Northern Ireland](#), Dunfermline: Carnegie UK Trust.
- <sup>5</sup> Building Change Trust. [A grassroots democracy toolkit for civil society in Northern Ireland and beyond](#)
- <sup>6</sup> NICCY. (2019) [Evidence to Inquiry into Welfare Policy in Northern Ireland, Northern Ireland Affairs Committee and Work and Pensions Committee.](#)
- <sup>7</sup> Alston, P. (2019) [Report of the Special Rapporteur on extreme poverty and human rights on his visit to the United Kingdom of Great Britain and Northern Ireland](#) Office of the High Commissioner for Human Rights
- <sup>8</sup> Barnard, H. (2018) [Poverty in Northern Ireland 2018](#), Joseph Rowntree Foundation.
- <sup>9</sup> Office for National Statistics. (2018) [Regional economic activity by gross value added \(balanced\), UK: 1998 to 2017](#)
- <sup>10</sup> Eurostat. (2019) [GDP at regional level](#)
- <sup>11</sup> NISRA. (2019) [Quarterly Employment Survey](#)
- <sup>12</sup> Office for National Statistics. (2019) [Regional labour market statistics in the UK: September 2019](#)
- <sup>13</sup> Raworth, Kate. (2017) *Doughnut Economics: Seven Ways to Think Like a 21<sup>st</sup> Century Economist*. London: Random House Business Books.
- <sup>14</sup> The Executive Office. (2016) [Programme for Government Framework – Working Draft](#)
- <sup>15</sup> Department for the Economy. (2017) [Economy 2030: a draft Industrial Strategy for Northern Ireland](#)
- <sup>16</sup> House of Commons Northern Ireland Affairs Committee. (2019) [Written evidence submitted by the Department of Health \(NI\)](#)
- <sup>17</sup> IPCC. (2019) [Summary for Policymakers of IPCC Special Report on Global Warming of 1.5°C approved by governments](#)
- <sup>18</sup> Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES). (2019) [Global Assessment Report on Biodiversity and Ecosystem Services](#)
- <sup>19</sup> Morrow, D and Sir George Quigley Fund Committee. (Dec 2018). [Sectarianism in Northern Ireland: A Review](#)
- <sup>20</sup> Department of Finance. (2018) [Briefing on Northern Ireland Budgetary Outlook 2018-20](#)
- <sup>21</sup> Number of households in April 2018 749,991 x £533 = £0.4 billion.
- <sup>22</sup> Department of Communities and Local Government. (2010) [Guidance to local areas in England on pooling and aligning budgets](#)
- <sup>23</sup> Miller, R. (2018) [Realistic expectations make Social Impact Bonds look worthwhile](#) in Scope magazine, NICVA: Belfast
- <sup>24</sup> Moore, A and Campbell, M. (Dec 2017) *Tackling the Poverty-Related Gap In Early Childhood Learning in Northern Ireland*. Save the Children: Belfast.
- <sup>25</sup> House of Commons Work and Pensions and Northern Ireland Affairs Committees (September 2019) [Welfare policy in Northern Ireland](#)
- <sup>26</sup> NICVA (9.4.19) [Welfare Reform Mitigations: Less than 1 year to cliff edge](#)
- <sup>27</sup> The Welfare Reform Group is an umbrella grouping of organisations that campaign for positive changes to policy, service provision and legislation for persons in receipt of social security.
- <sup>28</sup> Advice NI (July 2018) [Making Universal Credit Better](#)
- <sup>29</sup> Welfare Reform Group. (2019) [Universal Credit: protecting claimants through the migration process](#). Law Centre NI
- <sup>30</sup> Department for Communities. (2018) [Northern Ireland Housing Statistics 2017-18](#)
- <sup>31</sup> Department for the Economy. (2017) [Economy 2030: a draft Industrial Strategy for Northern Ireland](#)
- <sup>32</sup> Stiglitz, J. (4.6.19) [The climate crisis is our third world war. It needs a bold response](#) The Guardian
- <sup>33</sup> WWT (24.10.18) [NI Water says lack of funding is curbing development](#)
- <sup>34</sup> Henry, J and McKibbin M. (2018) [The State of the State in Northern Ireland](#) p45, Deloitte LLP
- <sup>35</sup> Ofwat (Sept 2014) [Water bills held down](#)
- <sup>36</sup> Scottish Water [About Your Charges 2019-20](#)
- <sup>37</sup> Northern Ireland Chamber of Commerce and Industry & BDO (April 2019) [Quarterly Economic Survey](#)
- <sup>38</sup> Catalyst Inc. (2017) [Knowledge Economy Report](#)
- <sup>39</sup> Belfast Telegraph (21.05.19) [What will our workplaces be like in 10 years' time?](#)
- <sup>40</sup> *Ibid.*

- 
- <sup>41</sup> Nevin Economic Research Institute, [A Low Skills Equilibrium in Northern Ireland?](#) in Quarterly Economic Observer Winter 2017.
- <sup>42</sup> Mac Flynn, Paul and Wilson, Lisa. (Feb 2019) [The Future of Work: The impact of automation technologies for job quality in Northern Ireland](#), Nevin Economic Research Institute
- <sup>43</sup> Borooah, V and Knox, C. (2015) [The Economics of Schooling in a Divided Society, Ch 6](#), University of Ulster
- <sup>44</sup> Nolan, P. (2014) [Northern Ireland Peace Monitoring Report Number 3, pp91-103. Equality and Inequality in Education](#) Community Relations Council
- <sup>45</sup> Fitzgerald, J. (26.4.19) [North's poor education system a recipe for failure](#) Irish Times
- <sup>46</sup> Eurostat Labour Force Survey quoted in Fitzgerald, J. (2019), [Investment in Education and Economic Growth on the Island of Ireland](#). Statistical and Social Inquiry Society of Ireland
- <sup>47</sup> Bunting, BP, Murphy, SD, O'Neill, S, Ferry, FR, (2012) [Lifetime prevalence of mental health disorders and delay in treatment following initial onset: evidence from the Northern Ireland Study of Health and Stress](#) Psychol Med. 2012; 42: 1727-1739
- <sup>48</sup> Department of Health. (24.11.15) [Mental Trauma Service will help address the legacy of the Troubles - Hamilton](#)
- <sup>49</sup> Samaritans. (2019) [Suicide Statistics Report](#)
- <sup>50</sup> Action Mental Health. (20.2.18) [Mental health crisis in Northern Ireland is being exacerbated by ongoing political stalemate, say leading experts](#)
- <sup>51</sup> The Detail (14.11.14) [New data shows Northern Ireland is a world leader in prescription drug use](#)
- <sup>52</sup> NICCY (2018) ['Still Waiting' - A Rights Based Review of Mental Health Services and Support for Children and Young People in Northern Ireland](#).
- <sup>53</sup> NICCY (22.4.19) [Response to the Department of Health Northern Ireland on the Mental Capacity Act \(Northern Ireland\) 2016 Code of Practice](#)
- <sup>54</sup> [Stormont House Agreement, 2014](#)
- <sup>55</sup> Inspire, [A new approach to mental health service delivery and support](#)
- <sup>56</sup> Action Mental Health. (20.2.18) [Mental health crisis in Northern Ireland is being exacerbated by ongoing political stalemate, say leading experts](#)
- <sup>57</sup> British Psychological Society (1.2.18). [Introducing the Power Threat Meaning Framework](#)
- <sup>58</sup> *Ibid*
- <sup>59</sup> Johnstone, L. & Boyle, M. with Cromby, J., Dillon, J., Harper, D., Kinderman, P., Longden, E., Pilgrim, D. & Read, J. (2018). [The Power Threat Meaning Framework: Towards the identification of patterns in emotional distress, unusual experiences and troubled or troubling behaviour, as an alternative to functional psychiatric diagnosis, p265](#). Leicester: British Psychological Society.
- <sup>60</sup> Bengoa, R *et al* (2016) [Systems, Not Structures - Changing Health and Social Care, Expert Panel Report](#)
- <sup>61</sup> Extracted from 2016-based Population Projections by the Office for National Statistics (Published by NISRA)
- <sup>62</sup> Citizens Assembly for Northern Ireland (2019) [Interim Report](#).
- <sup>63</sup> Gwande, Atul. (2014) [Being Mortal](#), Profile Books: London
- <sup>64</sup> Committee on Climate Change (2019) [Net Zero – The UK's contribution to stopping global warming](#)
- <sup>65</sup> Committee on Climate Change (2019) [Reducing emissions in Northern Ireland](#)
- <sup>66</sup> Committee on Climate Change (2.11.11) [Letter to NI Minister for the Environment: advice on the appropriateness of a Northern Ireland Climate Change Act](#)
- <sup>67</sup> DAERA (2018) [Northern Ireland Future Agricultural Policy Framework: Stakeholder Engagement](#)
- <sup>68</sup> The RSA (2019) [Our Future in the Land: report of the Food, Farming and Countryside Commission](#)
- <sup>69</sup> The RSA (2019) [Lay of the Land: report of the Food, Farming and Countryside Commission Northern Ireland Inquiry](#)
- <sup>70</sup> House of Commons Environmental Audit Committee (April 2019) [Scrutiny of the Draft Environment \(Principles and Governance\) Bill](#)
- <sup>71</sup> Prison Reform Trust quoted in [NIACRO Policies and Priorities 2017-18](#)
- <sup>72</sup> PSNI: Incidents and Crimes with a Hate Motivation Recorded by the Police in Northern Ireland: Quarterly Update quoted in [NIACRO Policies and Priorities 2017-18](#)
- <sup>73</sup> BBC News (2.6.19) [New laws on racist abuse and paramilitary flags expected in review](#)
- <sup>74</sup> McAlister, S., Carr, N., Dwyer, C., & Lloyd, K. (2017). [Raise the age? Children's attitudes towards the minimum age of criminal responsibility](#). ARK
- <sup>75</sup> Department of Justice. (2011) [A Review of the Youth Justice System in Northern Ireland \(Recommendation 29\)](#)

---

<sup>76</sup> Include Youth (1.8.18) [Raise the Age of Criminal Responsibility as 1000 young people are handed criminal records](#)

<sup>77</sup> Northern Ireland Audit Office (2017) [Managing Children who offend](#)

<sup>78</sup> VOYPIC (2018) [Briefing on Northern Ireland Budgetary Outlook 2018-2020: consultation response](#)

<sup>79</sup> For example, Chapman, J. (2004) [System failure: why governments must learn to think differently](#), Demos

<sup>80</sup> Carnegie UK Trust (2015). [Towards a Wellbeing Framework: Findings from the Roundtable on Measuring Wellbeing in Northern Ireland](#). Dunfermline, Scotland: Carnegie UK Trust.

<sup>81</sup> *Ibid.*



November 2019

**John Woods | Public Policy Synthesis**

3 Bangor Road | Holywood | Co Down | BT18 0NT

+44(0)7712 843 213

[john@ballykeel.plus.com](mailto:john@ballykeel.plus.com) | [linkedin.com/in/johnmwoods](https://www.linkedin.com/in/johnmwoods)