

Moving forward – putting Northern Ireland on track for the future

PIVOTAL

PUBLIC POLICY
FORUM NI

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Northern Ireland faces huge economic and social challenges that today's policies are not addressing.

Public services are stretched. We should make more of our people and resources. We are unprepared for a world changing at an increasing pace.

With fresh ideas and a commitment to change we can do better. We can create a thriving society and fulfil Northern Ireland's potential.

Northern Ireland faces serious public policy challenges. Our problems are growing. Are we on the right course? Are the issues that currently dominate public debate the ones that will matter in ten years' time?

Pivotal is a new, independent think tank. We want to improve public policy, and the discussions about public policy, in Northern Ireland. Evidence, engagement and analysis are our tools. A better future is our focus.

Short-term issues can deflect attention from more fundamental problems. The absence of an Assembly and Executive, immediate strains on public services, and Brexit uncertainty are all significant concerns. However, to build a truly prosperous and sustainable society we all must look deeper and think further into the future.

04 A strong economy

09 Health and social care

14 Education

17 Poverty and disadvantage

20 Climate and biodiversity

24 Community relations

The issues

In this report we shine a light on six areas, all of which demand our collective attention now: the economy; health and social care; education; poverty and disadvantage; environment and climate change; and community relations. This is a starting point. It is not a definitive list of everything that matters to Northern Ireland and its people.

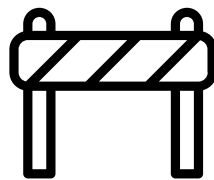
We have highlighted these areas in particular because, with the right changes, they will allow individuals to build thriving, happy, healthy lives and see their friends and family do the same, now and in the future.

None of the priorities stands in isolation. Creating more and better jobs will help reduce poverty and improve physical and mental health. Tackling child poverty will boost attainment in schools.

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Constantly challenging assumptions



Working across barriers



Future-focused to prepare for a changing world

Improved infrastructure should lead to higher investment and a more sustainable environment. These areas are all linked together, and good policy ideas will recognise this.

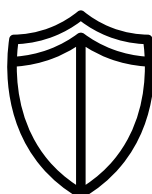
Many of the challenges identified are not new, they are long-standing. Successive governments have tried to address some of them. However, these efforts – over months, years and even decades – have not led to improvements in outcomes. New ideas are needed.

What Pivotal will do

A truly independent think tank can help open the door to progress. Better policy comes from analysis of evidence, from investigating what works and why, from involving a range of voices, and by taking an honest look at our circumstances and ourselves. Northern Ireland has many people and organisations devoted to improving society. Good ideas exist and yet our problems persist.



Balanced assessment
of evidence



Prioritising prevention
and early intervention



Working in
partnerships

We will challenge assumptions, we will ask tough questions and help answer them, we will go where the evidence leads – and we will do all of this working alongside other people and organisations that want Northern Ireland to flourish. Our aim is not to criticise or to blame, but to encourage debate, and to pave the way for better public policy and towards a better future.

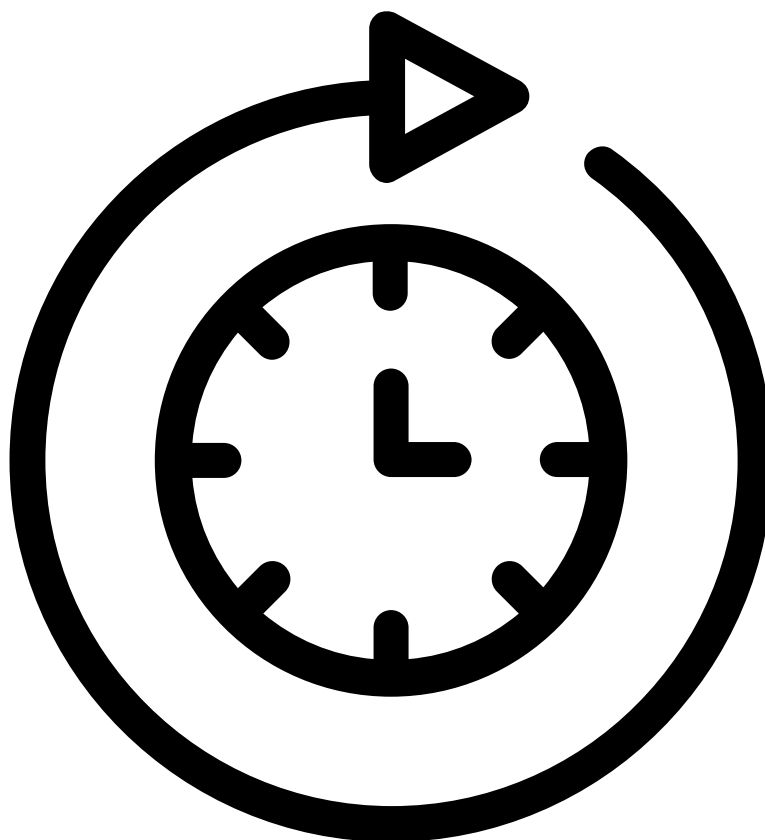
Creative thinking is essential to improving Northern Ireland. Public finances are stretched and we have few ways to raise more funding. More money might solve some problems but it will not solve them all. Investment made in one area will probably mean reductions elsewhere. Making better use of what we have is crucial.

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The future

In the coming weeks Pivotal will publish a report on Good Government in Northern Ireland. Good governance – maintaining ethical standards, promoting better management and developing policy well – has never been the top priority in determining how Northern Ireland is run. Rightly, in the past the emphasis has been on getting government to work across community divides. This needs to change. The last Executive collapsed,

in part, due to shortcomings in governance. A discussion about how we do better is essential to the stability of future governments. The impending RHI Inquiry report will focus attention on some of these issues. A serious and thorough response is needed, not just a handful of token actions. Our upcoming report will seek to begin a broader conversation.



After that, Pivotal will launch Vision 2040, a flagship project looking at what kind of place we want Northern Ireland to be in 20 years' time. It will take heed of the opinions of a range of people, and involve research about how we should prepare for a changing world. The project will ask challenging questions about whether we are on the right course for the future people want to see.

Pivotal will be a fresh and independent voice in the debates to come. We will encourage future governments to craft the best policies possible. In doing this, we will work alongside policymakers, campaigners, academics, business, civic society and, of course, the general public – anyone committed to making Northern Ireland better.

A strong economy

A thriving, sustainable economy
a foundation for the wellbeing
as a whole.

Headline economic indicators show Northern Ireland is strong in some ways but lags far behind in others. Gross Value Added – the total value of goods and services produced in an area – is the third lowest per head out of the 12 UK regions. Productivity is lowest overall, even with strong performance in some sectors.

While employment has reached record levels, the rate of economic inactivity is 25.8%, which remains the highest anywhere in the UK in spite of recent improvements. Northern Ireland

has the highest percentage of low-paying jobs of all UK regions and is one of only three regions that has fewer high-paying jobs than low-paying ones. The gap between public spending and tax revenue raised is £4,939 per person, again the highest out of all regions.

Our economy does not work for everyone. There is persistent poverty and inequality. Some people and places feel left behind. Disaffection within certain communities affects both educational attainment and

omy offering good jobs is ng of citizens and society

economic outcomes. People with disabilities struggle to find employment. Talented young people leave Northern Ireland due to the lack of job opportunities.

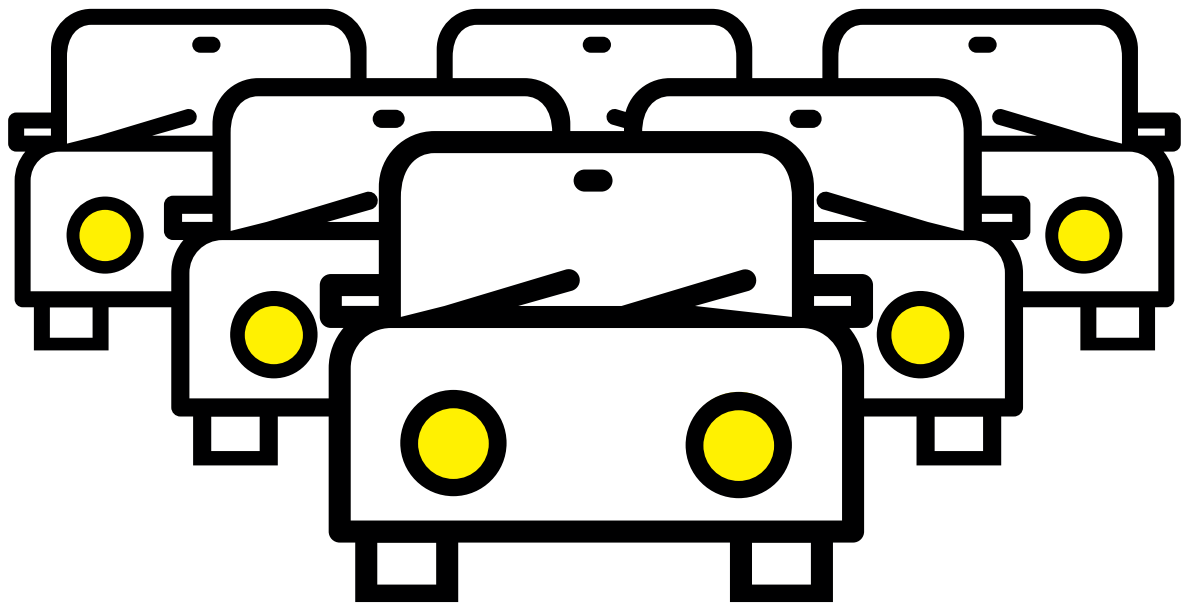
Even with a functioning government, Northern Ireland has relatively few economic levers at its disposal. Corporation tax is one example and lowering the rate to attract overseas investment was a central economic policy of the last stable Executive, but was never enacted. However, even if its effects were to be as positive as possible,

such a change alone is unlikely to be an economic silver bullet.

Despite all these difficulties, the Office for National Statistics tracks the wellbeing of people across the UK and Northern Ireland regularly sees higher scores in life satisfaction than other regions.

This is a time of great economic uncertainty. Brexit, whatever form it takes, will impact Northern Ireland in many ways, some of which will be unforeseen. There will be challenges but the ultimate aim remains unchanged.

A strong economy



A strong economy that is ready for the future will benefit everyone. It will be inclusive, and help bring prosperity to all of Northern Ireland, ignoring boundaries whether social, cultural or geographic. It will be flexible, able to adapt to rapidly changing markets and the rise of automation and Artificial Intelligence. It will build on existing outward relationships - with Great Britain, with the Republic of Ireland, and with the rest of the world. Growth needs to be sustainable, providing jobs and income without damaging the environment.

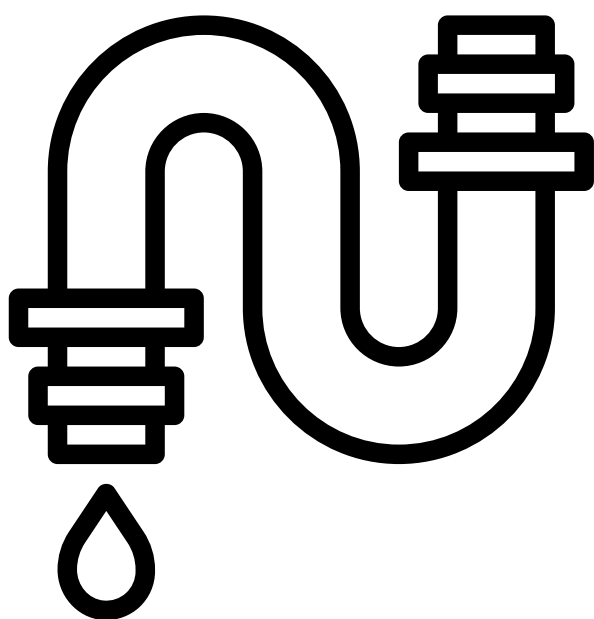
How do we get there?

Infrastructure

Northern Ireland is held back by a lack of investment in crucial infrastructure.

TRANSPORT - Congestion and pollution demonstrate a need to reduce our reliance on cars.

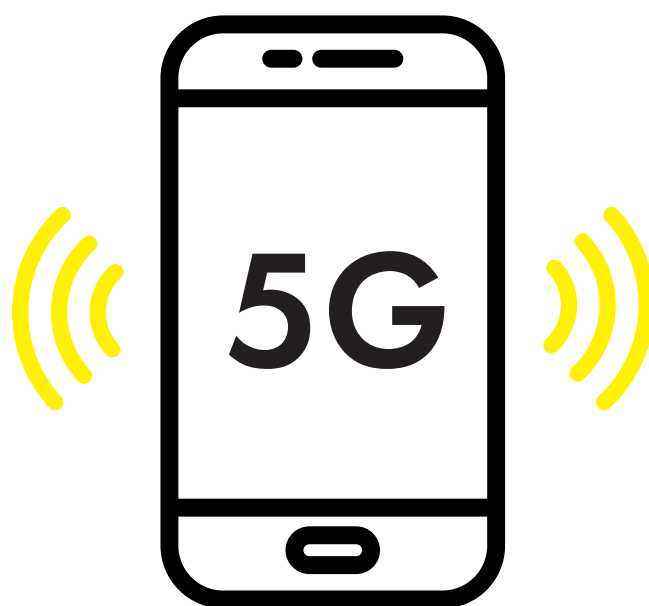
ROADS - Major roads projects are long overdue, such as the York Street Interchange and the A5 from Derry/Londonderry to Aughnacloy.



SEWERAGE AND WATER - Sewerage and water infrastructure are at or beyond capacity in many places, limiting new development and raising environmental risks.

NORTH-SOUTH ELECTRICITY

INTERCONNECTOR - The North-South electricity interconnector between Tyrone and Meath would allow for cheaper electricity and improve security and reliability of supply.



DIGITAL CONNECTIVITY- Belfast is now a super-connected city but digital infrastructure outside the city lags far behind and, while 5G provides another way to improve connectivity, it also requires investment.

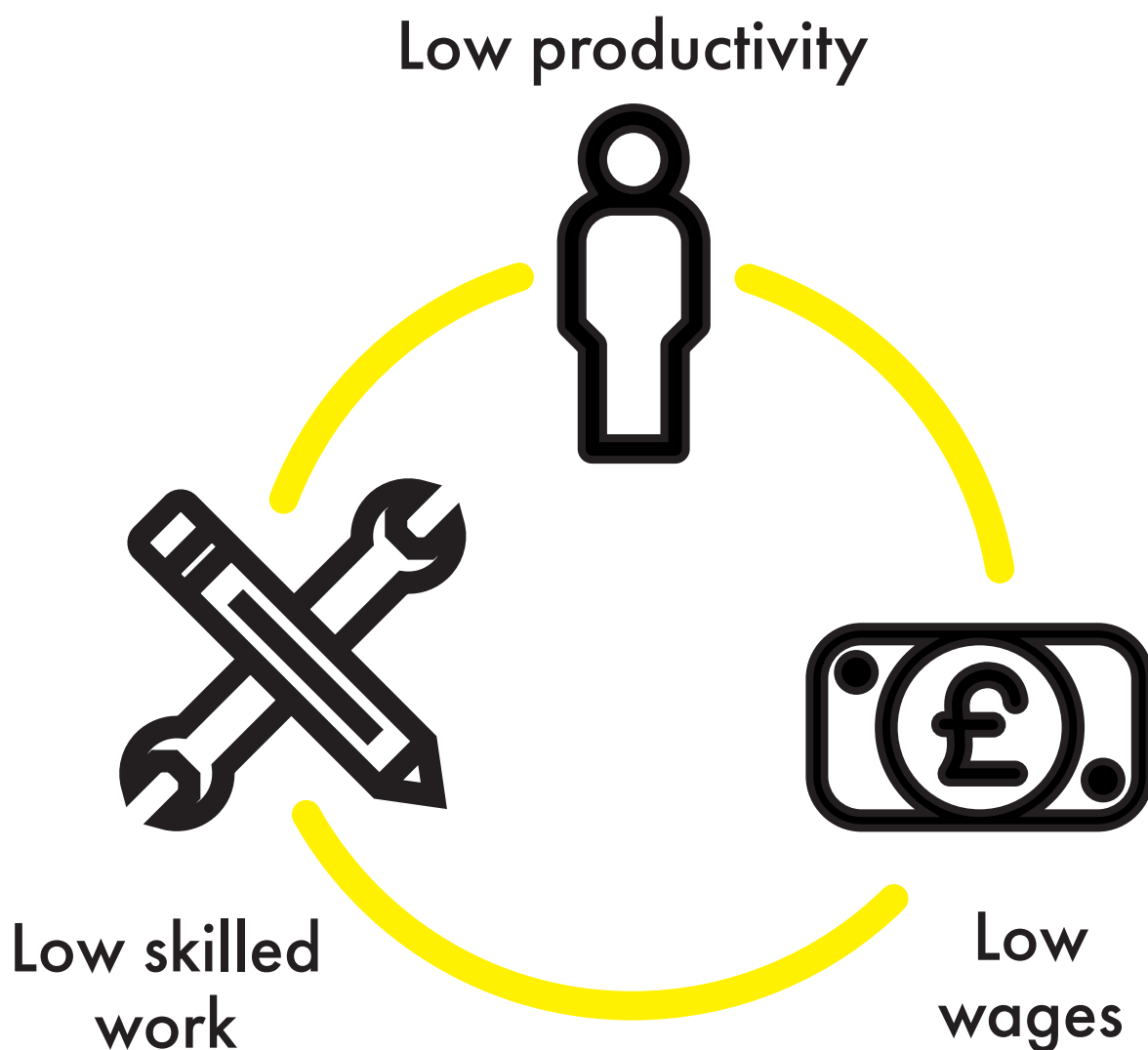
A strong economy

Northern Ireland has a low-skills base but also a low demand for skills. Breaking this cycle is difficult.

Skills

The local workforce has on average a low level of educational attainment and skills compared with other UK regions. This leads to lower-quality jobs, and increasing worklessness and poverty. These problems are compounded by the longer-term question of whether we are ready for the jobs of the future, which will

demand flexible skillsets that can be applied to multiple roles over a lifetime. Automation will cause some jobs to disappear, and bring an increased demand for skilled technicians, engineers and computer scientists.



Job opportunities

A lack of supply is not Northern Ireland's only issue around high-level skills. Research indicates that low demand for skills is of equal concern, and that these droughts in both supply and demand create an unsatisfactory equilibrium of low skills, low productivity and low wages.

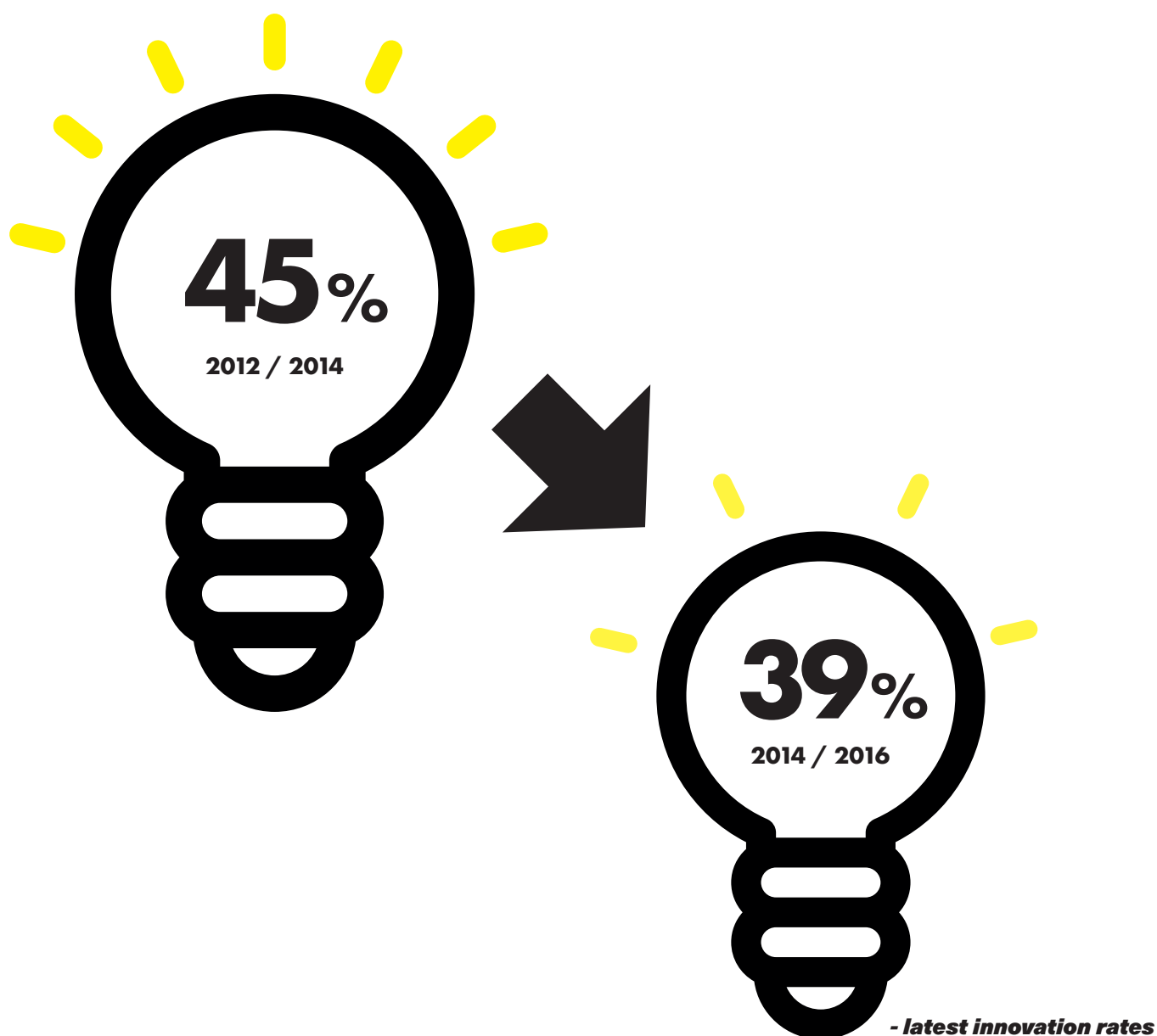
A strong economy

Northern Ireland has the lowest innovation rates in the United Kingdom and the rates are continuing to drop.

Innovation and entrepreneurship

Northern Ireland needs more firms engaged in innovation, to drive growth and increase the number of good jobs. According to the latest figures, the percentage of organisations involved in any innovation – which was already the lowest of any UK region – fell from 45% between 2012 and 2014 to 39% between

2014 and 2016. Innovation relies on creativity and entrepreneurship, supported by finance, expertise and appropriate facilities.

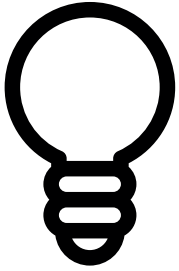


New ideas

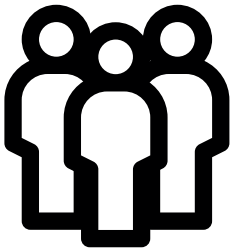
As the global economy struggles, and greater emphasis is placed on creating harmony between economic growth and environmental protection, many new ideas about development are emerging. These range from concepts like social value, which is moving into the mainstream; the use of wellbeing rather than GDP as the key

measure of development; and even discussions about how to work in a post-growth world. These ideas need to be evaluated, their merits gauged by evidence.

A strong economy - questions:



How can new ideas about growth help us to balance economic development with environmental sustainability?



Some communities feel that the benefits of economic growth never reach them – how can this be fixed?



Infrastructure requires large up-front costs – are more innovative solutions available and, if not, how do we pay?



Health and social care

Everyone in Northern Ireland relies on a health system that is crumbling around us.

The challenges facing health and social care are well documented. The last government agreed with the need for radical change, as envisioned by various experts, yet progress has been slow.

As our population ages, and more people live with long-term needs, demand for services goes up. Ever-increasing and unsustainable spending would be needed simply for provision to stand still.

The system faces a growing financial crisis, while waiting lists are unacceptable and keep getting longer. In March this year, there were 1,154 people waiting over a year for planned care in England. In Wales that number was 4,176. In Northern Ireland, it was 120,201.

These issues are shocking, but they are merely symptoms of the real problem: outmoded structures. Year by year,



“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 change, or change prompted by crisis.”

- Systems, not structures – Changing health and social care (Bengoa report)

quick fixes are applied when what is needed is transformation.

The need for change is widely recognised. The key principles of that change are also accepted and have been set out in various official papers, including the Bengoa report: shifting care out of hospital; more work on prevention and early intervention; support for people to live independently; and rationalisation of acute services.

Without tough decisions on the reconfiguration of services, the effectiveness of our health and social care system will continue to decline. Staffing problems are growing at many levels of clinical care, such as GP surgeries and in various nursing sectors. Government must communicate the need for change to the public and show leadership by making tough choices.

Health and social care

Local waiting lists continue to grow –
despite our small population, far more
people have very long waits for treatment
than in other parts of the UK.

120,201



Northern Ireland population
1,879,567

The number of people in Northern Ireland waiting more than a year for planned care is enormous compared with England and Wales.

4,176



Wales population
3,139,308

1,154



England population
55,997,686

Health and social care

One in five adults experience a mental health problem at any given time.
Only 5% of the health budget is set aside for mental health.

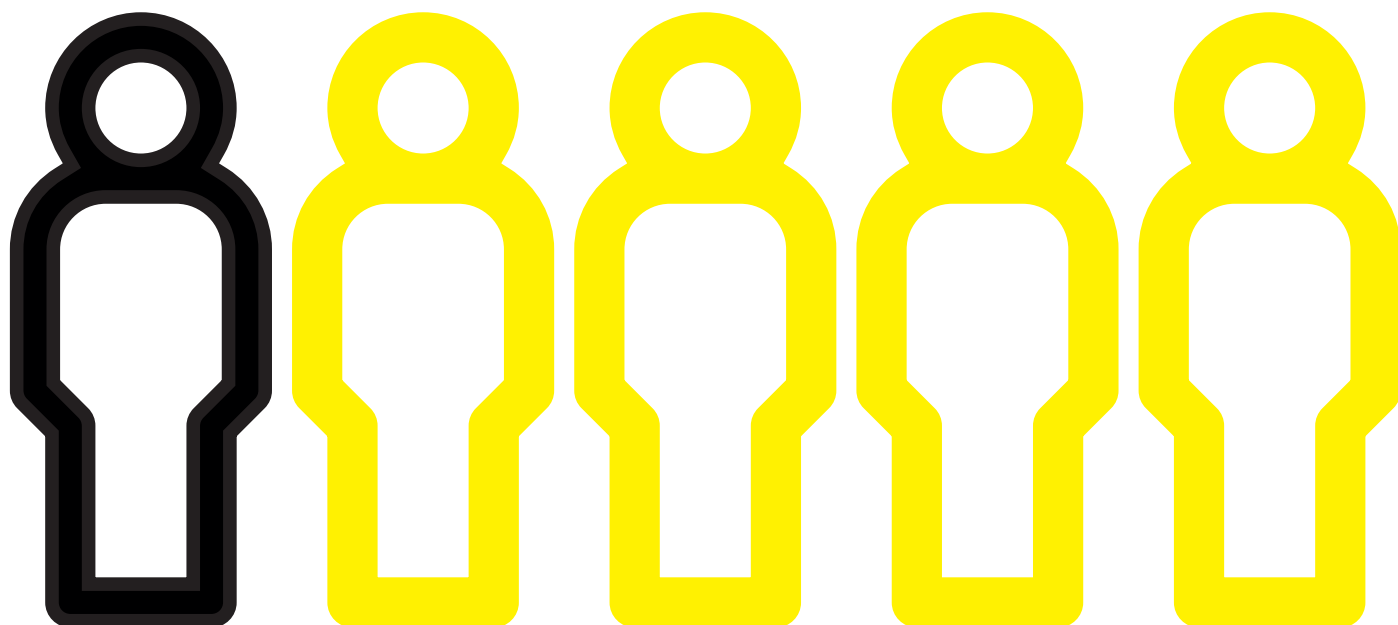
Northern Ireland has the highest rates of poor mental health in the UK, but devotes a small fraction of health spending to the issue.

The difficulties faced by our health service are not only at the broadest level. There are several ongoing policy vacuums; Northern Ireland has no up-to-date mental health strategy or cancer strategy. Many specific sectors have been long neglected or are in crisis.

Examples include:

Mental health

Northern Ireland spends just 5% of its total health budget on mental health, which is less than half of the proportion allocated in England, despite estimates of local mental health problems being 25% higher than in England. The system is creaking, including in child and



adolescent mental health services. Under-funding is clearly an issue but reform is also needed - on increased support for early intervention and prevention, on responsive and informed primary care, on updated facilities, and on a consistent and skilled workforce. Improving services is vital not only for our health and wellbeing but also because of the knock-on

effects of poor mental health on education, employment and justice issues.

Health and social care

Northern Ireland is growing older. Our current median age is set to rise from 39 to 44 in 2043. This alters the demands placed on health and social care. Our structures must adapt.

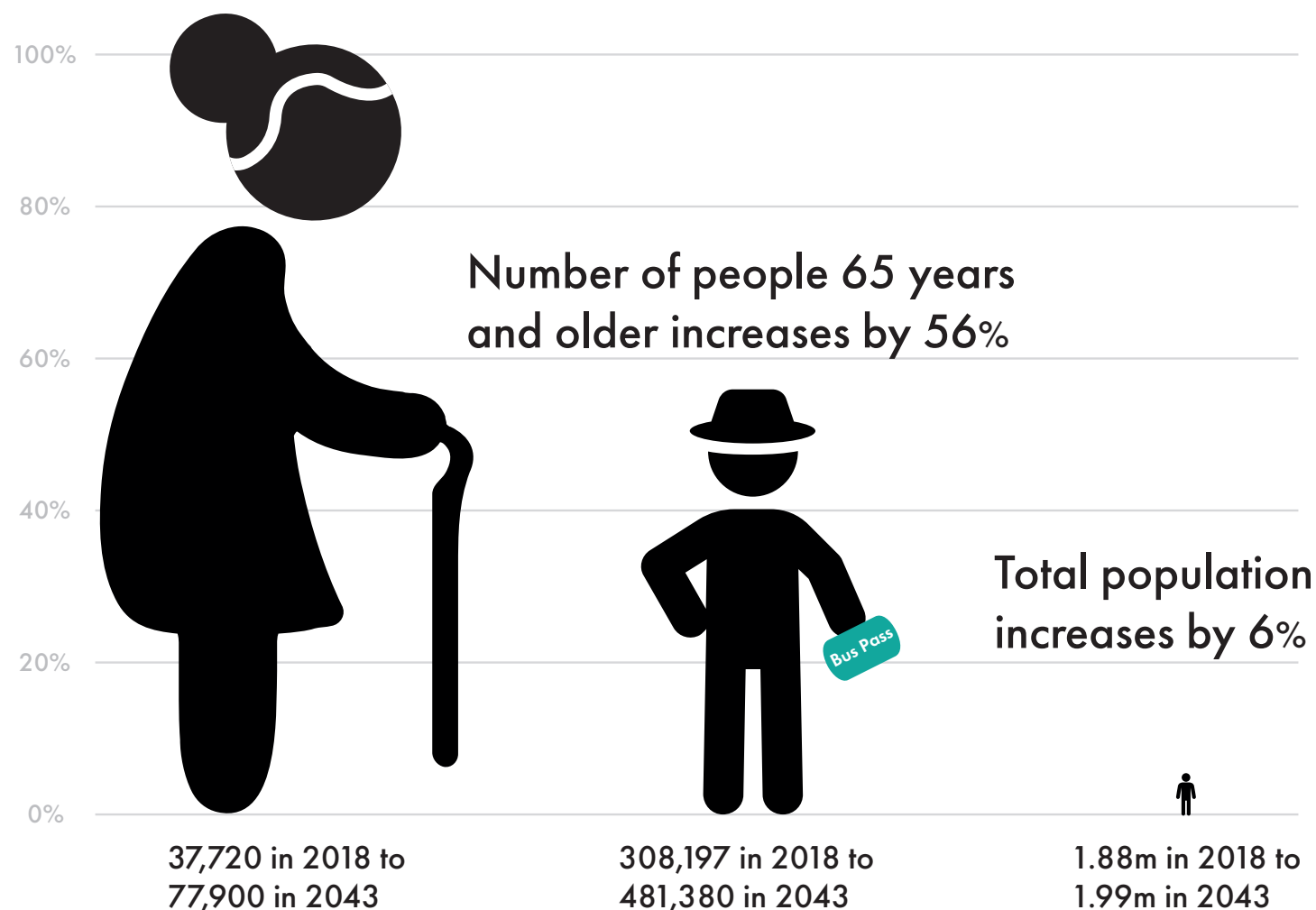
Adult social care

Between 2018 and 2043, the numbers of people aged over 65 and over 85 are projected to rise by 56.2% and 106.4% respectively. Over the same period, the overall population will rise by only 5.7%. Our social care is already stretched and there is no plan in place to meet the future needs of our ageing population. Moreover, the impacts on

all other aspects of the health system are immense. Good social care helps people manage their own health, reducing demand for acute services. A lack of suitable social care provision can cause bed blocking which leads to delays in other hospital treatments and costs huge amounts of money.

Projected population increase between 2018-2043

Number of people 85 years and older increases by 106%



Addiction

In 2017, 136 people died in Northern Ireland due to drugs, a 60% rise compared with a decade earlier, while the number of deaths due to alcohol was 303 – the highest number on record. Support is fractured and ill-equipped to deal with a complex problem that has

varying root causes. Meantime the impact of addiction on families and communities continues to deepen.

Health and social care - questions:



How can the public be convinced about the need for structural reform of health and social care?



How best can individuals and their families work with the state - and other providers - as demographics change and demand for care rises fast?



What is needed to transform mental health services to give a greater focus on early intervention and prevention?



Education

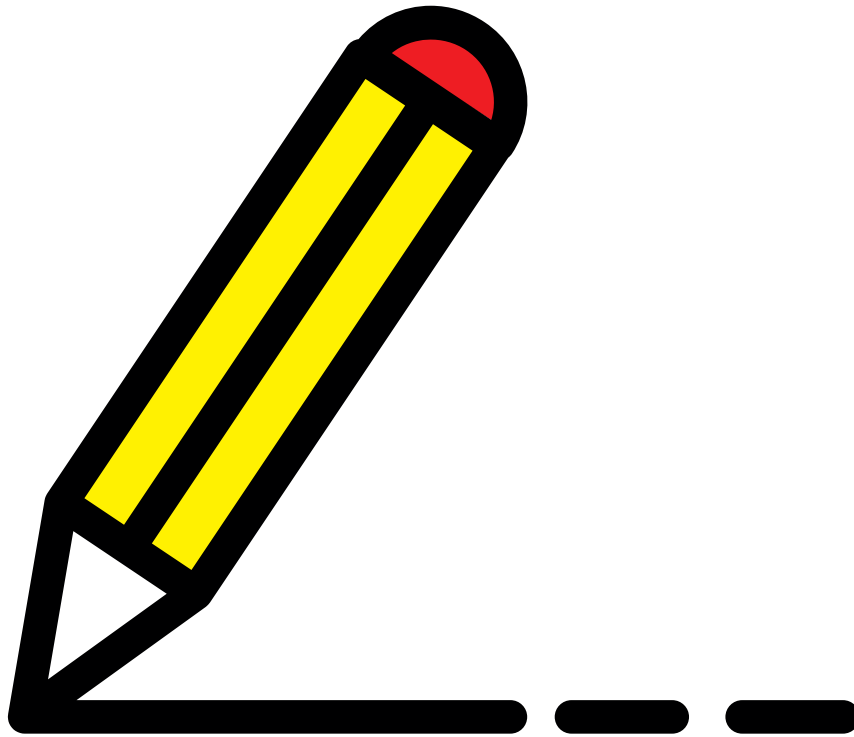
Northern Ireland's schools system has elements of excellence, but also significant inequality.

Our school system is highly diverse. Children are separated in a range of ways, including by academic attainment, religion, gender and language. This is expensive to sustain and finances are stretched. There are just over 1,000 schools in Northern Ireland and this year 451 of them went over budget, with a total funding shortfall of £62.6m. Furthermore, evidence shows the system is not working well for many children and young people.

While schooling in Northern Ireland is excellent in parts, it also has persistent

inequality in outcomes. This leads to lower educational attainment and impacts on individuals' prospects throughout their lives.

- The proportion of students getting five 'good' GCSEs – at least five A*-C, including English and maths - is 42 percentage points higher in grammar schools compared to secondary schools.
- 52% of pupils entitled to Free School Meals got five 'good' GCSEs compared to 80% of pupils who are not entitled to Free School Meals.



- 78% of pupils entitled to Free School Meals attend secondary schools, while only 22% attend grammar schools.

The education system serves a lot of young people well but fails many others, particularly those from disadvantaged backgrounds. There are many reasons for this. Children eligible for free school meals are far less likely to attend a selective school than their peers. Social norms also play a role - different neighbourhoods can have different expectations of what

schooling can and should achieve, while parental attitudes towards education are a significant factor in their children's attainment.

Northern Ireland has the lowest skill levels of any UK region, with 24.7% of 25-64 year olds only having completed lower secondary education or less (meaning they have no qualifications above GCSEs or equivalent).

Education

There are significant performance gaps between selective and non-selective schools, and between pupils eligible for free school meals and their better-off peers, while more disadvantaged pupils are significantly less likely to attend a selective school than other children.

Students getting 'good' GCSEs is 42 percentage points higher in grammar schools compared to secondary schools

Grammar Schools



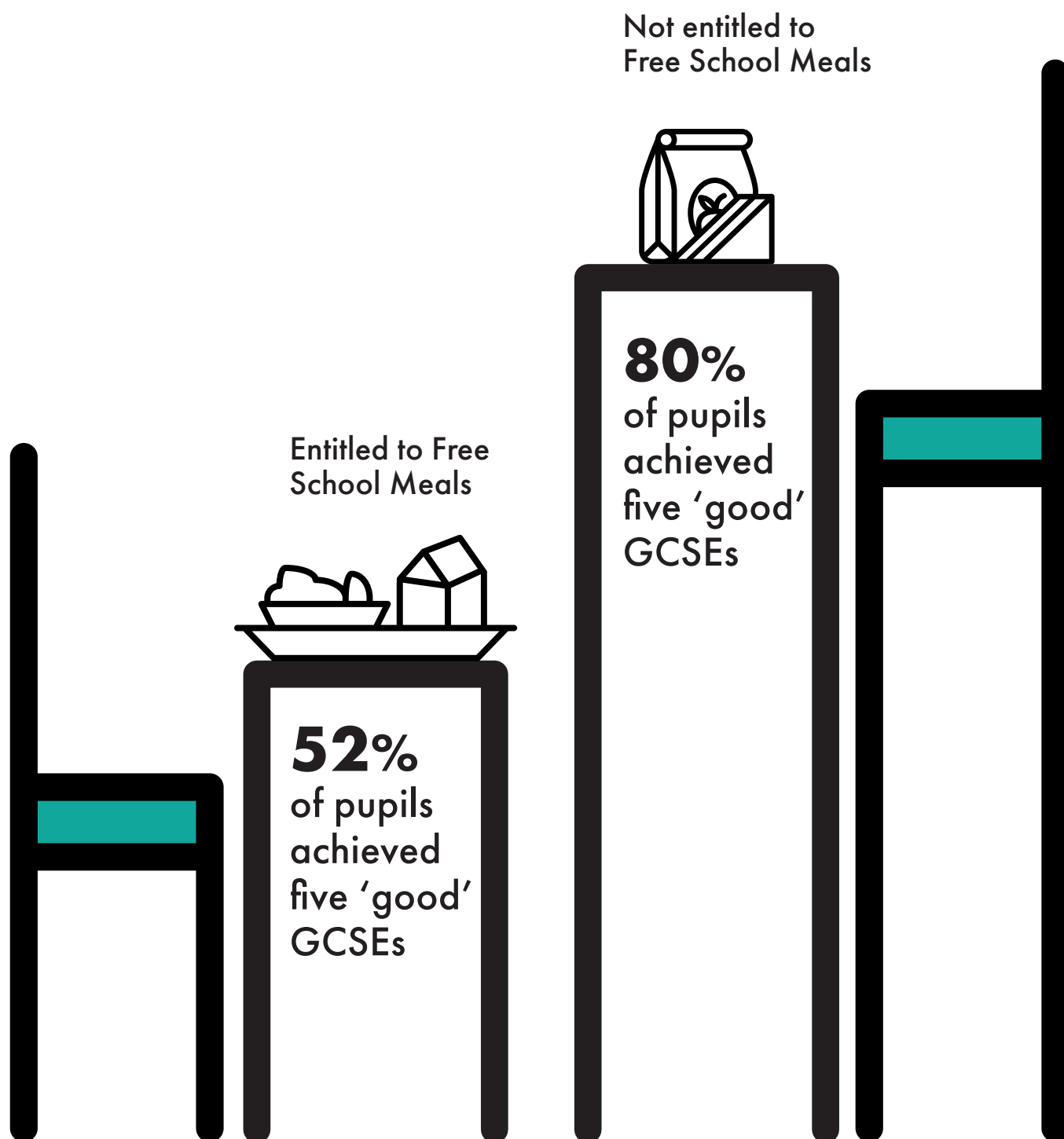
94% getting five
'good' GCSEs

Secondary Schools

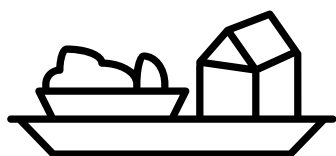


52% getting five
'good' GCSEs

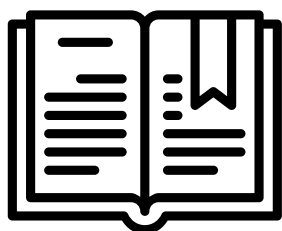
Pupils who achieved five 'good' GCSEs



Education - questions:



How can our education system do better in helping young people from disadvantaged backgrounds achieve?



Is it possible to improve the failing areas of our education system without changing the parts considered successful, or is broader reform necessary?



Is our education system preparing young people for life and work in a changing world?



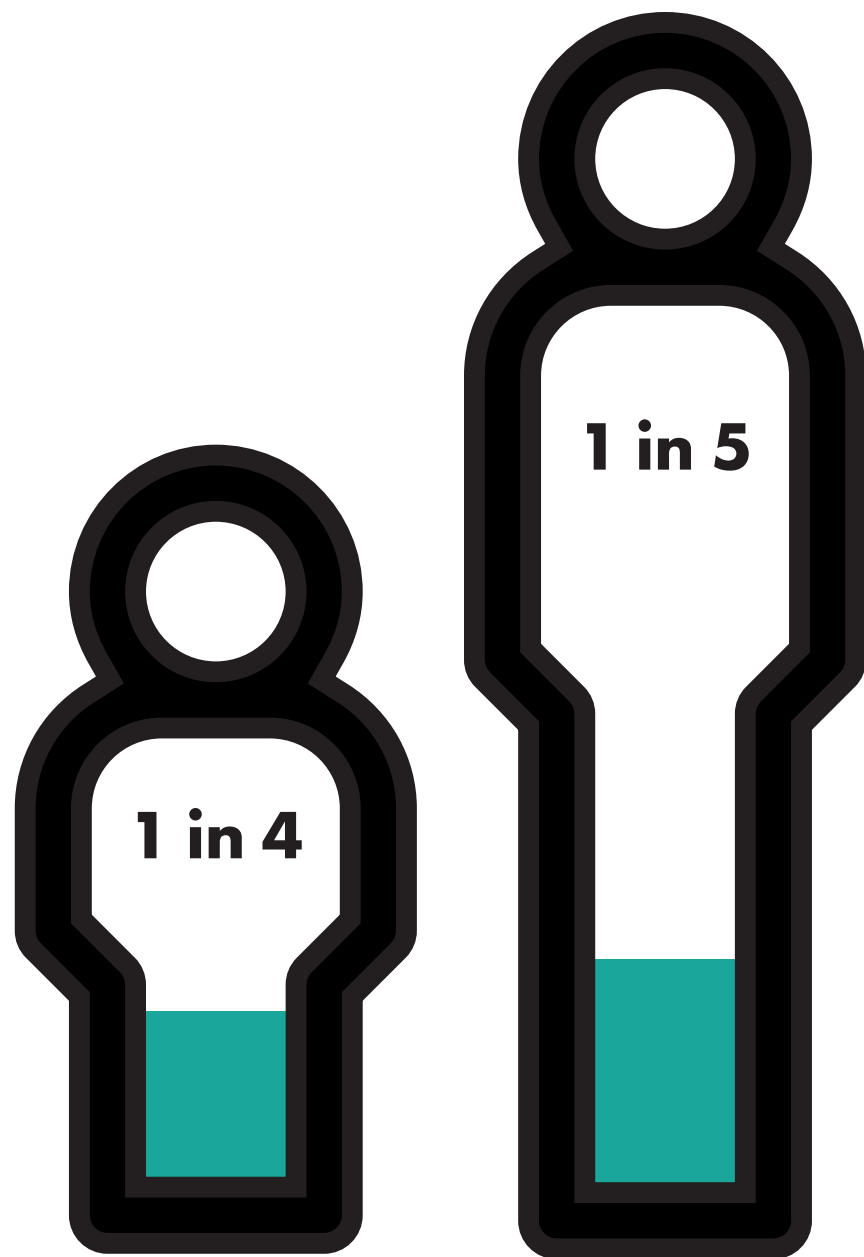
Poverty and disadvantage

Levels of poverty in Northern Ireland remain stubbornly high. About a fifth of the population - including one quarter of all children - live in poverty.

While there have been improvements for some groups, notably pensioners, the situation has worsened for others. In-work poverty is a growing problem and one contributing factor is the cost of housing. Waiting lists for social housing are long. Rents, while comparatively low, are rising faster than other parts of the UK. Those living

in tight economic circumstances feel the squeeze the most.

Northern Ireland needs a welfare system that supports the most vulnerable, and provides incentives to work for those who are able. There is an immediate need for the government to decide what to do when the current



welfare reform mitigations – a special package of measures for Northern Ireland, designed to ease financial losses for vulnerable claimants as the welfare system changes - run out in March 2020.

The most significant drivers of poverty are worklessness and low-paid work.

Northern Ireland has the highest level of economic inactivity of any UK region. Access to work, especially work with good pay, is dependent on educational qualifications. Northern Ireland has more people with low qualifications and fewer people with higher qualifications than most UK regions.

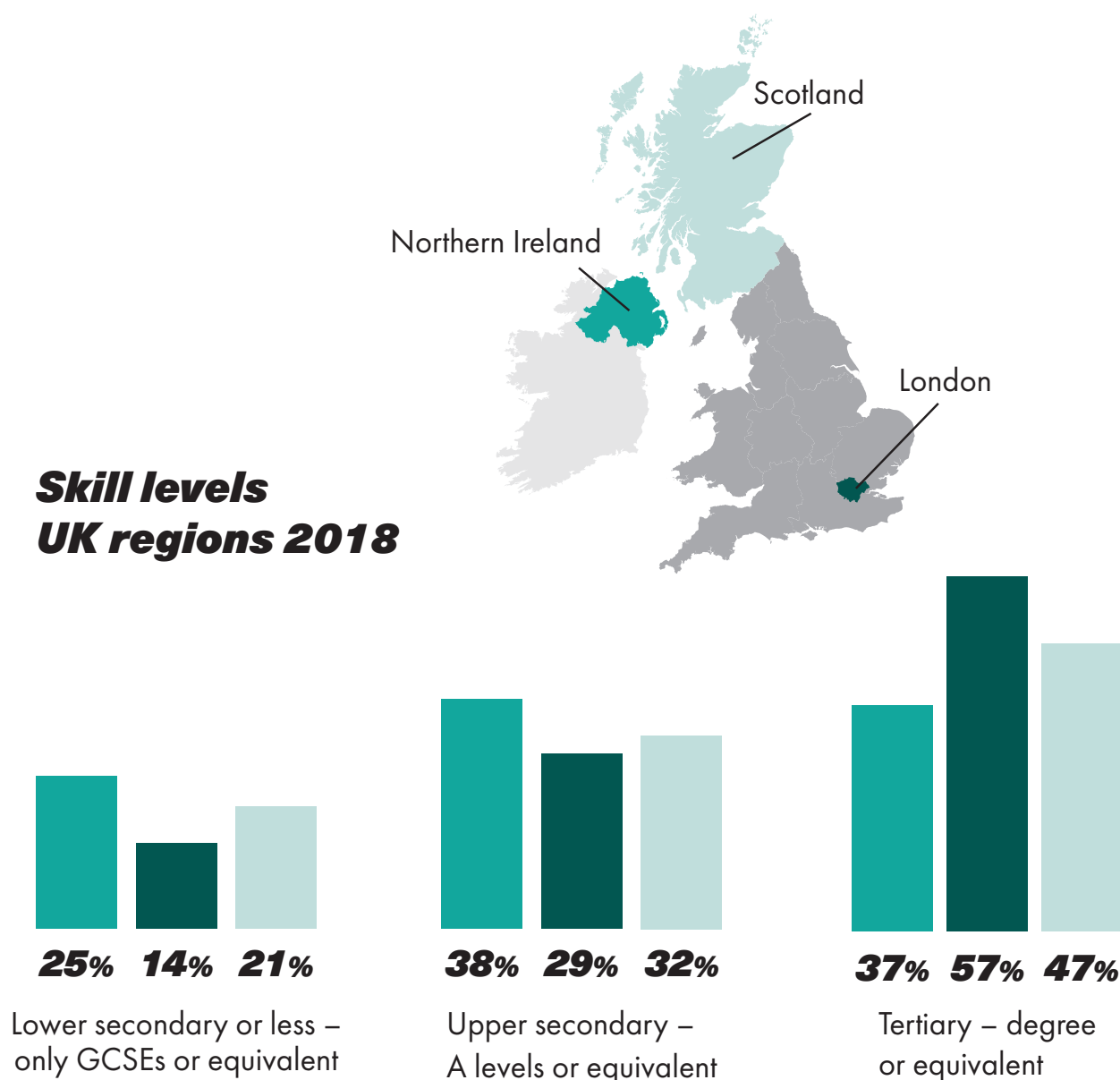
Poverty and disadvantage

Northern Ireland has the highest proportion of adults with only low-level qualifications of any UK region. It has the third lowest proportion of adults educated to degree level.

Failures in the education and training systems contribute to persistent poverty across generations. Children growing up in poverty are much less likely to do well at school compared with children from better off backgrounds. Northern Ireland has the highest percentage of children living in long-term workless households out of all UK regions – 13.6% of children, compared with the UK average of 8.2%.

This makes it more likely these children will grow up in poverty, and evidence also shows that children growing up in workless households are much more likely to have lower educational attainment, be unemployed, and live in poverty later in life.

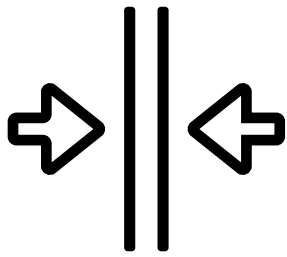
Skill levels UK regions 2018



Gaps in attainment can be seen even at a very young age, with children aged five who grow up in poverty tending to do less well than their peers in a range of early-learning measures. Not only can this gap persist right through school, it can also widen, with the effects of poverty continuing to chip away at children's performance over time. The attainment of children who score highly at a young age but

grow up in poverty is more likely to fall away in relative terms as they get older. Recent figures show that 48% of all Northern Ireland's children who score in the top quartile for cognitive and language development at aged five remain in the top quartile at age 11. However, for children in poverty this figure drops to 35%. Poverty perpetuates itself.

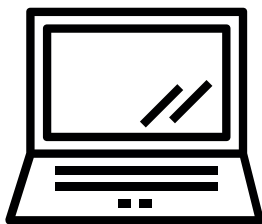
Poverty and disadvantage - questions:



How can we narrow the gap in life outcomes for children from disadvantaged backgrounds?



What do we need to do to reduce the high rates of inactivity in Northern Ireland?



How can we ensure everyone benefits from the jobs of the future?

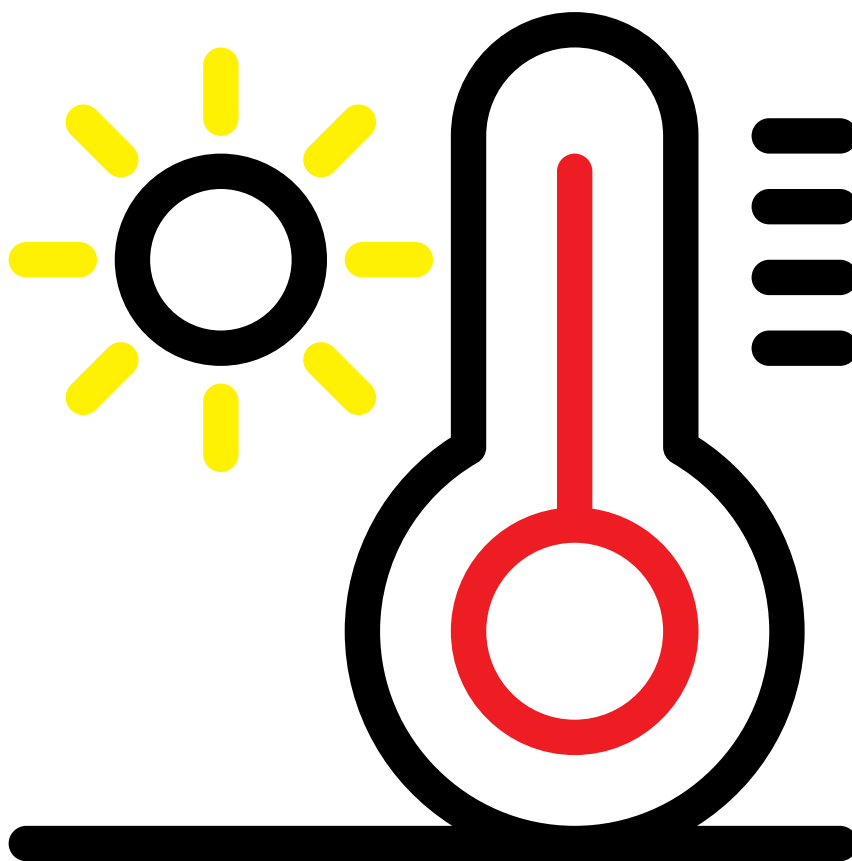


Climate and biodiversity

The world is in a state of climate emergency. Global solutions are required. Northern Ireland needs to play its part.

In 2018, the UN warned we have 12 years to limit global temperature rises to 1.5C, beyond which the risks of drought, flooding and extreme heat significantly worsen. In May 2019, another UN study concluded that one million species are at risk of extinction due to intensive agriculture, over-fishing, pollution and climate change.

A decade after the UK Climate Change Act, Northern Ireland has set no emissions targets – unlike Scotland and Wales, both of which set their own targets in addition to those for the UK as a whole - and enacted no legislation. Since the Act came into force, emissions here have fallen by just 9% compared with 27% across the UK in general. This is mainly due to reductions in emissions from electricity production and industry, while emissions from transport, residential properties and agriculture



have remained largely the same over this time.

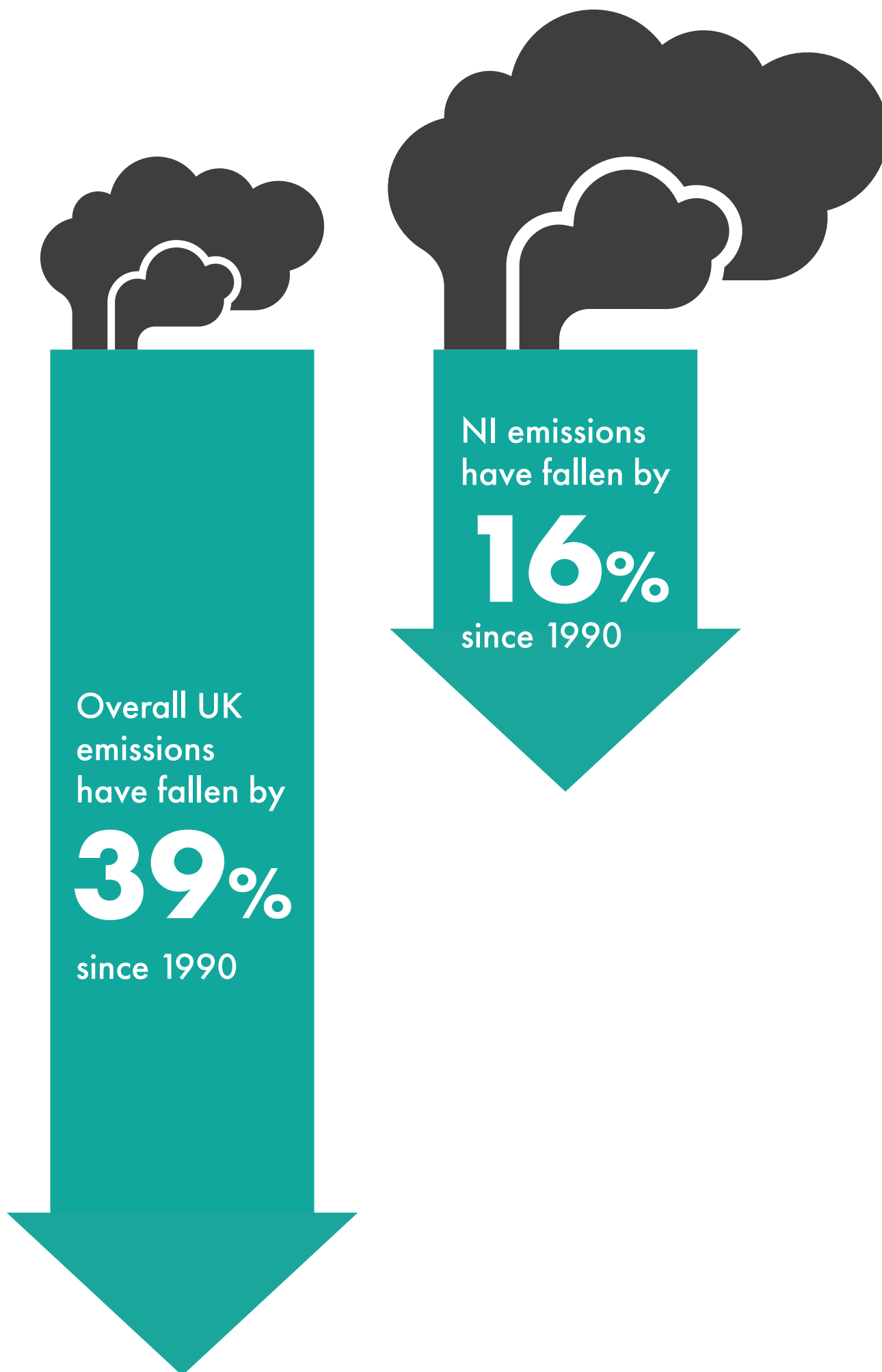
We must reduce the gap between the cuts expected of us and those we are making. Northern Ireland needs to modernise, and grasp the opportunities presented by a greener world. We need further development of renewable energy as well as wider schemes to reduce emissions, such as linking agricultural support to reductions in emissions, tree planting, incentives for

low-carbon homes, and changing transport habits.

The movement to combat climate change is global, and gaining momentum. Northern Ireland needs to connect itself into this movement and the related debates. Protecting our environment is one of the great concerns of our age. Northern Ireland must take its seat at the table.

Climate and biodiversity

The UK Climate Change Act 2008 committed the UK to an 80% reduction in carbon emissions by 2050, compared with the 1990 baseline. Northern Ireland has barely started reducing emissions.



Climate and biodiversity

Current level

Northern Ireland has made little progress towards an 80% reduction in CO₂ emissions. Current emissions from agriculture alone, which have remained steady since 1990, effectively consume the region's entire allowance.

Total target level

Kilotonnes of
CO₂

30,000

25,000

20,000

15,000

10,000

5,000

0



Waste Management

Transport

Residential
& Public

Land Use

Electricity

Business

Agriculture
(excluding cows)

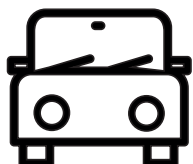
Cows

1990 1995 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017

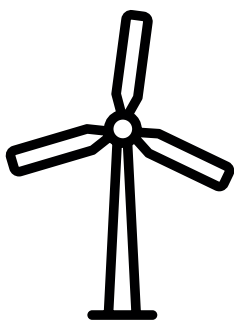
Northern Ireland 1990-2017

- Source: Peter Donaghy

Climate and biodiversity - questions:



How can we change our reliance on cars?



Can we better utilise renewables?



How does local agriculture need to change?



Community relations

Division is woven into Northern Ireland
It does not have to be part of the future

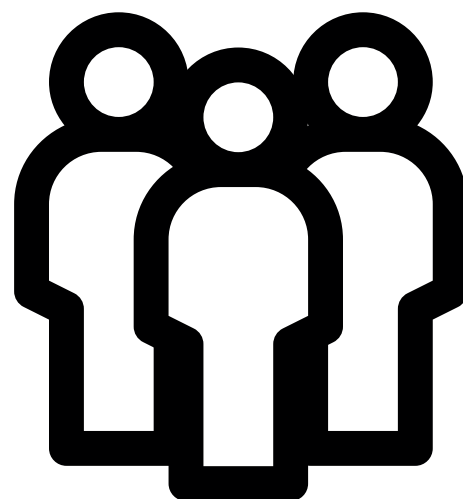
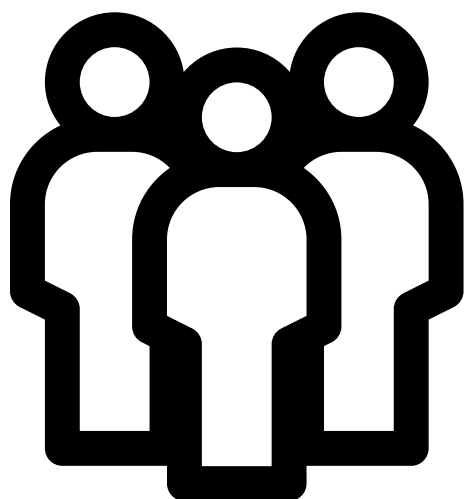
Community relations cut across all policy and debate in Northern Ireland. Key public services like education and social housing remain largely divided along lines of perceived culture and community. The recent Ulster University report, *Sectarianism in Northern Ireland: A Review*, said that “sectarian division is still with us, both above and below the surface, and [it] shows no sign of going away.” The report noted that poverty

and a lack of opportunities fuel resentment and alienation. Meanwhile, persistent division deters investment and drives talent out of Northern Ireland.

Concrete and sustained efforts to address sectarianism are required - focusing on children and young people, and with wider roles for business and civic society. Given the human and economic costs of a divided society,

ns

ern Ireland's history. f its future.



this is clearly a deep challenge for political and other leaders seeking to create a flourishing Northern Ireland.

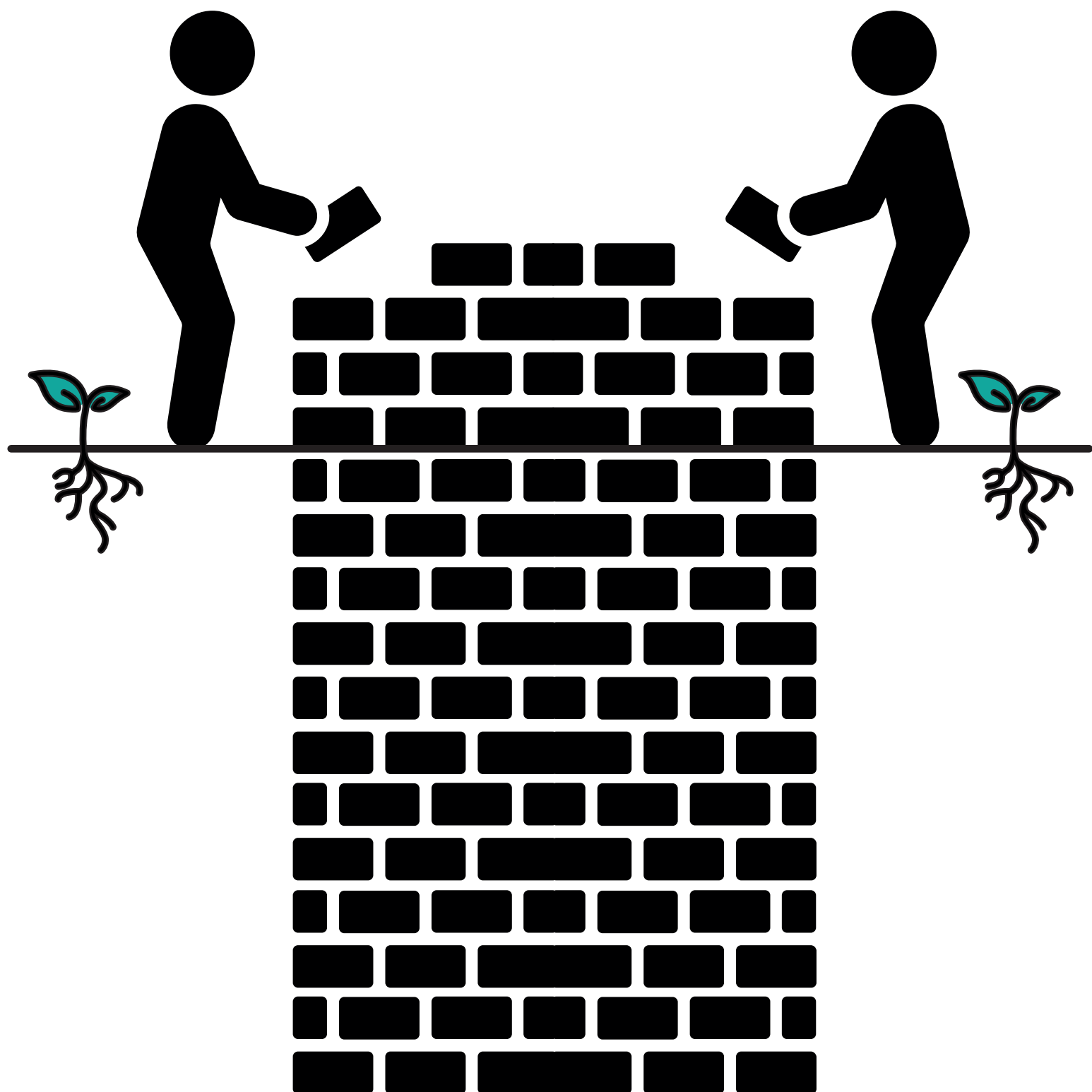
In Northern Ireland there are very concerning levels of hate motivated incidents and crimes. While sectarian motivated incidents and crimes had been falling, they rose in 2018-19. There is a racially motivated hate incident an average of three times a day, despite

the relatively small numbers of people here from ethnic minorities or from other countries. Homophobic and transphobic hate incidents show an upward trend, together with a perception that these are under-reported. Despite this, Northern Ireland has no dedicated hate crime legislation, unlike the rest of the UK.

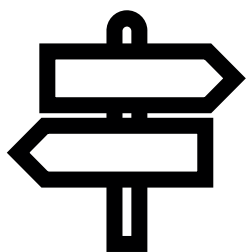
Community relations

“Sectarian division is still with us, both above and below the surface, and [it] shows no sign of going away.”

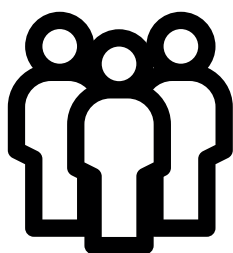
Sectarianism in Northern Ireland: A review
Ulster University, May 2019



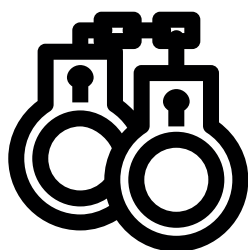
Community relations - questions:



What would a Northern Ireland without sectarianism look like? How do we get there?



If sectarianism flourishes where people feel left behind, how do we offer real and meaningful opportunities to all communities?



Would tougher hate crime laws help, or are positive interventions more effective?



The future

“[A] widely noted feature of the Northern Ireland external policy debate through the sort of thing in London. Many of the people we spoke to Northern Ireland policy think tank – Pivotal – that gap.” – **The Institute for Government**

This report wants to start conversations. We invite others to join us in developing ideas that address the challenges we face together. We want to hear from people from all backgrounds and with different experiences and expertise.

Pivotal also wants to be practical. The best ideas make a difference, and they are workable. There is an obvious barrier to tackling the problems highlighted in this report. Northern Ireland's public spending is severely limited. New sources of funding may be needed. Difficult conversations lie ahead.

However, policy solutions are not all about spending more money. We can do better with what we have – and tackling long-running problems will, in many cases, provide eventual savings to the public purse. Governments are traditionally not good at making such long-term investments to reduce or prevent future costs. By presenting strong evidence and analysis, and increasing the quality and levels of participation in debate, this can be made easier.

and political ecosystem is the lack of
 think tank activity that is well established
 welcomed the initiative to create a new
 – that has been designed to address

Pivotal will be responsive, flexible and even experimental in pursuing sustainable changes and making a lasting impact. Our ideas will be grounded in balanced, rigorous assessment of data and evidence. They will make the case for changes to policy, in some cases radical change. They will cut across traditional ways of working and recognise that our circumstances are complicated, but not impossible to understand or address. They will look to the future, and towards preparing Northern Ireland for a changing world.

Pivotal cannot do this alone. We want to work with anyone who cares about Northern Ireland and wants it to thrive, and any individuals or organisations that have good ideas and the determination to make those ideas real. Northern Ireland is changing. Let's make those changes work. Join with us in pursuit of a better tomorrow.

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