

PIVOTAL  
B R I E F I N G

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THE RETURN  
OF STORMONT:  
TIME FOR REAL  
CHANGE

PIVOTAL - THE INDEPENDENT  
PUBLIC POLICY THINK TANK FOR  
NORTHERN IRELAND

# OVERVIEW

An effective Executive and Assembly are the best-placed institutions to govern Northern Ireland, especially at a time when it faces challenges that are urgent, significant and varied. But it cannot be more of the same.

Budgetary pressures and a lack of decision-making for five of the last seven years have had a scarring impact. In many cases, public services are falling far short of what people expect.

To provide leadership and governance in this challenging environment, the Executive and Assembly need to work differently. It is critical that ministers strive for unity of purpose despite political differences.

There will be no quick fix for Northern Ireland's issues. However, with the institutions restored there is an opportunity to choose some priorities that could bring big improvements to people's lives in areas like health waiting lists, health service transformation, schools budgets, infrastructure, childcare, poverty, a climate change action plan and more.

Succeeding in any of those areas requires a change in how Stormont works. In this short Briefing, Pivotal provides some suggestions for how this can happen:

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

Pivotal is an independent think tank without any political alignment. We offer the analysis and ideas in this paper to inform and enable discussion about governance and decision-making in Northern Ireland.

# 01 INTRODUCTION

The return of Stormont is welcome, but the Executive and Assembly cannot be more of the same.

Without true changes in how government works, Northern Ireland has little chance of addressing its problems – not least given the unprecedented scale of the challenges it now faces.

The absence of ministers since February 2022 means important decisions have not been made. Proper, long-term planning has been absent. Strained budgets have led to short-term cuts and overspends. Services have deteriorated further than in previous periods of collapse, falling far short of public expectations. In the absence of pay settlements, industrial action hangs over many sectors. Longer-term issues, already avoided for too long, have accumulated and grown.

All this would be difficult for a well-functioning government. Unfortunately, the Executive's record is weak even when the institutions were relatively stable. Repeated political disputes left little space for proper policy development. Short-termism crowded out longer-term strategy. Recent Executives have not even agreed a Programme for Government, and too little attention has been given to improving outcomes for people in their day-to-day lives. There has been a failure to work with common purpose across government departments. The spirit of constructive leadership and compromise that underpinned the Belfast / Good Friday Agreement has, in many cases, been lost.

Perhaps most importantly, the returning Executive and Assembly must take difficult decisions and make choices that may be unpopular. Avoiding tough choices would be to Northern Ireland's long-term detriment. Examples include the need for transformation in how and where health services are delivered, the importance of longer-term investment in infrastructure, skills, childcare and social care, giving proper attention to climate change, and consideration of more local revenue raising.

Northern Ireland needs stable devolved government, united in purpose, strategic in its focus, and effective in its decision-making and delivery.

The financial package agreed with the UK Government offers necessary relief to Northern Ireland's budget, particularly the 'fiscal floor', funding for pay awards this year and the stabilisation fund. However, problems remain with public finances and, without further action, this will only amount to a short-term fix.

Pivotal will shortly publish a list of suggested policy priorities for a Programme for Government.

# 02 STORMONT NEEDS TO WORK DIFFERENTLY

## The Executive and Assembly need a period of stability

Northern Ireland has not had an Executive for almost five of the last seven years, and its two years of operation were dominated by Covid and political disputes. This ‘stop-go’ governance left little room for strategic planning or policy-making, and many pressing issues deteriorated further: health waiting lists, schools budgets, childcare, the cost of living, funding for the voluntary and community sector, and many more. It is essential that the Executive and Assembly remain in place for a prolonged period and that political divisions do not crowd out the business of providing good government.

IT IS ESSENTIAL THAT POLITICAL DIVISIONS DO NOT CROWD OUT THE BUSINESS OF PROVIDING GOOD GOVERNMENT

## Agreeing on a Programme for Government and multi-year budget

Ideally a Programme for Government (PfG) and budget should be agreed by negotiation before an Executive is formed so all parties involved are signed up to common goals and the choice of departments does not distort parties’ views about priorities. The outcomes in the PfG should be short, specific, realistic and meaningful to people’s lives, with robust reporting to help ensure improvements are delivered. The PfG should represent the Executive’s actual priorities rather than being a presentational exercise. Developing a multi-year budget as part of the same process would show how funding will follow priorities. A genuinely shared PfG and budget should provide stability during periods of political disagreement.

## The Executive needs to take difficult decisions

Previous Executives have avoided difficult decisions, and also tough choices between different priorities. The new Executive should think broadly about options for reorganisation and reform in order to get the best outcomes from the funding available now and in the future. While politically easier in the short-term, avoiding such decisions has been to Northern Ireland’s long-term detriment, for example failure to transform how and where health services are delivered, favouring short-term funding over longer-term investment, and a lack of proper consideration about local revenue raising. There is a need for honesty with the public that tough choices have to be made. Parties should strive for unity around difficult decisions.

## Ministers should work with common purpose across departments

Many policy needs cut across several departments but previous Executives often defaulted to silo-working rather than a collective approach. Jointly-owned budgets and targets set out in a Programme for Government could help establish new ways of working.

## The Executive should have a relentless focus on delivering better outcomes

Clear reporting arrangements must measure whether improvements to outcomes are being delivered. Historically, the focus was on publishing new policy and strategy documents rather than driving and monitoring delivery in the real world. Politicians, media and others outside government should actively scrutinise outputs and outcomes, shifting the focus from what funding is allocated to what is actually achieved. The Executive should publish an annual report tracking headline indicators.

THERE IS A NEED FOR HONESTY  
WITH THE PUBLIC THAT TOUGH  
CHOICES HAVE TO BE MADE

## The Executive and Assembly should build partnerships outside government and politics

Northern Ireland has vibrant business and civic society sectors with valuable experience and ideas. Academics, business groups, the voluntary and community sector and the public should be involved in policy development and scrutiny. The Executive and civil service should enable this by providing information and opportunities. These connections can have the added benefit of promoting a better understanding of the transformational decisions that the Executive needs to make and building a supportive partnership around these changes.

## The Executive needs to make the most of Northern Ireland's unique access to UK and EU markets

The Executive should adopt a pragmatic, economy-focussed approach to the Windsor Framework, seeking out opportunities to grow Northern Ireland's export markets and inward investment. It needs to be continually aware of evolutions in both EU and UK policy, and how they relate to the strategic vision for the local economy. While the Stormont Brake and the new Committee envisaged by the Framework allow the Assembly to scrutinise regulation, all concerned need to be alert to the potentially destabilising role these new mechanisms could play.

## **There is a need to re-commit to the spirit of leadership and compromise which was central to the Belfast / Good Friday Agreement**

Stability in government is foundational for economic growth, investment and public service delivery. Working with common purpose is essential to good government. The existence of the Assembly and Executive is vital to reconciliation through engagement and building relationships which would not otherwise happen. Operating a coalition of opposing parties has been extremely difficult, especially when the two main parties have held a veto. All parties should commit to making the institutions work, focussing on governing well for all the people in Northern Ireland, demonstrating leadership in difficult situations, and adopting a spirit of compromise where needed. This includes committing to working through difficult situations to sustain the continued existence of the institutions.

**ALL PARTIES SHOULD COMMIT TO MAKING THE INSTITUTIONS WORK, FOCUSING ON GOVERNING WELL FOR ALL THE PEOPLE IN NORTHERN IRELAND**

### **The UK and Irish governments should maintain ongoing support**

As joint stewards of the Belfast / Good Friday Agreement (B/GFA), it is vital that the two governments do not disengage from Northern Ireland after devolution is restored. This will be key to the management of NI-EU matters, as envisaged by the Windsor Framework. Furthermore, the relationship between the EU and the UK Government is now key to the stability of devolution in Northern Ireland. The EU also must remain aware of its ongoing responsibility for managing significant regulatory changes, which have the potential to destabilise the B/GFA institutions.

### **Build the capacity and capability of the Northern Ireland Civil Service**

The [RHI report](#) and a [Northern Ireland Audit Office report](#) in 2020 highlighted problems with skills and practices in the NI Civil Service (NICS), in particular serious deficiencies in some specialisms; the ageing workforce; and inadequate workforce planning, recruitment and performance management systems. The NICS needs an ambitious programme of recruitment, secondments and development to build up skills, experience and diversity, and to improve performance. The civil service and other public agencies should renew their commitment to decision-making based on evidence, good practice and value for money, and ensuring that recommendations to ministers are made on that basis.

# 03 BUDGETS FOR NOW AND FOR THE FUTURE

## The financial package is welcome but only represents a short-term fix

The new ‘fiscal floor’, funding for public sector pay settlements this year and the stabilisation fund can all help stabilise Northern Ireland’s public finances. However, without further action budgetary problems will soon re-emerge. The agreed funding floor is only slightly more generous than current allocations, the extra funding for pay awards only provides for this year, and the stabilisation fund only covers two years. The biggest determinant of future funding in NI is the additional amount given to public services in England, and the current UK fiscal outlook is very constrained. The incoming Executive needs to be prepared for tough decisions about both spending and revenue raising.

WITHOUT FURTHER ACTION,  
BUDGETARY PROBLEMS WILL  
SOON RE-EMERGE

## A short-term recovery plan could stabilise budgets and public services

The restored Executive and Assembly should use the financial package to agree a recovery plan to address the immediate challenges of failing services and overstretched budgets. This plan should work in parallel with longer-term public service reform. The Executive must accept – and be open with the public – that it will take time before significant improvements to services bear fruit.

## An ambitious programme of public service transformation is needed

The need for transformation of services has been much discussed, but actual change has been slow. The result is deterioration of many services (and, in some cases, collapse). Continuing to deliver services in the same way as the past is unaffordable. The Executive must balance service stabilisation with robust reforms that lead to sustainability and affordability in coming years and decades. The Executive should provide regular published information about transformation plans and progress, to enable scrutiny and challenge. It should bring in external expertise where needed.

## Considering a full range of options to get the best from public spending

The new needs-based ‘fiscal floor’ is welcome, but its level is below the relative funding per head Northern Ireland has received historically. Demographic factors, particularly the impact of an ageing population on health and social care spending, mean continuing upward pressures on spending. Like governments elsewhere, Northern Ireland needs to consider a full range of approaches to managing budgets. More local revenue raising and other sources of funding should be considered. Taking action in some of these areas may offer additional funding to improve public services.

## Multi-year budgets will help enable investment and reform

The Executive’s last multi-year budget covered 2011-15. A series of single-year spending plans has followed. Multi-year budgets allow better service planning and delivery, especially in workforce planning, investment and transformation. With the current spending settlement in place until 2024-25, the Executive should set a multi-year budget for the following three-year period. Departments should pass on multi-year allocations to public bodies, community and voluntary sector and other organisations, to spread the benefits of greater financial stability and certainty.

MULTI-YEAR BUDGETS ALLOW BETTER SERVICE PLANNING AND DELIVERY, ESPECIALLY IN WORKFORCE PLANNING, INVESTMENT AND TRANSFORMATION

## Budgets should be linked to the Programme for Government, with funding allocated to match agreed priorities

Previous budgets largely involved dividing up additional money between departments in a way that was acceptable to all Executive ministers, rather than a strategic allocation of funding to priorities agreed in the Programme for Government. If the PfG sets out the Executive’s priorities, then funding should be allocated to deliver these priorities. While it is politically easier to give something to everyone, it is strategically better to prioritise what’s most important.

## The use of the new financial package should be independently assessed

Previous financial settlements accompanying the restoration of devolution failed to deliver most of the changes promised. While additional funding brought relief from immediate budget pressures, in most cases those settlements did not lead to improvements in outcomes or public service transformation. A joint approach is needed from both the Executive and the UK Government to ensure that additional funding provides results. Consideration should be given to external review of what the settlement delivers, perhaps following the model of the Fiscal Council which has independently assessed Northern Ireland’s public finances in recent years.



# 04 CONCLUSION

## Pivotal offers the following points in conclusion:

- A period of stable government is needed to enable public service planning, investment and economic growth. To sustain the institutions, there is a need to re-commit to the spirit of leadership and compromise that underpinned the Belfast / Good Friday Agreement.
- A short-term recovery plan is needed to stabilise budgets, make pay awards and enable delivery of services to the public, using the additional short-term funding provided in the financial package.

The returning Executive should:

- Consider a full range of options to ensure Northern Ireland gets the best from its public finances, including short-term efficiency measures, longer term reforms, workforce planning and revenue raising
- Agree an ambitious and meaningful Programme for Government and multi-year budget that focuses on Northern Ireland's long-term social and economic challenges.
- Take the difficult decisions needed about public services transformation so that services improve and are sustainable into the future.
- Focus on improving the delivery of public services and provide regular monitoring data, to help ensure that people see benefits in their day-to-day lives.
- Act with vision and common purpose, avoiding dividing along party or departmental lines.
- Increase transparency, enable scrutiny and involve those outside politics and government. Be open to external expertise, support and challenge where needed.

In addition to this Briefing, Pivotal will shortly publish a list of suggested policy priorities for a Programme for Government.