

Northern Ireland

The state of the state

Last autumn, the politics and government of Northern Ireland were characterised by optimism, energy and confidence. Cohesive political leadership, an outcome-based plan for the public sector and an emerging economic renaissance had created a positive outlook for the future. But events have since conspired against that.

Much of 2017 has seen Northern Ireland at the nexus of political and economic uncertainty in the UK. If the UK's decision to leave the EU was a political earthquake, this past year has confirmed that Northern Ireland lies on its fault line. At the same time, the Executive's collapse has created a leadership vacuum with growing implications as policy decisions remain untaken. And multi-faceted aspirations from the main political parties have added to a complex set of circumstances that will need to be addressed for devolved government to resume.

In January, power-sharing in the Northern Ireland Executive was suspended when its Deputy First Minister, the late Martin McGuinness, resigned. That triggered an election in March but talks failed to restore the Executive and as a result, Northern Ireland has been without an Executive ever since.

A government without ministers is unprecedented for a major part of the UK, and the absence of executive decision-making could become increasingly apparent. Under legal advice, civil servants have continued to maintain government and press ahead on programmes in accordance with guidance from ministers when they were last in post. But increasingly, that guidance is becoming out of date. Civil servants may well be minded to stretch their mandated powers in the public interest, but could face judicial review for doing so. But many will be aware that as the months go on, policy decisions that require ministerial approval have not been taken. That could come at an opportunity cost for Northern Ireland,

especially where public sector reform stagnates and decisions that could save money are not taken.

A number of public servants interviewed for *State of the State* warned of a degradation of the public services. Overall, there is a sense that Northern Ireland has had a lost year.

The next steps remain unclear. Direct rule from Westminster could restore budget mechanisms to the Executive and provide for ministerial decision-making. Several interviewees in our research considered that direct rule could well begin by the start of 2018, though some reflected on whether the existing devolution model may need to be rethought for a future Northern Ireland government.

In the meantime, wider political forces are at play as power-sharing talks continue. The DUP's influence grew substantially in June when it lent its Westminster support to the Conservatives in return for a billion pound investment deal for Northern Ireland. And Brexit has given vigorous life to debates about Ireland reunification, with significant implications for Sinn Féin as it continues to pursue a united island of Ireland. In other words, the main Northern Ireland political parties are negotiating their return to an Executive while mindful of wider agendas and aspirations that Brexit and other political developments have triggered.

The billion pound deal negotiated by the DUP to support the Conservative government was well designed. Crucially, it splits investment in public services between funding to relieve

immediate pressures and investment in transformation to continue reforms of the health and social care system.

Drawing on the 2016 report from the World Health Organisation's Rafael Bengoa, the Department of Health's *Delivering Together* plan has the potential to put Northern Ireland at the leading edge of health reform as governments around the world – including the UK – struggle to address unsustainability in their health and social care systems. However, such transformation could rely on access to funding – and Northern Ireland is yet to receive any funding from the billion pound deal.

As negotiations between political parties go on, the Northern Ireland Civil Service is ensuring continuity of government and the public services. It also continues its own reform programme, building on its reorganisation and downsizing of recent years. Most senior civil servants we spoke to in the course of research for *State of the State* told us that wanted to address the civil service age profile, which has become increasingly older. NICS has an older age profile than the wider economically active population and in 2016, 36 per cent of its staff were 50 and over compared to 25 per cent in 2010³⁰. While that might represent a future talent issue, NICS continues to show strong reform capability and its former ministers speak highly of their interface with civil servants.

In the absence of political decision makers, the draft Programme for Government offers a useful framework for progress in key areas of public policy. But as a plan created by the last Executive, and

with no ministers to energise it, the draft programme could struggle to maintain traction in years ahead.

The absence of an Executive is of course the main pre-occupation among leaders in Northern Ireland's public sector. However, many are also concerned about Brexit given the region's unique exposure to issues that arise from leaving the EU. And the most significant of those is its border.

Fortunately, the border has been one of the three issues in the first phase of Brexit negotiations, which testifies to its importance and keeps Northern Ireland high on the agenda. The absence of an Executive means that Northern Ireland does not have its own ministerial voices taking part in Brexit debates, but its civil servants have found their colleagues in the Department of Exiting the European Union to be open to their representations, receptive to their input and engaging in discussions.

In Northern Ireland, as in the rest of the UK, the dangers of Brexit are at present more apparent than any benefits that could emerge. But as responsibilities are repatriated to the UK from the EU, there could be potential to strengthen Northern Ireland's powers.

Economically, Northern Ireland has remained resilient in the face of the uncertainties that are inherent in Brexit. Its economic growth of 0.3 per cent in the first quarter of 2017 was higher than UK-wide growth and would put Northern Ireland's annual growth at 2.4 per cent compared to the UK rate of 2 per cent.³¹ However, numerous factors – not least the border, the strong agri-food sector and high levels of EU funding – could make Northern Ireland's economy particularly exposed to Brexit uncertainties in the year ahead.

The biggest issue is the absence of a devolved administration. To be frank, it's causing chaos.

Without ministers, we're seeing a slow degradation of public services.

We've got good access to DeExEU...we've found a very open ear in Whitehall.

Without a ministerial voice, our position is weaker and under direct rule, there would be less attention to us other than on border issues.

The civil service...are impartial and supportive... nothing but willingness to get things done and no willingness to prevaricate.

We're operating without ministers, and for a part of the UK, that's extraordinary.

Brexit cuts across the ambiguity in our system. It throws the constitutional question back on the table.

Whitehall is listening and they are reading the material we're sending in.

The Programme for Government is not dead, but it's on life support.

I worry that the civil service has not been recruiting and we're getting pretty old...we're stagnating as an organisation.

All politics is local. And in Northern Ireland, it's very, very local.