Northern Ireland's multiyear budget: challenges and opportunities

pivotal

Pivotal is an independent think tank that aims to contribute to improved policy making in Northern Ireland. This paper is offered to inform and enhance political and public debate about the budgetary challenges ahead.

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Introduction

This paper looks ahead to the Northern Ireland Executive's forthcoming multi-year budget and highlights some important areas for consideration.

We draw out key challenges for the Executive as it sets and manages budgets, and suggest some ways in which current approaches to budgets need to change.

The paper offers some headline messages for budget setting in anticipation of the publication of a draft multi-year Budget for Northern Ireland Departments in the next few weeks.

Facts and features of NI's funding position covered in this report

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- · A summary of how Northern Ireland is funded
- Budget numbers and pressures for 2025-26
- A review of the management of Northern Ireland's budget in recent years
- The outlook for funding allocations in the next three years
- Progress made in recent years in discussions with UK Government about how Northern Ireland is funded
- NI's level of funding and need compared to England
- How funding allocations for different NI Departments have changed over time
- Public sector pay and maintaining pay parity in certain sectors
- How much the Northern Ireland Executive raises in revenue and its options for raising more
- The affordability of public services within existing budgets and the necessity for change
- The unprecedented low budget increases facing Northern Ireland in the next three years
- The opportunity presented by the upcoming multi-year budget

How is Northern Ireland funded?

Changes to Northern Ireland's funding allocations are largely determined by the Barnett formula, which provides a population-based share of funding for NI proportionate to funding changes in England. Some locally raised revenue is added to this, but around 95% of what the Executive has available to spend comes through the block grant.

The biggest determinant of how much additional funding NI receives via the Barnett formula is how much comparable funding is increased in England. This is outside the control of the Northern Ireland Executive.

The Barnett formula gives NI additions of funding based on increases in England, which are added to NI's baseline. As NI's baseline funding per head is higher than

England's, this means that funding per head converges towards England's level over time – known as the 'Barnett squeeze'.

Northern Ireland has struggled in recent years with repeated budget crises, not helped by long periods without the Executive and a decade of single-year budgets. Disputes about public sector pay have been a regular occurrence.

At the same time, public service outcomes are very poor in many cases, for example long health waiting lists, difficulty accessing GPs, overstretched policing, inadequate SEN provision, environmental problems, and delays in the criminal justice system.

Northern Ireland is not alone in facing budgetary problems. Public finances

are stretched in the rest of the UK and beyond, due to a combination of weak economic growth, austerity, Brexit, Covid and international instability, alongside ever-increasing demand for public spending. Constrained increases in funding in England since 2010 have fed through to limited uplifts to Northern Ireland's budget.

Looking ahead, demographic change will continue to create huge challenges for public finances, with a rapidly ageing population meaning ever-increasing demand for health and social care. The costs of climate change are another developing pressure that needs to be properly considered.

"Northern Ireland has struggled in recent years with repeated budget crises, not helped by long periods without the Executive and a decade of single-year budgets."

Northern Ireland's budget for 2025-26

Note: This paper considers resource DEL as the main element of spending within the NI Executive's control. It does not cover capital DEL or AME spending.

Public expenditure splits into two categories



Departmental Expenditure Limit (DEL)

Spending that is managed by departments and used to pay for public services including staff.

DEL is split into resource (day to day spending) and capital (longer term investment).

Annually Managed Expenditure (AME)

Demand-led spending like benefits and pensions.

Spending allocations for departments for 2025-26 were agreed in the Budget in early April 2025, with some additions in the June monitoring round. Another monitoring round is expected in December.

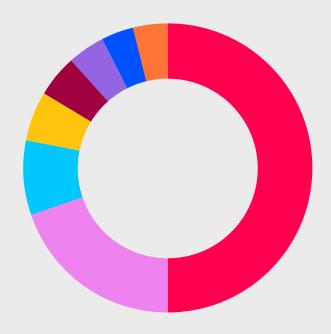
Total non-ringfenced resource
DEL budget 2025-26

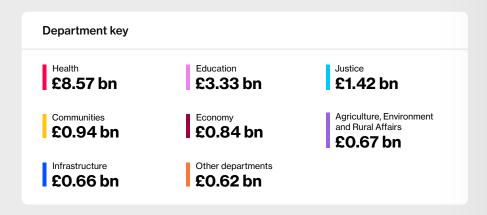
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£17,073m

FIGURE 01

Resource DEL funding allocated to each department in 2025-26 Source: Minister of Finance June monitoring statement 2025



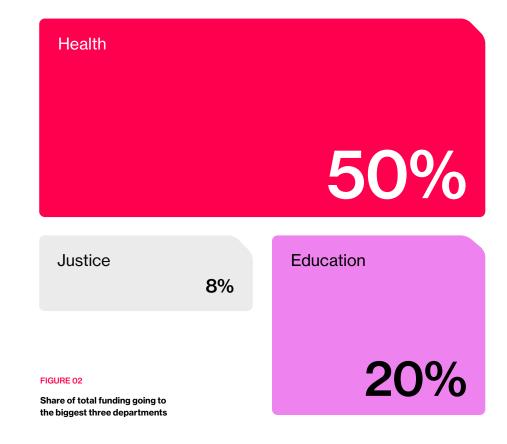


The increasing share of the total budget going to Health has been a key driver of the pressures on the Executive's overall budget in recent years.

Public sector pay makes up around 60% of resource DEL, so decisions about pay awards have a huge impact on budgets.

Around 70% of NI funding goes to the two biggest departments. With the addition of Justice, this means nearly four fifths of the budget goes to three departments.

Northern Ireland has had a series of single year budgets. The last multi-year budget was for 2011-15.



A significant overspend in 2025-26 looks inevitable

The Finance Minister has said overcommitments from departments this year total around £400m, plus an estimated £119m for the costs of the PSNI data breach.

The Executive has agreed that in the December monitoring round, up to £150 million will be allocated to four departments, with a priority put on making public sector pay awards. This splits into up to £100m for Health, £37m for Education, £6.7m for Justice and £6.7m for Infrastructure.

The UK Budget on 26 November gave Northern Ireland an additional £19 million resource DEL in 2025-26, which is tiny compared to the scale of current overcommitments. The Budget also allocated £132m/£89m/£2m for the next three years in addition to the June Spending Review settlement.

In order to maintain pay parity in health, the Executive has agreed that Department of Health can overspend its budget by £100 million this year, which will be deducted from DoH's funding next year. £70 million previously earmarked for waiting lists initiatives has also been diverted into pay costs.

Departments are all making efforts to reduce their forecast overspends this year. Progress is being made, since the total over-commitment has come down from £784m in late October. But there is still a strong possibility of an overspend of £400-500m this year. Treasury rules say any overspend will be deducted from next year's block grant.

While taking money out of next year's budget may remove the Executive's short-term problem, it will only make next year's finances, which are already very tight, even more challenging.

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Budgetary management in recent years

Overcommitments and in-year additions have been a recurring feature of Northern Ireland's finances in the last three years.

A major overspend of the budget

has only been avoided by significant in-year additions of funding from the UK Government. This recurring pattern may have created an expectation in Northern Ireland that 'something will come up' to resolve budgetary difficulties. There is however no prospect of similar additions this year or in the following years, now that the three-year Spending Review settlement has been made. The UK Budget in November 2025 only gave NI an additional £19m for 2025-26.

Previous in-year funding additions have been largely used up making public sector pay awards and meeting other pressures, but then the problem has happened again in the following year when both previous and new pay uplifts had to be funded.

Some of the additional in-year UK
Government funding has been given in
the expectation of savings being made
to reduce the need for future spending,
for example through public service
transformation. However, there is little
evidence that this transformation has
happened, beyond some small individual
projects. While it is unrealistic to have
expected transformation to yield large-

scale savings so quickly, the Executive should also be challenged for not prioritising an ambitious programme of change in public service delivery, that could have produced both cost savings and higher quality services.

Additional funding from the UK Government

In 2024-25, a forecast £770m overspend was largely offset by £640m addition in the UK Budget in October 2024.

In 2023-24, a forecast overspend was offset by a £1,046m addition in the February 2024 restoration package. £559m of this was a reserve claim loan which was then cancelled when certain conditions were met.

In 2022-23, a £297m overspend was covered by a reserve claim loan and then cancelled when conditions in the restoration package were met.

Covid-related additions meant that funding during 2020-21 and 2021-22 was much less constrained.

Future funding will be even more constrained than recent years

The NI Executive is expected to publish a draft multi-year budget for 2026-27, 2027-28 and 2028-29 in the coming weeks. The block grant allocation it has available is barely increasing from this year's funding.

FIGURE 03

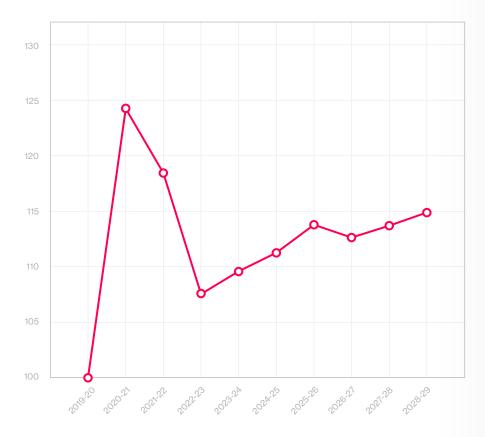
Spending Review period resource
DEL allocations for Northern Ireland
Source: HM Treasury Budget 2025

2024-25	£15.6 bn
2025-26	£16.4 bn
2026-27	£16.5 bn
2027-28	£16.9 bn
2028-29 £17.3 bn	

FIGURE 04

Northern Ireland resource DEL excluding depreciation, real terms (2019-20 = 100)

Source: Presentation by David Phillips IFS at NI Fiscal Council conference, September 2025 Note: chart excludes UK Budget 2025 additions



Northern Ireland's funding allocation is worked out by applying the Barnett formula to funding increases in England. It will mean Northern Ireland's resource DEL rises by just 0.3% annually in real terms over the next three years.

Over the previous six years, resource DEL rose by 2.1% annually in real terms. Funding in 2026-27 (next year) will be particularly tight, and this will be made worse if an overspend this year has to be repaid.

"Recent changes to Northern Ireland's funding arrangements make it more likely that the UK Government will see funding for Northern Ireland as settled, and so will be unwilling to offer up any new additions."

Progress made on financial arrangements

There have been advances in funding arrangements in recent years, with a new agreement to reflect NI's level of need in the Barnett formula.

In the last two years there has been important progress on Northern Ireland's financial arrangements in discussions with the UK Government. These recent changes, together with the 2025 Spending Review funding allocation, make it more likely that the UK Government will see funding for Northern Ireland as settled and so will be unlikely to offer up any new additions.

Recent progress on funding:

- → A substantial financial package was agreed in February 2024 when the Assembly and Executive were restored, including funding for public sector pay, public service stabilisation and a new Transformation Fund.
- A needs-based funding factor was included in the Barnett formula, meaning consequentials for NI from 2024-25 will be uplifted by 24% if total funding per head falls below 124% of England's funding (and by 5% if it is above 124%). The impact of this uplift will accumulate over time; the the NI Fiscal Council estimate that if fully applied it would be worth around an extra £2.3 billion in total by 2028-29.
- → The subsequent Interim Fiscal Framework committed to further consideration of NI's level of relative need if multiple independent evidence sources were provided.
- → A <u>Budget Sustainability Plan</u> set out arrangements to support the long-term financial health and viability of the Executive's budget.

Is Northern Ireland receiving fair funding?

At the outset it is important to note that the Barnett formula gives Northern Ireland a population-based share of funding increases in England. Therefore the biggest determinant of NI's funding uplift is how much funding increases in England. There is an ongoing debate about how well public services have been and are being funded across the UK.

Discussions between UK Government and NI Executive have addressed two main issues:



01.

Northern Ireland's level of need for funding compared to England

02.

Is Northern Ireland is receiving that level of funding?

The conclusion so far has been that NI's need is 24-28% above England's, depending on the methodology used.
NI funding in recent years has been between 25-30% above England's. The Department of Finance is continuing work with Professor Gerry Holtham on the appropriate method for determining NI's level of need, with the aim of this feeding into a Full Fiscal Framework agreement with the UK Government.

To ensure NI's funding does not fall below its level of need, it was agreed in the Interim Fiscal Framework that future Barnett consequentials will be increased by 24% if NI's funding per head is below 124% of England's funding per head (or by 5% if it is not).

This means that at present, 24% 'top ups' are applied to NI's Barnett consequentials. If Northern Ireland's funding per head moves above 124% of England's, then the top up reduces to 5%.



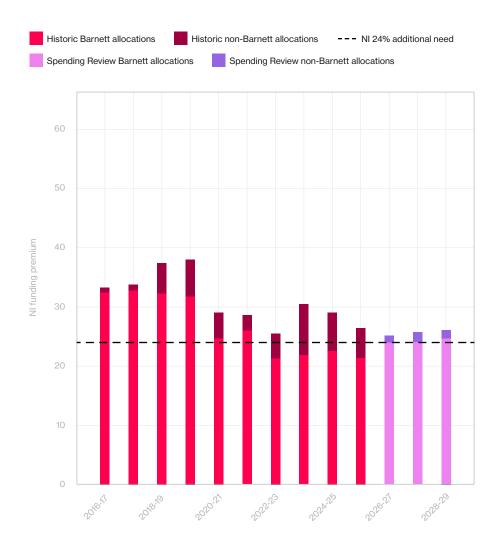
Fig. 05 shows how NI's funding from 2016-17 to 2028-29 compares to the 124% level of need (see dashed line), showing total funding in NI has always been above the 124% level of need. From 2022-23 to 2025-26 however, the 'Barnett squeeze' has meant that total funding was only above 124% because of other non-Barnett additions (e.g. the restoration package in February 2024).

Fig. 05 shows that it is not correct to say Northern Ireland has been underfunded compared to England historically. For example in the four years from 2016-17 to 2019-2020, funding was 130-140% of England's, partly due to one-off funding additions. Managing NI's budget in recent years has not surprisingly been problematic with this movement towards funding that is more reflective of need.

FIGURE 05

The Northern Ireland funding premium over time

Source: Northern Ireland Fiscal Council response to 2025 Spending Review



Note: The NI funding premium is the percentage by which funding per head in Northern Ireland is above funding per head in England.

How has funding for Northern Ireland Departments changed over time?

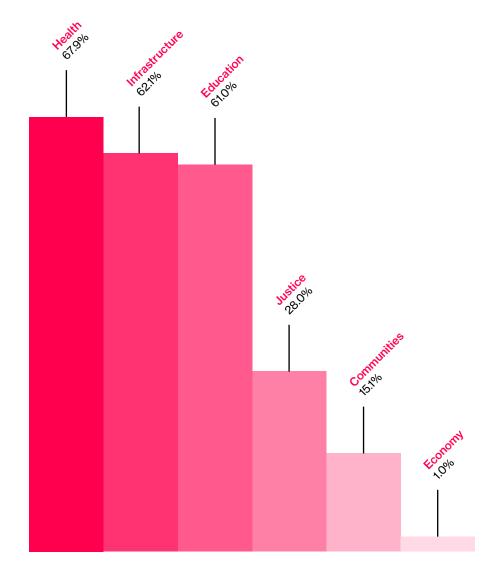
Day to day spending on Health has increased by 68% in the eight years up to 2024-25. At the same time, day to day spending on Education and Infrastructure have gone up by just over 60%.

Justice and Communities have seen much smaller increases in spending at 28% and 15% respectively over this period. Funding for Economy has barely increased at all. After inflation is taken into account, Justice, Communities and Economy have smaller budgets now than eight years ago.

FIGURE 06

Percentage growth rate in departments' spending (2016-17 to 2024-25)

Source: Pivotal's calculations using departments' resource DEL data from NISRA Northern Ireland Executive spending



The share of total day to day spending going to Health has increased from 47.6% in 2016-17 to 51.2% in 2024-25.

The proportion going to Education has increased slightly during this period, from 18.8% to 19.3%

Justice, Economy and Communities' share of total spending has fallen between 2016-17 and 2024-25.

Average annual growth rates in Health, Education and Infrastructure spending have been over 6%, while Justice, Communities and Economy have had much slower growth in spending.

FIGURE 07

Changes in departments' share of total spending over time

Source: Pivotal's calculations using departments' resource DEL data from <u>NISRA Northern Ireland</u> Executive spending

	Share of resource DEL 2016-17 (%)	Share of resource DEL 2024-25 (%)	Average annual growth rate in spending (%)
Health	47.6	51.2	6.7
Education	18.8	19.3	6.1
Justice	10.0	8.2	3.1
Economy	7.8	5.1	0.1
Communities	7.5	5.6	1.8
Infrastructure	3.6	3.8	6.2

"Maintaining pay parity with England takes up a bigger share of public funding in NI, because public sector employment is proportionately higher here. It will be increasingly difficult to afford."

Public sector pay pressures in Northern Ireland

Public sector pay makes up around 60% of the Executive's day to day spending.

A commitment was made in New Decade, New Approach to maintain pay parity with England for around two-thirds of healthcare staff (those covered by Agenda for Change). In other parts of the NI public sector, salaries differ from elsewhere in the UK, although there is some alignment in some sectors (e.g. teacher starting salaries and police remuneration). However, not all public sector workers benefit from pay parity, and an argument can be made against it because of the lower cost of living in NI, particularly lower household rates and no domestic water charges (see page 34). However, this needs to be balanced with the need to recruit, reward and retain staff who could go to work elsewhere.

Maintaining pay parity with England takes up a bigger share of public funding in NI, because public sector employment is proportionately higher here (26% of the total workforce compared to 17% in England).

Finding the funding to cover public sector pay awards has led to budget crises during each of the past four years. These crises have been resolved by one-off injections of funding in-year from the UK Government in different funding agreements. In practice, this has meant most of the extra funding in these special packages has gone towards public sector pay. The UK Government should take some responsibility for allowing this situation to happen repeatedly.

These regular budget crises indicate that funding for pay awards has not been properly reflected in the budget planning process at the start of each year.

This has been exacerbated by a lack of long-term workforce planning and repeated single year budgets, partly due to the absence of the Assembly and Executive for long periods.

Maintaining pay parity will become increasingly difficult to afford. If it is kept as a political commitment, it may be necessary to reduce the number of workers to whom it applies, for example keep pay parity for lower paid groups only. Otherwise, the very limited funding available in the coming years will mean maintaining pay parity will require significant cost-cutting elsewhere, for example reductions in staff numbers or cutting services.

How much the NI Executive raises for public services

The NI Executive has limited tax-raising powers. Its main way to raise revenue is through rates on domestic and non-domestic properties. Each year the NI Executive decides at what level to set the regional rate (and local councils decide the district rate). In 2025-26, revenue raised through the regional rates made up around 4.3% of NI's total resource DEL.

Fig. 08 shows the regional rate set by the Executive for domestic and non-domestic properties each year since 2015. The domestic regional rate has increased by around 31% in the last ten years, which is several percentage points below inflation over this period. The non-domestic (business) rate has fallen by 6% over this period in cash terms. Note however that the level of business rates in NI is broadly

similar to elsewhere in the UK, whereas domestic rates are much lower, especially when water charges are also considered (see Fig. 09).

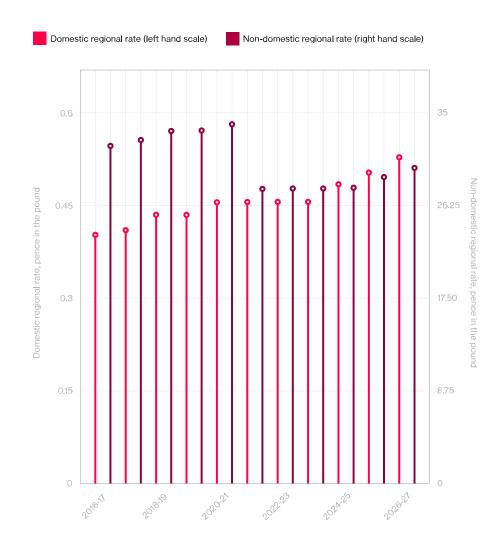
Overall, the Executive has set domestic rates at levels that have not kept pace with inflation over the last ten years. In comparison, average council tax on a Band D property in England has risen by almost 50% during this period, well above inflation.

The Executive has been clear that in setting the regional rates, it wants to minimize the financial burden of rates on households and businesses. While this is a legitimate policy choice, the result is that the amount raised to spend on public services from regional rates has fallen in real terms over time.

FIGURE 08

Domestic and non-domestic rates

Regional poundages 2015 - 2025



Source: Rates (Regional Rates) Orders (Northern Ireland) via www.legislation.gov.uk

	Average council taxes or rates	Average water and sewage	Total average household bill	Average disposable household income
England	£1,770	£603	£2,373	£51,834
Wales	£1,970	£603	£2,753	£46,942
Scotland	£1,426	£490	£1,916	£43,462
Northern Ireland	£1,239	-	£1,239	£43,912

FIGURE 09

Average household charges in England, Wales, Scotland and Northern Ireland

Source: Northern Ireland Fiscal Council sustainability report 2025 - water Fig. 09 shows that lower rates and zero domestic water charges mean that household charges in NI are much less than in the rest of the UK – over £1,000 less annually than England and Wales, and almost £700 less annually than Scotland (which has a similar average income). Not choosing to raise revenue at a similar level reduces the amount of funding available to spend on public services in NI.

"Choosing not to raise revenue locally at a similar level to England, Scotland and Wales reduces the amount of funding available to spend on public services in Northern Ireland."

How could the NI Executive raise more money?

The only way for the Northern Ireland Executive to raise significant new revenue quickly is through setting higher rates, since this decision is made annually and would not require new legislation. However, as regional rates income is less than 5% of total revenues, the contribution this would make to the funding available is relatively small compared to the scale of total spending. As a rough indication, increasing domestic and non-domestic rates by 6% would raise around an extra £100 million. Raising £200 million would require a 12% increase in rates. So revenue raising needs to be considered in the context of other measures to reduce spending. It will not on its own resolve the budgetary problems.

One specific option that has not been chosen in the past would be to raise rates for middle and higher value properties only, to avoid increased costs for the most hard-pressed households. However, this would have to be balanced with the fact that less extra revenue would be raised overall. The Executive is also considering raising the rates cap for the highest value properties, although this would only raise a very small amount of extra revenue (around £5-6 million per year).

FIGURE 10

Policy choices in Northern Ireland which are more generous than England Source: Fiscal Commission NI - more fiscal devolution for Northern Ireland?

Note: Figures from this table are from 2021

Average revenue forgone

Water charges	£350m
Tuition fees	up to £90m
Industrial de-rating	£59m
Welfare mitigations	£43m
Vacant property rates relief	£35m
Domiciliary care	up to £32m
Concessionary charges	£29m
Prescription charges	£20m
Total	£600 to 700m

There are some important policy areas where the Executive is either forgoing raising revenue or choosing to be more generous than the rest of UK – see

Fig. 10 for some examples. These are sometimes referred to as 'super parity measures'. The most significant of these is the absence of domestic water charges, followed by lower tuition fees, some rates reliefs and welfare

mitigations. Another possibility would be making some of these measures meanstested, so that lower income households still received them free of charge.

There are also a few areas where the Executive is less generous in its provision than the rest of UK, most notably free childcare, sometimes called 'sub parity measures'.

Key Message 01

Public services as currently configured are not affordable within existing budgets

There are two striking features of public finances and public services in Northern Ireland in recent years:

- → Repeated annual budget crises which have only been managed by injections of extra funding in-year from the UK Government.
- → The public's experience of services is very poor in many cases, for example long health waiting lists, difficulty getting GP appointments, SEN waiting times, inadequate funding for policing, delays in the justice system, and a deteriorating natural environment.

All this suggests that providing good quality public services is not affordable within existing budgets with services in their current configuration. This situation is likely to get even worse as demographic and other pressures increase demand for services further.

One conclusion from this could be that Northern Ireland requires more funding. However, recent work has shown that Northern Ireland is receiving a fair level of funding to reflect its level of relative need compared to England (see page 25), and in fact has received funding well above its level of need in the past. So why is this amount of funding not sufficient to provide good quality public services?

Pivotal's conclusion is that NI's systems of public service delivery need to change. We are putting in a comparable amount of funding to England given our level of need, but we are not getting good

enough outcomes from the systems that we have. How we deliver public services needs to become much more efficient and effective. Innovative ways must be found to do things better, whether through short-term efficiencies or longer term transformation. In Pivotal's view, this is no longer a political choice - it is a necessity if public services are going to be affordable and sustainable now and into the future. Continuing with current systems and approaches will only lead to further deterioration in standards, repeated budgetary crises, and potentially drastic cuts or collapses in services.

Key message 02

The funding pressures coming in the next three years are unprecedented

Spending Review period resource DEL allocations for Northern Ireland:

2024-25

2025-26

2026-27

£15.6 bn

£16.4 bn

£16.5 bn

2027-28

2028-29

£16.9 bn

£17.3 bn

This funding allocation is not much more than 'flat cash' for next year – less than 1% of an increase in 2026-27 in cash terms, and then around a 2.5% increase in each of the following two years. This is unchartered territory for the Executive. While the past few years have been difficult, annual budgets have seen

average increases of 5-6% in cash terms. Managing with a budget that is less than a 1% increase on last year is unprecedented, given the need to fund pay and other cost increases. This will be made worse if there is an overspend this year that is deducted from next year's budget.

The UK Government has emphasised that Northern Ireland has received its Spending Review settlement and has to manage within it. Without any additional funding, the Executive has four main options, which are shown to the right. In practice, a combination of these options will be needed.

Without taking radical steps to improve its financial position, the Executive risks overspending its budget.

Departments' spending has increased by 5-6% annually over the last eight years. If spending next year were to increase again at this rate, the overspend could be around £900 million. If spending increases were pared back to 4.5% or 3%, the overspend would still be around £750 million or £500 million respectively.

Executive's options:

- Reconsider the approach to public sector pay awards
- 2. Reduce spending through short-term efficiencies or cuts to services
- Make longer term savings through reforms to how services are delivered (but these will take time to result in lower costs)
- 4. Raise more revenue locally

Key message 03

The upcoming multi-year budget presents opportunities for Northern Ireland's finances

The anticipated multi-year budget for Northern Ireland will set funding allocations for departments for 2026-27, 2027-28 and 2028-29.

This is a significant event, and we would urge the Executive to use this opportunity to ask some more fundamental questions about how it spends the whole of its budget, rather than continuing with an approach where additional funding is divided between departments and added on to existing baselines.

This paper has shown that there is insufficient funding in the coming years to deliver good quality public services as they are currently configured. It will be impossible to manage by just doing more of the same. Neither will just seeking further short term efficiencies work. In the first instance, the Executive needs to acknowledge this reality, rather than pressing on hoping that 'something will come up'. It is very unlikely that the recent in-year injections of funding of recent years will be repeated.

As well as looking at its approach to public sector pay and revenue raising, Pivotal would urge a particular focus on changes to how public service delivery systems are currently set up, asking questions like:

How, where and when are public services being delivered?

What will the workforce of the future look like?

Do established models of delivery need to change?

Can early intervention and prevention be firmly embedded to avoid future costs?

Can we learn from high-performing public services elsewhere?

Can technology, including AI, improve efficiency and enhance the public's experience of services?

Is the public sector workforce used as effectively as it can be?

<u>Ulster University's Strategic Policy Unit</u> has recently produced a useful paper that considers some of these ideas further.

Eight headline messages for Northern Ireland's multi-year budget



- **01.** Agreeing a multi-year budget is an important opportunity to take a strategic look at all aspects of public spending, including service delivery, workforce and reform. Despite the difficulties, the Executive should grasp this opportunity and avoid falling back on setting another single year budget.
- **02.** The Executive needs to break the cycle of repeated annual budget crises. Pay awards and other pressures should be properly factored in at start of the budget period. Allocations for departments should be realistic and deliverable to avoid mid-year funding crises.
- O3. The funding available for the next three years is much tighter than in previous years. It is little more than 'flat cash' next year. The Executive should be transparent about the numbers and honest about the implications. It will be impossible to continue to fund the same services in the same way as in previous years, without making changes to other spending or revenue raising. Choices will be needed, and some of these will be very difficult. The Executive should seek to work collectively to meet these challenges, rather than dividing along party political lines.
- **04.** There are policy choices that make managing Nl's finances particularly difficult, including maintaining pay parity with England, the reluctance to consider more local revenue raising, and super parity measures. While these are all valid political choices, maintaining them in the context of an even tighter budget will start to require drastic cuts to services elsewhere.

- **05.** The multi-year budget process should incorporate some elements of zero based budgeting, to consider departments' baseline allocations as well as funding additions. Good examples from elsewhere and comparative data should be used. Budgeting by dividing up new funding between departments is missing opportunities to ask more fundamental questions about how total funding could be used more effectively.
- **06.** Transformation is essential right across public services. This has been discussed for years but has only happened in discrete areas, most recently through the current Transformation Fund projects. A much more comprehensive approach is needed to examine how, when and where public services are delivered. The Executive should consider how it could accelerate a process of transformation across all public services with appropriate senior leadership, expertise and resources.
- **07.** While this is a very challenging situation, there are examples of excellent innovative practice across the public sector from which others can learn. Often it is front-line practitioners who have the best ideas about how to improve service delivery. These ideas, energy and commitment should be valued and promoted.
- **08.** The Executive's role is not just setting budgets and delivering public services. It must also give focused attention and resources to growing Northern Ireland's economy. The real-terms recent decline in funding for the Department for the Economy is concerning. An ambitious plan for skills, infrastructure and innovation is needed to boost growth, productivity and incomes across Northern Ireland.

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