

If the politicians can agree to form an Executive following last week's election, there will be no shortage of major issues for the incoming Ministers to deal with. If a First and Deputy First Minister are appointed, the next step will be the allocation of Ministerial Departments. We are well used to Health being seen as the poisoned chalice but this time around, Covid and the cost-of-living crisis will mean that there are no easy briefs. Budgets across the departments will be under extreme pressure and every Minister will be severely challenged. The Executive is often criticised for being short-termist and putting off much needed reforms for the medium to long term. In this Assembly, the risk is that short-term pressures will completely drown out the focus on progressing other, strategic needs. So, it is more important than ever that an incoming Executive is focused, cohesive, and prepared to take tough decisions. Here are some of the major short and longer-term issues they will have to contend with.



Large orange plastic pipes for sewerage system.

**Cost of living crisis:** Perhaps little needs said about the cost-of-living crisis. It has rightly been one of the main topics of debate in the latest election campaign. But the politicians will now be under pressure to get into government and to deliver on their manifesto pledges to help alleviate it. This is particularly the case given Northern Ireland's position as the most vulnerable region of the UK to the crisis. It has the highest levels of public sector workers (who face significantly below inflation pay rises), the highest levels of low paid jobs, and the highest dependency on welfare. The Joseph Rowntree Foundation also highlighted that 45% of Northern Ireland people lived in a household that had less than £250 of savings pre-pandemic and this will have gotten worse in recent times. The Executive will of course be limited in what it can do to address the cost-of-living-crisis, but the expectations of voters will be high.

**Skills shortages:** Skills shortages are issues for both the public and private sectors, and the challenge has been exacerbated by Brexit. Effectively, everyone is now chasing after the same staff and it is a sellers' market as far as labour is concerned. With the public sector's ability to offer pay rises constrained, we will see more industrial action on a scale we haven't seen in decades. We could also see a flight of public workers to the private sector due to the squeeze public sector workers face. So a new Executive will have to contend with impossible to satisfy pay demands, rising skills shortages across health, education, and other areas of government, as well as demands from the business community for Department of Economy action to address skills shortages in industry.

**Public sector pay:** The reality is that Northern Ireland's public sector will only be able to afford pay rises of between two and three percent. Anything above this is unaffordable and would require swingeing cuts in other areas. Public sector employment is currently at a 10-and-a-half-year high, meaning that the public sector pay bill has already been rising with

12,000 new jobs in the last five years. Public sector workers will understandably want a higher level of pay rise that is more in line with the rising cost of living (9-10%). The inevitable conflict between the expectation and the reality presents major challenges for an incoming administration to motivate and retain staff.

**Cost of delivering government crisis:** Alongside the cost-of-living crisis, there is also a cost of delivering government crisis. And this goes way beyond the rising public sector pay bill across the 218,000 public sector workers. All other costs are also rising across everything from energy bills in schools, hospitals and leisure centres (heating swimming pools is becoming much more expensive), to spiralling building material costs which have severe implications for maintaining the government estate and investing in new buildings such as social housing and colleges. Now is arguably the worst time ever to embark on a large scale construction project due to the cost pressure and supply chain difficulties. This is the environment in which a new Executive will have to balance short-term pressures with longer-term goals. It will be no easy task.

**Educational under-achievement (and dealing with the legacy of Covid):** Educational under-achievement is both a short and long-term issue. It has been a long-standing problem in Northern Ireland that has been exacerbated by the pandemic. A surge of educational under-achievement is therefore already in the pipeline as a result of Covid lockdowns and lost face-to-face teaching, and the cost-of-living crisis will exacerbate the inequality in educational outcomes. In turn, this will impair the economy's conveyor belt of skills for the future. So, the Executive needs to help pupils play catch-up from Covid, be mindful of the issues the cost-of-living crisis will create, and address the structural reforms that our education systems has long needed.

**Reform of the health service:** The health system in some respects is no different. It has needed long-term reform, and this has been exacerbated by Covid. The health service also

faces extreme staff shortages. Northern Ireland had the longest waiting lists in the UK before Covid and this is getting worse. Mental health has also become a crisis as well. All of this means that the health brief will be no less of a poisoned chalice than in past terms. Meanwhile, the range of reports commissioned into the structural reform of Northern Ireland's health service has long needed remain gathering dust on the shelves. Now, more than ever, these reforms need to be implemented.

**Infrastructure issues - water and sewerage:** Outside of skills shortages, one of the main issues the business community has been raising is the need for investment in infrastructure such as wastewater and sewerage. Whilst the roll-out of faster broadband in NI has arguably been world-class, the situation regarding wastewater and sewerage is dire. We hear continually from developers that they are constrained in their ability to build new homes and commercial buildings due to the lack of availability of adequate sewerage. This means some areas that could potentially be sites for homes are currently development black spots. An incoming NI Executive urgently needs to address this. However, water charges, which have always been a political hot potato, are now firmly off the table due to the cost-of-living crisis.

As we well know in Northern Ireland, problems not dealt with only get bigger. This is why it is vital that a fully functioning Executive is up-and-running to tackle these issues sooner rather than later.

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