



Northern Ireland
Fiscal Council

Bringing transparency to NI's public finances

#NIFCAnnualConference

Is NI funding well spent?



Jill Rutter



Dorrinia Carville



Scherie Nicol

How well is public money spent in Northern Ireland

September 2023

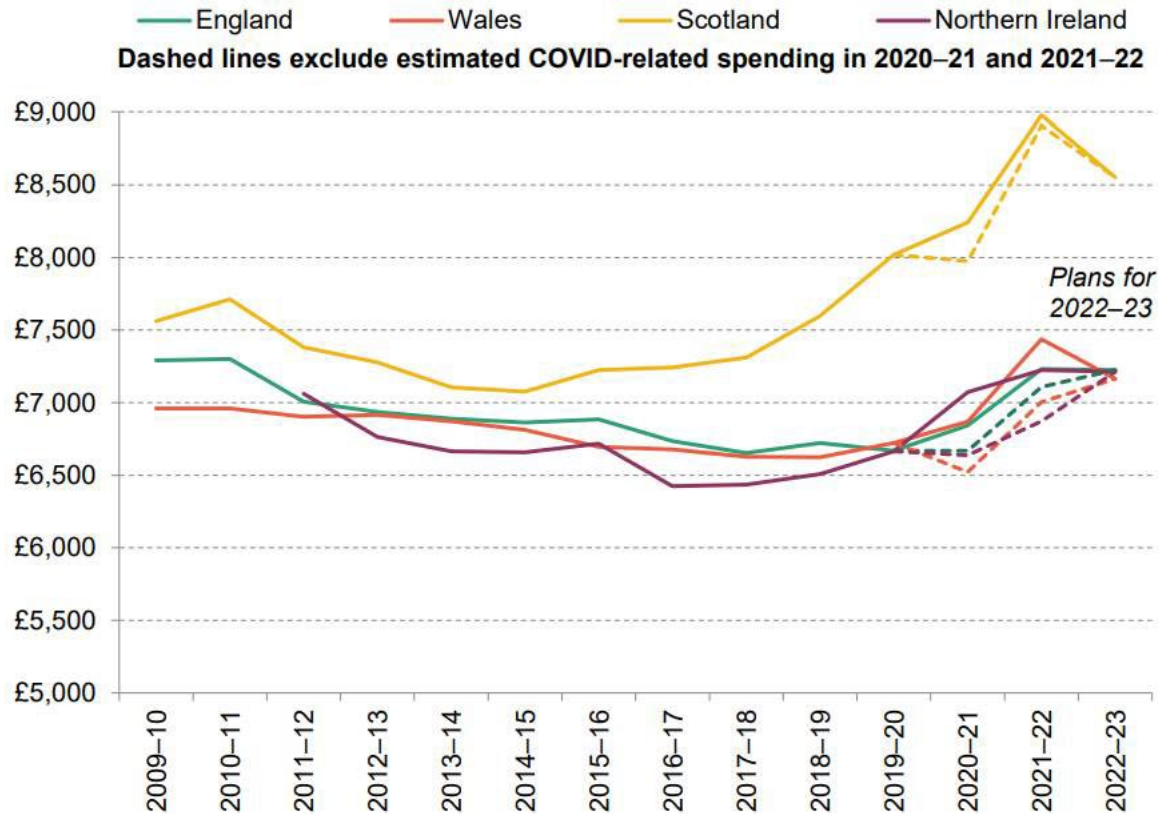
Jill Rutter



Fiscal Council has done a great job in focussing on inputs

- Shows how NI fares compared to rest of the UK
- Shows how NI fares vs “need”
- Shows impact of budget allocation set by SoS
- Illustrates scale of challenge managing public expenditure in NI
- But the big issue for citizens is less inputs but outputs and outcomes

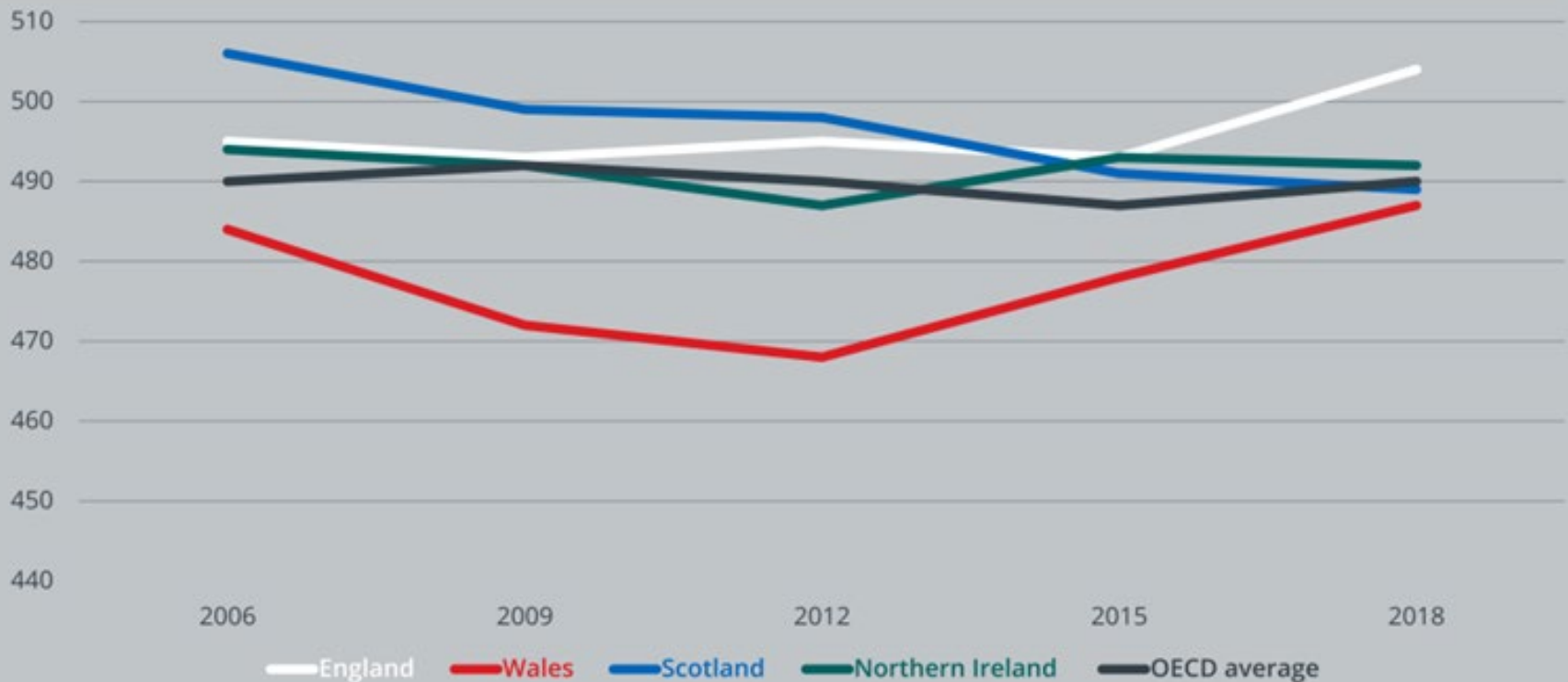
On education, Northern Ireland did, until covid, spend less per pupil than others



Note: Sources at end of document.

But its pupils did better at maths

Average pupil attainment in PISA maths tests

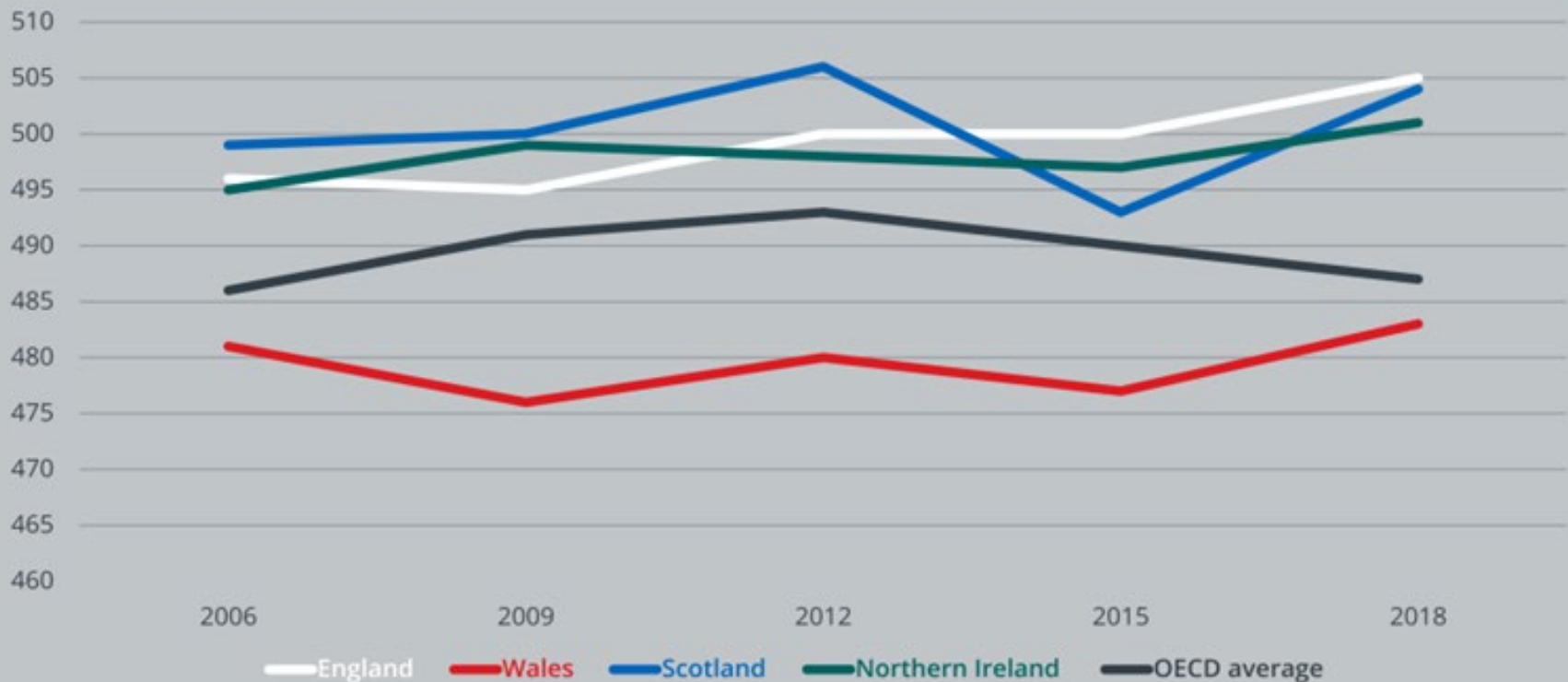


Source: Institute for Government analysis of Organisation for Economic Co-operation and Development, PISA results, 2006 - 2018



... and much better than Wales at reading

Average pupil attainment in PISA reading tests

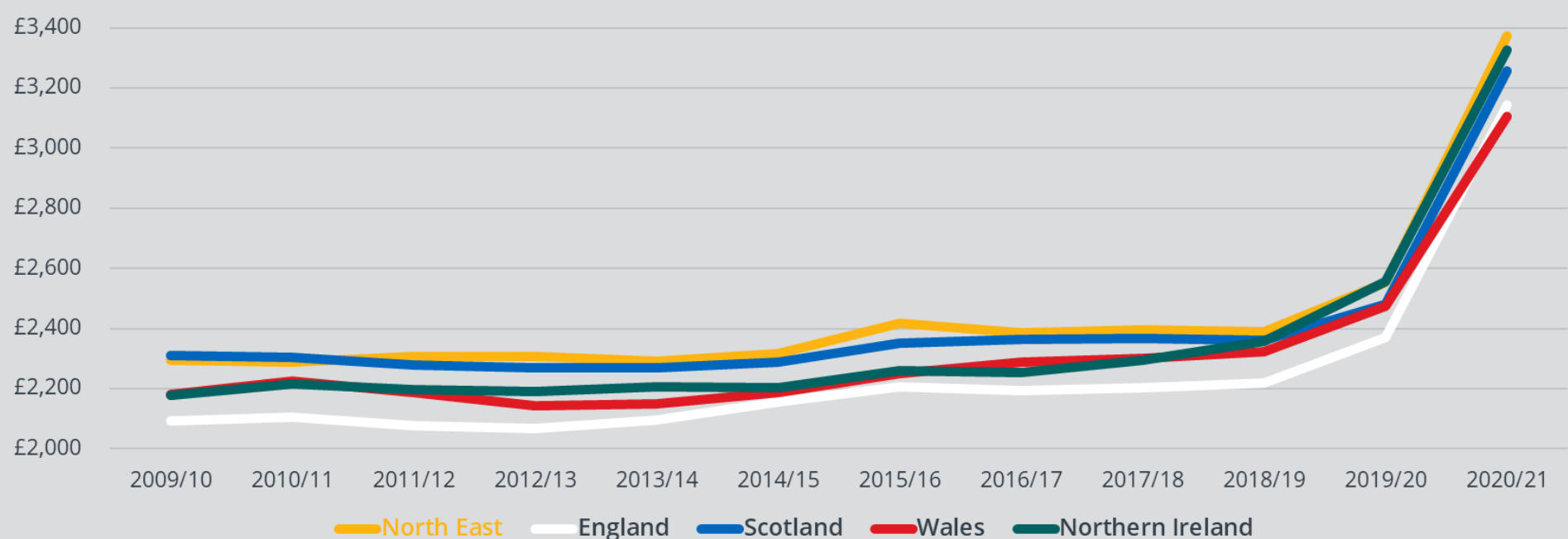


Source: Institute for Government analysis of Organisation for Economic Co-operation and Development, PISA results, 2006 – 2018

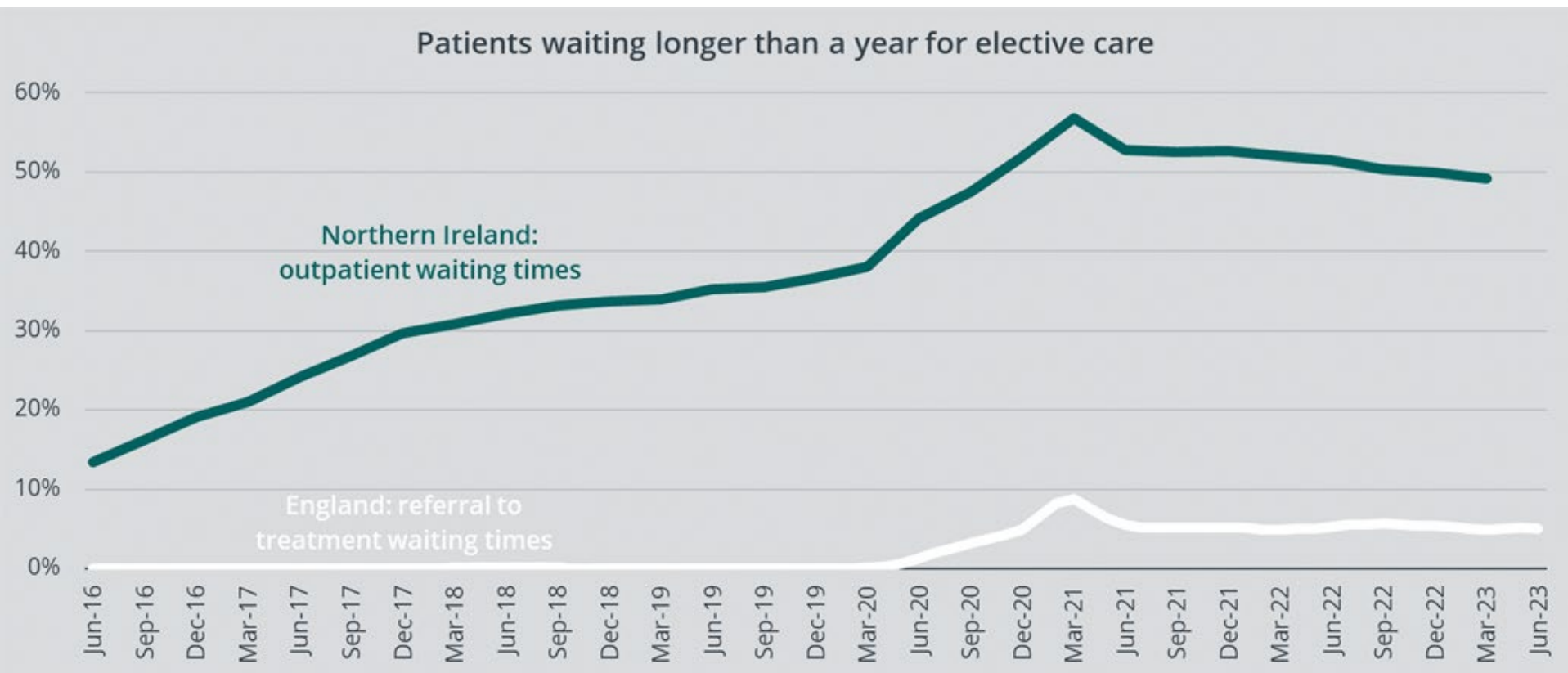


On health, NI spends more per capita than other devolveds

Health spending per head (2019/20 prices)



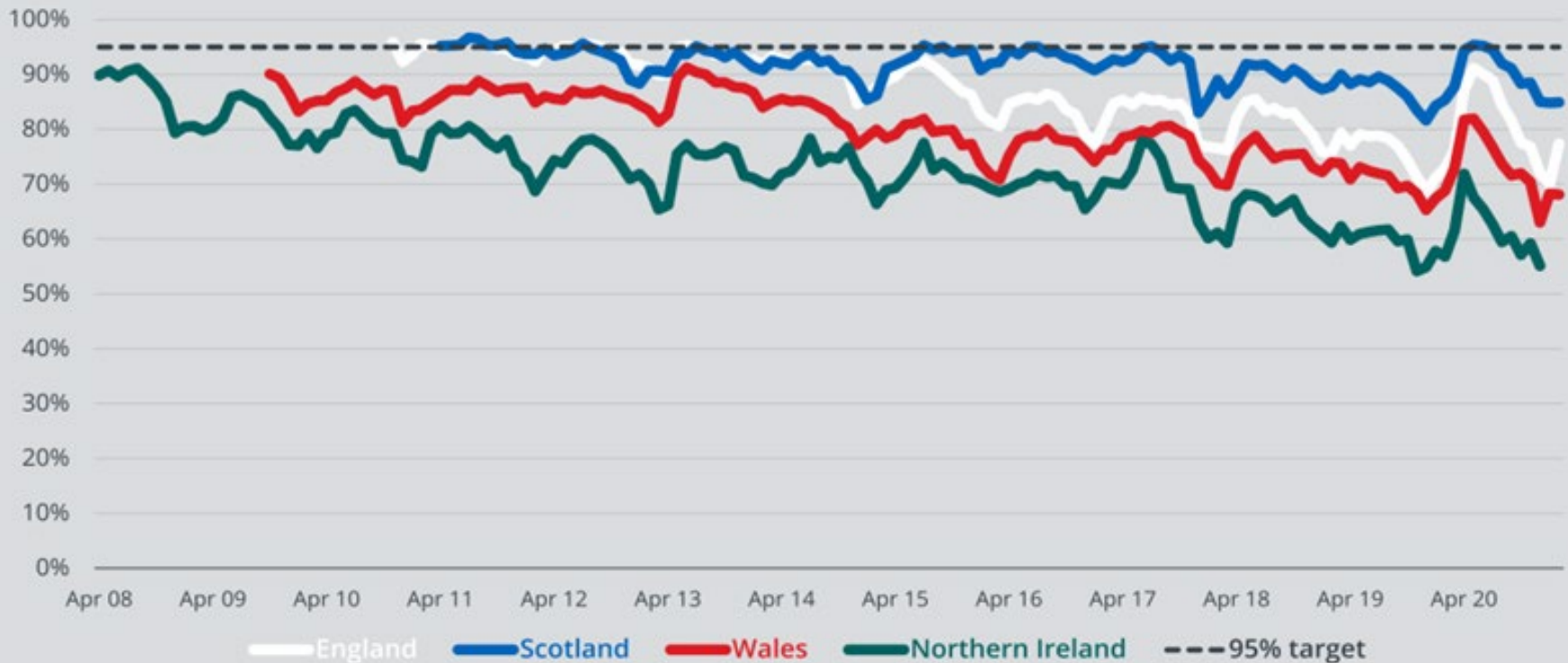
Northern Ireland has consistently had big backlogs for elective care



NI is the worst performer on A and E

A&E patients in major A&E departments admitted, discharged, or transferred within 4 hours

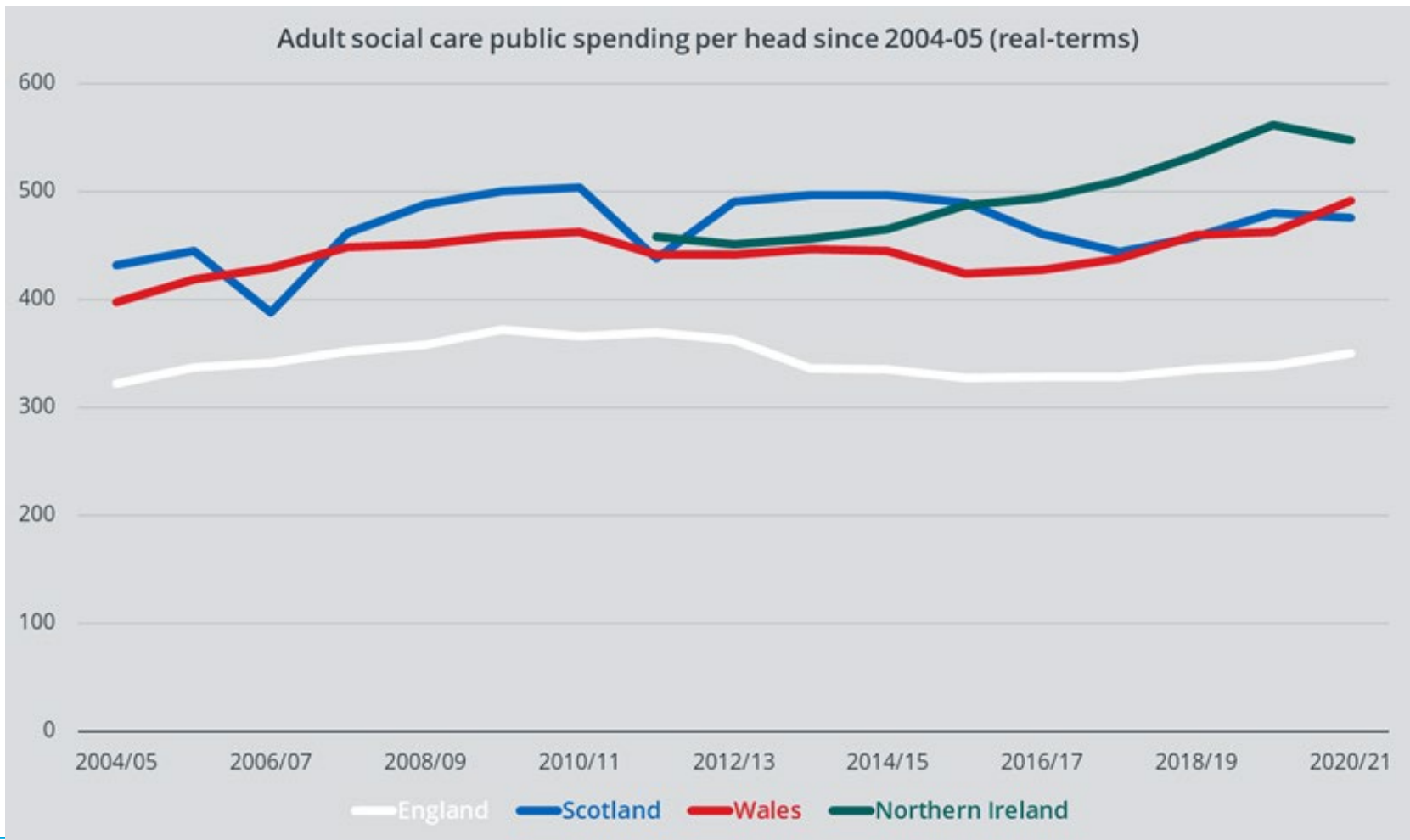
IfG



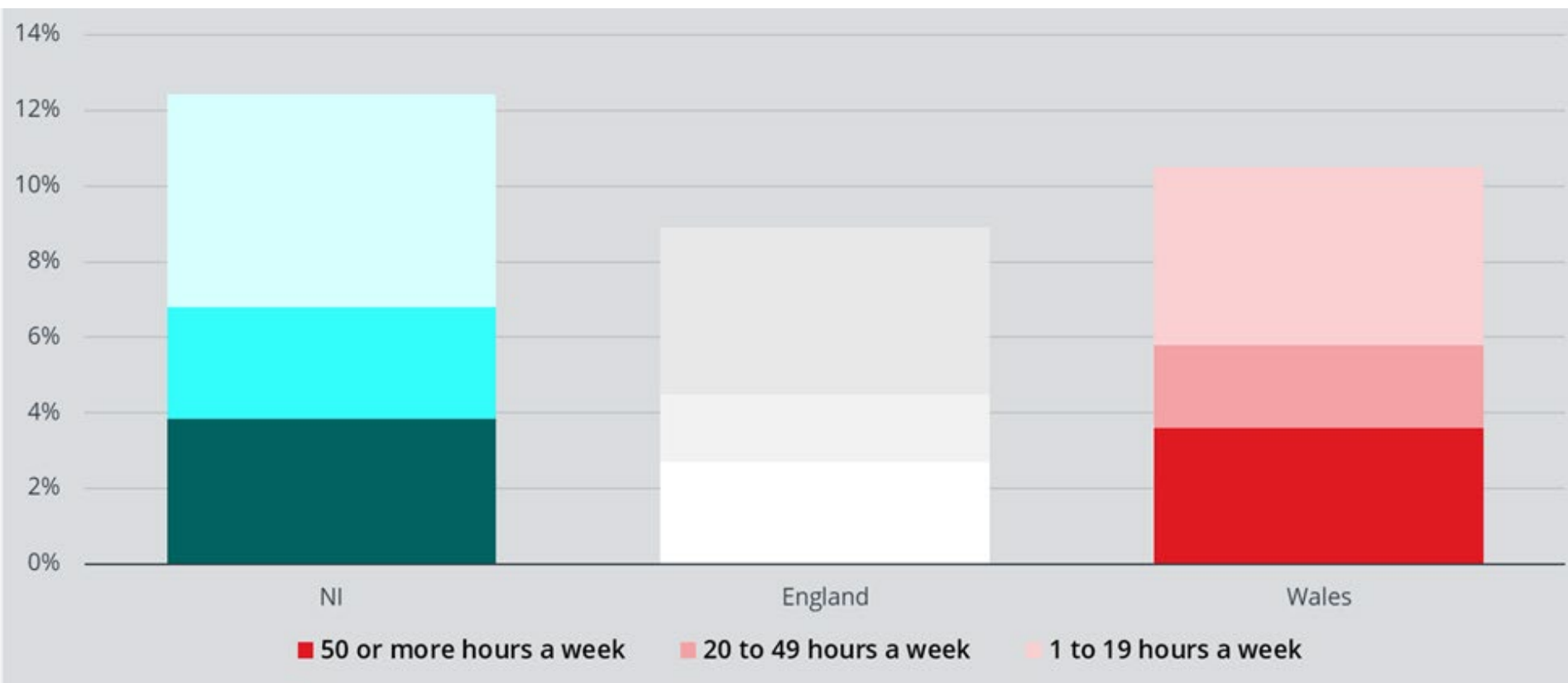
Source: Institute for Government analysis of NHS England, Public Health Scotland, StatWales, and Northern Ireland Department of Health, emergency care waiting times data (see methodology for full source)



And the picture on social care is not great either – NI spends the most



But there is more unpaid care than in any other part of the UK



Recent events have not been conducive to good spending planning

- Brexit/covid preoccupations
- Lack of agreed programme for government
- Lack of policy cover for necessary reform
- Failure to manage budgets in the last financial year
- Uncertainty about future budgets

But these are compounded by intrinsic features of NI governance system

- Lack of scrutiny/opposition
- Lack of accountability
- Lack of collective responsibility
- Moral hazard – dollops of spending

(and this is what the dollops looked like)

Table 2.6 NI Executive financial packages – actual drawdown, 2015-16-2020-21

Financial package	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Total
Stormont House Agreement		£2.6m	£6.1m	£10.9m	£13.4m	£26.5m	£59.5m
Fresh Start Agreement		£38.3m	£38.8m	£41.7m	£42.8m	£45.1m	£206.7m
Confidence & Supply Arrangement				£410.0m	£330.0m	£50.6m	£790.6m
New Decade New Approach					£30.0m	£504.0m	£534.0m
Sub total		£40.9m	£44.9m	£462.m	£416.2m	£626.2m	£1.591bn

Source: Final report Northern Ireland Fiscal Commission

Spending UK-wide needs to be managed better to deliver results

- Performance struggling to recover from pandemic impacts
- Long-term plans and stability vs (crisis/cash/repeat)
- Long-term policy framework
- Capital and prevention budgets
- Focus on outcomes not inputs
- More active workforce management with focus on retention, not just recruitment

Challenge is how to translate that into NI context

- Agreed programme for government (which sets spending priorities collectively and reform programme)?
- Extend external support institutions – expand remit from inputs to outputs?
- Greater transparency and public discussion on choices?
- Limit divergence from UK where lack capacity to reduce scale issues?

Sources

Sources: IfG, Devolved public services, 2021

IFS annual reports on education spending, 2022

OECD, PISA, 2006-18

HMT, PESA, 2004/05-2020/21

2021 UK Census

NHS England, Public Health Scotland, StatWales, and Northern Ireland Department of Health, emergency care waiting times data, 2008-21

NHS England and Northern Ireland Department of Health, referral to treatment and outpatient waiting times data, 2016-2023

Is the Northern Ireland funding well spent?

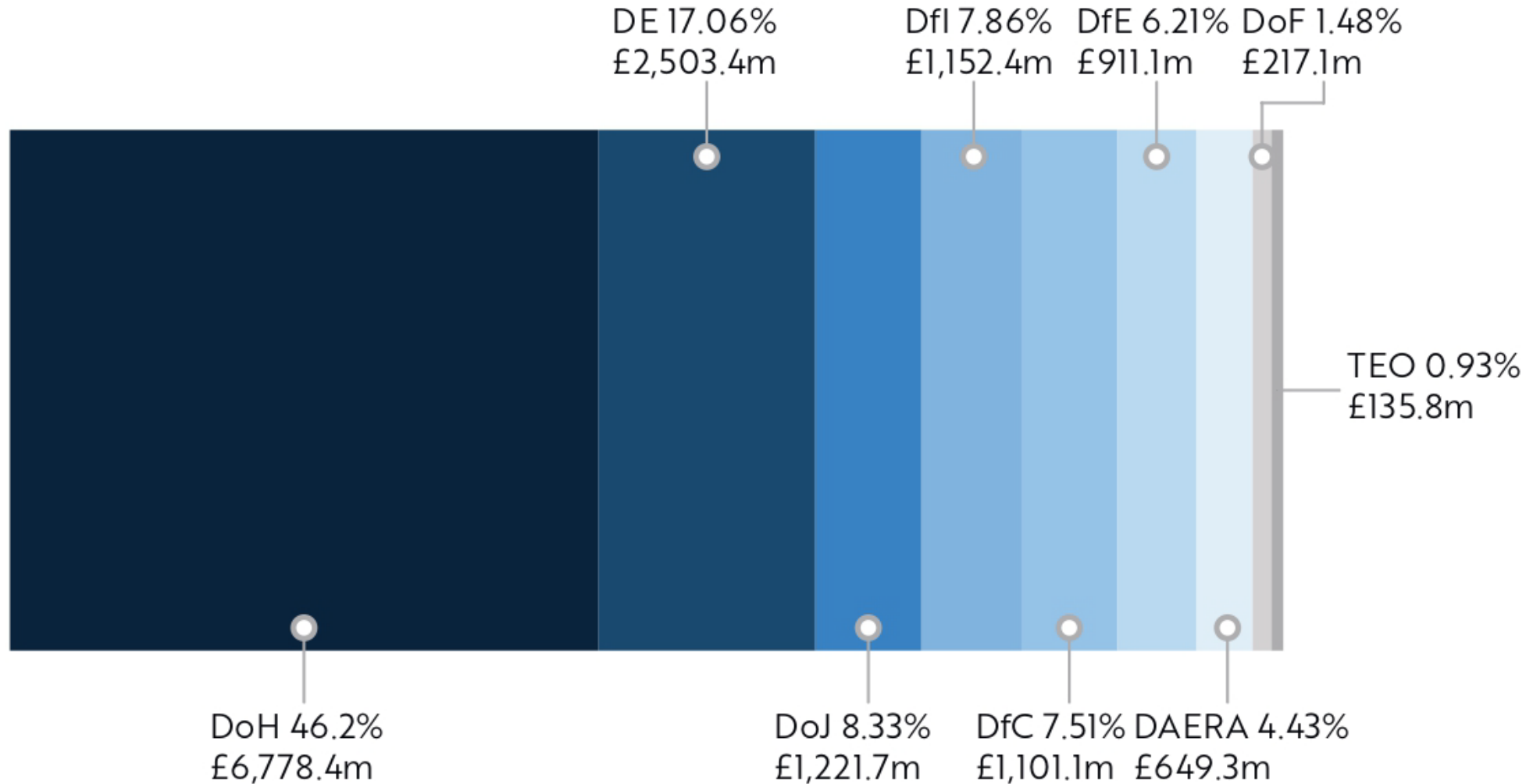
Dorinnia Carville
Comptroller & Auditor General



18th September 2023

Northern Ireland funding – Capital and Resource

Resource & Capital DEL 2021-22



Examples of recent NIAO reports



Public
Procurement



Ministerial
Directions



Reducing Adult
Reoffending



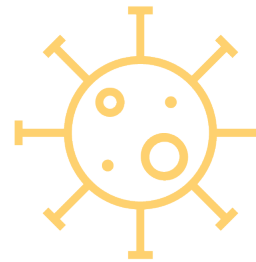
Innovation &
Risk
Management



School
Governance



Judicial Review

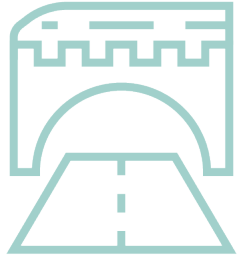


NI Executive
Response to
COVID-19



NI Food Animal
Information
System

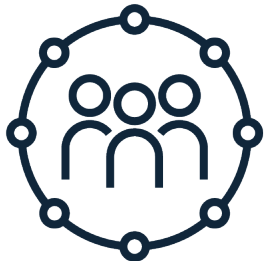
Examples of forthcoming NIAO reports



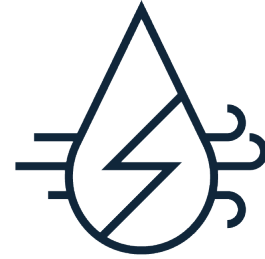
Major Capital
Projects



Review of
Waste
Management



Child Poverty



Funding NI
Water's
Infrastructure

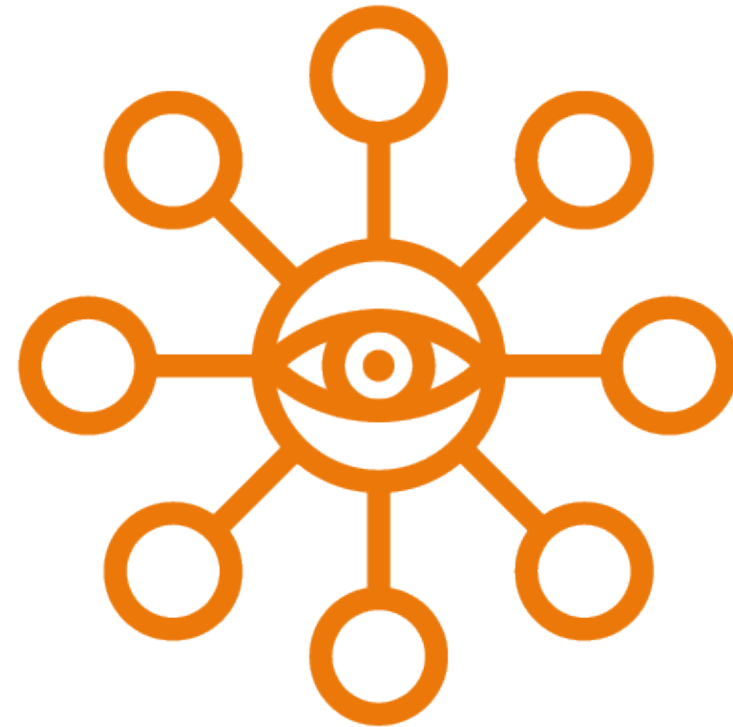


Elective Care
Waiting Lists

Recent observations arising from the work of the NIAO



- Delivering public services
- Skills
- Collaboration
- Innovation and Risk
- Digitisation and Use of Data



PAC Inquiries in the 2017-22 mandate



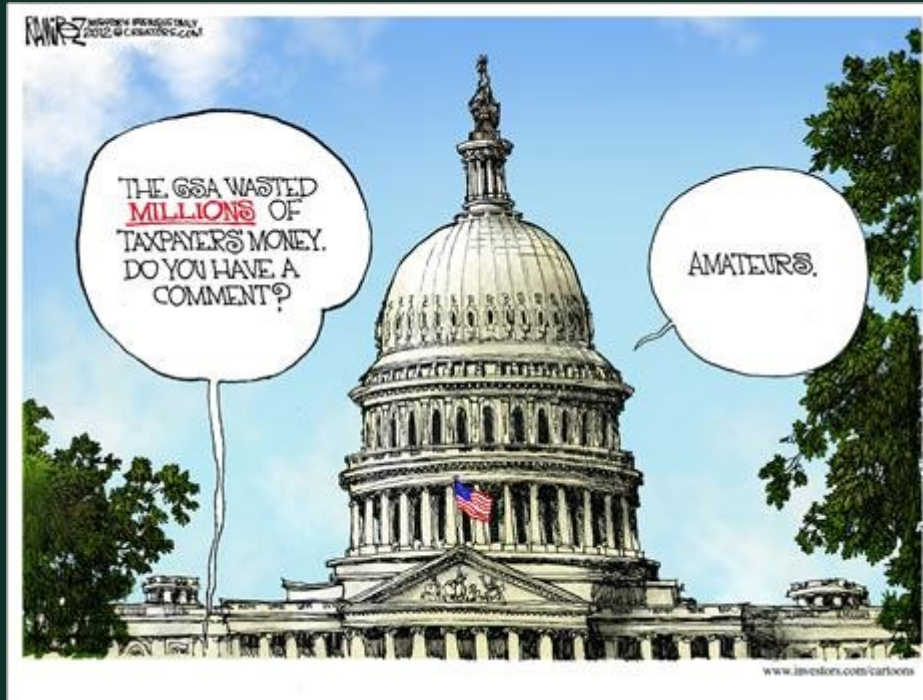
- Driver and Vehicle Agency 2019-20 (Infrastructure)
- Generating Electricity from Renewable Energy (Economy)
- Major Capital Projects (All)
- The LandWeb Project and Digital Transformation (Economy)
- Special Educational Needs (Education)
- Capacity and Capability in the NICS (All)
- Speeding up Justice (Justice)
- Sports Sustainability Fund (Communities)
- Closing the Gap (Education)
- Addiction Services Review of Northern Ireland Budget Process
- Broadband Investment in NI
- Planning in Northern Ireland





106 University Street, Belfast, BT7 1EU
028 9025 1000 • info@niauditoffice.gov.uk



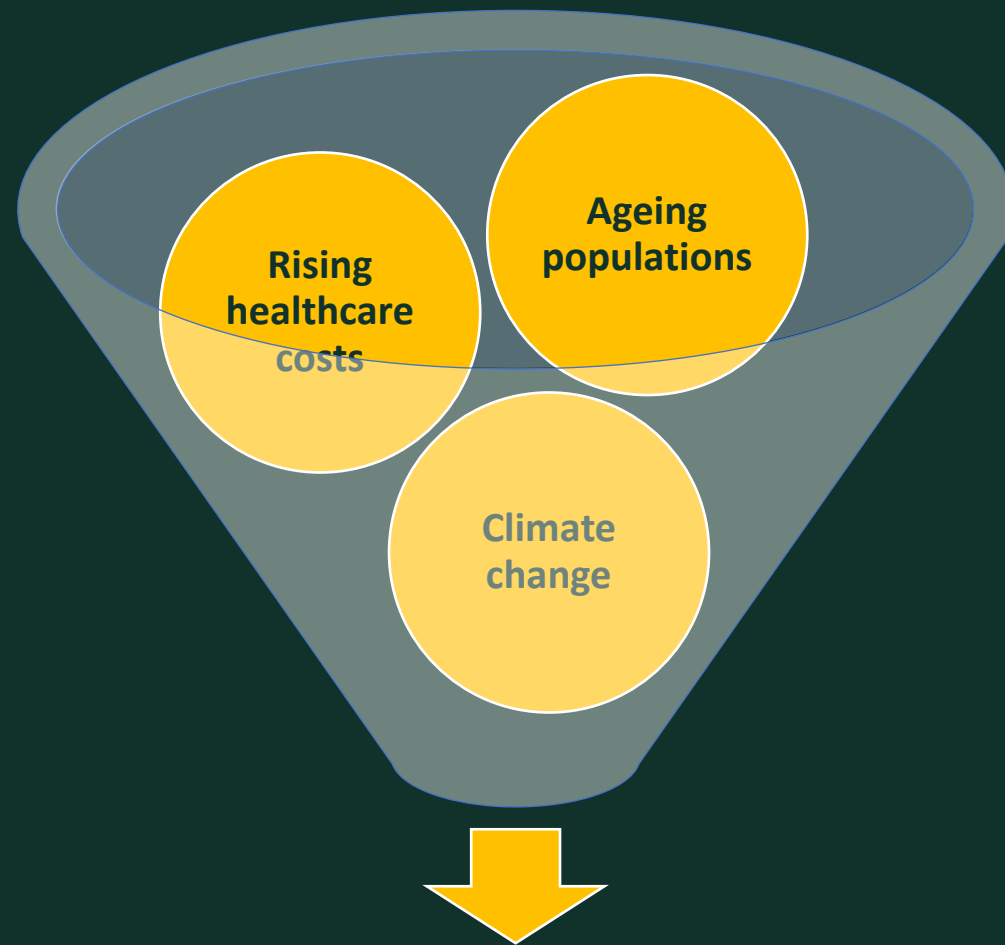


Is Northern Ireland funding well spent?

Case studies from across the OECD



Scherie Nicol
Public Management and Budgeting Division
Public Governance Directorate



CHALLENGING FISCAL CONTEXT



GOOD SPENDING DECISIONS DEPEND ON
QUALITY BUDGET INSTITUTIONS, PROCESSES AND
TOOLS

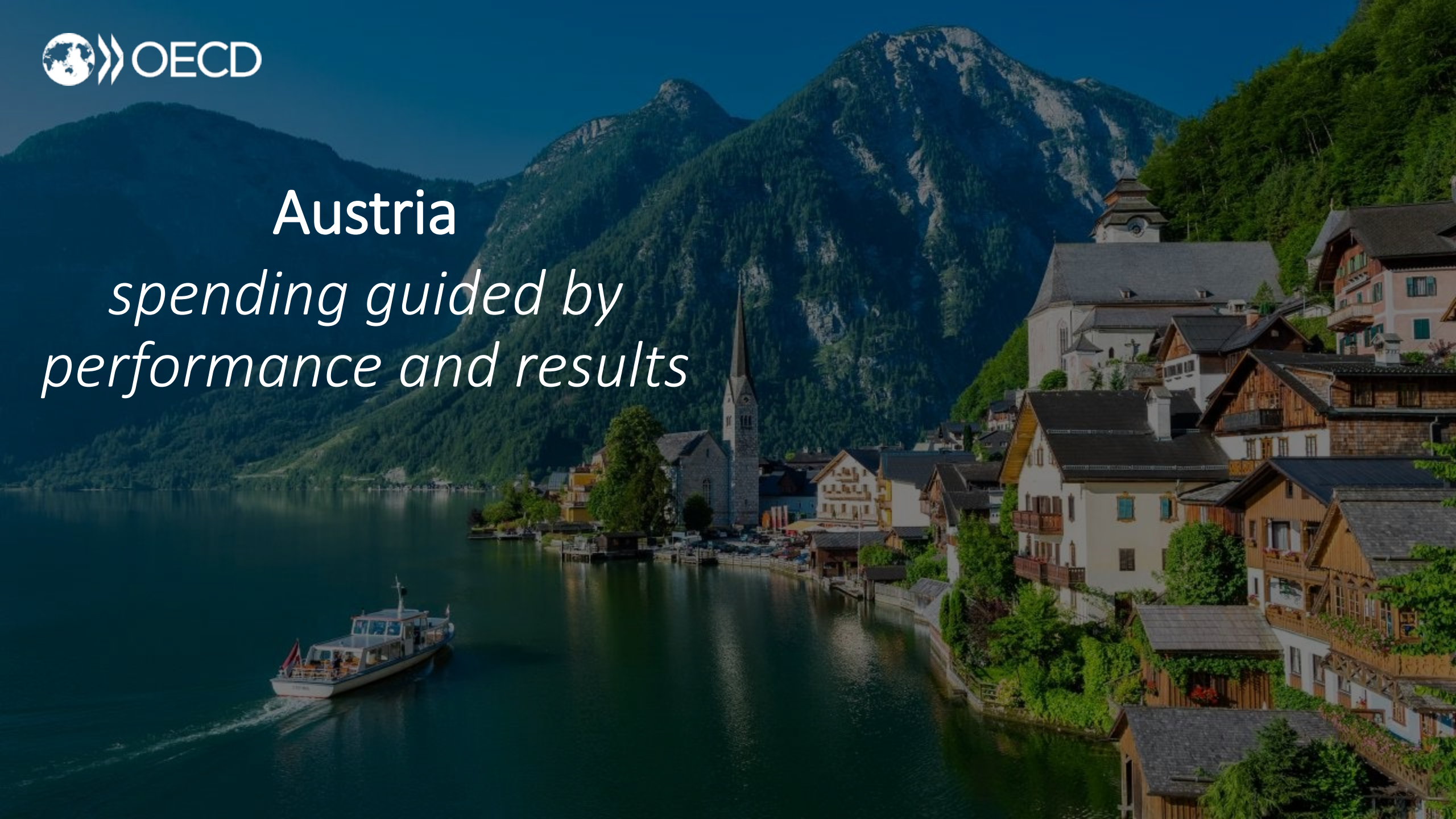
A photograph of the Icelandic flag flying from a flagpole on the deck of a boat. The boat has a red interior and a white railing. The background shows a vast, calm sea under a grey, overcast sky.

Iceland

*needs-based
spending decisions*

Austria

*spending guided by
performance and results*





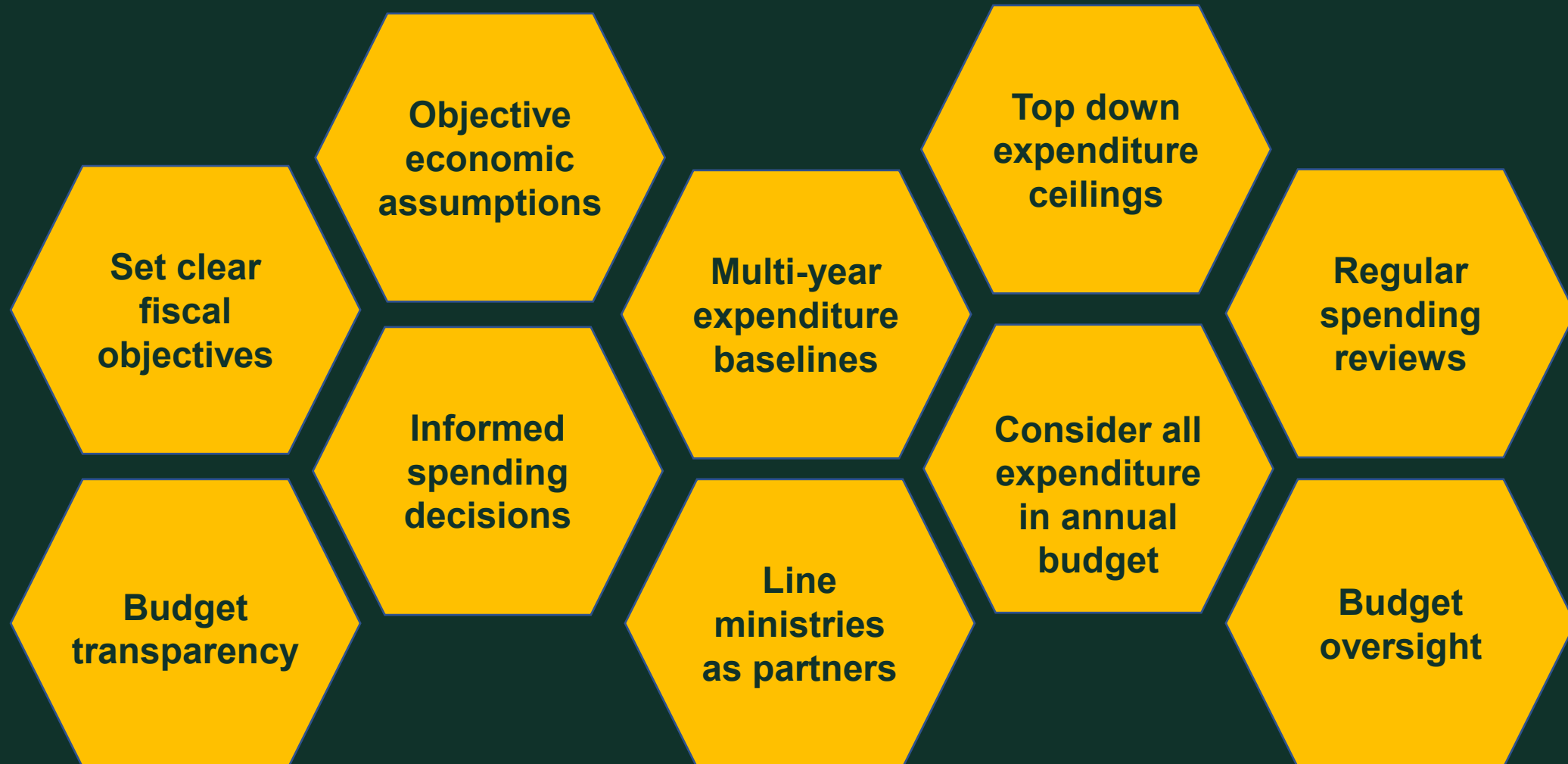
France

spending aligned with political priorities

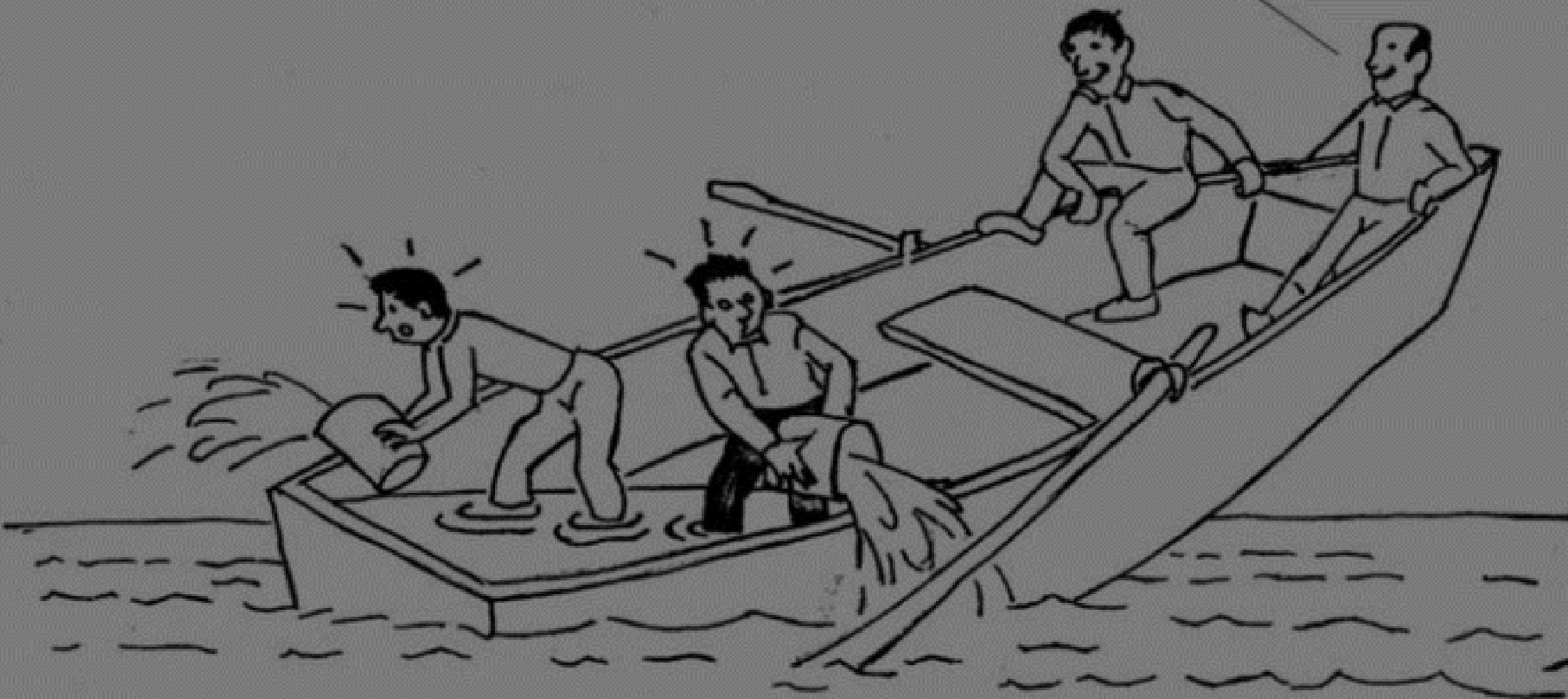


Netherlands
effective budget oversight

SPENDING BETTER FRAMEWORK



Sure glad the hole isn't at our end.



Thank you

