

**Northern Ireland****Cash crisis waits for Northern Ireland's restored executive**

UK lifeline of £3.3bn may not be enough to fund public sector pay and essential services

**Jude Webber** in Belfast 11 HOURS AGO

Northern Ireland finally has a new power-sharing executive — but the pressure is now on to solve familiar social and financial problems made worse by two years of political paralysis over Brexit.

Despite a promised £3.3bn lifeline from the UK government announced before Christmas, there is still not enough cash for public sector pay rises, according to politicians and union leaders.

Strikes are brewing, health service waiting lists are soaring, education and police face funding crises, and people are struggling to afford childcare.

First Minister Michelle O'Neill said in a statement that the way the executive was funded needed to change, adding that she would be “strongly pressing that point” when she and other political leaders met UK Prime Minister Rishi Sunak in Belfast on Monday.

[O'Neill](#), the first leader of the executive to come from the nationalist Sinn Féin party — has said a restored executive will put money back into hard-pressed workers' pockets. But delivering that will be no easy task.

“The challenge the executive has is much greater than when it left two years ago because of all the things that have gone unaddressed,” said Katy Hayward, professor of political sociology at Queen's University Belfast.

Chris Heaton-Harris, the UK's Northern Ireland secretary, has said the much-needed £3.3bn injection will be available as soon as the Stormont executive is back up and running.



DUP leader Sir Jeffrey Donaldson, centre, says the financial package 'doesn't go far enough' © Charles McQuillan/Getty Images  
That was made possible when MPs at Westminster [approved legislation](#) on February 1 to enact a deal struck with the Democratic Unionist party, the region's biggest pro-UK political force. The agreement is aimed at safeguarding Northern Ireland's place in the UK and easing post-Brexit complications in trade with Britain.

O'Neill told the BBC: "Funding is the number one priority that we have collectively." DUP leader Sir Jeffrey Donaldson, whose party appointed the deputy first minister, said the financial package "doesn't go far enough".

Top of the [Northern Ireland](#) executive's mountainous in-tray is public sector pay, notwithstanding £600mn earmarked for this year's awards in the UK government package.

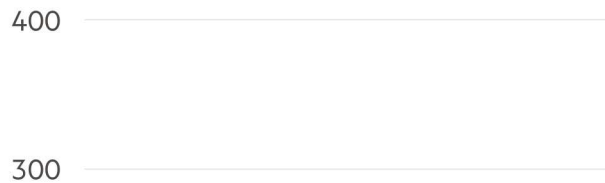
"Public sector pay disputes may be [Stormont's] first problem because there isn't enough money," said Ann Watt, director of think-tank Pivotal. "There's a big amount in the [£3.3bn] deal, but it's probably not sufficient."

Carmel Gates, head of the Northern Ireland Public Service Alliance, whose workers joined a [historic strike last month](#), said the amount needed just for existing claims was "closer to £700mn and probably a wee bit above".

Awards for coming years will probably have to come from about £1.1bn earmarked within the package for stabilisation of the region's strained financial services, Watt said.

## Hospital waiting lists are up 15% since the collapse of power-sharing

Patients waiting for a first consultant-led outpatient appointment, quarterly ('000)



Furthermore “there is another forecast overspend of something of the order of £400mn this year — I don’t know where it’s going to get covered from,” she added.

Some of the UK funding package is conditional on Northern Ireland outlining a fiscal sustainability plan and raising revenue — potentially through contentious water rates. That puts Sinn Féin in a tough spot: it holds the purse strings after taking the finance and economy portfolios.

For many in the region, [Northern Ireland’s health service](#) is another urgent priority. Waiting lists — the worst in the UK — have grown by 15 per cent while Stormont has been on ice.

Dolores McCormick of the Royal College of Nursing told a Westminster committee last year that “the state of our health service in Northern Ireland is [beyond crisis](#) . . . We have fallen off the cliff edge”.

Deirdre Heenan, professor of social policy at the Ulster University, said it was “very disappointing” that Sinn Féin had not sought the health portfolio despite repeatedly saying it was a priority. Robin Swann of the small Ulster Unionist party took the post instead — but Heenan said that could mean “more short-termism”, since Swann is expected to stand in Westminster elections this year.

Policing is also under strain. Jon Boutcher, chief constable of the Police Service of Northern Ireland, said last week he needed 8,000 officers. The PSNI currently has [6,358](#) — down from [6,730 last year](#) and [7,038 in 2022](#).

Northern Ireland has been plagued by stop-start government in the 26 years since power-sharing was set up under the Good Friday Agreement peace deal. That agreement ended three decades of conflict involving republican and loyalist paramilitaries and British security forces.

The deal yoked traditional nationalist and unionist communities together to run the deeply divided region — but both sides were also handed a veto which has allowed them each to pull down the institutions repeatedly.

The executive has been on hold for about 40 per cent of the time since 1998 and the latest two-year DUP collapse followed a boycott by Sinn Féin from 2017-20.

Ensuring institutional stability is imperative because the fragility has hobbled the Northern Ireland administration’s ability to plan. Watt noted that the region’s executive has had no programme for government or multiyear budget since 2015.

A restored executive may help convince investors that Northern Ireland is a place to put their money. Uniquely in the UK, it enjoys access to the EU single market for goods because of Brexit deals.

“Political stability and governance have been a worry bead [for investors],” said Mark O’Connell, executive chair of OCO Global, a trade consultancy. “I think some decisions will be taken in reasonably short order if they can show there is [institutional] continuity and certainty.”

But storm clouds remain. The region is one of the poorest in the UK and [more than a quarter](#) of working-age people are neither in jobs nor looking for work.

Even if the new £3.3bn financial package is disbursed speedily, Nipsa’s Gates said negotiations with unions would be needed before pay awards could be made.

She warned: “We haven’t stood down our preparations for more action.”