





**Northern Ireland  
(United Kingdom):  
Implementing Joined-up  
Governance  
for a Common Purpose**

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## *Foreword*

In 2014, the Government of Northern Ireland asked the Organisation for Economic Co-operation and Development to provide an assessment of its public-sector reform agenda. The necessity for Northern Ireland to pursue public-administration reform is explained by three factors: first, fiscal pressures on the Northern Ireland budget as a result of reductions in the United Kingdom grants to Northern Ireland that reflect the United Kingdom's general fiscal consolidation efforts mean that Northern Ireland is designing and delivering public services in a context of diminishing financial resources. Second, because of this, public-administration reform constitutes a key element of the 2011-15 Programme for Government (PfG) and the political agreement between Northern Ireland's political parties codified in the December 2014 *Stormont House Agreement*. Third, reform is being designed and delivered against the exigencies of what the *Agreement* calls a Divided Society – a polity marked by persistent, long-standing community fault-lines.

The main themes considered in this Public Governance Review (PGR) were developed by Northern Ireland's Department of Finance and Personnel to give effect to the *Stormont House Agreement* commitment, and reflect its analysis of public-sector reforms in the United Kingdom, the Republic of Ireland, and other countries. These themes are: 1) improving strategic approaches, 2) improving operational delivery of services to citizens and businesses, and 3) improving engagement with people.

To address these challenges, Northern Ireland's public governance arrangements need to evolve in a way that allows for more integrated and multi-dimensional policies and services that better meet the needs of citizens and contribute to inclusive growth. For example, Northern Ireland's government is committed to shifting its approach to strategic planning. It has already committed to preparing a new PfG that will serve as a multi-year, outcomes-based strategy for Executive action. This new focus on enhancing outcomes for people will require important changes in how Northern Ireland approaches governmental planning:

- Successful drafting and implementation of the PfG will need to rest on the articulation of a strategic vision that identifies short-, medium- and long-term priorities. This strategic vision should, in turn, serve to build consensus on shared inclusive-growth outcomes and goals whose pursuit will improve results for citizens.
- This calls for strengthening capacity to evaluate results and assess policy performance against these shared outcomes and goals. This is especially true where interventions seek to address important multifaceted social and economic challenges.

- Northern Ireland’s government will need to work in a more co-ordinated manner by reducing the institutional and administrative barriers that undermine its ability to pursue multi-faceted strategies and programming that can effectively address multidimensional policy challenges.

This Public Governance Review is the first to be conducted at the sub-national level. The Review was carried out between November 2014 and March 2016, and consists of the main report and six cases studies conducted on priority topics approved by the Executive. The Review was completed before the 23 June 2016 referendum on the United Kingdom’s membership in the European Union. The report and the case studies apply the same methodology used for all Public Governance Reviews: analysis is based on evidence provided by the Government of Northern Ireland, including documented responses to OECD questionnaires and discussions with government and non-government stakeholders during OECD missions to Belfast and Derry over the first half of 2015. In addition, the OECD drew upon the expertise of peers from OECD member governments and of academic and technical experts, along with practice-based evidence from the Organisation’s 34 member states and beyond. The case study recommendations focus on specific issues relating to the topic under assessment; these then informed the broader analysis in the Review itself.

This Review is one in a series of OECD Public Governance Reviews undertaken in member and non-member countries. It was conducted under the auspices of the OECD Public Governance Committee by the Governance Reviews and Partnerships Division of the OECD Public Governance and Territorial Development Directorate. The Division assesses public-administration and open-government reform strategies to help governments design and implement policies at both the national and regional levels that can lead to sustainable, inclusive economic and social development.

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- Netherlands: Roel Bekker, former Deputy Minister, Government Reform
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## Acronyms and abbreviations

<b>ABS</b>	Australian Bureau of Statistics
<b>ACE</b>	<i>The Assessment, Case Management and Evaluation System</i>
<b>ACTAL</b>	<i>Adviescollege Toetsing Administratieve Lasten</i>
<b>AP</b>	Atlantic Philanthropies
<b>APGs</b>	Agency priority goals
<b>APPB</b>	Atlantic Philanthropies Programme Board
<b>ASA</b>	Simplification of the Administration
<b>BRDO</b>	Better Regulation Delivery Office
<b>BRU</b>	Better Regulation Unit
<b>BSO</b>	Business Services Organisation
<b>BSO</b>	Business Services Organisation
<b>C&amp;AG</b>	Comptroller and Auditor General
<b>CBA</b>	Central Budgeting Authority
<b>CCS</b>	Citizen Contact Strategy
<b>CDSR</b>	Cabinet Directive on Streamlining Regulation
<b>CEO</b>	Chief Executive Officer
<b>CIO</b>	Chief Information Officer
<b>COAG</b>	Council of Australian Governments
<b>CoG</b>	Centre-of-government
<b>COO</b>	Chief Operating Officer
<b>CoPEs</b>	Centres of Procurement Expertise
<b>CPD</b>	Central Procurement Directorate
<b>CSOs</b>	Civil Society Organisations
<b>CTO</b>	Chief Technology Officer
<b>DARD</b>	Department of Agriculture and Rural Development
<b>DCAL</b>	Department of Culture, Arts and Leisure
<b>DDCs</b>	Dedicated drug courts
<b>DE</b>	Department of Education
<b>DECD</b>	Department for Education and Child Development
<b>DEL</b>	Department of Employment and Learning
<b>DETI</b>	Department of Enterprise, Trade and Investment
<b>DFP</b>	Department of Finance and Personnel
<b>DHSSPS</b>	Department of Health, Social Services and Public Safety
<b>DOE</b>	Department of the Environment
<b>DOJ</b>	Department of Justice
<b>DPC</b>	South Australia's Department of Prime Minister and Cabinet
<b>DRD</b>	Department Rural Development
<b>DRR</b>	Drug Rehabilitation Requirement
<b>DSC</b>	Delivering Social Change
<b>DSD</b>	Department for social development
<b>DTP</b>	Digital Transformation Programme

<b>DTS</b>	Digital Transformation Service
<b>DTTO</b>	Drug Testing and Treatment Order
<b>DVLA</b>	Domestic Violence Listing Arrangement
<b>ECO</b>	Enhanced Combination Orders
<b>EQIA</b>	Equality impact assessment
<b>ESA</b>	Education and Skills Authority
<b>ESS</b>	Enterprise Shared Services
<b>FHS</b>	Family Health Services
<b>FHSU</b>	Foresight and Horizon Scanning Unit
<b>FOI</b>	Freedom of Information
<b>FSA</b>	Food Standards Agency
<b>FTE</b>	Full Time Equivalent
<b>GDS</b>	Government Digital Services
<b>GIC</b>	Governor in Council
<b>GP</b>	General Practitioner
<b>GPRA</b>	Government Performance and Results Act
<b>GPRAMA</b>	Government Performance and Results Act Modernization Act
<b>GVA</b>	Gross Value Added
<b>HRM</b>	Human Resources Management
<b>HSC</b>	Health and Social Care
<b>HSCB</b>	Health and Social Care Board
<b>HSCT</b>	Health and Social Care Trust
<b>ICO</b>	Information Commissioner’s Office
<b>ICT</b>	Information and Communications Technology
<b>ILM</b>	Institute of Leadership and Management
<b>KNI</b>	Key National Indicators
<b>KPM</b>	Key Performance Measures
<b>LAC</b>	Looked-After Children
<b>LCGs</b>	Local Commissioning Groups
<b>LOI</b>	Letter of interest
<b>LPS</b>	Land and Property Service
<b>MAP</b>	Measures of Australia’s Progress
<b>MARACs</b>	Multi-Agency Risk Assessment Conferences
<b>MLA</b>	Members of the Legislative Assembly
<b>MTEF</b>	Medium-Term Expenditure Framework
<b>NAO</b>	UK National Audit Office
<b>NDPBs</b>	Non-Departmental Public Bodies
<b>NEC</b>	National Economic Council
<b>NFI</b>	National Fraud Initiative
<b>NHS</b>	National Health Service
<b>NHSCT</b>	Northern Health and Social Care Trust
<b>NI</b>	Northern Ireland
<b>NIA</b>	Northern Ireland Assembly
<b>NIAO</b>	Northern Ireland Audit Office
<b>NIAS</b>	Northern Ireland Ambulance Service
<b>NICS</b>	Northern Ireland Civil Service
<b>NICtS</b>	Northern Ireland Court Service
<b>NIECR</b>	Northern Ireland Electronic Care Record
<b>NIES</b>	Northern Ireland Economic Strategy
<b>NIGEAE</b>	Northern Ireland Guide to Expenditure Appraisal and Evaluation

<b>NIO</b>	Northern Ireland Office
<b>NIPPP</b>	Northern Ireland Public Procurement Policy
<b>NIPS</b>	Northern Ireland Prison Service
<b>NIPSO</b>	Northern Ireland Public Services Ombudsman
<b>NISRA</b>	Northern Ireland Statistics and Research Agency
<b>NPF</b>	National Performance Framework
<b>NPM</b>	New Public Management
<b>NS MHC</b>	Nova Scotia Mental Health
<b>OBA</b>	Outcome-Based Accountability
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>OFMDFM</b>	Office of the First Minister and deputy First Minister
<b>OFSTED</b>	Office for Standards in Education
<b>OGD</b>	Open Government Data
<b>OGN</b>	Open Government Network
<b>OGP</b>	Open Government Partnership
<b>OMB</b>	Office of Management and Budget
<b>ONS</b>	Office for National Statistics
<b>OPR</b>	Office of Primary Responsibility
<b>OSDBU</b>	Office of Small and Disadvantaged Business Utilization
<b>PCC</b>	Patient and Client Council
<b>PCN</b>	Policy Champions Network
<b>PCSPs</b>	Policing and Community Safety Partnerships
<b>PEPs</b>	Personal Education Plans
<b>PfG</b>	Programme for Government
<b>PGNs</b>	Procurement Guidance Notes
<b>PGR</b>	Public Governance Review
<b>PHA</b>	Public Health Agency
<b>PISA</b>	Programme for International Student Assessment
<b>PMSID</b>	Performance Management Service Improvement Directorate
<b>PoC</b>	Programme of Care
<b>PPF</b>	Policy Prioritisation Framework
<b>PPI</b>	Personal and Public Involvement
<b>PPS</b>	Public Prosecution Service
<b>PSAs</b>	Public Service Agreements
<b>PSD</b>	Public Spending Directorate
<b>PSRs</b>	Pre-Sentence Reports
<b>RFI</b>	Request for information
<b>RfR</b>	Request for resources
<b>RIA</b>	Regulatory impact analysis
<b>ROPs</b>	Reducing Offending in Partnerships
<b>RPA</b>	Review of public administration
<b>RQIA</b>	Regulation and Quality Improvement Authority
<b>RRL</b>	Revenue resource limit
<b>SAI</b>	Supreme Audit Institution,
<b>SAMBIT</b>	Small and Micro-Business Impact Test
<b>SCI</b>	Statements of Community Involvement
<b>SCM</b>	Standard Cost Model
<b>SCQF</b>	Scottish Credit Qualifications Framework
<b>SDVCs</b>	Specialist Domestic Violence Courts

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<b>SHA</b>	Stormont House Agreement
<b>SIBs</b>	Social Impact Bonds
<b>SIF</b>	Social Investment Fund
<b>SOA</b>	Single Outcome Agreement
<b>SpAds</b>	Special Advisors
<b>STS</b>	<i>Styregruppen for Tværoffentlige Samarbejder</i>
<b>TBS</b>	Treasury Board of Canada Secretariat
<b>TR&amp;T</b>	Targeted recruitment and training
<b>TUS</b>	Trade Union Side
<b>TYC</b>	Transforming Your Care
<b>UK</b>	United Kingdom
<b>UNCRC</b>	United Nations Convention on the Rights of the Child
<b>VSH</b>	Virtual School Head
<b>YJA</b>	Youth Justice Agency



## Executive summary

In 2014, the Government of Northern Ireland asked the Organisation for Economic Co-operation and Development to provide an assessment of its public-sector reform agenda. Public-administration reform was a key commitment in the 2011-15 Programme for Government (PfG). To help the Northern Ireland Executive give effect to this commitment, this Review assesses reforms already undertaken by Northern Ireland and makes recommendations on potential improvements to existing initiatives and provides advice on possible new reform avenues.

**Improving strategic approaches** is the Review's first theme and focuses on the ability of the NI Government to articulate and execute a vision-based whole-of-government strategy to achieve a small number of multi-year, multi-dimensional objectives over the life of its mandate. The Review finds that Northern Ireland needs to work in a more co-ordinated manner by reducing the institutional and administrative barriers that undermine its ability to address multidimensional challenges through integrated policy responses. Contributing to this is the inability of Northern Ireland's centre-of-government (CoG) institutions to play their whole-of-government co-ordinating role effectively. Community fault-lines that find expression in the Executive also hamper Northern Ireland's ability to design and implement a truly whole-of-government strategic policy agenda to pursue inclusive-growth objectives for all NI residents.

The Review recommends that Northern Ireland find ways to bolster the Executive commitment to work toward a common purpose. It recommends that Northern Ireland reinforce the mandate of its centre-of-government institutions such as by enhancing OFMDFM's co-ordination capacity and focus its mandate on partnering effectively with the Department of Finance and Personnel. This partnership should concentrate on leading the design and implementation of a vision-based, multi-year PfG whose strategic objectives are fully supported by the budget and the fiscal framework, while enhancing capacity to assess spending decisions against the achievement of the objectives identified in the PfG, and steer a change of course if performance evidence shows that results are not being achieved.

Strategic human resources management can play a critical role in supporting public sector reform. Northern Ireland's public sector workforce shows signs of low morale and of lacking confidence in its leadership. The Review recommends that Northern Ireland strengthen a culture in the public-sector leadership that values employee engagement, working effectively across silos, and skills development. It recommends reinforcing within the senior civil service a sense of community based on a shared commitment to serve a "single government", while encouraging innovation in all levels of the administration.

Identifying desired policy outcomes is critical to designing policies and programmes. An Early Intervention/Prevention (EI/P) approach underscores the value of using evidence-based, outcomes-driven approaches to policy and programming design.

Northern Ireland understands well that intervening early can diffuse issues before they amplify. However, EI/P does not appear to be fully developed nor linked to an overarching social policy framework or strategy. As a result, while Early Intervention/Prevention is identified in some social-policy initiatives it does not feature significantly in most. The Review recommends establishing a framework for the application of EI/P as a building block for new social policies and programmes, and strengthening data-driven analysis for improving service design and delivery.

Northern Ireland is well positioned to take advantage of the opportunities created by digital governance and innovative service delivery. Its main challenge lies in its ability to move from strategy and design to full implementation, and will require investment in order to realise the promises of digitally enabled service delivery. The Review recommends building stronger standards and accountability for digital services, strengthening centralised capacity for digital delivery, increasing NI residents' access to on-line government services, and enhancing Northern Ireland's international engagement in digital government and innovation.

Under the theme of **improving engagement with people** the Review finds that although Northern Ireland can count on institutions that support openness, transparency and accountability, more could be done, such as improving its participation in the Open Government Partnership. The need to link accountability to outcomes is already well understood in the public sector, for example through the adoption of outcomes-based accountability. To enhance public trust in the government's ability to pursue better outcomes for people the Review recommends that Northern Ireland improve dialogue with key stakeholders, notably from the community and voluntary sectors, and strengthen transparency and accountability mechanisms.

**Improving operational delivery** is the third theme for the Review. Local government reform was implemented in Northern Ireland as a means to improve service provision, achieve cost reductions, and improve coherence between mandate, public interest and services provided by public institutions. The restructuring of Departments introduced in 2016 pursues the same objectives. As restructuring has yet to take effect it is too early to assess whether these changes will result in both savings and improvements in efficiency and effectiveness. The Review recommends evaluating these reforms over the medium term to assess whether these changes have led to the improvements in outcomes for people that were anticipated when the institutional-reform initiatives were launched.

Improving service delivery can imply rethinking the means of delivery with a focus on better responsiveness, better quality, and more value for money. Third-sector organisations can be a valuable resource in Northern Ireland. Though Northern Ireland's third sector is already engaged in service delivery, Northern Ireland should capitalize on existing public-sector practices, such as innovation labs, to improve the operational delivery of services to citizens alone or in partnership with the third sector.

Northern Ireland has recognised the contribution that regulatory streamlining can make to enhancing outcomes. It has a well-designed strategy that includes several OECD best practices. However, regulatory streamlining exhibits the same challenges relating to interdepartmental co-ordination that affect other policy areas, resulting in a lack of alignment between regulatory improvements and other strategies that reduces the positive impacts of the reforms. As Northern Ireland continues to fine-tune its approach to regulation, it should focus on improving centre-of-government-led co-ordination of the application of regulatory policy requirements.

## Assessment and recommendations

### Introduction

In November 2014, Northern Ireland’s Department of Finance and Personnel (DFP) commissioned the Organisation for Economic Co-operation and Development (OECD) to undertake a Public Governance Review (PGR or “the Review”) of Northern Ireland (NI). Its purpose is to provide an assessment of, and recommendations on, public-sector reform in Northern Ireland that will align with the NI government’s own medium-term priorities for public-administration reform. This PGR focuses on analysing factors affecting reform to assist NI in pursuing improvements to public-service delivery and enhancing value for money. As requested by NI, in assessing Northern Ireland’s policy direction and capacity to implement reform, it also identifies areas in need of further reform that could be pursued as a complement to those already launched, and advises on possible courses of action to assist the Government of Northern Ireland in meeting its reform objectives.

This Review focuses on assessing Northern Ireland’s reform efforts in three key areas identified as priorities by the NI Executive: improving strategic approaches to decision making, improving engagement with people, and improving operational service delivery to citizens and businesses. These thus constitute the three overarching themes of this Review. In this regard the Review aims to offer a contribution to the development of Northern Ireland’s next Programme for Government (PfG).

The recommendations below are presented under these three framework themes and the nine sub-themes representing Northern Ireland’s priority reform areas that the government requested the OECD assess. The recommendations are drawn from the main report and from the six case studies attached as annexes to this Review.

### *Northern Ireland faces significant socio-economic challenges*

Northern Ireland is the smallest of the United Kingdom’s four countries with a population representing approximately 3% of the United Kingdom’s total population. Economically, Northern Ireland is also one of the United Kingdom’s less wealthy regions, with a Gross Value Added (GVA) per capita of GBP 17,948, compared to GBP 21,982 in Scotland and GBP 24,091 in England, but however remains slightly higher than Wales’, at GBP 16,893. As was the case in other parts of the United Kingdom, Northern Ireland experienced a significant economic downturn for most of the period between 2007 and 2014 as a result of the global recession and its aftermath. Northern Ireland’s economic recovery remains fragile and economic activity remains below peak levels recorded prior to the recession. While grappling with the after-effects of a global economic recession is challenging for any government, it is even more complex for the Government of Northern Ireland given its history and the fragility of its constitutional and institutional arrangements.

The conditions which have led Northern Ireland’s Government to pursue an ambitious agenda of public-sector reforms are economic, social and political. The development of Northern Ireland’s economy is affected by a relatively small private sector, low rates of labour-market participation, and poor labour productivity at a time when global economic trends do not favour the manufacturing and agricultural foundations of its economy. Socially, Northern Ireland is facing the same demographic changes experienced elsewhere in the United Kingdom, but in a society which is defined by distinct community loyalties. Politically, the specific nature of NI’s coalition arrangements, in which the main parties comprising the Executive hold differing visions of the role of the public sector in the economy and of the constitutional future of Northern Ireland, burdens the Government’s decision-making process. While there has been a political consensus in place since 2011 about the need to reform the public sector, there is less of a consensus about what exactly to do and how to proceed.

A major factor driving Northern Ireland’s public-sector reforms is fiscal pressure exerted by reductions in the Delegated Expenditure Limit (DEL) Budget allocation from Her Majesty’s Treasury. Representing over 90% of NI’s total revenue, constraints in the DEL Budget have had a major impact on Northern Ireland’s budget. In a region where the public sector has historically been a leading economic actor and still accounts for 30% of all economic activity (measured by GVA) and 30% of all employment, any reduction in public spending will affect not just the public sector itself but the region’s entire economy.

The findings of the Review are based on the premise that sound public governance – government’s ability to co-ordinate, steer, monitor, communicate and otherwise work horizontally (i.e. across departments and institutions within the government) and vertically (i.e. coherently with local authorities and with external public and private stakeholders) to advance strategies and plans to improve economic growth, standards of living and quality of life –is of fundamental consequence for the citizens to whom government is accountable. Sound public governance assumes that government is able to plan strategically and mobilise internal and external resources to execute these plans efficiently and effectively. The pursuit of sound public governance can help position Northern Ireland to achieve its aim of improving public services to meet peoples’ needs and thereby enhance its ability to improve outcomes for people.

## Improving strategic approaches

Improving strategic approaches is the first of three overarching themes examined in this Review. The theme focuses on the ability of the NI Government to articulate and execute a vision-based whole-of-government strategy to achieve a small number of multi-year, multi-dimensional objectives over the life of its mandate, one of the cornerstones of sound public governance.

### *Enhancing outcomes for people*

To be effective, a government needs a strategic vision that identifies short, medium and long-term priorities around which to build consensus on the shared outcomes and goals it seeks to pursue in the name of the people it was elected to serve. A strategic vision enables the communication of objectives and related initiatives to stakeholders internal and external to government. Having in place a consensus-based strategic vision can guide whole-of-government planning and service delivery through greater horizontal

collaboration across administrative silos to achieve the strategic policy outcomes underpinning the vision.

Northern Ireland's PfG is the Government's most important strategic planning document: it presents the priorities and initiatives of the Northern Ireland Executive (Cabinet or Council of Ministers) to be implemented over the life of its mandate. Northern Ireland's political, public-sector and civic leaders agree that the next PfG (2016-21) ought to present a more strategic outlook on the future and, in so doing, depart from the current plan's shopping list of priorities and actions. All appear to agree that developing the next PfG offers an opportunity to create a single, outcomes-based, vision statement and accompanying action plan for the Government. In this connection exploratory work has begun in the Office of the First Minister and deputy First Minister (OFMDFM), the unit serving the co-Heads of Government and the Executive, to determine how the NI Executive might move toward a PfG with a greater focus on outcomes. If implemented, this will constitute a significant improvement in approach over the past two Programmes for Government.

Agreement has also been reached to forge the PfG **prior to** the appointment of an Executive that will now be made up of nine departments instead of twelve. This is in fact a commitment in the 2014 *Stormont House Agreement (SHA)*. The consolidation of departments can contribute to better coherence in departmental and agency mandates, thus possibly contributing to reducing administrative barriers to multi-dimensional policy making. Agreeing to the PfG before assigning control over departments to individual members of parties of the governing Coalition might soften the influence of political-party interests in exercising specific departmental mandates and determining budget allocations: membership in the Executive will henceforth be determined only **after** strategic priorities (and budgets) have been set.

*... by pursuing more outcomes-focussed strategic planning*

Building a common vision framing clear strategic outcomes and aimed-for results for Northern Ireland, along with incentivising interdepartmental co-operation to pursue them, is particularly relevant in the context of a coalition government in which coalition membership is essentially forced. For this to occur, Northern Ireland will need to strengthen its planning and co-ordination capacity to design and deliver cross-cutting, multi-dimensional strategies that improve outcomes for people. The set of recommendations immediately below can be developed and implemented in stages over time; as proposed, this strategic priority-setting process could be adopted in its entirety in time for the 2021-26 PfG.

### **Recommendation 1. Prepare and implement a multi-year strategic, outcomes-based Programme for Government (PfG) framed by a vision for Northern Ireland’s people and its economy**

The current PfG contains too many priorities and objectives, with several focusing on narrow areas of intervention. The next PfG should define a small number of evidence-based, whole-of-government objectives and outcomes to guide policy action over the life of the government. To this end, NI should:

- Base the next PfG on a vision statement of the Executive’s overarching medium and long-term (five and ten-year planning horizons) objectives for Northern Ireland and its people.
- Identify in the next PfG three to five strategic, multi-sector/multi-dimensional strategic commitments to be pursued as priorities over the life of the Executive’s mandate to implement the vision:
  - These should be informed by the results of foresight and horizon scanning using a long term (e.g. ten-year) planning horizon.
  - The strategic commitments should be supported by a limited number of integrated whole-of-government outcomes, targets and outcomes-based performance indicators in the form of Key National Indicators (KNI) reflecting the PfG’s strategic commitments.
  - Use these KNIs to drive horizontal co-ordination between Departments.
- Communicate the PfG vision, objectives, plans and indicators in simple terms, internally and externally:
  - Engage in inclusive and meaningful public engagement prior to the approval of the PfG by the Executive.
  - Engage key public, private and civil-society stakeholders on the PfG.
  - Ensure the Northern Ireland Assembly plays a central role in enabling the voices of citizens to be taken into account prior to the approval of the PfG.
  - Adjust the PfG to reflect engagement results prior to its approval.
- Have the feasibility, fiscal sustainability and relative priority of political commitments independently reviewed prior to the debate in the Assembly on the PfG:
  - The independent assessment should inform the prioritisation of the PfG’s strategic objectives and their budget allocations against these commitments.
- Maintain/implement the commitment in the Stormont House Agreement to appoint members of the Executive to their ministerial portfolios only once the Executive has approved the PfG.

The case-study on Delivering Social Change recommends:

- Strengthening the outcomes-based focus of the Delivering Social Change policy framework to enable ministers to assess the performance of the initiative against multi-dimensional outcomes based on robust performance evidence.
- Building capacity in the Northern Ireland Civil Service (NICS), for example through training, in such areas as horizontal working, evidence-based decision making, and the policy sectors identified in the Delivering Social Change (DSC) strategy.
- Developing and applying quantitative multi-dimensional indicators of well-being as part of the evaluation of Northern Ireland strategies in social and economic policy.

The case study on Looked-After Children recommends:

- Using the renewal of child and youth strategy to engage both the Department of Health, Social Services and Public Safety (DHSSPS) and the Department of Education in setting priorities and articulating a vision that puts all children at the Centre.
- Consulting with the voluntary and NGO sector and children and their families to reinforce this goal.

The case study on commissioning for health services recommends:

- Promoting innovative health commissioning plans based on their ability to improve health outcomes.

*... by building sound evidence on strategy performance*

Northern Ireland's planning documents focus on broad measures of success as ultimate targets. The next PfG provides the opportunity to develop this approach further through an integrated national framework with a clear, defined set of key strategic outcomes. OFMDFM has taken the lead in developing what could become a set of Key National Indicators for Northern Ireland. However, it will be important that these new indicators focus on outcomes, rather than outputs, as is currently the case. The steps taken in Northern Ireland to increase the use of outcomes-based accountability, though still in an early adoption phase, underscores the goal of Northern Ireland's government to fully embrace an outcomes-based approach as part of its planning.

However, to ensure fully the application of an outcome-based approach, KNIs require the leveraging of information to determine policy and programme performance. In this regard Northern Ireland can draw from a number of sources of technical advice and data including the Northern Ireland Statistics and Research Agency (NISRA) and the UK Office for National Statistics (ONS). As a starting point, Northern Ireland should build upon ONS' well-being indicators to provide a baseline to measure social and economic impacts of government initiatives.

As an important actor in the shift toward outcomes-based planning, NISRA should be called upon to play a key role in supporting, technically, the transition towards a KNI system to help monitor the performance of the PfG. Enabling NISRA to play this role fully and meaningfully, free from political influence, will entail granting it greater independence from the Executive and its portfolio department, DFP. Strengthening NISRA's independence can contribute to more objective data management and evaluation.

**Recommendation 2. Enhance capacity in the Northern Ireland Statistics and Research Agency (NISRA) to pursue evidence-based policy and performance measurement and support the performance-monitoring of the PfG against the improvement of strategic results for Northern Ireland's people and society**

NISRA is a key source of evidence which can be used to inform government policies and programmes. However, its role should be enhanced to:

- strengthen the autonomy of NISRA by adopting (in law, if necessary) and announcing operating principles based on those of leading statistical agencies in the OECD
- strengthen NISRA's capacity through staff development and other key investments to ensure that the Agency can support the development of evidence on policy, programming and budgetary performance to support the implementation of an outcomes-based Programme for Government
- mandate NISRA to contribute actively to the development of the Programme for Government, in single-sector or horizontal strategies
- mandate NISRA to contribute to the definition and assessment of PfG and strategic outcomes/KNI indicators and to strengthen NI's data-collection capacity for monitoring and assessing policy performance against outcomes and results.

In addition to the information and data provided by NISRA, Northern Ireland should also draw upon additional sources of evidence to support outcomes-based planning, such as from Non-Departmental Public Bodies (NDPBs) and the Northern Ireland Audit Office (NIAO). Open Data can also be tapped to promote empirical analysis and enhance the possibility of producing better outcomes for citizens. Northern Ireland authorities should link better with and draw from existing UK-wide initiatives, such as *data.gov.uk*, which bring together public data to help people understand how government works and how policies are made. Improved performance information and evaluation results, with a focus on outcomes rather than processes and activities, will be essential to further refine an outcomes-based PfG framework. To support better planning and evaluation, the government should:

**Recommendation 3. Strengthen capacity for planning and evaluation through the development of better metrics and more robust outcome-based measures that can be independently evaluated**

The ability of governments to plan and evaluate policies and programmes is largely dependent on the presence of metrics and measures. Therefore, ensure that Northern Ireland has in place the means to plan and evaluate its policies and programmes by implementing the following:

- mandate departments and agencies to base all assessments of performance on robust, consistent and measurable indicators
- give high priority to the collection and dissemination of performance data across the government and externally using the NI Open Data Portal
- base policy and programme evaluation on clearly defined and measurable targets and objective criteria
- use results of policy and programme evaluations to inform the development of government plans and strategies
- mandate the OFMDFM and departments to communicate regularly, internally and externally, the results of policy and programme evaluations using easy-to-understand means
- actively engage citizens and non-governmental actors in evaluating government programmes and policies
  - extend this involvement to the government planning process
  - encourage input from NICS employees in government planning to take advantage of knowledge and experience
  - mandate the NISRA to chair a working group of public-sector data providers and users. The working group should be responsible for ensuring a public-sector-wide understanding of data-quality issues and requirements.

The case study on problem-solving justice recommends the following:

- strengthen monitoring and evaluation in the areas of problem-solving justice
- create a structured inventory of victim experiences

**Recommendation 3. Strengthen capacity for planning and evaluation through the development of better metrics and more robust outcome-based measures that can be independently evaluated** (*continued*)

- include in the monitoring system criteria related to case processing times, conviction rates, court-mandated probation and qualitative indicators.

The case study on Looked-after Children recommends the following:

- monitor, as a priority area for change, programme implementation and use the resulting data to identify areas for improvement. The absence of good monitoring data and research has held back progress for Looked-After Children
- invest in innovative interventions and evaluate the results
- conduct research on what works, for whom and under what circumstances
- incorporate evaluation results in programme design to provide a better evidence-base for policy and programming decisions
- include looked-after children, their families, carers and professionals responsible for programme implementation in any evaluation of the programme.

*... by strengthening the CoG's horizontal co-ordination capacity to pursue strategic outcomes*

The ability to co-ordinate across different government institutions and administrative silos contributes to the effectiveness of public governance. This is increasingly important, as the issues faced by governments are becoming more complex and multi-dimensional and require interventions from an array of actors, both internal and external to government. In Northern Ireland the Centre of Government (CoG) function is shared between the OFMDFM and the DFP.

- As the secretariat to the Executive, OFMDFM supports the management of Executive business and the application of the Ministerial Code across the government. It is responsible for co-ordinating the Executive's legislative programme and advising Departments on the processes and protocols relating to the operation of the institutions of government.
- DFP, for its part, plays a role in the planning process as a result of its responsibility for the budget and human resource management, procurement, shared and professional services, services to the citizen, and corporate improvement.

Neither is able to fully play its role as a CoG institution, as their primary responsibilities for a number of sector-specific policy areas draws time, energy and resources away from the exercise of their CoG functions. This has meant that policy and programme proposals transit through departmental stovepipes with little active government-wide co-ordination from the Centre. Though this situation may derive from governmental structures that were established as part of NI's power-sharing agreement and codified in the *Good Friday Agreement*, it also highlights specific behaviours and practices which have developed over time around these structures, notably the lack of

demarcation between political oversight and policy co-ordination functions. Though it is impossible to separate these functions completely, governments across the OECD have used organisational structures and standard operating procedures to provide clarity in the relationship between these two functions.

The siloed nature of Northern Ireland's government is also illustrated by the challenges departments face in sharing information, which is particularly critical given OFMDFM and DFP's roles. Lacking in information, neither OFMDFM nor DFP are able to track proactively departmental initiatives, which in turn, hampers their ability to oversee whole-of-government operations. Further, neither OFMDFM nor DFP are structured in a way that facilitates interface with the Departments on all strands of governmental activity. Such interface structures can enhance the capacity of CoG institutions to play their whole-of-government co-ordination role effectively.

One of the foremost responsibilities of government is public policy making. This is also one of the most challenging areas for governments as the complexity of societal and economic problems require increasingly multi-dimensional policy responses based on sound evidence and effective input from all relevant stakeholders, including from civil society, the business community, labour unions and academia.

This is well understood by Northern Ireland's political and civil service leadership. To guide Northern Ireland's approach to policy development, OFMDFM issued *A Practical Guide to Policy Making in Northern Ireland* for the use of policy staff. Acknowledging the challenge of maintaining a co-ordinated approach to government policy, the Guide makes explicit reference to the need for "joined-up government to address cross-cutting issues". This echoes similar statements contained in the current PfG.

In practice, however, the application of a whole-of-government approach is still aspirational with respect to the development of most policies and programmes. Even marquee initiatives such as *Delivering Social Change*, which were established to foster interdepartmental collaboration, have not durably managed to change an operational culture rooted in protecting the integrity of siloed mandates. This is the result, in part of political friction and lack of collective responsibility which leaves civil-service staff unwilling or unable to intervene to resolve issues or push on forward initiatives. In the case of the *Delivering Social Change* initiative, the civil service was only able to achieve success because of clear explicit support from both the First Minister and deputy First Minister as well as their political staff (who originated the idea behind the initiative). In absence of these signals, the bureaucratic response to resolving bottlenecks is to wait for direction.

To address these issues, the government should consider the following recommendations.

#### **Recommendation 4. Refocus/restructure and strengthen the mandate of the Centre of Government for government-wide policy and programme co-ordination and implementation**

Clarity with respect to the roles and responsibilities of CoG institutions for the co-ordination and steering of government actions is important. As a consequence:

- conduct a formal review the OFMDFM’s sector-based policy responsibilities within one year of the establishment of the Executive Office
- through this review, assess operational or sector-based policy overlaps between CoG institutions and departments/other government institutions. Then:
  - reduce/eliminate on-going OFMDFM responsibilities over sector-specific policy
  - transfer these responsibilities to the appropriate Executive department(s).
- ensure OFMDFM retains initial engendering responsibility for designing and launching key multi-sector strategic policy initiatives as appropriate. However, transfer responsibility for these initiatives to the relevant lead department as these mature.

#### **Recommendation 5. Ensure the CoG (the OFMDFM and DFP) strengthens links between horizontal and sector-specific strategies and the Programme for Government**

Currently sector-specific strategies are pursued independently of each other and of the multi-sector goals in the PfG. To improve whole-of-government coherence, the CoG should:

- require all departments to prepare a departmental strategic plan that is aligned with the PfG. In turn, require departments’ portfolio public bodies to prepare strategic plans that take into account the PfG and are aligned with the department’s strategic plan
- develop and apply a methodology to articulate sector-specific strategies and make its use mandatory to ensure coherence with each other and with the PfG.

The case study on Looked-after Children recommends the following:

- ensure that any strategy developed includes a clear statement of desired outcomes (results) and realistic short-, medium- and long-term outputs that support the achievement of the strategic objectives and results
- harmonise performance incentives across agencies and institutions contributing to the advancement of objectives under the Looked-After Children strategy, review inter-agency co-operation regularly, and make adjustments if necessary to ensure horizontal collaboration.

The case study on regulation recommends the following:

- establish a whole-of-government strategy for better regulatory quality, covering the regulation of businesses, citizens and the public sector
- extend the application of the better-regulation principles and tools, adapted if necessary, to regulation which places obligations on citizens and on the public sector itself (“Regulation Inside Government”), as well as to the regulation of business
- extend the application of the better-regulation principles and tools to all public sector bodies with regulatory responsibilities, inclusive of the executive departments, local councils, and other public bodies
- establish a programme of targeted streamlining of the regulation of businesses, citizens and the public sector itself.

**Recommendation 6. Ensure the CoG (OFMDFM and DFP) promotes horizontal co-operation across departments and public agencies to break down institutional silos**

At present, collaboration between executive departments, which works well when it occurs, tends to be ad hoc. To institute and sustain collaboration:

- establish financial and non-financial incentives and sanctions to break up existing silos and promote joined-up government
  - use budget allocations (for example Departmental contingency funds or special funds, such as the Change Fund for 2015/16, managed from the centre of government or from key lead departments) to foster collaboration and co-ordination across administrative boundaries where this makes sense, to define and implement multi-departmental responses to multi-dimensional policy challenges
  - other examples include: performance-pay for senior managers, disbursed (or deducted) purposive to the degree of inter-institutional work; horizontal collaboration across administrative boundaries as a competency to be evaluated in managers' annual performance assessments
- communicate the benefits of interdepartmental co-operation by codifying and sharing good practices across the system using existing NICS fora.

The case study on Delivering Social Change made this same recommendation.

The case study on Looked-After Children recommends the following:

- assign a clear mandate to a government department, agency or institution to lead the Looked-After Children strategy to ensure better interagency-working
- reinforce vertical and horizontal governance structures to implement the strategy through the development of standards and performance targets and indicators.

The case study on problem-solving justice recommended better collaboration between departments for successful problem-solving and justice innovations.

The case study on regulation recommends the following (see Recommendation 28 below):

- establish a whole-of-government strategy for better regulatory quality, covering the regulation of businesses, citizens and the public sector
- establish a Better Regulation Unit (BRU) within the OFMDFM with the responsibility of monitoring and maintaining momentum in the streamlining of regulation as well as developing ongoing regulatory policy tools to assist this effort (existing responsibility for developing regulatory content is to remain with departments).

**Recommendation 7. Institutionalise the CoG challenge function regarding policy and programme proposals as part of the decision-making process by the Executive**

Ensure that policy and programme proposals set before the Executive have been examined and challenged for their policy and fiscal impact as a key part of the policy and programme development process:

- mandate OFMDFM, DFP and, as applicable, relevant departments and public-sector bodies, to review all policy and programme proposals at the level of officials as a mandatory step prior to presentation to the Executive for decision
- ensure that Executive papers transmitting proposals for decision include a summary assessment prepared by OFMDFM and DFP of the policy and fiscal impact of the proposal, including the results of interdepartmental consultations and of citizens' engagement where applicable
- confirm that OFMDFM retains primary responsibility for support to the Executive in its deliberations on policy issues
- strengthen the capacity and mandate of DFP to play a financial, administrative and strategic human resources challenge function to departmental policy and programme proposals as they proceed to the Executive for decision
- mandate OFMDFM and DFP to be jointly responsible for whole-of-government performance-monitoring, including assessing spending against the achievement of strategic policy results.

At the political level, the Executive itself is too frequently called upon to diffuse issues or resolve policy differences between Departments that would normally be sorted out at the level of officials. Thus, without strong CoG institutions acting to unblock interdepartmental bottlenecks, policy making continues to be defined by narrow concerns lodged within departmental silos.

This also stems from the lack of supportive signals from the Executive to work collectively and collaboratively as a “single government”. Solidarity among members of the Executive is evidently weak, which undermines the principle of the collective responsibility in decision making and the concomitant role the civil service, notably its senior ranks, ought to play in supporting it. This lack of political cohesion reverberates throughout the system with managers and staff-level civil servants focusing on their minister's immediate-term political interests rather than seeking to work collaboratively toward an outcomes-based whole-of-government solution to the issues facing their department.

The Executive itself could play a greater strategic role in the governance of Northern Ireland if its behavioural norms were to evolve over time into a steward of a “single government” working toward a common purpose. This requires building a more robust commitment to the principles of Cabinet solidarity, with the Executive speaking with a single voice on the issues of the day. One means of fostering greater collective commitment by all members of the Executive to work beyond party differences toward a common purpose should be to engage in sustained team-building activities:

**Recommendation 8. Establish a mandatory induction and on-going training programme for members of the Executive, focussing notably on training associated with ministerial codes of conduct and such basic precepts of Parliamentary governance as Cabinet responsibility, solidarity and accountability**

- Ensure that the Executive is willing and able to work effectively and efficiently across political and community divisions has a direct bearing on its ability to operate as a single government focussed on setting and implementing a strategic vision of the future for the people of Northern Ireland. To this end:
  - design and apply a purpose-built induction programme, perhaps modelled on the Northern Ireland Assembly’s Politics + programme, prior to the appointment of the next Executive
  - make participation in the programme mandatory as a condition of membership in the Executive, including for the First Minister and deputy First Minister
- Ensure the programme focuses *inter alia* on citizen-centred decision making and capacity to work as a team across political and community-based divisions.

### ***Strategic human resources management***

Strategic human resources management can play a key role as a strategic enabler of public-sector reform. This includes imparting means to ensure that public employees are engaged in their work and can contribute to improving its efficiency and effectiveness. It also means having in place strategies to encourage behaviour that supports reform. Over a relatively short period, the Northern Ireland Public Sector will be adjusting to staff reductions, departmental re-organisations, new local government and education structures, and significant reforms in major areas of public services, such as welfare reform. The challenge for leaders will be to manage these changes with a public sector that already show signs of low morale and engagement and which lacks confidence in its leadership.

Most of the prerequisites to support the changes occurring as a result of public sector reform, including those specifically focused on the civil service, are already present in the NICS. For example, the NICS People Strategy sets out a range of HRM improvements that are aligned with the priorities of the Executive, including public sector reform. This is clear example of effective central co-ordination and could be showcased as a good practice to align whole-of-government workforce management, which is itself an important foundation of agility in government.

Competency management is one tool that can provide a foundation for workforce planning to contribute to organisational agility. Competency management provides a common definition of the abilities and behaviours employees require to do their jobs well, along with a common framework to ensure HRM processes are integrated. The NICS is well positioned in this area, having launched a new competency framework in 2014. Ensuring a smooth and effective implementation and integration of the framework in all NICS departments and agencies will contribute to agility by ensuring that all civil servants are managed under the same overall expectations, which should reduce barriers that preclude staff mobility between organisations.

Employee engagement is another area where there is evidence of good practice in the NICS. For example, in the strategic approach used by Enterprise Shared Services (ESS) in relation to staff engagement, with its key themes of leadership, communications and reward, and which has been recognised through the Ireland Excellence award and Best Companies accreditation.

Northern Ireland has chosen to proceed with a voluntary exit scheme as the means to reduce its staffing levels and pay bill, though this presents a risk in terms of loss of skills and experience. An agile public sector will be able to compensate by providing the right kind of support and incentives to those who remain and therefore redeploy people to the areas of highest priority to ensure operational continuity and optimal resource alignment. However, with departures already occurring under the voluntary exit scheme in 2015/16, strategic whole-of-government workforce planning may be a challenge. Overcoming these challenges implies developing and implementing whole-of-government strategic human resources management capacity. Evidence across the OECD suggests that its components include:

- leadership training programmes, valuable as a means of imparting whole-of-government perspectives to mid and senior level managers
- training that affects behaviour, such as networking, collaboration, and information-sharing, which has also been shown to make a positive impact on collaboration across governments
- incentives that encourage working in a co-ordinated and horizontal manner. This is particularly important at the senior level as it is to this level that staff looks for signals
- performance management processes, promotion and special training/fast-track programme opportunities, and special awards and recognition. These are also used in many OECD governments. Performance management should be explored as a means of increasing the attention of senior officials to the whole-of-government actions and as a means of changing organisational cultures.

A whole-of-government approach to HRM can also be encouraged by increasing opportunities for inter-departmental collaboration and exchange. At present, collaboration across departmental boundaries relies mostly on individual and professional connections which are typically informal in nature. This is discussed in the case study on streamlining regulations, for example, in regard to regulatory co-ordination. Other networks including the Policy Champions Network exist primarily as a community of practice rather than as an integral part of the policy development process. Formalising the role of the Policy Champions Network and other similar networks could promote engagement, autonomy and ownership. Likewise, incentives built around participation in such networks could be part of civil servants' performance assessments, including the possibility of group incentives for achieving key milestones identified in the PfG, for example.

For its part, the Permanent Secretaries Group, composed of the heads of departments, plays a major role in supporting and strengthening co-ordination across the NICS. However, while the Permanent Secretaries' Group contributes to information sharing, there is limited indication that it plays an active role in co-ordinating, steering, and implementing whole-of-government strategy or multi-sector initiatives and priorities. An enhanced role for the Permanent Secretaries Group in these areas, in addition to other changes at the CoG, discussed above, may contribute greatly to better co-ordination and holistic planning in Northern Ireland.

In light of the above, the government should consider the following recommendations.

**Recommendation 9. Strengthen a culture among public-sector leaders that values employee engagement, workforce agility to work effectively across silos and skills development for public servants**

Leadership development provides opportunities for leaders to interact, share experience and build a sense of common purpose and membership in a single team. The NICS competency framework is an example of this development strategy. The NI public sector should build a common leadership culture with a focus on employee engagement. To this end:

- use employee surveys to align leadership and drive a more innovative and coherent organisational culture in public bodies
  - use survey results at the directorate level or below to develop specific action plans tailored to each organisation
- foster agility by reinforcing and encouraging mobility across the public sector
  - encourage secondment opportunities to other public bodies
  - identify and remove barriers to cross-government mobility, both real and perceived
- review training programmes to ensure that public sector staff acquires skills applicable to the whole policy-cycle
  - include training in soft skills (e.g. communication, leadership), strategic planning, service delivery, and monitoring and evaluation, team building skills, skills related to data analytics and data visualisation to better analyse and communicate achieved results to decision-makers and legislative oversight bodies, as well as the public at large either directly or through the media.

The case study on Delivering Social Change recommends human resources tools be used to develop the capacity of NICS staff in such areas as horizontal work and evidence-based decision making, useful to DSC.

The case study on commissioning for health services observed that there is a need to develop skills and capacity to deliver change, and recommends that DHSSPS build capacity for leading change in complex systems, including training and recruitment to support change, and building a network of practitioners to help carry it out.

**Recommendation 10. Reinforce within the senior civil service a common sense of community based on a shared commitment to serve a “single government”**

The NICS senior leadership should play an important role in leading transformation and change. To this end:

- review and administer leadership development programmes to mid and senior managers that impart whole-of-government perspectives, notably around such transversal leadership objectives as innovation
- the case study on Delivering Social Change recommends that performance management of all senior officials from Grade 3 (Deputy Secretary) upwards include an assessment of their contribution to the advancement of whole-of-government priorities.

The case study on Looked-After Children recommends individual performance management as a major incentive to encourage working across agency barriers.

### Recommendation 11. **Invest in skills development to support innovation**

Successful innovation exhibits many different models. It therefore follows that innovation is best supported by a diverse range of actors with a broad set of behaviours, competencies and profiles. To develop its digital offering, innovative public services in Northern Ireland should:

- invest in the development of staff skills in areas such as data analytics, social media, prototyping and human-centred design, using a combination of peer-to-peer learning, work shadowing, external training, partnerships, and recruitment as appropriate
- promote Strategic Human Resources strategies as a key element in fostering a cultural change within the public sector to strengthen citizens’ engagement and improve dialogue with key stakeholders, such as the community and voluntary sectors
- create space for employee/team autonomy to make decisions and structure work in ways that enable performance and innovation
- move away from the traditional focus of human resources on compliance and develop new skill sets and capacities in performance auditing and outcomes-based auditing, as well as strategies to communicate their work in this area to the legislature and to the wider public.

The need to invest in staff capacity and training was also observed in the case studies:

- The case study on Looked-After Children recommends that the training needs of professionals and carers (and the funding to support new training) should be identified and should lead to the implementation of a training plan to support these individuals.
- The case study on problem solving justice made a similar observation with regard to ensuring that professionals with the justice system have the training necessary to fulfil their responsibilities.
- The case study on Delivering Social Change recommends that training should be used to develop the capacity of NICS staff in a number of areas such as horizontal working, evidence-based decision making, and other areas that were pursued as objectives of the DSC.

The case study on commissioning for health services recommends that DHSSPS consider how to build capacity for leading change in complex systems, including through training opportunities.

### ***Early intervention/prevention***

The identification of desired policy outcomes is a crucial element in the development of government policies and programmes. This is especially true where the interventions concern longstanding and apparently intractable social or economic problems. The Early Intervention/Prevention approach underscores the value of using evidence-based and outcomes-based approaches to design policy and programming. It is well understood across the NI public sector and among non-governmental stakeholders that intervening early to address the social problems of individuals or certain groups of individuals can diffuse these problems before they amplify.

However, with the exception of projects partially funded by Atlantic Philanthropies and Northern Ireland’s strategy to tackle domestic violence, Early Intervention/Prevention does not appear to be fully developed nor linked to an overarching social policy framework or strategy. As a result, while Early Intervention/Prevention is identified in some social-policy initiatives, it does not feature significantly in many others, including for example in the development of policies and programmes for Looked-After Children.

Although the Early Intervention/Prevention approach has been actively promoted by the non-governmental sector, there appears to be a lack of comparable attention given to this approach across the NICS. At present, departments appear to consider the application of this approach to consist principally in the collection of data. In some ways the status of Early Intervention/Prevention mirrors the one accorded to well-being: both are recognized as important but there appears to be no concrete government-wide strategy or plan to ensure that these are taken into consideration in the development of new policies or programmes. Countries that have been successful in implementing the Early Intervention/Prevention approach have done so on the basis of an affirmed strategy to support its application. This could be achieved through the inclusion of Early Intervention/Prevention as a core principle of the Northern Ireland Social Policy which is currently under development.

Part of the answer to fostering greater application of the Early Intervention/Prevention may also lie in further encouraging the shift to evidence-based policy and decision making supported by harnessing Big Data and Open Government Data, currently collected but left largely unused in policy development in NI. This type of big data analysis could also provide early intervention and prevention possibilities in other domains, for example in the case of looked-after children. As explored in the case study on Improving Educational Outcomes for Looked-After Children, there has been a lack of good monitoring data to date. With a focus on improving data quality and availability, the opportunity would then exist to take advantage of data analytics to help improve the targeting and outcomes of interventions (see Recommendation 6 above).

In order for Northern Ireland to realise fully the benefits associated with evidence-based service-design and delivery that includes effective Early Intervention/Prevention programming, NI needs to develop a clear strategy in this area. Hence, the government should consider the following recommendations.

**Recommendation 12. Establish a framework for the application of Early Intervention/Prevention as a building block for new social policies and programmes**

The ability to identify and act on factors that are shown to contribute to negative social outcomes is an important goal for Northern Ireland. To intervene early and mitigate these factors, Northern Ireland should:

- develop a holistic and comprehensive definition of Early Intervention/Prevention to ensure a common understanding and vision of what Early Intervention/Prevention entails in the context of Northern Ireland and the policies and programmes of its government
- ensure that all new social policies and programmes include criteria and indicators enabling the measurement of the application of Early Intervention/Prevention as part of their evaluation

**Recommendation 12. Establish a framework for the application of Early Intervention/Prevention as a building block for new social policies and programmes** *(continued)*

- use human resources tools, such as training, to further develop the capacity of NICS staff to learn and apply the concept of Early Intervention/Prevention, notably NICS staff responsible for the design and implementation of social policies.
- The case study on problem-solving justice observed that prevention is a domain that can benefit from better collaboration between departments, which should be promoted and monitored. Investments in education, health and social services can contribute to reduce crime and thereby prevent costs further down the justice chain. All three social domains (drug and alcohol abuse, mental health and domestic violence) would benefit from enhancing preventative measures.

**Recommendation 13. Strengthen data-driven analysis for improving service design and delivery**

The roll-out of the NI Open Data strategy and data-intensive digital initiatives such as the eHealth programme provide potential opportunities for using data in innovative ways for improving service delivery. To this end:

- build capacity and organisational support to move towards a data-driven culture within the Northern Ireland Public Sector
- develop centralised expertise, possibly within DFP, on open data and big data analytics, and greater engagement both internally and externally on the use of public sector data, as well as partnerships with the third sector and the private sector which have experience and expertise in this area.

The case study on Looked-After Children observed that the absence of good monitoring data and research has held back progress for Looked-After Children; it recommends that Northern Ireland invest in its capacity to monitor programme implementation and use data to identify areas of improvement.

### ***Digital governance***

Northern Ireland is well positioned to take advantage of the opportunities created by digital and innovative service delivery. Northern Ireland has taken impressive steps to develop its public services to better meet citizen needs and improve social outcomes. Northern Ireland's main challenges therefore lie in its ability to move from strategy and design for digital government to full implementation. From a service-delivery perspective this will require investments in order to realise the promises of digital government enabled service delivery improvements.

In Northern Ireland, DFP plays a central co-ordination role for digital activities through its Enterprise Shared Services (ESS) Directorate, which is responsible for whole-

of-government services in a number of areas including ICT across the Northern Ireland civil service. The ICT component of the initiative has been widely considered to be one of the most successful aspects of the ESS to date. By ensuring that the entire civil service has access to modern technology and interoperable platforms, it opens the possibility for the creation of greater value-added services for citizens and business.

Northern Ireland's Digital Transformation Service (DTS) is responsible for the central nidirect web portal ([www.nidirect.gov.uk](http://www.nidirect.gov.uk)) and the development of new online services, citizen contact centres, digital inclusion programmes and open data. DTS is mandated to implement the NICS Digital Transformation Programme (DTP) and its associated action plan under the framework of a "Digital First" strategy for new or redesigned services, launched in 2012. A Citizen Contact Strategy (CCS), launched in January 2014, also places significant emphasis on moving client contact to digital channels.

One of DTS' signature projects is the "16 by 16" initiative which aims to digitise 16 of the most popular government services by 2016. As the "16 by 16" initiative is implemented, the government has continued to press forward to reach its goal of delivering 70% of all citizen transactions with government through online channels by 2019 ([www.northernireland.gov.uk/news-dfp-270515-more-government-services](http://www.northernireland.gov.uk/news-dfp-270515-more-government-services)). In line with this objective, the CCS is aiming to ensure that all services comprising over 10 000 transactions per year meet the new "digital first" service standards in which digital online services are defined as the primary means of interacting with citizens or businesses.

As an increasing number of departmental services go online, interoperability and the principle of only providing information once become increasingly important. Without a focus on "digital by design" principles and interoperability of systems and databases, there is a genuine risk of siloed implementation. Though the CCS does provide an impetus for targets and for sharing good practices for digital service-delivery, ultimately, many of the implementation details are left up to individual departments. Without clear central guidance, co-ordination and standards, a decentralised process of targets and action plans could spur departments to rush to get something online at a superficial level, without engaging more deeply on the redesign necessary for true digital service delivery.

Digitisation will play a key role in the transformation of the public sector at large, given its potential to increase productivity and inclusiveness in service production and delivery. In the short term, this digitisation will be a precondition for ensuring sound fiscal policies; in the longer run, it will be equally important to maintain the public sector's credibility in terms of efficient and effective service delivery that is responsive to users' needs, thus nurturing public trust in governments' capacity to meet them.

However, caution is needed in extending the recourse to digitisation. The launch of new online services represents, in the minds of citizens, a singular opportunity to build a sense of momentum in the government's digitisation agenda. However, as it proceeds down this path, it will be important to ensure that online services are developed with a "digital by design" mind-set, not merely adding a layer of "digital paint" on top of existing processes.

The traditional view of public services is changing. In the past, public services were largely driven by supply. Today, new technologies and a more collaborative, open model of public-service delivery are creating an opening for users and society in general to

become active participants in framing, delivering and improving public services as they become more demand-driven.

Citizens' perspectives have become a crucial input when designing and developing public services ensuring that they accurately meet user needs and improve outcomes across society. Feedback from users, providers and indeed all stakeholders is pivotal in helping the public authorities develop a broader comprehensive picture of the reality of service delivery. Not only is this a vital input into the design, development and continuous refinement of existing and future services, but citizens' perspectives also stimulate innovation.

As Northern Ireland moves forward with online public services, it will need to be mindful of its region-specific challenges to digital services delivery. Within the United Kingdom, Northern Ireland has the lowest percentage of regular Internet users, estimated at 80%. Based on UK figures, it is also estimated that 1 person in 5 does not have basic digital skills and of these, 69% fall within the lowest socio-economic brackets. This entails that in many cases the segments of the population with the greatest need to access government services, particularly for health, welfare and social services, will have the greatest difficulty accessing digital services. However, Northern Ireland has deployed efforts to increase the number of its citizens who are active online through the Go ON Northern Ireland initiative which is partnering with libraries across Northern Ireland to provide digital skills training along with programmes specifically targeted at elderly residents through its "Silver Surfers" activities.

Across both the digital and innovation agendas, Northern Ireland has made important advances to improve service delivery by making use of international best practices. It is important that steps be taken to consolidate these efforts to ensure that they are supported by robust infrastructure and governance arrangements. This will be critical for Northern Ireland to reap the benefits from the investments it has made, and to create the conditions for its public sector to go further in the future. Recent collaboration with Estonia is a good example of such a practice.

In light of the above, the government should consider the following recommendations.

#### **Recommendation 14. Build stronger standards and accountability for digital services**

While the Digital First mandate and Citizen Contact Strategy provide good high-level guidance to push forward the development of digital services in Northern Ireland, given their decentralised model, there is a risk that the implementation could fail to meet expectations. Accordingly, Northern Ireland should:

- adopt a common and mandatory standard for all digital services being developed to ensure high quality and a user-centric development approach
- adopt and make mandatory the existing 18-point UK Digital Service Standard for any new services going on NI Direct
- adopt the Key Performance Indicators, used for United Kingdom's digital services, for all Northern Ireland's digital services, and build on the experience of Government Digital Services in developing their performance dashboard
- DFP should provide clear direction on the use of nidirect to improve public awareness of ways to interact with government online.

The case study on Delivering Social Change (DSC) recommends that OFMDFM seek opportunities to leverage digital technologies and social media to increase dissemination of information pertaining to DSC and in particular to build up citizen and stakeholder involvement in the initiative.

### Recommendation 15. **Strengthen centralised capacity for digital delivery**

Given the uneven distribution of technical skills and capacity across government, Northern Ireland should:

- establish a centralised expert team on service design and data analytics, perhaps within the DFP, to work with departments on the development of new online services.

### Recommendation 16. **Increase NI people’s access to online government services**

While there are consistent efforts underway to increase digital literacy in Northern Ireland, it still has the lowest percentage of regular Internet users in the United Kingdom. To this end, Northern Ireland should:

- sustain support to the Go ON Northern Ireland initiative and expand it with an increased focus on those within the lowest socio-economic brackets who have both the lowest levels of digital literacy skills and some of the greatest needs for accessing government services
- examine the role that libraries or mobile stops could play to expand digital literacy programmes as recent investments have been made in the Library system to upgrade IT infrastructures and enable Wi-Fi access
- engage third sector partners to provide digital literacy training, particularly to those who work with marginalised communities that are in the greatest need of upgrading their digital skills.

### Recommendation 17. **Enhance Northern Ireland’s international engagement in digital government and innovation**

Northern Ireland is well positioned to take advantage of growing expertise in innovation and digital service delivery both across the United Kingdom and internationally. The recent digital partnership agreement with Estonia is a good example of the typical international outreach that can help increase capacity within Northern Ireland. Similarly, Northern Ireland is part of a growing community of internationally based innovation labs. Therefore, Northern Ireland should:

- continue to work with the United Kingdom’s Government Digital Service, given its expertise in digital service delivery, and should include exploring an active interchange programme to further develop the skills and experience of key staff.

Seek opportunities to deepen its exchanges with other Innovation Labs, through peer to peer learning, work shadowing and short secondments, which are operating in a similar context in central governments, such as the United Kingdom’s Policy Lab, the French government’s *Futurs Publics* and Canada’s Innovation Hub.

## Improving engagement with people

Improving engagement with people is the second of Northern Ireland’s thematic priorities for the Review. Citizen engagement is an important contributor to policy and programme development and to their successful implementation. Public consultation is important because it provides a means to assess needs and evaluate priorities; it gives legitimacy to measures beyond the electoral cycle and provides a framework for accountability. An effective accountability regime contributes to responsive government by enabling performance information to be used to adjust policy and programmes to better reflect the needs of citizens and achieve results that, with greater measure, improve people’s lives.

### *Citizens’ engagement*

Though recognized as an important part of the policy and programme development process, citizen engagement in Northern Ireland should constitute an area of renewed focus across the NICS and the public sector as a whole. Though stakeholder engagement is both an identified best practice and a legal requirement under Section 75 of the *Northern Ireland Act*, there is considerable evidence that actual practice is at best uneven.

Citizen-engagement practice in Northern Ireland is supported by a number of tools which serve to guide departments in their use of consultations as part of the policy development process. The existence of these tools suggests that stakeholder engagement is recognised as a core part of policy making and its key principles are well-understood. It does not, however, guarantee that it is effective. In fact, the large number of guidelines and manuals, at times, generate inconsistencies between practices. That said, Northern Ireland should build upon its existing practice of engaging citizens successfully in the design, formulation and improvement of public services, and extend the applicability of this approach to all policy areas and in all departments.

Northern Ireland’s efforts in this area have moved beyond the traditional public consultation process to engage individuals across society in a discussion about the services that they need and want. One of these being discussed is the co-design methodology, which is being developed through Northern Ireland’s Innovation Lab. In the dawn of these initiatives however, and crucially, it is not yet possible to see how the findings from user engagement will influence the nature of the services being delivered and, most importantly, the outcomes that will be achieved through the delivery of these services. It is nevertheless encouraging that user engagement is taking place; NI should ensure that results are introduced into the next PfG.

Achieving more effective citizen engagement will also necessitate consolidating and building on the pockets of innovative activities that are already underway. This will require demonstrating the impact of current efforts by ensuring that citizen input leads to tangible results in improving the services citizens use. It also requires harnessing current efforts to implement more innovative, collaborative user engagement across the public sector. Both of these actions require a capacity to act and implement, but more fundamentally they require a cultural shift across the entire public sector – up and down service delivery chains – to embrace a more open model that sets citizens and their experience at the centre of policy making.

There is considerable scope in NI to broaden the number of actors involved in citizen engagement. The Northern Ireland Assembly, given its strong linkages to communities

through its Members of the Legislative Assembly (MLA), is already playing an important role in connecting the public to the government and politicians, but the Assembly could be playing an even greater role in this area. Local governments may also be asked to take on a more important role, given their new responsibilities over community planning. Organisations in civil society, such as the Joint Forum, are also well positioned and could be instrumental in building linkages between government and citizens. And as noted above, digital government is opening up new avenues for engagement with citizens as part of a move away from traditional processes, such as formal public consultations, toward more innovative co-design methods.

Currently in Northern Ireland social media is being used primarily in a limited way to push information out, with little active dialogue and engagement or monitoring of social media discussions related to service delivery. In some areas, social media and other tools for online citizen engagement are not being used at all –, as discussed in the case study on the Delivering Social Change Framework. Approaches that make use of digital technology are often efficient and effective as they enable the public administration to consult a broad spectrum of users in a relatively cost-efficient way. For Northern Ireland, digital tools may be one way to re-invigorate traditional consultation and feedback processes.

In Northern Ireland, citizens are engaged through regular surveys, such as the Omnibus Survey, which collects from a representative sample of the population information on various data (income, household) as well as preferences, opinions and behaviour. The administration also uses arm's length representative bodies to link together the government, the community and the public. The Patient Council and the Youth Council are two examples of organisations that are supported by government and engage users in policy development.

Yet digital technology has the potential to create new and vital opportunities for user feedback. Across the OECD countries, user monitoring services have developed so that service users can provide direct feedback on their satisfaction with public services. These methods provide the public sector with an understanding of how their services are performing, where opportunities for improvement lie, and where communication between the public administration and citizens can be improved. Hence, looking to the future lies an uncluttered scope for innovative methods to be applied to enhance “citizen-centeredness” of service design and delivery. In light of the above, the government should consider the following recommendation.

**Recommendation 18. Foster a culture change to strengthen citizens’ engagement and improve dialogue with key stakeholders, notably from the community and voluntary sectors**

To this end, Northern Ireland should:

- deepen stakeholder engagement to create better policies and promote legitimacy, instead of mere compliance with rules and procedures
- institutionalise citizen engagement throughout the whole policy cycle: undertake stakeholder engagement early in the policy-development process, and later evaluate the effects of policies, going beyond simply assessing if the policy was implemented, but evaluating in fact the impact it is having on the achievement of results and outcomes
- use new opportunities to strengthen stakeholder engagement with organised groups (i.e. trade unions, community and voluntary sector), and with the general public, for example, through the community planning function of local councils
- use the Joint Forum to discuss the changing relationship of civil society with government and how this affects the policy advocacy role of the sector in light of its increasing focus on public service delivery. Strong commitment to the engagement should be shown through senior level representation in the Forum
- leverage new forms of citizen engagement, such as social media or Open Government Data. The government should continue to experiment with ways of using social media in the public sector – to both actively engage with citizens and monitor feedback from key stakeholders
- develop a co-ordinated approach to the use of social media with a particular focus on measuring the impact of social media usage and building a community of government social media practitioners to facilitate the sharing of lessons learned between organisations.

The case study on Delivering Social Change recommends that OFMDFM and its partners establish a citizen engagement strategy coupled with specific measures to increase the contribution of citizens and stakeholders in the future development of DSC, including consideration for a role in identifying priority areas of the Signature Programme. It recommends that the Joint Forum be used as a platform to discuss which measures could be implemented and to engage civil society organisations as partners to reach out to a wider population.

The case study on problem-solving recommends that strong community engagement and participation be an important element in the continuation and expansion of problem-solving justice approaches.

The case study on commissioning for health services recommends that:

- health commissioning bodies systematically engage with all relevant health system stakeholders, the public, service users and the third sector, to help shape services
- health commissioning drive improvement by requiring patient, stakeholder and public engagement and using the results to inform the allocation of resources.

### *Openness, transparency and accountability*

Openness, transparency and accountability are three essential principles of good governance; their presence contributes to the effectiveness of governments and promotes trust in government. Northern Ireland can count on institutions which exist to support all three.

At the governmental level, Northern Ireland's accountability institutions, the NIAO and the Assembly, all play a meaningful role in ensuring that the Government of Northern Ireland is accountable to citizens and the legislature. The Assembly, through its committees, plays an important accountability role through the examinations of departmental activities. However, the Assembly could enhance its role as an accountability institution by contributing more deliberately to policy development, such as through policy studies, and by providing a function of challenge to the proposals that are developed by the Executive's departments.

The NIAO for its part is regarded as effective in providing feedback on the evaluation and monitoring of government programmes. However, going forward, there is a need for the NIAO to move away from its compliance-based auditing approach towards one that focuses on outcomes. This should entail the NIAO to take on a more proactive role in monitoring the government's progress on achieving its PfG outcomes. NIAO should also seek to enhance its capacity to communicate with the Assembly on a proactive basis.

At the level of citizens, the Information Commissioner's Office (ICO) and the Equality Commission both play an important role in protecting citizen's statutory rights. Where the ICO plays a monitoring and compliance role, the Equality Commission plays a dual role in promoting equality of opportunity and overseeing statutory equality duties. The Ombudsman's Office protects citizens against maladministration.

One area where Northern Ireland needs to improve is in its participation to the Open Government Partnership (OGP), notwithstanding the government's pronouncements to this effect. DFP officials have been engaging with the recently founded Open Government Network (OGN) for Northern Ireland on possible commitments under the third UK Open Government Action Plan. This presents an opportunity for the Northern Ireland Executive to engage in a dialogue with civil society about public-sector reform, based on the principles of open government, and play an active role in the forthcoming Action Plan.

The link between Open Government and accountability stems from the need to ensure that lines of accountability are discernible and clear, and performance indicators and data are measurable, available, accessible and comprehensible to all: government officials, MLAs, CSOs, citizens, and businesses. In the broader perspective, accountability stems from the ability of citizens and businesses, indeed any and all stakeholders in society, to assess the performance of public institutions on the basis of timely and up-to-date information

The awareness of the need to link accountability to outcomes is already strong in the public sector, for example through the adoption of outcomes-based accountability. However, continuing down this path will require increased attention to what information is being collected and how it can be used to improve governmental performance and societal outcomes. Hence, NI should:

### Recommendation 19. **Strengthen transparency and accountability mechanisms to build trust and to create better outcomes for people**

Openness, transparency and accountability are increasingly seen as key to good governance. Therefore, Northern Ireland should promote these principles and :

- take advantage of United Kingdom’s participation in the Open Government Partnership to commit to broader open government reforms and work with the newly established Network on Open Government to define priority areas for reform
- promote transparency and openness at the level of local governments. In particular, use the community planning function to ensure that citizens contribute to and understand the reasons for decisions with regard to policies and services and that these are based on publicly available evidence
- develop a whole-of-government approach on transparency and on how to handle government information responsibly in partnership with the media, the Office of the Information Commissioner, and departments
- enhance the role of the Ombudsman in the area of promoting openness and citizen engagement, working directly with civil society, and analysing public governance challenges to propose and monitor reforms that enhance open government.

The case study on commissioning for health services recommends that governance arrangements for health commissioning be reconsidered to enhance accountability to the public.

## Improving operational delivery of services to citizens and businesses

Improving the delivery of public services is NI’s third and final priority theme to be examined under the Review. It constitutes a goal being pursued by governments at all levels across the OECD. Faced with changes and challenges stemming from demographic, societal and economic factors, governments do not have any choice whether to change and adapt. Yet evidence gathered as part of this review suggests that Northern Ireland’s public sector is not meeting expectations in terms of public service delivery.

### *Restructuring for more effective government*

Good governance relies on a matrix of government institutions that have been established over time in the pursuit of specific public policy objectives and in the delivery of public services. Northern Ireland’s governance institutions have evolved to reflect the changing mission of government and the needs of the population. As is the case in several OECD countries, Northern Ireland has reviewed these institutions and taken steps to restructure them to improve the efficiency and effectiveness of public administration at the local and central government levels.

Effective 1 April 2015, local government amalgamation was implemented in Northern Ireland and follows earlier reforms in the area of health and social care. Through this process the number of local councils was reduced and significant new powers were transferred to them from the central government, thereby increasing the role

and responsibilities of this level of government in the provision of public services. Northern Ireland is pursuing local government reform to improve service provision, achieve cost reductions, and improve coherence between mandate, public interest and services provided by public institutions. Of perhaps greater significance is the impact that has had, on Northern Ireland's governance accrual, the decision to transfer the responsibility for community planning to local councils. This marks an important change in how government and citizens interact as this new responsibility is widely expected to lead to greater community engagement in local affairs, with the potential for impacts beyond local government.

The restructuring of departments pursues the same gains in effectiveness and efficiency as those pursued in local government reform. Announced in March 2015, departmental restructuring will lead to the reduction in the number of departments from the current 12 to 9 starting with the election of the new Assembly in 2016. As departmental restructuring has yet to take effect it is difficult to state definitively whether these changes will result in both savings and improvements in efficiency and effectiveness. However, beyond the reduction in administrative structures, the greater benefit to accrue from departmental restructuring stems from improved coherence in departmental mandates and responsibilities. Furthermore, the reduction in the number of departments should contribute to greater coherence within policy areas by eliminating institutional barriers in sector-specific programming (e.g. in education, where a single department will now be delivering most of the programming).

A common element in the decision to restructure both local governments and executive departments is that these were achieved in a consensual manner across Northern Ireland's political and community fault-lines. Instituted in 2015, the much-delayed amalgamation of Northern Ireland's five Education and Library Boards under a single Education Authority (ESA) highlights some of the difficulties which lie in the future as more politically sensitive areas of public administration face reforms. Crucially, political agreement between the members of the Executive will be necessary to continue down the path of reform, especially as hard policy and political choices are likely to be necessary in light of further anticipated constraints in Northern Ireland's fiscal resources.

As noted above, the decision to re-organise the structure of departments could contribute to improve the efficiency and effectiveness of government. Though a period of adjustment can be anticipated, both within the NICS and outside, as clienteles adjust to new responsibilities, this also constitutes an opportunity to leverage other policy and administrative improvements in citizen-centred services.

Northern Ireland's institutions of government reflect both the evolution of the role of government and the needs of the population. While Northern Ireland faces certain constitutional constraints in terms of the organisation of its government, this should not preclude an on-going and dynamic process of examining the institutional structure of its public sector to ensure that it is organised in a way that optimises its ability to deliver on its mission in the most effective and efficient way possible. Doing so should be a process that is dynamic and open to the broadest array of stakeholders as deemed possible.

### *Harnessing innovation, users and the third sector to improve service delivery*

Beyond its institutional dimension, improving operational delivery of services entails rethinking the means of service delivery to ensure better responsiveness, better quality, and more value for money in public services that actually improve people's lives. To this end, third-sector organisations can be a valuable resource for service delivery. They can

bring specialised expertise in particular issues, local knowledge that helps government better understand user needs, and a new perspective to stimulate innovation. Governments across the OECD are increasingly recognising the value of the third sector, alongside the acknowledgement that the public sector cannot operate alone if it is to be able to meet society's demands. This is reflected in greater collaboration for service delivery, with more partnerships and efforts to support the development of the social enterprise market.

While there seems to be a political opening toward new types of delivery models, this has been largely limited to commissioning and payment by results. The experience of commissioning discussed in the case study on health services in Northern Ireland highlights the challenges of getting commissioning right. Northern Ireland will also need to consider the type of third-sector organisation to involve in service delivery: experience in OECD countries suggest that these kinds of contractual arrangements tend to benefit larger and/or private sector organisations at the expense of smaller NGOs.

User engagement and harnessing results of delivery-experimentation and innovation initiatives (notably through the innovation lab discussed above) can all lead to improvements in the operational delivery of services to citizens. To optimise the ability to take advantage of the potential impact that innovation has on service delivery and on user engagement and partnerships with the third sector, the government should consider the following recommendations.

**Recommendation 20. Support the NI Innovation Lab as it seeks to develop its full potential through departmental ownership, skills development, active user and sponsor-department participation in lab sessions, and impact measurement**

Northern Ireland's Innovation Lab is an impressive example of how the government is nurturing innovation in the public sector. To support its development as a powerful source for achieving change across Northern Ireland's public sector, Northern Ireland should:

- Ensure that NI Executive departments gain ownership of the Lab through a financial contribution or by providing strategic direction to it.
- Distribute the cost of the Lab across all department budgets at the start of the next PFG and mandate a junior minister or senior civil servant from each department to sit on the Lab's board.
- Ensure that the Lab can move beyond the traditional skill set of civil service to employ such new techniques as ethnography, design and prototyping to help demonstrate the uniqueness of its approach compared with the rest of government, through:
  - informal 'shadowing' during a Lab project to help Northern Ireland's civil servants develop the skills mentioned above
  - involving the sponsor department in an active manner in the whole lab process to fully exploit the learning opportunities (and result in shared outcomes)
  - actively engaging users as Lab participants, both frequently and extensively across the full policy cycle
  - ensuring that the Lab continues to involve service-users actively in its projects at all stages of the process so that it does not just merely involve them in defining and researching an issue but as alternative options are articulated toward resolving the issue, thereby obtaining feedback, re-developing and refining until the ultimate solution to the issue is disclosed.
- Use indicators to measure the Lab's impact. Indicators should range from simple output indicators that measure the Lab's activity (e.g. number of lab projects conducted, number of departments engaged with) to more outcomes-based indicators on how the Lab is affecting change in government (e.g. by asking sponsor departments to evaluate their experience, how it changed their perceptions, track the Lab's recommendations, etc.). This should be complemented by outcome-based indicators that measure the impact of the Lab's activities on service delivery.

**Recommendation 21. Pursue the restructuring/rationalisation of Departments in the Government of Northern Ireland, and the implementation of the restructuring/amalgamation of local governments, and monitor impact against results over time**

- Develop an assessment framework, including a small number of performance indicators, to assess after a suitable period (say, five years), the impact of this restructuring on, for example:
  - the efficiency of decision making from the citizen’s standpoint
  - the effectiveness of service design and delivery, including on the quality of services, their delivery, and the impact of the restructuring (including the resulting savings in human and financial resources) on the achievement/improvement of results/outcomes for people
- Use this performance information as input into decision making on whether and how to adjust course/pursue further restructuring/rationalisation initiatives.

**Recommendation 22. Mainstream innovative approaches across government and the wider public sector by fully utilising existing networks and pockets of innovation in service design and delivery**

Reinforce these efforts through political leadership and commitment:

- Use the Innovation Lab as a springboard to increase awareness of innovative approaches and develop capacity across the public sector to service design and delivery.
- Develop a general policy for user engagement across government. The policy should outline expected standards, procedures, and elements to ensure coherence and co-operation across departmental boundaries.
- Obtain political leadership and commitment so that the outputs of innovative approaches (e.g. from the Innovation Lab’s projects) can be implemented across different policy areas.

The case study on Looked-After Children observed that a number of promising policies and programmes have been identified but that the evidence base is not robust, and recommends that the value of these innovations be assessed to identify and share information on what works, for whom and under what circumstances they can be applied.

The case study on commissioning for health services observed that there is a need to encourage a more ambitious, more proactive approach, creating an environment of innovation, experimentation and learning to help inform the direction of future Commissioning Plan Directions, and recommends that the commissioning process encourage adaption and improvement, recognising that it rarely “gets it right” the first time.

**Recommendation 23. Use Northern Ireland’s innovative user-engagement exercises to identify demonstrable results on how citizens’ input has been used to shape public services, and engage “early movers” in this field to share experience and practice across the public sector, notably the NICS, on what user-engagement means and the potential impact that it can have on improving service design and delivery**

- In so doing, continue to review NI public-administration bodies with a view to improving their responsiveness to the needs of the population while delivering more efficient, effective, and quality public services.

### Recommendation 24. **Support third-sector capacity in partnering on service delivery**

Providing Northern Ireland’s population with the best public services that the public sector can does not mean that the public sector needs to act alone. The third sector has invaluable local knowledge, expertise and networks that can be tapped into to help deliver public services in partnership. To harness this potential, open up opportunities for third-sector engagement in service delivery:

- consider how Northern Ireland can invest in third sector capacity so that it can meet delivery needs
- review public procurement processes to ensure that different service delivery models can be tested
- shift Northern Ireland’s role to one of “investor” (rather than a “giver”) to community groups, and design service delivery models that facilitate third sector participation, while investing in capacity through seed funding and skills development
  - clearly articulate expected outcomes (in return for the provision of funds) and support capacity-building in the third sector for service delivery
  - invest in training in the third sector on financial management, demonstrating impact and business growth
  - provide seed funding to facilitate the growth of the social impact investment market to help increase the availability of capital providers to social organisations.
- use the Innovation Lab as an institutional setting for a more collaborative approach to commissioning, and to provide the springboard for implementing the technique across other areas of government
- provide incentives for greater inter-community engagement within civil society. The community sector’s close links to the local level means that it is well placed to help support interaction across different communities. Northern Ireland should:
  - promote activities that challenge rather than reinforce the status quo, and
  - provide incentives for partnership and co-operation across community divisions as part of government investment and purchasing to deliver services more efficiently and effectively.

The case study on healthcare commissioning recommends:

- facilitating the third sector’s role as a partner in healthcare service delivery through a more collaborative approach to commissioning, opening up service delivery opportunities, and investing in the third sector to develop its professionalism, capacity and capability
- making greater use of collaborative commissioning by involving third-sector organisations in deciding what public services are provided and how they are delivered.

### ***Procurement reform***

Across the OECD, governments have focused on procurement as an area where process and procedural improvement can increase the effectiveness and efficiency of governments. The Review finds that substantial progress has been made in improving the context for public procurement in Northern Ireland. Strategic plans focusing on establishing governance structures and a professional approach (2002-05), pursuing value for money (2005-08) and driving economic sustainability through public procurement (2008-11) indicate a sustained interest and focus on public procurement reform. While the procurement process in Northern Ireland has improved, it reflects issues that have been identified in other areas of the Review such as lack of stakeholder engagement, institutional barriers, and lack of political or senior level attention and direction.

While efficiency and cost effectiveness are among the primary objectives of public procurement, governments increasingly use this purchasing power as a policy lever to support various secondary objectives such as green growth, the development of small and medium-sized enterprises, or innovation. In Northern Ireland this approach has been part of procurement policy since 2005 and social clauses have been included in construction contracts in Northern Ireland since at least 2008. Northern Ireland's commitment to using public procurement as a means of pursuing social goals is a key part of the 2011-15 PfG. Other actors have also played a role in the advancement of social objectives through procurement.

Though the Review finds that the focus on incorporating social clauses has yielded positive outcomes in some cases, these successes have not been consistent across departments or projects with successful use of social clauses often dependent on high level departmental support. To improve outcomes in the pursuit of social objectives through public procurement, elevation of the importance of the issue and its inclusion early in the commissioning process should be pursued.

#### **Recommendation 25. Identify and empower owners of social policy objectives in public procurement**

- Ensure on-going, high-level commitment to better integrate social objectives in the planning and commissioning phases of more procurement processes.
- Develop and make available expertise to commissioning and procurement officials as they undertake their work.
- Clarify the role and remit of procurement officials to ensure appropriate inclusion during the planning and commissioning process.
- Develop the necessary expertise, collect and share successful examples and best practices within the Northern Ireland, and cultivate additional relationships with neighbourhood, local and regional organisations that can assist in identifying proposals for social outcomes that are truly welcomed by and beneficial to the targeted communities.

### Recommendation 26. **Strengthen Northern Ireland’s governance in its procurement function**

The case study on public procurement recommends that DFP should:

- evaluate, with relevant stakeholders, agenda-setting for the Procurement Board
- address perceived risk aversion to empower innovative decisions
- develop further the role of officials responsible for commissioning procurements
- leverage existing successes as pilots to cross silos
- clarify and harmonise the roles of relevant stakeholders in the commissioning and delivery of major infrastructure projects.

### ***Streamlined regulation and processes***

In Northern Ireland regulatory simplification has been recognised as a priority area for government and is currently the object of a well-designed strategy, the Northern Ireland Better Regulation Strategy, which includes elements identified as good practice by the OECD. However, despite progress made in regulatory simplification, parties affected by regulation perceive little change in the regulatory environment.

Northern Ireland’s Better Regulation Strategy is primarily concerned with regulatory policy and processes as these impact on the business sector (including voluntary organisations, charities and social enterprises) with the primary objective of stimulating the economy through a business environment which is attractive to new investors and increases competitiveness for existing businesses. It is an on-going effort on the part of government to streamline and simplify the regulatory process.

Ensuring that regulations are coherent with the government’s strategic vision engages the same processes as policy-setting and planning in other areas: proposals are assessed, decided upon, implemented and evaluated. The process of regulatory streamlining and simplification should follow the same path. Regulatory policy is an area of horizontal policy which cuts across different policy subject areas and regulatory authorities. It addresses the justification for intervention by public authorities and the means of intervention, as well as the effectiveness of regulation in achieving policy aims.

However, as in other areas of policy, Northern Ireland’s efforts in regulatory reform have been hindered by a lack of co-ordination and cross-departmental co-operation. Therefore, as in other areas, Northern Ireland needs to put in place mechanisms that will foster a whole-of-government perspective on regulatory reform. In doing so Northern Ireland could reference international examples such as Canada’s Regulatory Affairs Sector, which lies within a CoG institution, the Treasury Board Secretariat, or the New South Wales’ Department of Premier and Cabinet, responsible for the State’s Better Regulation initiative.

In addition, policy reviews of existing regulation in Northern Ireland have produced some notable initiatives in streamlining regulation which are highlighted in the Better Regulation Strategy annual reports and in the review of business regulation. Northern

Ireland has also adopted the practice of regulatory stock reviews. However, Northern Ireland’s approach to regulatory stock reviews has not been systematic to date. In this regard the Review of Business Red Tape recommended a rolling programme of reviews, with regulations being review every seven years. Northern Ireland should follow this advice. In addition, the NI government should:

**Recommendation 27. Establish a whole-of-government strategy for better regulatory quality, covering the regulation of businesses, citizens and the public sector**

- Extend the application of the better regulation principles and tools, adapted if necessary, to regulation which places obligations on citizens and on the public sector itself (“Regulation Inside Government”), as well as the regulation of business.
- Extend the application of the better regulation principles and tools to all public sector bodies with regulatory responsibilities, inclusive of the executive departments, local councils, and other public bodies.

**Recommendation 28. Establish a Better Regulation Unit (BRU) within the OFMDFM with responsibility to monitor and maintain momentum in the streamlining of regulation as well as developing ongoing regulatory policy tools to assist this effort**

Assign responsibility to the BRU for:

- providing guidance to Executive departments, local councils and other public bodies with the delivery of their commitments under the regulatory stock review programme, providing both support and constructive challenge
- planning, design, and implementation of the extended scope of better regulation strategy and tools to cover all sectors affected (citizens, businesses and within the public sector)
- monitoring progress and reporting to the First Minister and Deputy First Minister on the achievement of regulatory reduction targets
- executive departments, local councils, and other public bodies which should be responsible for reporting to the BRU for their delivery under these programmes.

The FM and DFM should report annually to the Northern Ireland Executive and Assembly on results in pursuing reductions in regulatory burden and cost.

**Recommendation 29. Establish a programme of targeted streamlining of the regulation of businesses, citizens and the public sector itself**

Launch a rolling programme of regulatory stock reviews of priority areas identified in the PfG and covering all three targets of regulation: citizens, businesses and the public sector itself.

- apply regular regulatory stock reviews to all the executive departments, and also regulatory practice in local councils and other public sector bodies
- base measurable targets for reducing the cost and burden of regulation on the Standard Cost Model for the regulation of businesses, adapted measures for citizens, and cost savings for the public sector itself
- make Ministers accountable for achieving cost and regulatory burden reduction targets within their portfolios (ministerial departments and other public bodies)
- as accounting officers, make Permanent Secretaries responsible for implementing streamlined regulations using centrally-defined methodologies and tools and in line with whole-of-government programmes. For non-Executive departments, this responsibility should lie with the Chief Executive Officer or equivalent.

### Conclusion: On staging, sequencing and implementing reform

Over the years the OECD has collected and analysed data, peer-reviewed the policies of member countries, identified good practices and given advice on public governance reform. It has worked with both member and non-member countries to advance reform in this area and has articulated strategies for designing and implementing approaches to public governance structures and decision making that effectively and efficiently advance national interests in growth, development, jobs, taxes, education, competition and, more recently, innovation. The potential for structural and institutional reform to enhance long-run productivity and growth has been highlighted by a large and growing body of OECD work.

Increasingly, though, governments underline that effective policy is not only about “where to go” but also about “how to get there”. In response, in 2007, the OECD began to look systematically at the political economy of reform and to discuss this dimension in Committees and the OECD’s Centre of Government working group. Almost all OECD countries face medium- and long-term structural challenges in the context of global imbalances, climate change and population ageing. The recent financial and economic crisis has underscored the relevance of governments’ capacity to realise structural reforms, and the need for better governance including better regulation, co-ordination and decision making based on sound evidence, and clearly point in the same direction.

While the content of reforms may differ from country to country and from domain to domain, institutional and governance approaches have become possibly even more country-specific. The OECD certainly acknowledges that there is no “one-size-fits-all” for public sector reform. One issue raised regularly in debate on public-governance reform is the relative merit of quick “big bang” actions and more gradual, incremental progress. One argument in favour of big-bang reforms is that resistance to further activity

might be overcome by using windows of opportunity and packaging diverse changes in a single, politically attractive package. Arguments in favour of incremental reform suggest that dialogue and the development of competencies enables feedback on incremental measures and reduces the risk of failure over the medium term.

For the government of Northern Ireland, as elsewhere, the choice between these two approaches is a question of political judgement that is context-dependent. That being said, there are six broad lessons that the OECD has identified from its current work in this area that might serve the government of Northern Ireland as it sets its course to pursue its public-administration agenda in its upcoming PfG. These are:

- **Set priorities.** Reforms often have many dimensions, with differing degrees of priority. Choose wisely, based on evidence and how best to achieve policy objectives.
- **Create a clear roadmap.** The government needs to be clear about the path it will follow and about how best to sequence key steps along the way. Clearly identify “winners” and “losers” of a reform initiative. “Losers” need to be acknowledged and their losses taken into account.
- **Focus on implementation, and maintain flexibility in pursuing it.** Capacity for reform implies the ability to sustain it over time while assessing progress regularly. The system has to remain flexible and has to adjust reform paths to evolving conditions. It has to focus its communication on the outcomes of reform. Citizens are generally not very interested in public governance reform – unless it affects such fundamental services as health-care and education. Communications should therefore focus on improvements and positive, outcomes-related impacts.
- **Exploit windows of opportunity.** Crises offer opportunities to innovate and fix problems, identify and seize opportunities to address deficiencies.
- **Leadership.** Virtually all assessments of public governance reform stress the importance of strong leadership. Many also point to the need for government cohesion in support of reform: if the government does not speak with a single voice around a reform proposal – and medleys forcefully in its favour – it will send mixed messages around the government’s commitment to it. Leadership is as collective as it is individual.
- **Communicate.** A plan should be developed around which to plan and execute communication activities aimed at explaining to governmental and non-governmental stakeholders the actions that are to be taken as part of public sector reform and the timeline for rolling out the reforms.

The final recommendation below seeks to address these points.

**Recommendation 30. Northern Ireland should assign responsibility for implementing these recommendations to a dedicated project office (perhaps styled as a Delivery Unit) located within the OFMDFM, co-led by the OFMDFM and the DFP**

- The project office should be headed jointly by a senior official from OFMDFM and from DFP. The project office, in turn, should be made-up of civil servants seconded from all executive departments as well as from major non-departmental bodies, such as the Health and Social Care Boards. The personnel selected for the project office should be of sufficiently senior rank to enable them to engage their respective departmental leadership effectively.
- The project office should report to an Implementation Committee composed of Permanent Secretaries and the heads of major non-departmental public bodies and chaired by the Head of the Civil Service.
- The Implementation Committee should report to the Executive through the Head of the Civil Service. The Executive should be the final decision-making body with regard to implementation.
- The Implementation Committee should report on progress to the Executive on a regular basis, either bi-annually or annually, on both outputs and outcomes being achieved through the reform-implementation process. This performance information should inform PfG and Budget planning.
- The Executive should report annually on progress to the Assembly and people of Northern Ireland.
- Permanent Secretaries, collectively as a group and individually within their responsibilities for their department, should be held accountable through their annual performance-appraisal process for the implementation of reform plans and actions approved by the Executive.
- Performance agreements for all project office personnel, permanent secretaries, and the Head of the Civil Service should make explicit reference to the realisation of key reform deliverables.

In the course of this Review, the OECD made a number of findings and observations which frame its recommendations:

- The near-term environment in which Northern Ireland's government makes decisions will likely not change markedly. Fiscal pressures arising from restricted growth in the DEL Budget will continue to affect the ability of the government to design and deliver quality public services on a sustainable basis.
- Employment and wealth creation in Northern Ireland will also likely continue to lag behind other regions of the United Kingdom; reductions in public spending and staff could further slow the rate of economic growth.
- Community fault-lines will continue to be a factor in defining Northern Ireland's society. To this are added demographic factors similar to those faced elsewhere in Europe: the ageing of the population, growing multi-ethnicity, and growing

inequality in socio-economic conditions whether relating to income, educational attainment or health status. At the same time community bonds are being redefined through social media and other non-traditional sources of social-capital formation.

- Civil society and other non-governmental actors are increasingly present as providers of services. As trust in government wanes across Europe and elsewhere, citizens will increasingly look to civil society and the private sector as partners in meeting their needs.
- The public sector is uniquely placed to address these factors, in Northern Ireland as elsewhere, though doing so successfully will require it to change. This Public Governance Review argues the proposition that to address these challenges successfully, Northern Ireland's public governance arrangements need to evolve.

As stated at the beginning of this assessment, sound public governance – the ability of a government to identify and plan strategically to address existing and emerging multi-dimensional policy challenges using sound evidence, mobilising internal and external resources, starting with citizens, to execute these plans efficiently and effectively with services that actually improve outcomes for people, and use and communicate robust performance information to adjust course if results are not being achieved properly – can help position Northern Ireland to achieve its aim of improving public services to meet people's needs, thereby enhancing its ability to improve multi-dimensional outcomes for citizens and businesses over time. Not doing so might simply lead to drift and to the long-term worsening of the challenges that the government and people of Northern Ireland so fervently wish to see resolved.

## *Chapter 1*

### **Context: Public governance in Northern Ireland**

*This chapter discusses the context for Northern Ireland's public-sector reforms and the economic, social and political factors which underpin them. The need for reform primarily results from fiscal pressures exerted on Northern Ireland's budget from reductions in transfers from the national treasury.*

## Introduction

Northern Ireland is a region within the United Kingdom whose population of approximately 1 846 863 amounts merely to 3% of the United Kingdom's total population; it is the least populous of the United Kingdom's four regions (Northern Ireland Statistics and Research Agency [NISRA], 2015a). Though the global economic downturn did not initially strike Northern Ireland with the same force as it did the Irish Republic or Great Britain, its economy fell into recession in tandem with both, resulting in 24 consecutive quarters of negative or negligible growth starting in the third quarter of 2007 (NISRA, 2015b, p. 3). The recovery of the Northern Ireland economy remains fragile and economic activity remains below the peak level recorded prior to the recession (Department of Enterprise, Trade and Investment [DETI], 2014a). Economic activity in Northern Ireland, measured by gross value added (GVA) reached an estimated level of GBP 32 814 million in 2013 (the last year for which complete figures are available), representing GBP 17 948 per capita GVA, the third lowest per capita GVA among UK regions (only Wales and the North East had a lower per capita GVA) (DETI, 2014b).

Economic activity in Northern Ireland relies to a significant extent on the public sector, a sector which represents approximately 30 % of all economic activity (measured by GVA) and 30 % of all employment (NISRA and National Statistics, 2015). Peaking in March 2010 at 224 610 employee jobs, employment in the Northern Ireland public sector decreased by 5.5 % (minus 12 440 employee jobs) to 212 800 employee jobs in December 2014, though public sector employment reached its low point of 210 220 employee jobs in the previous quarter (NISRA and National Statistics, 2015).<sup>1</sup> By comparison private sector employment peaked at 510 880 in December 2014 from a low point of 474 800 employee jobs in March 2012 (all figures unadjusted).

The *Belfast Agreement* (also termed the *Good Friday Agreement*) and the *Northern Ireland Act 1998* form the basis of the constitutional structure in Northern Ireland (Northern Ireland Office, 1998) (UK Government, 1998). Northern Ireland's governance is founded on the institutions and principles of the Westminster model of parliamentary democracy, though with a single chamber (unicameral). Like other regions of the United Kingdom its governing institutions are divided between the executive, legislative, and judicial branches of government, with the executive drawn amongst the sitting members of the legislature. The fusion of the executive and the legislative branches is typical of the Westminster model. In Northern Ireland, this takes on an added dimension as the 1998 *Belfast Agreement* establishes for the region democratic institutions and an executive authority that recognises and includes within it representation from both communities and all major political parties (see Strand I of Northern Ireland Office, 1998).

Northern Ireland's Government faces significant challenges as it must not only ensure good governance for the region, but work to consolidate peace and stability. All stakeholders, whether in the government, private or non-governmental sectors are keenly aware that the way forward rests on still-fragile footings and that cross-community collaboration is central to sustaining the peace.

Northern Ireland is not isolated from the economic and social forces that are shaping the United Kingdom, Ireland, and the broader industrialised world. While the post-recession period would be challenging for any government, it is even more complex for the Government of Northern Ireland given its constitutional arrangements. To date the choices made by the Government of Northern Ireland, captured within its PfG (Northern

Ireland Executive, 2011a) and the *Stormont House Agreement*, demonstrate an understanding of the need for reforming the public sector that stems from a combination of exogenous and endogenous factors. The Northern Ireland Executive is responding with a public-sector reform agenda (Northern Ireland Executive, 2014). In light of this, this introductory chapter focuses on:

- **Northern Ireland’s government and institutions:** For the purpose of grounding the discussion of public governance within the region, the discussion will place particular emphasis on the region’s political institutions, its public sector, and the presence of the non-governmental sector as contributors to governance in the region.
- **Northern Ireland’s public-sector reforms** are discussed in light of the factors that have caused the necessity for such reforms, the nature of the changes that have been proposed and that are being implemented, and the results that are anticipated from these reforms as well as where these fit within the broader vision for the region’s future.
- **Public-sector service delivery**, with a particular emphasis placed on how Northern Ireland’s public sector is doing in delivering services to citizens. This discussion will consider issues of effectiveness and efficiency in improving outcomes.

## Governance factors affecting public administration in Northern Ireland

### *Constitutional and institutional evolution*

Table 1.1. **Chronology of constitutional agreements in Northern Ireland**

Agreement	Date
Sunningdale Agreement	December 1973
Belfast Agreement	December 1998
St Andrews Agreement	May 2007
Hillsborough Castle Agreement	February 2010
Stormont House Agreement	December 2014

*Source:* OECD, based on publicly available sources.

The *Belfast Agreement* is the cornerstone of Northern Ireland’s governance and another attempt to reach agreement on a power-sharing arrangement to govern Northern Ireland and return legislative authority to Stormont House. The preceding agreement, the short-lived *Sunningdale Agreement*, collapsed in May 1974 after only five months, leading to the re-imposition of direct rule by London (UK Parliament, 2015a).

The *Belfast Agreement* established two critical foundations for the governance of Northern Ireland. Foremost it returned peace and stability to the region by establishing means of addressing the past, but also preparing for the future. Second, it established a constitutional framework for the region’s government and political institutions. The *Belfast Agreement* further created the conditions which would enable once again the devolution of powers from Westminster to the Northern Ireland assembly. The Agreement was given legal effect via the *Northern Ireland Act 1998* (UK Government, 1998).<sup>2</sup> The constitutional framework for Northern Ireland would be refined over

successive agreements. However, the passage from the spirit of 1998 to the practice of the *Belfast Agreement* was not without difficulties and within two years the British Government suspended the devolved government in Northern Ireland (see *Northern Ireland Act 2000* (UK Parliament, 2000)).

A new power-sharing agreement was reached in October 2006 enabling the restoration of the region's political institutions. The *St Andrews Agreement* enabled the restoration of Northern Ireland's political institutions on a new footing and, at the same time, consolidated peace (see Section 3 of Northern Ireland Office, 2006).

The *St Andrews Agreement* brought forward changes to Northern Ireland's constitutional framework with regard to the functions of government and political institutions and further laid the groundwork for additional devolution of powers from London to Belfast in the areas of policing and criminal justice (Northern Ireland Office, 2006). Agreed at St Andrews were means to diffuse disagreements which could paralyse the functioning of the Executive and Assembly by amendment to the *Northern Ireland Act 1998*. These measures included a new ministerial code, Assembly referrals to the Executive of ministerial decisions, and, most significantly, changes to the appointment process for members of the Executive Committee. St Andrews enshrined the process whereby the First Minister and deputy First Minister would be appointed from the first and second largest designated (i.e. unionist or nationalist) parliamentary groups in the Assembly rather than by election as agreed in the *Belfast Agreement*. Other ministerial posts would continue to be made on the basis of a d'Hondt<sup>3</sup> procedure (see Appendix A, Strand I, St Andrews Agreement [Northern Ireland Office, 2006]).

However, the *St Andrews Agreement* did not resolve all issues and in 2010 the power-sharing agreement was again near collapse. The *Hillsborough Agreement* sought to diminish tensions between the Executive and Assembly and within the Executive itself by instituting mechanisms to diffuse issues. As a result, Working Groups of the Executive were established to resolve outstanding matters in need of Executive decision or actions to resolve them. The Working Groups would also be responsible for proposing avenues to resolve matters still outstanding from the *St Andrews Agreement* and which had contributed to its collapse (see Sections 3-5, Northern Ireland Office, 2010).

The *Hillsborough Agreement's* principal contribution to governance was to create the conditions enabling Westminster to devolve responsibility for policing and justice to Northern Ireland. This had first been outlined in the *St Andrews Agreement* but had failed to take effect (Northern Ireland Office, 2010 and 2006). The *Hillsborough Agreement* established the appointment process for the Minister of Justice as well as ensured a degree of autonomy for the Minister from the Executive made necessary by the Minister's quasi-judicial decision-making role. The devolution of powers over policing and justice would also alter the institutional composition of Northern Ireland's government through the creation of a Department of Justice (see Section 1, (Northern Ireland Office, 2010), expanding the executive by the addition of another Minister.

Despite progress made at Hillsborough Castle in resolving some issues steeped in community divisions, these same issues (e.g. parades, flags, and the Irish language) mired the work of the Executive and put at risk the power-sharing agreement.

The *Stormont House Agreement* consolidates power-sharing and political accommodation between Northern Ireland's two communities.<sup>4</sup> Agreed upon on 23 December 2014, the *Stormont House Agreement* is significant because in addition to seeking means to resolve issues dividing the communities, such as the legacy of the

Troubles and issues of identity, it also sought to address political disagreements between Northern Ireland’s main political parties. These matters included welfare reform, fiscal policy, and public-sector reform (UK Government, 2014). The Agreement is accompanied by a financial annex which details the British Government’s GBP 2 billion spending programme to support its implementation (Northern Ireland Executive, 2014).

The *Stormont House Agreement* outlines a broad programme to reshape the governance of the region:

- First, the Agreement acknowledges the need to address the region’s structural fiscal difficulties, made starker by the restricted growth in the Delegated Expenditure Limit (DEL) budget (below). The *Stormont House Agreement* stakes part of the answer in improving the efficiency and effectiveness of the civil service and public sector and in reducing administrative costs.
- Second, the Agreement states the Executive’s intention to adopt a comprehensive and balanced budget for the 2015-16 fiscal year. To achieve this, the Agreement outlines a number of strategies such as staff reductions within the Northern Ireland Civil Service (NICS) and broader public sector, reducing the overall pay bill in the broader public sector, and structural and policy change, such as welfare reform.
- Third, the Agreement brings forward a number of institutional reforms which, if implemented, will alter the governance of the Region. These institutional reforms include:
  - a reduction in the number of ministerial departments from twelve to nine
  - providing for the draft PfG to be agreed to prior to appointment of the Executive
  - a reduction in the number of the Members of the Legislative Assembly (MLA), from six to five per constituency (a near 17% reduction in seats)
  - procedural mechanisms to manage the workings of the Executive (see Articles 56-62, Northern Ireland Executive, 2014).

The *Stormont House Agreement* also sets in place the conditions for the Government of Northern Ireland to exert greater influence over the structure of its economy through devolution from London of the power to levy a corporation tax, which sets the context for discussion over further fiscal devolution in the future (see Articles 8 and 14, Northern Ireland Executive, 2014).

### ***Devolved institutions***

Northern Ireland is one of the four sub-national governments established in the United Kingdom to exercise powers devolved to it by Acts of Parliament. As a result, governance in Northern Ireland has two loci: Westminster and Whitehall, and the Northern Ireland Assembly and Northern Ireland Executive. Devolved institutions in Northern Ireland are constituted under the *Northern Ireland Act 1998*. Several institutional reforms having taken place since 1998 are discussed below (UK Government, 2013).

The Parliament in Westminster exercises all of the powers, duties and responsibilities for matters of national significance whereas the Northern Ireland Assembly exercises

powers, duties and responsibilities that have been devolved to it. As the United Kingdom remains a unitary government despite recent devolution and the establishment of sub-national legislatures, the devolved powers can be recalled by Westminster, as occurred between 2002 and 2007 when the Northern Ireland Assembly was suspended (UK Parliament, 2015b). And while Northern Ireland's legislative and executive institutions effectively pre-date those established for Scotland and Wales (in 1999), because of the suspension of devolution between 2002 and 2007 and the fragility of the political settlement which brought peace, devolution in Northern Ireland remains a relatively new development.

Northern Ireland's political institutions were established by the British Government through the *Government of Ireland Act 1920* (UK Government, 1920) as its institutional response to the civil strife and nationalist sentiments in Ireland. The Act established for Northern Ireland a legislative assembly with powers limited to matters to the portion of Ireland under its jurisdiction. The *Government of Ireland Act 1920* further established for Northern Ireland an executive authority, vested in the Lord Lieutenant on behalf of the Crown. In several significant ways the Parliament of Northern Ireland created by the 1920 Act resembled that established for Great Britain's overseas dominions: a bicameral parliament based on the Westminster model (an elected House of Commons and appointed Senate); executive authority vested in the Lord Lieutenant as representative of the Crown; and circumscribed devolved powers with significant powers remaining in Westminster. Typical of the Westminster model, responsibility for forming a government for Northern Ireland would rest with the leader of the political party with the largest elected deputation in Parliament. Between 1921 and 1972, this duty was held by a succession of leaders of the Ulster Unionist Party (Jackson, 2003).

Though the partition of Ireland would follow with the establishment of the Irish Free State, the *Government of Ireland Act 1920* continued to define Northern Ireland's governance until 1972 when the Assembly was suspended and then formally abolished under the *Northern Ireland Constitution Act 1973* (UK Government, 1973; Jackson, 2003). For the next 25 years Northern Ireland was under direct rule from Westminster, managed by a Secretary of State for Northern Ireland, a Cabinet-level appointee of the British Prime Minister, who was responsible to the UK Parliament as head of the Northern Ireland Office. Though attempts were made to restore Northern Ireland's Parliament before 1998, these foundered on inter-community divisions and violence (UK Parliament, 2015a; Jackson, 2003). It is only in 1998, through the process culminating in the *Belfast Agreement*, that self-rule would be returned to the Northern Ireland Assembly and Executive.

In the British context, a distinction is made between devolved and reserved powers. The former concern those over which the national legislatures in Scotland, Wales and Northern Ireland have full authority, while the reserved powers are those in the national interest over which Westminster retains responsibility. The most significant of these reserved powers is that to establish sub-national legislatures and the determination of the powers to be granted to them. The terminology is defined in Box 1.1.

### Box 1.1. Devolved Parliaments and Assemblies

UK devolution created a national Parliament in Scotland, a national Assembly in Wales and a national Assembly in Northern Ireland. This process transferred varying levels of power from the UK Parliament to the United Kingdom's nations –but kept authority over the devolved institutions in the UK Parliament itself.

Scotland, Wales and Northern Ireland all held successful referendums on devolution in the late 1990s. This led to the establishment of separate Parliaments or Assemblies and the democratic election of officials.

#### Devolved and reserved powers

Devolved powers are decisions that Parliament controlled in the past, but are now taken by the separate bodies, e.g., the Scottish Parliament. This could include matters like education or health. Reserved powers are those decisions that remain with Parliament in Westminster.

In each case, the legislation establishing the separate bodies determined which powers were devolved and which were reserved.

#### Transfer of powers

The Scottish Parliament and the National Assembly for Wales took responsibility for their devolved powers on 1 July 1999 and the Northern Ireland Assembly followed on 2 December 1999. The Northern Ireland Assembly was suspended at midnight on 14 October 2002. Power was restored to the Northern Ireland Assembly on 8 May 2007.

*Source:* UK Parliament (2015a), “Sunningdale Agreement”, Living Heritage: Parliament and Ireland, [www.parliament.uk/about/living-heritage/evolutionofparliament/legislativescrutiny/parliamentandireland/overview/](http://www.parliament.uk/about/living-heritage/evolutionofparliament/legislativescrutiny/parliamentandireland/overview/).

Though sub-national legislatures established by Westminster exercise similar core responsibilities, the powers over which they have authority vary between them. These varying levels of responsibility reflect both context and capacity to exercise these powers.

To enable sub-national administrations to undertake their new responsibilities, devolution was accompanied by a funding formula to determine changes to Devolved Administrations DEL Budgets. The formula is meant to ensure comparability between the funding received by UK government departments and sub-national administrations. Once received the DEL Budget may be spent in any manner deemed fit by the Executive with the approval of the devolved legislature (UK Government, 2013). The annual determination of the devolved administrations' budgets form part of the UK Government Spending Review process in accordance with the Statement of Funding Policy (HM Treasury, 2015a). The DEL Budget allocation from HM Treasury accounts for over 90% of Northern Ireland's budget, with the remainder composed of local rates and borrowing. All of these factors have played a role in the development of Northern Ireland's structures of government.

Table 1.2. **Matters devolved or transferred to the Northern Ireland Assembly**

<b>Transferred matters:</b> Issues on which the Northern Ireland Assembly has full legislative powers:	<ul style="list-style-type: none"> <li>Health and social services</li> <li>Education</li> <li>Employment and skills</li> <li>Agriculture</li> <li>Social security</li> <li>Pensions and child support</li> <li>Housing</li> <li>Economic development</li> <li>Local government</li> <li>Environmental issues, including planning</li> <li>Transport</li> <li>Culture and sport</li> <li>The Northern Ireland Civil Service</li> <li>Equal opportunities</li> <li>Justice and policing</li> </ul>
<b>Reserved matters:</b> Issues where legislative authority generally rests with the Westminster parliament, but where the Northern Ireland Assembly can legislate with the consent of the UK Secretary of State. This is not an exhaustive list.	<ul style="list-style-type: none"> <li>Firearms and explosives</li> <li>Financial services and pensions regulation</li> <li>Broadcasting</li> <li>Import and export controls</li> <li>Navigation and civil aviation</li> <li>International trade and financial markets</li> <li>Telecommunications and postage</li> <li>The foreshore and seabed</li> <li>Disqualification from Assembly membership</li> <li>Consumer safety</li> <li>Intellectual property</li> </ul>
<b>Excepted matters:</b> HM government retains responsibility for matters of national importance, including:	<ul style="list-style-type: none"> <li>The constitution</li> <li>Royal succession</li> <li>International relations</li> <li>Defence and armed forces</li> <li>Nationality, immigration and asylum</li> <li>Elections</li> <li>National security</li> <li>Nuclear energy</li> <li>UK-wide taxation</li> <li>Currency</li> <li>Conferring of honours</li> <li>International treaties</li> </ul>

Source: UK Government (n.d.), [www.gov.uk/](http://www.gov.uk/) (accessed 5 June 2016).

## The current structure of Northern Ireland's Government<sup>5</sup>

The institutional structures of government evolve incrementally to reflect a nation's historical, cultural and political paths that have shaped society. The way that governments are structured, including the division of responsibilities vertically (across levels of governments) and horizontally (between departments or ministries), is a key factor underlying the organisational capacity of government. Different structures and responsibilities require different sets of competencies, including oversight, monitoring and evaluation and co-ordination. However, beyond this recognition, there are no internationally recognised benchmarks to establish the ideal structure of governments. In this sense, the structures of government reflect a political and societal compromise about the institutions of government.

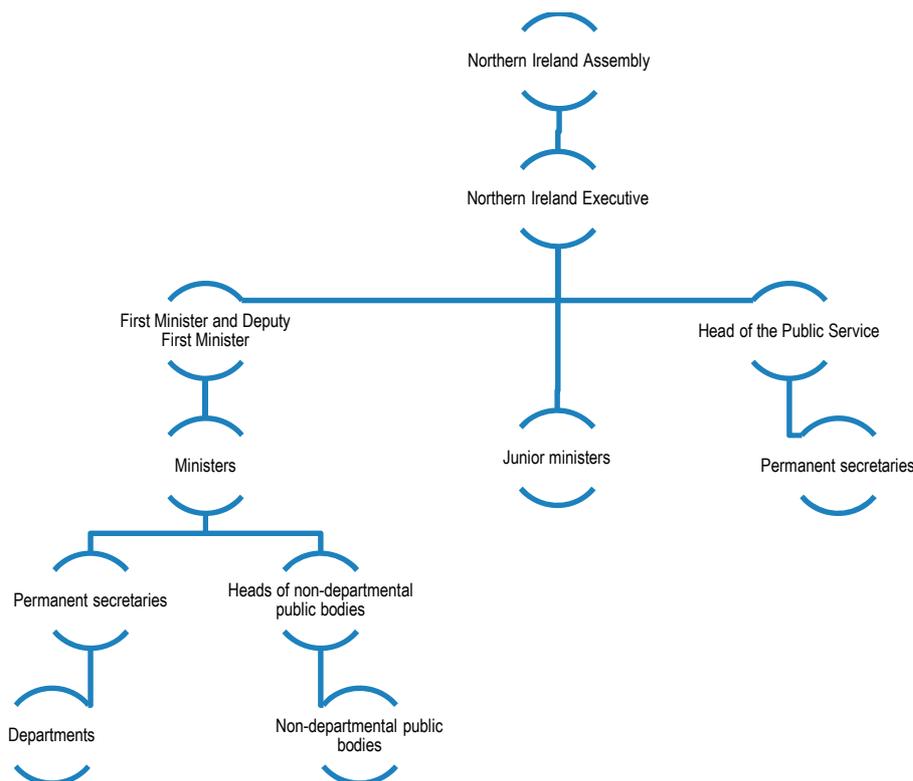
Though Northern Ireland's two communities and its political parties have accepted the principle of power-sharing first outlined in the *Belfast Agreement*, maintaining a

working government has been and will continue to be a challenge. In this sense, unlike many coalition governments, Northern Ireland's could be described as a forced coalition, similar in many ways to national-unity governments in nations transitioning away from armed conflict (Maina, 2011). This “coalition-of-the-unwilling” arrangement has important implications for governance in NI: rather than coalesce around a shared vision of the future, Northern Ireland's parties within this forced coalition tend to hold differing positions on policy, the role of government and, of course, Northern Ireland's constitutional future. Building consensus across this coalition on fundamental strategic issues such as the respective roles of the state and the private sector in building Northern Ireland's society and its economy, and on such day-to-day governance challenges as public spending, public welfare and debt and deficits, thus remains fraught with ongoing challenges.

This state of affairs is also replicated in the Northern Ireland Assembly – while in Westminster-type parliaments the governing party or coalition of parties faces a robust, loyal Official Opposition, in Northern Ireland, there is no elected opposition in the Assembly,<sup>6</sup> as the elected representatives of all main components of NI society are members of the governing coalition. Dialogue, debate and conflict-resolution that usually take place between government and Opposition in Westminster parliaments does not occur in Northern Ireland; rather, this process plays out within the governing coalition itself, which greatly increases decision-making burden while limiting openness, transparency and citizens' engagement. These issues are evoked below and throughout the Review.

The structure of the government of Northern Ireland was established through the 1998 *Belfast Agreement*. The structure of government adopted in 1998 is similar in several respects to the Whitehall model of ministerial departments. Northern Ireland's governmental structure is also similar to that which existed during the first period of devolved administration (1922-72) (see Figure 1.1).

Figure 1.1. Political and bureaucratic executive structure



Source: OECD, based on publicly available sources.

### ***The legislative, executive, and judiciary branches***

The Northern Ireland Assembly is the legislative body for Northern Ireland and has the power to legislate in the matters that have been devolved to it from Westminster. Authority for the exercise of these devolved powers and the definition of roles and mandates of each of the institutions of government in Northern Ireland and the individuals who hold authority for the exercise of powers is defined by legislation of the Parliament of the United Kingdom (Northern Ireland Office, 2015) and described in the Northern Ireland Ministerial Code (Northern Ireland Executive, 2007). Though the Assembly is composed of different party groups, by the nature of the power-sharing agreement, it functions as a united chamber; all members of the Assembly are *de facto* members of the Government.

The Northern Ireland Assembly is composed of 108 elected Members of the Legislative Assembly (MLAs), six from each of Northern Ireland's 18 constituencies, who are elected by means of proportional representation/single transferable vote system. In most respects the Northern Ireland Assembly operates along lines similar to those of Westminster with one important difference: the power-sharing agreement among the parties and communities in Northern Ireland precludes the Assembly from exercising the

oversight and accountability role typically played by a shadow government or Official Opposition. In all other aspects, the Northern Ireland Assembly functions as any other Westminster legislature: as the collective body representing the people it debates and passes legislation, including financial bills, contributes to legislative and policy making through committee work, and consultation with the public and stakeholders. An important feature of the procedures of the Assembly concerns how it approaches issues deemed important or controversial matters. As stipulated in the *Belfast Agreement*, for these matters the Assembly votes by a special threshold of ‘cross-community support (UK Government, 2013) (Jackson, 2003). These thresholds are defined as either:

- **parallel consent** – an overall majority plus a majority of unionists and a majority of nationalists (sometimes called “50:50:50”) or
- **weighted majority** – an overall majority of 60% plus at least 40% of the designated Nationalists voting and 40% of the designated Unionists voting” (UK Government, 2013).

The Assembly’s work is divided between plenary sessions and work within Assembly Committees, both statutory and ad hoc, which advise the Executive on policy in specific areas, and Standing Committees which are concerned with Assembly administration. The Committee Chairpersons and Deputy Chairpersons are selected on the basis of the party standings in the Assembly and membership of committees is allocated on a proportional basis to each political party representation.

Under the Parliamentary form of Executive power, powers typically cascade from the legislature to an executive led by a Head of Government, and to individual ministers who are responsible for departments and a portfolio of governmental bodies. Under this model the Executive is accountable to Parliament which can terminate its term of office through a vote of no-confidence.

The structure of government in Northern Ireland varies from this model in several important ways. The Head of Government in Northern Ireland is a joint office held between a First Minister and a deputy First Minister. Operating as a single office, the First Minister and deputy First Minister assume the Head of Government role in the interest of Northern Ireland’s two communities. Since 2011 the First Minister and deputy First Minister role have been held respectively by the leaders of the Democratic Unionist Party (DUP) and the *Sinn Féin*. Though the title of the position may evoke a subordination of one role to the other, the First Minister and deputy First Minister are co-equal in all matters. In practice, given the differences in the viewpoints held by both individuals, agreement on issues frequently results from consultation and negotiation.

The First Minister and deputy First Minister, together with the ministers, comprise the Executive (the Cabinet or Council of Ministers in OECD countries). Typical of Westminster parliamentary systems the Northern Ireland Executive is drawn from the legislature though, as outlined in the *Belfast Agreement*, it is also structured to ensure participation in government of Northern Ireland’s two communities as represented by the parties in the Assembly. The entire Northern Ireland Executive is composed of the First Minister and deputy First Minister, two junior ministers, and 11 ministers with departmental responsibilities. Power-sharing is the foundational stone of the coalition arrangement.

Ministerial portfolios within the Executive are allocated in accordance with their numerical representation in the Assembly through the application of the d’Hondt process. This process ensures that each party represented in the Assembly is represented on the

Executive. The sole exception to this process is the one applied to the nomination of the Minister of Justice who is appointed by the First Minister and deputy First Minister jointly on the basis of a cross-community vote of the Assembly. Here again, the process outlined in *Hillsborough* exists to provide safeguards for community balance within the Executive.<sup>7</sup> This appointment will continue to be applied following the portfolio reorganisation in 2016.

The Northern Ireland Executive's foremost role is preparing the PfG, the Government's main strategic document (see Chapter 2); it provides guidance for most policies to be pursued by departments and the government as a whole. Though subject to approval by the Assembly, the PfG results from negotiation and agreement among members of the Executive and over which Members of the Legislative Assembly (MLAs) have little impact.

The Executive is also responsible for discussion of, and agreement on, issues which cut across the responsibilities of two or more Ministers, for prioritising Executive and legislative proposals and for recommending a common position where necessary. In addition, the Executive also has the function of discussing and agreeing upon significant or controversial matters that are clearly outside the scope of the PfG; and significant or controversial matters that the First Minister and deputy First Minister acting jointly have determined to be matters that should be considered by the Executive Committee. Notwithstanding ministerial statutory authority the Ministerial Code also requires ministers to bring to the attention of the Executive Committee key matters listed in the Code (Northern Ireland Executive, 2007). As several interviewees shared in the course of this Review, the escalation of issues to the Executive is a frequent source of delays in decision making and of institutional paralysis.

Co-ordination and support for First Minister and deputy First Minister and the Executive Committee as a whole is provided by the Office of the First Minister and deputy First Minister (OFMDFM, 2015). Though similar to the British Cabinet Office, OFMDFM plays a less active role in co-ordinating the affairs of the entire Government of Northern Ireland.

Politically departments are led by a minister while the bureaucratic or administrative head is the Permanent Secretary. The department is established in legislation with responsibility for specific policy areas, and supports the minister in his or her statutory duties. The department is the administrative body that supports the minister and over which ministers have greater influence over policy and operations. In Westminster terminology, this is captured in the principle of ministerial responsibility. The other institutions within the portfolio consist of non-departmental public bodies (NDPBs) which are separate from ministerial departments and consequently are able to carry out mandates with some autonomy from the core public administration. Table 1.3 presents existing composition of ministerial portfolios while Table 1.4 describes the functions of Northern Ireland's 12 Executive departments.

Table 1.3. **Composition of the Northern Ireland public sector (by Executive portfolios), 31 July 2015**

Department	Executive NDPB	Advisory NDPB	Tribunal NDPB	Health and social care bodies/ special agencies	Public corps	Other bodies	Total by portfolio
Agriculture and Rural Development	4	1				1	6
Culture, Arts and Leisure	8					2	10
Education	9		1			3	13
Employment and Learning	10	1	3			2	16
Enterprise, Trade and Investment	4						4
Environment	2	3					5
Justice	8	3				4	15
Finance and Personnel		3				4	7
Health, Social Services, and Public Safety	4	2		13		1	20
Regional Development	1				1	3	5
Social Development	2	2				2	6
OFMDFM	10		2				12
Other departments*							6
<b>Total</b>							<b>125</b>

Notes:

\*Other departments include: Northern Ireland Authority for Utility Regulation, Northern Ireland Assembly Commission, Northern Ireland Audit Office, Assembly Ombudsman and Commission for Complaints, Public Prosecution Service for Northern Ireland and Food Standards Agency.

1. This table does not reflect the changes to the Northern Ireland Government instituted in April 2016.
2. Northern Ireland's 11 local councils are excluded.

Source: OECD, based on information provided by Northern Ireland's Department of Finance and Personnel (DFP).

Table 1.4. **Current responsibilities of Northern Ireland departments**

Department	Function
Office of the First Minister and deputy First Minister	Support for the Executive and liaison with the Assembly North-South Ministerial Council Civic Forum and UK Departments improving investment in infrastructure British-Irish Council International relations Children and young people Victims and survivors Sustainable development Maze/Long Kesh Regeneration Review of Public Administration Information Service Emergency planning Statutory Publications Office Tackling poverty and social exclusion PfG and the Executive's economic policies Promoting and monitoring implementation of equality of opportunity/good relations

Table 1.4. **Current responsibilities of Northern Ireland departments** (*continued*)

Department	Function
Department of Finance and Personnel	Central Procurement Corporate Human Resources Departmental Solicitor's Office Enterprise Shared Services (including digital transformation and shared services for finance, ICT, HR and accommodation) Land and Property Services Northern Ireland Statistics and Research Agency Public Spending Strategy Policy and Reform
Department of Education (DE)	Schools funding and administrations Pre-school, primary, post-primary and special education Promotion of community relations within and between schools Teacher education and salaries and school planning and provision Youth service
Department of Enterprise, Trade, and Investment	Economic development policy, including business development, energy, telecoms, tourism Economic advice and research; research and statistics services Health and safety at work Social economy Mineral development Geological survey of Northern Ireland Invest Northern Ireland Intertrade Ireland and Tourism Ireland Health and Safety Executive for Northern Ireland Northern Ireland Tourist Board Consumer Council for Northern Ireland Business regulation, including company law/registry, insolvency service, consumer affairs, trading standards
Department of Health, Social Services and Public Safety	Public health Family practitioner services Elderly and community care Child care and child protection Family policy Mental health Learning disability Physical and sensory disability Provision of hospital services and clinics Accident and emergency services Public safety Ambulance and fire and rescue services Primary care services and community health and personal social services
Department for Social Development	Housing programmes Social Security Agency Support for the voluntary and community sector Social and charities policy and legislation Urban regeneration policy, strategy and programmes Child Support Agency Charities Advisory Committee Office of the Social Fund Commissioner Northern Ireland Housing Executive Disability Living Allowance Advisory Board for Northern Ireland Rent Assessment Officer
Department for Employment and Learning	Higher education Further education Vocational training Employment services Employment law and labour relations Student support and postgraduate awards Careers advice and guidance Skills strategy STEM Strategy

Table 1.4. **Current responsibilities of Northern Ireland departments** (*continued*)

Department	Function
Department of Justice	Providing resources and a legislative framework for its agencies and arm's length bodies Ensuring there is a fair and effective justice system Increasing public confidence Tackling avoidable delay within the criminal justice system Reducing re-offending and managing offenders Addressing the needs of victims and witnesses Building safer communities DOJ agencies, including the Northern Ireland Prison Service, Northern Ireland Courts and Tribunals Service, Compensation Agency, Forensic Science Agency and the Youth Justice Agency
Department of the Environment	Planning control Environment and heritage Protection of the countryside Waste management Pollution control Wildlife protection Local government Local government reform Mineral resources (planning aspects) Driver and vehicle testing and licensing Road safety Transport licensing and enforcement
Department of Culture, Arts and Leisure	Arts and creativity Sport and leisure Inland fisheries Inland waterways Public libraries and museums Language diversity Public Record Office of Northern Ireland Advising on National Lottery policy
Department for Regional Development	Strategic planning Transportation strategy Ports and public transport Roads and water policy Providing and maintaining roads Water and sewerage services
Department of Agriculture and Rural Development	Food: farming and agri-environment policy Agri-food development Rural payments and inspection Veterinary matters Rural development Forestry Sea fisheries and rivers

Source: OECD, based on Northern Ireland Executive (2015), "Budget 2015-16", [www.northernireland.gov.uk/budget-2015-16.pdf](http://www.northernireland.gov.uk/budget-2015-16.pdf) (accessed 16 July 2015).

In some OECD countries, ministerial roles in relation to the institutions within their portfolios have distinguished between accountability and answerability (see Box 1.2). This respect for the arm's-length nature of institutions also appears to be a feature of governance in Northern Ireland.

### Box 1.2. Responsibilities and accountabilities of ministers

In explaining the theory and operation of ministerial responsibility, the government has distinguished among three central concepts: responsibility, accountability, and answerability.

**Responsibility** in addition to referring to the constitutional relationship between ministers and the House under responsible government also refers to the sphere in which a public office holder (elected or unelected) can act, which is defined by the specific authority given to that office holder by law or delegation.

**Accountability** is the means of explaining and enforcing responsibility. It involves rendering an account of how responsibilities have been carried out; taking corrective action and fixing any problems that have been identified; and, depending on the circumstances, accepting personal consequences if the matter is attributable to the office holder's own action or inaction.

**Answerability** refers to a duty to inform and explain. It is narrower in scope than accountability in that it entails neither the responsibility to take action nor the personal consequences associated with accountability.

*Source:* Treasury Board of Canada Secretariat (2005), "Meeting the Expectations of Canadians: Review of the Accountability and Responsibility of Ministers and Senior Officials", Treasury Board of Canada Secretariat, Ottawa.

At the administrative level, the Head of the Northern Ireland Civil Service (NICS) plays a dual role as head of the public service and as Permanent Secretary to the Office of the First Minister and deputy First Minister. Departments and other public bodies are respectively led by individuals at the Permanent Secretary rank or by a Chief Executive Officer (CEO). The duties, obligations and accountabilities of NICS staff are captured in legislation of the Parliament of the United Kingdom (Northern Ireland Office, 2015) and in the *Northern Ireland Civil Service Code of Ethics*. Following UK practice, the Permanent Secretaries in the NICS are designated as "accounting officers", which confers upon them responsibility to answer to the legislature for public expenditures of monies granted to the department by the legislature.

The judicial level in Northern Ireland was the last power to be devolved to Northern Ireland. The *St Andrews Agreement* devolved to Northern Ireland responsibility over justice and led to the establishment of a judicial system separate from that of Britain and headed by the Lord Chief Justice of Northern Ireland. Though the United Kingdom Supreme Court remains the highest court within the Northern Ireland Court Structure, seven courts fall wholly within the jurisdiction of Northern Ireland. The Northern Ireland Courts adjudicate all matters within the region stemming from statutes passed by the Northern Ireland Assembly or Westminster Parliament.

The NI Department of Justice is responsible for the court administration. The Department is also responsible for policy and legislation on criminal and civil law, legal aid policy, the police, prisons and probation.

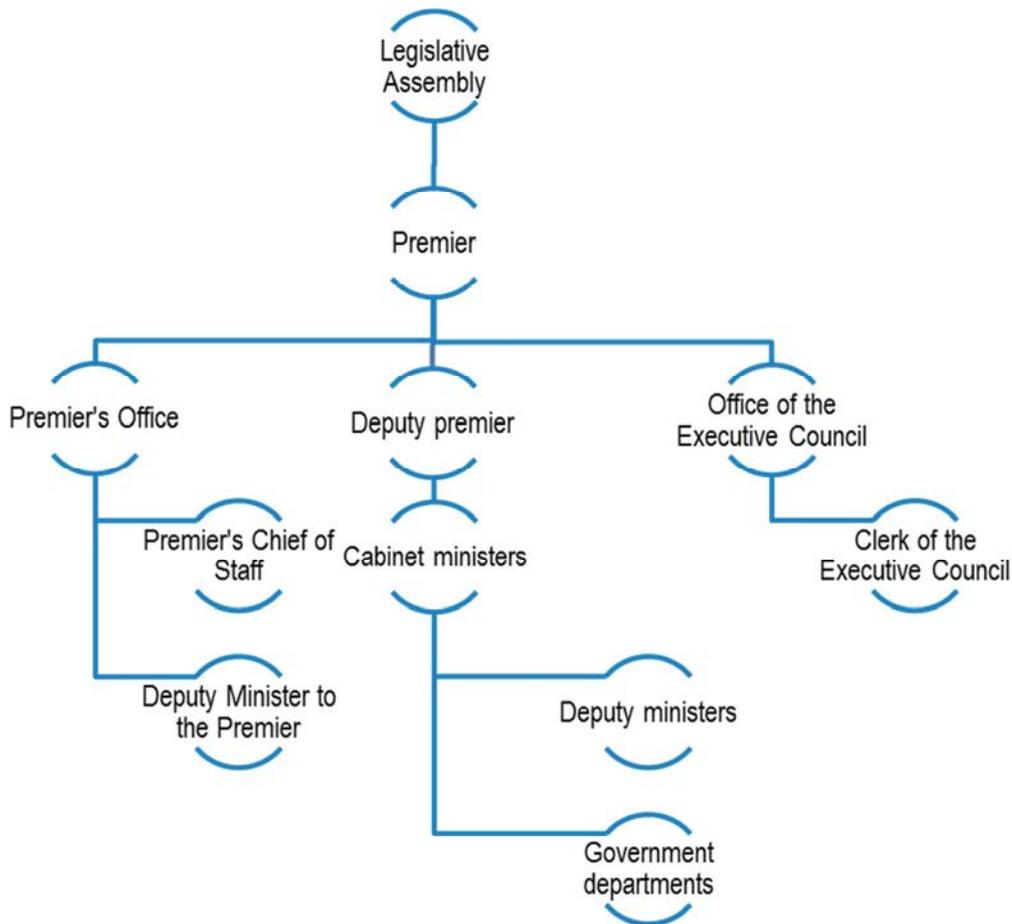
In addition to the structures described above, Northern Ireland as a constituent part of the United Kingdom also has legislative representation in the House of Lords and House of Commons. At the British Cabinet matters relating to Northern Ireland are represented by the Secretary of State for Northern Ireland, who heads the Northern Ireland Office

(NIO). The NIO, a department of the British government, was established as a separate entity in 1972 and was responsible for direct rule of Northern Ireland until the conclusion of the *Belfast Agreement* in 1998, and between 2002 and 2007 during the suspension of the Northern Ireland Assembly. Essentially concerned with representing Northern Ireland in the UK cabinet and Whitehall, the NIO ensures the smooth working of the devolution settlement in Northern Ireland, the representation of Northern Ireland's interests within the UK government, and representation of the UK government in Northern Ireland.

### ***Restructuring for more effective government: Assessment***

In Figures 1.1 and 1.2 we compare the political and bureaucratic structures of the Government of Northern Ireland with those of Canadian provinces, such as the noteworthy one of the Government of Newfoundland and Labrador. This comparison highlights many important features of Northern Ireland's government.

Figure 1.2. **Structure of the Government of Newfoundland and Labrador**



*Source:* Author's own work, based on Government of Newfoundland and Labrador (2010), "An Introduction to Government".

Though both Northern Ireland and Newfoundland share several features of the Westminster model – a government responsible to the assembly, a head-of-government function, ministerial departments, and a bureaucratic executive that is responsible to ministers – in practice the Northern Ireland model presents several unique features which affect governance:

First, as stated above and unlike the Newfoundland model (or that of any other Canadian province), in Northern Ireland the Head of Government is not the leader of the majority political group (political party) in the legislature. Though in principle the fusion of interests within the First Minister and deputy First Minister as Head of Government should grant it greater sway and influence over both the affairs of the legislature and executive, in practice, because of its forced nature, it is a relatively fragile construction which survives only as long as both parties wish it to. By contrast, in Newfoundland, the Premier as leader of the majority party exercises both executive and legislative control. This further contributes to the maintenance of a coherent vision for government both within and outside the legislature.

Second, in Northern Ireland the Head of Government function melds two visions for the future of Northern Ireland which several stakeholders interviewed for this Review – including the key principles themselves – have described as incompatible at a number of levels. Rarely if ever in coalition arrangements, such as the recent UK coalition experience, is the Head of Government function jointly held.

Third, with the exception of the Minister of Justice, members of the Executive are not appointed by the Head of Government but rather through a formula based on party standings in the Assembly. As a result, neither the First Minister nor deputy First Minister has any degree of meaningful control over the composition of the Executive; control extends only to the ministers from their party. By contrast in Newfoundland, as in most other Westminster models, cabinet nominations for appointment by the Crown are one of the main prerogatives of the Head of Government. This again enhances the influence of the Premier over the direction of government.

Fourth, while the executive is drawn from the Assembly and, in principle, should be accountable to the Assembly, in practice the Assembly plays a very limited role in the accountability and oversight of Government. Where the Assembly does play a role in oversight, this occurs primarily at committees of the Assembly where ministers and officials are regularly called upon to brief committees on matters of interest, especially in regard to legislative proposals (OECD, 2015a). Furthermore, as several interviewees commented, the Assembly does not play an active role as a chamber for policy discussion and debates. Instead, it is widely accepted that the main debates about policy first occur within the Executive and only then are these matters raised in discussions in the Assembly.

This is not to say that the Assembly is entirely subservient to the Executive: as noted it is not uncommon for members to express views that dissent from those of their party grouping on a variety of matters. However, when these debates occur, they tend to take place not across the entire Assembly, but within the deputation from one or the other of the communities. Interviewees also noted that while in theory the possibility of the Government failing to receive the confidence of the Assembly exists, in practice the political *entente* at the core of the *Belfast Agreement* makes this unlikely. However, the ever-present risk is that one of the two communities forming the Executive dissociates itself from its decisions. This has occurred on several occasions in the recent past, such as

in the establishment of a single education board.<sup>8</sup> Therefore, in Northern Ireland, it is the confidence of the Executive rather than the legislature which needs to be maintained.

Beyond these structural characteristics, governance is composed of a multiplicity of actors influencing the direction of government.

## Governmental and non-governmental actors

### *The Northern Ireland Civil Service*

The Northern Ireland Civil Service (NICS) was the United Kingdom's first devolved civil service administration, established through the *Northern Ireland Act 1920*. During the 1921 to 1972 period, the NICS was responsible for the administration of areas devolved to the Assembly<sup>9</sup> as well as supportive to the Executive through the Office of the Prime Minister. During this period the NICS was institutionally separate from the United Kingdom's Home Civil Service. Though working in collaboration with the Home Civil Service, the NICS has its own Head, civil service commission, and professional grading system (Rhodes et al., 2003; McMillan and Massey, 2004).

With the introduction of direct rule in 1972, the NICS retained its institutional independence, though it was now responsible to the Secretary of State for Northern Ireland and the Northern Ireland Office (NIO) rather than the Assembly. Throughout this period the NICS retained its structures and policies, though these were influenced by those of the Home Civil Service. With the exception of a five-month interlude in 1974, during which time the NICS was once again responsible to the Assembly, the NICS remained responsible to Westminster and Whitehall though autonomous from the Home Civil Service until the resumption of devolution in 1999 (Rhodes et al., 2003; McMillan and Massey, 2004).

Though today the composition of the NICS is representative of Northern Ireland's two communities (Department of Finance and Personnel, 2012, pp. 7-9) this was not always the case. That said, the NICS has emerged as an institution that serves both communities and is one of the building blocks of the reconciliation process.

### *Local government*

The governance picture in Northern Ireland would not be complete without the inclusion of local government. Primarily concerned with proximity services (e.g. waste management, civic amenities, community, arts, sporting and cultural facilities, etc.) local government are an important actor in Northern Ireland given their links to their communities. Statutory authority and jurisdiction over local government was returned to the Northern Ireland Assembly in 1998. Prior to 1 April 2015, the structure for local government in Northern Ireland was established by the *Local Government Boundaries Act (Northern Ireland) 1971* (UK Government, 1971) and their powers stipulated in the *Local Government Act (Northern Ireland) 1972* (UK Government, 1972). Northern Ireland's 26 local councils were especially important as they were the only level of governance not to be directed from Westminster and Whitehall between 1972 and 1998. As a consequence, local councils remained important actors in governance in the region as a focal point for community-based stakeholders and a training ground for the post-1998 politicians and community stakeholders.

In addition to the governmental actors described above, civil society and the private sector are two other important public-governance stakeholders in Northern Ireland because of their social and economic presence and the activities which they lead.

### *Engagement with citizens and the private sector*

#### *Engagement with civil society*

The civil-society sector in Northern Ireland is extensive and vibrant, numbering between 4 800 and 9 000 organisations depending on the definition used and the mode of calculation (The Charity Commission for Northern Ireland, 2015; Northern Ireland Council for Voluntary Action, 2012).<sup>10</sup> As several interviewees observed the size and strength of the civil-society sector originates in the necessity for communities to look after themselves in the face of sectarian strife and other social ills which marked Northern Ireland during the Troubles. For this reason, most civil-society organisations in Northern Ireland are active in the social field: community development, children and families, health and well-being, and education (The Charity Commission for Northern Ireland, 2015; Northern Ireland Council for Voluntary Action, 2012). The role of civil society is discussed in Chapter 2.

As a sector civil society employs approximately 28 000 individuals (or 4% of the entire Northern Ireland workforce) with 40% of those employed in the sector working in organisations with over GBP 1 million in income. As a whole it is estimated that the sector generated approximately GBP 742 million in income in 2009-10. Analysis of voluntary and community sector accounts suggests that the total expenditure of the sector in 2009-10 was in the region of GBP 719.6 million, or 97% of the sector's total income. (Northern Ireland Council for Voluntary Action, 2012, pp. 34-37). More importantly, 70% of the civil-society sector's income originates in public expenditures, generally through contracted services and grants. The public sector is therefore a significant commissioning agent and client of the sector, such as in the areas of health care.<sup>11</sup> As a result, the civil-society sector is both highly dependent on the public sector for resources, but it is also a significant partner in the provision of public services (Northern Ireland Council for Voluntary Action, 2012).

#### *Engagement with the private sector*

The private business and enterprise sector is another key actor in Northern Ireland. This sector has not been a major driver of economic growth (European Social Fund and European Regional Development Fund, 2013, p. 10). The sector is predominantly made up of small enterprises, several of which could be termed micro-enterprises with less than ten employees.<sup>12</sup> Large enterprises are present in the Northern Ireland economy; they represent only 0.4% of all businesses (NISRA, 2015c, p. 10). The predominance of small businesses in the Northern Ireland economy presents a number of issues for the region's economy: lower wages, lower employment, lower investment, lower productivity, and lesser export potential (European Social Fund and European Regional Development Fund, 2013, pp. 14-17).

Though no figures were made available, representatives from the NI business sector also described the public sector as a significant source of their income. This originates in both the public sector’s role as a major purchaser of goods and services as well as from the money it injects into the Northern Ireland economy through wages and other transfers to individuals and organisations (e.g. pensions, grants).<sup>13</sup>

Table 1.5. **Civil society and private sectors (rounded figures)**

	Civil society	Private enterprise sector
Number of organisations	4 800 – 9 000	67 700
Employment	28 000	511 000
Economic impact/annual turnover	GBP 719 million	GBP 63 953 million

*Source:* OECD, based on European Social Fund and European Regional Development Fund (2013), “Socio-Economic Profile of Northern Ireland”, Department of Enterprise, Trade, and Investment (DETI), Belfast; Federation of Small Businesses (n.d.), “Small Businesses Facts and Figures”, *Federation of Small Businesses: Policy Briefings*, [www.fsb.org.uk/policy/rpu/ni/images/small%20business%20facts.pdf](http://www.fsb.org.uk/policy/rpu/ni/images/small%20business%20facts.pdf); Department of Enterprise, Trade and Investment (2013), “Northern Ireland Business Register and Employment Survey 2012”, DETI, Belfast; NISRA (2015d), “Well-being in Northern Ireland: Northern Ireland and international data for ONS measures”, Northern Ireland Statistics and Research Agency, Belfast; Northern Ireland Council for Voluntary Action (2012), “State of the Sector VI”, NICVA, [www.nicva.org/resource/state-sector-vi](http://www.nicva.org/resource/state-sector-vi); DETI (Department of Enterprise, Trade and Investment) (2015), “Labour Market Statistics”, *Quarterly Employment Survey*, [www.detini.gov.uk/index/what-we-do/deti-stats-index/labour\\_market\\_statistics/stats-ges.htm](http://www.detini.gov.uk/index/what-we-do/deti-stats-index/labour_market_statistics/stats-ges.htm).

The civil society and private business sector share a number of characteristics in terms of size, employment and income. Given their relatively small size, most civil-society organisations and businesses in Northern Ireland operate primarily at the local level and few have a presence across Northern Ireland. As a result, the civil society and business sector can be described as community-based.

Representatives of both the civil society and business sectors share in their determination to remain and develop despite the economic difficulties faced by Northern Ireland since the 2008 economic crisis. Though representatives of both sectors interviewed acknowledged that they benefitted from public expenditure (Northern Ireland Council for Voluntary Action, 2012, pp. 26-31), they shared the view that Northern Ireland’s public sector was in need of reform. As a result, both sectors are watching with interest how Northern Ireland’s public-sector reforms will unfold, how they will be affected, and how they may benefit from these changes.

As Northern Ireland proceeds with public sector reforms, the role of these actors may become critical, both because of their role and because of the impacts the reforms may have upon them.

## The drivers of Northern Ireland’s public-sector reforms

The underlying context for the preceding discussion is a process of civil-service and public-sector reform that has already been launched by the Northern Ireland Executive and to which this Review aims to contribute. The factors leading the government to embrace public sector reform agenda are endogenous and exogenous to Northern Ireland.

### ***The impact of the crisis and a relatively weak private sector***

Though Northern Ireland did not experience the same level of economic downturn that was evident in the Republic of Ireland in the United Kingdom it was not completely isolated from the repercussions of the recession. These economic conditions were made more difficult because of Northern Ireland's structural challenges, such as a relatively weak private sector, low rates of labour market participation, and poor labour productivity (European Social Fund and European Regional Development Fund, 2013).

### ***Constrained DEL budgets***

The DEL Budget for Northern Ireland from the UK Treasury represents over 90% of total revenue. This has resulted in the level of funding available to the Northern Ireland Executive being reduced as part of the UK Government's deficit reduction plan (Northern Ireland Executive, 2011a). In concrete terms the reduction in the 2015-16 DEL Budget equated to a real terms reduction of 1.4% from 2014-15. The 2015 Spending Review has set budgets to 2019-20, with Resource DEL set to decrease by 5.3% from 2015-16 in real terms and Capital DEL set to increase by 9.2% over the same period.<sup>14</sup>

The UK Government launched the latest round of annual Spending Reviews in June 2015. Under the theme of "A country that lives within its means" the UK Government outlined its priorities and principles to guide Spending-Review decisions announced in November 2015 (HM Treasury, 2015b, p. 13). This will have an impact on Northern Ireland's Government and its public-sector reform agenda.

The Northern Ireland Executive's Budget for the period 2011-15 was therefore constructed on the basis of reduced revenue from the UK Treasury, but in a context where Northern Ireland's population enjoys more public services than residents elsewhere in the United Kingdom; for example, water and sewer services.

Some of the other factors influencing the context for public-sector reform include: a chronic prosperity gap in relation to other regions of the United Kingdom, a low level of innovation and research and development possibly explained by the predominance of micro and small enterprises, and the same demographic changes experienced elsewhere in the United Kingdom in tandem with increased citizen expectations.

This economic and fiscal context has also influenced the political agreement between the different parties that form the Northern Ireland Executive as captured in the 2014 *Stormont House Agreement*. As noted above, beyond its constitutional elements the 2014 *Stormont House Agreement* also reconfirmed the long-term plan to rebalance and rebuild Northern Ireland's economy by increasing the weight of the private sector in the economy (Northern Ireland Executive, 2011b). At the same time the 2014 *Stormont House Agreement* set out a plan to reduce public-sector spending and employment, and sought ways to make government in Northern Ireland more effective and efficient (the November 2015 agreement "*A Fresh Start*" simply confirms the strategic direction presented in the 2014 SHA and the Executive's intent to implement it).

## **Northern Ireland's public-sector reforms**

Though much of the focus on public-sector reform in Northern Ireland has centred on the steps outlined in the 2014 *Stormont House Agreement* the seeds of public sector reform can be found in the 2011-15 PfG which outlines nine specific commitments on the

part of the Executive to deliver excellent public service and provide value for money (Northern Ireland Executive, 2011a, p. 52). The goals outlined in the PfG called for a combination of policy, structural and institutional actions in order to realise:

- less cost to the taxpayer
- resource releasing savings
- cash releasing savings
- review and rationalisation of arms-length bodies
- improve access to services and information
- a rationalised government office estate
- reformed local government with enhanced powers delivered through a reduced number of councils (Northern Ireland Executive, 2011a, pp. 52-55).

Institutionally, DFP has played the leading role in public sector reform. Though the contextual issues were known and the public-sector reform priorities identified in the PfG, the process which concluded with the 2014 *Stormont House Agreement* placed the issues of public-sector reform at the forefront. What followed was a package of measures agreed to by the Executive which included a number of inter-related actions:

- reduce pay bill costs
- voluntary Exit Schemes across the Northern Ireland Public Sector
- greater Emphasis on Shared Services
- change Fund (GBP 30 million in 2015-16) to stimulate innovation (agreed in the 2015-16 Budget)
- development of Tools to aid Innovation and Reform
- development of Cross-Cutting Reforms Agreement (agreed by the Executive on 22 January 2015 Public Sector Restructuring and Reform paper).

Interestingly, while some of the measures which emerged from the 2014 *Stormont House Agreement* were consistent with items identified in the PfG, others, such as the reduction in the public-sector wage bill, constituted new priorities.

### ***Strategic human resources management: Reducing the civil-service pay bill and staff***

One of the main measures announced by the Government was the decision to reduce the size of the public sector through a combination of measures including a voluntary exit scheme and recruitment freezes. The Voluntary Exit Scheme, announced in March 2015, provides monetary incentives to those public employees willing to leave their positions. A transformation fund of GBP 700 million was made possible through an injection of funds from the UK Treasury's Reinvestment and Reform Initiative (RRI) pursuant to the UK Government's support to the implementation of the 2014 *Stormont House Agreement*.<sup>15</sup> From 1 April 2011 to 1 April 2016 the NICS will have seen a 16% reduction in FTE positions, with the vast majority having been reduced in the two-year period ending 31 March 2016. In 2015-16, it is estimated that around 4 000 staff will exit the public sector.

As this is a voluntary exit scheme, final figures will not be known until all 2015-16 schemes close.

### *Restructuring of departments*

In 2016, following the election of the new Assembly and establishment of a new Executive the number of departments will be reduced from 12 to 9 leading to major changes in the responsibilities of departments. The new departmental structure is outlined in Table 1.6.

Table 1.6. Northern Ireland's departmental structures (2016)

Department	Function
Department of Agriculture, Environment and Rural Affairs	Functions of the Department of Agriculture and Rural Development (DARD) and those for inland fisheries (formerly with Department of Culture, Arts and Leisure (DCAL), environmental function including regulation (formerly with the Department of the Environment (DOE), and policy responsibility for the sustainability strategy (formerly with OFMDFM).
Department for Communities	Functions of existing Department for Social Development and DCAL, with the exception of inland fisheries and waterways (transferred to the Department of Agriculture, Environment and Rural Affairs, responsibilities for the Employment Service (formerly with Department for Employment and Learning (DEL) and responsibilities for Local Government and Built Heritage (formerly with DOE), delivery and operational functions in relation to disability and poverty, gender and sexual orientation, and North West sites and strategy (formerly with OFMDFM).
Department for the Economy	Functions combined from those of Department of Enterprise, Trade and Investment (DETI) and DEL, with the exception of those for the Employment Service (transferred to the Department for Communities).
Department of Education	Continues to be responsible for the functions of existing Department of Education, but will now include policy responsibility for children and young people, including the Childcare Strategy (formerly with OFMDFM).
Department of Finance	Continues to be responsible for the existing functions of DFP, in addition to taking over responsibility for the Government Advertising Unit and the Northern Ireland Direct Central Editorial Team (formerly with OFMDFM).
Department of Health	Retains the existing functions for health services and policy with the addition of policy responsibilities for older people and the Active Ageing Strategy (formerly with OFMDFM).
Department for Infrastructure	Continues to exercise the responsibilities of the former DRD, with the addition of functions such as vehicle regulation, road safety and Driver and Vehicle Agency functions (formerly with DOE), the Rivers Agency (formerly with DARD), Inland Waterways (formerly with DCAL) and the Strategic Investment Unit and several regeneration sites, including the Crumlin Road Gaol (formerly with OFMDFM).
Department of Justice	Retains functions of the DOJ, but with added responsibility for Public Safety (formerly with the Department of Health, Social Services and Public Safety) and support function for the Planning Appeals Commission/Water Appeals Commission (formerly with OFMDFM).
The Executive Office	Retains its support role to the Executive and the other central institutions of the Government, including co-ordination of the PFG, international relations, civil contingencies and the Executive Information Service, but sheds more delivery functions to other departments. Certain policy responsibilities in relation to equality, as good relations remain in the Executive Office, including whole of government priorities such as Together: Building a United Community Strategy and Delivering Social Change. The Executive Office also retains responsibility for key core institutions (such as the Attorney General's Office, Equality Commission, Commissioner for Public Appointments, the Northern Ireland Judicial Appointments Commission, the Historical Institutional Abuse Inquiry, the Maze Long Kesh Development Corporation, the Victims and Survivors Service and the Commissioner for Victims and Survivors).

Source: OFMDFM (2015), "Permanent secretaries' group", [www.ofmdfmi.gov.uk/index/about-ofmdfm/about-the-department/permanent\\_secretaries\\_group.htm](http://www.ofmdfmi.gov.uk/index/about-ofmdfm/about-the-department/permanent_secretaries_group.htm).

In announcing the change, the First Minister noted that this decision was consistent with Northern Ireland’s public sector reforms, and it was also described as an exercise in “right-sizing” government (OFMDFM, 2015). However, a greater benefit to accrue from the reduction in departments lies in creating greater coherence in departmental mandates and responsibilities. This echoes themes first raised in 2012 when the Assembly Executive Review Committee concluded in a report that a departmental re-organisation would lead to “more effective and efficient governance arrangements, including better co-ordination and collaboration within and between departments and their Agencies, providing a better service and value for money” (Northern Ireland Assembly and Assembly Executive Committee, 2012).

Though it may be too early to determine whether the reduction in the number of ministers and departments will improve decision making at the Executive, the greater benefit to accrue from the reduction in the number of departments stems from creating greater coherence in departmental mandates and responsibilities. This change in the number of departments and their responsibilities may also have impacts on the process to determine the next PfG. This issue is discussed further in Chapter 2.

Comparing the current responsibilities of departments and those that will be confirmed in 2016 suggests that the new departmental responsibilities will be more coherent. Capturing similar areas of responsibility within a single departmental silo, for example responsibility for waterways, roads, or public safety, should not only increase the efficiency and effectiveness of government, it should also contribute to enabling greater policy coherence within related areas by eliminating departmental lines. For example, by concentrating within the Department of Education all responsibilities over children and youth, the restructuring eliminates an obstacle to whole-of-government policy development in this area which existed due to its split between three departments (DE, DSD and DEL).

### ***Restructuring of local government and the education sector***

Though some of their political importance may have shifted to the Assembly after 1998, local governments have remained important actors in the lives of people, community-based organisations, and politicians from other levels of government.

Starting on 1 April 2015 the 26 local councils were merged into 11 new bodies or “super councils”. At the same time the new councils were granted a primary role in several areas following the transfer of responsibility from central government to the local level. Thus, to their existing responsibilities for proximity services, local councils after April 2015 gained responsibilities over 23 areas. Functions transferred to local government include:

- local planning functions
- off-street parking
- local economic development
- community development (will transfer in April 2016)
- urban regeneration (will transfer in April 2016), and
- lead on community planning process (in collaboration with other providers of public services) (DoE, 2015a).

Reform of local government is significant because it was the first major government reform committed to in the PfG to go forward under the current Executive.<sup>16</sup> It was also important because it redrew the role of local administrations through the transfer of responsibilities from the central government to local administrations under the rationale of making local government more efficient and effective.

The rationale for reforming local government is nearly identical to that applicable to the reform proposed for the NICS and broader public sector, including improved service provision and savings generated on a recurring basis:

- Though additional revenue sources may need to be found, it is initially planned for savings derived from local government reform to be reallocated within local government to fund the new areas of responsibility<sup>17</sup> (DoE, 2015b).
- The local-government reform aims to create greater coherence between mandate, public interest and services provided by public institutions. This rationale is similar to the one applied to the decision underpinning departmental restructuring.
- The reform also aims to increase community involvement through the transfer of the responsibility for community planning to local authorities. Introduced on 1 April 2015 this transfer of responsibility may lead to changes in the way Northern Ireland Executive departments and agencies approach community issues. Departments and agencies will be expected to be more engaged in the community planning process and to have regard for community plans when considering how best to deliver services at the local level.

A further reform committed in the PfG, the amalgamation of Northern Ireland's five Education and Library Boards under a single Education and Skills Authority (ESA), also took effect on 1 April 2015 following approval of the new *Education Act 2014* (DE, 2014). This reorganisation is ongoing. As for other areas, the underlying rationale concerning the creation of the Authority is derived from the desire to provide for more efficiency and effectiveness in the area of education services and ensure coherence in approaches across the sector. With nearly 39 000 staff the amalgamation of the five Boards under the single Authority may be one of Northern Ireland's most challenging reforms to implement (Education Authority, n.d.).

### ***The need to reform service delivery in Northern Ireland***

Public expenditure per capita in Northern Ireland was GBP 10 961 in 2013-14, approximately 23% higher than the UK average (and higher than in both Scotland and Wales). Though this higher figure may be explained by the higher level of public service provision in Northern Ireland, for example public water supply in Northern Ireland versus private water supply in England, it remains significant (Keep, 2015). This pattern of expenditures can be illustrated by reference to spending in three social areas: health, education, and social protection. As can be seen below, though Northern Ireland's expenditures in health are lower than Scotland's between 2008-09 and 2009-10 and, starting in 2010-11 these begin to grow; and, according to the latest figures, they are slightly under Scotland's expenditure level, but remain substantially higher than expenditures in England and Wales. In the area of education, starting in 2009-10 Northern Ireland begins to spend substantially more than the other UK regions. In the area of social protection, only Wales spends more than Northern Ireland, and only for the period between 2010-11 and 2011-12 (see Table 1.7). Though several interviewees from the government and non-governmental sectors who took part in this review disputed or nuanced this picture, there appears to be a consensus around the need for Northern Ireland to bring its public spending closer in line with other regions of the United Kingdom.

Table 1.7. Per capita expenditures on services by function, regions of the United Kingdom (2008-13) (in GBP)

Year	Health					Education					Social protection				
	2008-09	2009-10	2010-11	2011-12	2012-13	2008-09	2009-10	2010-11	2011-12	2012-13	2008-09	2009-10	2010-11	2011-12	2012-13
Northern Ireland	1 854	1 919	2 097	2 114	2 109	1 436	1 516	1 528	1 498	1 558	3 801	4 175	4 032	4 210	4 515
Scotland	1 969	2 040	2 075	2 091	2 115	1 486	1 492	1 473	1 466	1 441	3 557	3 833	3 937	4 063	4 169
England	1 737	1 864	1 887	1 874	1 954	1 325	1 409	1 461	1 446	1 360	3 192	3 481	3 571	3 696	3 813
Wales	1 838	1 947	1 989	1 964	1 912	1 374	1 428	1 457	1 450	1 365	3 685	3 976	4 108	4 236	4 396

Source: DFP, based on HM Treasury (2015b), “Public expenditure: Statistical analyses 2014”, HM Treasury, London, Table 9.15.

This higher level of public expenditure has enabled Northern Ireland to provide a high level of public services, especially in the areas of health and social services. For example, while Scotland leads the United Kingdom in all categories of health-sector human resources, Northern Ireland is near or surpasses Wales in terms of general practitioners, medical hospital staff, nursing, midwifery and health visiting staff per 100 000 of the population (National Audit Office, 2012, pp. 21-43). Moreover, non-clinical costs are also highest in Northern Ireland compared to the four other UK regions, with capital spending at times 42% higher in Northern Ireland at GBP 98 per capita compared to GBP 84 in Scotland, GBP 80 in Wales and GBP 70 in England (National Audit Office, 2012, p. 28).

This higher level of public expenditure has not resulted in equal or superior outcomes in Northern Ireland when compared to the rest of the United Kingdom. Several interviewees from the governmental and non-governmental sectors noted that this pattern of high public expenditures results from policy choices about the allocation of public resources on the basis of community interests. In some cases, this has led to duplication in service provision; in others it may reflect the inability to change the nature of service delivery to avoid adverse community reaction. Service-delivery decisions in health care and education were frequently cited as examples of the impact of such choices on the higher cost of service delivery in Northern Ireland. The case studies on Looked-after Children and on commissioning healthcare delivery evoke these issues (see Annexes C and F).

A number of indicators highlight the disparity between the level of public expenditure and population outcomes. Indeed, it seems significant that Northern Ireland ranks first in the United Kingdom on access to services yet it manages relatively poorly on service outcomes. Furthermore, as illustrated in Table 1.8, Northern Ireland has scope to improve outcomes across a number of dimensions (Office for National Statistics, 2014).

Table 1.8. Life expectancy, regions of the United Kingdom

Region	Average life expectancy at birth (male), 2011-13	Average life expectancy at birth (female), 2011-13	Average healthy life expectancy at birth (male), 2009-11	Average healthy life expectancy at birth (female), 2009-11
Northern Ireland	78.0	82.3	58.6	61.9
Scotland	76.8	80.9	61.6	65.4
Wales	78.2	82.2	63.2	65.3
England	79.2	83.0	64.7	66.4

Source: DFP, based on Office for National Statistics (2014), “National life tables, United Kingdom, 2011-13”, Office for National Statistics, London.

Across other measures considered by the National Audit Office, such as wait-times for certain hospital procedures, Northern Ireland was last in four of the six selected procedures for audit and failed to meet national waiting time targets/performance standards for elective procedures (National Audit Office, 2012, pp. 41-42). Other areas, such as education, highlight similar concerns. In the education sector Northern Ireland leads the United Kingdom in the percentage of its population with no educational qualifications (17.3% in 2013) (National Audit Office, 2012) and results from the OECD's PISA assessment show Northern Ireland's students lagging behind in mathematics, reading, and science (OECD, 2014).

Interestingly, Northern Ireland's population is generally satisfied about their situation across a number of social and economic dimensions, such as life satisfaction, general health, financial situation, and support networks (National Audit Office, 2012). These results however should not mask issues related to general well-being in Northern Ireland which persist despite high public spending. For example, Table 1.9 outlines the results for Northern Ireland of the OECD's Well-being Index. Though based on a limited number of indicators, the OECD's How's Life Index is useful in that it provides for comparability across regions of the United Kingdom. The Index highlights issues across a number of areas.<sup>18</sup>

Table 1.9. **How's Life in Northern Ireland**

	Northern Ireland	Scotland	Wales	United Kingdom
Access to services <sup>1</sup>				
Score: 1-10	10.0	9.3	9.0	8.6
UK rank: (1 – 12)	(1)	(8)	(10)	
Civic engagement				
Score: 1-10	3.4	4.7	4.9	4.4
UK rank: (1 – 12)	(12)	(8)	(5)	
Environment				
Score: 1-10	8.3	7.9	7.0	6.6
UK rank: (1 – 12)	(1)	(2)	(4)	
Health				
Score: 1-10	6.4	4.8	6.7	7.5
UK rank: (1 – 12)	(9)	(12)	(7)	
Housing				
Score: 1-10	5.7	5.6	7.2	6.3
UK rank: (1 – 12)	(10)	(11)	(1)	
Income				
Score: 1-10	4.7	5.4	4.7	5.8
UK rank: (1 – 12)	(9)	(5)	(9)	
Jobs				
Score: 1-10	6.8	7.2	6.8	7.3
UK rank: (1 – 12)	(6)	(5)	(6)	
Safety				
Score: 1-10	8.9	8.7	9.4	9.8
UK rank: (1 – 12)	(12)	(11)	(4)	

1. This indicator measures access to services on line.

Source: OECD (2015b), *How's Life? 2015: Measuring Well-being*, OECD Publishing, Paris, [http://dx.doi.org/10.1787/how\\_life-2015-en](http://dx.doi.org/10.1787/how_life-2015-en).

By contrast the United Kingdom's National Well-being Measures for Northern Ireland which uses similar indicators to those of the OECD's Well-being Index shows Northern Ireland being within the UK median in several areas, though issues as health, education, and economy highlight areas where Northern Ireland falls below the UK average. The findings are summarised in Box 1.3.

### Box 1.3. UK National Well-being Measures: Northern Ireland

#### Personal well-being

Compared with the United Kingdom as a whole, a higher proportion of adults in Northern Ireland indicated that they were satisfied with their lives overall; felt that the things they do in life are worthwhile; and rated their happiness yesterday as very high. Similar proportions in Northern Ireland and the United Kingdom rated their anxiety yesterday as very low. Within the OECD, Iceland and Switzerland had the highest ratings of happiness.

#### Relationships

In Northern Ireland in 2014/15, the average rating of satisfaction with family life was 8.6 out of 10, while the average rating with their social life was 7.3 out of 10. In 2011, the UK average rating for family life was 8.2 out of 10 and 7.1 out of 10 for social life.

#### Health

Males and females born in Northern Ireland have fewer expected years of living in good health than their counterparts in the United Kingdom. In the European Union, Iceland had the highest healthy life expectancy for males, while Malta had the highest for females. Compared with the United Kingdom, a slightly higher proportion of adults in Northern Ireland were satisfied with their health.

#### Employment

The Northern Ireland unemployment rate is similar to the UK average, which are both below the EU-28 average. Regions in the European Union with similar unemployment rates to Northern Ireland include Essex and Lancashire in the United Kingdom. Around 80% of adults in Northern Ireland and the United Kingdom were satisfied with their job. Compared with the United Kingdom generally, relatively more respondents in Northern Ireland were satisfied with the amount of their leisure time.

#### Living conditions

In 2013/14, there were 36 crimes against the person per 1 000 adults in Northern Ireland, while in 2014/15 in England and Wales there were 57 crimes against the person per 1 000 adults. In 2013/14, 88% of males and 65% of females in Northern Ireland felt safe walking alone after dark. In 2014/15, in England and Wales, 86% of males and 62% of females felt safe walking alone after dark. Finland, the Netherlands and Ireland had similar proportions to the United Kingdom of adults feeling safe walking alone after dark, whilst Norway had the highest proportion in the EU of adults who felt safe on this measure. A higher proportion of adults in Northern Ireland felt they belonged to their neighborhood, compared with the United Kingdom generally. The UK rate, together with the one in Germany, was the lowest in Europe.

#### Personal finance

Around one-fifth of people in Northern Ireland live in households with less than 60% of median income. This is similar to the proportion in the United Kingdom as a whole. The proportion of the UK population that is considered at risk of poverty or social exclusion is similar to the EU average. Around 10% of adults in both Northern Ireland and the United Kingdom reported that they were finding it quite or very difficult getting by financially, while at 60%, a slightly higher proportion of households in Northern Ireland than in the United Kingdom were satisfied with their household income. The UK average proportion of households reporting difficulty making ends meet was lower than the EU average. The EU countries with the fewest proportions of households reporting financial difficulties were Finland, Norway and Sweden. The proportion of the UK population that is considered at risk of poverty or social exclusion is similar to the EU average.

### Box 1.3. UK National Well-being Measures: Northern Ireland *(continued)*

#### **Economy**

Gross Value Added per head in Northern Ireland in 2013 was GBP 17 948 which as the third lowest of the 12 UK regions, was above the North East at GBP 17 381 and Wales at GBP 16 893, but below the UK average of GBP 23 394. The Northern Ireland Composite Economic Index has shown an increase in NI economic activity between Quarter 1 2014 and Quarter 1 2015. There is evidence to suggest that the average annual rate of growth, however, is lagging behind the United Kingdom as a whole.

#### **Education and skills**

A slightly higher proportion of pupils in Northern Ireland have five or more GCSEs A\* to C, including English and Maths, compared to the average for the United Kingdom. However, among the population of working age, a higher proportion of people in Northern Ireland have no qualifications than in the United Kingdom as a whole.

#### **Governance**

Voter turnout in the UK General Election was 58% in Northern Ireland compared with 66% across the United Kingdom. Internationally, the UK turnout was similar to the turnout for parliamentary elections in Finland, Estonia, and India. Australia, Luxembourg and Malta all have had high turnout rates in recent years.

#### **Natural environment**

In 2013, greenhouse gas emissions in Northern Ireland totalled 22 million tonnes, while in 2014 there were 518.7 million tonnes in the United Kingdom as a whole. Looking at greenhouse gas emissions per capita, Northern Ireland had 12.2 tonnes per capita in 2013, while for the United Kingdom overall in 2014, there were 8.0 tonnes per capita. In Northern Ireland, greenhouse gas emissions increased by 1.2% between 2011 and 2013, but have decreased by 16% since the base year.

*Source:* NISRA (2015d), “Well-being in Northern Ireland: Northern Ireland and international data for ONS measures”, Northern Ireland Statistics and Research Agency, Belfast.

Evidence gathered as part of this Review suggests that Northern Ireland’s public sector is not meeting expectations in terms of public service delivery. In this regard, the views of government officials, civil society and private sectors, and politicians are in agreement. Though stakeholders share the wish to see Northern Ireland develop its public services in a way that is effective, efficient, and contributes to positive outcomes for residents, they disagreed about the means to realise this. Several suggested that a larger place should be granted to the non-governmental sector in the provision of public services highlighting the understanding that what was important was the quality of the service provided and the outcome that resulted rather than administrative control and processes.

In addition, it would appear that the inability for the NICS to co-ordinate its interventions and work horizontally across departmental silos has resulted in inefficiencies and duplication: individual departments may be attending to the needs of specific segments of the population in an un-co-ordinated fashion. The case study on Looked-after Children highlights the need for better co-ordination to enhance efficiency in improving outcomes and reducing costs. The factors that have contributed to this situation are explored throughout this Review.

## Conclusion: A need for reform

The Government of Northern Ireland has identified the need to reform its public sector and thereby improve the efficiency, effectiveness and responsiveness of public services. This programme of reform was brought forward in response to fiscal pressures resulting from the reduction in the Block Grant as well as a desire for the Government to be more innovative and improve service delivery. The programme also results from a desire to reshape the role of government in Northern Ireland's economy and, at the same time, create conditions for the private sector to develop. Contained within the 2011-15 PfG, and reaffirmed through the 2014 *Stormont House Agreement*, the actions to reform Northern Ireland's public sector present significant governance challenges. These include:

- **Fragility of institutional structures:** Since 1998, Northern Ireland's governance has experienced regular periods of constitutional and institutional crisis and dysfunction. These periods are punctuated by new agreements. While each of these agreements aimed to address the problems of the present and the past, each contained within it the seed of its collapse. The fragility of Northern Ireland's institutions poses a real risk to the sustainability or resilience of public-sector reform as strong institutional foundations are needed to drive real and sustained change.
- **A divided community:** Northern Ireland's constitutional agreements have all foundered on the basis of differing community-based perspectives about how to govern the present and acknowledge the past. Though Northern Ireland is at peace, it is a peace that masks lingering divisions. As several interviewees from a variety of sectors observed, in trying to find a balance between community interests, Northern Ireland's government has tended to provide basic universal services through divided delivery. As a result, services are frequently duplicated to ensure relative balance of provision between both communities. However, fiscal pressures are unlikely to enable Northern Ireland to continue along this path and real choices about how services will be delivered are inevitable. The divisions in Northern Ireland are an endemic factor which affects most areas of government and public administration.
- However, fiscal pressures are unlikely to enable Northern Ireland to continue along this path and real choices about how services will be delivered are inevitable. The divisions in Northern Ireland are an endemic factor which affects most areas of government and public administration.
- **Fragile political arrangements and cumbersome decision making:** While the foundation for peace in Northern Ireland stems from the power-sharing arrangements between its two main communities, power-sharing has institutionalised complexity in decision making. Issues which extend beyond the responsibility of a single department or are deemed controversial are soon elevated for adjudication to the Executive itself. At times, disagreements over policy or spending allocations are so entrenched that the collapse of the coalition itself becomes a viable option to resolve the dispute. This creates bottle-necks and slows decision making, resulting in paralysis in the public administration. At the level of the NICS, this has contributed to a high level of risk aversion, a siloed outlook on staff duties and, as discussed in Chapter 3, low civil-service morale and engagement. This approach to key decision making is incompatible with

public-sector reforms that require difficult decisions, often in a short timeframe. As the decision to proceed with the Voluntary Exit Scheme demonstrates, Northern Ireland's Executive has the capacity to make hard decisions. Northern Ireland's Executive needs to make this a standard operating mode rather than the exception.

- **Limited control over financial resources:** Beyond user-fees and borrowing Northern Ireland has limited autonomous capacity to increase government revenues. Dependent on the Block Grant for over 90% of its financial resources, Northern Ireland bases its planning on a revenue picture that is determined by the UK Treasury. In the recent past, this has meant working with a reduction in the Block Grant. The UK Government's ongoing Spending Review will be a determining factor in this regard. Northern Ireland's decision to pursue control over the corporate tax rate will come at a cost as the Block Grant will be proportionally reduced, pursuant to European Union rules. Therefore, unless Northern Ireland obtains increased fiscal powers through a further devolution process, its fiscal prospects are likely to include further reductions in available resources to fund public services. In this context, it is unlikely that reducing structural costs, such as the pay bill and estates, will enable Northern Ireland to find the resources needed to fund public services. As discussed in Chapter 4, innovation in public-service delivery may hold a key addressing to sustaining services in the face of diminishing resources.
- **Uneven institutional capacity:** The ability for governments to drive reform depends to a large degree on the capacity of its institutions, and the people who work within them, to absorb change and move forward. Established formally in 1921 the NICS is the United Kingdom's oldest autonomous civil service, but direct rule has also meant it has had relatively limited experience of working with a locally constituted government. As the post-1998 period highlights, adapting to change is an engrained part of the NICS culture. This has both positive and negative features. Its history suggests that the NICS has within its staff and senior leadership individuals who are nimble and adaptable to change – an asset that ought to be leveraged during rounds of public-sector reform. Alternatively, these too frequent changes may have left the NICS lacking in a sense of permanency, especially in regard to decision making. As discussed in Chapter 3, there is a need on the part of the political and NICS leadership to acknowledge issues of low morale and engagement across the NICS and how to reform its institutional culture to become the more nimble, innovative, effective civil service which Northern Ireland needs. As many organisations facing difficulties have done in the past, drawing on the NICS' history may prove a useful tool in this regard.

To address successfully the many complex policy challenges generated by a constantly changing environment Northern Ireland must find ways to maximise the nimbleness and resiliency of its public sector. This Review provides the OECD's assessment of, and recommendations on, public-sector reform in Northern Ireland that aim to align with Northern Ireland's own medium-term priorities for public-administration reform. These will be assessed against the Northern Ireland Executive's goals of improving public service delivery and value for money. The ability of the Northern Ireland's public sector to challenge itself to identify and implement additional improvement (stretch-capacity) will also be considered. This analysis will be used to assess Northern Ireland's plans for delivering on its reforms and to make

recommendations on potential improvements or remedial actions to ensure that these result meet the expected benefits for citizens. This involves:

- examining the scope to expand or scale-up individual reforms to a broader range of areas, for example, in shared services or open data
- reviewing/benchmarking international practice to identify improvements that could be made in respect of current reforms
- reviewing international practice to identify possible additional reforms that could be considered for the public sector with a focus on maximising value for money and the quality of service for the end user.

The presence of effective, accountable, and inclusive institutions is an essential part of ensuring good governance and effective government (OECD, 2015c). As we highlighted in this chapter, one of Northern Ireland’s main challenges will be to ensure it has the right institutional capacity to drive its public-sector reform initiatives in pursuit of its goals of a more effective, efficient and responsive public administration. In this regard the capacity to plan is one of the critical functions of government and one of the key areas in need of attention in Northern Ireland. We examine this matter in the next chapter.

## Notes

1. The Northern Ireland public sector last counted fewer than 200 000 employee jobs in September 2000 (at 198 350 employee jobs) (DETI, 2015).
2. Provisions of the *Belfast Agreement* were also enshrined in the Constitution of Ireland (see Nineteenth Amendment of the Constitution Act, 1998 [Office of the Attorney General, Ireland, 1998]).
3. This system, also known as the highest-average method, is named after Victor D'Hondt, a 19th century Belgian lawyer. The principle of the system is that seats are won singly and successively on the basis of the highest average. The method requires that the number of seats each party gained in the Assembly will be divided initially by one and thereafter by one more than the number of seats won, until all the seats are won (Northern Ireland Assembly, n.d.).
4. This report is based on evidence gathered as of 27 August 2015. On 17 November 2015, the Northern Ireland Executive and the UK and Irish governments agreed to a set of actions, outlined in *A Fresh Start: The Stormont House Agreement Implementation Plan*, that confirm the full implementation of the 2014 *Stormont House Agreement*. This latest agreement therefore does not affect the analysis, conclusions or recommendations in this Review.
5. In April 2016 the structure of Northern Ireland’s departments will change leading to the reduction in their number from the current 12 to 9. This restructuring is discussed below. For the purposes of this Review and its recommendations, unless otherwise specified, the OECD refers to the departments and structure of government in place as of August 2015.

6. Though the *Stormont Agreement* provides parties which would be entitled to ministerial positions in the Executive, but choose not to take them up, to be recognised as an official opposition and to facilitate their work. To date, no party has prevailed itself of this section of the Agreement.
7. The current Minister of Justice is the leader of the Alliance party which is officially designated as “other”, that is neither unionist nor nationalist.
8. The latest occurrence led to the temporary withdrawal from the Executive of DUP and UUP members in September 2015 over a series of issues including disagreement over welfare reform and inter-community violence.
9. Initially, the NICS was responsible for agriculture, commerce, education, finance, labour and home affairs. Additional responsibilities were added following the creation of the National Health Service and, later, to address the “Troubles”.
10. In 2010 the Northern Ireland Audit Office observed that “(in) the absence of compulsory registration it is difficult to accurately estimate the size of the Sector [...]” (Northern Ireland Audit Office, 2010, p. 3).
11. This role of commissioning in health services is discussed in the case study.
12. The Federation of Small Businesses estimates that there are 126 000 businesses in Northern Ireland, including registered and non-registered businesses.
13. The impact of procurement is discussed in Chapter 4 and in the case study on procurement reform.
14. Information provided by DFP in February 2016 as part of the Review report.
15. The funding allocated through RRI will be in the amount of GBP 200 million in each of the 2015-16, 2016-17, and 2017-18 periods and GBP 100 million in 2018-19.
16. A previous reform, the amalgamation of 19 Health and Social Care Trusts (HSCTs) into five HSCTs, came into operation on 1 April 2007 as a result of Northern Ireland’s Review of Public Administration.
17. “There is a need for those involved to look at other funding opportunities to cover the remaining costs of implementation. These include early savings from local government’s Improvement, Collaboration and Efficiency programme, and the use of assets and loans.” (DoE, 2015b)
18. More about the *How’s Life* indicators can be found at [www.oecd.org/regional/regional-policy/website-topics-indicators-overview.pdf](http://www.oecd.org/regional/regional-policy/website-topics-indicators-overview.pdf).

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## Chapter 2

### **Improving strategic approaches through enhanced co-ordination and better use of evidence in Northern Ireland**

*This chapter is the first of two chapters to discuss the theme of improving strategic approaches as the first of Northern Ireland's thematic priorities for this Public Governance Review. This chapter assesses Northern Ireland's capacity to pursue its strategic objectives for its people and society in key social and economic areas. This chapter notes several factors which contribute to effective public policy and programmes including the ability to co-ordinate across administrative silos and evidence-based decision making and performance monitoring.*

## Introduction: Enhancing outcomes for people

The Northern Ireland Executive has identified **improving strategic approaches** as one of the three overarching governance themes it wishes to have assessed as it pursues its strategic objectives for Northern Ireland’s people and society in key social and economic areas. This chapter assesses Northern Ireland’s Centre-of-Government capacity to lead whole-of-government co-ordination across administrative silos, and its use of data and evidence, notably robust, sound performance information to monitor whether the government is achieving results for people successfully, as factors that can improve strategic approaches to policy making and execution.

In so doing, this chapter focuses on **enhancing outcomes for people**, the first of the Review’s nine sub-themes and one of five under the first overarching Review themes. The chapter examines how setting a vision-based, outcomes-driven multi-year strategy, using evidence including data and performance indicators in strategic planning and in the monitoring and evaluation of the strategy, aligning performance against outcomes, and sustaining horizontal, cross-government co-ordination to implement the strategy, can effectively bolster the government’s capacity to enhance outcomes for people.

Anchored in a broad, compelling vision statement, whole-of-government planning can help align government structures to deliver results (Box 2.1). A solid whole-of-government planning framework can provide governments with a powerful tool to:

- articulate its short, medium and long term priorities
- cluster policy initiatives around a small number of integrated policy priorities
- steer their implementation across administrative units and departments, promoting collaboration
- communicate effectively on progress, internally and externally (OECD, 2015a).

### Box 2.1. What is “whole-of-government”?

“Joined-up government” or “whole-of-government” approaches are associated with a desire to ensure the horizontal and vertical co-ordination of government activity in order to improve policy coherence, better use resources, promote and capitalise on synergies and innovation that arise from a multi-stakeholder perspective, and provide seamless service delivery to citizens and businesses. It requires government bodies, regardless of type or level, to work across portfolio boundaries to achieve shared goals and to provide integrated government responses to policy issues. Such an approach applies to both formal and informal working methods, and to the development, implementation, and management of policies, programmes and service delivery. A capacity to genuinely collaborate fundamentally enables a public administration to be more responsive to the needs of government and citizens. Improved co-ordination and integration – the foundation on which “whole-of-government” rests – is not new to the public administration. It is, however, gaining attention as governments react to the silos and fragmentation that, in some cases, have been exacerbated by New Public Management (NPM) reforms, as well as to asymmetries arising from structural devolution at the central level, greater complexity in policy challenges, and a need for efficiency gains.

The term “whole-of-government” is broad, and applies to both central and sub-national (regional and local) levels and policy sectors. It also includes the relationship between government and external actors. Assessing whether or not a “whole-of-government” approach is in place depends on numerous factors.

### Box 2.1. What is “whole-of-government”? (continued)

Three inter-related ways to estimate “joined-up-ness” include: 1) measuring the degree to which elements of good practice are being followed; 2) engaging in stake-holder dialogue, i.e., do stakeholders notice a difference? and 3) evaluating outcomes which may be best suited to addressing the impact of a “whole-of-government” approach, as opposed to the processes behind it (Pollitt, 2003). Academics studying whole-of-government approaches identify at least three primary lessons: first, one size does not fit all. In other words, horizontal approaches may not be appropriate for the entire public sector in all situations. Second, there is often a “bottom-up” element to initiating and promoting single government approaches, and thus room needs to be made for this possibility since it can strengthen “joined-up-ness”.

Finally, embedding a whole-of-government working culture is a long-term endeavour. It requires time to develop, implement and take root, and thus it must be “owned” by the full government and public administration rather than be seen as the initiative of any single political party. “The role of a successful reform agent is to operate more as a gardener than as an engineer or an architect” (March and Olsen, 1983, in Christensen and Laegreid, 2007).

*Source:* OECD (2011), *Estonia: Towards a Single Government Approach*, OECD Public Governance Reviews, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264104860-en> adapted from Christensen, T. and P. Laegreid (2006), “The whole-of-government approach: Regulation, performance, and public sector reform”, Working Paper 6, Stein Rokkan Centre for Social Studies, UNIFOB AS; Christensen, T. and P. Laegreid (2007), “The whole-of-government approach to public sector reform,” *Public Administration Review*, November/December 2007; Management Advisory Committee (2004), “Connecting government: Whole-of-government responses to Australia’s priority challenges”, Commonwealth of Australia, Canberra; Pollitt, C. (2003), “Joined-up government: A survey”, *Political Studies Review*, 2003, Vol. 1.

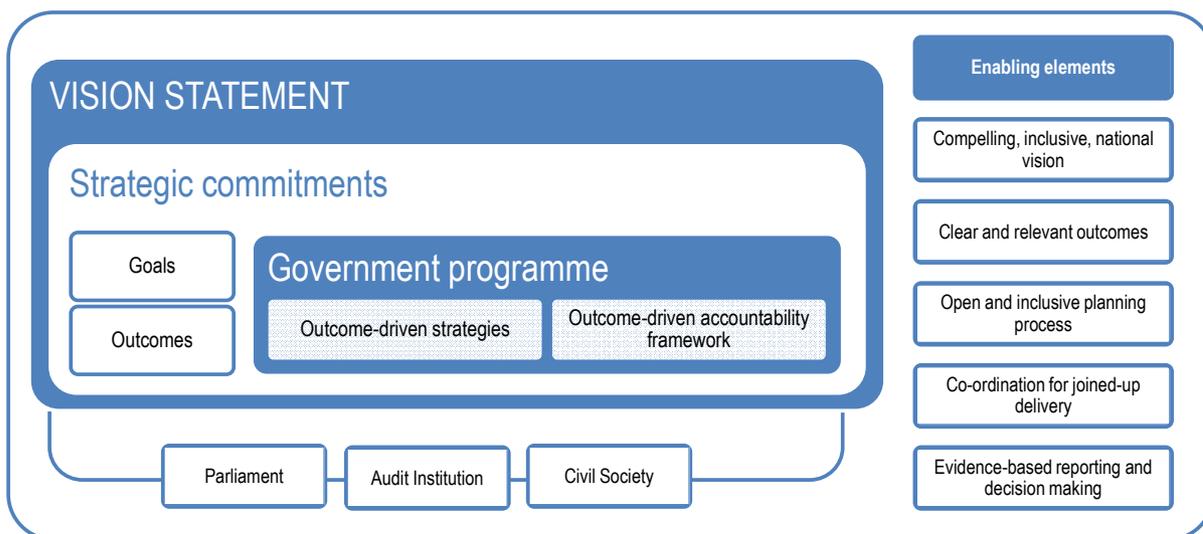
Conversely, failures of planning and co-ordination can lead to overlap and duplication, administrative burden, lower levels of employee engagement and lower levels of efficiency and effectiveness, negatively affecting the assessment of citizens of their governments (OECD, 2015b).

Across the OECD the general policy environment reinforces the importance of strategic planning in public governance generally and in particular in improving service delivery to citizens in a way that achieves results and improves outcomes over time. Governments are increasingly focusing on strengthening their governance frameworks to link planning and budgeting more effectively while harnessing sound evidence to design, deliver and monitor the performance of policy and programming to achieve better with less. In parallel, a renewed focus on citizen-centric policy making calls for carefully designed government objectives that reflect multidimensional outcomes. This has an impact on strategic planning, its inputs and required data for evidence. It calls for unprecedented levels of horizontal co-ordination. The ongoing transfer of responsibilities to different levels of government (local, national, or in some cases supranational levels) provides, an opportunity to improve effectiveness and impact, but also a challenge to ensure effective vertical co-ordination between levels of government. Whole-of-government planning can help align key actors (e.g. Parliaments, audit institutions, service providers, unions) in the pursuit of a common vision and purpose.

A number of elements can be considered by governments when defining and assessing their planning frameworks (Figure 2.1), including:

- a **clear unifying vision** (reflecting a common interest of key stakeholders, such as inclusive growth or general well-being), which guides planning and implementation, and is understandable both internally across government and externally for citizens
- a **small number of meaningful strategic commitments** (e.g. building a cohesive society) and supporting outcome indicators (e.g. feeling safe), that help crystallise common societal aspirations
- **aligned national strategies, national budgets and local government planning**, so that the combination of means available (e.g. police, justice, social work, education) can help deliver jointly the target outcome (e.g. feeling safe) and each administrative unit knows which outputs (e.g. higher crime detection rates) will be pursued, budgeted for and incorporated into a supporting performance and accountability framework
- **internal and external data** (e.g. statistics, performance assessments, audits) to assess, inform and correct course as needed
- **engagement, consultation and information-sharing** with citizens and a broad set of stakeholders (Parliament, independent institutions, and civil society organisations) to build a sense of common purpose and shared responsibility.

Figure 2.1. Elements for governments to consider when planning for outcomes and strategic agility



Source: Author's own work, based on OECD (2015b), "Public sector performance: Focusing and aligning government action to achieve shared outcomes", a document prepared for 51st session of the Public Governance Committee.

As noted in the previous chapter, Northern Ireland will shortly launch the preparation of the 2016-20 Programme of Government (PfG). A key modification proposed in the 2014 *Stormont House Agreement* enhances the potential impact of this instrument for whole-of-government steering, as the PfG is to be agreed upon *before* the appointment of the new Northern Ireland Executive. The following sections discuss key enabling

elements to seize this opportunity fully, showcasing international good practice and highlighting implications for Northern Ireland.

### Setting a vision-based, outcomes-driven multi-year whole-of-government strategy

Delivering outcomes starts with setting a vision that identifies short, medium and longer term priorities and brings together government and society around shared goals. A vision statement enables government to communicate in simple terms, internally and externally, its overarching objectives and the relevance of single and multi-sector priority initiatives designed to achieve them. In turn, this allows key officials to be informed about the actions of all government departments. It helps align all levels of the government.

In Northern Ireland, the main overarching vision and strategy statements are laid out in the PfG and in the Northern Ireland Economic Strategy (NIES; see Box 2.2).

- The PfG 2011-15 sets out four principles: **peace, prosperity, fairness, and well-being**, to work towards the goal of “a shared and better future for all”. The PfG also signals that policies and programmes across Government “will be built upon the values of equality and fairness and the ethics of inclusion and good relations”.
- The NIES represents the economic pillar of the PfG. As such, it outlines a vision for “an economy characterised by a sustainable and growing private sector, where a greater number of firms compete in global markets and there is growing employment and prosperity for all”, and sets five rebalancing and two rebuilding themes (see Box 2.2). In addition, the Investment Strategy 2011-21 was presented alongside the PfG as an essential planning tool to prioritise infrastructure programmes.

#### Box 2.2. Key planning documents in Northern Ireland

The key vision for Northern Ireland is laid out in the PfG and in the Northern Ireland Economic Strategy. The PfG’s vision is “a shared and better future for all” and it highlights the key goals and actions the Executive takes to drive forward. It includes a detailed Public Service Agreement Framework which sets out the actions and targets departments will take in support of the Executive’s priorities. The milestones and commitments set out in the PfG are wide ranging, covering all 12 (at the time of writing) NICS departments. Updates to the PfG are published on the OFMDFM website on a quarterly basis.

The PfG 2011-15 identifies the actions the Executive will take to deliver its number one priority – a vibrant economy which can transform Northern Ireland society while dealing with deprivation and poverty. The 2011-15 PfG priorities are: 1) Growing a Sustainable Economy and Investing in the Future, 2) Creating Opportunities, Tackling Disadvantage and Improving Health and Well-being, 3) Protecting Our People, the Environment and Creating Safer Communities, 4) Building a Strong and Shared Community, 5) Delivering High Quality and Efficient Public Services. The document mentioned that these actions would “lead to a tolerant, stable and inclusive society that has the skills necessary to attract investment and promote growth”.

In 2012, the Northern Ireland Economic Strategy (NIES) was published, which identifies the following vision for the Northern Ireland economy by 2030: “An economy characterised by a sustainable and growing private sector, where a greater number of firms compete in global markets and there is growing employment and prosperity for all”. The NIES focuses on strengthening Northern Ireland’s competitiveness through a focus on export led economic growth and includes targets for rebalancing the economy to reduce dependence on the public sector and increase the size of the private sector. A Comprehensive Action Plan was developed in conjunction with the Strategy, which sets out a more detailed list of commitments to be delivered by departments in the immediate budget period and in the medium/longer term. Updates on progress against the Comprehensive Action Plan commitments can be accessed on line.

### Box 2.2. Key planning documents in Northern Ireland *(continued)*

The actions related to NIES are structured around the rebalancing and rebuilding themes of the Framework for Economic Growth and Prosperity. The five strategic rebalancing themes have been developed: (A) Stimulating innovation, R&D and creativity; (B) improving skills and employability; (C) Competing within the global economy; (D) Encouraging business growth; (E) Developing a modern and sustainable infrastructure. As the recession has had a significant impact on the Northern Ireland economy, the Economic Strategy also includes the following two rebuilding themes: (F) Promoting accessible employment opportunities and (G) Providing training and re-skilling. The related Action Plan assigns on average 30 actions to each of these themes with a clear responsibility and a timescale assigned.

*Source:* OECD analysis.

Together, these documents present a large number of government commitments and targets. The PfG 2011-15 represented a step forward in terms of planning when compared to its predecessor, reducing commitment targets from 300 to 82.

Despite these improvements, the number of strategic commitments remains too large (the PfG has 82 commitments and NIES has 24 rebalancing and 12 rebuilding key actions). Further, other strategic documents add objectives. The Comprehensive Action Plan to the Northern Ireland Economic Strategy thus has 42 objectives and over 200 lines of action, mostly listed by service area, and are output-based.

The links between the PfG, the Economic Strategy, and departmental or local strategies are not always clear. For example, the Northern Ireland Economic Strategy and its related Action plan each use different wording for similar objectives, and they distinguish between key actions and other actions to pursue a single objective.

The majority of the goals included in the PfG are process or output goals. They can speak to the degree of programme implementation, but cannot be tracked back to outcomes that matter to people or improve their lives. These indicators are only loosely mapped to the five priority areas identified in the PfG (Box 2.2). While the number has been reduced in the current PfG to 82 objectives, still, it is a large number of indicators to report and communicate upon.

Within each priority area, a number of “building blocks” is identified. OECD interviews show that these building blocks do not always appear to align clearly with their priority area; moreover, they vary in nature from sector strategies to UK-wide directives or EU priorities.

Complementarities within these building blocks are also not always clear, and in some cases, may further reinforce agency boundaries rather than enable joined up planning and delivery. Rather than a system of cascading objectives, the PfG seems to draw together actions presented by individual departments in a “collage” approach, and as such misses an opportunity to provide a clear strategic picture and identify ways of delivering on it by adopting, if necessary, new ways of doing things.

Government departments also set their own internal key strategic documents as they have autonomy in identifying policy and governance reform priorities. In turn departments require their arm’s length bodies to set targets that contribute to the department’s strategic priorities. These departmental strategies are expected to align with the whole-of-government vision and outcomes, but it is not always clear how they map

back to the key planning documents. For example, some departmental strategies do not have a reference to the PfG, which complicates the understanding of how they fit within the broader vision.

### ***Strengthening vision-setting in Northern Ireland***

Increasingly, OECD governments are moving towards translating high-level political priorities into a small number of tangible outcomes that matter to people and are to be pursued over a number of years – usually over the political life of the government, but sometimes over a ten-year period or even longer. A number of them (see Box 2.3) aim to link their vision to a national discussion on well-being, supported by indicators that reflect the most relevant aspects of people’s life. A focus on outcomes that matter for well-being provides a way to understand, in a tangible, accessible manner, how best government and society can work together to achieve common progress.<sup>1</sup>

#### **Box 2.3. Well-being as a compass for national vision setting**

Gross Domestic Product (GDP) remains the most important indicator for measuring the economic performance of countries and often it is the key driver of government strategies. However, GDP has limitations as a measure of well-being, which is defined in the domains of material living conditions and quality of life (see e.g. Sen, 1998; Stiglitz, Sen and Fitoussi, 2010; Nussbaum, 2011). For example, safety, health, leisure, happiness, social cohesion, or well-being environments – important dimensions of well-being – are often not reflected in GDP. Thus, GDP alone is not able to provide policy-makers with the right information about sustainable well-being and cannot provide the right vision for a country.

This dissatisfaction with GDP has generated an active search for robust statistical concepts which measure well-being and which would allow the government to set a national vision to improve it. The OECD is at the forefront of these efforts through its Better Life Initiative, which includes both indicators of material well-being and quality of life. The European Commission issued a report on “GDP and Beyond” to improve metrics of progress (European Commission, 2009). Some of these issues have been reflected in the EU growth strategy Europe 2020 and are being picked up by Eurostat. In addition, one of the main economic research institutes, WIFO, co-ordinates a pan-European project on “Welfare, Wealth and Work for Europe” which aims to provide an analytical framework and policy recommendations to the European Union’s “Europe 2020” strategy.

At the national level, OECD countries are developing well-being indicators and using them for policy making. Since 2002, the Australian Bureau of Statistics has been developing a set of *Measures of Australia’s Progress*, which tries to address the question, “Is life in Australia getting better?” Finland has developed a system of Indicators, with up-to-date information on key social indicators. A subset of these indicators related specifically to well-being has become a part of Eurostat’s Quality of Life Indicators. The German Bundestag has set up a commission of inquiry on the subject of growth, prosperity and quality of life. The task of this commission is to discuss and work out “alternative indicators of prosperity” fit to complement or substitute the GDP as a central political variable. In Austria, where well-being outcomes are remarkable (OECD, 2013a), several initiatives exist to measure and monitor well-being beyond GDP such as the Growth in Transition (*Wachstum im Wandel*). Growth in Transition is a platform to strengthen dialogue about ecologically and socially sustainable growth to enable the transition towards a resource-efficient and environmentally compatible economy.

### Box 2.3. Well-being as a compass for national vision setting (*continued*)

While it is still not a widespread practice, these statistical advancements are strengthening the case for using well-being indicators in policy making to provide a “compass” for national vision setting. For instance, UK government regularly publishes the UK Green Book, which focuses on how to appraise proposals before committing funds to a policy, programme or project. In 2011, the Green Book was amended to account for non-market impacts of policies, including those on welfare and well-being. New Zealand’s Government embeds in their policy making their Higher Living Standards framework, which includes a broad range of material and non-material factors which impact on well-being (such as trust, education, health and environmental quality). In France, authorities are currently developing a strategic dashboard, which should be organised around three areas (Economic development, Social progress, Sustainable development) having a limited number of representative indicators, which could be internationally comparable.

*Source:* OECD analysis; OECD (2013a), *OECD Economic Surveys: Austria 2013*, OECD Publishing, Paris, [http://dx.doi.org/10.1787/eco\\_surveys-aut-2013-en](http://dx.doi.org/10.1787/eco_surveys-aut-2013-en); European Commission (2009), *GDP and Beyond: Measuring Progress in a Changing World*, European Commission.

In the context of the next PfG (2016-21) there is an opportunity to move toward a single, outcomes-based vision statement along with an accompanying action plan for the government to implement in pursuit of the vision. Until now, the definition of the PfG has taken place after the elections and the appointment of the Northern Ireland Executive. This affects the ability to overcome administrative silos as well as political boundaries. Incentives could be better aligned with agency or department interests and budgets allocated accordingly: building a common vision and incentivising interdepartmental co-operation accordingly are particularly relevant in the context of an Executive that needs to work toward implementing a vision by promoting synergies across departments controlled by different parts of its “coalition of the unwilling”.

To leverage this opportunity fully, the government is aiming to have the new PfG agreed before the appointment of the executive, and second, is focusing on a shared outcomes model (a model that promotes collaboration and which is built on shared objectives and priorities for change). This can allow a system of “cascading objectives” to be defined, which can then be tracked back to specific outcome measures. For this purpose, the planning process should be strengthened along the lines of a stronger vision and strategic outcome setting, greater horizontal co-ordination, and greater alignment between vision, priority area, strategies and indicators. Box 2.4 describes the recommendations that were put together as a result of the Carnegie Roundtable on Measuring Well-being in Northern Ireland and which could be followed to guide the next planning process in Northern Ireland.

### Box 2.4. Towards a Well-Being Framework in Northern Ireland

The Carnegie UK Trust focuses on influencing policy through innovative practice and partnership work to improve well-being in the country. In 2014-15, the Carnegie Roundtable on Measuring Well-being in Northern Ireland was convened to explore how the concept of well-being can be used to promote social change. The Roundtable's report (Carnegie UK Trust, 2015) set out ten recommendations for a well-being framework, a new, innovative way of delivering public services in Northern Ireland:

1. **Integrate the concept of well-being** as the collective purpose into its mission statement for all public services as part of the 2016-2020 PfG.
2. **Lead a society-wide conversation on well-being** which feeds into the development of a Well-being Framework to guide the work of the Northern Ireland Executive.
3. **Agree a set of strategic commitments and outcomes** (the Well-being Framework) and place this at the core of the 2016-2021 PfG.
4. **Set out**, through the future Programmes for Government, **the reforms required to achieve the Well-being Framework**, including a whole-of- government operational culture.
5. **Develop a training and capacity-building programme** for all those bodies responsible for implementation.
6. Embed the Well-being Framework by linking it to collaborative budget processes and informing the allocation process.
7. **Work with local government** to agree a new relationship to fully integrate and monitor local outcomes within the context of the Well-being Framework.
8. **Invest in communicating the Well-being Framework** and trend data to the public by a range of techniques including data visualisation, live dashboards, social and traditional media.
9. **Lay an annual report before the Northern Ireland Assembly** for debate on the progress made by the PfG towards outcomes described in the Well-being Framework.
10. **Convene a Standing Advisory Group** to provide ongoing technical support, advice on capacity-building activities and provide external review of the implementation of the Well-being Framework.

*Source:* Carnegie UK Trust (2015), "Towards a Well-Being Framework: Findings from the Roundtable on Measuring Well-Being in Northern Ireland", Carnegie UK Trust, Dunfermline; Woods, J., P. Doran and J. Wallace (2015), "Towards a Well-Being Framework: Background Report", Carnegie UK Trust.

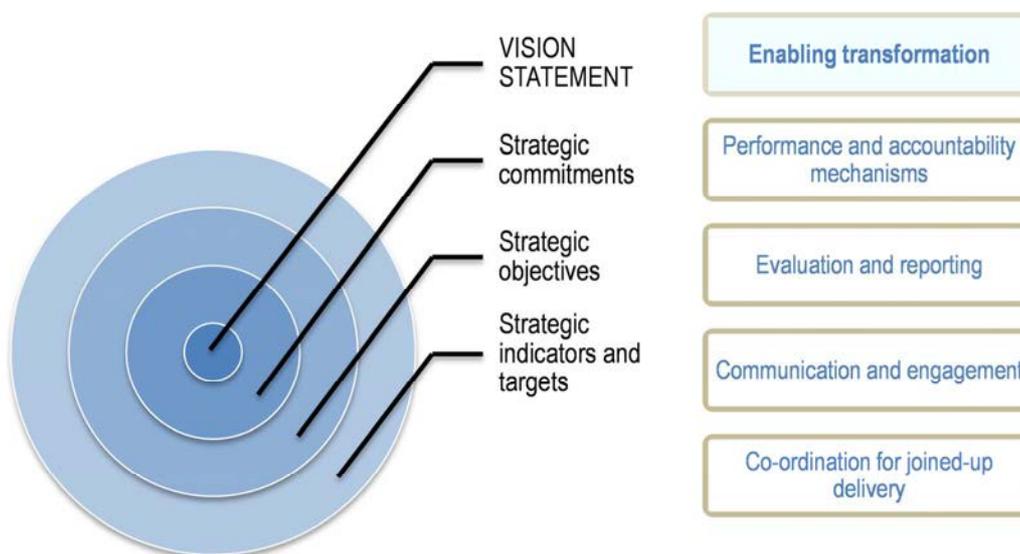
The Carnegie UK Trust's focus on well-being is an example of a vision-based action plan that – if adopted by Northern Ireland – would imply certain governance reforms and actions on the part of the Government of Northern Ireland (Carnegie UK Trust, 2015). While the Executive might decide not follow all of Carnegie's recommendations, it is key that it engages with society to build a consensus on a common vision. Once the government has a consensus-based vision, a need will ensue to organise its institutional and decision-making arrangements accordingly to deliver on it. For instance, together with a more enabling planning process, there will need to be a focus on articulating a

small number of key strategic policy outcomes that translate this vision into organisational objectives. This section develops these arguments.

### ***From vision to goal- and outcome-setting***

A whole-of-government vision sets the foundation for the identification of a number of high-level strategic commitments, out of which a set of well-defined outcome measures can be distilled (Figure 2.2). High-level strategic commitments signal the means through which the vision will be achieved, and thus serve to reinforce the values and principles that ultimately will guide government action. The means, or strategic commitments, can be different. For example, economic growth can be achieved with a focus on productivity, but may also involve the dimensions of equity and sustainability. The identification of these high-level commitments is, fundamentally, the responsibility of the Executive, which tends to define them by drawing upon a number of sources, including external stakeholders, the senior civil service and key evidence, comprising national indicators on quality of life, competitiveness, standard of living, wellness, well-being, and the like (Carnegie UK Trust, 2015).

Figure 2.2. **From a whole-of-government vision to goals and outcomes**



*Source:* Author’s own work, based on OECD (2015b), “Public sector performance: Focusing and aligning government action to achieve shared outcomes”, a document prepared for 51st session of the Public Governance Committee.

A number of OECD governments, at the national and sub-national levels, are moving in this direction:

- **New Zealand’s** Treasury Living Standards Framework was developed to improve policy making by assessing policy options against a set of high level objectives: prosperity, inclusiveness and sustainability. Key dimensions of Living Standards were identified within these objectives:
  - economic (for prosperity)
  - social inclusion and equity (for inclusiveness)

- resilience and sustainability for the future (for sustainability).
- Having these as explicit goals helps guide higher quality policy advice, thereby enabling to provide integrated economic, environmental and social policy advice. At the same time, it encourages a focus on complementarities and the identification of joined up solutions.
- The National Performance Framework (NPF) of **Scotland** defines whole-of-government **strategic objectives**, following a government statement-of-purpose. Underpinning the purpose of the government “to create a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable economic growth”, the NPF identifies five strategic objectives or commitments that relate to Scotland being:
  - wealthier and fairer (enabling businesses and people to increase their wealth and to share it fairly)
  - healthier (ensuring better, local and faster access to health care)
  - safer and stronger (helping communities to flourish, becoming stronger, with safer places to live)
  - smarter (expanding opportunities to succeed from nurture through lifelong learning)
  - greener (improving the environment and its sustainable use).

Out of these, 16 National Outcomes have been defined (e.g. better business environment, reduced inequalities, more efficient public services; see Figure 2.3).

Figure 2.3. **From a whole-of-government vision to goals and outcomes in Scotland**



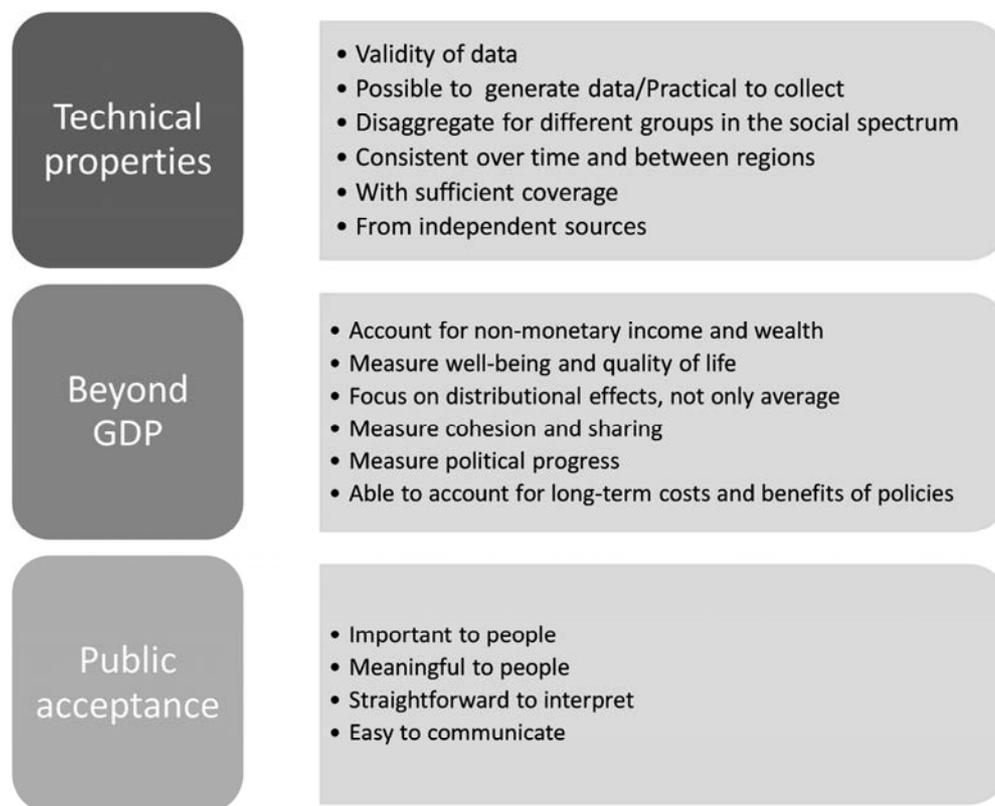
Source: The Scottish Government (2016a), “National Performance Framework”, [www.gov.scot/Resource/0049/00497339.pdf](http://www.gov.scot/Resource/0049/00497339.pdf); [www.nationalarchives.gov.uk/doc/open-government-licence/version/3/](http://www.nationalarchives.gov.uk/doc/open-government-licence/version/3/).

As this international experience shows, a small, well-targeted number of key national indicators can help provide the initial link between an overarching strategic vision, high-level commitments, and their implementation. Key National Indicators (KNIs), a small set of indicators which matter most to society as a whole, track progress toward the achievement of strategic outcomes. These indicators have typically three roles:

- **symbolic**, i.e. communicate to the public what public policy wants to achieve
- **strategic**, i.e. align budgetary resources to policy and high-level outcomes
- **instrumental**, as they inform the design (*ex ante*), help monitor (during) and audit (*ex post*) individual policies and programmes.

Still, multi-dimensional policy outcomes are difficult to select, i.e. the identification of the “right” indicators, those which are meaningfully related to the vision, needs, and aspirations of citizens (i.e. they reflect what matters to the general public). It is also difficult to strike the “right balance” between a reduced number of indicators and a representative scope. Multi-dimensional policy outcomes are also difficult to measure and there are issues of feasibility, in terms of data availability and collection. Moreover, it is often difficult to align the policy outcomes of different parts of the government and to map these into high-level outcomes (OECD, 2015b).

Figure 2.4. **Getting the right key national indicators**



*Source:* Author’s own work, based on OECD (2015b), “Public sector performance: Focusing and aligning government action to achieve shared outcomes”, a document prepared for 51st session of the Public Governance Committee.

Comparative experience offers insight into different methodological and political solutions for using well-being metrics in policymaking, such as selecting regional well-being outcome indicators, monitoring progress in people’s circumstances over time, and implementing a process of multi-stakeholder engagement to promote social change (Box 2.5).

### Box 2.5. Using well-being metrics in policy making

The OECD report *How’s Life in Your Region? Measuring Regional and Local Well-being for Policy Making* provides seven in-depth case studies on different methodological and political solutions for using well-being metrics in policy making. The different case studies provide good examples of how indicators can be used in different phases of the policy-making process, such as selecting regional well-being outcome indicators, monitoring progress in people’s circumstances over time, and implementing a process of multi-stakeholder engagement to promote social change.

In the case of Rome, Italy, a comprehensive consultation process was used to prioritise the dimensions of well-being that matter most to the citizens, through community surveys, a web tool, public meetings, workshops, etc. The region of Sardinia, Italy made concrete improvements in public service delivery (e.g. the amount of urban landfilled waste was halved and the share of recycled urban waste rose from 27% to 48% over five years) as a result of the effective engagement of public institutions, the private sector and civil society around clear and measurable well-being objectives.

With its “Good Life” initiative, Southern Denmark included a comprehensive set of regional well-being indicators in its Regional Development Plan, combining objective and perception-based indicators to monitor social progress in the region. The North of the Netherlands developed a sophisticated set of regional well-being indicators by involving various stakeholders, such as the academic community (e.g. University of Groningen). Newcastle, United Kingdom is a good example of a city that built its metrics on national requirements (to establish local health and well-being boards through the 2012 Health and Social Care Act) in order to develop a wide-ranging local well-being strategy.

The state of Morelos, Mexico designed its state development plan around a set of clear baselines and targets in different dimensions of well-being over a pre-determined time frame (corresponding to the state government mandate). Finally, the US Partnership for Sustainable Communities is a national initiative for jurisdictions of all sizes. It aims to align federal policies and funding in order to improve access to affordable housing, provide more transport options and reduce transport costs, and protect the environment. The initiative incorporates existing indicators – identified with the help of focus groups and governmental agencies – and provides guidelines to local policy-makers on their use.

Source: OECD (2014a), *How’s Life in Your Region?: Measuring Regional and Local Well-being for Policy Making*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264217416-en>.

A mind-set of continuous improvement is needed in this context. International experience shows that the identification of indicators need not be perfect at the earlier stage. Countries that follow this comprehensive approach to strategic planning launched their frameworks and initiatives without necessarily having all the answers, and continue revising it. For example:

- Scotland identified where indicators were unavailable at the time, leaving a placeholder for new indicators.
- New Zealand reached out externally to complement available indicators and identified those it was unable to define to ensure a realistic framework.
- France has embarked on a process of continuous improvement of their KNIs to create a simpler, more accessible framework (Box 2.6).

### Box 2.6. Key national indicators and government strategy in France

In France, the 2006 Finance Law (*Loi Organique relative aux Lois de finances*, LOLF) introduced elements of renewed public management, such as the focus on increased clarity and transparency, a results-oriented budget, or a more reliable accounting. Building on its mandate, a renewed focus on performance and results was launched, including a set of government-wide objectives and national indicators.

As implementation progressed, evidence showed that while internally the new performance tools (e.g. objectives, indicators, scoreboards for decision making) worked well, the external impact was limited in terms of visibility and political impact. For example, the feedback loop in budgetary debates in Parliament or budgetary decisions was not as expected, the performance framework was perceived heavy, and indicators failed to translate the strategic goals of the executive in an accessible, empowering way.

As part of the learning process, the administration acknowledged these challenges and launched a revised performance framework, which was simpler and with a reduced number of indicators. Significant steps were also taken in communication about performance results. A dedicated website ([www.performance-publique.budget.gouv.fr](http://www.performance-publique.budget.gouv.fr)) presents the main results of public policies and aggregates several indicators to give an overall picture.

Moreover, a new law was passed on 13 April 2015, which states that the government must now report annually to Parliament with wealth indicators other than GDP on the occasion of the Finance Law debate, and evaluate the impact of the past and projected reforms on these indicators. Authorities are currently developing a strategic dashboard, which should be organised around three areas (Economic development, Social progress, Sustainable development) having a limited number of representative indicators, which could be internationally comparable.

*Source:* Ministère des Finances et des Comptes Publics (2015), “What is the role of Key National Indicators”, presentation for the OECD 51st session of the Public Governance Committee, Paris, 23 April 2015.

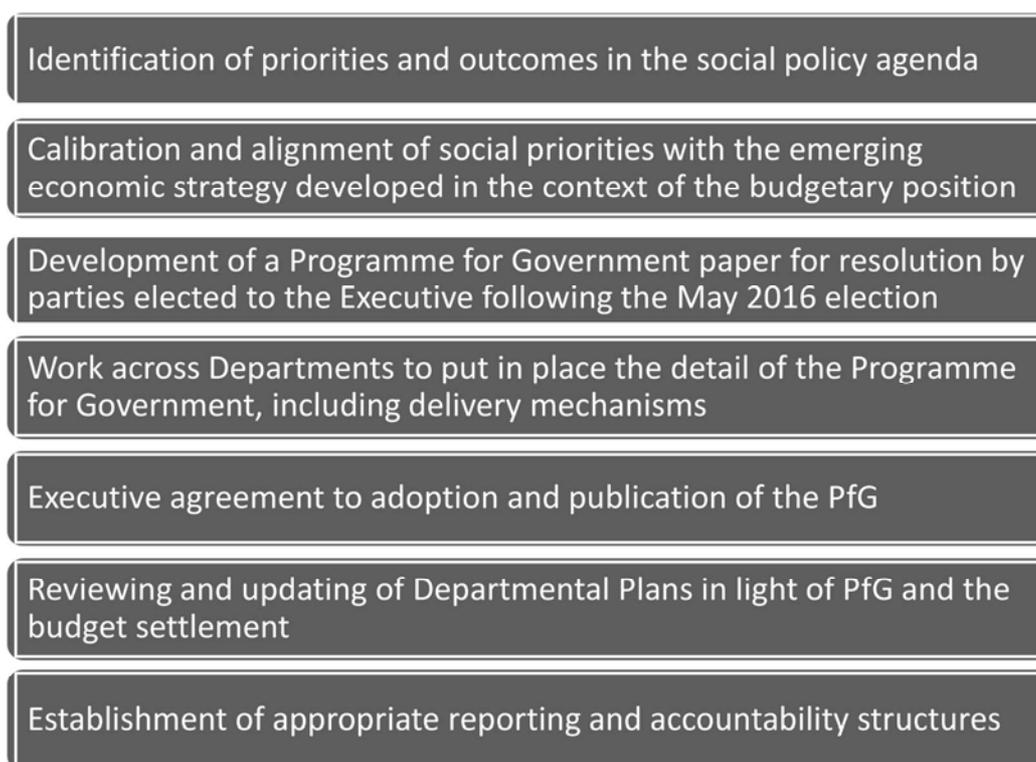
### ***Whole-of-government planning and engagement***

As noted in the previous chapter, key actors involved in the planning process for the PfG include the Northern Ireland Assembly, the Office of the First Minister and deputy First Minister (OFMDFM) and the Executive Committee and Department of Finance and Personnel (DFP). The Northern Ireland Assembly exercises full legislative and executive authority pertaining to those matters devolved to Northern Ireland.<sup>2</sup> The Assembly plays its role in the development of the PfG; first, by commenting the draft version of the PFG and second, by approving the PfG. Assembly Committees also hold departments to account for performance against their Corporate Plan and PfG commitments.

Among departments, the DFP plays a central role in the planning process, since it is responsible for securing and allocating resources to all of the other departments and is equally responsible for cross-cutting administrative policies having an impact on the other Northern Ireland departments, including human resource management, procurement, shared and professional services, services to the citizen and corporate improvement.

There are a number of interdependent deliverables involved in developing a PfG. Among the steps followed to identify priorities are: alignment of these priorities with the budget, developing delivery mechanisms, and departmental plans (see Figure 2.5). Delivery is interdependent, and is typically achieved through an iterative, but flexible, process. The process to deliver these outcomes includes mechanisms for input by the public in general, and interested stakeholders in particular, and includes appropriate engagement with the Assembly and with local government.

Figure 2.5. **Strategic planning in Northern Ireland**



*Source:* Adapted from information received in OECD survey; OECD (2015b), “Northern Ireland responses to OECD Public Governance Review questionnaire”, internal working document.

Management mechanisms for the PfG include programme management and a delivery framework. The PfG is managed at three levels:

- First, the PfG Programme Board, a body chaired by the First Minister and deputy First Minister, is responsible for the **programme** level. The Board considers and approves the strategic direction of the Programme.

- Second, the PfG Delivery Oversight Group, a body chaired by the Head of the Civil Service, is responsible for the **delivery** level. This Group manages Programme delivery and ensures constancy of direction.
- Third, departments, senior responsible officers, and partner organisations are responsible for managing PfG implementation at the **operational** level. This encompasses the tactical delivery of outputs and achievements of targets, through programme and project management.

### ***Cross-silo co-ordination challenges affecting strategic planning in Northern Ireland***

Efficient co-ordination is key to ensuring policy responses that are joined up or mutually supportive, and encourages shared ownership for outcomes. This is highlighted in the PfG, which states that:

*“All departments of Government must work together to produce policies, plans and strategies – the building blocks – that are consistent with the priorities we have identified and with a focus on delivery. In addition, Government, as a whole, must act collaboratively with partners in the private, community and voluntary sectors to assure, and positively maximise, the impacts of our work.”* (Northern Ireland Executive, 2011)

In this regard, an opportunity exists to seek integration between sector and agency strategies. There are numerous departments and sector-specific strategies (e.g. 12 strategies, in addition to directives, and guidance for priority area three: Protecting Our People, the Environment and Creating Safer Communities). However, there is not always a clear link between these strategies and, as indicated earlier, between them and the PfG or the Economic Strategy, rendering it difficult to see how objectives of government-wide strategies cascade to individual or sector-specific policies.

Particular difficulties remain, for example, in dealing with the holistic needs of vulnerable groups in society, such as young people emerging from care, people with disabilities and older people who are ill or vulnerable. Several departments are responsible for policy and services for these client groups but a joint vision and strategy for delivery are missing. Addressing these difficulties was one of the aims of the Delivering Social Change initiative, which in the end missed the mark of moving the operational culture of the government toward cross-silo collaboration as the default behaviour (see Annex E; Box 2.7.).

### Box 2.7. The Delivering Social Change initiative

The *Delivering Social Change* framework was set up by the Northern Ireland Executive to tackle poverty and social exclusion. It represents a new level of joined-up working by Ministers and senior officials across Executive departments to drive through initiatives which have a genuine impact on the ground. Six initial Signature Programmes were set up to improve literacy and numeracy levels, offer increased family support and to support job creation within local communities – all of which were identified as being key priorities. A seventh Signature Programme seeks to enhance play and leisure opportunities for children and young people whilst a further three Signature Programmes are aiming to deliver dementia services, early intervention services and expand the shared education system. *Delivering Social Change for Children and Young People* will provide an integrated policy framework encompassing policy on children and young people, including child poverty and children’s rights.

Source: OECD analysis.

This limitation was also demonstrated in *the Neighbourhood Renewal Strategy*. When this urban-regeneration strategy was launched in 2004, the hope was that departments would work in a co-ordinated way to stream their resources to targeted interventions in these areas. Over time, this approach was not able to be implemented; it was then changed to co-ordinate actions when possible but giving leads to certain departments, pushing the boundaries of their general statutory responsibilities to address identified needs. In a number of areas, this meant some departments had to fund work that was the statutory responsibility of another department. For example, the Department for Social Development funded training and employment initiatives (the responsibility of the Department of Employment and Learning) and street lighting or traffic-calming schemes (the statutory responsibilities of the Department for Regional Development).

OECD interviews with interlocutors point to individualised commitment from relevant officials, strong linkages to core objectives of all parties involved, and the voluntary sector working closely with departments on the ground as enabling factors for the co-ordination that occurred. However, these elements cannot always be relied upon to sustain co-ordination as an integral part of the professional culture in a government. Strengthening institutional mechanisms and processes to achieve better co-ordination and a shared vision remains aspirational in Northern Ireland.

Naturally, government planning is simpler among departments whose ministers are from the same party; however, ministerial party affiliation cannot explain all problems related to lack of coherent planning. For example, there have been instances of a planned project that accounted for capital investment from one department, which did not match operating funds from another department. Among the main challenges currently faced in co-ordinating policy planning and delivery across departmental portfolios, two issues were repeatedly flagged by departments:

- identifying key participants at the appropriate level
- the time required for departments to obtain the necessary Ministerial clearance to co-ordinated inputs. The siloed nature of departmental responsibilities and

budgets also act as disincentives for greater collaboration and co-ordination across boundaries.

Other challenges also remain. The number of Northern Ireland departments with complementary responsibility in key output and outcome areas creates difficulties in providing cohesive responses to policy needs which span departmental responsibilities. For example:

- There are strong linkages between Health and Social Care and housing and between housing and infrastructure. While good relationships between policy officials can help to produce a coherent approach (a good example is the joint policy consultation undertaken by DSD and the Department of the Environment in 2014 on developing contributions for social and affordable housing), a culture of co-ordination, supported by enabling mechanisms (e.g. accountability, budget and responsibility) remains to be institutionalised.
- In the context of the *Transforming Your Care* initiative (see Box 2.8), despite a high level of community engagement and consultation, the strategy was developed by the Department of Health, Social Services and Public Safety (DHSSPS) without any significant pre-consultation engagement with DSD, notwithstanding the fact that housing had been cited as an important component of the strategy. The issue of limited inter-departmental co-ordination was flagged in the responses to the OECD Questionnaires to Northern Ireland authorities (OECD, 2015c) and was one of the drivers behind the *Delivering Social Change* initiative.
- Similarly, the case study on Looked-After Children observes that key actors work in a siloed structure and lack an integrated approach to designing the strategy.

Based on interviews, key factors affecting the efficiency of government planning appear to be civil-service inertia, lack of cohesive party solidarity and the strong role of local politics. This translates into risk-aversion and negative attitudes to innovation with government planning not being based on achieving strategic milestones in pursuit of outcomes but rather on ticking boxes on a to-do list. The organisational culture, structure, and corporate planning architecture appear to constrain risk-taking and innovation and limit the efficiency of planning. In the current fiscal and budgetary climate, the key challenge is managing the constrained public expenditure position over the next few years in a manner that minimises hampering service delivery and making outcomes worse for people.

#### **Box 2.8. Transforming your care: A review of health and social care in Northern Ireland**

In 2011, the Department for Health, Social Services and Public Safety launched a review of the provision of health and social care services in Northern Ireland. An independent review panel was formed, which engaged widely with the public, clinical and professional leaders, health and social care organisations and stakeholders in the key sectors. The report confirms that people are living longer and that demand for health and social care services will only increase in the future. It highlights the need for change so that we can meet everyone's needs in the future.

**Box 2.8. Transforming your care: A review of health and social care in Northern Ireland** *(continued)*

It also recommends how services can be delivered differently in the future to improve the health and well-being of people in Northern Ireland while making the best use of available resources to ensure we can deliver safe, high quality and sustainable services. After the report was published the Health and Social Care (HSC) organisations in Northern Ireland developed draft proposals and plans for how Transforming Your Care (TYC) would happen in terms of service changes. These were set out in the Vision to Action consultation document. A public consultation on these draft plans was undertaken over a 14-week period from 9 October 2012 to 15 January 2013. All of the consultation documents are available to view or download from the Health and Social Care Board (HSCB) website.

Since the end of the consultation process, HSC organisations have been making changes in how much they commission and provide services, and have begun to implement the model set out in TYC. While there was opposition to reform, after a robust consultation process, most respondents agreed that “no change is not an option”. Such consensus was reassuring and provided a strong foundation on which to plan the change. The Review has brought forward recommendations for the scope of health and care services and to provide an implementation plan.

While being a step in the good direction, TYC still appears to put too much emphasis on transactions, processes and outputs rather than outcomes. OECD interviews, with key stakeholders in the Health and Social Care system, confirm that this initiative needs to better focus on real change in the system to better grasp the quality of services being delivered and to take into consideration trends, including population changes, migration and aging. Moreover, there is a need to better link TYC initiative with workforce planning and capital expenditures as the current disconnect leads to inefficiencies in the system.

*Source:* OECD analysis; Health and Social Care Board (2011), “Transforming Your Care: A Review of Health and Social Care in Northern Ireland”, [www.northerntrust.hscni.net/pdf/Transforming\\_Your\\_Care\\_Report.pdf](http://www.northerntrust.hscni.net/pdf/Transforming_Your_Care_Report.pdf).

An important challenge thus remains to transcend agency and departmental boundaries in order to achieve strategic alignment, and more importantly, set the foundation for joined-up policy and service delivery to achieve integrated policy results for people. An example of how this can be achieved can be found at the sector planning level in Scotland. A co-ordination mechanism has been put in place to ensure alignment of strategies and programmes to achieve the broader outcomes to which they contribute. Sector strategies follow the methodology of the National Performance Framework (vision, strategic objectives, outcome setting). Furthermore, they explicitly align their strategies with broader national outcomes (see Figure 2.6).

Figure 2.6. **Embedding the National Performance Framework into sector strategies:  
The case of justice in Scotland**

NATIONAL OUTCOMES			
We live our lives safe from crime, disorder and danger	We have strong, resilient and supportive communities where people take responsibility for their own actions and how they affect others	Our public services are high quality, continually improving, efficient and responsive to local people's needs	
JUSTICE OUTCOMES : clicking in the boxes below will take you to the performance data for each of the outcomes			
We experience low levels of crime	We experience low levels of fear, alarm and distress	We are at a low risk of unintentional harm	Our people and communities support each other, exercising both their rights and responsibilities
We have high levels of confidence in justice institutions and processes	Our public services are fair and accessible	Our institutions and processes are effective and efficient	Our public services respect the rights and voices of users

Source: The Scottish Government (2016b), "Justice Outcomes", [www.gov.scot/Topics/Justice/justicestrategy/Justice-Dashboard](http://www.gov.scot/Topics/Justice/justicestrategy/Justice-Dashboard); [www.nationalarchives.gov.uk/doc/open-government-licence/version/3/](http://www.nationalarchives.gov.uk/doc/open-government-licence/version/3/).

This being said, examples of well-co-ordinated planning nevertheless exist in Northern Ireland, including:

- The *Homelessness Strategy*, for which DSD secures funding from the Department of Health and from the Prison Service.
- The *Strategic Framework for Reducing Offending* (DOJ, 2013), discussed in the case study on problem-solving justice.
- The *Strategic Plan for the Agri-food Sector*, developed jointly by the Department of Enterprise, Trade and Investment (DETI) and the Department of Agriculture and Rural Development (DARD). DETI and DARD established an industry-led Agri-Food Strategy Board to develop a long term strategic plan for the agri-food sector. The Board adopted an inclusive and consultative approach in developing the strategic plan (e.g. with the establishment on ten sub-sectoral groups and a public call for evidence) and the departments allocated staff resources to provide ongoing administrative support for the Board.
- *Together: Building a United Community* is a strategy which involves a number of departments, with OFMDFM collating information to inform accountability.

Northern Ireland departments also increasingly share data across the government. For example, DFP’s Land and Property Service (LPS) has developed web services for spatial data, enabling the information from different sectors to be combined. This platform is available across all Northern Ireland departments, Agencies as well as for the general public. LPS has also developed a standardised address database (Pointer, see Box 2.9), for use by departments and their Agencies to plan programmes and services. This co-ordination aims to ensure that information in one service is used in another, related service area to inform reform and that such information be shared on a consistent geographic basis. To achieve efficiency, Northern Ireland departments also often use UK-wide IT systems. For example, the Northern Ireland Department for Social Development uses a UK IT system to deliver social security benefits and child support (see the full case-study assessment of Improving Educational Outcomes for Looked-After Children in Northern Ireland).

### Box 2.9. Spatial NI and Pointer

**Spatial NI is the Northern Ireland portal for Geographic Information.** Initially developed by Land and Property Services (LPS) in order to comply with the EU INSPIRE Directive, the portal has been enhanced to become an appealing interface, a more intuitive map maker facility and integrates additional features for sharing and displaying maps. The purpose of Spatial NI is to allow ease of access to LPS base mapping and Northern Ireland Geographic Information to the public sector and the citizen. It has been designed so it can be used by both technical and non-technical users who wish to unleash the full potential of GI within their own business areas. Some of Spatial NI’s key features include: a central location for the majority of Northern Ireland’s public sector location datasets; the Spatial NI map maker allows users to create their own maps and share them with others; the Spatial NI map maker feature gives users the ability to layer a variety of datasets on one map; Spatial NI maps are the most up-to-date and accurate for Northern Ireland; Spatial NI enables user to display maps on mobile devices.

**Pointer is the address database for Northern Ireland** and is maintained by LPS, with input from local councils and Royal Mail. It is the common standard address for every property in Northern Ireland. Each building has a unique building ID, which identifies a ‘primary addressable object’. Pointer is supplied either as a full dataset, by Local Government District areas or as a bespoke clip out centred on a site-specific area. In that respect, Pointer is the key to accessing property related data held by multiple organisations from a single point.

*Source:* OECD analysis; Spatial Northern Ireland (2015), “What is Spatial Northern Ireland?”, [www.spatialni.gov.uk/](http://www.spatialni.gov.uk/); nidirect (2015), “Pointer”, [www.nidirect.gov.uk/pointer](http://www.nidirect.gov.uk/pointer).

Building on these examples, attention needs to be paid to alignment of the system when moving forward. This would help strengthen the management mechanisms mentioned in the PfG, at the Programme, Delivery and Operational levels. Each level will have a managing authority with clearly defined functions. An example that goes in this direction can be found at the Department for Regional Development. The department has developed a Policy Prioritisation Framework (see Box 2.10), which is used to identify the priority strategic transportation interventions that most closely align with the strategic direction set by the Executive’s PfG and the Regional Development Strategy 2035.

**Box 2.10. An innovative approach to decision making in Northern Ireland:  
A Policy Prioritisation Framework**

Prioritisation is vital to ensure the delivery of Strategic Objectives and the efficient use of limited resources. To prioritise well, the Department for Regional Development has developed the **Policy Prioritisation Framework (PPF)** to help identify future policy priorities in relation to transport. In developing this policy prioritisation tool the Department engaged with other government departments to identify those strategies and objectives on which transport may have an impact or contribution. This framework then took into account the overarching PfG objectives and all supporting objectives that transport could provide and contribute to. Transport Investment Plans going forward will be processed through this framework to ensure that transport's contribution to the Executive and other department's objectives is maximised.

Policy prioritisation does not replace detailed project appraisal; it acts as the first step in the process. As DRD develops strategic transportation interventions, it is to be able to assess them against agreed Strategic Objectives and therefore determine their policy fit. The Policy Prioritisation Framework allows DRD to make more informed choices based not just on Value for Money, but on a wider strategic fit as well. It is an inclusive, transparent process that seeks to build consent rather than consensus. In other words, an agreed prioritisation that stakeholders agree is the best way to achieve the Strategic Objectives. At the same time, The PPF output – the Transport Delivery Plan – whilst a good example of cross-departmental engagement on policy in theory will not succeed if the appropriate budget is not subsequently allocated for its delivery.

*Source:* OECD analysis; DRD (Department of Rural Development) Northern Ireland (2014), "Ensuring a Sustainable Transport Future: A New Approach to Regional Transportation".

The case study on the Governance of Public Procurement also highlights the need to leverage existing successes as pilots to cross procurement silos. Overcoming existing barriers to working across departments will require a concerted effort to develop the necessary political will to achieve success in this area. As with addressing risk-aversion, developing data conducive to the expansion of these programmes and effective communication with affected stakeholders is critical to further reform. This is true not only for new entities that might join an effort (which must be assured that their specific needs will be met), but also for those entities currently conducting the effort (to ensure that broadening the focus will not detract from the primary mission). Beginning with one or a small number of pilot programmes, to demonstrate the benefits, can be more effective than a broader cross-cutting effort implemented too quickly.

### Centre-of-government-led co-ordination to set and steer strategy

The ability to co-ordinate across different government institutions in a way that overcomes administrative or institutional silos contributes to the effectiveness of government in improving outcomes for people. As the public policy challenges facing governments become increasingly complex and multi-dimensional, and the forms of intervention to address these involve an increasingly large range of actors, governments across the OECD have identified the need to reinforce the Centre of Government (CoG) function as a priority in structuring and co-ordinating government actions more

effectively and efficiently (Box 2.11): “co-ordination is crucial to effective government, as it is to any complex organisation” (OECD, 2004).

#### Box 2.11. OECD Network of CoG Officials

The OECD created a network of Senior CoG officials in the 1980s; it began meeting annually in the 1990s as a kind of “laboratory” to exchange information and practice relating to the functions of CoG institutions. These meetings serve three main purposes:

- review issues of how to make the centre of national government work more effectively
- achieve a more in-depth understanding of decision and policy-making systems in the host country
- work on broad governance issues fundamental to achieving economic and social public-policy objectives more effectively and efficiently.

While these discussions have not resulted in the identification of any single set of OECD practices in this area, at any rate not ones that could be described as anything approaching an “OECD approach to CoG good-governance”, the knowledge accumulated over two decades about these arrangements and what tends to work best in given situations can be valuable in assessing CoG agility in public governance reviews carried out by the OECD. This is the case for the Northern Ireland Review.

*Source:* OECD (2015d), “Network of Senior Officials from Centres of Government (CoG)”, [www.oecd.org/gov/cog.htm](http://www.oecd.org/gov/cog.htm).

### *The changing role of the CoG*

In national governments the co-ordination function may reside in a single institution or may be shared among several (with distinct units supporting the Head of Government and Cabinet, managing the National budget and exercising the functions of the government’s management board – see Box 2.12). Co-ordination capacity also needs to reside in the other organisations that compose the national government; for example, a co-ordinating role should exist within departments to co-ordinate internal activities as well as liaise with the CoG. Executive or cabinet liaison units are examples in departments.

#### Box 2.12. Principal tasks of the CoG institution serving the Head of Government and Cabinet

Typically, in OECD countries the principal tasks of the Centre of Government are the following:

- mobilising commitment by the political leadership to support strategic direction of reform
- establishing a strategic policy framework to ensure that individual policies are consistent with the government’s goals and priorities

**Box 2.12. Principal tasks of the CoG institution serving the Head of Government and Cabinet** *(continued)*

- improving the quality of evidence used for decision making
- acting as a central overview and co-ordinator to ensure horizontal consistency among policies
- anticipating and resolving policy conflicts early in the policy process
- working with Ministries of Finance to reconcile policy priorities and budgetary imperatives
- designing implementation procedures and monitoring mechanisms to ensure that policies can be adjusted in the light of progress, new information, and changing circumstances
- promoting an administrative culture that fosters cross-sectoral co-operation and a systematic dialogue between different policy communities.

*Source:* OECD (2012), “31st Meeting of Senior Officials from Centres of Government: Sessions Notes”, Paris.

The role of CoG organisations has also evolved to reflect the emergence of new and more complex challenges faced by national government. Traditionally, CoG organisations were principally procedural bodies – they co-ordinated the activities of the Executive and ensured that information circulated among departments. While these functions are still important, the role of CoG organisations has evolved beyond these support functions. The principal tasks of national co-ordinating bodies have also grown to reflect the changes wrought by the economic crisis and the necessity of government to react and adapt to its impacts.

In the past CoG institutions were seen as inward-looking and insular – often standing apart from other government institutions yet appearing to direct the entire machinery of government. Across the OECD these institutions are now more open to both the public and other government institutions, engaging and partnering with key actors both inside and outside the public administration. This represents a shift in approach away from a model where the Centre managed all things, due to its supporting role to the Executive. The processes of horizontal co-ordination managed by the CoG are thus increasingly broad in scope and in participation (OECD, 2012 and 2015d).

Where it is generally recognised that the capacity to co-ordinate will make a critical difference to public-sector effectiveness, the absence of this co-ordination capacity may have several negative impacts. Negative impacts of relevance to Northern Ireland include:

- reduced political support for strategic reforms and investments
- lack of policy coherence and lack of institutional support for government priorities and reinforcement of policy and organisational silos
- reduced accountability and weak central oversight

- reduced early-warning capacity
- lack of coherent, co-ordinated and integrated strategic communications – both aimed internally across the government and the broader public sector, and externally to government.

What these impacts have in common is that they stem from limited access to “frontline” information which can be used to advise the Executive, the lack of which may in turn contribute to political and other risks in decision making. Access to information contributes to co-ordination across public administration and further contributes to lessened or better managed risk. Where information is lacking, risk-aversion becomes the operating norm which hampers agility and responsiveness.

In most OECD countries the CoG role is closely linked to the role of the Executive branch itself, that is, to direct the resources of the government in carrying out a mission that reflects political priorities translated into a programme of government drawn from the mandate given by citizens through the election process (Box 2.13). To achieve this requires a support structure, typically found in a government institution responsible for providing this support (OECD, 2014b). Though terminology and roles associated with these organisations vary across the OECD, these typically revolve around support to the Executive and oversight and control of public expenditure.

#### Box 2.13. Functions of a CoG institution

The key function of the CoG is to act as a central leadership hub in order to facilitate co-ordination, collaboration and co-operation across the public administration, with the objective of securing a strong, coherent and collective strategic vision of where the country needs to go and how it will get there. Leadership is needed to champion and promote reforms, and to generate and manage interdependencies across the administration so that collaboration is the default option, not the exception. Leadership is also needed to change the way in which the public administration conceives its role and to encourage widespread “buy-in”, so that the strategic vision for a country is implemented. An effective CoG is critical for:

- **Strategic vision.** The CoG needs to be able to pull together long-term, big picture objectives for the economy and society. Examples might be an objective to minimise poverty and unemployment, to promote a sustainable environment, or to diversify the basis of economic activity in support of growth. These objectives both shape and reflect public sector and societal values. Constitutional requirements and objectives are likely to be relevant. The vision needs to be owned and promoted by all parts of the public sector, as a “whole-of-government” vision.
- **Accountability.** The CoG is the steward of the strategic vision. It is accountable for overall results and oversight of delegated responsibilities. It is important, however, to avoid overly rigid “command and control” structures and micro management, and instead to work toward a system where the CoG can exert effective oversight and clarify lines of accountability. Line ministries or departments also need to exercise leadership for the actions and policies for which they are responsible, within the overall framework of a shared or collective commitment.
- **Strategic planning, policy coherence and collective commitment.** The CoG needs the capacity to give the strategic vision specific shape, to secure its coherence, and to make it operational. A starting point is likely to be the government programme or equivalent, giving effect to the political manifesto of the party or parties in power. Making the strategic vision operational is key; otherwise the vision is a “dead letter”. The doctrine of collective responsibility is crucial to bind line ministries or departments as well as the CoG to a course of action. Collective commitment is also, crucially, built, developed, discussed and agreed by the whole range of actors that are engaged in public policy making, implementation and service delivery.

### Box 2.13. Functions of a CoG institution *(continued)*

- **Communication.** The CoG needs the capacity to communicate the strategic vision, how it is being taken forward, and its implementation. Transparency and openness help to promote a shared sense of purpose, for stakeholders outside as well as inside the government. Clarity of communication within the administration is important, so that, for example, local governments can understand the vision and share in its construction and so that all parts of the public sector understand their role, responsibility and accountability for results.

#### **Institutional structures for the CoG**

It is rare to find just one institution covering all these functions in OECD member countries. It is far more common that a small set of key players share the task. The CoG structures across OECD member countries vary significantly, depending on the historical development, cultural context and constitutional framework of a country. In most countries, however, they can be identified in a combination of units of the central administration that:

- Provide direct support to the head of the government (Prime Minister/President/Chancellor's Office). In many countries, however, these offices are not equipped, and do not seek, to cover the whole of the CoG function. They need the capacity to protect the authority and reputation of the Prime Minister/ President "above the fray", without becoming too involved in the day-to-day management of specific policies. They may also consider their role to be more political than technocratic. They are often, however, the communication hub for government policy, and their usual role in managing the agenda of the Cabinet provides them with the key authority to set priorities for the attention of the Prime Minister/President.
- Manage the budget. This is normally vested in the Ministry of Finance. The budget can be viewed as key to understanding the government's fiscal framework and its financial operating systems. It is a key allocative document affecting a significant share of a country's GDP – over half in some OECD member countries. It is an important policy tool, used by governments to establish policy priorities in concrete terms through the allocation of funding. It is an important management document, in that the basic operational costs of government ministries or departments and agencies are established. In short, the budget provides the basic operational architecture for the work of government.
- Responsible for key horizontal policies including public administration reform and central HR policy, co- ordination of law drafting and better regulation policy, and e-government. This usually involves ministries such as the Ministry of Public Administration Reform, Ministry of the Interior, and Ministry of Justice.
- There is a crucial interface between regulatory policy and the management of the Cabinet agenda, since a well-functioning regulatory policy implies the development of regulatory impact assessments (RIAs) on draft legislation. In countries where policies are usually synonymous with laws, the unit responsible for RIAs needs to work closely with (or be the same unit as) the unit that sets the Cabinet agenda.
- There is also a crucial interface between HR management and budget management, in that performance budgeting and keeping within fiscal targets implies staying within budget for HR managers.

The sustainability of the CoG across political cycles needs attention. CoG institutions are best constructed, as far as possible, to withstand the vagaries of the political cycle and to be sustainable over the periods of time that it takes to implement long- term strategies. Stability of core functions and structures will raise confidence that the vision is taken seriously, and that the country will have the institutional capacity, over time, to carry out the vision.

### Box 2.13. Functions of a CoG institution *(continued)*

External oversight and audit helps to ensure that the strategic vision and its implementation stay on track and that the CoG – together with other actors – is accountable for progress, and can be challenged for the lack of it. In many European countries, the National Audit Office provides valuable independent perspectives not only on the efficiency but also the effectiveness of government policies. For the development of new laws and policies, some European countries have established external watchdogs (made up of stakeholders external to the government) to advise on, and challenge, proposals if these have not been developed with due care and attention.

Last but not least, the first line of engagement of an effective CoG is to project and share policy priorities in key areas with the relevant ministries, and to ensure that these policy priorities are coherent and joined up. “Joined- up government” – the capacity to ensure that complex policy objectives can be met, and that the achievement of high- level policy goals are not undermined by a failure to deal with this complexity – is often weak. Ensuring policy coherence is a major public governance challenge across all OECD member countries. A united position on cross- cutting policy goals is essential if governments are to sustain their credibility, meet their strategic objectives, and if goals are to be achieved without wasting resources. It does not serve the public interest if one part of government fails in its role in policy delivery; and it is directly contrary to the public interest if one action of government is counteracted or undermined by an action taken by another part.

*Source:* OECD (2013b), *Colombia: Implementing Good Governance*, OECD Public Governance Reviews, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264202177-en>.

For example, central agencies of the Government of Newfoundland and Labrador feature several of the elements highlighted (see Box 2.14).

### Box 2.14. Central agencies in Newfoundland

Central agencies are those service units in Government that provide administrative and central services to Government as a whole. Central agencies for the Government of Newfoundland and Labrador include the following:

- Office of the Executive Council
- Department of Finance
- Public Service Commission.

The Office of the Executive Council is the Premier’s department and has several responsibilities, including:

- Office of the Premier
- Cabinet Secretariat
- Intergovernmental Affairs Secretariat
- Communications Branch
- Rural Secretariat
- Women’s Policy Office
- Protocol Office
- Transparency and Accountability Office.

### Box 2.14. Central agencies in Newfoundland *(continued)*

The Office of the Executive Council (other than the Office of the Premier) is staffed by public service employees. There is a rotational secondment policy in place that contributes to staff development in the public service. Officers bring their expertise from earlier responsibilities to their jobs in central agencies and, subsequently, their experience at the CoG enhances their effectiveness in departments. By design, the Office of the Executive Council is a small organisation. Its restricted size reflects the need to provide effective support to the Premier without duplicating expertise in other departments or agencies. The essence of its role is co-ordination.

#### **Office of the Premier**

Headed by the Chief of Staff and composed of political staff, the Office of the Premier supports the Premier in carrying out the functions demanded of the head of Government, leader of a political party and Member of the House of Assembly. It also provides co-ordination of political staff across Government. The Office of the Premier provides the Premier with policy and political advice, generally on major issues that are likely to attract considerable public attention. The Office also provides administrative support for the Premier, which includes co-ordinating the Premier's agenda, travel and media relations and preparing correspondence. Additionally, the Office deals with day-to-day matters in the legislature (whereas the Cabinet Secretariat deals with broader planning for the legislative agenda). Finally, the Office liaises with the Caucus and the party.

#### **The Clerk of the Executive Council and the Secretary to Cabinet**

The Clerk of the Executive Council is the most senior Government official in the public service and reports directly to the Premier. The Clerk has many roles within Government including Deputy Minister to the Premier, head of the Office of the Executive Council, and head of the public service. In addition, the Clerk of the Executive Council holds the position of Secretary to Cabinet.

As Deputy Minister to the Premier, the Clerk is the senior bureaucratic official reporting to the Premier on all Governmental matters. The Clerk brings forward materials and matters to the Premier for his attention and receives and transmits instructions from the Premier. The Clerk works closely with the Deputy Ministers of Finance and the Public Service Secretariat on fiscal matters. The Clerk, with the Cabinet Secretariat, supports the Premier on machinery of Government matters, establishing mandates, and setting standards of conduct.

As head of the Office of the Executive Council, the Clerk co-ordinates the operations of the Cabinet Secretariat, the Financial Administration and Human Resources divisions, the Protocol Office, the Rural Secretariat, the Women's Policy Office, the Transparency and Accountability Office and the Communications Branch. The Clerk is the senior bureaucratic liaison with the Premier's Office and is responsible for budgetary matters relating to the Office of the Executive Council.

As head of the public service, the Clerk is responsible to the Premier for the overall effectiveness of the public service. The Clerk provides advice to the Premier on senior executive appointments and the overall structure and operation of the public service in advising and carrying forward the decisions of Government.

As Secretary to the Cabinet, the Clerk supports the Premier in his responsibilities to Cabinet and its Committees by helping to set the Cabinet agenda, arranging meetings of Cabinet, overseeing the preparation of briefing materials for the Premier and the Cabinet Committee Chairs and ensuring that records of Cabinet are properly maintained. Additionally, the Secretary to Cabinet addresses substantive matters on the Cabinet agenda with Ministers and senior officials.

### Box 2.14. Central agencies in Newfoundland *(continued)*

#### **Cabinet Secretariat**

Cabinet Secretariat currently plays three principal roles within the Office of the Executive Council. It is the core of the “Premier’s department”, composed of public service employees who work directly for the Premier; it supports the work of Cabinet and its committees and it co-ordinates initiatives involving all or several departments.

#### **Department of Finance**

The Department of Finance tracks revenue from federal and provincial sources, develops tax policy and performs economic forecasting. The Department manages the estimates process, provides analysis on departmental expenditure proposals, and ensures that global fiscal objectives are met.

#### **Public Service Commission**

The Public Service Commission (PSC) is mandated with preserving and protecting the values associated with a politically neutral, professional, permanent public service to support the elected Government. The Public Service Commission Act charges the PSC with responsibility to protect the merit principle in the appointment and promotion to permanent positions within the public service. While other agents, such as departments or Treasury Board, may implement and deliver many human resource policies and programmes, the Public Service Commission serves a critical oversight role. As an independent voice, the Commission can examine issues from the perspective of “what is necessary” to ensure the continuance of excellent public service to serve elected officials and the public of the province. The PSC also administers the Employee Assistance Programme, the Classification Appeal Board, and the Management Grievance Process

*Source:* Government of Newfoundland and Labrador (2010), “An Introduction to Government”.

In addition to their departmental responsibilities which are often associated with governmental priorities best handled from the centre, in most OECD countries CoG responsibilities will be split between policy co-ordination, financial planning (budgeting) and spending oversight. The first is the one most frequently associated with a Cabinet Office-type institution. It will include the strategic, policy, accountability and communication functions described in Box 2.15 which are exercised by organisations such as the UK Cabinet Office (UK Cabinet Office, 2015), Canada’s Privy Council Office (Privy Council Office, 2015a) or indeed by their counterparts in the Provinces of Ontario (Government of Ontario, 2015) or Newfoundland and Labrador (Government of Newfoundland and Labrador, 2010) (or any other Canadian province).

#### ***The CoG in Northern Ireland***

The Office of the First Minister and deputy First Minister (OFMDFM) plays two roles in Northern Ireland’s governance.

- Institutionally it is the secretariat to the Head of Government and the Executive (Cabinet). It oversees the management of Executive business and the application of the Ministerial Code. It is also responsible for co-ordinating the Executive’s

legislative programme and advising departments on the processes and protocols relating to the operation of the institutions of government (OECD, 2015c).

- However, beyond this role, OFMDFM is also primarily responsible for a number of sector-based policy areas which address economic, social, and community issues that fall under the responsibility of ministerial departments. Several of these issues arise out of the need to consolidate the peace process (OFMDFM, n.d. a). OFMDFM’s internal organisation highlights this division of responsibilities between OFMDFM’s Executive support role and its policy role.

As a CoG institution operating at the centre of a web of governmental institutions and bridging the divide between the political and the bureaucratic executive, the internal organisation of the OFMDFM should reflect the administrative and policy environment it needs to co-ordinate. As shown in Figure 2.7 there are essentially four main streams of activity within OFMDFM.

Figure 2.7. **Organisation chart: Office of the First Minister and deputy First Minister**

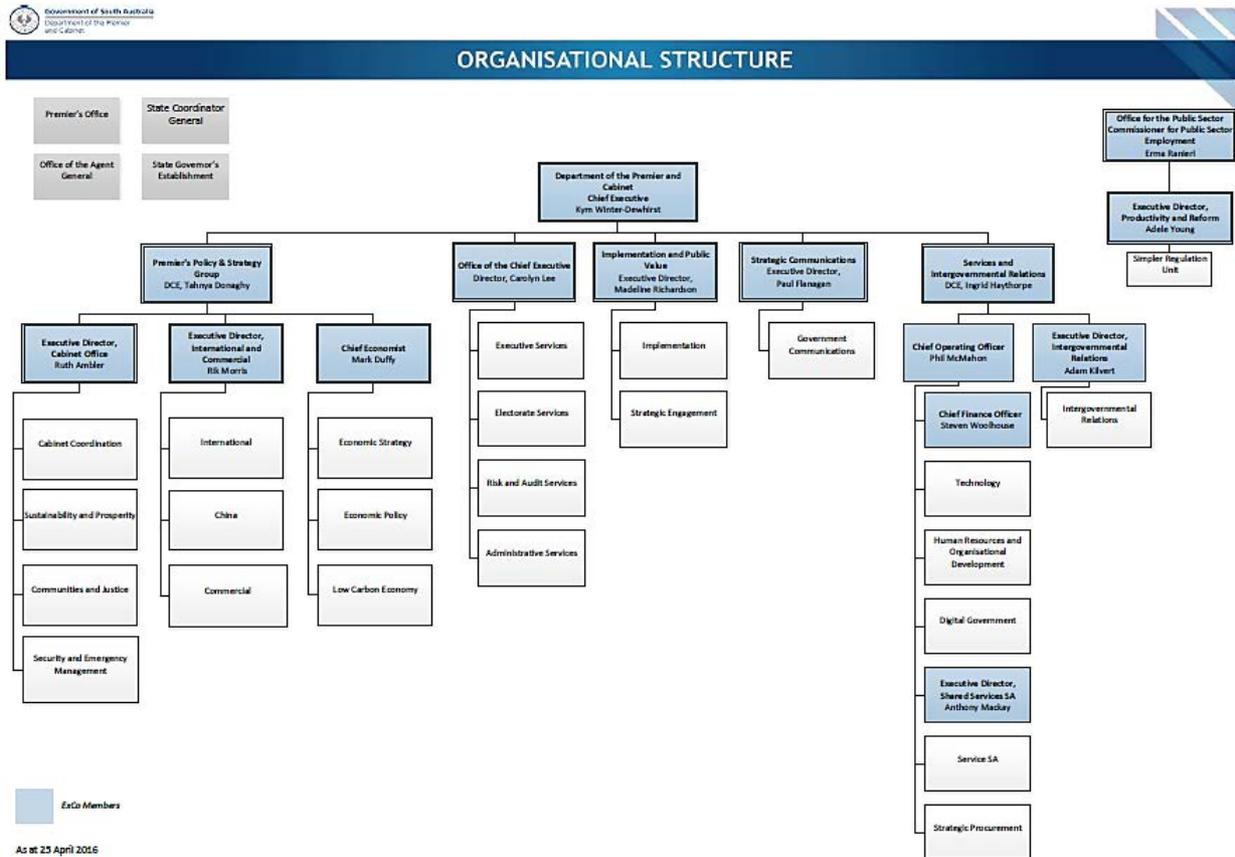


Source: Author’s own work, based on OFMDFM (n.d. b), “Organisational chart”, [www.ofmdfmi.gov.uk/index/about-ofmdfm/about-the-department/organisation-chart.htm](http://www.ofmdfmi.gov.uk/index/about-ofmdfm/about-the-department/organisation-chart.htm).

Though there are additional reporting lines for each of the functions overseen by the Head of the Civil Service, these are similarly limited with none specifically dedicated to strategic oversight and co-ordination (OFMDFM, n.d. b).

In comparison, for example, South Australia’s Department of Prime Minister and Cabinet (DPC) includes six areas of activity (Figure 2.8), including areas dedicated to policy, public sector reform, strategic policy and engagement, and intergovernmental relations (South Australia, 2015).

Figure 2.8. Organisation chart: South Australia Department of Prime Minister and Cabinet



Source: Government of South Australia (2006), "Organisational structure", Department of the Premier and Cabinet, <http://dpc.sa.gov.au/sites/default/files/pubimages/documents/corporate/DPC%20Org%20chart%20-%20June%202016.pdf> (accessed 20 June 2016).

Two elements are worth noting in this comparison:

- First, unlike in the South Australia and Newfoundland illustrations above, there is no clear distinction between the political CoG and the administrative CoG function. In both South Australia and Newfoundland the Head of Government office is a distinct institution, though by necessity with ties to the administration through the head of the public service. This blurring of lines between political and administrative functions is further complicated by the ability of OFMDFM Special Advisors (political staffers) to interact directly with senior officials. Though it is impossible to separate completely the political from the administrative CoG, governments across the OECD have used organisational structures and standard operating procedures to provide clarity in the relationship between these two functions.
- Second, OFMDFM appears to have a lesser institutional capacity to track the activities of the whole of government as much of its structure exists to support other policy roles (the North/South Ministerial Council and the Equality and Reform area). By contrast, South Australia's DPC is structured with reporting relationships that reflect all of the strands of governmental activity. The

organisation of CoG activities by offices of primary responsibility (OPR) enables the development networks and operational relationship that are central to the CoG function. Furthermore, as in the case of South Australia, one OPR is specifically tasked with managing government priorities, primarily concerning infrastructure development. In Northern Ireland, governmental priorities such as Delivering Social Change are managed as part of OFMDFM's departmental role rather than in its CoG role. This ensures greater control over the initiative. However, where priorities run up against those of other departments, the blurring of lines between OFMDFM's two roles may complicate the resolution of issues.

The other key CoG function is typically played by the treasury or finance departments. As CoG institutions the treasury function is typically responsible for developing the jurisdiction's fiscal framework and its financial and economic policy. It plays a management-board role in overseeing government expenditures. In some OECD countries, the treasury function will include oversight of public spending as well as the implementation of executive decisions. As co-ordinating agencies, treasury departments will participate in budget-preparation and allocation and, through their horizontal outlook, identify common issues affecting government departments and emerging pressures which can, in addition to identifying potential spending inefficiency, like overlaps and duplication, point to a need for quick budgetary reallocation to address emerging priorities. Since the 2008 economic crisis the role of treasury departments has increased due to their role in spending reviews and other centrally driven expenditure and programme monitoring. The treasury function may also include other responsibilities such as acting as the personnel office for government, or responsibility for co-ordinating certain shared-services such as procurement and digital-government planning and implementation.

As mentioned above, in Northern Ireland, the Department of Finance and Personnel (DFP) balances two roles as well: the treasury function and the personnel office function. It is therefore responsible for fiscal decision making affecting the entire Northern Ireland public sector and, significantly, is the employer of NICS (OECD, 2015c). These roles are not incompatible and, in fact, should give DFP more sway over the government's policy direction given that it can influence government-wide finances as well as human resourcing. These functions are not dissimilar to those in other jurisdictions:

- The Scottish Government's Finance Directorates, for example, are responsible for overall Scottish public finances and their sustainability, the Scottish Budget, public spending, budgetary monitoring and reporting, public service reform, public bodies' policy, efficient government, public-sector pay and pensions (Office of the Chief Statistician, 2015).
- In Newfoundland and Labrador, the Department of Finance exercises both a macro-economic role over the provincial economy as well as the functions of management-board oversight of the public administration (Newfoundland and Labrador, 2010).
- In New South Wales, the Treasury has similar responsibilities but is also responsible for government's major commercial transactions, such as major infrastructure projects.

### *The role of the NI CoG in policy co-ordination*

One of the foremost responsibilities of government is its role in developing public policy. This is also one of the most difficult areas for government as the nature of societal problems is such that they require equally complex policy responses. This is well understood by Northern Ireland’s political and civil-service leadership. To support the NICS’ policy the OFMDFM has developed *A Practical Guide to Policy Making in Northern Ireland* (OFMDFM, n.d. c) which outlines key principles and approaches associated with policy making. The Guide provides an overview of the policy development process and some practical advice, but with little detail on how to undertake some of the tasks outlined. Acknowledging the challenge of maintaining a co-ordinated approach to government policy the Guide makes explicit reference to developing policy in reference to “joined-up government/cross-cutting issues” (see Box 2.15).

#### **Box 2.15. Joined-up government/cross-cutting issues**

The need to achieve cross-cutting outcomes presents a major challenge to policy makers. Actions of one Northern Ireland department can have a major impact on others. Policy-makers from related policy areas in different departments should keep each other informed and consulted, both formally and informally, about developments of common interest from an early stage, in order to help promote joined-up outcomes for the citizen. Policy making must be built around shared goals, not around organisational structures or existing functions. This is most likely to be achieved, as recommended in the Review of the Northern Ireland Civil Service Response to Devolution, by a project approach promoting joined up policy making and implementation, with the following characteristics:

- involve key departments
- specific terms of reference linked to outcomes
- responsible for the development of policy and implementation
- rigorous implementation dates and a fixed shelf life
- senior responsible owner
- project planning, monitoring and control methods
- ring fenced funding where possible
- clearly identified responsibilities for all staff involved
- only meeting as a group when absolutely necessary and using alternative communication methods, and
- regular review of performance.

But joining up is not just about shared approaches to cross-cutting issues. Horizontal joining up between organisations needs to be supplemented by better co-ordination among policy staff within departments and by better “vertical” joining up with service deliverers and those who implement policy. It is not an end in itself but should be undertaken where it adds value.

Common reasons for not joining up include incompatible IT systems, differences of culture and organisational structure and lack of time. All of these are real barriers to successful joining up that require sustained effort to overcome.

*Source:* OFMDFM (n.d. c), “A Practical Guide to Policy Making in Northern Ireland”, Economic Policy Unit, OFMDFM, Belfast.

The Guide's reference to the necessity of working in a more joined-up manner also links to the PFG (Northern Ireland Executive, 2011). In a CoG model with functions akin to those outlined above, policy and programme proposals make their way from departments to the Executive for decision making through a staged process of reviews and assessments by other departments whose mandates are affected by the proposal (horizontal reviews), by the Finance department (a fiscal and resource-capacity review), and by the office which supports the Executive (horizontal and vertical review/challenge function relating to how the proposal advances the government's strategic agenda), any of which may influence the proposal as it proceeds to the Executive for decision. In the case of Canada, for example, departments typically lead the development of policy proposals which are based on evidence and awareness of stakeholder perspectives. The contribution of departments and central agencies therefore focuses on building support for proposals as well as in fine-tuning prior to consideration by Cabinet (see Box 2.16).

**Box 2.16. Privy Council Office of Canada: Process for developing cabinet documents (excerpts)**

**Central agency consultations**

Early drafts of Memorandums to Cabinet, presentations and *aide-mémoires* should be shared with the appropriate Privy Council Office (PCO), Department of Finance and Treasury Board Secretariat (TBS) analysts. Consulting with central agencies at an early stage helps ensure, that the proposal is aligned with the Government's overall agenda, and to identify any policy, fiscal and implementation issues that should be addressed before the document is submitted.

Unless otherwise agreed with PCO, drafters must hold at least one meeting with central agency analysts well before documents are submitted for Cabinet consideration. This meeting should be scheduled in consultation with PCO.

**Interdepartmental meetings**

These interdepartmental consultations provide an opportunity for drafters to receive expert advice from their colleagues and for other departments and agencies to obtain additional information with which to brief their Ministers. Interdepartmental meetings are also a forum for addressing any concerns raised by other departments and agencies. When departments directly involved in a proposal differ on a matter, the dispute should not be referred to Cabinet or Cabinet committees until all other means of resolving the issue have been exhausted.

The Clerk's meetings with Deputy Ministers also provide an opportunity to review high-priority policy issues in advance of their submission for Cabinet consideration.

*Source:* Government of Canada (2013), "A Drafter's Guide to Cabinet Documents", Privy Council Office, Ottawa.

In Northern Ireland, policy proposals transit through departmental stovepipes rather than through a process that ensures government-wide co-ordination and input. And while the core is strong at the political level (the Executive), it is brittle and fraught with blockages that are only resolved at the last minute through tense political horse-trading and compromise, which has engendered Northern Ireland's comparative weakness in collaboration at the level of the civil service and collective problem-solving. Northern Ireland does not appear to benefit from an effective CoG function and relies, instead, on

political arbitrage at the Executive to steer Northern Ireland’s government. While this is habitual in other governments for issues of major significance, in Northern Ireland this appears to be a *modus operandi* that applies even to relatively minor decisions.

Indeed, it appears that the NI Executive is too frequently called upon to diffuse issues or resolve policy differences that should have been addressed elsewhere in government, including by the senior ranks of the civil service. In practice the Executive appears to operate primarily as a safety valve for airing policy and political disagreements:

- The Northern Ireland Executive does not fully exercise a role of strategy-setting *per se*. Though the Executive is responsible for the PfG, and therefore the Government’s overall strategy and priorities, it plays a secondary role in the implementation of policies to individual ministers and departments. In this arrangement, ministers have considerable scope for action which, at times, can run counter to the Government’s strategy and priorities.
- The Executive appears to exercise only a limited role in whole-of-government oversight and co-ordination. Instead, the Executive appears to exercise a function as the chamber where political or policy differences between members of the Executive come to be resolved. Where PfG commitments cross departmental lines, or where the implementation of certain commitments requires support from the Assembly, issues escalate to the Executive for resolution. The process often results in bottlenecks and slows decision making, the impact of which may be felt across the public sector.
- The lack of Cabinet cohesion undermines the effectiveness of the Executive (see Chapter 1). In most parliament systems the Executive is a collective decision-making body and functions on the principle of collective responsibility (“Cabinet solidarity” in the United Kingdom, Canada, Australia and New Zealand). In Northern Ireland, collective responsibility is weak and ministers appear free to voice disagreements publicly on government policy. Though ultimately implemented, the frequently-stalled process leading to the amalgamation of Northern Ireland’s Education and Library Boards is one example of the difficulty in maintaining discipline on Executive consensus (DE, 2014).

It is perhaps not surprising then that CoG institutions in Northern Ireland appear to play a limited role in the policy-making process. While OFMDFM plays a role in supporting the Executive in its decision making (such as co-ordination of Executive Papers) it does not appear to play a central role in co-ordinating policy development across the Government. DFP appears to play a similarly limited role despite its key responsibility in managing Northern Ireland’s fiscal resources. This situation derives both from the structures that were established as part of power-sharing in Northern Ireland as well as the behaviours which built up over time around the structures of government.

The situation in Northern Ireland poses a particular challenge for the NICS: since evidence from interviews with stakeholders suggests that Executive solidarity is weak, which undermines the principle of the collective responsibility of the Executive for decision making and the concomitant role the civil service, notably its senior ranks, that ought to play in supporting it. As several NICS senior officials pointed out over the course of the Review, in such circumstances permanent secretaries in each Northern Ireland department tend to exercise foremost responsibility in relation to their ministers rather than to the Head of the Civil Service and the government as a whole. This reverberates through the system with managers and staff-level civil servants focusing on

their minister's interests rather than seeking to work collaboratively toward an outcomes-based whole-of-government solution to a given issue facing their department. In this light some officials describe their role as "serving the minister; protecting the accounting officer". The frequency of policy-making impasses, and the lack of a formal culture of interdepartmental collaboration at the level of the civil service, exacerbates this behaviour.

Without strong CoG bureaucratic institutions acting as a counter-balance to these political forces, policy making continues to be defined by narrow policy concerns lodged within departmental silos. To counter this tendency, civil-service committees composed of senior officials across the NICS could play a role in examining policy proposals before they are raised at the Executive level. Given the increasing complexity and multi-dimensionality of challenges for governments and the horizontal approaches necessary to address them, such an approach could apply to all significant policy practices, even those entirely within the responsibility of a single department.

OECD experience suggests that one of the main contributions that CoG institutions can make to governance is to act as a central leadership hub; that is, lead the implementation of a coherent strategy for government and related policies and programme initiatives effectively, efficiently and coherently. This leadership is exercised not only in relation to organisations within the core public administration, but other public bodies and non-governmental actors as well. This role in mobilising governmental and non-governmental forces is critical especially when governments are driving ambitious reform agendas that touch upon several sectors of society, economy, and government, as is the case presently in Northern Ireland.

The effectiveness of OFMDFM and DFP in the exercise of their CoG functions is a matter of little consensus among the stakeholders consulted as part of this Review and the evidence provided. At one level, there appears to be a lack of clarity concerning the role and mandate of OFMDFM which came out strongly in the questionnaire responses (OECD, 2015c). This featured in discussions of both policy and operational issues, such as Northern Ireland's public sector reforms. This confusion may further stem from the departmental role which OFMDFM plays in a number of policy areas. Therefore, rather than exercising a solely CoG role, OFMDFM has primary responsibility for a number of sector-based policy initiatives which at times overlap with the responsibility of departments. This has resulted in duplication and misalignment with respect to the roles of key institutions both within and outside the NICS, as was noted in several stakeholder interviews. In short, officials in OFMDFM and in departments are at times unable to distinguish between when OFMDFM is playing its CoG role and when it is acting as a department within its policy area. It is unclear at this stage whether the planned departmental reorganisation for 2016 will fully resolve this situation.

Another factor which has hampered OFMDFM's ability to embrace its role fully as a CoG institution stems from the very structure of the executive body which it supports. The Northern Ireland Executive is able to operate only when it can maintain a fine balance between the community-interests that are represented among its 14 members. Though one of the Executive's main roles is to steer the implementation of the PfG, as several individuals interviewed noted, in practice this document is frequently the source of friction within the Executive. Where direction from the Executive is discordant it is nearly impossible for OFMDFM to subsequently channel a single vision to the remainder of the core public administration and attempt to co-ordinate actions in support of its pursuit. This situation is exacerbated by strong departmental silos and the identification of

these with ministerial personalities. In such an environment, co-ordination across government remains aspirational.

Whereas in several OECD countries CoG institutions are sometimes seen to speak or represent the interests of the Executive or Cabinet, in Northern Ireland OFMDFM does not appear to have attained a similar stature in its relationships with other government departments. Instead, OFMDFM's capacity to co-ordinate is hampered by political friction and lack of collective responsibility which leaves its staff unwilling or unable to intervene to resolve issues or push forward on initiatives. Where it was successful in doing so, such as in managing the Delivering Social Change initiative, it was only able to do so because of clear signals of support from both the First Minister and deputy First Minister. In the absence of these signals the bureaucratic response to this situation is to wait for direction.

In Scotland, co-ordination and alignment are strongly supported from the centre of government. A system of "Outcome leaders" has been organised, whereby a senior public servant acts as an enabler of dialogue amongst departments and/or agencies that play a role in delivering and identified outcome. For example, a number of agencies, departments and programmes play an important role in achieving the outcome "We live our lives safe from crime, disorder and danger". In the planning process, the outcome leader and key personnel from the different units and services brainstorm together, drawing on evidence and logic modelling on the actual drivers, their relative importance. From there, programmes and output indicators are defined. This also guides budget allocation under each outcome, and the identification of aligned performance indicators.

The ability to "cascade" high-level goals and objectives down through to the single-sector organisations of government is often dependent on leadership capacity from the Centre of Government. As the body supporting the Head of Government, the Centre transmits strategic guidelines to departments that identify key elements of the government's strategic vision and verify that departmental work plans are aligned with government priorities and ensure that these priorities are taken into account in other key policy documents, including sector strategies.

A range of tools can be mobilised for this purpose, from data-driven reviews to assessing strategic direction as well as aligning resources to deliver on cross-cutting priority initiatives. Optimally, the CoG should be able to encourage widespread "buy-in" from key actors both within and outside government, so that the strategic vision for the country is implemented effectively and efficiently.

To be effective in their co-ordinating role, CoG institutions also need to have access to information about departmental activities, plans and policies. In Northern Ireland this does not appear to be the case. Instead, interviewees from the NICS depicted departments guarding their information and sharing as little as possible with OFMDFM and DFP. This lack of collaboration is echoed amongst ministers and trickles down to the public administration. It also highlights the difficulties which OFMDFM has had in establishing bridges with departments. It is also interesting to note that OFMDFM has at times itself contributed to this practice by choosing not to involve departments in discussions of policy proposals. For example, several interviewees noted that Delivering Social Change and its Framework Signature Programmes were developed with little input from departments. In this instance OFMDFM showed itself to be guarded in how it shared information about its plans and proposals. As a result, not sharing information with relevant departments, and thereby itself not benefitting from the information from these

departments, impeded the launch of certain programmes, such as the Literacy and Numeracy Programme.

At DFP, several interviewees noted that they also have difficulty in obtaining financial information from departments, reflecting a tendency of officials to protect their department's information and, at the same time, protect the resources controlled by their minister. Lacking this information, DFP's role in tracking the Government's financial framework is made more complex and time-consuming. Without easy access to this information DFP is unable to exercise its CoG role fully in overseeing whole-of-government spending and financial management.

Progress has been made in recent years to instil a greater culture of collaboration across departments, though most interviewees from the NICS agreed that there is still considerable scope to improve the situation. In this regard OFMDFM has led the drive to construe a greater culture of collaboration across the Government through initiatives such as the Delivering Social Change Framework. While it may be too early to determine how much lasting influence initiatives such as Delivering Social Change will have on the operating culture of Northern Ireland's Government, it appears to have missed its mark so far: joined-up programming remains the exception and has typically lasted only as long as the supporting funding. Yet this realisation engenders its own solution: financial incentives to encourage more cross-silo, joined-up programming (see PGR recommendations in this area).

The Executive itself could play a greater strategic role in the governance of Northern Ireland by changing operational behaviours and building on existing structures. For example:

- By its cross-community composition the Executive could play a greater role as a key forum for discussion of strategy on issues of importance to Northern Ireland and its citizens. There are indications that the Executive has been successful in the past at managing these strategic discussions, leading to important statements of policy, such as Northern Ireland's Economic Strategy. In other contexts, the OECD has proposed that discussions of this type allow for differences to be aired on a confidential basis (OECD, 2013b). Though a balance needs to be found between discussion of policy proposals and the details of their eventual implementation, this level of Executive participation in discussions of policy could enrich the content of the policy proposals, especially where these discussions are based on evidence and stakeholder inputs.
- Enhancing the role of sub-committees of the Executive as part of the decision-making process. Building on existing sub-committees, such as the one on Children and Youth, this could provide an opportunity for early discussion of policy issues and proposals, perhaps including the filtering of proposals before they are raised at the Executive level. In certain circumstances, the Executive could opt to delegate decision making to sub-committees, especially where matters have less strategic importance or are less controversial. In a context where the Executive is overwhelmed, shifting some of its work to sub-committees may be one means of increasing the effectiveness of the Executive.

Before any of these improvements can be considered, the Executive as a whole must commit to operating by certain fundamental principles, including basic behaviour to uphold Cabinet solidarity. Examples of such principles are illustrated in Box 2.17 devoted to Australia's Queensland.

### Box 2.17. Procedures and conventions of Cabinet, State of Queensland, Australia

The procedures and conventions contained in the Handbook are designed to bind Cabinet and its associated processes to the following fundamental principles:

- Cabinet is responsible for the development and co-ordination of the policies of the government.
- The collective responsibility of Ministers for government decisions requires collective adherence to all government decisions made in Cabinet. Cabinet decisions reflect collective deliberation and are binding on Cabinet Ministers as government policy. Cabinet is responsible for the performance of the government. Each Minister acts jointly with and on behalf of Cabinet colleagues in their capacity as Ministers. Not only does this ensure collective responsibility, but it also enhances collective adherence to all decisions made in Cabinet. Cabinet decisions reflect collective conclusions and are binding on all Ministers as government policy. If a Minister is unable to publicly support a Cabinet decision, the proper course is to resign from Cabinet. All Ministers are required to give their support in public debate to collective decisions of the Cabinet and the government.
- Consultation is an essential element of the Cabinet process.
- The deliberations of Cabinet and Cabinet Committees shall be conducted in a secure and confidential environment, and that ongoing confidentiality of Cabinet and related records shall be maintained.
- Preparation of business to be considered by Cabinet is of the highest standard reflecting the information needs of Ministers, to ensure informed decision making can occur in accordance with the public interest.
- Cabinet proposals reflect a rigorous examination of issues, consideration of regulatory best practice principles, whole of government co-ordination and accord with government policy.
- Cabinet processes are established by the Premier to ensure all Ministers are bound by the same rules and by high standards of probity.
- Cabinet collectively, and Ministers individually, are responsible and accountable to the Crown, the Parliament, and ultimately the electorate.

Adherence to these principles is the cornerstone of an effective and efficient Cabinet system.

*Source:* Department of the Prime Minister and Cabinet (2015), “The Queensland Cabinet Handbook: Governing Queensland”, Department of the Prime Minister and Cabinet, Brisbane, Australia.

As noted in Chapter 1, the decision to re-organise the structure of departments through the next PfG could contribute to improve the efficiency and effective of government. As highlighted in the case study on Looked-after Children, the existence of abstract divisions of responsibilities over a similar clientele was inefficient and contributed to sub-optimal results for those clients. Though a period of adjustment can be anticipated both within the NICS and outside as clienteles adjust to new responsibilities, this is also an opportunity to leverage other policy and administrative improvements in citizen-centred services.

## Using evidence and indicators to set and steer strategy

### *Toward key outcome indicators in Northern Ireland*

Northern Ireland’s planning documents focus on broad measures of success as ultimate targets. This approach can be further developed towards an integrated national framework with a clear, defined set of key national outcomes in the next PfG. OFMDFM has taken the lead in working toward the development of what could become a set of Key National Indicators for Northern Ireland. Contrary to existing indicators in Northern Ireland, this new set should focus on outcomes rather than outputs. In addition, through the Reform agenda and other ongoing transformation programmes, efforts should be pursued to develop an outcomes based approach to delivering services and developing indicators of policy impact on citizens.

Some sector-specific strategies in Northern Ireland are already implementing an outcome-focused approach. For instance, the Strategic Framework for Reducing Offending promotes “timely interventions across government to support people in achieving positive outcomes in their life, thereby reducing the risk that they become involved in offending behaviour” (DOJ, 2013). The Framework’s focus on outcomes is demonstrated by its ultimate goal, sustaining the reduction in offending in Northern Ireland over the long term (see Annex B for the full case-study assessment of Problem-Solving Justice in Northern Ireland).

Northern Ireland can draw from a number of sources of technical advice and data to support an outcome-based approach, including its Statistics and Research Agency (NISRA) and the UK Office for National Statistics (ONS), which has in recent years identified a series of indicators that could be used for such purposes. As a starting point, NISRA presented in 2014 the Northern Ireland data for ONS well-being indicators. This data will build up the baseline information on measures which affect various areas of society such as the economy, health, education and what the government does (Box 2.18).

#### **Box 2.18. NISRA and the Northern Ireland Neighbourhood Information Service (NINIS)**

Housed within the Department of Finance and Personnel (DFP), NISRA is the principal source of official statistics and social research on Northern Ireland. The Agency’s purpose is to provide high quality, cost effective statistics that inform policy making, the democratic process and the wider public. The Agency is tasked with the provision of statistics and research to support decision making by Northern Ireland Ministers and departments and to inform elected representatives and the wider community through the dissemination of reliable official statistics. In addition, it is in charge of the provision of a system for the civil registration of births, marriages and civil partnerships, adoptions and deaths in Northern Ireland.

NISRA plays a leading role in advising on and advocating for the effective use of performance information in policy development, implementation and evaluation. Measures are in place through NISRA to analyse and provide statistical reports to the Department on the equality monitoring data. NISRA’s work includes a census, conducted every 10 years and the Northern Ireland neighborhood Information Service, which provides free access to statistical and locational information relating to small areas across Northern Ireland. NISRA also provides advice on understanding small area statistics on an ad hoc basis through the NINIS customer line and email address, and through NINIS monthly seminars.

Within NINIS, information is available across a range of themes including Population, Health and Social Care, Education and Skills and Crime. NINIS aims to make small area information held within Central Government and Non-Departmental Public Bodies available to as wide an audience as possible. The NINIS website ([www.ninis2.nisra.gov.uk](http://www.ninis2.nisra.gov.uk)) contains datasets on a range of socio-economic themes at small-area statistical geographies; area profiles that provide statistical snapshots of an area and mapping facilities that enable statistics to be interpreted readily in a spatial context.

*Source:* OECD analysis.

Building on this, NISRA can play a key role in supporting, technically, the transition towards a KNI system. Furthermore, a key strength of NISRA is the fact that it employs research professionals and statisticians who are embedded in departments to provide direct advice to policy and operational officials. These capacities could be further leveraged to provide whole-of-government guidance and input for the design of KNIs and their subsequent performance indicators at the sector level. Comparative experience offers further insight:

- In Scotland, the Performance Unit of the Office of the Chief Statistician and Performance of the Scottish Government is tasked with measuring progress on the outcomes of the national performance framework. The Unit is a mixed team of analysts and policy makers, in addition to analytical and statistical workers; the Unit helps develop capacity within agencies for outcomes based management.
- The Australian Bureau of Statistics (ABS) measures progress across four domains in Australia: society, economy, environment and governance. The *Measures of Australia's Progress* (MAP) comprises measures which are able to clearly show progress over time (progress indicators) across these four domains. Where possible, MAP provides progress indicators for: 1) trust; 2) effective governance; 3) participation; 4) informed public debate; and 5) people's rights and responsibilities (see Box 2.19).

#### Box 2.19. Measures of Australia's Progress

The Australian Bureau of Statistics (ABS) published its first Measures of Australia's Progress (MAP) in 2002, with updates in 2010 and 2012. In 2011, ABS decided to carry out an extensive community consultation (MAP 2.0) to improve. This consultation involved individuals, community leaders and experts to provide guidance on the goals and aspirations of Australians. The feedback collected through a series of conferences, web-consultations and panels exposed some of the gaps in the picture provided by the indicators previously used in the MAP initiative, and led to the identification of “**governance**” as an emerging domain of progress. The outcomes of this consultation have subsequently been used by ABS to improve the statistical framework used to measure progress.

Today, Measures of Australia's Progress (MAP) comprises measures which are able to clearly show progress over time (progress indicators) across the four domains in Australia. Although MAP has had previous versions of indicators, as a result of the extensive 2011-12 consultation processes MAP started from the ground up to identify a refreshed range of indicators to best express the aspirations Australians have for progress.

#### Main themes of governance

The recent consultation agreed on five main themes Australians thought were important for progress in the domain of governance. Where possible, MAP now provides progress indicators for these themes and their elements:

- Trust – Australians aspire to institutions and governance processes they can trust and hold accountable.
- Effective governance – Australians aspire to governance that works well.
- Participation – Australians aspire to have the opportunity to have a say in decisions that affect their lives.
- Informed public debate – Australians aspire to well-informed and vibrant public debate.
- People's rights and responsibilities – Australians aspire to a society where everyone's rights are upheld and their responsibilities fulfilled.

Source: Australian Bureau of Statistics (2015), “Australian Bureau of Statistics”, [www.abs.gov.au/](http://www.abs.gov.au/).

In Northern Ireland, NISRA could build similar capacity to support the Executive, departments and agencies in developing Key National Indicators. NISRA advises on the process of setting performance targets using performance information in departmental corporate plans. For example, DSD has an Analytical Services Unit consisting of around 50 NISRA statisticians who provide a forecasting and statistical ability for the department. This provides performance information, predictive analysis on a range of issues, such as the future uptake of welfare benefit statistics, etc. This covers a broad suite of information from welfare benefits, income data, housing, deprivation, etc. This information is used to inform policy development, support performance monitoring and identify future trends.

At the same time NISRA is not fully independent as it is a part of a Department of Finance and Personnel. Strengthening NISRA's independence and investing in its quality can contribute to more objective data management and evaluation in Northern Ireland, including developing Key National Indicators. This could also limit the potential for government influence on the Agency's work. International examples in this regard include Eurostat's Principles of Professional Independence (Box 2.20).

#### Box 2.20. Eurostat's principles of professional independence (excerpts)

##### Principle 1: Professional independence

Professional independence of statistical authorities from other policy, regulatory or administrative departments and bodies, as well as from private sector operators, ensures the credibility of European Statistics.

Indicator 1.1: The independence of the National Statistical Institutes and Eurostat from political and other external interference in developing, producing and disseminating statistics is specified in law and assured for other statistical authorities.

Indicator 1.2: The heads of the National Statistical Institutes and of Eurostat and, where appropriate, the heads of other statistical authorities have sufficiently high hierarchical standing to ensure senior level access to policy authorities and administrative public bodies. They are of the highest professional calibre.

Indicator 1.3: The heads of the National Statistical Institutes and of Eurostat and, where appropriate, the heads of other statistical authorities have responsibility for ensuring that statistics are developed, produced and disseminated in an independent manner.

Indicator 1.4: The heads of the National Statistical Institutes and of Eurostat and, where appropriate, the heads of other statistical authorities have the sole responsibility for deciding on statistical methods, standards and procedures, and on the content and timing of statistical releases.

Indicator 1.5: The statistical work programmes are published and periodic reports describe progress made.

Indicator 1.6: Statistical releases are clearly distinguished and issued separately from political/policy statements.

Indicator 1.7: The National Statistical Institutes and Eurostat and, where appropriate, other statistical authorities, comment publicly on statistical issues, including criticisms and misuses of statistics as far as considered suitable.

Indicator 1.8: The appointment of the heads of the National Statistical Institutes and Eurostat and, where appropriate, of other statistical authorities, is based on professional competence only. The reasons on the basis of which the incumbency can be terminated are specified in the legal framework. These cannot include reasons compromising professional or scientific independence.

Source: Eurostat (2015), "European Statistics Code of Practice", <http://ec.europa.eu/eurostat/web/quality/principle1>.

Other resources are available to further complement this role. Non-Departmental Public Bodies (NDPBs) of an advisory nature can play a role in the identification and mapping of key issues that need to be reflected in strategic commitments or monitored through KNIs. For example, the Department of Enterprise, Trade and Investment, through its Foresight and Horizon Scanning Unit (FHSU) and MATRIX, undertakes foresight and a horizon scanning activity in the area of emerging strategic technology priorities affecting Northern Ireland’s economy. In terms of anticipating future demands, time series analysis of that information (trends and drivers of change) combined with research, analysis and policy experience elsewhere are used to anticipate future needs (for example DETI and Invest Northern Ireland, along with representatives from the Northern Ireland Science Park, MATRIX and IntertradeIreland are conducting research on the future Equity Finance needs of Northern Ireland Business).

Northern Ireland can also draw upon a number of sources of technical advice and data for these purposes, including the NISRA, or the Northern Ireland Audit Office (NIAO). In addition, Open Data can promote empirical analysis and enhance the possibility of producing better outcomes in terms of laws and public services. Northern Ireland authorities could better link up with existing UK-wide initiatives, such as [data.gov.uk](http://data.gov.uk), which brings together public data to help people understand how government works and how policies are made. Finally, improved performance information and evaluation results, with a focus on outcomes rather than on process and outputs, will be essential to further refine an outcomes-based framework.

### ***Leveraging local governments to improve strategic planning***

The 2015 reform of local government discussed in Chapter 1 has the potential to enhance strategic planning at the local level. The vision of the reform is to have “a thriving, dynamic local government that creates vibrant, healthy, prosperous, safe and sustainable communities that have the needs of the citizens at their core” (DoE, 2015).

This important change presents a number of opportunities. Councils, in partnership with Departments and other public service providers, will be able to influence how and where services are provided, allowing for a more flexible approach to meet local needs. It also provides an opportunity to better engage citizens through the community planning process which aims to develop and implement a shared vision relating to all aspects of the council area (DoE, 2015). The local councils through constituency proximity could be better equipped to intercept citizens’ priorities, and could effectively enhance needs-based policy making and service delivery by the NI government. Community planning creates an avenue for dialogue between citizens and the public administration to identify priorities and discuss trade-offs. Given the Northern Ireland context, this engagement mechanism is of crucial importance to enhance democratic procedures. An example of local partnership already in place in Northern Ireland to highlight includes the Policing and Community Safety Partnerships (for more on community involvement in the justice system, see the case study on problem-solving justice).

Citizen participation is enshrined in the legal framework of Northern Ireland as a statutory requirement (see Chapter 4). Local councils are also required to implement it and report on it through the statements of community involvement (SCI). Yet, these legal obligations are not sufficient to guarantee a widespread and effective use of participation mechanisms. The success of community planning in creating a shared vision and improving public service quality depends on several additional factors. These include the availability of adequate human and financial resources for effective engagement, the

management of expectations in the population and CSOs involved in it, and the ability to jointly work with the various government departments and agencies responsible for service delivery and implementation. At the time of writing, local councils have signalled the lack of properly trained officials as well as of the financial resources needed to effectively involve relevant stakeholders in community planning activities. Moreover, as there is a discrepancy between the planning mandate (the areas on which the councils will involve the local community) and the execution of the resulting policies (most of which will be implemented by the various government departments and not by the councils) public expectations need to be managed so as not to create consultation fatigue and lack of confidence in the whole service design and delivery framework.

Local councils can build upon existing good practices, such as the Belfast Conversation Workshops, and the ad hoc guidance provided by both the government (i.e. the Community Planning Foundation Programme of the DOE and some civil society organisations, like the community planning toolkit developed by Community Places (Community Places, 2012)). These guidelines outline principles for engagement, provide lessons learned but also offer practical tools and recommended steps to promote an inclusive process. In that respect, the reform can promote planning for joined-up delivery with a focus on outcomes.

A key principle that should guide the process is transparency, as outlined in the guidance of the Community Planning Foundation Programme. This refers to transparency about data, indicators and evidence which are used for policy making, planning and evaluation. In a context where groups fear that certain decisions (i.e. where to build new housing, etc.) are based on community considerations, transparency helps to create the necessary trust to engage in the community planning process.

At the same time, to reap the benefits of these reforms fully, duplication and lack of consistency must be prevented. A whole-of-government planning process that delivers a common vision supported by well-defined and targeted outcomes can play an instrumental role in this regard. A broad outcomes-based framework for Northern Ireland could then help align objectives while maintaining devolved flexibility and ownerships for Local Governments. An example of this framework is the Single Outcome Agreement in Glasgow, whereby Local Governments align their strategic planning to the national performance framework, while maintaining leadership and autonomy (Box 2.21).

#### **Box 2.21. Aligning vision across levels of government: Single Outcome Agreement in Glasgow**

In 2013, the Glasgow Community Planning Partnership developed a Single Outcome Agreement (SOA). This Agreement sets out a small number of key priorities and outcomes that should help to deliver better services for the people of Glasgow. The SOA represents a ten-year plan for place that sets out the additional value that Glasgow's Community Planning partners can achieve by planning, resourcing and delivering services together with local communities. A factor in selecting local Single Outcome priorities in Glasgow is that they secure a fit with Scotland's National Policy Priorities. For example, alcohol outcomes will have a direct impact on both Health Inequalities, and Safer and Stronger Communities, but will also likely impact upon the economic priorities by increasing productivity. Youth employment priority will have a direct impact upon both Employment and Economic Recovery and Growth, but similarly will likely impact on others including Health Inequalities and Physical Activity by sustaining a more engaged and active young population.

### Box 2.21. Aligning vision across levels of government: Single Outcome Agreement in Glasgow (continued)

The figure below represents the relationships between each of the Glasgow’s SOA priorities, and also the linkages with the Scotland’s six National Priorities. The three SOA priorities are inextricably interlinked. A wealth of evidence from service providers in Glasgow suggests that it is often the same or similar cross section of residents who are affected by these priority issues – e.g. a young vulnerable person is often likely to be affected by alcohol issues, and is less likely to be positively engaged in employment, education or training. This is illustrated where the three priority areas overlap at the centre.



Source: Author’s own work, based on Glasgow Community Planning Partnership and Glasgow City Council (2013), “Glasgow’s Single Outcome Agreement 2013”, [www.gov.scot/Resource/0043/00435436.pdf](http://www.gov.scot/Resource/0043/00435436.pdf); [www.nationalarchives.gov.uk/doc/open-government-licence/version/3/](http://www.nationalarchives.gov.uk/doc/open-government-licence/version/3/).

The Local Government Reform also has the potential for councils, the private sector and the third sectors to jointly define strategic priorities to improve the local economy. In this respect, good practices from OECD countries and the United Kingdom could be observed. Scotland has a very long tradition of strategic thinking at the local level thanks to reviewing and applying the lessons learnt and responding to new demands and circumstances over decades. Administrative arrangements for strategic planning in Scotland have more recently been promoted through joint working between councils, strengthened recently by a new national planning framework (see Box 2.22). As such Scotland’s approach can serve as a good inspiration for Northern Ireland, in order to be able to meet the potential of Northern Ireland and its local communities for greater and sustained well-being.

### Box 2.22. Scotland’s strategic development planning

The four city regions of Scotland account for some 80% of its population. They are characterised by the relationships between the core cities and their surrounding towns. This is determined by their interdependent housing and labour markets, shared higher order services for health and education, and water catchments and environmental resources. This underpins the competitiveness of the city and their regions reflecting in the patterns of economic activity, movement and quality of life and environmental conditions.

In this context the relationship of the core of the city regions to their developed and rural hinterlands is critical. Over half of the population that is dependent on their services, or serves the cities in terms of labour supply, lies outside their administrative boundaries. There is therefore an overwhelming interdependence between the core cities and their adjoining council areas. Their current conditions and future prospects are interlocked. This relationship is not just about economic and social interdependency, but also impacts on the quality of life and environment in rural areas around each city region. The great cities of Scotland, and their regions, therefore require planning above the local level, working together to solve “local” problems or in the case of infrastructure, co-operating with national agencies and business. On all levels, strategic planning is of key importance to link power and resources especially in terms of transport and housing delivery.

What is required is collaborative action if the challenges to the future of cities are to be overcome. These challenges include the need to promote their competitiveness whilst ensuring social cohesion/equity, the need to secure integration between and across the layers of government, and the need to take a longer term perspective in decisions engaging all the communities of interest. At its heart, strategic development planning is concerned with the interdependence of communities, whether neighbourhoods or nationally. If there is to be sufficient focus on economic, social and transport problems of Scotland’s core cities, strategic development planning needs to recognise that “real” communities of interest lie cross-boundary. Without it there is no clear view of the relative role of each city-region. Without it, there can be no confidence about future infrastructure networks or development upon which economic investment relies, and it will inevitably underperform.

*Source:* Kevin Murray Associates (2014), “Review of the strategic development plans in Scotland”; OECD analysis.

## Performance information to improve strategic approaches

The successful co-ordination of government actions has implications for policy and administrative accountability and the systems that support it. Much like other public sectors, Northern Ireland’s government needs to design and deliver policy and services that achieve better outcomes for people in a context of increased administrative complexity, policy multi-dimensionality and diminishing public resources. As argued above, a key role and contribution of CoG institutions is to bring order to this complexity.

Several factors influence the ability to improve strategic approaches to deliver on shared outcomes in Northern Ireland. A silo-based administrative culture, disconnects between planning at different levels of government, lacks employee engagement or casts weak performance and accountability frameworks that can undermine efforts to deliver shared outcomes. Conditions have to be created to encourage alignment and co-ordination

within and between levels of government, and to empower public-sector employees for success. Some of them can be addressed early on in the planning process, in particular by providing incentives that encourage joined-up service-delivery and facilitate effective monitoring and evaluation of progress being made through this programming in improving clearly-identified Key National Indicators, as highlighted above. International experience could serve to improve the Northern Ireland system and to better align incentives for delivery across the administration (see Box 2.23).

### Box 2.23. Aligning incentives for delivery: The Israeli experience

Israel’s administration has been strengthening its strategic planning with the goal to achieve shared outcomes and to have a clear alignment of incentives for delivery. The following factors have been identified as instrumental in this process:

**1) Building strategic endeavours through engagement of ministries and parity management.** Strategies are mostly planned by the CoG but are carried out by line ministries; however, strategic endeavors might affect only a portion of what the line ministries do. Therefore, to build strategy by consensus, the Israeli administrations has created a “Strategy Think Tank”, which focuses on bringing up new ideas and includes members of the National Economic Council (NEC) and senior policy planners from ministries. The “Leading Team” (a joint body of NEC, Treasury, and the Prime Minister’s Office) then takes the decision, while the CoG implements it in co-operation with line ministries. The following strategic issues have been identified in the discussion: digital Israel, population aging, development of human capital, future growth engines, funding channels, and housing strategy.

**2) Encouraging the need and the will of senior managers to take part in inter-departmental endeavours.** To motivate co-operation among line ministries, senior officials are incentivised to rotate after, at maximum, eight years. As the next official’s appointment does not have to be at the same ministry, this approach demands engagement in cross-governmental objectives. Moreover, achieving operational objectives has become a part of employees’ evaluations.

**3) Making sure that the administration knows the barriers to achieving goals and searches for organisational solutions.** To achieve this, a survey was undertaken across the public sector, revealing important insights. Israel’s experience shows that, for instance, budget is only a fraction (20%) of the barriers to performance. Other obstacles exist, such as controversies between ministries (20%), mismatch to the target audience (14%), or capacities and skills (12%).

**4) Building bridges and dialog between the planning and the budgeting sides of the government.** Specifically, the administration is focusing on working together on deep policy planning processes through joint discussion platforms (e.g. the reform in the civil service or the examination of government’s structure).

*Source:* Adapted from Praver, E. (2015), “Achieving shared outcomes: The Israeli experience”, presentation at the 51st OECD Public Governance Committee, Paris, 23-24 April 2015.

Three key elements can play a role in aligning incentives among actors within and external to government for more joined-up policy and service design and delivery that are effective in improving strategic approaches:

- First, governments need to create a culture of engagement and openness within the civil service. Engaged employees are the best drivers of performance; they can promote co-operation, innovation, and assure good quality of services.

- Second, government performance and accountability are key for achieving defined outcomes. Organisational co-ordination needs to ensure that all aspects of government's operations are focused on the realisation of its purpose.
- Third, the government needs to be engaged with external actors. While engaging with citizens is of primary importance (as discussed in Chapter 2), the government also needs to engage effectively with Parliament and external auditors.

Another area to explore concerns the role of senior officials in contributing to the support of the CoG function. As noted by the OECD in other contexts (OECD, 2015e), officials play a critical role in supporting ministers in co-ordinating across the whole of government. The contributions of officials are varied and will reflect the nature of their governments. Among these roles they support the Executive by providing early warning of issues and opportunities, harmonise policy proposals, prioritise matters for decision, and diffusing problems before they reach the ministerial level. The ability to perform in these tasks requires soft skills and the capacity to maintain information-sharing networks across the system.

In Northern Ireland, a number of mechanisms can support and strengthen the co-ordination role played by the Centre of Government. The Executive has put in place a number of mechanisms to horizontal co-ordination. These include the Permanent Secretaries Group; Policy Champions' Network; Cross-departmental working/steering groups; and the NICS Board.

In Northern Ireland the Permanent Secretaries' Group, chaired by the Head of the Northern Ireland Civil Service, contributes to this role. For example, minutes of the Permanent Secretaries' Group show that its meetings regularly include updates on departmental and government activities (OFMDFM, 2015). Attendance of lower ranking officials in these meetings also increases its contribution to the NICS networking and sharing of information which is critical to ensuring CoG co-ordination.

In order to meet the challenges that the NICS will face in the next five years, a key focus has been made on the need to strengthen leadership across the organisation. In preparation, work is currently underway to re-constitute the role of the Permanent Secretaries Group as a management board for the NICS. This will be known as the NICS Board. It will be chaired by the Head of the Civil Service with membership comprising Permanent Secretaries from all NI departments, the Departmental Solicitor and the First Legislative Counsel. Secretariat support to the NICS Board will be provided by OFMDFM. The board will develop and communicate to the NICS a forward work programme of work relevant to its role and will regularly report on the delivery of this programme.

The development of the NICS Board is being taken forward through three key work strands: Leadership; Creating a High Performance NICS; and Outcome and Engagement Focus. Sub-groups of members, including others where appropriate, will be created to take responsibility for specific areas of work or tasks identified within the Board's work programme.

At the level of the public administration, interdepartmental co-ordination appears to rely on individual and professional connections rather than systematic processes of collaboration, such as the Policy Champions Network. However, its role appears primarily as one of a community of practice as it has no specific advisory or decision making role to play in the policy process. Formalising the role of the Policy Champions

Network, and other similar networks, is required in order to promote engagement, autonomy and ownership. Likewise, incentives could be built into performance assessments, including the possibility of group incentives for achieving key milestones identified in the Terms of Reference.

These co-ordination mechanisms could be further leveraged for joined-up policy-design and planning. As mentioned in the previous section, a Guide to the Policy-Making Process was prepared by the (now defunct) OFMDFM Policy Improvement Unit. There is an intention to update this at some stage through the Policy Champions Network (PCN) and some further supplementary guidance may also be prepared. For example, OFMDFM has developed five workbooks, which are structured around the key stages of policy process to enable policy-makers to dip into the guidance as appropriate (OFMDFM, n.d. c). For example, the PCN is responsible for the previously mentioned *Guidelines on Effective Stakeholder Engagement*. While PCN has collected a number of good practices, there is as yet a limited sharing of these practices across the whole Northern Ireland Civil Service.

Creating incentives is important to ensure that officials at all ranks work in a co-ordinated and horizontal manner. This is particularly important at the level of senior officials as it is toward this level that NICS staff looks for signals. It is therefore significant that there should be little emphasis placed on contributions to government-wide priorities, such as DSC. Interviewees, including senior officials, shared the observation that the emphasis placed on working in a joined-up fashion (for example in the PFG and other statements of government policy) is not matched by its inclusion in the performance management of senior officials, or the organisations which they lead. The use of strategic human resources management tools, such as performance management, has been used in several OECD countries to develop great attention to whole-of-government actions and changing organisational cultures (OECD, 2015e).

In Canada for example, the results of the government-wide Management Accountability Framework (MAF) assessment are linked to the performance management process for its senior officials. As outlined in Box 2.24, one of the areas used to assess the performance of deputy heads includes the contribution made to government-wide priorities (Privy Council Office, 2015b). This performance management process also includes consideration of the MAF results on the understanding that institutional results are a reflection of how deputy heads have acquitted their roles.

**Box 2.24. Performance Management Programme Guidelines for Canada’s Heads of Agencies and other Governor-in-Council Appointees (excerpts)**

**Performance agreements**

The performance agreement is a mutual understanding between the appointee and the appropriate authority as to what is expected for the performance cycle. This performance agreement is comprised of individual commitments, as well as the related performance measures:

**Box 2.24. Performance Management Programme Guidelines for Canada’s Heads of Agencies and other Governor-in-Council Appointees (excerpts) (continued)**

**Individual commitments**

**Policy and programme results:** These commitments reflect the organisation’s priority areas of focus during the performance cycle, related to business plans. They are challenging but achievable with effort through the individual’s own influence and control. They must also be results-oriented and measurable or clearly demonstrable. Commitments must be such that the individual will personally make a significant contribution to their achievement. Individuals are expected to develop commitments based on their organisation’s business plans.

Each commitment must be accompanied by **related performance measures** which are observations or data that determine and define if and how well the commitments are met. They will form the basis of reporting at the end of the performance cycle:

**Management results:** Individuals with responsibility and accountability for the management of an organisation will also be measured on their progress implementing the management conditions described in the Management Accountability Framework (MAF). The organisational and management accountabilities set out in the MAF translate into generic commitments and serve as benchmarks for expected performance of Governor in Council appointees.

**Leadership results:** These commitments reflect the expected demonstration of the Key Leadership Competencies which are required to successfully carry out the responsibilities of the position. The Key Leadership Competencies are generic commitments and serve as a benchmark for expected performance of Governor in Council appointees.

**Corporate results:** This commitment reflects a current Government priority. It will be identified on an annual basis by the Clerk of the Privy Council and the results will be evaluated and rewarded based on the contribution of the individual toward the corporate commitment.

Details on the corporate priorities are posted annually on the Privy Council Office website.

*Source:* Privy Council Office (2015b), “Performance Management Programme for Heads of Agencies and other Governor-in-Council Appointees”, Government of Canada, Privy Council Office, Ottawa.

In addition to formal performance targets and accountability mechanisms, informal networking opportunities and team-building activities can help senior officials develop and reinforce a common sense of shared commitment. For example:

- Leadership development programmes offer a valuable way to impart whole of government perspectives to mid and senior level managers, especially when they are run centrally and organised around transversal leadership objectives such as innovation. Programmes of this kind are increasingly common in OECD countries and benefit leaders in two ways. Leaders are exposed to ideas and insights from the curricula and the sharing of experiences by participants. This, in turn, enables the creation of networks that can be leveraged beyond the boundaries of the development programme to stimulate horizontal information sharing and collaboration.

- In Belgium, the government of the Flanders region has begun using a range of leadership development programmes to inspire and coach their leaders. At the federal level, a range of leadership development opportunities are made available including the Vitruvius programme, an in-depth 24-day programme conducted over eight months, which has now coached over 450 middle and top leaders.

### ***Co-ordination across government to assess performance against outcomes***

In addition to an engaged and incentivised civil service, governments need to align performance and accountability towards outcomes. Organisational alignment needs to ensure that all aspects of government's operations are focused on the realisation of its purpose – both strategically (management to achieve the government's vision) and operationally (the ability to deliver on the government's objectives). This speaks to setting and monitoring performance objectives effectively, including the ability to generate and use performance data, and a strong audit and control environment, which includes governance mechanisms that empower staff and ensure accountability government-wide.

Transparency, robust government-wide audit and control arrangements, and legislatively compliant recordkeeping are key to developing and maintaining a culture of accountability. A number of countries, regions, and departments are moving in this direction. For example, in Queensland (Australia), the Department of Education, Training, and Employment has developed a Corporate Governance Framework to align performance. Their framework is focused on improving customer outcomes through good governance, performance and accountability (see Box 2.25).

#### **Box 2.25. Aligning performance and accountability towards outcomes in Queensland, Australia**

Similarly to other departments in Australia, the Department of Education, Training and Employment (DETE) in Queensland has drafted the *Corporate Governance Framework 2014–18, Delivering customer outcomes through good governance, performance and accountability*. This framework sets out standards of accountability and transparency, and outlines the principles, elements and mechanisms the department uses for effective governance to achieve outcomes. The government reviews the framework at least annually to reflect changes to strategic priorities, structural alignment, and current best practice. There are **seven interrelated pillars** in the Framework:

1) **The direction** of Departments in Queensland is guided by whole-of-government and departmental priorities: *i) The Queensland Plan*, published in 2014, is a 30-year-vision for the state developed through a collaborative process involving community members, business and industry representatives, state and local government officers and Members of Parliament; *ii) Ministerial Charter Letters* list the government commitments and priorities that each Minister is responsible for delivering through the agencies within their Ministerial portfolio; *iii) Department's Service Delivery Statement* provides budgeted financial and non-financial information on the resources allocated to support our direction and priorities; *iv) Departmental planning* integrated business planning system which cascades from the Department's Strategic Plan through to divisional, regional and school plans.

2) Both strategic and operational **organisational alignment** ensures that all aspects of the department's operations are aligned with the realisation of the department's purpose. The organisational structure ensures effective alignment of functions and operations with the service delivery. It provides clear lines of reporting and accountability to support appropriate, open and transparent decision-making processes. To manage change, two key resources are used: Queensland Audit Office (a checklist for organisational change) and the Department's Developing Performance Framework.

**Box 2.25. Aligning performance and accountability towards outcomes in Queensland, Australia**  
(continued)

3) **Accountability** of the Department is related to several elements. The primary accountability is for **legislation**, both department-specific and whole-of-government. Second, there is **financial accountability** for the way resources are allocated and used, which is reported in monthly financial performance reports. Third, accountability is promoted by transparency and legislatively compliant **recordkeeping**, including the right to information, open data, and public interest disclosure. Fourth, a **system of rigorous of internal and external reporting** demonstrates commitment to transparency, accountability and good governance practice. This relates to government commitments, parliamentary reporting, and annual reports.

4) Establishing **performance expectations** of employees is necessary to achieve outcomes. This includes public sector ethics, code of conduct, performance agreement, industrial agreements and directives, and a mandatory induction programme.

5) **Service Delivery** needs to be managed at all levels. This is related first to understanding customer needs, engagement and consultation. Second, resources have to be managed, including workforce, finance, procurement, ICT. Finally, portfolio, programme, and project management have to be efficient.

6) Instilling a **culture of improvement** by supporting processes to enhance performance, and using performance information in decision making. The Department is involved in the Queensland Public Sector Renewable Programme, which is committed to build the most responsive and respected public service in Australia. This includes performance analysis and review, data analytics and evaluation, capacity building, recognition programmes, and internal and external audits.

7) **Risk management** is an integral part of the Department’s management processes and an essential function of corporate governance. Departmental effectiveness is enhanced when risk management is part of the culture and is embedded in its values, practices and business processes. This includes an Enterprise Risk Management Framework and Process, a Business Continuity Management Framework and Process, an Internal controls and financial assurance, and a Fraud and Corruption Control Framework.

The full impact of this framework is yet to be seen. The government expects that the framework will drive performance improvement and better service delivery, and will ensure that the government meets its corporate obligations and legislative requirements. To make sure that this is the case, the government reviews the framework at least annually to reflect changes to its strategic priorities, structural alignment, and current best practice.

*Source:* Queensland Government (2014), “Corporate Governance Framework 2014-18”, Department of Education, Training and Employment (DETE), [www.deta.qld.gov.au/corporate/governance/pdf/dete-corp-gov-framework.pdf](http://www.deta.qld.gov.au/corporate/governance/pdf/dete-corp-gov-framework.pdf).

In many OECD countries, there is an increased emphasis on results and performance-management functions to improve the accountability of their departments and agencies. For instance, developing a management accountability framework can help to ensure departmental accountability for management, including outcomes. An example of an accountability framework has been successfully implemented in Canada (see Box 2.26).

### Box 2.26. The Canadian Management Accountability Framework

The Canadian government has developed a Management Accountability Framework (MAF) to ensure departmental accountability for management results. The MAF is a framework for management excellence, accompanied by an annual assessment of management practices and performance in most departments and agencies of the Government of Canada. The MAF is a key tool of oversight that is used by the Treasury Board of Canada Secretariat (TBS) to help ensure that federal departments and agencies are well managed, accountable and that resources are allocated to achieve results. The Management Accountability Framework establishes the expectations for sound public sector management practices and performance. It supports the management accountability of organisational deputy heads and improves management practices across government departments and agencies.

The objectives of the MAF are: 1) To obtain an organisational and government-wide view of the state of management practices and performance; 2) To inform Deputy Ministers and Heads of Agencies about their organisations' management capacity; 3) To inform the Treasury Board of Canada Secretariat about the state of policy implementation and practices; 4) To identify areas of management strength and any areas that require attention; 5) To communicate and track progress on government-wide management priorities; 6) To continuously improve management capabilities, effectiveness and efficiency government-wide.



There are ten elements in the Framework:

**Leadership and strategic direction** articulate and embody the vision, mandate and strategic priorities that guide the organisation while supporting Ministers and Parliament in serving the public interest.

**Results and accountability** uses performance results to ensure accountability and drive ongoing improvements and efficiencies to policies, programmes, and services to Canadians.

**Public sector values** exemplifies the core values of the public sector by having respect for people and democracy, serving with integrity and demonstrating stewardship and excellence.

**Continuous learning and innovation** manages through continuous innovation and transformation, to promote organisational learning and improve performance.

**Governance and strategic management** maintains effective governance that integrates and aligns priorities, plans, accountabilities and risk management to ensure that internal management functions support and enable high performing policies, programmes and services.

**People management** optimises the workforce and the work environment to enable high productivity and performance, effective use of human resources and increased employee engagement.

### Box 2.26. The Canadian Management Accountability Framework *(continued)*

**Financial and asset management** provides an effective and sustainable financial management function founded on sound internal controls, timely and reliable reporting, and fairness and transparency in the management of assets and acquired services.

**Information management** safeguards and manages information and systems as a public trust and a strategic asset that supports effective decision making and efficient operations to maximise value in the service of Canadians.

**Management of policy and programmes** designs and manages policies and programmes to ensure value for money in achieving results.

**Management of service delivery** delivers client-centered services while optimising partnerships and technology to meet the needs of stakeholders.

*Source:* Government of Canada (n.d.), “Elements of the Framework”, [www.tbs-sct.gc.ca/hgw-cgf/oversight-surveillance/maf-crg/eof-edc-eng.asp](http://www.tbs-sct.gc.ca/hgw-cgf/oversight-surveillance/maf-crg/eof-edc-eng.asp) (accessed 5 June 2016).

In Northern Ireland, accountability and performance management are embedded in the system. For example, the PfG states that:

*“Clearly defined lines of accountability, supported by effective monitoring and regular reporting are a prerequisite of this PfG and reports on progress against commitments will be produced on a quarterly basis. It is intended that this PfG will be supported by a legislative programme that complements its delivery objectives”* (Northern Ireland Executive, 2011).

Among the mechanisms used by the budget authority to hold government organisations accountable for performance allocation are the Service Delivery plans, monthly performance reports to committees, NIAO judgements on annual accounts, and Executive performance reports on PfG delivery.

The DFP’s Public Spending Directorate (PSD) is one of the key institutions responsible for the alignment of performance and accountability in Northern Ireland. The role of PSD is to:

- support the Minister and the Executive in securing the allocation and effective use of available resources through monitoring public expenditure, in line with the priorities set by the Executive
- support decisions on the management of public expenditure, maximise the achievement of Value for Money and promote accountability
- promote proper governance and financial management and ensure resources are properly accounted for
- deliver high quality, efficient and effective services to the citizen, departments and the wider public sector
- monitor and control the public expenditures in Northern Ireland by ensuring compliance with budget and accountability controls and ensuring the optimal allocation of resources.

There have also been examples of shared accountability across organisational boundaries. Together: Building a United Community is an example of a strategy which affects a number of departments, with OFMDFM collating information to inform accountability. However, it appears that where spending money is involved, shared accountability becomes more problematic in Northern Ireland. Public accounting rules set by DFP generally limit shared accountability; the issue is usually addressed by appointing one Permanent Secretary as accounting officer for spending across the whole area. OECD interviews confirm that the management accountability framework in Northern Ireland could better incentivise co-operation across departments together with accountability performance towards outcomes.

### ***The use of data for performance evaluation in Northern Ireland***

An efficient use of data is key for aligning performance and accountability to improve strategic approaches. Governments are increasingly asked to solve complex and multidimensional issues. In conditions of ongoing fiscal consolidation, they need to be able to evaluate their programmes and create conditions for inclusive growth. This can only be accomplished using information and data that report effectively on policy outcomes and inform the planning process. Governments need to be ready to generate new data and leverage it to inform its performance, including strategic planning. Failure to meet the defined targets undermines users' confidence and trust in government.

In many countries, performance indicators and reports are often part of the accountability management framework. These indicators are typically useful to implementing agencies in their work and in their reporting. Still, many OECD countries experience difficulties in generating key indicators that can be used to compare the effectiveness and efficiency of the operation and delivery of government services. There is no easy solution to this conundrum. Performance information should first be useful to those who generate it, otherwise the data being generated risks being neither accurate nor useful.

In Northern Ireland, performance information is generated within the context of the departments' Corporate Plan, the Northern Ireland Economic Strategy (NIES) and PfG objectives and targets. At the highest level, the PfG and NIES set whole-of government targets. At a lower level, departments' business plans typically set performance targets. To hold government organisations accountable for allocations, set according to performance targets, relies on a series of instruments: the PfG Delivery Framework, departmental Corporate and Business Plans, and service level agreements/contracts between departments and delivery agencies. In the same way, all targets should in principle follow this structure, from PfG objectives to departmental targets as well as to individual objectives.

Moreover, performance information in relation to implementation of PfG Commitments is considered quarterly through the Delivery Framework. This Delivery Framework for the PfG provides a formalised mechanism for the management of implementation that uses performance information. This is done in respect both of the implementation of Commitments and their outcome level impact – to support the effective delivery of services at the level of strategic direction (Executive/Ministerial level), programme implementation (Cross-departmental, Permanent Secretary-level), and tactical delivery (departmental level). The Framework is supported by an online reporting system that provides information to meet the needs of Ministers, departments, elected representatives and the public. Strategic Delivery Plans for each commitment under the

five PfG 2011-15 priorities have been developed. The delivery plans are grouped by priority and listed according to the commitment number. They can be accessed online as well as the overall PfG progress report.

As a key player in the performance evaluation, DFP is responsible for the Northern Ireland Guide to Expenditure Appraisal and Evaluation (NIGEAE). The NIGEAE is the primary guide for Northern Ireland departments on the appraisal, evaluation, approval and management of policies, programmes and projects – the essential elements in the cycle of performance and accountability evaluation (see Box 2.27).

#### **Box 2.27. Northern Ireland Guide to Expenditure Appraisal and Evaluation**

The *Northern Ireland Guide to Expenditure Appraisal and Evaluation* (NIGEAE) is the primary guide for Northern Ireland departments on the appraisal, evaluation, approval and management of policies, programmes and projects –the essential elements in the cycle of expenditure planning and service delivery. NIGEAE's broad approach to expenditure assessment rests on broadly similar principles as those applicable in England, Scotland and Wales. However, NIGEAE is tailored specifically to the needs of Northern Ireland departments, taking account of local policies and institutional arrangements.

The Guide focuses on examining the pros and cons of spending proposals from a Northern Ireland perspective. However, it allows flexibility to consider significant impacts upon other territories such as Great Britain, the Republic of Ireland, and the rest of the European Union, where they are considered relevant. The principles should be applied to all proposals that involve spending or saving public money, including EU funds, and to all proposed changes in the use of public resources. All such proposals should be supported by evidence of suitable appraisal, approval, management and evaluation. The principles apply to all expenditures regardless of whether they are large or small, capital or recurrent, and above or below delegation limits. While this Guide is a very important tool for policy making in Northern Ireland, it appears that it could put a better focus on appraisal and evaluation of policy outcomes. For example, it could be better linked to existing initiative on Outcome-Based Accountability models in Northern Ireland, Scotland, or Wales.

*Source:* DFP (2015), “Northern Ireland Guide to Expenditure Appraisal and Evaluation (NIGEAE)”, [www.dfpni.gov.uk/eag](http://www.dfpni.gov.uk/eag).

Based on the above, there seems to be a positive process on improving data and information, including techniques to analyse data in Northern Ireland. While processes are defined, there is a basic hierarchy of goals and targets, a certain link between departmental strategies and PfG, and the majority of government targets are based on statistically significant improvements against a baseline. Departments have a policy evaluation programme which is managed and monitored centrally within the department and regular reports are made to the departmental Board. Through this process, every departmental policy is evaluated on a regular basis and this evaluation informs the future direction of travel on each policy.

Notwithstanding these improvements, the use of data and information could be improved to strengthen strategic policy making in Northern Ireland. While data and indicator-use for policy making is widespread, the quality of information varies across the public sector and there is often a focus on measuring process, activity and outputs rather than effectiveness, efficiency and outcomes. For instance, several departments still focus

on input/output indicators, rather than on outcomes (e.g. the Department of Health, Social Services, and Public Safety focuses on the number of doctors and the number of patients treated rather than on Health Outcomes). Moreover, despite improvements, there is a limited availability of time-series information, which constraints the comparison of performance against targets over time.

Moreover, some interviewed stakeholders noted that existing data are inadequate and certain sources of official statistics have restrictions to accessing the data for supplementary analysis (e.g. HMRC Regional Trade Statistics). For instance, in the health and social care sector the available data was perceived to be inadequate to inform needs assessment, especially for Local Commissioning Groups (LCGs). As described in the Case Study on Health and Social Care, this is confounded by the fact that available data appears to be poorly suited to identify and end inefficiencies and decommission redundant health and social care services.

There have also been examples across the NI government when policy targets, outputs, or outcomes have been poorly specified and as such they did not take into consideration existing data limitations. Some departments, in areas such as health, education and economic development, appear to gather a broader range of outcome-based performance data. However, it appears that this data is not always used in a systematic manner to evaluate the efficiency of government policies.

Other constraints exist toward an efficient use of performance information and data in Northern Ireland. For example, there is a relatively limited amount of publicly available information on performance and planning results, because some official UK statistics do not report figures on Northern Ireland. It also appears that lack of consistency across departments in compliance and adherence to deadlines constrains the possibility to have a government-wide performance evaluation. For example, evidence shows that while data is collected it is often left unused to transform delivery. Moreover, data is not always used for public dissemination, which suggests a problem within the organisational culture of the NICS. For example, in 2012 the NIAO found that public reporting of efficiencies was not transparent, comprehensive or meaningful. Finally, Northern Ireland departments tend to rely on existing data sources or established sources, which might not be fully fit for purpose, especially for issues related to inclusive growth. In that respect, the use of data in for performance and accountability has yet to become a part of organisational culture in Northern Ireland.

### *A limited use of outcome-based models in Northern Ireland*

As in many jurisdictions, Northern Ireland's policy and service design and delivery is traditional and process-driven. While a planning and monitoring system is in place, it still lacks a strategic outcome-oriented focus, as well as systematic policy monitoring and evaluation. A current live consideration in the NICS is the challenge of making a connection between the direct impact of a governmental policy or programme, and its effects at the population or societal level. Despite this, there are good examples of outcome-focused strategies in Northern Ireland. For example, the *Neighbourhood Renewal Programme*, which has defined a set of output (e.g. area of land improved and made ready for development) and related outcome measures (e.g. demographic stability, increase in community cohesion). Still, more needs to be done to promote outcome-based models in Northern Ireland.

Exploratory work is in hand to determine how the NI Executive might move towards a PfG with a greater focus on outcomes. In the interim the current practice across Northern Ireland Executive Departments is still focused on measuring inputs and, to a lesser degree, outputs. And, while Northern Ireland has in place a planning and monitoring system, the NICS faces a challenge in connecting direct impact of a governmental policy or programme to effects at the population or societal level. Though the OFMDFM has begun promoting the use of Outcome-Based Accountability models, its impact has yet to be felt across the NICS. An example of an implementation of this model is the Social Investment Fund (see Box 2.28) which is also discussed in the case study of Delivering Social Change.

### Box 2.28. The Outcome-Based Accountability Model in Northern Ireland

#### Programme application – Social Investment Fund (SIF)

NISRA statisticians in OFMDFM are responsible for the evaluation of the SIF (total budget of GBP 80 million). The fund allocates financing for area-based programmes (both capital build and revenue), which aim to tackle issues related to deprivation, poverty, unemployment, health and well-being and area based dereliction/regeneration. To evaluate the programme properly, OFMDFM has adopted a model that would focus on outcomes and would also allow population level results reporting as well as the monitoring of project level results on a frequent basis.

The Outcome-Based Accountability (OBA) Model was selected as it allows the tracking progress on outcomes on a quarterly basis. During the implementation of the model, OFMDFM met with SIF lead partners to explain the purpose of the evaluation model and to guide data collection. The experience shows that face-to-face communication was key at the beginning of this implementation. OFMDFM also issued written guidance for SIF Lead Partners to outline their roles and responsibilities.

OFMDFM has had a positive experience with the OBA Model. SIF Lead Partners appreciate its ability to demonstrate the project performance on a frequent basis allowing them to assess and deal with performance issues as well as seeing results. The experience also confirms that the set-up of the OBA environment (for the central evaluator) can be resource intensive at the beginning of implementation but once systems are in place, ongoing operation is simple. This simplicity of the model was also key for the buy-in of SIF Lead Partners.

#### Signature programme application - DSC

Another example of where an OBA Model is currently used in Northern Ireland is the Delivering Social Change (DSC) programme (six signature programmes along with an additional three Atlantic Philanthropy jointly funded programmes). While emerging results using the model are on the whole quite positive, the implementation has allowed for some important lessons to be learned. The OBA Model was not applied to the programme from the outset, which was perceived as a mistake. When the decision was made to apply to model, the evaluation was done largely retrospectively, which proved difficult and not ideal.

#### Potential for PfG

SIF is being perceived as a pilot test for the application of an OBA Accountability Model. If authorities are satisfied with its performance, it can be applied to other programmes. The incoming 2016-2020 PfG, if outcomes focused, could use this outcome-based model as a system for evaluation. OFMDFM has done some grass roots qualitative work to identify the outcomes that matter to citizens in order to inform what potential outcomes for Northern Ireland should be. The shift in government/departmental thinking from inputs/outputs to outcomes may prove challenging and a significant effort will be needed to support this type of change

*Source:* The Executive Office (n.d.), “Delivering Social Change - Introduction”, [www.executiveoffice-ni.gov.uk/articles/delivering-social-change-introduction](http://www.executiveoffice-ni.gov.uk/articles/delivering-social-change-introduction) (accessed 5 June 2016).

### ***Whole-of-government audit and control for greater accountability of performance***

To align performance and accountability in support of enhancing strategic approaches, a strong whole-of-government control environment is key. In such environment, senior management has the role to ensure that appropriate controls are put in place to mitigate risks toward data quality. Government becomes accountable, which means that it acknowledges responsibility for decisions and policies within the scope of its role. This includes the obligation to report, explain and be accountable for resulting consequences. Typically, the CoG is accountable for overall results and oversight (OECD, 2014b).

OECD countries are working on improving the corporate control environment and accountability to enhance performance. For example, the United States recently undertook reforms to improve the central government's performance-management system to foster a dialogue on performance across government and to deliver targeted improvements on high-priority cross-government initiatives (see Box 2.29).

#### **Box 2.29. The US Government Performance and Results Modernization Act**

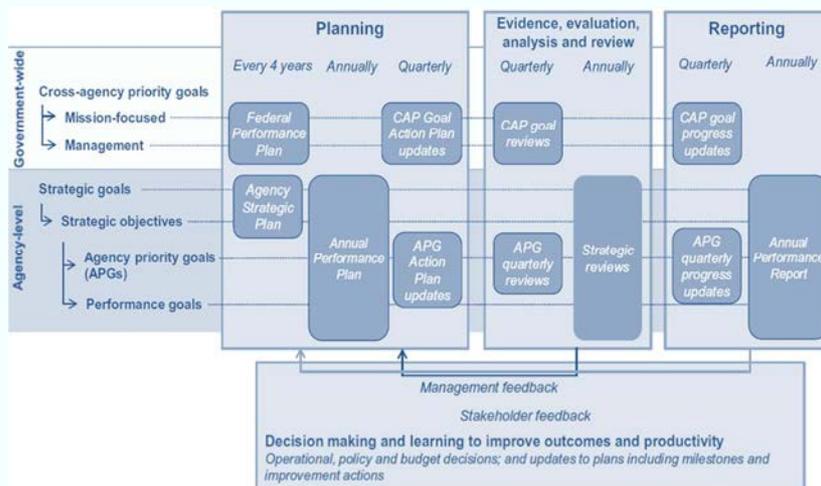
The United States recently undertook reforms to improve the central government's performance management system to foster a dialogue on performance across government and to deliver targeted improvements on high-priority cross-government initiatives. The Government Performance and Results Modernization Act (GPRAMA) of 2010 puts focus on priority goal setting and data-driven senior-led performance reviews. A main effort of the new system is to demonstrate the value of performance information and its usefulness in management decisions. A key element to drive such an effort has been to establish leadership roles and performance improvement responsibilities for senior management, making it their job to engage the workforce in a performance-based discussion as well as assuming accountability for agency performance and results.

The Modernisation Act requires every agency to identify two to eight (usually about five) priority goals (APGs), which inform the setting of the APG Action Plan. The APGs are set every two years and are subject to quarterly performance reviews by the chief operating officer (COO) (usually deputy) and the performance improvement officer (PIO). In addition to agency-level priority goals, federal cross-agency priority goals are set every four years, with performance assessed via quarterly reviews by the Office of Management and Budget (OMB) Director and a Performance Improvement Council. Finally, agency-level strategic goals and objectives, which inform the setting of the APGs, are subject to annual strategic reviews by agencies and the OMB (see figure below).

Strategic reviews are annual assessments which synthesise the available performance information and evidence to inform budget, legislative and management decisions. Initial results of the first round of reviews are promising. Many agencies were able to identify strategic objectives with relatively weak evidence and thus identify areas for improving metrics. Moreover, agencies reported that the strategic reviews broke down silos by bringing programmes together to discuss cross-cutting, strategic issues. Agencies also reported being able to begin aligning activities directly with strategic goals and objectives and that the majority of agencies' performance staff were interested and engaged in finding value from strategic reviews.

## Box 2.29. The US Government Performance and Results Modernization Act (continued)

United States' performance framework



Source: OECD (2015f) *OECD Public Governance Reviews: Estonia and Finland: Fostering Strategic Capacity across Governments and Digital Services across Borders*, OECD Public Governance Reviews, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264229334-en>.

In Northern Ireland, as part of the government's audit and control framework, Executive Departments are routinely required to evaluate the effectiveness of services being commissioned or delivered. The outcome of such evaluations can be a change in the way a service is delivered or on occasion the cessation of a particular service. For example, the Performance Management team within the Performance Management Service Improvement Directorate (PMSID) monitors Health and Social Care Trusts that directly provide services to the population of Northern Ireland to ensure they achieve optimal efficiency and effectiveness in line with agreed standards and targets. This includes a formal process of regular monitoring, analysis and meetings with Trusts to discuss priority/risk areas and agree actions/strategies to be taken to improve services. The Service Improvement team within PMSID is responsible for identifying best practice and service changes which help to improve the quality, efficiency and productivity of health and social care services.

An efficient control environment is able to react to adjust policies when necessary and has measures to provide information on this feedback loop. Some elements of this feedback exist in Northern Ireland. A good example of where evidence has been used to change the direction of policy in Northern Ireland is the *Affordable Warmth* programme. Together with the academic sector, DSD developed a highly sophisticated targeting tool for tackling fuel poverty through this programme. This has been recognised as innovative at the international level and involves making use of data through a number of algorithms to target resources on those most in need. As part of the corporate-control environment, Key Performance Measures (KPM) are used as a continuous feedback loop in key areas. This information is used to performance manage the three prison establishments and make dynamic changes to policy and to inform/provide an evidence base for longer term

strategic delivery. A good practice with the KPM is provided by Scotland. Their website [ScotlandPerforms.com](http://ScotlandPerforms.com) is a simple-to-understand tool that helps stakeholders see the progress towards the government’s strategic objectives (see Box 2.30).

### Box 2.30. Scotland Performs

[ScotlandPerforms.com](http://ScotlandPerforms.com) is a specific website that measures and reports on progress of government in Scotland towards its Strategic Objectives. The website explains the importance of the National Outcomes, describes the elements that influence these National Outcomes, and the role of the government. Each National Outcome is also clearly related to a Strategic Objective and is measured by a set of National Indicators. Altogether, 50 National Indicators track progress towards the achievement of National Outcomes and ultimately the delivery of the Purpose of the government. Users can see how Scotland is progressing through “direction of travel” arrows on the “Performance at a Glance” page which indicate whether performance is improving, worsening or maintaining.

There is close alignment between the evidence-based approach adopted by Scotland Performs, and the outcome-based accountability approaches used in the implementation of major strategic initiatives in Northern Ireland. One of these initiatives is the Delivering Social Change Framework.

*Source:* The Scottish Government (2011), “National Performance Framework”.

Whole-of-government performance and control mechanisms still appear to be constrained in Northern Ireland. For instance, the Northern Ireland Audit Office (NIAO) found that while NICS senior managers were interested in developing a performance-monitoring framework, they did not take an active interest in the underlying data systems, quality control, or data accuracy. At the same time, there has been some evidence of the use of new types of data (e.g. surveys) in the planning process. For example, there is a monthly indirect telephone survey and data is monitored, with the option to run targeted customer surveys for specific feedback. This approach can help generate information and enhance accountability. Still, OECD interviews suggested that Northern Ireland departments could improve their use of performance information and that scope exists to develop better measures of efficiency and effectiveness as a means of assessing policy outcomes.

### ***Aligning budgeting with strategic planning***

As noted above, aligning government planning with its expenditure decisions is key for strong performance and efficient service delivery. To achieve it, a close co-ordination and dialogue between the budgeting offices and the CoG is essential to translate the vision and maximise the use of internal policy levers towards achieving the implementation of this vision through a concrete set of targets (OECD, 2014c). The *OECD Recommendation of the Council on Budgetary Governance* recommends that budgets should be closely aligned with the medium-term strategic priorities of government (see Box 2.31). Principle 2 of the Recommendation states that in order to promote alignment with the multi-year planning, prioritisation and goal-setting functions of government, the budgeting process should: 1) develop a stronger medium-term

dimension, beyond the traditional annual cycle; and 2) organise and structure budget allocations in a way that corresponds readily with national objectives.

Moreover, discussion related to the strategic plan represents a useful platform for debating resources and trade-offs. Any strategy needs to be clearly linked with the budget and needs to demonstrate results. In many countries, there is often a challenge in finding ways to finance and motivate all parts of departments to work toward shared objectives to meet the overall priorities of the government. These are often cross-cutting and demand inter-departmental co-ordination with direction from the CoG. Therefore, the ability to reallocate financial, human, and other resources to address shifting strategic priorities is an important factor in aligning government action to achieve shared outcomes (OECD, 2015c).

### Box 2.31. OECD Principles of Budgetary Governance

OECD Principles of Budgetary Governance deal with the various phases of the budget process, the attributes of the budget document, as well as the wider context within which budgets are formed. The OECD has developed, and is developing, more detailed principles and recommendations for further guidance on specific elements of the overall budgeting framework. In relation to strategic planning, the most relevant is Principle 2:

Principle 2: Budgets should be closely aligned with the medium-term strategic priorities of government.

- To promote alignment with the multi-year planning, prioritisation and goal-setting functions of government, the budgeting process should (a) develop a stronger medium-term dimension, beyond the traditional annual cycle; and (b) organise and structure the budget allocations in a way that corresponds readily with national objectives.
- A medium-term expenditure framework (MTEF) is an important tool in setting a basis for the annual budget. To be effective, a MTEF should have real force in setting boundaries for the main categories of expenditure, for each year of the medium-term horizon; it should be fully aligned with the top-down budgetary constraints agreed by government; should be grounded upon realistic forecasts for baseline expenditure (i.e. using existing policies), including a clear outline of key assumptions used; should show the correspondence with expenditure objectives and deliverables from national strategic plans; and should include sufficient institutional incentives and flexibility to ensure that expenditure boundaries are respected.
- The CBA should have a close working relationship with the other institutions at the CoG (e.g. prime minister's office, cabinet office or planning ministry), given the interdependencies between the budget process and the achievement of government-wide policies.
- From time to time, governments may need to revisit or realign their fundamental priorities to take account of developments in the economy or in society. A regular process for reviewing existing expenditure policies (see point 8 below), including tax expenditures, can play a useful role in ensuring that budgetary expectations are managed in line with government-wide developments.

Source: OECD (2014d), "Recommendation of the Council on Budgetary Governance", [www.oecd.org/gov/budgeting/Recommendation-of-the-Council-on-Budgetary-Governance.pdf](http://www.oecd.org/gov/budgeting/Recommendation-of-the-Council-on-Budgetary-Governance.pdf).

In Northern Ireland, government plans are aligned to budgets in several ways. For instance, Northern Ireland departments' budgets are monitored monthly against targets, which come from the PfG and from a department's agenda. The target framework assigns all targets to one or another of the government's strategic aims. All targets have been assigned a source of data, such as NISRA, surveys, other departments or OFMDFM. Assessing strategic performance against indicators and their associated milestones forms an integral part of departments' corporate plans; departmental lead officials are held to account through their required attendance at periodic accountability meetings with the department's Permanent Secretary. A report is produced monthly to the departmental Board to assess performance against the financial plan. On a quarterly basis an internal review is complemented and bottlenecks are identified. This is then presented to the Northern Ireland Executive.

Moreover, all Northern Ireland government departments have been required to publish Public Service Agreements (PSAs) setting out performance targets for each three-year government-spending cycle. The Northern Ireland Government engages with other non-departmental public bodies such as health trusts, education boards, primarily through established governance boards. As the budget – both capital and resource – is allocated from the centre to these bodies to enable the delivery of public services, these governance bodies monitor budget and resource allocation as well as effectiveness of service delivery in line with agreed performance targets and service level agreements. As discussed, DFP's Public Spending Directorate plays a central role linking budget to results.

Generally, there appears to be limited evidence of effective links between planning and capital expenditures in Northern Ireland. For example, in the health sector, workforce planning, capital expenditures, and commissioning mechanisms are separated leading to inefficiencies, such as suboptimal use of hospitals and other facilities. This issue is discussed in the Review's case study on commissioning in health services. Moreover, population planning appears also not to be always well linked to budget expenditures and their forecasts. With expected changes to Northern Ireland population, this might create unexpected pressure on government budgets. It has to be noted that some steps have been taken in this area. For example, OFMDFM has been actively engaging with the two main local universities to develop research to inform future social policy development.

Moreover, there are limitations in policy and budget evaluation. While funding of Agencies is typically conditional on achieving defined output targets, departmental budgets are not always conditional on the performance target being achieved. There are almost no examples where the distribution of budgeted funds (e.g. monthly or quarterly) is conditional upon meeting performance targets throughout the course of the budget year. To the contrary, it is more likely that an increased allocation would be awarded in order to address poor performance. For example, DSD has a considerable number of capital projects. Budgets for these are almost always time-bounded so allocations to these projects tends to be conditional on them being developed in line with agreed timeframes, although in many cases slippage can often be accommodated by making adjustments to in-year budget monitoring rounds. Moreover, recent austerity measures have focussed budgeting more on cost-management considerations than on achieving project outcomes or longer-term strategic results.

This issue is also related to short-term (one year) planning and budgeting, which forces institutions and agencies to align budgets with short-term plans without giving much vision to their policies. An example of this constraint is clearly visible in the Northern Ireland health and social care field where budgeting and planning is done

annually and a longer-term vision is missing, which limits any strategic thinking. A shift towards multi-year plans could improve the situation as it could motivate departments and agencies to focus on longer term strategies. Moreover, there is a need for Northern Ireland authorities to better focus on population planning so that budgets are allocated based on solid prediction on the population needs.

### ***Aligning goals with targets***

Aligning whole-of-government performance with single-sector planning targets and objectives requires robust co-ordination across the government. Government strategies typically identify single-sector goals and targets under them. However, many countries often pay little consideration to how efforts to attain one goal in one sector can affect efforts in another sector. An integrated approach can offer the potential of providing decision makers with the information needed to support inclusive growth. Nexus targets<sup>3</sup> that cut across sectors might be useful for developing an integrated approach.

In Northern Ireland, it appears that the siloed nature of departmental responsibilities and budgets creates disincentives to collaboration and co-ordination across boundaries. Obstacles to co-ordination amongst Departments can arise due to a natural resistance to the sharing of resources, particularly budgets, and an innate focus on one's own business priorities. Co-ordination efforts on budget and planning between departments can also be hampered by differing political manifestos and viewpoints which can recur. For example, in 2014 the DSD established a Housing Repossessions Taskforce to advise on ways of better supporting those facing mortgage arrears and repossessions. The resulting Evidence Report identified the problems related to the siloed nature of departmental responsibilities and budgets and called for an emerging need for co-ordinated intervention by Government, advice agencies and the private sector.

### ***Co-ordination between government and external institutions***

Communicating and collaborating with key stakeholders external to the Executive Branch enhance efficiency in government policy making and in monitoring performance. The involvement of stakeholders has also been recognised by many OECD countries as key conditions for successful policy implementation (OECD, 2009), for example. Good policy making requires forward-looking governments with a clear strategic vision that goes beyond immediate actions and the present context. This approach calls for a permanent dialogue with key stakeholders in the policy cycle (OECD, 2014d). After consultation about the plan, dialogue needs to continue through the implementation process, and even for evaluation purposes, which supports the definition of priorities and the communication of “quick wins”.

Developing a robust collaboration strategy can therefore ensure that potential partners are made aware of the developments throughout the government, creating opportunities to participate and provide feedback. In that respect, in addition to engagement with citizens and the third sector that will be discussed in Chapter 4, an engagement with two types of stakeholders is key: 1) the Supreme Audit Institution, and 2) the Parliament.

### ***Engagement with the Supreme Audit Institution***

The engagement with the external auditor (Supreme Audit Institution, SAIs) and responsiveness to its findings are crucial to improve government performance. Against

the background of an increasingly complex governance environment, limited fiscal space, and growing demands for transparency and accountability, governments need to demonstrate better performance and management of available resources. Supreme audit institutions are essential in this respect. Through their verification of financial and regulatory compliance, the oversight of independent and professional SAIs remains critical to holding public sector officials to account, and to reinforcing the effectiveness of other accountability actors responsible for government oversight and for public financial management.

Recently, SAIs have moved from a more traditional focus on financial audits to looking at aspects of performance or value for money. SAIs have evolved from limiting their audit work to traditional assessments of compliance and are increasingly conducting assessments of the performance of processes, policies and programmes. OECD work on the role of SAIs in good governance reveals that SAIs are actively evaluating a wide range of governance tools and functions across the policy cycle. SAIs combining oversight, insight and foresight are generating useful evidence on the performance of both the machinery of government and its outcomes that can be used to strengthen the evidence-base through which difficult trade-offs are made. Therefore, SAIs have the potential to contribute to better design and use of performance-related budgeting and management systems and to enhance public accountability. For example, SAIs can play a strong role in the performance-related budgeting system (see Table 2.1).

As mentioned, Northern Ireland's Supreme Audit Institutions is the Northern Ireland Audit Office (NIAO). It is an independent public-sector body with the mandate to help the Northern Ireland Assembly hold the Executive to account for the way it spends public money. NIAO's role is focused on evaluating the value for money of how policy reform has been implemented by departments. NIAO provides judgements on annual accounts, and Executive performance reports on PfG delivery. NIAO provides information, advice and assurance on how public funds have been used. The Office also encourages best practice in financial management, good governance and propriety in the conduct of public business. The functions of NIAO are summarised in Box 2.32.

There is an important relation between the NIAO and the Northern Ireland Assembly. The Comptroller and Auditor General (C&AG), Head of NIAO, is an independent officer of the Northern Ireland Assembly. The Northern Ireland Assembly's Audit Committee approves NIAO's Corporate Plan and budget, but the C&AG has full independence in determining what he publicly reports. Accounts and reports are then laid in the Northern Ireland Assembly.

Table 2.1. Role of Supreme Audit Institutions (SAIs) in the performance-related budgeting system

	Audit financial information of public bodies	Conduct “performance audits” or “VFM audits”	Audit the achievement of performance objectives	Assess the quality of performance information	Assess the quality of the “programme logic models” being used	Assess the performance budgeting system and may recommend reforms
Australia	●	●	▲	◐	◐	▲
Austria	●	●	◆	◆	◆	◆
Belgium	▲	▲	▲	◆	◆	■
Czech Republic	◆	■	■	■	■	■
Chile	●	■	■	■	■	■
Estonia	▲	◆	◆	◆	●	●
Finland	●	◆	●	◆	◆	◆
France	●	◆	■	●	▲	▲
Hungary	●	◆	■	◆	■	▲
Iceland	◆	▲	■	■	■	■
Ireland	●	▲	■	■	■	■
Italy	●	◐	◐	■	■	■
Japan	●	●	◆	◆	▲	▲
Korea	●	◆	●	●	●	◆
Mexico	●	●	●	●	●	◆
Netherlands	●	◆	◆	◆	▲	▲
New Zealand	●	◆	◆	◆	■	◐
Norway	●	●	●	◆	▲	▲
Poland	●	▲	◐	▲	▲	▲
Slovenia	●	◆	▲	▲	▲	◐
Spain	●	■	■	■	■	■
Sweden	●	◆	▲	◆	◆	◐
Switzerland	◆	▲	◐	■	◐	■
Turkey	●	▲	◆	◆	■	▲
United Kingdom	●	●	●	●	▲	●
United States	◆	▲	◐	◐	◐	◐
<b>OECD total</b>						
● Always	20	6	5	3	4	2
▲ Sometimes	2	7	5	3	6	8
◆ Often	4	9	5	11	4	4
◐ Seldom	0	1	4	2	3	4
■ Never	0	3	7	7	9	8

Source: OECD (2015g), “Performance-related budgeting and supreme audit institutions”, in *Government at a Glance 2015*, OECD Publishing, Paris, [http://dx.doi.org/10.1787/gov\\_glance-2015-29-en](http://dx.doi.org/10.1787/gov_glance-2015-29-en).

### Box 2.32. Northern Ireland Audit Office

To support public scrutiny and to achieve a more effective financial management and value for money, the Northern Ireland Audit Office exercises the following functions:

**1) Financial audit** of over 200 public bodies across both central and local government. The head of the Audit Office, the Comptroller and Auditor General (C&AG), gives his opinion on the central government accounts, providing an assessment of whether expenditure is regular and in accordance with the intentions of the Assembly when it granted the money. The C&AG's opinion is reported to the Assembly. The Local Government Auditor gives a similar opinion on local government bodies' financial statements.

**2) Public reporting and investigation** – NIAO conducts independent examinations and produces reports to the Northern Ireland Assembly and local councils on economy, efficiency and effectiveness, performance improvement and issues arising from the audits of financial statements in central and local government and health.

**3) Governance and fraud prevention and detection** – NIAO provides audited bodies with constructive advice to help them improve their corporate governance, financial control and risk management arrangements.

**4) National Fraud Initiative** – NIAO takes part in the National Fraud Initiative (NFI). This is a data matching exercise that helps detect and prevent fraud and overpayments from the public purse. To date the NFI's exercises in Northern Ireland have resulted in savings of almost GBP 30 million.

**5) Whistleblowing** - Whistleblowing plays a vital role in securing and maintaining standards in public life. The C&AG and the Local Government Auditor are prescribed persons to whom protected disclosures can be made under the Public Interest Disclosure legislation. NIAO website explains how anyone with information about issues within its remit can come forward.

**6) Good practice** – NIAO has compiled a number of good practice guides over recent years covering a range of topics, including Whistleblowing in the Public Sector, Risk Management and Good Governance.

*Source:* OECD analysis based on NIAO (2014), "Promoting better use of public money through independent professional scrutiny", [www.niauditoffice.gov.uk/niao\\_information\\_leaflet.pdf](http://www.niauditoffice.gov.uk/niao_information_leaflet.pdf), Northern Ireland Audit Office, Belfast.

OECD interviews confirm that the Government could engage better with the NIAO. While NIAO provides the Northern Ireland Executive regularly with strong analysis and recommendations, these appear not to be always taken into consideration. In addition, to follow good international practice, the Northern Ireland government needs to strengthen the links between performance-related budgeting and performance audit, and to shift towards more performance auditing. In that respect, NIAO will need to move away from their traditional focus on compliance and to develop new skill sets and capacities in performance auditing and outcomes-based auditing, as well as strategies to communicate their work in this area to the legislature and wider public. Moreover, Northern Ireland Executive will need to be able to respond more efficiently to NIAO reports and use them continuously as an input to their performance management framework.

### *Engagement with the Legislature*

Effective government requires the involvement of the legislature to plan, implement, and evaluate policies and service delivery successfully, and to hold the Executive accountable to citizens through their elected representatives. Recognising this, several governments in OECD countries have been increasingly reporting to the Parliament/Congress even on a voluntary basis to enhance transparency, openness and to improve communication. OECD interviews show that this engagement helps to reduce tensions which might otherwise appear between the executive and the legislative chamber.

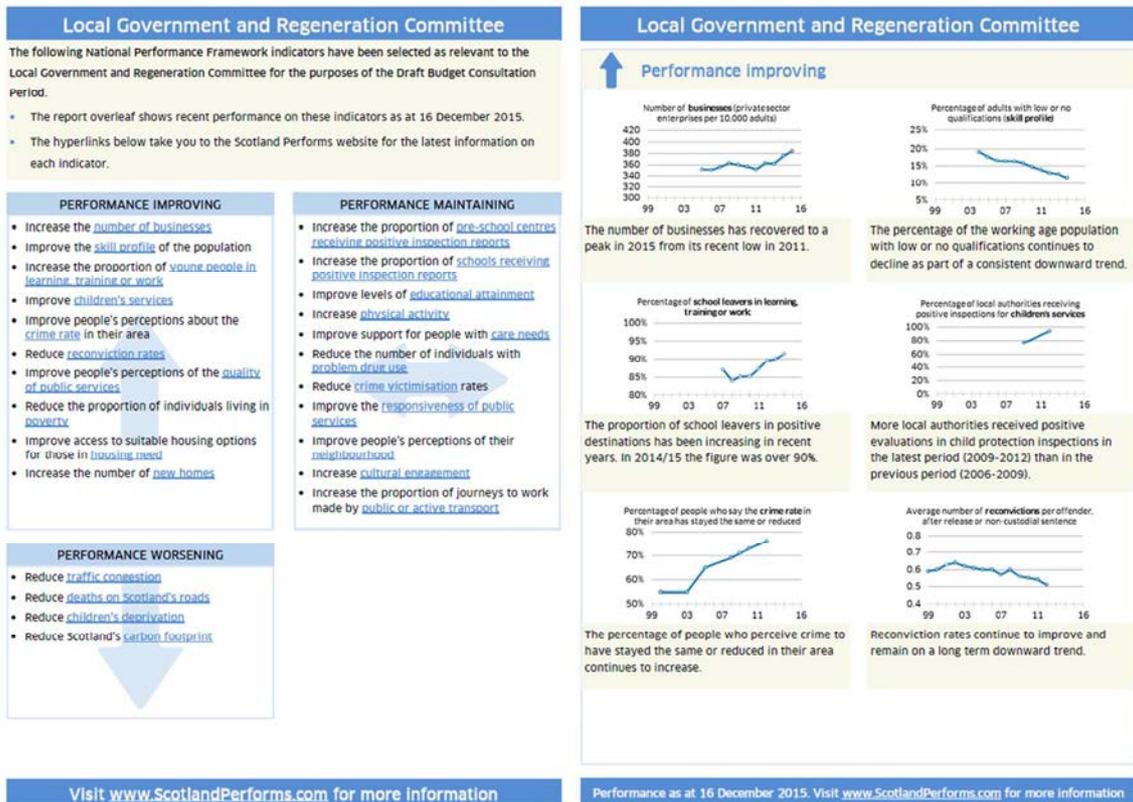
In Northern Ireland, the Northern Ireland Assembly plays a key role in the oversight and scrutiny of government policies. Crucially, the Assembly approves the PfG. Moreover, the Assembly receives updates on Executive business as needed, rather than as part of a regular schedule. In such cases, individual ministers will update the Assembly, usually via oral or written statements. The intention is that written statements should be used for relatively non-controversial issues only, with the preference for oral statements but the guidance is vague on this and not binding.

However, as noted above the Assembly is not consulted and involved sufficiently in the policy-making process. For instance, some of the key strategies and documents are often not consulted with the Assembly and the Executive appears not to report on its performance in a clear and systematic way to the Assembly. Moreover, recent Northern Ireland Executive's reductions in Northern Ireland Assembly budget might pose a threat to the ability of the Assembly to scrutinise, oversee and engage more broadly.

It would also appear that there is a need to make sure that the Northern Ireland Assembly is well involved in the policy-making cycle as a stakeholder and that its role goes beyond traditional oversight and scrutiny. For example, the Northern Ireland Executive could better communicate with the Northern Ireland Assembly to report on its progress against relevant indicators. A set of scorecards could be developed to simplify the reporting to Northern Ireland Assembly Committees, which could be supplemented with qualitative information to help explain trends and forecasts. For example, Scotland's government has decided to prepare Scorecards (Box 2.33) that present a simple to understand information on government's performance, which might serve as an inspiration for Northern Ireland.

### Box 2.33. Engaging with Parliament in Scotland

Until recently, the Scottish Government did not formally report to the Parliament on its performance, seeing Scotland Performs (an online website with performance data) as an ongoing report. However, this was raised as an issue by some Scottish Parliamentary Committees, which preferred to have a summarised overview of the government’s performance. The government therefore decided to support Parliamentary Committees to assess progress against its National Performance Framework with regard to the budget process and encourage government departments to do the same using the Scotland Performs scorecards (an example of such a scorecard is below). The Scottish government prepares Performance Scorecards for their scrutiny of the Draft Budget. These Scorecards have been provided since 2014 with a largely positive feedback from the Parliament that finds this information helpful.



Source: OECD analysis based on information received from the Office of the Chief Statistician and Strategic Analysis; [www.nationalarchives.gov.uk/doc/open-government-licence/version/3/](http://www.nationalarchives.gov.uk/doc/open-government-licence/version/3/).

## Improving strategic approaches: Recommendations on co-ordination and use of evidence

The ability to articulate and pursue a vision-based strategic plan or plans, with a small number of multi-year, multi-dimensional objectives to be achieved by the government over the life of its mandate, is one of the cornerstones of effective and efficient government.

The findings of this Review suggest that there needs to be increased dialogue among political, civic and business leaders about the vision for Northern Ireland's future. From this foundational vision should flow targets and goals for government that is able to deliver on what matters most to its citizens: results. Northern Ireland's Programme for Government (PfG) outlines the priorities of the Executive over a five-year horizon. However, establishing priorities is but one step in developing a strategic outlook. At present, Northern Ireland's approach to planning revolves around the identification of a long list of fairly narrow objectives and how to address them. The limitations of this approach are well understood by all sectors of Northern Ireland's government and society and all acknowledge the necessity of articulating the next Programme for Government around a small set of multi-dimensional outcomes-based strategic priorities to be pursued over the medium term.

Improving Northern Ireland's strategic approach to strategy-setting and implementation has implications for whole-of-government steering led by the centre of government. In light of the above, the Government of Northern Ireland should:

### ***Recommendation 1 on the Programme for Government***

Prepare and implement a multi-year strategic, outcomes-based Programme for Government (PfG) framed by a vision for Northern Ireland's people and its economy. The current PfG contains too many priorities and objectives, with several focusing on narrow areas of intervention. The next PfG should define a small number of evidence-based, whole-of-government objectives and outcomes to guide policy action over the life of the government. To this end:

- Base the next PfG on a vision statement of the Executive's overarching medium and long-term (five and ten-year planning horizons) objectives for Northern Ireland and its people.
- Identify in the next PfG three to five strategic, multi-sector/multi-dimensional strategic commitments to be pursued as priorities over the life of the Executive's mandate to implement the vision.
  - These should be informed by the results of foresight and horizon scanning using a long term (e.g. ten-year) planning horizon.
  - The strategic commitments should be supported by a limited number of integrated whole-of-government outcomes, targets and outcomes-based performance indicators in the form of Key National Indicators reflecting the PfG's strategic commitments.
  - Use these KNIs to drive horizontal co-ordination between Departments.

- Communicate the PfG vision, objectives, plans and indicators in simple terms, internally and externally.
  - Engage in inclusive and meaningful public engagement prior to the approval of the PfG by the Executive.
  - Engage key public, private and civil-society stakeholders on the PfG.
  - Ensure the Northern Ireland Assembly plays a central role in enabling the voices of citizens to be taken into account prior to the approval of the PfG.
  - Adjust the PfG to reflect engagement results prior to its approval.
- Have the feasibility, fiscal sustainability and relative priority of political commitments independently reviewed prior to the debate in the Assembly on the PfG.
  - The independent assessment should inform the prioritisation of the PfG’s strategic objectives and their budget allocations against these commitments.
- Maintain/implement the commitment in the *SHA* to appoint members of the Executive to their ministerial portfolios only once the Executive has approved the PfG.

The case-study on Delivering Social Change recommends:

- strengthening the outcomes-based focus of the Delivering Social Change policy framework to enable ministers to assess the performance of the initiative against multi-dimensional outcomes based on robust performance evidence
- building capacity in the NICS, for example through training, in such areas as horizontal working, evidence-based decision making, and the policy sectors identified in the DSC strategy
- developing and applying quantitative multi-dimensional indicators of well-being as part of the evaluation of Northern Ireland strategies in social and economic policy.

The case study on Looked-After Children recommends:

- using the renewal of child and youth strategy to engage both the DHSSPS and the DE in setting priorities and articulating a vision that puts all children at the Centre
- consulting with the voluntary and NGO sector and children and their families to reinforce this goal.

The case study on commissioning for health services recommends promoting innovative health commissioning plans based on their ability to improve health outcomes.

### ***Recommendation 2 on NISRA***

Enhance capacity in the Northern Ireland Statistics and Research Agency (NISRA) to pursue evidence-based policy and performance measurement and support the performance-monitoring of the PfG against the improvement of strategic results for Northern Ireland’s people and society. NISRA is a key source of evidence which can be used to inform government policies and programmes. However, its role should be enhanced by:

- strengthening the autonomy of NISRA by adopting (in law, if necessary) and announcing operating principles based on those of leading statistical agencies in the OECD
- strengthening NISRA's capacity through staff development and other key investments to ensure that the Agency can support the development of evidence on policy, programming and budgetary performance to support the implementation of an outcomes-based Programme for Government
- mandating NISRA to contribute actively to the development of the Programme for Government, in single-sector or horizontal strategies.
- mandating NISRA to contribute to the definition and assessment of PfG and strategic outcomes/KNI indicators and to strengthening NI's data-collection capacity for monitoring and assessing policy performance against outcomes and results.

### ***Recommendation 3 on Strengthening capacity for planning and evaluation***

Strengthen capacity for planning and evaluation through the development of better metrics and more robust outcome-based measures, which can be independently evaluated. The ability of governments to plan and evaluate policies and programmes is largely dependent on the presence of metrics and measures. Therefore, ensure that Northern Ireland has in place the means to plan and evaluate its policies and programmes by implementing the following:

- mandate departments and agencies to base all assessments of performance on robust, consistent and measurable indicators
- give high priority to the collection and dissemination of performance data across the government and externally using the NI Open Data Portal
- base policy and programme evaluation on clearly defined and measurable targets and objective criteria
- use results of policy and programme evaluations to inform the development of government plans and strategies
- mandate the OFMDFM and departments to communicate internally and externally regularly the results of policy and programme evaluations using easy-to-understand means
- actively engage citizens and non-governmental actors in evaluating government programmes and policies
  - extend this involvement to the government planning process
  - encourage input from NICS employees in government planning to take advantage of knowledge and experience
  - mandate the NISRA to chair a working group of public-sector data providers and users. The working group should be responsible for ensuring a public-sector-wide understanding of data-quality issues and requirements.

The case study on problem-solving justice recommends the following:

- strengthen monitoring and evaluation in the areas of problem-solving justice

- create a structured inventory of the victim experiences
- include in the monitoring system criteria related to case processing times, conviction rates, court-mandated probation and qualitative indicators.

The case study on Looked-after Children recommends the following:

- monitor, as a priority area for change, programme implementation and use the resulting data to identify areas for improvement. The absence of good monitoring data and research has held back progress for Looked-After Children
- invest in innovative interventions and evaluate the results
- conduct research on what works, for whom and under what circumstances
- incorporate evaluation results in programme design to provide a better evidence-base for policy and programming decisions
- include looked-after children, their families, carers and professionals responsible for programme implementation in any evaluation of the programme.

#### ***Recommendation 4 on Restructuring the NI CoG***

Re-focus/restructure and strengthen the mandate of the Centre of Government for government-wide policy and programme co-ordination and implementation. Clarity with respect to the roles and responsibilities of CoG institutions for the co-ordination and steering of government actions is important. As a consequence:

- conduct a formal review the OFMDFM’s sector-based policy responsibilities within one year of the establishment of the Executive Office
- through this review, assess operational or sector-based policy overlaps between CoG institutions and departments/other government institutions. Then:
  - reduce/eliminate on-going OFMDFM responsibilities over sector-specific policy
  - transfer these responsibilities to the appropriate Executive department(s).
- ensure OFMDFM retains initial engendering responsibility for designing and launching key multi-sector strategic policy initiatives as appropriate. However, transfer responsibility for these initiatives to the relevant lead department as these mature.

#### ***Recommendation 5 on Linking strategies with PfG***

Ensure the CoG (the OFMDFM and DFP) strengthens links between horizontal and sector-specific strategies and the Programme for Government. Currently sector-specific strategies are pursued independently of each other and of the multi-sector goals in the PfG. To improve whole-of-government coherence, the CoG should:

- require all departments to prepare a departmental strategic plan that is aligned with the PfG. In turn, require departments’ portfolio public bodies to prepare strategic plans that take into account the PfG and are aligned with the department’s strategic plan

- develop and apply a methodology to articulate sector-specific strategies and make its use mandatory to ensure coherence with each other and with the PfG

The case study on Looked-after Children recommends the following:

- ensure that any strategy developed includes a clear statement of desired outcomes (results) and realistic short-, medium- and long-term outputs that support the achievement of the strategic objectives and results
- harmonise performance incentives across agencies and institutions contributing to the advancement of objectives under the Looked-After Children strategy, review inter-agency co-operation regularly, and make adjustments if necessary to ensure horizontal collaboration.

The case study on regulation recommends the following:

- establish a whole-of-government strategy for better regulatory quality, covering the regulation of businesses, citizens and the public sector
- extend the application of the better-regulation principles and tools, adapted if necessary, to regulation which places obligations on citizens and on the public sector itself (“Regulation Inside Government”), as well as to the regulation of business
- extend the application of the better-regulation principles and tools to all public sector bodies with regulatory responsibilities, inclusive of the executive departments, local councils, and other public bodies
- establish a programme of targeted streamlining of the regulation of businesses, citizens and the public sector itself.

### ***Recommendation 6 on the Mandates of the OFMDFM and the DFP***

Ensure the CoG (OFMDFM and DFP) promotes horizontal co-operation across departments and public agencies to break down institutional silos. At present, collaboration between executive departments, which works well when it occurs, tends to be ad hoc. To institute and sustain collaboration:

- establish financial and non-financial incentives and sanctions to break existing silos and promote joined-up government
  - use budget allocations (for example Departmental contingency funds or special funds, such as the Change Fund for 2015/16, managed from the centre of government or from key lead departments) to foster collaboration and co-ordination across administrative boundaries where this makes sense to define and implement multi-departmental responses to multi-dimensional policy challenges
  - other examples: performance-pay for senior managers disbursed (or deducted) as a function of the degree of inter-institutional work; horizontal collaboration across administrative boundaries as a competency to be evaluated in managers’ annual performance assessments.
- communicate the benefits of interdepartmental co-operation by codifying and sharing good practices across the system using existing NICS fora.

The case study on Delivering Social Change made this same recommendation.

The case study on Looked-After Children recommends the following:

- assign a clear mandate to a government department, agency or institution to lead the Looked-After Children strategy to ensure better interagency-working
- reinforce vertical and horizontal governance structures to implement the strategy through the development of standards and performance targets and indicators.

The case study on problem-solving justice recommended better collaboration between departments for successful problem-solving and justice innovations.

The case study on regulation recommends the following (see recommendation 28 below):

- establish a whole-of-government strategy for better regulatory quality, covering the regulation of businesses, citizens and the public sector
- establish a Better Regulation Unit (BRU) within the OFMDFM with responsibility to monitor and maintain momentum in the streamlining of regulation as well as developing ongoing regulatory policy tools to assist this effort (existing responsibility for developing regulatory content to remain with departments).

### ***Recommendation 7 on the CoG challenge function***

Institutionalise the CoG challenge function regarding policy and programme proposals as part of the decision-making process by the Executive. Ensure that policy and programme proposals placed before the Executive have been examined and challenged for their policy and fiscal impact as a key part of the policy and programme development process:

- mandate OFMDFM, DFP and, as applicable, relevant departments and public-sector bodies, to review all policy and programme proposals at the level of officials as a mandatory step prior to presentation to the Executive for decision
- ensure that Executive papers transmitting proposals for decision include a summary assessment prepared by OFMDFM and DFP of policy and fiscal impact of the proposal, including the results of interdepartmental consultations and of citizens' engagement where applicable
- confirm that OFMDFM retains primary responsibility for support to the Executive in its deliberations on policy issues
- strengthen the capacity and mandate of DFP to play a financial, administrative and strategic human resources challenge function to departmental policy and programme proposals as they proceed to the Executive for decision
- mandate OFMDFM and DFP to be jointly responsible for whole-of-government performance-monitoring, including assessing spending against the achievement of strategic policy results.

***Recommendation 8 on Mandatory induction training for the NI Executive***

Establish a mandatory induction and on-going training programme for members of the Executive, focussing notably on training associated with ministerial codes of conduct and such basic precepts of Parliamentary governance as Cabinet responsibility, solidarity and accountability.

- ensuring that the Executive is willing and able to work effectively and efficiently across political and community divisions has a direct bearing on its ability to operate as a single government focussed on setting and implementing a strategic vision of the future for the people of Northern Ireland. To this end:
  - design and apply a purpose-built induction programme, perhaps modelled on the Northern Ireland Assembly’s Politics + programme, prior to the appointment of the next Executive
  - make participation in the programme mandatory as a condition of membership in the Executive, including for the First Minister and deputy First Minister.
- ensure the programme focuses inter alia on citizen-centred decision making and capacity to work as a team across political and community-based divisions

## Notes

1. In this sense, well-being can be understood as an organising principle for policy and institutional reform at all levels of governance, including the devolution of powers to local government and community planning (Woods, Doran and Wallace, 2015).
2. Transferred matters are health and social services, education, employment and skills, agriculture, social security, pensions and child support, housing, economic development, local government, environmental issues, including planning, transport, culture and sport, the Northern Ireland Civil Service, equal opportunities, justice and policing.
3. The guiding principles of the nexus approach are to ensure access to resources for the most vulnerable, to promote efficiency in resource use, and to ensure sustainability.

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### *Chapter 3*

## **Good-governance enablers to improve strategic approaches in Northern Ireland**

*This chapter is the second chapter to discuss improving strategic approaches and how “strategic enablers” can be harnessed to pursue the objective of enhancing outcomes for people. This chapter notes that Northern Ireland has in place the prerequisites for strategic human resources management to contribute to public-sector reform, but that this needs to be further developed with a whole-of-government outlook.*

## Introduction

The preceding chapter assessed Northern Ireland’s Centre-of-Government capacity to lead whole-of-government co-ordination across administrative silos, and its use of data and evidence, as factors that sharpen the effectiveness of public administration, improve strategic approaches to policy making and execution, and enhance accountability of government.

In **identifying improving strategic approaches** as one of the three overarching governance themes it wishes to have assessed, the Northern Ireland Executive also highlighted a series of “strategic enablers” or tools of good governance that can be harnessed to pursue this objective in addition to the sub-theme on enhancing outcomes for people whose governance elements were examined in the previous chapter. This second chapter on **improving strategic approaches** focusses on key governance tools to improve strategy; these reflect to a greater degree three of the nine Review sub-themes: **strategic human resources management, early intervention/prevention and digital governance**.

## Strategic human resources management

### *Strategic human resources management to realise organisational goals*

Effective planning and implementation of policies, including their alignment, rely on engagement and openness in the Civil Service and in the wider public sector. OECD experience shows that Public Employees’ pride is, together with their job satisfaction, one of the drivers of putting their skills to effective use (OECD, 2014a). Civil Servants and public employees can be perceived as ambassadors of the government, they represent the public sector and they are the face of it to many citizens. In that respect, citizen’s trust in public institutions and those who staff them is often correlated with their trust in the government, which has an impact on policy making. There is evidence, for example, that an engaged, open and transparent public sector generates trust in public institutions among the general public, which improves the effectiveness of government policies in achieving results (Heintzman and Marson, 2005)

Creating a culture of engagement and openness in the Northern Ireland Civil Service (NICS) and in the wider public sector will depend on creating a values-driven culture with strong employee engagement. Employee engagement is first and foremost about, “how we create the conditions in which employees offer more of their capability and potential” (MacLeod, n.d.). Engaged employees are those that direct their behaviour towards achieving the goals of an organisation as effectively and efficiently as possible. They involve themselves and their ideas in their work, and feel supported to generate new ideas and contribute to innovation and overall workplace improvement. Empirical evidence shows that antecedents of employee engagement include value congruence between organisation and employee, perceived organisational support, positive core self-evaluation, autonomy and challenge in the job. Evidence also shows that employees with high levels of engagement achieve higher individual performance objectives, display higher organisational citizenship behaviours, more proactive innovative behaviour, lower turnover, lower absenteeism levels and higher job satisfaction and personal well-being. In

short, they are the ideal employees, particularly in creating a culture of openness and engagement (Guest, 2014).

In Northern Ireland most public institutions covered by this review conduct employee surveys to gauge employee engagement. The NICS carries out its civil-service staff attitudes survey every two years, with the most recent completed in 2013. The survey probes a range of issues related to civil servants' perceptions of their work, their working environment, their organisation, managers and leaders. Usefully, the NICS uses the same sets of questions as those used in other UK civil services; this enables benchmarking and comparison both year-over-year within NICS and with UK civil services. Due to the central co-ordinating role played by the NICS throughout the themes of this review, and the ability to compare its survey results with those of the United Kingdom, the NICS survey is analysed in more detail.

In 2013, 54% of the NICS responded to the survey (15 111 staff members). The 2013 survey results reported improvement in trends in overall employee engagement, job satisfaction and well-being. Confidence in senior management and departmental boards also appears to be improving. However, the survey indicates significant scope for further improvement, particularly when compared with the scores in the United Kingdom (NISRA, 2013).

The survey indicates that most respondents are interested in the work that they do; however, they do not feel involved in the decisions that affect their work, nor do they feel valued for the work they do. Assessment of line managers was overall positive, although somewhat lower than the UK average. Opportunities for career development and access to those opportunities are perceived to be limited. While 63% of respondents agreed that the people in their teams work together to find ways to improve the services they provide, this is considerably lower than the 80% positive response generated by the UK survey.

Particularly problematic is NICS staff's perception of senior management and its ability to lead change. This is also one of the lowest areas in the UK survey, although the NICS scores are consistently lower. Few respondents claim to have confidence in the decisions made by senior management; most do not feel that changes result in improvements or that change is well-managed, and most perceive they do not have an opportunity to contribute views, resulting in dangerously low levels of pride: most would not recommend their department as a good place to work, and only a quarter of staff agree that their department inspires and motivates them to contribute to its objectives.

The survey results also suggest a limited vision of the government. Only 31% of respondents believe that the departmental Board has a clear vision of the future of the organisation. This is 14 points lower than the UK comparator. Studies show that one of the greatest enablers of engagement is visible leaders who provide a clear narrative as to the purpose of the organisation, its past and its forward vision (MacLeod, n.d.). The results of the NICS employee survey indicate a lack of strategic vision from the top. These results were echoed in several interviews where staff within the NICS, as well as from organisations outside the NICS (e.g. the Police Service, Prison Service, Health Trusts and Educational Agencies) indicated a lack of forward vision for Northern Ireland and no clear understanding of where their organisation fits within this vision. The need for a clear vision can be compounded during times of downsizing and uncertainty.

Clearly articulated vision and narrative from the top need to be complemented by talented line managers who are able to organise teams in ways that ensure each employee understands how s/he fits into the vision while believing they have the skills, mandate and

autonomy to contribute to that vision as best they can. While the 2013 staff attitudes survey scores for line managers are generally more positive than those for top leaders (a trend also reflected in the UK survey) scores fall consistently well below those of the UK survey. Line managers in the NICS appear to be less able to inspire their employees to be more effective in their jobs (17 points lower than the UK score) and only 50% of respondents agreed that their line manager helps them to understand how they contribute to the departments' overall objectives (14 points below the UK indicator).

These results suggest a middle-management group that lacks the tools to motivate staff improvement. One of those tools would be to clearly show staff how their work matters. But given the lack of clear vision and strategic narrative from the top, it is particularly difficult to communicate clearly how individual employees' work fits into the larger context.

While most of the scores for the NICS are below those of the United Kingdom, this is not true of all public organisations across Northern Ireland's public sector. For example, the engagement index for Invest Northern Ireland (Box 3.1), which is composed of the same questions as those for the NICS and the UK Civil Service, is about equal to the UK score (58.6% for Invest NI, 59% for the United Kingdom, 49% for the NICS). The spread between Invest NI and the wider NICS suggests the possibility to share practices across organisations to understand which management interventions appear to play a role in improving engagement across Northern Ireland's public sector.

### Box 3.1. Invest NI's Transform Programme to enhance employee engagement and improve co-ordination

Invest NI is Northern Ireland's regional business development agency, and is an Executive Non-Departmental Public Body under the Department of Enterprise, Trade and Investment. *Transform* is Invest NI's overall change management strategy. This strategy includes a number of projects which are driving collaboration on strategy, policy development and service delivery, and focuses on developing and maintaining high levels of employee engagement. The Transform Programme is a driver for cultural change within the organisation and includes:

- the development of a values and behaviours framework putting 'customer focus' at the heart of business activity
- embedding the values and behaviours into the Performance Management system to assess not only "what" is done, but also "how" it is done
- annual Staff Survey exercise
- leadership training to encourage authentic leadership development in line with values.

All senior leaders (120 men and women) in the organisation are going through a **Leadership Development Programme**. Delegates complete the programme in cross-organisational teams to break down organisational barriers and develop internal networks. The programme includes peer feedback (360 assessment based on Invest NI values), self-reflection and modules which focus on leadership in context, leading change, and performance conversations. The programme also includes coaching and mentoring, as each group completing the Leadership Programme has access to a Development Sponsor (member of the Executive Leadership Team) who provides a mentoring role. Furthermore, each delegate on the leadership programme takes part in a Peer Learning Set with a group of their leadership colleagues every six weeks.

### Box 3.1. Invest NI's Transform Programme to enhance employee engagement and improve co-ordination *(continued)*

Invest NI also provides a **Management Development Programme** available to all people managers in the organisation. The programme is accredited through the Institute of Leadership and Management (ILM). Key modules are delivered on motivating teams, performance management, coaching skills, and HR development.

The **Staff Survey** is conducted on an annual basis. The results of the survey are shared with all staff in full. This is cascaded down through the CEO to all staff. This launches a Team Action Planning process. Each Team in Invest NI identifies a number of issues (highlighted in their Staff Survey results) and develops an action plan as to how this will be addressed. The plans, actions and successes are forwarded to the Executive Leadership Team for review on a monthly basis. Each team has a nominated “engagement champion” to lead this. Individual teams also follow the Team Action Planning process to ensure individual operational issues are also addressed.

*Source:* Author, based on information provided by Invest NI.

### *Harnessing the experience and know-how of the civil service*

In order to build a culture of engagement and openness within the civil service, OECD countries, including the United Kingdom, as well as some public agencies in Northern Ireland such as Invest NI, are using a variety of top-down and bottom-up mechanisms.

From the top down, leaders need to communicate a strategic narrative that includes a vision and specific objectives for the organisation as a whole. These should be linked through accountability and performance mechanisms in a cascading manner so that each level of the hierarchy works towards objectives that contribute to those above.

Providing skilled and motivated staff with the opportunity to perform is a central management task, and this means creating space for employee/team autonomy to make decisions and structure work in ways that enables performance and innovation. A lack of trust between Minister and Secretary, manager and employee, can harm a culture of engagement and openness by smothering room for employees to put their talents to best use. A wide range of interviews and discussions with a range of Northern Ireland public employees indicate the need to clarify the administrative and political interface in this regard, and to establish clearer lines of accountability between the senior administrative levels of public institutions and the political, and then to leave space for the administration to work together to achieve their objectives. Only when staff at all levels feel that they have the ability, motivation and opportunity to perform, will they fully contribute to the planning process.

Bottom-up mechanisms can also be used to give employees voice in the planning process. This is important as the collective experience of employees contains a wealth of knowledge and information that can feed the planning process and drive innovation. Recent OECD work on HRM mechanisms to support public sector innovation suggests that countries increasingly develop horizontal networks to encourage the sharing and

pooling of information across silos to spark innovation. Such networks could be an effective source of cross-departmental knowledge to feed the planning process. Labs are another mechanism for tapping into the creative potential of a variety of staff and user experience to inform service design. Similar labs could be used as a source of initial input into the planning cycle as well. Additionally, many civil services and public institutions are driving renewal programmes and review processes from the bottom up. Through series of workshops and participatory activities, civil service leaders are engaging staff to ask them how better to plan for future challenges, and how to manage a civil service fit for 21<sup>st</sup> century public challenges (Box 3.2).

### Box 3.2. Using strategic HRM to drive public sector innovation

OECD countries use a wide variety of people management tools, processes and strategies to boost public sector innovation. Recent OECD research (OECD, forthcoming) has collected various examples of such tools. These include the following practices.

**Australia's Awards of Excellence in Public Sector Management** streamline innovation in two ways. First, they include "innovation in the design and/or delivery of the products, services and processes" as one of the four criteria that all submissions are assessed against. Second, each of the shortlisted excellence nominations is reviewed against additional criteria to determine the recipient of a separate innovation award. To receive the award, the nomination must: 1) meet the defined threshold for innovation; 2) be linked to an organisational strategy or a response to a significant organisation issue or risk; 3) involve co-design with key stakeholders (internal or external); 4) result in a demonstrable difference to the relevant product, process or service and its delivery. Using innovation as both a key component of the excellence awards and as an award of its own, reinforces the message that excellence in management and innovation are consistent with each other and that innovation needs to be a central consideration of everyday public management.

**Spain's Social and Knowledge Ecosystem** builds communities of interest connecting various actors, thereby allowing the linking of talent and encouraging public innovation. It is a project of Spain's National Public Administration Institute INAP. The main objectives of this project are to create and disseminate transformative learning and high quality knowledge; to promote transparency and open government; to boost innovation within the Public Administration and to foster exemplarity, legitimacy, autonomy, efficiency and responsibility. It does this through three tools: A professional network, a knowledge bank and an innovation bank of good practice. The project is directed at public employees of all Public Administration levels and also to citizens.

**Belgium's Innovation Learning Network** aims to coach innovative projects, and to create an environment where civil servants can help and learn from each other to become better in the innovation processes. Objectives of the network include better organisational outcomes and practices (e.g. co-creation with users) and learning for individual civil servants. The participants (civil servants from different government organisations) are encouraged to become better in understanding the goals of government and society, management incentives, recognising restrictive patterns, co-creation with all kinds of stakeholders, encouraging passion, multidisciplinary working, following trends and getting things done in a shorter time frame. The learning network works at the moment in 14 government organisations, with 20 projects and about 50 civil servants.

**The German Employment Agency's Lifecycle Approach to HRM** is an intergenerational approach which enhances the work-ability of its staff and focuses on competence, health and engagement to promote life-long learning and well-being at the workplace. It is made up of a variety of measures which, as a whole, support the idea of individualising HR management and support talent management. These include a competency based and modular HR development system to open career opportunities and competency development at every age; reintegration programmes for workers who return after prolonged absence due to, for example, parental leave; family services to help employees care for family members; various flexible working time models; telework and mobile working options; an engagement index to measure and better understand workplace climate and management requirements; and a knowledge transfer programme to stimulate intergenerational learning and maintain corporate knowledge. This lifecycle oriented approach is also supported by corporate health management to face the challenge of longer work lives, recognising that engaged and healthy staff should be able to contribute to innovation at any age.

*Source:* OECD (forthcoming), *The Innovation Imperative in the Public Sector: Making Innovation Work*, OECD Publishing, Paris.

In Northern Ireland, the civil service has most of the prerequisites to become well involved in the planning process. Building on already strong capacities, the NICS' new competency framework is a fundamental commitment of the NICS People Strategy (Box 3.3). The framework brings competencies for all levels within a single framework and provides a foundation for the implementation of a new performance management system, improved staff resourcing, leadership development and learning and development. Together, this integrated approach to strategic HRM could help identify further opportunities to engage civil servants in the planning process, and align civil servants' work accordingly. Moreover, various management training programmes could align with the competency frameworks' focus, *Setting Direction*, to promote the use of integrated planning mechanisms.

### Box 3.3. NICS People Strategy

The NICS People Strategy sets out a number of commitments and actions over 2013-16 which are focused on enabling the NICS to deliver the Executive's priorities through motivated, committed and skilled people. The People Strategy commitments focus on four key themes

- **Effective Leadership:** Leadership behaviours demonstrated at all levels providing purpose, pride in performance and encouraging innovation.
- **High Performance:** Effective performance management to ensure the workforce is focused on delivering objectives and that staff motivation, morale and recognition are well managed.
- **Improved Skills and Resourcing:** Providing an environment for delivery; providing the right structure, tools and support so that employees can effectively channel their energy and maximise their commitment.
- **Enabled Workforce:** Continuously develop the capability and talent of our workforce; adding knowledge, understanding and skills to deliver specific business results and their anticipated future needs.

The People Strategy is supported by annual People Plans. These set out in more detail how the commitments and actions identified under the People Strategy are delivered. The Strategy is clearly defined, including Commitment Delivery Overviews for each of the four themes.

*Source:* Northern Ireland Civil Service (n.d.), "People Strategy 2013-16: Delivering high quality service in a high quality organisation", [www.finance-ni.gov.uk/sites/default/files/publications/dfp/nics-people-strategy-2013-16.pdf](http://www.finance-ni.gov.uk/sites/default/files/publications/dfp/nics-people-strategy-2013-16.pdf) (accessed 20 June 2016).

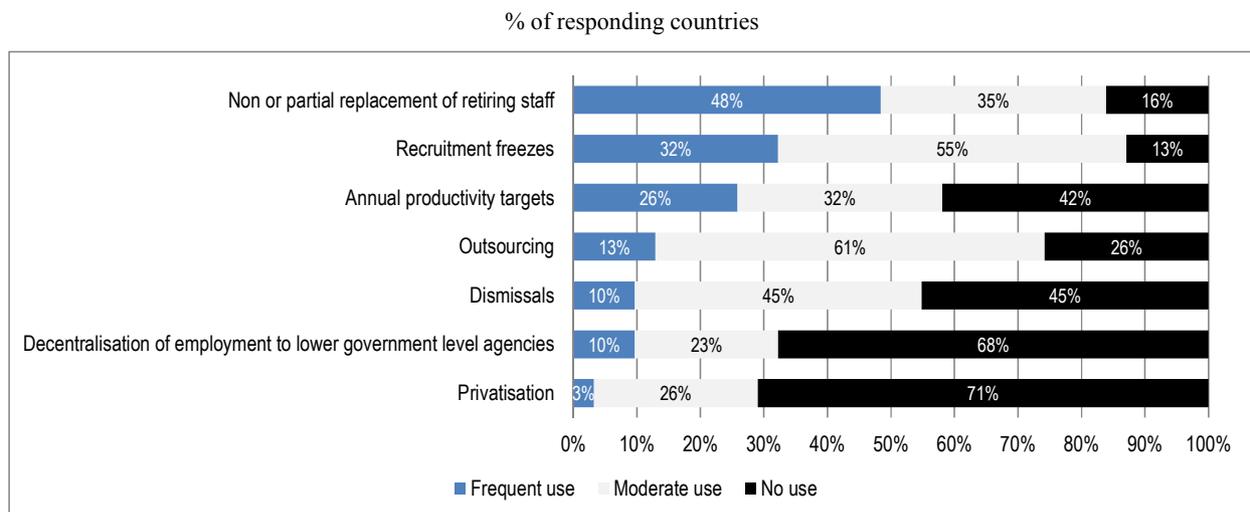
### ***Strategic human resources management in the context of staff reductions***

Responding to citizens needs and working towards common purpose, requires an agile Public Sector with the capacity to match the numbers, skills, competencies and allocation of the public workforce to new and shifting strategic priorities. This includes identifying and developing capabilities to anticipate and respond to whole-of-government challenges in the Civil Service, sophisticated HRM planning capacities, and flexible employment frameworks that enable the re-deployment of staff to effectively meet these needs.

The NICS and the broader public sector have a strong range of relevant and up-to-date HRM programmes and policies. The NICS 2013-16 People Strategy sets out a range of HRM improvements developed centrally in collaboration with departments, with the goal to deliver “the Northern Ireland Executive’s priorities through a motivated, committed and skilled workforce”. Activities are aligned under themes: effective leadership, high performance, improved skills and resourcing, and enabled workforce. The strategy aligns clear and ambitious commitments for HRM improvements over the three-year cycle and is supported by annual action plans. This is a clear example of effective central co-ordination and should be continued as a good practice to align whole-of-government workforce management.

Times of organisational downsizing add to the agility imperative, especially when downsizing instruments are chosen which limit the control of management to determine who leaves and who stays. Recent OECD survey data indicates that most OECD countries’ central public administrations have undertaken reductions since the 2008 global financial crisis, and have employed a variety of instruments to do this (Figure 3.1). These include both voluntary and involuntary dismissals, hiring freezes and the non-replacement of retiring staff, as well as associated organisational restructuring. In most countries these have been combined with a variety of other cost-savings measures such as salary reforms, working time reforms, and reforms to the training system.

Figure 3.1. Use of downsizing instruments (2008-13)



Source: OECD (2014b), Survey on Managing Budgeting Constraints: Implications for HRM and Employment in Central Public Administration (Q5)”.

Although such cuts demonstrate governments’ determination to correct fiscal imbalances, if not managed carefully, they can also have long-term consequences on the capacity of the public workforce to meet citizens’ expectations. Wage cuts and staff reductions decrease the attractiveness of the public sector as an employer by hurting morale, damaging the perception of public service careers and limiting governments’ ability to attract and retain high-qualified staff. Hiring freezes not only have an immediate impact on the capacity of the public sector to deliver public services, but they also impact organisations’ capacity and agility over the long term as they limit the ability of

organisations to restructure and reskill. However, OECD countries mostly agree that despite a great many management challenges, budgetary constraints can also open up opportunities for improvements in workforce planning and agility. In many ways, the downsizing that has been driven by the economic crisis has sped up a process that was already underway towards leaner and more strategic civil services (OECD, 2011).

The 2014 *Stormont House Agreement* includes financial provision to fund voluntary exit schemes across the public sector. The voluntary exit scheme is expected to result in around 2 300 departures in the NICS and close to 10 000 across the broader public sector over four years; however, it is impossible to control who will volunteer for this transition and which skills and capacities will be removed and from which department. This kind of exit scheme, while perhaps the least destructive to departing employees, risks resulting in resource imbalances in relation to strategic priorities, if employees who work in high-priority areas with little excess capacity leave, while those working in areas with extra capacity do not.

Workforce planning provides governments and public organisations with a framework to consider the future and think strategically about the mix of people and skills required to respond to changing societal needs. When linked with budgeting processes, workforce planning can become a powerful tool to optimise the allocation of resources and minimise the negative capacity impacts of workforce reductions.

The NICS conducts a workforce monitoring exercise at least twice yearly and NISRA collects a useful range of workforce data reported quarterly on employment in the NICS. This can provide a solid foundation for workforce planning. Departments are expected to develop their own approach to workforce planning, to ensure that numbers of staff employed are within budgetary limits and that essential services are maintained, however no standard forward-looking government-wide process appears to be in place.

Interviews with a variety of senior managers across the public sector suggested that little in the way of workforce planning was happening, given the uncertainty at the time over the downsizing processes and the impact of the voluntary exit scheme. However, since the voluntary exit scheme closed off applications on 27 March 2015, all departments have been required to examine business continuity risks. To facilitate business planning, the NICS has been phasing the release of staff over five tranches during 2015-16, to manage any impact upon priority areas of service or skills groupings. This kind of integrated business planning has been made a prerequisite for the approval of any bid to the Transformation Fund which provides the financial payments to departing civil servants. This is a positive initiative that could also provide an opportunity for the DFP to look horizontally across individual business plans to highlight opportunities for cross-departmental mobility to reallocate the workforce to the areas of highest priority and demand.

Competency management provides a useful foundation for workforce planning to contribute to organisational agility. Competency management provides a common definition of the abilities and behaviours employees need to do their jobs well and provide a common framework to ensure HRM processes are integrated horizontally (across functions and/or ministries) and vertically (aligned with strategic objectives and business plans). This can enable a common HRM framework across ministries and can ensure that competencies associated with agility, such as a whole-of-government vision are identified and valued.

The NICS launched a new competency framework in 2014. The framework brings together competencies for all levels of civil servants into one common framework organised around three clusters: Setting Direction, Engagement People, and Delivering Results. The framework is designed to support and integrate a number of key initiatives in the People Strategy which will all contribute to improved agility, including the implementation of a new performance management system, improved staff resourcing, leadership development and learning and development.

Ensuring a smooth and effective implementation and integration of the framework in all NICS departments and agencies will contribute to agility by ensuring that all civil servants are managed under the same overall expectations, which should reduce barriers often associated with moving staff between organisations. Furthermore, emphasising a number of specific competencies may also contribute to future capacity. For example, Australia explicitly puts an emphasis on two global competencies for the future: strategic thinking and agility. Other countries have identified competencies related to agility such as “innovative and creative capacity” and “flexibility” (Belgium); “initiative and creativity, including experimenting with new ideas” and “network collaboration” (the Netherlands); and “collaborative mind-set”, “flexibility”, and “seeking alternative viewpoints” (the United Kingdom).

The NICS People Framework also identifies a number of competencies implicitly linked to agility. For example, *Seeing the Big Picture* could be used to value a whole-of-government perspective beyond organisational objectives, *Collaborating and Partnering* could be used to value experience in other units, departments, ministries or sector which can help engender a culture that rewards mobility and openness, and *Achieving Outcomes through Delivery Partners* can help identify different business models and the capacities and organisational structures required to deliver them. In none of these cases, however, is agility, whole-of-government understanding, or partnerships with other government ministries explicitly codified. The NICS may wish to be clearer in the guidelines and associated training material for implementation of the framework when agility, partnerships and co-ordination are desired outcomes of competency management. These can then be more explicitly incentivised through, for example, performance management processes, promotion and special training/fast track programme opportunities, and special awards and recognition. The Canadian province of Alberta, for example, has aligned performance pay with horizontal project at the senior level (Määttä, 2011; Box 3.4).

#### Box 3.4. Incentivising agility and collaboration in Alberta

In Alberta, Canada, officials agreed that getting departments to work together is the biggest challenge to public service and that achieving this depends on the behaviors of senior officials in the departments. The most effective incentive to joining up has been to explicitly link the performance pay of senior officials to horizontal policy initiatives. For Deputy Ministers, as heads of the departments, 20% of their remuneration package is based on performance, and 75% of this is based on their performance in horizontal issues. For the assistant Deputy Minister, 50% of their performance pay is based on horizontal initiatives. This has created a meaningful incentive to focus on the success of the government’s horizontal initiatives, even if it requires re-allocation of resources away from achieving the goals in the department’s business plan.

Source: Määttä, S. (2011), “Mission possible: Agility and effectiveness in state governance”, *Sitra Studies*, Volume 57.

### ***Reinforcing cross-silo mobility throughout the workforce and within senior management***

Mobility enables the reallocation of staff with needed competencies to the areas of highest priority. Greater mobility within the public workforce can help foster a corporate, whole-of-government perspective on new challenges, currently a key challenge for the NICS. Mobility can also benefit attraction and retention, as varied job experiences are often attractive to applicants and can boost employees' engagement. Furthermore, mobility can be a useful tool for workforce reallocation in times of downsizing and restructuring.

The NICS already has many of the baseline conditions required to enable internal mobility, such as uniform employment and pay terms and conditions, and an established secondment policy which allows staff to transfer temporarily to organisations outside the NICS, and for staff from outside to take up secondments within the NICS. Secondments within and outside the NICS can support a range of mobility benefits and should be encouraged and supported by organisational leadership and line managers.

Currently, secondment opportunities are periodically e-mailed to staff and line managers have a responsibility to ensure that all staff are made aware of them. Nonetheless, OECD interviews with the NICS suggest that secondment policies are not used to their full potential. Additional interviews with organisations beyond the NICS suggest even less mobility amongst these organisations and between them and the NICS. This is often the case in OECD countries and may be due to employees either being unaware of such opportunities, or feeling worried that experience outside their organisation won't be valued and will therefore hold them back from career advancement. For example, one public entity suggested that transfers across institutions could result in loss of seniority-related benefits. Increasing the strategic use of mobility programmes and reducing any structural limitations should be a goal for all managers. Valuing external experience is trickier as it requires a culture change. It can also be included in competency frameworks and learning plans associated with performance management processes.

Some OECD governments establish specific job rotation programmes within organisations or across ministries or departments. Due to the management challenges of such programmes, enrolment is usually limited to employees who stand out in terms of development potential and/or for specific cadres of managers. These programmes sometimes establish upward mobility. Additionally, many public services see time spent in other agencies and/or the centre of government as a prerequisite for advancing to higher levels of management and leadership (Box 3.5).

#### **Box 3.5. Mobility programmes to promote agility and innovation in selected OECD countries**

Austria's Mobility Management Programme enables needs- and skills-oriented personnel deployment which also supports employees in pursuing career changes. A Mobility Management Service was set up at the Federal Chancellery in 2012 which helps to balance the internal labour supply and demand within the Civil Service by matching excess staff from one area with vacant positions in another, as well as supporting staff members who wish to change their careers. Using the Civil Service Job Exchange and Career Databank (the key instruments for mobility, along with the necessary legal framework), the Mobility Management Service tries to find suitable staff for all Federal Ministries from among those interested in a job change. The result is effective and efficient personnel management which goes hand in hand with promoting staff members' specific knowledge, strengths and interests.

### Box 3.5. Mobility programmes to promote agility and innovation in selected OECD countries (continued)

Korea maintains a Personnel Exchange System, which is a 1:1 exchange programme where public servants move between administrative agencies and other public organisations for a limited period. Its goal is to improve work understanding among different agencies through personnel exchanges; to remove departmental partitions by building a mutual co-operation system; to actively respond to changes in administrative environments and demand for convergent administration; and to enhance the capabilities of the public workforce by providing extensive experience and opportunities for development.

Interchange Canada enables the temporary exchange of employees between the Government of Canada and all other sectors of the economy, domestically and internationally. Assignments are for the purpose of knowledge-transfer, acquiring specialised expertise, and/or professional development. The Interchange Canada Policy has been used to facilitate movement between the federal government and provinces or territories, private business, non-profit organisations, academia, and aboriginal organisations both within Canada and internationally.

*Source:* OECD (forthcoming), *The Innovation Imperative in the Public Sector: Making Innovation Work*, OECD Publishing, Paris.

In times of downsizing it is normal that mobility slows. In times of uncertainty staff generally prefer to remain in their home unit, in their substantive positions, while simultaneously, open positions required for mobility are often frozen. Efforts should be made to ensure that the conditions in the NICS and other public institutions that support mobility are restored as soon as possible.

Many OECD countries also manage their senior civil servants as a separate group with a view to encouraging greater mobility at the highest levels in order to develop horizontal leadership skills and whole-of-government orientations. The NICS, which also manages its senior civil servants separately, could focus on more mobility at the senior levels.

Leadership training programmes offer a valuable way to impart whole-of-government perspectives to mid and senior level managers, especially when they are run centrally and organised around horizontal leadership principles such as innovation. Programmes of this kind are increasingly common in OECD countries and benefit leaders in two ways. Leaders are able to be exposed to ideas and insights from the curricula and the sharing of experiences by participants. This, in turn, enables the creation of networks that can be leveraged beyond the boundaries of the development programme to stimulate horizontal information sharing and collaboration. In Belgium, the government of the Flanders region has begun using a range of leadership development programmes to inspire and coach their leaders. At the federal level, a range of leadership development opportunities are made available including the Vitruvius programme, an in-depth 24-day programme conducted over eight months, which has now coached over 450 middle and top leaders.

In Northern Ireland, a wide range of public agencies, including the NICS, appear to prioritise leadership development, recognising the potential to break silos and build networks. Invest NI prioritises leadership and management development, while the HSC's Business Services Organisation has also commissioned the development of a leadership development programme for three levels of leaders. This common interest may present an opportunity for public agencies to work together to develop a community

of public leaders with a common sense of purpose to drive effective leadership across Northern Ireland’s public institutions.

### Early intervention/prevention

The identification of desired policy outcomes is a crucial element in the development of government policies and programmes. This is especially true where the interventions concern longstanding and apparently intractable social or economic problems. The Early Intervention/Prevention approach underscores the value of using evidence-based and outcomes-based approaches to design policy and programming. It is well understood across the NI public sector and among non-governmental stakeholders that intervening early to address the social problems of individuals or certain groups of individuals can diffuse these before they amplify.

However, with the exception of projects partially funded by Atlantic Philanthropies and Northern Ireland’s strategy to tackle domestic violence, Early Intervention/Prevention does not appear to be fully developed nor linked to an overarching social policy framework or strategy. As a result, while Early Intervention/Prevention is identified in some social-policy initiatives, it does not feature significantly in many others, including for example in the development of policies and programmes for Looked-After Children.

Although the Early Intervention/Prevention approach has been actively promoted by the non-governmental sector, there appears to be a lack of comparable attention given to this approach across the NICS. At present, departments appear to consider the application of this approach to consist principally in the collection of data. In some ways the status of Early Intervention/Prevention mirrors that accorded to well-being: both are recognised as important but there appears to be no government-wide concrete strategy or plan to ensure that these are taken into consideration in the development of new policies or programmes. Countries that have been successful in implementing the Early Intervention/Prevention approach have done so on the basis of an affirmed strategy to support its application. This could be achieved through the inclusion of Early Intervention/Prevention as a core principle of the Northern Ireland Social Policy which is currently under development.

#### *Incorporating data analytics in early intervention and prevention*

Part of the answer to fostering greater application of the Early Intervention/Prevention may also lie in further encouraging the shift to evidence-based policy and decision making supported by harnessing Big Data and Open Government Data, currently collected but left largely unused in policy development in NI. This type of big data analysis could also provide early intervention and prevention possibilities in other domains, for example in the case of looked-after children. As explored in the case study on Improving Educational Outcomes for Looked-After Children, there has been a lack of good monitoring data to date. With a focus on improving data quality and availability, the opportunity would then exist to take advantage of data analytics to help improve the targeting and outcomes of interventions.

Given disparities in outcomes that exist across some key indicators in Northern Ireland, such as health care as discussed in Chapter 1, public welfare programmes would appear to be a key area of focus that could benefit from a co-ordinated digital approach to maximise the potential benefits. There have also been some initial forays into

digitalisation of public welfare programmes in Northern Ireland. Notably, the eHealth and Care Strategy for Northern Ireland is putting in place a five-year plan to build on existing advancements in ICT enabled health services, including the Northern Ireland Electronic Care Record (NIECR) launched in 2013 and which is claimed to be the most advanced and comprehensive digital health records system in the United Kingdom.

While the eHealth initiative has provided improved physician access to patient medical and pharmaceutical information, lacking is a “Big Data” analytics strategy and technical capacity that could help use this growing set of data to identify trends and areas for early intervention and prevention in the health sector, ultimately leading to both better health outcomes and cost-savings. For example, using this type of largely anonymised data could lead to research being done on risk modelling diabetics, which is both a major health concern for the Northern Ireland population and an area in which preventative interventions can have a large impact on both patient health and potential downstream savings to the overall health care system. This type of big data analysis could also provide early intervention and prevention possibilities in other domains, for example in the case of looked-after children. As explored in the case study on Improving Educational Outcomes for Looked-After Children there has been a lack of good monitoring data to date. With a focus on improving data quality and availability, the opportunity would then exist to take advantage of data analytics to help improve the targeting and outcomes of interventions in this area.

The potential privacy concerns of citizens in moving the use of ICT in public welfare programmes from pure service delivery applications to the type of predictive analytics that can help target early intervention activities in areas like health and education must be taken into account, but should not detract from the very real possibilities for improved outcomes in these areas. As outlined in the OECD Recommendation on Digital Government Strategies (in the next section), a risk management approach should be taken to address digital security and privacy issues.

In order for Northern Ireland to realise fully the benefits associated with evidence-based service-design and delivery that includes effective Early Intervention/Prevention programming, NI needs to develop a clear strategy in this area. A recommendation to this effect is listed at the end of this chapter.

## Digital governance

### ***Putting digital at the heart of service delivery in Northern Ireland***

The use of ICT to improve services and enhance engagement with citizens, businesses and other stakeholders –commonly referred to as “Digital Government” –is increasingly becoming core to the modernisation and public sector reform agenda for countries across the OECD. According to the 2014 OECD Recommendation on Digital Government Strategies (Box 3.6), digital government is defined as: “...*the use of digital technologies, as an integrated part of governments’ modernisation strategies, to create public value. It relies on a digital government ecosystem comprised of government actors, non-governmental organisations, businesses, citizens’ associations and individuals which supports the production of and access to data, services and content through interactions with the government.*” (OECD, 2014c)

### Box 3.6. OECD Recommendation of the Council on Digital Government Strategies

Adopted on 15 July 2014, the OECD Recommendation is a structuring element for decision makers and stakeholders that need to navigate government objectives and resources in an increasingly complex policy-making environment. Digital technologies create both opportunities and challenges for successful government reforms in any policy domain, e.g. welfare, economic development, administrative services efficiency. A set of 12 principles, grouped under 3 pillars, guide decision makers:

#### I. Engage citizens and open up government to maintain public trust.

1. Ensure greater transparency, openness and inclusiveness of government processes and operations.
2. Encourage engagement and participation of public, private and civil society stakeholders in policy making and public service design and delivery.
3. Create a data-driven culture in the public sector.
4. Reflect a risk management approach to addressing digital security and privacy issues, and include the adoption of effective and appropriate security measures.

#### II. Adopt cohesive approaches to deliver public value throughout government.

5. Secure leadership and political commitment to the strategy.
6. Ensure coherent use of digital technologies across policy areas and levels of government.
7. Establish effective organisational and governance frameworks to co-ordinate the implementation of the digital strategy within and across levels of government.
8. Strengthen international co-operation with other governments.

#### III. Strengthen government capabilities to ensure returns on IT investments.

9. Develop clear business cases to sustain the funding and focused implementation of digital technologies projects.
10. Reinforce institutional capacities to manage and monitor projects' implementation.
11. Procure digital technologies based on assessment of existing assets.
12. Ensure that general and sector-specific legal and regulatory frameworks allow digital opportunities to be seized.

Source: OECD (2014c), "Recommendation of the Council on Digital Government Strategies", [www.oecd.org/gov/digital-government/recommendation-on-digital-government-strategies.htm](http://www.oecd.org/gov/digital-government/recommendation-on-digital-government-strategies.htm).

The governance of digitisation covers not only the introduction of technology but the allocation of tasks, the development of new skills and the adoption of common arrangements and tools to reap efficiency savings government-wide. There is a need to ensure value-for-money in the public sector through sector-level efficiency estimates, budgetary frameworks, funding arrangements, business-case frameworks, productivity measures and the concept of a value chain for public-service delivery. Among the emerging changes are the changing role and relations with the services' users, the role of data, new ethical challenges, and a shift from a "user-centred" to a "user-driven" public

sector. This includes the importance of actors' engagement in the development and implementation of digital-innovation projects and the need to ensure that digital initiatives do not leave behind those on the other side of the digital divide (See OECD, 2014c, Principle 1). In addition, the importance of measurements and the use of existing public data are underlined as tools to create better dialogue among stakeholders and to address asymmetrical information challenges (See OECD, 2014c, Principles 2 and 3).

In order to address these issues governments across the OECD have taken different approaches to provide government-wide co-ordination on digital-government initiatives. While almost every country in the OECD has a national Chief Information Officer or equivalent, the organisational definition of these roles varies greatly.

The United Kingdom has become a leader in digital service delivery in part through the creation of its centralised Government Digital Service which provides oversight and guidance to all government departments in support of their digitisation initiatives and has focused on bringing top talent in the digital domain into government.

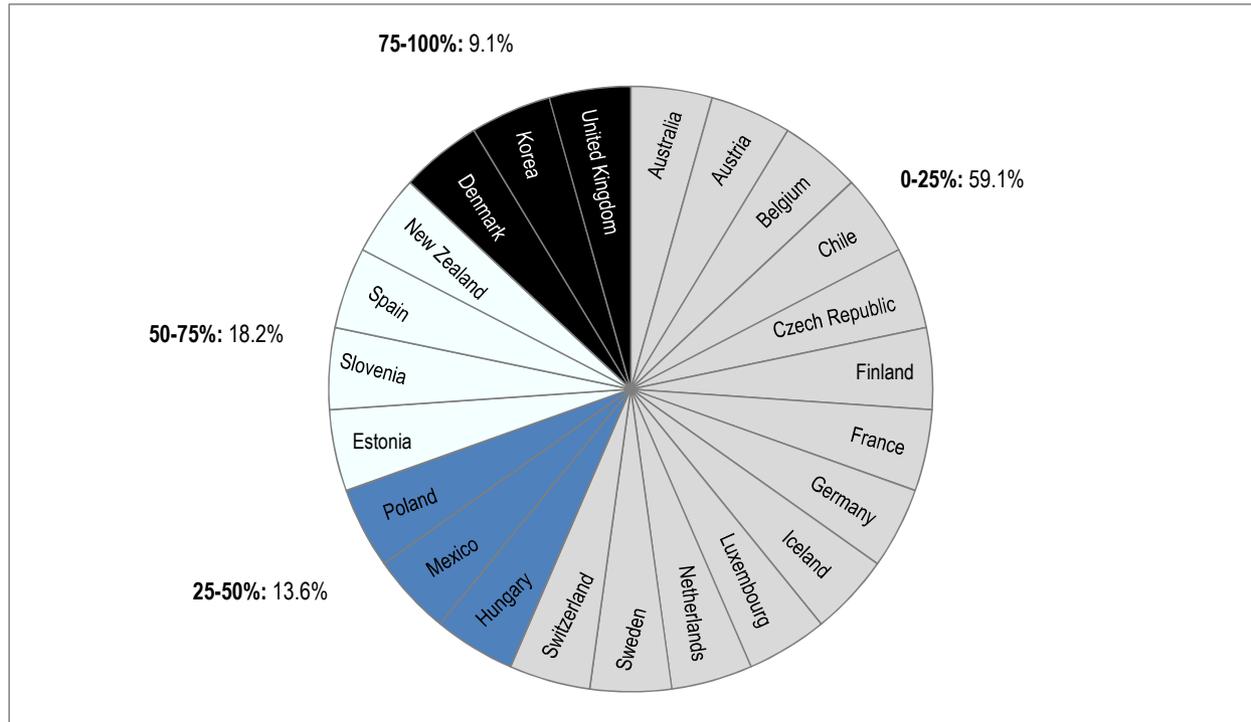
The United States has in recent years adopted a somewhat similar approach to the United Kingdom with the creation of its US Digital Service and 18F, both of which act as in-house digital consultancy services. In the US example however, these centralised services are less universal in nature, and focus only on top priority-projects while leaving a broad degree of independence to individual departments.

Other countries such as Canada have a more blended digital-governance system. A national Chief Information Officer has a central policy-setting role, and takes into account Ministerial-accountability imperatives by chairing a government-wide Chief Information Officer Council to assist in co-ordinating the work of departmental CIOs who are not directly responsible to the national CIO but to their respective departmental senior management.

Denmark in contrast while it does not have a specific national CIO position, still has robust governance of digital initiatives through its Steering Committee for Joint-Government Co-operation (STS - *Styregruppen for Tværoffentlige Samarbejder*). The STS is a cross-government co-ordination body that brings together those leading ICT activities at the national, regional, and local level in Denmark with the goal of creating joint ownership of modernisation efforts across the horizontal and vertical layers of the state administration. There is also an Agency for Digitisation which has a mandate to facilitate digitisation in the public sector and acts as a secretariat for, and as an implementation and co-ordination body of, the STS.

Proper governance becomes increasingly important as we examine some of the significant challenges that exist in the effective implementation of digital-government initiatives. Across the OECD there has been a long history of project failures due to technical or organisational challenges including in some cases outdated and inflexible procurement processes. Even when ICT projects are successfully introduced, a majority of OECD countries are able to account for no more than 25% of direct financial benefits realised (OECD, 2015a; Figure 3.2).

Figure 3.2. Share of total direct financial benefits from ICT investments reported



Source: OECD (2014d), *Digital Government Performance*, dataset, <http://qdd.oecd.org/subject.aspx?Subject=6C3F11AF-875E-4469-9C9E-AF93EE384796>.

Yet even against this backdrop of serious ICT project risks, many countries have not yet put in place strong governance structures for digital initiatives to mitigate these risks. 86% of countries report lacking formal co-ordination between units on digital initiatives, 61% do not have mandatory business cases for ICT projects, and 41% do not have a standardised model for ICT project management (OECD, 2014). This speaks to the need to have a whole-of-government approach to digital-government activities, particularly as the introduction of digital technologies is increasingly touching upon all aspects of government business.

### ***Digital government in Northern Ireland***

In Northern Ireland, the Department of Finance and Personnel plays a central co-ordination role for digital activities through its Enterprise Shared Services directorate. First launched in 2010, the Enterprise Shared Services (ESS) initiative provides whole-of-government services for finance, human resources, property, and ICT needs across the Northern Ireland civil service. ESS is acknowledged as an exemplar not just in Europe but across the world and is continuing to deliver class leading results – for example, performance for prompt payment of invoices has been consistently ahead of other major public sector organisations and some GBP 150 million of efficiency savings have been achieved since the inception of the shared services projects and programmes through the NICS Reform initiative. The achievements of the shared services have been recognised externally in a number of ways, including with an EFQM Ireland Excellence Award, a Best Companies Accreditation and was made the subject of a Best Practice Case Study by

Gartner which comments that the “NICS shared-service transformation demonstrates the sort of good practice expected in the best shared-service organisations, including customer-centric service delivery, value-added services, a culture of continuous improvement and innovation, and value marketing” (Gartner, 2015).

Several years ago, Enterprise Shared Services set out a vision to save money, improve security and resilience and drive more joined-up working through the use of a shared private cloud and infrastructure. This vision has been put in place and comprises a shared pair of data centres, a shared network and a shared hosting environment. The benefits of the approach include significantly reduced costs, service improvements and the stimulation of public sector collaboration in other areas such as data and application sharing. The ICT component of the initiative has been widely considered to be one of the most successful aspects of the ESS to date, so much so that DFP has recently signed a digital partnership agreement with Estonia to share best practices in this area. All of the ESS ICT services are provided in-house, including important initial initiatives on the consolidation and management of internal networks and a single email system. As has been seen in other jurisdictions, moving towards common service-provision can be an important step in creating a more joined-up approach to delivering digital services and provides some of the foundational elements for successful digital-government strategies. By ensuring that the entire civil service has access to modern technology and interoperable platforms, it opens the possibility for the creation of greater value-added services for citizens and business.

The life-cycle of ICT projects in Northern Ireland has in place a number of processes designed to ensure good project management and value for money. There are standardised project management models in place from the Central Procurement Directorate (CPD) Centre of Procurement Expertise, the guidance from which applies to all Northern Ireland public sector projects including ICT enabled projects. Business cases are also mandatory for all ICT projects. DFP’s Supply Division approval is required for IT projects over GBP 1M (DAO/06/12 Annex 2, Item 60); although, certain departments may have a different delegated limit, for example DFP’s limit for ICT projects is GBP 500 000. These business cases are designed to account for all costs and benefits including those that may take a long period of time to realise. The responsibility for developing and tracking a benefits realisation plan rests with the project Senior Responsible Officer as monitoring is conducted by DFP. However, in spite of the relatively extensive ICT project management processes in place it remains difficult to get clarity from a NICS-wide perspective on the level of ICT spending. This is a similar challenge faced by many other OECD countries that find it increasingly difficult to identify global ICT expenditures as digital technologies become more embedded across the organisation. As discussed in the case study on Governance of Public Procurement there are substantial potential benefits to crossing procurement silos; given the existence of ESS and the need to better understand and control ICT expenditures across the Northern Ireland Public Sector, this is an area that is well suited to increased centralisation.

Under the umbrella of the ESS initiative also lies the Digital Transformation Service (DTS) which has responsibility for the central nidirect web portal ([www.nidirect.gov.uk/](http://www.nidirect.gov.uk/)) and the development of new online services, along with citizen contact centre services, digital inclusion programmes, and open data. DTS is mandated to implement the NICS Digital Transformation Programme and associated action plan under the framework of a “Digital First” strategy for new or redesigned services that has been in place since 2012. There is also a recent Citizen Contact Strategy that was launched in January 2014 which

has a significant emphasis on moving client contact to digital channels. DTS is also currently finishing work on a Communications and Marketing Strategy that addresses the training and awareness needs of a wide range of stakeholders, including Civil Service senior leadership and staff. DTS has already identified public and private-sector partners who will help deliver this training and awareness, and has piloted a number of training courses to support this, such as senior officer master classes on the “agile” process. The DTS senior team also regularly presents to senior teams and departmental boards across government to raise awareness, as well as directing departmental “Digital Action Plans” that are designed to drive citizen contact strategies and service uptake.

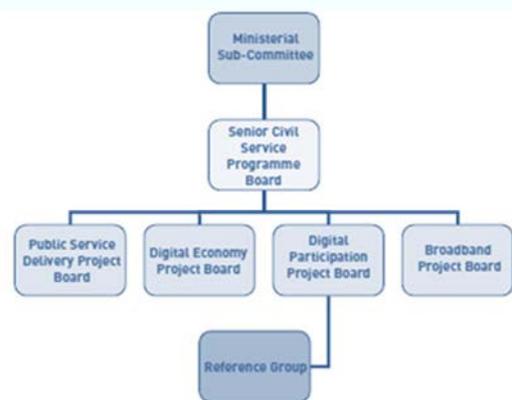
Aside from those digital services that ESS provides directly, it also plays an important co-ordination role for digital initiatives with other departments and other levels of government. ESS has led the creation of a network of digital champions within each department whom are in turn responsible for creating departmental-level digital action plans. There is also a group of heads of IT whom meet on a regular basis to exchange information and co-ordinate activities. The Chief Digital Officer for the NICS serves as a liaison with broader UK-wide digital initiatives, including sitting on the GDS Digital Leaders Group. Likewise, the Northern Ireland Citizen Contact Strategy also outlines that each Northern Ireland Civil Service organisation must appoint a Digital Leader whom all have responsibility for linking in with equivalent organisations in Great Britain or any other similar ongoing UK government initiatives related to citizen contact. While these are important co-ordination mechanism, most of the digital governance arrangements in Northern Ireland remain largely informal and lack an overarching sub-national digital government framework as we see for example in Scotland (see Box 3.7).

### Box 3.7. Scotland's digital governance structure and strategy

Prepared in 2011 and published in 2012, Scotland’s Digital Future outlines the steps that are required to ensure Scotland is well placed to take full advantage of all the economic, social and environmental opportunities offered by the digital age. Four broad themes were developed, each with a specific strategy: Connectivity, Digital Public Services, Digital Economy and Digital Participation.

The governance structure outlined in the graph to the right was developed to implement the actions set out in the digital strategy. The Scottish Government Chief Information Officer (CIO) is responsible for activities within the Information Services Information Systems Division and has responsibility for Programme Assurance and Standards across Digital Directorate, Scottish Government and the wider Central Government Sector. The Office manages and co-ordinates the framework for assurance of Central-Government programmes and projects, taking forward a programme of agreeing and ratifying standards at the Scottish-Government, sector and national (UK) levels through the relevant Technical and Design functions and Authorities. The office is responsible for communicating agreed standards and good practice and ensuring that adherence to these is embedded in the assurance processes.

The Office of the CIO co-ordinates initiatives and procedures to ensure that the IT services and systems, used by Central Government organisations and the technology which supports them, deliver value, are efficient in use of resources and are compliant with all relevant legislation and regulations. The strategy for Scotland’s Digital Future also provides a framework for the national CIO and CTO to align their decisions on ICT procurement. Greater use of cloud technology is being emphasised through the Green ICT framework.



Source: The Scottish Government (2011), “Scotland’s Digital Future: A Strategy for Scotland”, [www.gov.scot/resource/doc/981/0114237.pdf](http://www.gov.scot/resource/doc/981/0114237.pdf); [www.nationalarchives.gov.uk/doc/open-government-licence/version/3/](http://www.nationalarchives.gov.uk/doc/open-government-licence/version/3/).

Northern Ireland faces region-specific challenges in delivering digital services. Within the United Kingdom Northern Ireland has the lowest percentage of regular Internet users, estimated at 80% (Worth, 2015). While this still provides a large base of potential users of online government services, and the digital divide will inevitably decrease over time, the relatively low level of Internet usage in Northern Ireland needs to be taken into account in developing a digital-service strategy. Across the United Kingdom, it is estimated that one in five do not have basic digital skills and of those, 69% fall within the lowest socio-economic brackets. These trends are likely replicated in Northern Ireland, meaning that in many cases the segments of the population with the greatest need to access government services, particularly in health, welfare and social services, will have the most difficulty gaining access to digital services. That said, efforts are underway to increase the number of Northern Ireland citizens whom are active online through the Go ON Northern Ireland initiative ([www.nidirect.gov.uk/go-on-ni](http://www.nidirect.gov.uk/go-on-ni)) which is partnering with libraries across Northern Ireland to provide training on digital skills along with programmes specifically targeted towards older residents through its “Silver Surfers” activities.

### *Improving the online service experience*

To be successful, the development of new online services by governments must be approached with a “digital by design” mind-set, not one of merely adding a layer of “digital paint” on top of existing processes. The launch of new online services represents a singular opportunity to build a sense of momentum in the government’s digitisation agenda in the minds of citizens. At the same time, however, it raises the risk that if citizens’ first online interactions are negative, and there is no active programme to improve these services with a user-centric focus, momentum could easily falter due to rising frustration and cynicism. Designing and delivering online services with a user-centric focus has become an increasing priority for many OECD countries and there is a growing body of knowledge on best practices in this domain. For example, the Government Digital Service in the United Kingdom has put in place an 18-point digital service standard that all new online services must adhere to before being launched in order to achieve their goal of “making services so good that people prefer to use them” (see Box 3.8).

#### **Box 3.8. UK Government Digital Service’s 18-point digital service standard**

The United Kingdom’s Government Digital Service has emerged as a world leader in ensuring high-quality, user-centric online government services. Part of this success has been due to a strong focus on putting in place centralised standards that ensure all digital services provided by government go through a similar evaluation process and meet the same level of quality. The Digital Service Standard provides 18 specific criteria that all new digital services must adhere to before they are allowed to go live on the central GOV.UK website:

1. Understand user needs. Research to develop a deep knowledge of who the service users are and what that means for digital and assisted digital service design.
2. Put a plan in place for ongoing user research and usability testing to continuously seek feedback from users to improve the service.
3. Put in place a sustainable multidisciplinary team that can design, build and operate the service, led by a suitably skilled and senior service manager with decision-making responsibility.

### Box 3.8. UK Government Digital Service’s 18-point digital service standard *(continued)*

4. Build a service that can be iterated on a frequent basis and make sure that you have the capacity, resources and technical flexibility to do so.
5. Build the digital service using the agile, iterative and user-centred methods set out in the manual.
6. Evaluate what tools and systems will be used to build, host, operate and measure the digital service, and how to procure them.
7. Evaluate what user data and information the digital service will be providing or storing, and address the security level, legal responsibilities, privacy issues and risks associated with the service (consulting with experts where appropriate).
8. Make all new source code open and re-usable, and publish it under appropriate licenses (or provide a convincing explanation as to why this cannot be done for specific subsets of the source code).
9. Use open standards and common government platforms where available.
10. Be able to test the end-to-end digital service in an environment identical to that of the live version on all common browsers and devices. Use dummy accounts and a representative sample of users.
11. Make a plan for the event of the digital service being taken temporarily offline.
12. Create a digital service that is simple and intuitive enough that users succeed first time without assisted digital support.
13. Build a digital service consistent with the user experience of the rest of GOV.UK by using the design patterns and style guide.
14. Encourage all users to use the digital service, alongside an appropriate plan to phase out non-digital channels/services.
15. Use analytics tools that collect performance data, use this data to analyse the success of the service and to translate this into features and tasks for the next phase of development.
16. Establish performance benchmarks, in consultation with GDS, using the 4 key performance indicators: user satisfaction; completion rates; a plan to achieve low cost per transaction; and a plan to achieve high digital take-up and assisted digital support.
17. Report performance data on the Performance Platform.
18. Test the service from beginning to end with the minister responsible for it.

The United States Digital Service has recently launched a 13-point Digital Services Playbook (<https://playbook.cio.gov/>) which is based in part on the successful practices implemented in the United Kingdom’s Digital Service Standard.

*Source:* Author’s own work, based on UK Government (n.d.), “About the Government Digital Service”, *Government Digital Service Blog*, <https://gds.blog.gov.uk/about/> (accessed 20 June 2016).

The nidirect website was developed to provide a central platform through which citizens and businesses can access information on government services and in some cases access the services themselves online, such as for paying rates or booking a MOT/vehicle test.<sup>1</sup> One of DTS' signature projects is "16 by 16", an initiative currently underway to digitise 16 of the most popular government services by 2016. The digitisation of genealogical records has been an early success under the "16 by 16" initiative: it has proven to be highly popular with the public, transforming searches of historical records from in-person interaction in Belfast to online accessibility and research-capacity from anywhere.

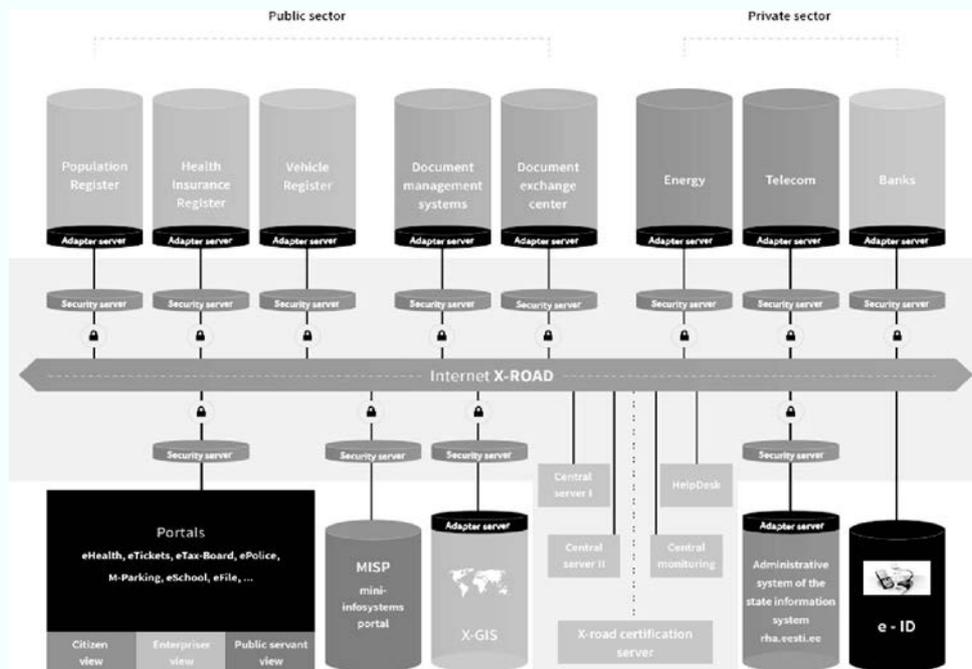
As the "16 by 16" initiative is implemented, the government has continued to push further with the Northern Ireland Digital Transformation Programme with the goal of delivering 70% of all citizen transactions with government through online channels by 2019. In line with this, the Northern Ireland Citizen Contact Strategy notes that all services with over 10 000 transactions per year should meet the new "digital first" service standards in which digital online services are the primary means of interacting with citizens or businesses.

As an increasing number of departmental services go online, interoperability and the principle of only providing information once become increasingly important. Without a focus on "digital by design" principles and interoperability of systems and databases, there is a genuine risk of siloed implementation. Though the Northern Ireland Citizen Contact Strategy does provide an impetus for targets and the sharing of best practices for digital service-delivery, ultimately many of the details of implementation are left up to individual departments. Without clear central guidance, co-ordination and standards, a decentralised process of targets and action plans could create the incentive for departments to rush digitisation to get something online, even if only at a superficial level, without fulfilling the requirement of the deeper process of redesign that may be necessary for true digital service delivery. A good example of building the infrastructure needed to enable integrated digital service delivery can be found in Estonia through its X-Road platform (see Box 3.9). Northern Ireland is in a fortunate position to be able to benefit from Estonia's experiences directly through the recently-signed digital-partnership framework.

Departments within the NICS are progressing at different rates in their digitisation activities. For example, the Northern Ireland Department of Agriculture and Rural Development (DARD) has some of the most aggressive digitisation initiatives in place with plans to put 80% of their services online by 2017. DARD is one of the only departments, along with DFP, that has a dedicated Director of Digital Services. They have had considerable success finding that 97% of farmers who try to access their services through online channels don't go back to non-digital methods. The challenge remains to increase connectivity for rural populations, but that too is increasing with currently 70% of rural businesses having broadband access and that is projected to rise to 80% in the near future.

### Box 3.9. Building the infrastructure to support digital services: Estonia's X-Road

The data exchange layer X-Road was launched in 2001 and has since become the standard platform for streamlining services between government agencies in Estonia. It is also used to create seamless workflows that involve non-government actors, e.g. to exchange information on income and assets from private companies to taxation and social security authorities.



The use of the X-Road was initially made mandatory for any data exchange taking place between government ministries and agencies and has today become the quasi-standard for any data exchange. Government institutions have high incentives to use the platform because it provides fast and reliable access to the base registers and many other information systems that are relevant to more than one institution.

The Estonian X-Road has also proven to be an effective instrument to empower citizens in relation to potential concerns about misuse of their personal information by civil servants and institutions as all access to their data via the X-Road is logged. It also allows citizens through the use of their secure e-ID card to be able to see what information the government holds on them at any given time from all databases in one central user portal.

Source: OECD (2015b), *OECD Public Governance Reviews: Estonia and Finland: Fostering Strategic Capacity across Governments and Digital Services across Borders*, OECD Public Governance Reviews, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264229334-en>; OECD (2015c), *Slovak Republic: Better Co-ordination for Better Policies, Services and Results*, OECD Public Governance Reviews, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264247635-en>.

### *Opportunities for greater digitisation in public services*

Public welfare programmes, such as health and social services or education, are the largest area of public expenditure in OECD countries. Public welfare services are characterised by high labour intensity, thus creating opportunities for a radical digital transformation. While digitisation today is an increasingly recognised tool for efficiency, few countries have turned to national co-ordination and whole-of-government strategic approaches to the digitisation of public welfare services. This means that potential savings are not being realised and significant improvements to making welfare policies more effective and inclusive (while reducing the potential for fraud) are not being launched (OECD, forthcoming).

Digitalisation can affect a range of public services in the welfare area. In education, new teaching and learning methods are being tested, and global learning communities are emerging. In public schools, digitisation is often used to facilitate administration-parent interaction, but the teacher-pupil and the pupil-pupil relations are also increasingly subject to change through the introduction of new ICT tools (see Box 3.10). In the area of health, new service models are emerging. Patients have better access to information, which leads to their increased independence and empowerment in care.

#### **Box 3.10. Introducing ICT in Danish primary schools**

In 2012, the Danish Government, driven particularly by the Ministry of Education, agreed with the municipal representatives, Local Government Denmark, on a joint strategy for increased use of ICT in the primary school. The strategy covers all 98 municipalities, approximately 1 700 schools, around 49 000 teachers and 580 000 pupils. The strategy is conceived under the umbrella of the national Danish joint-public e-government strategy.

Based on a situation with relatively few advanced schools, little exchange of knowledge, immature markets for online/IT-based learning materials, and little research done on the direction and impact of digitisation in education, the Danes decided to develop their strategy around four key elements:

- develop the market for digital learning resources to increase the supply of high quality products
- ensure efficient IT infrastructure in schools
- gain more knowledge on IT-based learning
- support the use of IT and digital learning resources through networking and sharing knowledge.

By 2014, all municipalities had established the necessary infrastructure, investments in ICT and now enabled teaching has increased significantly, and research is targeting and evaluating digital learning; in other words, the ecosystem is emerging. The activities covered in the strategy are funded jointly by the government and the municipalities, to the amount of DKK 500 million each (67 million euros).

Key insights from the first systematic pilots and the preliminary research indicate significant potential for freeing up teachers' time for direct student-interaction and teaching through better use of ICT, particularly through more effective preparation of teaching. The Danish Government, driven particularly by the Ministry of Education, agreed with the municipal representatives and Local Government Denmark, on a joint strategy for increased use of ICT in primary schools.

*Source:* Author's own work, based on OECD (2016) "Digital Government Strategies for Transforming Public Services in the Welfare Areas", OECD Comparative Study, [www.oecd.org/gov/digital-government](http://www.oecd.org/gov/digital-government).

Digitisation will play a key role to leverage this transformation of the public sector at large, given its potential to increase productivity and inclusiveness of service production and delivery in public welfare areas. In the short term, this digitisation will be a precondition for ensuring sound fiscal policies; in the longer run, it will be equally important to maintain the public sector’s credibility in terms of efficient and effective service delivery responsive to users’ needs, thus nurturing public trust in governments’ capacity to boost more inclusive processes and growth.

### *Taking user engagement online*

Traditional consultation processes provide citizens with an important opportunity to feed into the policy-making and service-delivery process. It is particularly valuable that they are legally enshrined making them genuinely integral to policy making in Northern Ireland. That said, the level of public engagement with these processes is not always as high as it could be; for example, it was acknowledged during OECD interviews that the response rate to public consultations is relatively low. One very simple measure could be to make public consultations more visible (while they are all published on the nidirect website, it is currently difficult to navigate to the relevant page without guidance).

Another approach could be to make it easier to provide input (currently possible in writing via email or the post) which might help stimulate a higher volume of responses. In this regard Northern Ireland could make use of the opportunities offered by new technologies, such as digitisation and social media to reinvigorate and complement its existing approach. While there has been some move towards using online feedback processes in Northern Ireland –for example the Library system uses a feedback system via their website – some countries have made more dramatic shifts to put consultation processes online.

Australia’s “speechbubble” is an online forum to engage with the public, staff and other stakeholders in the design of services. Government initiatives are posted on the forum and are open for a defined period where the public or staff (depending on the initiative) can comment, ask questions and make suggestions. The forum is clear and visually presented, with clear links to the outcomes of previous consultations, the opportunity to subscribe to receive email notifications on future “speechbubble” consultations and links to social media, making it easy for users to access and participate in consultations. At the end of the process the department provides a full report on how the public’s feedback has been used. Through this process departments have received much more feedback in a more cost effective way than through traditional consultation processes (OECD, n.d.).

Digital technology creates many opportunities to facilitate the feedback process. OECD countries have developed user monitoring services so that service users can provide direct feedback on their satisfaction with public services. These methods provide the public sector with an understanding of how their services are performing, where opportunities for improvement lie and where communication between the public administration and citizens can be improved (Box 3.11). Some governments have also viewed this as an opportunity to use standardised key performance indicators specifically for digital services which can go so far as to provide a live dashboard of key metrics on the performance of online services, such as the Performance Platform ([www.gov.uk/performance](http://www.gov.uk/performance)) put in place by the United Kingdom’s GDS – both encouraging greater accountability by service providers while also providing deep insight into how to optimise existing online services and the impact of changes to these systems.

### Box 3.11. Obtaining user feedback

In Italy, citizens can provide direct, real-time feedback on their experience with the public service by clicking on “emoticons” (icons with emotions corresponding to different levels of user satisfaction) when they use online services and through touchscreens available at the counters in public service centres. This data is evaluated, analysed and published regularly. The data on user feedback has enabled the Italian public authorities to identify pockets of user dissatisfaction focused in specific service areas and take action to address the issues.

The United Kingdom uses a simple user insight tool to obtain user feedback on healthcare services, and in the future will be used for employment services and further education. Users are asked to respond to the question: “would you recommend this service to your friends and family”? The scores provide a single measure of public service performance which is meaningful to users, frontline professionals and managers of public services. The results are published and transparently attributed to each service provider. It has helped public services identify a number of ways to improve service delivery, from increasing room temperatures in one hospital to reductions in the spread of infections

*Source:* OECD (n.d.), “Observatory of Public Sector Innovation”, [www.oecd.org/governance/observatory-public-sector-innovation/](http://www.oecd.org/governance/observatory-public-sector-innovation/) (accessed 5 June 2016).

While it is important that there be established systems for users to provide feedback it should be acknowledged that only a minority of service users will ever use official complaint mechanisms – in fact 20% of people complain to peers through social media rather than officially. This reiterates the importance for governments to be proactive in eliciting feedback and the potential role that social media can play in transmitting it. By following discussions and mentions on social media public services can become aware of service failures or gaps. For example, in Australia the monitoring of social-media mentions led to the realisation that there was space for the government to provide information for young people about the financial support available to help them study (OECD, n.d.).

Currently in Northern Ireland social media are being used primarily in a limited way to push information out with little active dialogue and engagement or monitoring of social media discussions related to service delivery. In some areas social media and other tools for online citizen engagement are not being used at all, for example in the case study on Delivering Social Change Framework it is noted that digital and social media have not been used as a tool to disseminate information or to engage the public.

Approaches that make use of digital technology are often efficient and effective as they enable the public administration to consult a broad spectrum of users in a relatively cost-efficient way. It is crucial that the public administration be able to demonstrate how user feedback has been used so that users feel that their contribution has been worthwhile. For Northern Ireland digital tools may be one way to re-invigorate traditional consultation and feedback processes. However, it must be acknowledged that it is only an effective method for certain groups of the community with digital access and who are already motivated to participate. The importance of achieving inclusivity in Northern Ireland’s approach to user engagement means that other methods are also critical, in as much as they respect Section 75 duties.

Northern Ireland’s citizens are engaged through regular surveys, such as the Omnibus Survey which surveys a representative sample of the population and collects information on various data (income, household) as well as preferences, opinions and behaviour. The administration also uses arm’s length and representative’s bodies to make the link between government, the community and the public. The Patient Council and the Youth Council are two examples of organisations that are supported by government and engage users in policy development. The Joint Forum (see next chapter) is the oldest structural relationship between the government and the voluntary and community sectors with the aim of enhancing these groups’ engagement in policy making. In the Joint Forum’s discussions between the voluntary and community sectors and the public administration it focuses in particular on the interaction between the two in the realm of public service delivery, addressing questions such as the public procurement model and the effects of budgetary cuts. It thus presents an institutionalised form of engagement, which could provide a space to discuss the co-design of public services, taking the current outsourcing of services to the sector a step further (see below Alternative Models of Service Delivery).

Local politics and community plays an important role in Northern Ireland. This is being reinforced under the local government reform with local councils taking on additional responsibilities including the statutory obligation to engage citizens. While local engagement comes with its own challenges, it is a strong mechanism for listening to users’ views which could become even more effective with the councils’ new community planning functions (see Chapter 3).

Alongside employing digital technologies, public administrations are increasingly co-creating by moving out of their offices to engage with users directly. They are creating spaces dedicated to working with users; they are investigating by asking service users directly about their experiences; they are prototyping with service users; they are using user feedback to refine solutions; and they are using agile development for technology solutions, putting out beta version for users to test (see Box 3.12).

#### **Box 3.12. Co-creation: Exploring, investigating, prototyping with users**

Countries’ experience of the co-creation process highlights two important results. Firstly, the involvement of service users helps to develop services which more accurately meet their needs. Secondly, the co-creation process itself is a more inclusive process, which generates feelings of greater involvement and influence among service users.

Like many other OECD countries Finland’s population is aging. Understanding the needs of the increasing elderly population is important to develop public services which are appropriate and accessible to facilitate independent living and well-being. Different co-design methods were used to involve elderly people (many with dementia) and their relatives in the development of services at their nursing home. Implementation was also a collaborative effort, involving the local municipality, a university consortium, charities and civil society organisations. This process has led to the development of more specifically adapted services, such as indoor and outdoor activities for the elderly, while the co-design approach has led to a sense of greater inclusion and participation at the nursing home.

Sweden has used a process of “visioning” where service users are asked to image their future ideal scenario to help develop new digital services for its rural population. The administration worked with a target group of users to create a future ideal scenario, prototype a solution with iterative development and refinement based on user feedback. Aside from the digital solution that this process produced, the co-creation methodology improved communication with citizens.

*Source:* OECD (n.d.), “Observatory of Public Sector Innovation”, [www.oecd.org/governance/observatory-public-sector-innovation/](http://www.oecd.org/governance/observatory-public-sector-innovation/) (accessed 5 June 2016).

Northern Ireland is making some impressive efforts to actively engage its citizens in the design, formulation and improvement of public services. It is going beyond the traditional public consultation process, to engage individuals across society in a discussion about the services that they need and want. These efforts are led at the individual department level. Inspired by the Welsh Government's national engagement "the Wales we want"<sup>2</sup> the Department of Finance and Personnel has been engaging the public in a discussion about what reform means for them, about what services they like and those that they could live without. As Northern Ireland undertakes this work it would be useful to collect data on levels and profiles of the citizens and groups who engaged to establish a broad picture of the types of users that are being reached, and also highlight if there are certain sectors of the population who are not being engaged.

It is encouraging to see that the co-design methodology that is being developed in Northern Ireland's Innovation Lab is being borrowed and implemented across other areas of government. For example, as part of the development of a new social strategy the OFMDFM has employed a large scale co-design approach which has engaged citizens in individual meetings and focus groups bringing together a wide cross section of different groups from across Northern Ireland's society. This has included concerted efforts to engage with hard to reach groups who may otherwise remain outside traditional consultation processes by working with third sector bodies with established contact with such groups. Still in the dawn of these initiatives, and crucially it is not yet possible to see how the findings from user engagement will be translated into the services that are delivered and most importantly the social outcomes that are achieved. Nevertheless, it is encouraging that user engagement is taking place with adequate time so that the results are able to feed into the next PfG.

Looking to the future there is also clear scope for these innovative methods to be applied to other areas of service delivery. The case studies on Looked-after Children, Justice, and healthcare commissioning all highlight opportunities for greater involvement of service users to improve service delivery and achieve greater impact. For example, the case study on Looked after Children highlights the need to take a more holistic, child-centred approach for looked after children. In particular, it is noted that while children's participation in care planning is protected by legislation, in reality most children are not involved in the decisions that are taken about them and that children and their families are rarely involved in the development and planning of care systems. Innovative approaches to user engagement that put the user, their families and other relevant stakeholders at the centre of the design and development process could provide real value here.

By bringing children into workshops, interviews and group discussions to understand their experience service planners would be able to understand the social care services from the children's perspective to help design services which perform better for the children that use them. Children's lack of participation in the decisions that are taken about them may point to accessibility problems, around language, unclear processes and the adults involved not being sufficiently able to make children feel at ease. A more innovative user-centred approach to policy development that gives children a voice might help to understand why children are currently not able, or willing to participate in the decisions that affect them and the approach should make improvements to address this.

Equally, the case study on justice notes that "community involvement is considered to be a vital condition for a well-functioning justice system". Especially given the history of "The Troubles" in Northern Ireland and a general mistrust towards the justice sector in particular, actively working with the community and involving citizens in the

development and improvement of services will not just help to develop more effective public services, but also build greater trust in the justice system and government as a whole. Again, the more participatory user-centred engagement approaches discussed above could help support this.

### ***Open government data***

Another powerful ICT enabled tool for citizen engagement in the planning process is the use of Open Government Data (OGD). The OECD recognises the economic, social and good governance benefits that can be achieved when government data are released in machine-readable format, for free and under an open license, i.e. as open data (Ubaldi, 2013). Opportunities for new start-ups and for the private sector to develop new products and services, efficiencies within the public sector, better service delivery, improved public engagement in policy making and service delivery, increased government transparency, accountability, integrity and better decision making are all possible benefits. Furthermore, data-driven approaches to decision making are being acclaimed as capable of generating improved insights to societal problems and improved responses to dealing with them. Better exploitation of large open government datasets available to national authorities is expected to revolutionise their ability to address major policy challenges ranging from crime prevention and deterrence, legal and regulatory reform, tax collection, climate change and cancer research.

Out of 30 countries surveyed by the OECD, 25 have a dedicated comprehensive strategy on OGD at the national or federal level (OECD, 2012a). The priorities for these OGD strategies can vary across jurisdictions, but the planning process for the development of government policies and services is one area to which they can contribute. By ensuring that key datasets related to the public administration are released in machine-readable formats with open re-use licences, this opens the possibility for both civil society and government itself to better be able to analyse and spot trends which can provide important inputs into the policy process. Administrations can use new opportunities for collaboration in the production and use of data, citizens can gain a better understanding of action taken by the government, researchers can use data for their work, consumers can take better decisions, or companies can design new products and services (Program Office E-Government Switzerland, 2014; see Box 3.13).

#### **Box 3.13. Open data strategy in Switzerland**

The Federal Council wants to improve access to official data and is committed to realising the potential of open government data in Switzerland. The Open Government Data Strategy for Switzerland 2014-18 will create a common understanding on the use of OGD, set the objectives which should be achieved with the provision of OGD and determine the thrust of activities in the Federal Administration in the area of OGD up until 2018. The OGD Strategy for Switzerland is binding on the Federal Administration insofar as it is subject to the directives of the Federal Council. The OGD strategy will be implemented in the relevant departments and federal offices. For the remaining federal offices, the strategy is to be taken as a recommendation. In the interests of co-ordinated implementation of OGD at all federal levels, the Confederation is pursuing co-operation with the cantons and the communes on the basis of this strategy. Co-operation with other institutions in the public sector is being examined.

*Source:* OECD analysis; based on Program Office E-Government Switzerland (2014), “Open Government Data Strategy for Switzerland 2014–18”, approved by the Federal Council on 16 April.

In addition, OGD can also support the identification and tracking of indicators, as well as their discussion with citizens. Users can process available datasets to reveal new interrelationships, for example by means of visual representations. Effective use of this by non-governmental actors can be seen for example by the *Guardian* Newspaper's Data Blog which focuses on providing analysis of public policy issues by taking advantage of the increasing availability of open government data and provide effective visualisations that assist in exploring sometimes complex issues and trends which ultimately impact on public debate on these issues. Throughout the process of defining strategic commitments and KNIs, engaging citizens will ensure their relevance and acceptance. It is key that strategic commitments and KNIs be important and meaningful to people, straightforward to interpret and easy to communicate. By having these KNIs as part of an open government data ecosystem, it helps facilitate citizen engagement in both their development and the monitoring of their implementation over time, ultimately increasing public trust and confidence in the process.

In Northern Ireland, the Digital Transformation Service (DTS) Programme delivers projects designed specifically to increase engagement with citizens by using ICT. DTS is also responsible for the co-ordination of OGD activities. The Northern Ireland government, via DTS, launched its Open Government Data Strategy in March 2015 (see Chapter 4 for more information about Northern Ireland's OGD strategy). If the OGD strategy is successfully implemented, it opens the possibility that open data will become a much larger part of the planning process in the Northern Ireland Government. However, to be able to capitalise on this opportunity, building up the appropriate skill set within government is critical. This is an issue throughout OECD countries and should likewise be a focus as the full benefits of OGD to improve the planning process cannot be realised if skills and analytical capacity are not bolstered within the NICS to work with these datasets and their related ecosystems. This is discussed further in Chapter 4.

### Good-governance enablers to improve strategic approaches: Recommendations

The ability of the government to improve strategic approaches is predicated on its capacity to articulate and pursue a vision-based strategic plan or plans, with a small number of multi-year, multi-dimensional objectives to be achieved by the government over the life of its mandate. It is also dependent on its capacity to harness strategic government-wide human resources management, the ability to anticipate issues through early intervention and prevention strategies, and harnessing digital technologies for more effective and efficient government. These are presented below.

#### ***Recommendation 9 on Strengthening culture that values engagement and agility***

**Strengthen a culture among public sector leaders that values employee engagement, workforce agility to work effectively across silos and skills development for public servants.** Leadership development provides opportunities for leaders to interact, share experience and build a sense of common purpose and membership in a single team. The NICS competency framework is an example of this development strategy. The NI public sector should build a common leadership culture with a focus on employee engagement. To this end:

- use employee surveys to align leadership and drive a more innovative and coherent organisational culture in public bodies

- use survey results at the directorate level or below to develop specific action plans tailored to each organisation.
- foster agility by reinforcing and encouraging mobility across the public sector
  - encourage secondment opportunities to other public bodies
  - identify and remove barriers to cross-government mobility, both real and perceived.
- review training programmes to ensure that public sector staff acquires skills applicable to the whole policy-cycle
  - include training in soft skills (e.g. communication, leadership), strategic planning, service delivery, and monitoring and evaluation, team building skills, skills related to data analytics and data visualisation to better analyse and communicate achieved results to decision makers and legislative oversight bodies, as well as the public at large either directly or through the media.

The case study on Delivering Social Change recommends human resources tools be used to develop the capacity of NICS staff in such areas as horizontal work and evidence-based decision making, useful to DSC.

The case study on commissioning for health services observed that there is a need to develop skills and capacity to deliver change, and recommends that DHSSPS build capacity for leading change in complex systems, including training and recruitment to support change, and building a network of practitioners to help deliver change.

### ***Recommendation 10 on Common sense of community***

Reinforce within the senior civil service a common sense of community based on a shared commitment to serve a “single government”. The NICS senior leadership should play an important role in leading transformation and change. To this end:

- review and administer leadership development programmes to mid and senior managers that impart whole-of-government perspectives, notably around such transversal leadership objectives as innovation
- the case study on Delivering Social Change recommends that performance management of all senior officials from Grade 3 (Deputy Secretary) upwards include an assessment of their contribution to the advancement of whole-of-government priorities.

The case study on Looked-After Children recommends individual performance management as a major incentive to encourage working across agency barriers.

### ***Recommendation 11 on Investing in skills to support innovation***

**Invest in skills development to support innovation.** Successful innovation exhibits many different models. It therefore follows that innovation is best supported by a diverse range of actors with a broad set of behaviours, competencies and profiles. To develop its offering of digital, innovative public services Northern Ireland should:

- invest in the development of staff skills in areas such as data analytics, social media, prototyping and human-centred design, using a combination of peer-to-peer learning, work shadowing, external training, partnerships, and recruitment as appropriate
- promote Strategic Human Resources strategies as a key element in fostering a cultural change within the public sector to strengthen citizens' engagement and improve dialogue with key stakeholders, such as the community and voluntary sectors
- create space for employee/team autonomy to make decisions and structure work in ways that enable performance and innovation
- move away from the traditional focus of human resources on compliance and develop new skill sets and capacities in performance auditing and outcomes-based auditing, as well as strategies to communicate their work in this area to the legislature and wider public.

The need to invest in staff capacity and training was also observed in the case studies:

- The case study on Looked-After Children recommends that the training needs of professionals and carers (and the funding to support new training) should be identified and should lead to the implementation of a training plan to support these individuals.
- The case study on problem solving justice made a similar observation with regard to ensuring that professionals with the justice system have the training necessary to fulfil their responsibilities.
- The case study on Delivering Social Change recommends that training should be used to develop the capacity of NICS staff in a number of areas such as horizontal working, evidence-based decision making, and other areas that were pursued as objectives of the DSC.
- The case study on commissioning for health services recommends that DHSSPS consider how to build capacity for leading change in complex systems, including through training opportunities.

### ***Recommendation 12 on Establishing an early intervention/prevention framework***

Establish a framework for the application of Early Intervention/Prevention as a building block for new social policies and programmes. The ability to identify and act on factors that are shown to contribute to negative social outcomes is an important goal for Northern Ireland. To intervene early and mitigate these factors, Northern Ireland should:

- develop a holistic and comprehensive definition of Early Intervention/Prevention to ensure a common understanding and vision of what Early Intervention/Prevention entails in the context of Northern Ireland and the policies and programmes of its government
- ensure that all new social policies and programmes include criteria and indicators enabling the measurement of the application of Early Intervention/Prevention as part of their evaluation

- use human resources tools, such as training, to develop further the capacity of NICS staff to learn and apply the concept of Early Intervention/Prevention, notably NICS staff responsible for the design and implementation of social policies.

The case study on problem-solving justice observed that prevention is a domain that can benefit from better collaboration between departments, which should be promoted and monitored. Investments in education, in health, in social services can contribute to reduce crime and thereby prevent costs further down the justice chain. All three social domains (drug and alcohol abuse, mental health and domestic violence) would benefit from enhancing preventative measures.

### ***Recommendation 13 on Strengthening data-driven analysis***

**Strengthen data-driven analysis for improving service design and delivery.** The roll-out of the NI Open Data strategy and data-intensive digital initiatives such as the eHealth programme provide potential opportunities for using data in innovative ways for improving service delivery. To this end:

- build capacity and organisational support to move towards a data-driven culture within the Northern Ireland Public Sector
- develop centralised expertise, possibly within DFP, on open data and big data analytics, greater engagement both internally and externally on the use of public sector data, and partnerships with the third sector and the private sector that have experience and expertise in this area.

The case study on Looked-After Children observed that the absence of good monitoring data and research has held back progress for Looked-After Children; it recommends that Northern Ireland invest in its capacity to monitor programme implementation and use data to identify areas of improvement.

### ***Recommendation 14 on Stronger standards and accountability***

**Build stronger standards and accountability for digital services.** While the Digital First mandate and Citizen Contact Strategy provide good high-level guidance for the increasing development of digital services in Northern Ireland, given their decentralised model there is a risk that the implementation could fail to meet expectations. Accordingly:

- adopt a common and mandatory standard for all digital services being developed to ensure high quality and a user-centric development approach
- adopt and make mandatory the existing 18-point UK Digital Service Standard for any new services going on NI Direct
- adopt the Key Performance Indicators used for the United Kingdom’s digital services for all Northern Ireland’s digital services, and build on the experience of GDS in developing their performance dashboard
- DFP should provide clear direction on the use of nidirect to improve public awareness of ways to interact with the government on line.

The case study on Delivering Social Change recommends that OFMDFM seek opportunities to leverage digital technologies and social media to increase dissemination of information on DSC and in particular to increase citizen and stakeholder involvement in the initiative.

### ***Recommendation 15 on Centralised capacity for digital delivery***

**Strengthen centralised capacity for digital delivery.** Given the uneven distribution of technical skills and capacity across government, Northern Ireland should:

- establish a centralised expert team on service design and data analytics, perhaps within DFP, to work with departments on development of new online services.

### ***Recommendation 16 on Increasing access to online services***

**Increase NI people's access to on-line government services.** While there are strong efforts underway to increase digital literacy in Northern Ireland it still has the lowest percentage of regular Internet users in the United Kingdom. To this end:

- sustain support to the Go ON Northern Ireland initiative and expand it with an increased focus on those within the lowest socio-economic brackets who have both the lowest levels of digital literacy skills and some of the greatest needs for accessing government services
- examine the role of libraries or mobile stops to expand digital literacy programmes particularly given recent investments into the Library system to upgrade IT infrastructure and enable Wi-Fi access
- engage third sector partners to provide digital literacy training, particularly to those who work with marginalised communities that are in the greatest need of upgrading their digital skills.

### ***Recommendation 17 on Enhancing international engagement***

**Enhance Northern Ireland's international engagement in digital government and innovation.** Northern Ireland is well positioned to take advantage of growing expertise in innovation and digital service delivery both across the United Kingdom and internationally. The recent digital partnership agreement with Estonia is a good example of the type of international outreach that can help to increase capacity within Northern Ireland. Similarly, Northern Ireland is part of the growing community of innovations labs internationally. Therefore, Northern Ireland should:

- continue to work with the United Kingdom's Government Digital Service given its expertise in digital service delivery, including exploring an active interchange programme to further develop the skills and experience of key staff
- explore opportunities to deepen its exchanges with other Innovation Labs through peer to peer learning, work shadowing and short secondments with labs that are operating in a similar context in central government such as the United Kingdom's Policy Lab, the French government's *Futurs Publics* and Canada's Innovation Hub.

## Notes

1. A MOT test is a vehicle inspection/safety test. Originally standing for “Ministry of Transport” test, it is commonly referred to in the United Kingdom as the MOT test.
2. For more information, see [www.thewaleswewant.co.uk/wales-we-want-report](http://www.thewaleswewant.co.uk/wales-we-want-report).

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## Chapter 4

### Improving engagement with people in Northern Ireland

*This chapter discusses the theme of improving engagement with people as the second of Northern Ireland's thematic priorities for this Public Governance Review. This chapter notes that citizen engagement is an important contributor to policy and programme development and to their successful implementation. This chapter finds that a number of tools exist to support citizen engagement practice in Northern Ireland, but that these tools need to move beyond traditional public consultation processes to include new approaches such as social media and innovation labs.*

## Introduction

This chapter assesses the second of the Northern Ireland Executive's overarching governance themes: **improving engagement with people**. The nature and scope of government's ability to engage with citizens and stakeholders are factors that enhance the capacity of the public administration to meet public needs and respond to citizens' expectations effectively. This chapter focuses on user and citizens' engagement, as well as openness, transparency and accountability to citizens, the sixth and seventh sub-themes being assessed in this Review.

### Citizens' engagement: Shaping a shared vision

Engagement of citizens is key in defining the government's vision, desired outcomes and key indicators of success. Stakeholder-engagement principles and practices are applied in a very particular context in Northern Ireland, which differs from that of the rest of the United Kingdom or most OECD countries due to its history of conflict and the electoral system that was established as a consequence. *The Good Friday Agreement* created a political system where the d'Hondt system determines the members of the Executive. In addition, voting occurs to a great extent along community lines; electoral debates are dominated by themes linked more to the institutional architecture of Northern Ireland than on policy priorities. This has a direct impact on the actual capacity of citizens and Civil Society Organisations (CSOs) to hold politicians and policymakers accountable for their political programmes and implementation policies through the electoral system.

Citizen engagement beyond the election cycle should thus constitute an avenue to discuss political priorities, as greater transparency in intended policy outcomes and *ex ante* and *ex post* involvement of citizens in their elaboration and in the monitoring of their implementation can foster social and political accountability. Box 4.1 outlines the various benefits of stakeholder engagement in the area of regulatory policy, which can be applied to engaging stakeholders in the definition and implementation of a vision.

A positive example of stakeholder engagement to define the vision of a country that could be of inspiration for Northern Ireland is the case of Lithuania (see Box 4.2). Lithuania recently articulated its national vision, *Lithuania2030*, which sets out long-term goals (smart economy, smart society and smart governance) to be achieved on the basis of the values of openness, creativity and responsibility. The definition of the strategy drew upon an inclusive and comprehensive consultation process while its implementation continues to be guided and monitored by the involvement of stakeholders. The strategy reflects the aspirations of wide variety of Lithuanian stakeholders. As the strategy has to be reflected in all other planning documents, starting with Lithuania's Programme of Government, it also ensures that the whole policy cycle is built upon citizens' aspirations and actual needs (OECD, 2015a).

#### Box 4.1. Benefits of consultation

- **Transparency and access to information:** Public consultation can increase the transparency of the rule-making process because stakeholders have access to the process itself, as well as to timely and relevant information about the proposed legislation. Consultation therefore contributes to equal access to information.
- **Added value:** The public is a rich source of instant and updated information. It is the driver of innovation, and public consultation enables policy makers to make use of the public’s precious experience and knowledge.
- **Alienation and connectivity:** Public engagement in rule making can raise support for regulations, as citizens feel connected to the policy-making process. Disenchantment with politics bears the risk of declining support for reform, and for undermining public confidence and trust in national political institutions.
- **Increased compliance:** Engaging the public and striving for consensus can help to increase the social acceptance of regulations. It can contribute to greater compliance and, therefore, reduce enforcement costs.
- **Regulatory literacy:** Stakeholders will learn about the complexities of setting regulations, finding compromises and trade-offs. Open government illustrates to the public the constraints and limitations faced by authorities. Public consultation therefore promotes public education on rule making, and provides stakeholders with a chance to increase their regulatory literacy.
- **Anticipating the impact:** Public consultation is necessary to anticipate the likely impact of the regulation on stakeholders, contemplate unintended consequences and consider alternatives to the proposed regulatory option.
- **Managing conflict:** Public consultation provides a mechanism to manage conflicts at an early stage. Engaging the public in rule making is one tool for mediating among various interests in society and increasing awareness of compromises.
- **Pursued public interest:** Quality regulations are based on public interest. Yet, public interest is not static – but a dynamic concept that needs to be continuously defined. Naturally, the definition and pursuit of public interest can only take place through a dialogue with the public.

*Source:* OECD (2012), “Regulatory Consultation in the Palestinian Authority: A Practitioners’ Guide for Engaging Stakeholders in Democratic Deliberation”, [www.oecd.org/mena/governance/50402841.pdf](http://www.oecd.org/mena/governance/50402841.pdf).

#### Box 4.2. Lithuania2030: A national vision

The Lithuanian Government elaborated an inclusive process to draft its national progress strategy and follow-up on its implementation. The State Progress Council, created by government and including members from government, parliament, leading universities, business associations, the Head of the National Museum, non-governmental organisations, academics, youth organisations and the media co-ordinated the elaboration and still co-ordinates the implementation of the strategy.

#### Box 4.2. Lithuania2030: A national vision (continued)

A variety of public engagement mechanisms were conducted to involve a variety of opinions as large as possible in the definition of the strategy. These included meetings in the embassies to involve Lithuanians living abroad, a national day of ideas across the country, idea week in schools, online consultation and working groups on the three main topics: smart economy, smart society and smart government. Innovative approaches as working with school children to reach the elderly were used to include hard to reach groups.

To implement the strategy, annual progress actions are defined. Citizens are invited to participate in the definition of these actions via a website to propose ideas or to participate in the Open Progress Forum. It is a tool for thematically focused dialogue with society bringing together a wide variety of actors from society. Until now, it has held dialogues on topics such as local communities, education or the welfare model. The outcomes feed into the annual progress actions. Civil society is also invited to contribute to the implementation of the strategy through its own initiatives.

Source: OECD (2015a), *Lithuania: Fostering Open and Inclusive Policy Making*, OECD Public Governance Reviews, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264235762-en>.

A first effort in this direction was recently conducted by Carnegie UK. As mentioned above, in 2014, the Carnegie UK Trust convened a Carnegie Roundtable on Measuring Well-being in Northern Ireland to explore how the concept of well-being can be used to promote social change. The Roundtable promoted a ‘well-being framework’ to guide and support the work of public services in Northern Ireland. The results of the Roundtable point to the importance of public engagement in defining the rationale, design and application of the strategy guiding Northern Ireland (centered on well-being as proposed by the roundtable). Engagement would not only improve the well-being framework by enabling it to reflect the needs of the people, engagement itself as an activity would contribute to well-being (Carnegie UK Trust, 2015). The Roundtable’s background report sets out the Roundtable’s deliberations, the seven steps it has identified for developing a well-being framework and ten recommendations in order to implement these steps and to introduce a new, innovative way of delivering public services in Northern Ireland (see Box 4.3).

#### Box 4.3. National well-being indicators, Northern Ireland

In Northern Ireland, the 2015 Carnegie Roundtable on Measuring Well-being was convened to explore how the concept of well-being can be used to promote social change. Its recommendations include a seven-step approach to establishing a National Well-being Framework in Northern Ireland: 1) set well-being as a collective goal; 2) engage the public; 3) establish new ways of working; 4) align tiers of government; 5) communicate social progress; 6) improve accountability; 7) support the Well-being Framework.

The report recommends a dashboard of indicators to enable to track progress towards the achievement of the government’s shared purpose and outcomes. Indicators do not provide comprehensive measurement of every activity undertaken to achieve the Outcomes and Purpose. Instead a set of indicators is carefully chosen that are representative of current priorities across a broad range of economic, social and environmental issues. An outcomes-based approach can lead to a facilitative approach and to scrutiny tied into a cycle of learning and capacity building. A protocol will be required, involving NISRA and senior officials with responsibility for the compilation and release of data, to inform and update the Framework outcomes and indicators. Such a protocol must be agreed at Ministerial level to ensure the integrity of a Well-being Framework and maintain confidence in the integrity of any data released.

Source: Carnegie UK Trust (2015), “Towards a Well-Being Framework: Findings from the Roundtable on Measuring Well-Being in Northern Ireland”, Carnegie UK Trust, Dunfermline.

### *Stakeholder and citizen’s engagement for planning, implementation and evaluation*

For any whole-of-government strategic plan to be successfully implemented, buy-in from key stakeholders in society is necessary. Stakeholder engagement has increasingly been recognised as key for an efficient planning process, as for example in the area of health policy (see the case study on the Commissioning of Health Services). For example, public engagement is important because it provides a means to assess needs and evaluate priorities, gives legitimacy to the measures beyond short electoral cycle, and provides a framework for accountability. As discussed earlier, the political context in Northern Ireland makes engaging citizens beyond the election cycle even more important. Furthermore, the engagement of the voluntary and community sector with various government departments in the delivery of public services provides them with valuable knowledge that could be harnessed to identify duplications and create synergies between departmental efforts and overcome silos.

#### *The Civic Forum*

The *Belfast Agreement* and the *Northern Ireland Act* recognised the importance of engaging citizens and promoting transparency. Accordingly, the Agreement established a consultative Civic Forum to systematically involve the voluntary and community sector (see Box 4.4) and a Code of Conduct for Ministers that underlines the importance of access to information and integrity. The *Agreement* and the *Act* also create statutory obligations on equal opportunity (Section 75) to be monitored by the Equality Commission.<sup>1</sup> These requirements have the effect, that consultation and engagement in Northern Ireland is greatly linked to these Section 75 duties (the equality duties), as they require consultation with the Section 75 categories. Moreover, the Agreement spells out the right of women to full and equal political participation. With less than 20% of women in the Northern Ireland Assembly and 33% of public appointments, equal participation remains a challenge (Assembly and Executive Review Committee, 2015).

The Civic Forum saw itself as a mechanism for participatory democracy and adopted the following mission: “The Civic Forum will exercise effective community leadership and directly influence the building of a peaceful, prosperous, just, cohesive, healthy and plural society”. The Forum was suspended with direct rule in 2002. Up until then it had met twelve times and had created working groups. Its output included an Anti-poverty report, Lifelong Learning report, a submission on Sustainable Development, a submission on Human Rights, a submission on Victims and two responses to the PfG (McCaffrey, 2013). Following devolution in 2007 the Civic Forum was not restored. The 2014 *Stormont House Agreement* provides for a new engagement model through the establishment of a compact civic advisory panel, which has yet to be created.

#### Box 4.4. The Civic Forum

The participation of the voluntary and community sector was enshrined in The Good Friday Agreement through the establishment of a Civic Forum. Its mission is to act as a consultative forum on social, economic and cultural issues (Strand One, Article 34). The Forum included members from ten sectors:

- Voluntary/Community (18 representatives)
- Business (7 representatives)
- Trade Union (7 representatives)
- Churches (5 representatives)
- Arts and Sports (4 representatives)
- Culture (4 representatives)
- Agriculture and Fisheries (3 representatives)
- Community Relations (2 representatives)
- Education (2 representatives)
- Victims (2 representatives)

The selection of members should adhere to the following principles: a gender balance; a community background balance; a geographic spread across Northern Ireland; a balanced age profile to include young people and older people.

*Source:* OECD analysis, based on McCaffrey (2013), “The Civic Forum”, Northern Ireland Assembly, Research and Information Service research paper.

OECD interviews confirmed that the period immediately following the peace agreement until direct rule saw several citizens-engagement initiatives. The initiatives, according to the interviews, were characterised by reaching out to ordinary citizens (beyond representative groups such as civil society organisations) and gave citizens a say in policy making. One example that was cited is the consultation for the Northern Ireland Health Strategy “*Investing for Health*” (2002), (see Box 4.5). However, effective engagement in all aspects of the health sector remains a challenge as discussed in the case study of commissioning in health services.

#### Box 4.5. Effective citizen engagement on health in Northern Ireland

The Northern Ireland Health Strategy “*Investing for Health*” (2002) is the outcome of a comprehensive stakeholder engagement process. The process included consultations, a debate in the Assembly, involvement of the Community Development and Health Network and innovative approaches such as an arts project and a photo competition. The photo competition invited people to send pictures about what health means to them and a survey on people’s health perception showed an endorsement of an inter-sectoral approach.

The result is a strategy that takes a broader approach to health aiming to improve well-being and to reduce health inequalities. It is based on a partnership among different Departments, public bodies, local communities, voluntary bodies, District Councils and the social partners and has been judged positively by civil society organisations.

*Source:* DHSSPS (Department of Health, Social Services and Public Safety) (2002), “*Investing for health*”.

Following devolution in 2007 certain citizen engagement practices were not continued. As mentioned above, The Civic Forum was not renewed (CAIN, 2014). Some interviewees suggest that the Forum as a form of direct democracy was seen as needlessly competing with the Assembly for political legitimacy and was thus perceived as something of a hindrance in a functioning representative democracy. Various interviewees contested this assumption and pointed out that civic engagement in Northern Ireland has evolved toward less inclusion.

That said, stakeholder engagement remains formally a part of the Northern Ireland policy-making process. There are clear good-practice measures and expectations in relation to this engagement:

- Public authorities are required to screen policies for adverse impact on equality of opportunity and to conduct a full equality impact assessment (EQIA) of those that might have adverse effects.
- Section 75 groups must be consulted to seek their view if all policies that should undergo an EQIA have been identified (Equality Commission, 2015a).
- The EQIA then requires a 12-week consultation period with the relevant groups and the Equality Commission. The EQIA's results must be published (Equality Commission, 2015b).

In addition to those measures, formal requirements are laid out in the OFMDFM's Guidance. At a minimum, there are formal public consultations on all proposals that lead to legislation. Proposals are published on the departmental websites, stakeholders are advised to comment and in some instances, public consultation events are held. The website [www.nidirect.gov.uk](http://www.nidirect.gov.uk) acts as a gateway to all ongoing public consultations. Public consultation and public appointments are two key routes for citizens to engage with the government (see Box 4.6).

#### Box 4.6. Public consultation and public appointments in Northern Ireland

There are two key routes for citizens and civic society groups to get involved in matters affecting them in Northern Ireland, namely public consultation and public appointments. Both of these are promoted through the Northern Ireland Executive public facing web portal, Northern Ireland Direct ([www.nirect.gov.uk](http://www.nirect.gov.uk)) and individual departmental websites.

**Public consultation** involves the public in the work of government. It is an integral part of the policy-making process. Running a consultation is not simply about more open government. It is about making policies more effective by listening and taking on board the views of the public and interested groups. Responders are able to submit views either as a private citizen, or as a representative of other citizens, or on behalf of an organisation. The website gives advice on how to respond as well as details of current and past consultations.

**Public appointments** are appointments to the board of a public body. These are bodies set up by government ministers, but are not part of a government department. There are around 80 public bodies sponsored by Northern Ireland government departments. They play a real part in shaping and influencing policy and decision making locally. Some provide advice to government ministers while others deliver a range of public services

The Executive believes that it is important that people from a wide range of backgrounds take up public appointments so that the Boards of public bodies reflect the rich diversity of our society and better understand the needs of the communities they serve. Appointments are made on merit and applications are welcome from all sections of society.

*Source:* OECD analysis, based on OECD (2015b), "Northern Ireland responses to OECD Public Governance Review questionnaire", internal working document.

Various departments and institutions have developed guidance on effective stakeholder engagement, including:

- Equality Commission’s Guide for Public Authorities (Equality Commission, 2010)
- OFMDFM’s Guide on Policy Making (OFMDFM, n.d.) and the Effective Stakeholder Engagement Good Practice Guidelines prepared by the Policy Champion Network.

These guides point to factors that can make stakeholder engagement successful. They state that a key aspect of consultations is providing feedback on the use of comments and their influence on decision making; they outline that a targeted approach should be taken (notifying all and taking extra measures to reach out to particular concerned groups); accessibility of language and format should be considered giving due respect to different needs and customs; and enough time needs to be given for groups to consult among themselves, among others (Equality Commission, 2010). The OFMDFM’s workbooks on effective policy making provide practical guidance to implement the Guide and include issues such as a consultation plan or how to create a consultation document (OFMDFM, n.d.).

In addition to government-wide guidance on inclusion of citizens and stakeholders in public policy making there are some departmental strategies in this area. For example, the Northern Ireland Health Strategy “*Investing for Health*” (2002) is the outcome of a comprehensive stakeholder engagement process. In addition, the Strategy has a *Personal and Public Involvement (PPI) Strategy and Action Plan*. The work associated with the Strategy and Plan is led by the Director of Social Care and Children and supported by a core group with representation from all HSCB Directorates. The Strategy includes the Involving People initiative which provides PPI training to individuals from a range of diverse public, community and voluntary sector backgrounds. As part of the Action Plan each HSCB Directorate promotes PPI as appropriate. This is discussed further in the case study on commissioning in health services.

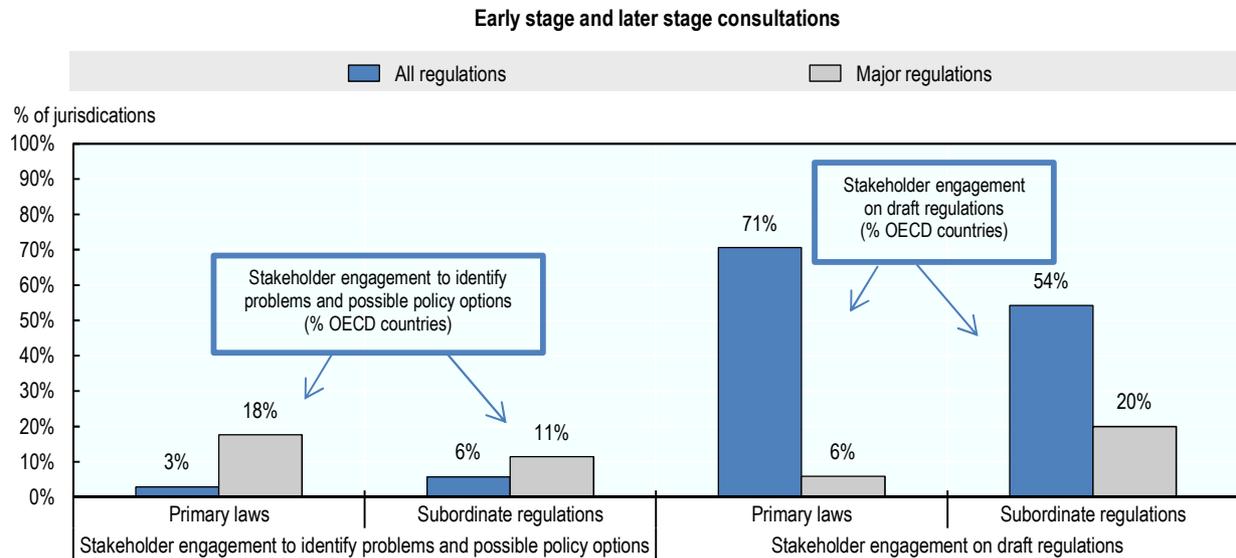
Some departments also give specific consideration to how best to communicate with certain groups of society. DARD takes account of existing and developing good practice, including the Equality Commission’s guidance “*Let’s Talk Let’s Listen – Guidance for Public Authorities on Consulting and Involving Children and Young People* (2008)”. In 2011 the Department launched a “*Guide to Managing Industrial Relations in DARD*” which provides an explanation of when and how the Department should engage with Trade Union Side (TUS).

The Centre for Applied Learning has also supported the development of capacity for citizen engagement since 2013 through courses on Public Consultation and Engagement. To date the courses have been offered on seven occasions and trained 87 staff members.

The existence of these tools suggests that stakeholder engagement is recognised as a core part of policy making and its key principles are well understood. It does, however, not guarantee that it is effective. In fact, the large number of guidelines and manuals reveals inconsistency across practices. Currently stakeholder engagement appears to be rather a compliance with obligations without having a real impact. Despite a formally active approach towards external inputs, consultation is often formal and inward-focused. For instance, there is evidence that consultations do not occur at the stage of policy design, as for example in the case of the Delivering Social Change Framework’s Signature Programmes. As discussed in the Delivering Social Change case study

indications are that the individuals and groups being consulted were not systematically informed of how their input was used (i.e. no feedback). Often stakeholder engagement takes place when the policy has already been drafted, though this varies across departments. The latest data from OECD countries shows that few countries are consulting stakeholders at an early stage to inform officials about the nature of the problem and to inform discussions on possible solutions (Figure 4.1).

Figure 4.1. Stakeholder engagement for regulation



*Notes:* Early stage refers to stakeholder engagement that occurs at an early stage, to inform officials about the nature of the problem and to inform discussions on possible solutions. Later stage consultation refers to stakeholder engagement where the preferred solution has been identified and/or a draft version of the regulation has been issued. Based on data from 34 countries and the European Commission.

*Source:* Author's own work, based on OECD (2015c), *OECD Indicators of Regulatory Policy and Governance (iREG)* (database), [www.oecd.org/gov/regulatory-policy/indicators-regulatory-policy-and-governance.htm](http://www.oecd.org/gov/regulatory-policy/indicators-regulatory-policy-and-governance.htm).

Another challenge is that the number of stakeholders involved is limited and the impact of the consultation process is either screened by ministers or their offices and often subject to political veto. The process is over-engineered, while risk-aversion and a culture of lack of engagement further hinder meaningful dialogue. Fragmentation and differences in stakeholder-engagement practices can also be observed among the various departments, and they are also evident in the various sector guides, which appear to have a negative impact on the capacity and willingness of citizens and civil-society organisations (CSOs) to engage meaningfully.

### *Civil society organisations*

Civil Society Organisations<sup>2</sup> have played a historically important role in Northern Ireland. A recent trend has seen CSOs become more and more providers of public services, almost being seen as arms-lengths bodies of the public sector to the detriment of their advocacy role. Several interviewees have argued that the autonomy of civil society needs to be restored and the value of this autonomy embraced by the political class to

promote true public engagement. The report on Independence in the Voluntary Sector commissioned by Building Change Trust supports these views. It argues that the sector is determined by public policy priorities and competes to deliver public services. The voluntary sector appears to be increasingly treated as equivalent to the private sector and appears to be entering more frequently into fee-for-service-type contractual arrangements than receiving grants. The public sector outsources the delivery of services and sets tight and clear targets. In other words, public procurement rules are increasingly defining relationships with civil society organisations (Acheson, 2013).

Table 4.1 reflects the changing funding model, as the share of income of the voluntary sector from government has increased from 37.3% in 2001 to 52.8% in 2010, while contracts soared from 7.7% to 68% and grants plummeted from 92.8% to 32% in the same time period (Acheson, 2013).

Table 4.1. **Funding model of Northern Ireland voluntary sector**

	2001/02	2003/04	2006/07	2010/11
Total income (all sources)	GBP 657 million	GBP 614 million	GBP 570 million	GBP 741.9 million
Total income from government (percentage of total income)	GBP 245 million (37.3%)	GBP 216 million (35.2%)	GBP 259 million (45.4%)	GBP 392.1 million (52.8%)
Government income as contracts (NI) (percentage of total government income)	GBP 18.89 million (7.7%)	GBP 68.34 million (31.6%)	GBP 166 million (64.3%)	GBP 266.6 million (68%)
Government income as grants (NI) (percentage of total government income)	GBP 266.11 million (92.3%)	GBP 147 million (68.4%)	GBP 92.4 million (35.7%)	GBP 125.5 million (32%)

*Source:* Acheson, N. (2013), “Independence as a principle of voluntary action: Developing a new story about who we are: The challenge for voluntary action in Northern Ireland”, Building Change Trust.

This creates a divide between bigger professional organisations and small-scale grass-root organisations relying more heavily on volunteers. As organisations compete for services, they find it difficult to unite over broader social goals (Acheson, 2013). The Public Administration Select Committee at Westminster also raised concerns that the shift to this competitive approach might damage the sector’s other roles (NIAO, 2010). Self-censorship among organisations can also be noticed (Acheson, 2013). A study by the Charity Commission for England and Wales shows that only 26% of charities delivering public services agreed that they are free to make decisions without pressure (NIAO, 2010). Organisations delivering public services might also find themselves in a conflict of interest when they engage in the development of public policies that engender public services for which they will then compete to obtain a mandate to design and deliver. In the face of budgetary cuts the voluntary sector will be greatly affected. Some critics have noted that the sector is increasingly focussing on survival in their advocacy activities (i.e. when budget cuts affect their area of intervention) instead of reflecting on how a reform of the sector could enable it to play a role in providing advice on policy development to the government and presenting alternative views, moving beyond the provision of public services.

### *High trade-union membership*

Trade unions play a key role as their coverage is relatively high in Northern Ireland. In fact, trade-union density (35% of labour force in 2013) is the highest among all United Kingdom's regions and devolved countries (DBIS, 2013). CBI Northern Ireland, which represents over 60% of the largest employers, influences the Executive to make the environment more competitive. They are regularly consulted by the Northern Ireland Executive. By contrast several interviewees noted that regular meetings between OFMDFM have not taken place since 2013.

There is a need for greater and more effective stakeholder engagement in Northern Ireland both to enrich the policy development process and to enhance service design and delivery. For instance, Northern Ireland think tanks which could influence policy making remain rare. Even though the legal framework and the guidelines enshrine open government values in the Northern Ireland public sector, current practices could be improved to enhance impact. Indeed, the type of engagement of government with the third sector could be crucial in defining the ability of the latter to act as advocates for broader social goals. As mentioned above, the current shift from advocacy to service delivery, while welcomed in terms of efficiency and effectiveness of the public sector, could be restricting their role to that of contactors and reducing their capacity to exert unbiased influence on policymaking, free of business-type concerns. It is important to create additional space for advocacy and engagement on public policies, beyond public service delivery. The new community planning mandates of the local councils could be an opportunity to improve the quality of the dialogue with citizens and the community and voluntary sector. The yet-to-be-established civic advisory panel could also create room for an open discussion on public policy priorities, as the current Joint Forum has not been able to fulfil this role.

### *The Joint Forum: A framework for citizens' engagement in public policy*

The Joint Forum has enabled the longest formal structured relationship between the government and the voluntary and community sector in Northern Ireland and has existed since 1998. It aims to ensure the implementation of the "Building Real Partnership – Compact" between government and the voluntary and community sector that was endorsed by the Northern Ireland Assembly (NIAO, 2010). It is supposed to provide an institutional framework for a regulated and more active participation of CSOs in the development of public policy. Yet, it mainly focuses on the funding/service-delivery relationship between the sector and government (Concordat, 2014).

In 2010 the Northern Ireland Audit Office (NIAO) conducted an evaluation of stakeholder engagement and recommended that the voluntary and community sector's contribution to all stages of the policy process (development, implementation, monitoring and evaluation) should be enhanced and that a robust oversight and enforcement framework for the Concordat is needed (NIAO, 2010). In response to the audit in 2011 the Compact was replaced with the Concordat.

The Concordat is an agreement between the government and the voluntary sector to work as social partners which recognises the valuable contribution of the sector, its independence and aims for more active participation in developing public policy. It enshrines shared values (i.e. accountability, active citizenship, democracy, etc.) and shared principles (Concordat, 2011). It is thus a framework for greater co-operation and joined-up activity. According to interviews, its effectiveness has varied since its

ratification. Its members include representatives from the public sector and the voluntary and community sectors. They meet several times per year to discuss ongoing issues including such current initiatives as the reform of Local Government, the Delivering Social Change Framework, welfare reform or the effects of budget cuts on the sector. It has Commitment Action Teams that implement the commitments of the Concordat, currently focusing on:

- **Addressing Bureaucracy Project:** reducing unnecessary bureaucracy in grant administration
- **Outcome-focused approach to funding:** plan and programme for outcomes-focused funding
- **Concordat compliance monitoring:** monitoring compliance with the shared values and principles of the Concordat
- **Communications strategy:** enhance communications from the Joint Forum (in this sense the portal [www.dsdni.gov.uk/index/voluntary\\_and\\_community/joint\\_forum.htm](http://www.dsdni.gov.uk/index/voluntary_and_community/joint_forum.htm) was recently launched) (Concordat, 2014).

Notwithstanding these reforms, further improvement could be considered in terms of the effectiveness of this platform. For instance, OECD interviews show that some members of the Joint Forum, in particular from the voluntary and community sectors, have questioned its impact given the lack of high-level participation from the government side.

### ***Engagement of the third sector for planning, implementation and evaluation***

Engagement with citizens has been recognised as an instrumental element for successful policy evaluation and implementation. Several examples already exist of good engagement for evaluation and implementation with citizens and the third sector. Taking the example of housing, a number of policies have been developed and evaluated in tandem with stakeholders across a range of sectors, including the voluntary and community sectors, and with citizens. For instance, the *Affordable Warmth* programme, which is focused on tackling fuel poverty, involved a close working with a stakeholder group involving academics and charities representing the interests of citizens affected by fuel poverty. This was followed by an extensive public consultation process during which six public consultation events were held across Northern Ireland. Another example of engagement for evaluation and implementation is the *Supporting People* programme, which supports vulnerable people on low incomes to live independently. A project advisory group, consisting of representatives of the providers of Supporting People services, has been established to assist and advise the evaluation team. A series of stakeholder consultation events have also been held to allow providers, professionals and others to provide views and input into the evaluation.

The Northern Ireland Assembly also plays a key role in engagement with the third sector through the activities of its committees. For instance, the Assembly supports two initiatives aimed at forging links between its members and the public: the Northern Ireland Assembly and Business Trust and Assembly Community Connect. However, neither are official Committees of the Assembly, which may be perceived by some as limiting their impact.

However, more could be considered to promote good stakeholder engagement in Northern Ireland. One way of doing this is to provide an easy, accessible way to understand how government is performing in relation to key national outcomes.

- In Scotland, the government has developed “ScotlandPerforms.com”, a specific website that measures and reports on progress of government in Scotland towards its Strategic Objectives. The website explains the importance of the National Outcomes, describes the elements that influence these National Outcomes, and the role of the government.
- Each National Outcome is also clearly related to a Strategic Objective and is measured by a set of National Indicators. Altogether, 50 National Indicators track progress toward the achievement of National Outcomes and ultimately the delivery of the Government’s Purpose.
- Users can see how Scotland is progressing through “direction of travel” arrows on the “Performance at a Glance” page which indicate whether performance is improving, worsening or maintaining.

### *Engagement on designing and delivering services*

Citizens play a significant role across the service-delivery cycle in Northern Ireland, from traditional processes such as formal public consultations during the policy-design phase and the complaints systems that obtain user feedback on service delivery, to more innovative co-design methods such as the development of a new social strategy and the identification of potential improvements to service delivery for dementia sufferers through the Innovation Lab (see Chapter 3). For Northern Ireland to make the most of its investment in user engagement it is crucial that it ensures coherence across these different input mechanisms, with the possibility to share insights and join up approaches. At the same, there must be space and capacity for user inputs to result in demonstrable impact on service delivery.

Northern Ireland’s efforts to engage its service users are encouraging. Traditional approaches are being complemented by more informal, active user engagement to co-design with citizens. Moving forward, coherence and capacity will be key to ensure that Northern Ireland’s public sector makes the most of its investments in user engagement (specific recommendations in this area are presented at the end of the chapter):

- **Reinvigorating traditional user engagement with digital technologies:** Digital technologies such as crowdsourcing platforms and social media offer the opportunity to reinvigorate existing public consultation and complaint processes to achieve a wider reach, although equity of digital access is an important concern.
- **Considering a government-wide approach:** It is encouraging to see that co-design is being used in different areas of government (e.g. DFP through its innovation lab and OFMDFM on developing the new social strategy). However, the co-design and more active engagement with users remains confined to certain pockets of government. Building on the work of the Policy Champions Network<sup>3</sup> a general policy for user engagement across government that establishes expected standards, procedures, and collects and shares learnings could be useful to ensure coherence and might facilitate greater co-operation across departmental boundaries. This could also be reinforced through political leadership and

commitment. Greater co-operation is particularly relevant if issues are to be effectively tackled from the user perspective (which naturally tends to cut across several departmental and delivery agency boundaries) as opposed to the administrative/organisational perspective.

- **Ensuring that there is a capacity to learn from the findings:** Effective user engagement also means having the skills and capacity to learn from and integrate user feedback into public services. This includes both specific skills, for example data analytics which enable to analyse trends and mentions across social media, as well as more “soft” skills to move from delivery- to relational-focused public service delivery, where communication and being able to achieve change are important attributes (Simmons and Brennan, 2013).
- **Supporting and demonstrating change:** Asking service users is not enough. Northern Ireland now needs to be able to demonstrate to its users how their evidence and feedback is being used to inform the development and delivery of public services. This will be critical to ensure that users continue to be motivated to engage, and to demonstrate real openness in policy making.

If user engagement is to be effective, as in any jurisdiction, actors across the whole of the public sector must understand that they may need to cede some control. Unlike traditional policy making, user engagement can lead to unexpected findings and question established practices. Integrating this into policy and service design and delivery means that actors from the Executive to delivery agencies must be prepared to hand over some control and be influenced by the user-engagement process. Achieving this may require proactive education from Northern Ireland’s “early movers” in this field about what user-engagement means and the potential impact that it can have.

As noted above, consideration of the citizen is a statutory requirement in Northern Ireland. Section 75 of the *Northern Ireland Act* specifies that prior to any decision being taken the government must consider nine key groups (in relation to religion; political opinion; gender; race; disability; age; marital status; dependents; and sexual orientation) by “screening” their policy to see if it is likely to have any significant impact on equality of opportunity on a particular group or sector of society and take mitigating action if necessary.<sup>4</sup> Part of the screening process requires that the Section 75 groups be consulted, that feedback from the consultation exercise be considered and taken into account, and that the groups or individuals consulted be informed about the conclusions reached.<sup>5</sup>

Consultation on new policy and legislation is therefore an integral part of the policy-making process and a legal requirement. Public consultations are published on Northern Ireland’s main government portal, “nidirect” (see Chapter 3 for further discussion).

Feedback on service delivery is also an established practice in Northern Ireland. There are formal complaints procedures with a prescribed system for all service areas and government bodies that deliver services, such as health and social care which have standard complaint systems. The Ombudsman and organisations such as the Equality Commission provide an avenue for complaints and to represent public interests (see Chapter 3 on Ombudsman and Equality Commission). Also the Northern Ireland Citizen Contact Strategy calls on each department to introduce processes to capture citizen feedback on service provision, though it leaves the mechanism through which to do so up to the discretion of each department. Similarly, the strategy requires each civil-service organisation to gather specific management information for their contact with citizens and

the services that they deliver which includes cost per service, user satisfaction, service completion rates, and take-up levels.

### *Opening up service delivery*

The traditional view of public services is changing. In the past, public services were largely driven by supply. Today, new technologies and a more collaborative, open model of public-service delivery is creating an opening for users and society in general to become active participants in framing, delivering and improving public services as they become more demand-driven.

Citizens' perspectives are a crucial input when designing and developing public services to ensure that they accurately meet user needs and improve outcomes across society. Co-creation is concerned with involving service users in the design, development and refinement of services. It does not refer to pure outsourcing of services to the community and voluntary sectors. In addition, despite the connotation of the term it is not limited to the initial phase of policy development but can be a continual process that occurs as a service is being delivered, to obtain user feedback on how it can be improved and refined to better meet user needs.

For example, in England, Scotland, and Wales the “Tell Us Once” innovation is an online service that enables citizens to tell the government just once about a person’s death. After registering the death online all the other relevant parts of government are automatically informed so that bereaved family members no longer need to contact numerous public services. The idea for this innovation came from the complaint of a recently bereaved relative who had been distressed by the inflexibility and disjointed nature of the public authorities (Simmons and Brennan, 2013).

Feedback from users, providers, indeed all stakeholders is crucial to help the public authorities develop a comprehensive picture of the reality of service delivery. Not only is this a vital input into the design, development and continuous refinement of existing and future services, but it can also stimulate innovation.

## **Openness, transparency and accountability to citizens**

Northern Ireland government recognises the need for a more open, transparent, and accountable government. Several institutions exist to promote transparency and ensure accountability. In addition, initiatives have been implemented, which range from the Open Government Partnership, the Open Data Strategy, or the active use of social media. These tools represent a good basis for further development in this area.

### ***Fostering transparency and equality***

A key building block to enable citizens and Civil Society Organisations to be involved in the evaluation and oversight of public policies and services is transparency and access to information. Even though a robust legal framework for access to information is in place in the United Kingdom, its implementation faces several challenges in Northern Ireland. While a central freedom of information (FOI) team is part of OFMDFM to give advice and guidance to all other departments, departments are individually responsible to handle requests. OFMDFM monitors the handling of requests. The results of this exercise show that even though there are efforts to streamline

compliance with the FOI law across departments, their response rate is increasingly uneven, ranging from having responded to 50-60% of cases in the permitted time frame to above 90%. Overall, this rate has declined since 2006, when over 90% responded in time, to 78% in 2013 (OFMDFM, 2013). This is partly due to a lack of internal capacity, as often mentioned by interviewees, but also to the different sensitiveness of ministers, who have the possibility of overseeing each FOI request and of vetoing the release of requested information. OFMDFM has been sanctioned repeatedly by the Information Commissioner's Office and has been monitored by the Commission (ICO, 2014).

Citizens have various avenues to seek redress in their interaction with the public administration contributing to the monitoring of governance performance and social accountability. Complainants can seize the ICO to verify if the public administration handled their personal data in compliance with the *UK Data Protection Act 1998*, to receive their personal data and to check its accuracy. The Commission can impose fines up to GBP 500 000 if there is a breach of data protection and can prosecute those who commit criminal offences. It can conduct consensual audits. In the area of freedom of information, the Commission cannot issue fines, but enforcement notices and can prosecute those who commit criminal offences under the Act. Undertakings require the public authority to take certain steps, i.e. training. The Commission conducts assessments to check compliance with the law. The Commission provides press releases on its actions and publishes them. It can report to Parliament on freedom of information.

The Equality Commission is a non-departmental public body established by the *Northern Ireland Act* to promote equality of opportunity and oversee the statutory equality duties. The Commission has to approve the equality schemes of departments, and provides advice to government and individuals and investigates breaches of the equality duties. Public authorities have to provide annual reports on their actions undertaken on public duties. The Commission can investigate upon its own initiative (one in 2013/14) or receive complaints by people that have been directly affected (eight in 2013/14 of which none was authorised for investigation). As a remedy they can issue recommendations and refer the matter to the Secretary of State if no actions are taken. (Equality Commission, 2014) (UK Government, 1998).

Northern Ireland has an Assembly Ombudsman and a Commissioner for Complaints, both represented by the same person and known as the Ombudsman (Box 4.7). They offer citizens a possibility to find redress in their interaction with the public administration and on public services (i.e. on housing, local government, health and social care, among others). The Ombudsman investigates complaints of maladministration against government departments and their agencies. The Ombudsman then issues recommendations, which if not followed, he reports of to the Assembly. According to discussions with the office, individuals are also able to take the public administration to court, based on the Ombudsman's report. Citizens cannot complain directly to the Assembly Ombudsman, but complaints have to be referred by members of the Assembly once internal complaints procedures have been exhausted. The Commissioner can receive complaints directly from citizens.

### Box 4.7. The Ombudsman and open government

The Ombudsman Office has a traditional role in protecting the public interest and engaging citizens through the complaints it receives. With this privileged access to both citizens and the public administration, as well as knowledge about the mal functioning of the public administration, the Ombudsman Office is well placed to play a more active role in open government. The International Ombudsman Institute (IOI) proposes that Ombudsman Offices contribute to dialogue between civil society and government and to the drafting, implementation and monitoring of the Action Plans in the framework of the Open Government Partnership (Tyndall, 2014).

Examples of active engagement of the Ombudsman with civil society, in the OGP process or in enhancing dialogue with government can be found from Offices around the world. France's *Defenseur des Droits* has established several committees with civil society on various topics (health, gender equality, etc.) tapping into the expertise of civil society and better tailoring its interventions (Defenseur des Droits, 2015). The Peruvian *Defensoria del Pueblo* works actively to address social conflict through its Social Conflicts and Governance Unit (OECD, 2016).

*Source:* Tyndall, P. (2014), “Ombudsmen and open government”, presentation in the framework of the OGP webinar series, “The role of ombudsman in advancing open government”, [www.worldbankva.adobeconnect.com/a833642795/p23wb9xvfw3/?launcher=false&fcsContent=true&pbMode=normal](http://www.worldbankva.adobeconnect.com/a833642795/p23wb9xvfw3/?launcher=false&fcsContent=true&pbMode=normal); Defenseur des Droits (2015), “Partenaire”, [www.defenseurdesdroits.fr/fr/actions/promotion-de-legalite-et-de-lacces-aux-droits/partenaires](http://www.defenseurdesdroits.fr/fr/actions/promotion-de-legalite-et-de-lacces-aux-droits/partenaires); OECD (forthcoming), *Peru: Integrated Governance for Inclusive Growth*, OECD Public Governance Reviews, OECD Publishing, Paris.

Most Ombudsmen’s Offices in OECD countries do not have the requirement to involve assembly members. The ongoing reform (a Bill has been drafted) of the current system envisions however to create one office, the Northern Ireland Public Services Ombudsman (NIPSO), and to give it the mandate to conduct investigations on its own initiative and citizens the right to complain directly. Implementing this reform could greatly enhance the possibility of both citizens and the Ombudsman to ensure accountability of the public sector. In addition, since 2014 accountability of local councils is enhanced with the new Code of Conduct for Councillors enabling the office to investigate complaints against Councillors (Northern Ireland Ombudsman, n.d.).

### ***The Open Government Partnership in Northern Ireland***

A concrete opportunity for Northern Ireland to engage its citizens in the definition of political priorities and actions is the process of the Open Government Partnership (OGP). Currently, the Northern Ireland Executive, as well as local civil society organisations, have been involved in the process only to a very limited extent and no OGP commitment refers specifically to Northern Ireland (while there is one on Scotland) (Osborne, 2014). The OGP starts with the premise to involve stakeholders as partners in defining the OGP Action Plans, in the monitoring and evaluation of their impacts. DFP officials have been engaging with the recently-founded OGN Open Government Network for Northern Ireland, on possible commitments to the 3<sup>rd</sup> UK Open Government Action Plan, to better take advantage of the open government movement in Northern Ireland (Building Change Trust, 2015). This process presents an opportunity for the Northern Ireland Executive to engage in a dialogue with civil society about public-sector reform inspired by the principles of open government and play an active role in the forthcoming UK OGP Action Plan. Both the UK and Scottish experiences could be helpful here.

### *Social media and nidirect*

Across OECD countries the use of information and communication technologies, including social media, is emerging as a key tool for engagement. In this regard there is limited evidence of the use of online engagement tools in Northern Ireland for the purpose of citizen consultation. Based on interviews with officials from government and CSOs, consultation mostly happens in a very traditional in-person setting with generally small levels of citizen engagement. Moreover, these consultations often take place late enough in the policy and service design process so as not to serve as effective inputs into planning. While the Northern Ireland government uses the Internet for information dissemination, it does not use it sufficiently for collecting data and feedback on planning.

Northern Ireland's central website, *nidirect* is organised by 16 key themes in topics identified to be of greatest interest to citizens, along with links to those online services that are available as well as organisational websites for individual departments. The primary purpose of the *nidirect* website is to provide information to citizens on government programmes and services. There is a limited linked service between NI and UK government portals related to government services. While consultations documents are made available online by many departments, they are essentially one-directional information-flows, neither with responses requested generally by mail or email and no ability for online dialogue between consultation participants nor with government officials. While the site does link to Twitter, Facebook, and YouTube accounts for Northern Ireland Direct, these are largely used to broadcast a wide variety of government messages and are only used on a fairly limited basis to respond to direct information requests directed towards them. The *nidirect* site is also used as a clearinghouse for online consultations by departments,<sup>6</sup> but unlike Whitehall's *GOV.UK* website there is no prominent mention of public consultations or organisation of this information online either on the *nidirect* homepage or in the menu/navigation structure.<sup>7</sup> Work is currently underway to develop a new central consultation portal for Northern Ireland that will put in place a standard format for all departmental consultations; this is expected to be launched by April 2016.

Several departments expressed the difficulty in directly accessing the views of end-users and citizens. However, the approach towards citizen engagement is framed in a traditional manner with a significant underuse of online tools such as social media. The NICS does not yet have a consistent approach to the use of social media with an uneven use of these tools across Northern Ireland departments, with some of them much more active than others. However, even in departments that are actively using social media this is viewed primarily as a communications function and operated by communications teams focused on broadcasting information, as opposed to active dialogue or engagement that might directly involve service delivery officials or policy advisors. One notable exception is the Police Service which has, like other police services around the world (see Box 4.8) found the use of social media to be an important tool for engaging the public in public safety issues and for spotting trends and potential problems ahead of time.

#### Box 4.8. @Policia: Purpose-oriented social media use in the Spanish National Police

Policing heavily depends on people's confidence and co-operation to deliver an effective public service. The Spanish national police force (*Cuerpo Nacional de Policía de España*) early on identified the potential of social media. In 2009 it committed to using social media as an additional lever to improve their services. The commitment was backed up with financial and human resources, notably the recruitment of a social media expert, Carlos Fernandez, to lead the effort. Today, a dedicated team of ten people interacts on various social media platforms to prevent, dissuade and combat crime.

The Spanish police's constant and genuine engagement is catching on with the public. As of 2014 the @Policia Twitter account had over 1.25 million followers (@Policia), its Facebook page had over 220 000 fans (*Policia Nacional*) and the videos on its YouTube channel were viewed over 5.6 million times (*Policia*). A large part of this social media success is due to a deliberate choice of topics and style. Unlike many other government institutions, the Spanish police do not use social media for "corporate" communications such as relaying the agendas of its leadership or to issue traditional press releases. It rather uses social networks to support the police's primary mission by sending content-rich messages that use "plain" language, often humorous or provocative in order to attract a large audience.

Such genuine community interaction has led to several mission-critical successes. One of those was the recent arrest of a murderer who had been on the loose for months after his conviction in 2013. On 14 January 2014 the Spanish national police launched a co-ordinated media campaign with heavy use of social media to diffuse photos and information about the wanted individual. The posts went viral, i.e. they were replicated and diffused by a very large number of social media users, and triggered several citizen reports leading to the arrest of the convict – later that same day.

*Source:* Mickoleit, A. (2014), "Social Media Use by Governments: A Policy Primer to Discuss Trends, Identify Policy Opportunities and Guide Decision Makers", *OECD Working Papers on Public Governance*, No. 26, OECD Publishing, Paris, <http://dx.doi.org/10.1787/5jxremghmk0s-en>.

There is a lack of clear guidance on the use of social media by Northern Ireland officials and in multiple interviews it was expressed that a culture of risk aversion prevails. Based on interviews with Northern Ireland officials there does not appear to be extensive activity within the Northern Ireland government to broadly follow social media discussions related to government policy and services to spot trends or capture citizen feedback, even though there is this capability through the *nidirect* programme. There has been some social media advertising done to promote the *nidirect* website, primarily through targeted Facebook ads and Google AdWords campaigns, but it is unclear that the data from these campaigns are systematically captured or analysed to spot trends on different user groups. Across the board it would appear that social media is viewed at most as another channel for traditional communications activities and is not used either to gather or solicit feedback from citizens that could be valuable inputs into the policy-design and planning process.

## Improving engagement with people: Recommendations

Citizen engagement is an important contributor to policy and programme development and their successful implementation. Public consultation is important because it provides a means to assess needs and evaluate priorities; it gives legitimacy to measures beyond the electoral cycle and provides a framework for accountability. In addition, as recognised across the OECD, having in place the right accountability regime contributes to effective government by enabling performance information to be used to adjust policy and programmes to better reflect the needs of citizens.

Given the particular political context in Northern Ireland, there is a need to engage citizens proactively at all stages of policy and programme design process. It is moreover important to establish a channel for dialogue on political priorities and policies and to foster accountability of the public sector and government to its people. As the voluntary and community sectors are involved with various government departments their inclusion in policy making could also be an avenue to identify duplications and create synergies between department efforts and overcome silos.

In light of the above, the Government of Northern Ireland should:

### ***Recommendation 18 on Citizens' engagement***

**Foster a culture change to strengthen citizens' engagement and improve dialogue with key stakeholders, notably from the community and voluntary sectors.** To this end:

- deepen stakeholder engagement to create better policies and promote legitimacy, instead of mere compliance with rules and procedures
- institutionalise citizen engagement throughout the whole policy cycle: undertake stakeholder engagement early in the policy-development process, and later to evaluate the effects of policies, going beyond assessing if the policy was implemented, but evaluating the impact it is having on the achievement of results and outcomes
- use new opportunities to strengthen stakeholder engagement with organised groups (i.e. trade unions, community and voluntary sector), and with the general public, for example through the community planning function of local councils
- use the Joint Forum to discuss, the changing relationship of civil society with government and, how this affects the policy advocacy role of the sector in light of its increasing focus on public service delivery. Strong commitment to engagement should be shown through senior level representation in the Forum
- leverage new forms of citizen's engagement, such as social media or the Open Government Data. The government should continue to experiment with ways to use social media in the public sector – to both actively engage with citizens and monitor feedback from key stakeholders
- develop a co-ordinated approach to the use of social media with a particular focus put on measuring impact of social media usage and building a community of government social media practitioners to facilitate the sharing of lessons learned between organisations.

The case study on Delivering Social Change recommends that OFMDFM and its partners establish a citizen engagement strategy coupled with specific measures to increase the contribution of citizens and stakeholders in the future development of DSC, including consideration for a role in identifying priorities areas of the Signature Programme. It recommends that the Joint Forum be used as a platform to discuss which measures could be implemented and to engage civil society organisations as partners to reach out to a wider population.

The case study on problem-solving justice recommends that strong community engagement and participation be an important element in continuation and expansion of problem-solving approaches.

The case study on commissioning for health services recommends that:

- health commissioning bodies systematically engage with all relevant health system stakeholders, the public, service users and the third sector to help shape services
- health commissioning drive improvement through requiring patient, stakeholder and public engagement and use the results to inform the allocation of resources.

### ***Recommendation 19 on Transparency and accountability mechanisms***

**Strengthen transparency and accountability mechanisms to build trust and to create better outcomes for people.** Openness, transparency and accountability are increasingly seen as key to good governance. Therefore, Northern Ireland should promote these principles and:

- take advantage of United Kingdom’s participation in the Open Government Partnership to commit to broader open government reforms and work with the newly established Network on Open Government to define priority areas for reform
- promote transparency and openness at the level of local governments. In particular, use the community planning function to ensure that citizens contribute to and understand the reasons for decisions with regard to policies and services and that these be based on publicly available evidence
- develop a whole-of-government approach on transparency and on how to handle government information responsibly in partnership with the media, the Office of the Information Commissioner, and departments
- enhance the role of the Ombudsman in the area of promoting openness and citizen engagement, working directly with civil society, and analyse public governance challenges to propose and monitor reforms that enhance open government.

The case study on commissioning for health services recommends that governance arrangements for health commissioning be reconsidered to enhance accountability to the public.

## Notes

1. Section 75 addresses religion and political opinion; gender; race; disability; age; marital status; dependants; and sexual orientation and good relations (between persons with different religious beliefs, political opinion or racial groups).
2. The OECD defines Civil Society Organisations as the multitude of associations around which society voluntarily organises itself and which represent a wide range of interests and ties. These can include community-based organisations, indigenous peoples' organisations and non-government organisations (OECD Glossary of Statistical Terms). In this report civil society organisations and voluntary and community sector are used interchangeably.
3. The Policy Champions Network is a network of civil servants appointed in each Northern Ireland department. They support the NICS Head of Profession for Policy delivery.
4. See [www.nidirect.gov.uk/articles/government-policy](http://www.nidirect.gov.uk/articles/government-policy) for more information.
5. See [www.equalityni.org/Employers-Service-Providers/Public-Authorities/Section75/Section-75/Screening](http://www.equalityni.org/Employers-Service-Providers/Public-Authorities/Section75/Section-75/Screening) for more information.
6. For more information, see [www.nidirect.gov.uk/articles/public-consultations](http://www.nidirect.gov.uk/articles/public-consultations).
7. See [www.gov.uk/government/publications?publication\\_filter\\_option=consultations](http://www.gov.uk/government/publications?publication_filter_option=consultations).

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## *Chapter 5*

### **Improving operational delivery of services to citizens and businesses in Northern Ireland**

*This chapter discusses the theme of improving operational delivery of services as the third of Northern Ireland's thematic priorities for this Public Governance Review. This chapter assesses several areas where Northern Ireland has taken steps to make the public sector more open, collaborative, experimental and innovative.*

## Introduction

This chapter focuses on the third and final overarching governance theme that the Northern Ireland Executive asked be assessed. **Improving operational delivery of services** includes an assessment of partnerships with the third sector to design and deliver services more efficiently and effectively, and covers the final three sub-themes to be addressed in this Review: restructuring for a more effective government; **procurement reform** and **regulatory streamlining**.

The challenges of service delivery across the OECD and beyond are necessitating new responses. While governments today are perhaps more focused on demonstrating immediate-term impact of service delivery, persistent, multi-dimensional, even multi-generational challenges remain unresolved notwithstanding the increasing sophistication of online service delivery and more inclusive and targeted service design that aims to address a multiplicity of policy issues in the community.

At the same time, citizen's expectations with regard to services provided by governments are rising as they compare the range and quality of public services provided by the private sector and in neighbouring jurisdictions. If governments cannot provide public services of a quality that citizens have come to expect from commercial or even non-profit providers, this can ultimately erode trust in the public sector. As a result, many governments across the OECD are looking at more effective interventions to improve social outcomes across society over time. Given the scale of the challenge and resource constraints, responses must draw on new ways of thinking, working and delivering services.

The challenges associated with designing and delivering better, more targeted public services that meet citizens' needs in the face of shrinking public resources are common across the OECD – and Northern Ireland's public sector is by no means immune to this general trend. Governments are increasingly questioning traditional structures and processes for the public services that they deliver.

Northern Ireland presents impressive examples of how the NI public sector is acting in a more open, collaborative and experimental way; these will be explored in this chapter. Going forward, it will be important that Northern Ireland take a strategic view on innovation and digital-service delivery, and develop both its capacity and a culture to consolidate and further these new approaches so that they become established practices across the full breadth of the Northern Ireland public sector.

## Restructuring for more effective government

### *Experimenting in design: Northern Ireland's Innovation Lab*

One approach to emerge internationally in response to the government's need to improve strategic approaches (as well as operational delivery of services) is encouraging innovation in policy and service design and delivery, and mainstreaming successes government-wide. One tool to pursue this approach is the innovation lab. These labs provide a place to help the public sector frame issues in new ways and redesign service-delivery systems by focusing on outcomes and by drawing on a broad range of perspectives from across the public, private and civil-society sectors.

In April 2014 the Northern Ireland Minister of Finance and Personnel announced the creation of an innovation lab to modernise and reform public services in Northern Ireland (DFP, 2014).<sup>1</sup> As in many other OECD countries the driver of its creation was the acknowledgement that in a situation of increasing demand on services and constrained resources, Northern Ireland's public services must be able to achieve better with less, which requires radical solutions.

True to the experimental philosophy of innovation labs, Northern Ireland's Lab has been developed progressively, drawing on other international experiences, testing and adapting as it evolves. To date the Lab has hosted 15 projects. Going forward, Northern Ireland's Lab should focus on continuing to develop projects using different approaches that break the traditional mould of policy making, so that it is able to demonstrate its unique value-added to the rest of the public sector.

Programmes, such as Transforming Your Care, show a willingness on the part of Northern Ireland to consider innovative approaches to the delivery of services. Innovation can happen in many places within the public sector. Recent years have seen the emergence of innovation labs across the public-sector landscape. This has occurred partly in response to the increased complexity of public policy issues that requires new approaches and new ways of working. These labs provide a place to help the public sector frame issues in new ways and redesign service-delivery systems by focusing on outcomes and by drawing on a broad range of perspectives from across the public, private and civil society sectors. Labs help institutionalise co-creation by actively involving the users of public services at all stages of policy and service development and by using different disciplines, from design and ethnography to psychology and sociology (OECD, 2015a). At their best, innovation labs are about the public sector working in a new and often challenging way, to yield results which accurately address service users' and society's needs to improve outcomes.

The term "laboratory" is borrowed from science and refers to the practice of experimenting – investigating a situation, exploring how it occurs and testing solutions in a safe and controlled environment. On occasion, governments around the world have invested time, money and social capital in large-scale policies and programmes which have failed to achieve expected results. Public-sector labs can provide something of an antidote to this. They are dedicated spaces for investigating and experimenting through trial and error to better understand what works in public-service design and delivery.

Over the past decade public-sector innovation labs have been popping up across the world. There is great diversity in the innovation-lab model with labs at different levels of government and scope. For example, the *Mindlab* in Denmark, the *Central Innovation Hub* in Canada, and the *Laboratorio de Gobierno* in Chile all work at the central-government level across multiple departments. In contrast, the *Employment and Social Development Change Lab* in Canada and the *Office for Innovation and Improvement* in the United States Department of Education are focused on the work of a specific policy area. There are also labs focused on work at the regional or city level such as *Le Laboratoire ZIP Val d'Oise* in France, the *Laboratorio Para la Ciudad* in Mexico City, and the *Seoul Innovation Bureau* in South Korea.

Relative to other practices in the field of public governance, innovation labs are still in their infancy. This means that established understanding about the different models that exist globally, how they function and their impact is continually developing. That said, international experience of different labs highlights common experiences upon which advice can be based:

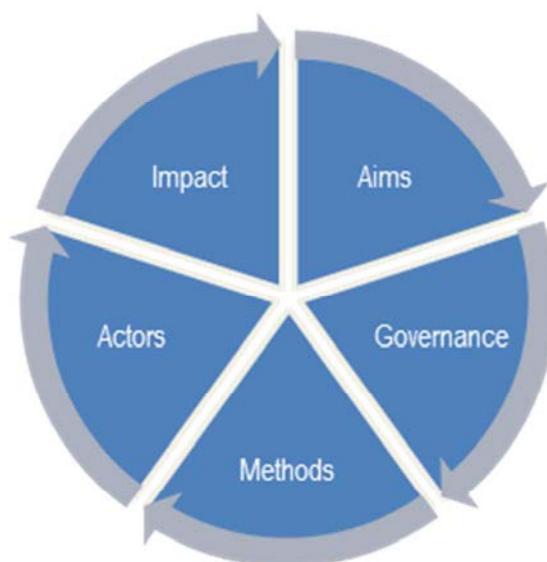
*Mindlab*, one of the oldest and most renowned public-sector innovation labs, has created a “Lab Tool” that sets out four important elements of a lab’s functioning (especially relevant to consider when establishing a lab):

- governance structure
- activities
- impact and measurement
- skills and competencies (MindLab, 2014).

A recent review of innovation teams around the world by Nesta and Bloomberg Philanthropies has equally set out ten pieces of advice for innovation teams and labs (Puttick, Baeck and Colligan, 2014). Drawing on this work and conversations with lab practitioners we can identify several elements important for labs’ success (see Figure 5.1):

- **Aims and context:** clarity about the lab’s objectives and how the lab model suits these objectives.
- **Governance:** where the lab fits in the wider public administration landscape and the implications for the lab’s influence.
- **Methods:** labs not only develop innovative solutions but operate innovatively themselves; they should use methods that are distinct from the rest of the public administration.
- **Other actors:** innovating policy development means going beyond the usual suspects; labs should include space to involve other actors.
- **Consider how the lab will demonstrate impact:** lab results will often be qualitative in nature but considering how impact can be demonstrated is important for the lab’s sustainability.

Figure 5.1. Elements for innovation labs' success

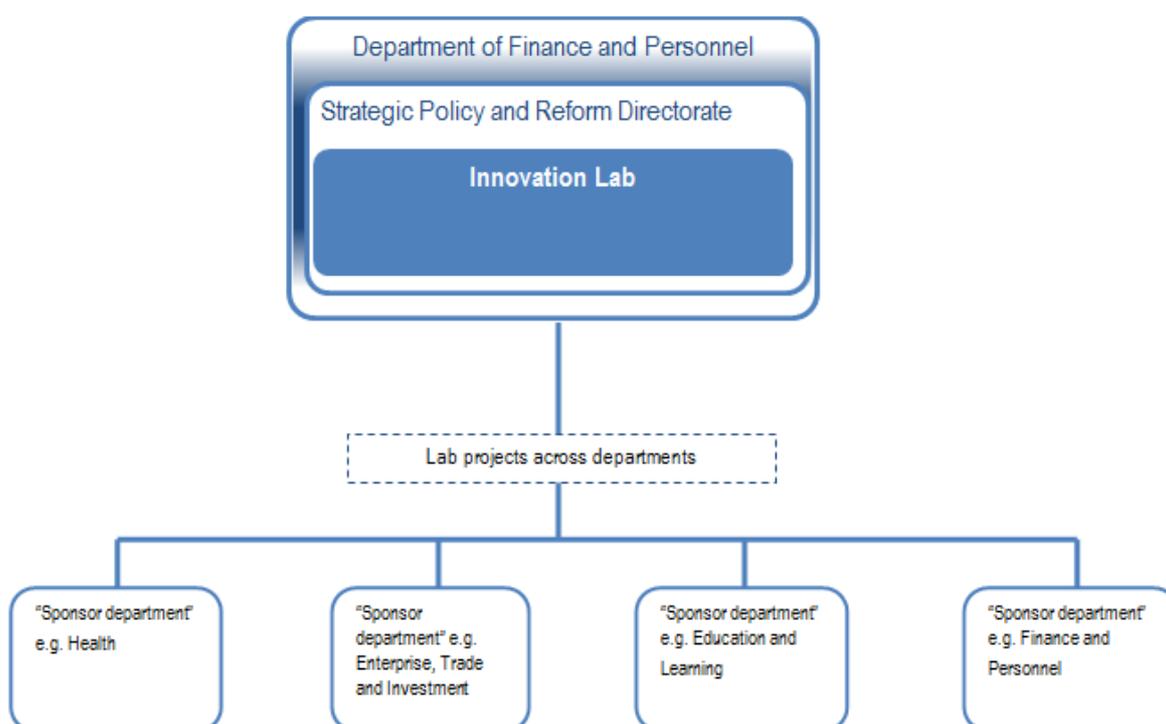


Source: Author’s own work, based on Puttick, R., P. Baeck and P. Colligan (2014), “I-teams: The teams and funds making innovation happen in governments around the world”, Nesta, [www.theiteams.org/resources/read-i-teams-report-0](http://www.theiteams.org/resources/read-i-teams-report-0).

In April 2014, the Northern Ireland Minister of Finance and Personnel announced the creation of an innovation lab to modernise and reform public services in Northern Ireland (DFP, 2014). As in many other OECD countries the driver of its creation was the acknowledgement that in a situation of increasing demand on services and constrained resources, Northern Ireland’s public services must be able to achieve better with less, which requires radical solutions.

The Lab is housed within the Department of Finance and Personnel, in the Strategic Policy and Reform Directorate that is charged with taking forward the transformation of government for streamlining services and making them work harder and smarter. It focuses on temporary projects which look at a specific issue over a short period, typically from two to five days. Issues are suggested to the Lab by other line ministries “sponsor departments” (Figure 5.2).

Figure 5.2. Northern Ireland’s innovation labs’ relationships with government



*Source:* Author’s own work, based on interviews with the Department of Finance and Personnel (DFP).

True to the experimental philosophy of innovation labs, Northern Ireland’s Lab has been developed progressively, drawing on other international experiences, testing and adapting as it evolves. To date the Lab has hosted 15 projects. The Lab’s first piece of work was a test run internal exercise that considered what a new scheme to collect civil servants’ ideas might look like.

The Lab’s first fully fledged project was with the Department of Enterprise, Trade and Investment and looked at the independent scrutiny of Regulatory Impact Assessments. In preparation research and evidence-gathering was conducted with the

academic and business communities. On the second day, a specialist facilitator led sessions, with five to six civil servants, where they held intense discussions, questioning whether they were tackling the issue from the right angle and adjusting the main question. On the third day the sponsor department returned to hear the conclusions of the discussions. Subsequent Lab projects have looked at reward and recognition, data analytics and dementia.

One of the most recent projects in dementia reflects the dynamic methodology used by the Northern Ireland Lab. In contrast to other projects where the citizen and user perspective were reflected through research and representatives, the dementia project engaged people with dementia and carers as participants in the Lab project. The experience of innovation labs in other contexts has underscored how powerful actually involving services users in the labs themselves is, for both the civil servants and the services users involved; Northern Ireland's experience reiterates this. It was revelatory for the civil servants to personally hear the voice of users; as one of them reflected, the public administration traditionally develops services for lives that it does not live. Interviewees reflected that the dementia lab provided an opportunity for public servants to actually hear the voice of users.

Going forward, Northern Ireland's Lab could focus on continuing to develop projects along these lines, using different approaches that break the traditional mould of policy making, so that it is able to demonstrate its unique added-value to the rest of the public sector. Using the elements identified above (Figure 5.2), which are important to a lab's success, reveals areas where Northern Ireland's Lab could develop to ensure that it fully benefits from the innovative potential a lab can bring to its public services:

- **Aims and context:** Northern Ireland's Lab focuses on solving specific problems (departments suggest topics that they would like it to look at). The Lab itself however was created with the intention of developing radical solutions to deliver better services with less. In line with the i-teams' report findings, that success tends to be greater if there is a clear priority from the start, the Lab could clearly articulate and operationalise its original aim (Puttick, Baeck and Colligan, 2014); for example, by ensuring that the projects it selects explicitly support this wider objective and by providing publicly available criteria on how projects are selected.
- **Governance:** As distinct entities, innovation labs must perform a careful balancing act between having sufficiently close contact with executive power so that they are able to shape the political agenda and get their ideas implemented while retaining enough space from political priorities to be able to think differently and innovatively. Northern Ireland's Lab was created following a ministerial decision, and in some instances the recommendations from its Lab projects have been reported to the relevant minister. It is therefore relatively close to executive power. At the same time, it operates as a cross departmental resource so it can be involved in a wide range of different projects as need requires.
- **Methods:** Northern Ireland has taken a pragmatic, progressive approach to developing its Lab which is to be commended. It has drawn on its existing resources, accessing external skills such as facilitation, and in the future, public service design, as needed from the external market rather than making a large upfront investment. This is very similar to the "Lab Light" approach employed by the *Policy Lab* in the United Kingdom (Malty, 2014).

- **User engagement:** One of the defining characteristics of innovation labs is co-creation. That means actively involving service users across all the stages of service development. One of the ways to do this is actually to bring service-users into the lab **experience**. A recent lab project on dementia fully drew on the Northern Ireland Lab’s dynamic methodology by engaging people with dementia and carers as participants in the Lab project. The active involvement of users is critical so that civil servants and public-service providers have the opportunity to understand first-hand the issues that affect service-users. From the user perspective it is critical to create an inclusive perception of the Lab so that citizens and the third sector see it as a genuine vehicle for having their say on public services. Going forward, it will be important that the Lab continue to involve service-users actively in its projects at all stages of the process so that it does not just involve service-users in defining and researching an issue but also, as options to solve it are articulated, so as to obtain feedback, re-develop and refine the ultimate solution to the issue.
- **Impact:** While difficult, being able to demonstrate impact is crucial for any lab to justify its existence and the relevance of the innovative approach. An easy low-cost option for Northern Ireland’s Lab would be to ask sponsor departments to evaluate their experience; a longer term approach would be to track the Lab’s recommendations, implementation and, as far as possible, results in service delivery outcomes. To help results, tracking the Lab, Northern Ireland might wish to consider developing a tool for impact assessment.

In theory this arrangement should provide the Lab with sufficient visibility and influence; however, it also means that it depends on the departments’ own initiative to identify relevant projects. This might imply that more controversial areas of work or the most challenging issues that cut across multiple policy areas and departmental jurisdictions would not be raised. This may be especially complicated by the political system in Northern Ireland.

One solution might be to ensure that government departments bear a sense of shared ownership in the Lab through a financial contribution or by providing strategic direction. For example, the UK Cabinet Office’s *Policy Lab* is funded through a budgetary contribution from all government departments. *Mindlab* in Denmark is a shared resource across three government departments, the Ministry of Employment, the Ministry of Education and the Ministry of Business and Growth, and the municipality of Odense. Its ownership is reflected in the governance structure with representatives of each of its “owners” sitting on their respective Board of Management which meets three to four times each year to set *Mindlab*’s strategic direction, and give final approval to its portfolio of projects.<sup>2</sup>

Northern Ireland’s Lab could consider which of these approaches might be incorporated into its governance and funding structure to create collective ownership across the departments with which it wishes to engage. One idea might be to share the Lab’s costs across all department budgets at the start of the next PfG and mandate a junior minister or senior civil servant from each department to sit on the Lab’s board. The same person could also serve as a channel for developing innovative policy making in their respective departments. This kind of approach could also include the use of incentives to encourage take up and engagement across departments.

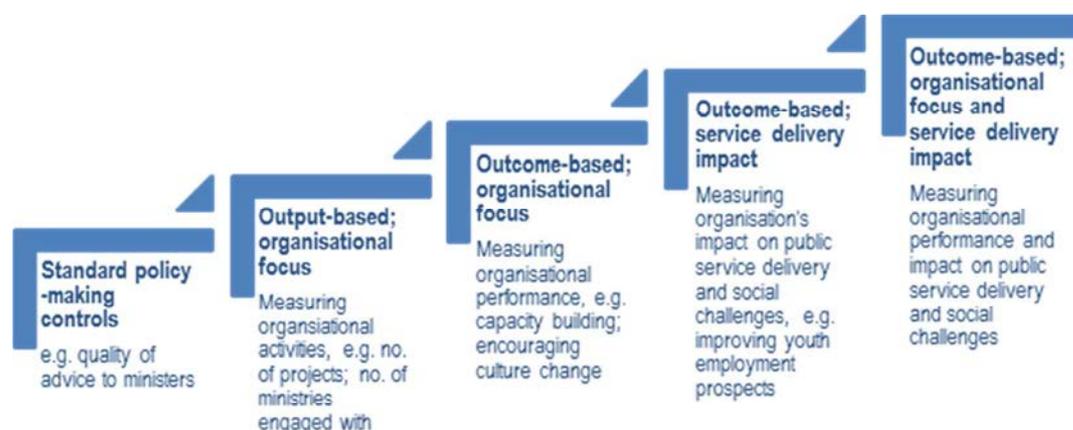
In the future, the Lab should ensure that it clearly goes beyond the traditional skills set of the civil service to employ new techniques like ethnography, design and

prototyping to help demonstrate the uniqueness of its approach compared with the rest of government. While contracting external services makes sense in the short term, if the Lab intends to develop and accrue the scale of its work and inventions (e.g. conducting longer lab projects, perhaps also along the policy cycle, from design to implementation) it might try to build on existing efforts of skills transfer by taking the opportunity to learn from the service providers during each project so that internal competencies are developed. Informal “shadowing” during a Lab project could help Northern Ireland’s civil servants develop these skills.

Another important opportunity to develop in-house skills could be to involve the sponsor department actively in the whole lab process. Other international labs use short secondments and civil servant immersions from sponsor organisations.<sup>3</sup> For example in France, *La 27eme Région* uses “*Territoires en Residence*” where service designers, social researchers and urban players work alongside regional civil servants to find new ways of tackling problems together (Puttick, Baeck and Colligan, 2014). This kind of process enables sponsor organisations to develop their competencies and innovative capacity, whilst enabling subject experts to inform the solutions that are developed.

It must be acknowledged however that this is a challenge that all labs face and stand in need of an established methodological approach; to help develop work in this area, Northern Ireland’s Lab might like to explore and share possible approaches internationally with other public sector labs. The difficulty of measuring impact is reflected in the findings of an OECD-Nesta survey of innovation organisations, with many of the respondent organisations acknowledging that measuring impact is very difficult (OECD, forthcoming). Despite this difficulty, the organisations surveyed demonstrated a range of different, complementary efforts to measure their impact (Figure 5.3). These range from very simple, qualitative judgements, that would normally apply to all types of policy making, such as the quality of advice provided to ministers and senior staff, to advanced performance measurement regimes that include outcome indicators on the organisation’s activities (e.g. building staff capacity) and the impact of its work (e.g. reducing youth unemployment). The Mayor’s Office of New Urban Mechanics in the United States is perhaps one of the organisations closest to this, with a specific set of indicators to measure the impact of the team overall, and a second set of indicators specific to each project.

Reflecting the difficulty of measuring impact, many labs/innovation organisations try using simple output indicators to measure their activity (such as the number of projects that they conduct) as a proxy for their impact as an organisation. Moving forward, as argued in the previous chapter, organisations might consider how this approach can be complemented by the use of outcome-based indicators.<sup>4</sup> This would mean considering how innovation organisations change how government works.

Figure 5.3. **Graduated approaches to impact measurement for innovative organisations**

Source: Author's own work, based on OECD (forthcoming), *The Innovation Imperative in the Public Sector: Making Innovation Work*, OECD Publishing, Paris.

### ***Restructuring for more effective government: The Northern Ireland Executive's current initiatives***

Good governance relies on a matrix of government institutions that have been established over time in pursuit of specific public policy objectives and which seek to deliver public services. Northern Ireland's governance institutions have evolved to reflect the changing mission of government and the needs of the population. As is the case in several OECD countries, Northern Ireland has reviewed these institutions and taken steps to restructure them to improve the efficiency and effectiveness of public administration at the local and central government levels.

Effective 1 April 2015, local government amalgamation was implemented in Northern Ireland and follows earlier reforms in the area of health and social care. Through this process the number of local councils was reduced and significant new powers were transferred to them from the central government, thereby increasing the role and responsibilities of this level of government in the provision of public services. Northern Ireland is pursuing local government reform to improve service provision, achieve cost reductions, and improve coherence between mandate, public interest and services provided by public institutions. Of perhaps greater significance is the impact on Northern Ireland's governance to accrue from the decision to transfer the responsibility for community planning to local councils. This marks an important change in how government and citizens interact as this new responsibility is widely expected to lead to greater community engagement in local affairs, with the potential for impacts beyond local government.

The restructuring of departments pursues the same gains in effectiveness and efficiency as those pursued in local government reform. Announced in March 2015, departmental restructuring will lead to the reduction in the number of departments from

the current twelve to nine starting with the election of the new Assembly in 2016. As departmental restructuring has yet to take effect it is difficult to state definitively whether these changes will result in both savings and improvements in efficiency and effectiveness. However, beyond the reduction in administrative structures, the greater benefit to accrue from departmental restructuring stems from improved coherence in departmental mandates and responsibilities. Furthermore, the reduction in the number of departments should contribute to greater coherence within policy areas by eliminating institutional barriers in sector-specific programming (e.g. in education, where a single department will now be delivering most of the programming).

A common element in the decision to restructure both local governments and executive departments is that these were achieved in a consensual manner across Northern Ireland's political and community fault-lines. Instituted in 2015, the much-delayed amalgamation of Northern Ireland's five Education and Library Boards under a single Education Authority (ESA) highlights some of the difficulties which lie in the future as more politically sensitive areas of public administration face reforms. Crucially, political agreement between the members of the Executive will be necessary to continue down the path of reform, especially as hard policy and political choices are likely to be necessary in light of further anticipated constraints in Northern Ireland's fiscal resources.

The decision to re-organise the structure of departments could contribute to improve the efficiency and effective of government. Though a period of adjustment can be anticipated, both within the NICS and outside, as clienteles adjust to new responsibilities, this also constitutes an opportunity to leverage other policy and administrative improvements in citizen-centred services.

Northern Ireland's institutions of government reflect both the evolution of the role of government and the needs of the population. While Northern Ireland faces certain constitutional constraints in terms of the organisation of its government, this should not preclude an on-going and dynamic process of examining the institutional structure of its public sector to ensure that it is organised in a way that optimises its ability to deliver on its mission in the most effective and efficient way possible. In doing so, there should be a process that is dynamic and open to as broad an array of stakeholders as possible. Indeed, the government of Northern Ireland should formally assess the impact of its restructuring initiatives on outputs and outcomes, not only relating to cost savings, but most importantly on how these initiatives are affecting the pursuit of the government's strategic policy objectives for people. A recommendation to this effect is included at the end of this chapter.

### ***Third-sector delivery partnerships in Northern Ireland***

Third-sector organisations can be a valuable resource for service delivery. They can bring specialised expertise of particular issues, local knowledge that help understand user needs better and a new perspective to stimulate innovation. Governments across the OECD are increasingly recognising the value of the third sector, alongside the acknowledgement that the public sector cannot operate alone if it is to be able to meet society's demands. This is reflected in greater collaboration for service delivery, with more partnerships and efforts to support the development of the social enterprise market.

The term "third sector" refers to organisations that are neither public nor private sectors. It includes voluntary and community organisations, charities, social enterprises, mutual and co-operatives. They are organisations which are "value driven", which means

that they are driven by the desire to support social, environmental or cultural objectives rather than seeking profit. Principally they reinvest any surpluses in support of their objectives (HM Treasury, 2006). In 2013, there were 3 821 such organisations identified in Northern Ireland, with an estimated total gross value added (GVA) of GBP 572 million, representing around 3% of the total GVA of Northern Ireland’s business sector (PWC, 2013). The most common primary purposes of third sector organisations in Northern Ireland are community development and education and training (PWC, 2013).

There are principally three types of funding relationship associated with the third sector (HM Treasury, 2006):

- **Giving (grants):** where the funder provides support but does not define the expected outputs.
- **Shopping (contracts):** where funders “shop” for a supplier so that they can purchase services from a provider.
- **Investing:** where the funder provides support for which it expects a long-term outcome such as the development of an organisation’s capacity or its sector’s growth.

In Northern Ireland almost two-thirds of government funding to the third sector was made through “earned income”, i.e. the “shopping” function where the NI government purchased services representing GBP 266.6 million (Audit Commission, 2007). Working with the third sector in these ways may provide a number of benefits for government:

- First, it is a way to gain access to a new set of skills and expertise without having to invest in developing the skills within government itself. Third-sector organisations often have close contact with their beneficiaries; working with third-sector organisations implies that governments can tap into these local networks and knowledge to enhance the impact of services.
- Second, supporting the third sector to widen support for the development of a more diverse economy which leads to new employment and economic growth.
- Finally, like innovation through labs and user engagement, collaborating with the third sector yields benefits beyond the immediate services themselves. Effective engagement with civil society and the communities that they serve is an important indication of the value that government places on the sector and its openness to society, helping build links and trust across the population.

In Northern Ireland the third sector is a vibrant part of the economy. There are important examples of how the third sector is working with the local community to address their needs in a joined up way across a number of service areas. Discussions with OECD interviewees highlighted impressive examples.

The Colin Neighbourhood Initiative was developed in 1999 to address the needs of the Colin neighbourhood, an extensive urban district located on the periphery of West Belfast with high unemployment, health and well-being problems, an absence of resources for young people, and a lack of leisure, recreation and community facilities. The Colin Neighbourhood Initiative was established with key representatives from the local community and voluntary organisations, along with the local authority, statutory agencies and political representatives (Deloitte MCS Limited, 2003). The partnership’s mission is to make Colin a vibrant place and create a community empowered to

participate. It works to provide services to the local community such as an early intervention programme, a contact service for elderly people and community allotments.<sup>5</sup>

The “Incredible Years Programme” is run by the Public Health Agency in partnership with the Resurgam Trust and Barnardos Northern Ireland.<sup>6</sup> It is an early intervention programme to help parents better understand and manage their children’s behaviour. It includes a range of initiatives such as “Dinosaur School” for younger children and a parenting programme to help strengthen parenting skills and promote parents’ involvement in their children’s school experience.<sup>7</sup> Anecdotal evidence from parents involved in the programme attests to the positive impact it has had on them and their children’s lives.<sup>8</sup>

The NI public sector is also engaging directly with the community and voluntary sector that delivers services on their behalf. As the experience of Disability Action (see below) shows some departments have used engagement to find innovative solutions to reduce the impact of budgetary cuts on service delivery, while others have just confronted the organisation with the decisions, decreasing the availability of public services:

- Due to budgetary cuts, the Independent Living Fund (providing money to disabled people to live independently) was due to end. Seven months ahead of this, the responsible Northern Ireland department informed the civil society sector about this risk and engaged in a dialogue to find a solution. The engagement process, which has been cited as a positive example by civil society organisations, enabled both partners to find a solution that is acceptable to all and included administering the fund through Scotland.
- Yet in another instance, when budgetary cuts affected the delivery of services (in this case transport services for disabled people), the civil society organisation responsible for the delivery of the services was only informed about the cuts less than a month before the cuts took effect. Even though a meeting was organised between the Department (DRD) and the NGO (Disability Action), this engagement came too late to find an alternative solution (Disability Action, 2015; and interview with the organisation).

These two examples show that early notice and engagement are crucial to find innovative solutions and enable the service delivery organisation to prepare for the changes. This becomes even more important when a third sector organisation might work with various departments simultaneously and when these departments do not necessarily co-ordinate their funding cuts: disjointed cumulative cuts might thus have a more extreme impact on the organisation than a specific department was able to predict or anticipate.

### ***Addressing the challenges of third-sector delivery***

While there have been improvements across many programme-delivery spheres in recent years, over a third of local government wards are still “single wards” (i.e. above 80% of residents of one religion) which imply specific arrangements for delivering services: for example, only 6.5% of the school population attends integrated schooling (Nolan, 2014). The third sector, distinct from the political and government establishment and equally from the private sector’s pursuit of commercial gain, thus has the potential as a neutral space that can help continue to build bridges across these divides.

Given the complex nature of this challenge the performance of the third sector has been mixed. There are some impressive examples of intercommunity groups, such as

Football for All or Groundwork Northern Ireland (Nolan, 2013). Similarly, third-sector organisations for children in the social care system do not tend to reflect traditional community divisions and can provide a place where children and young people of different community groups can come together (see case study “Improving Educational Outcomes for Looked After Children: An Assessment”). However, such intercommunity activities are apparently the exception rather than the rule. Research from 2007 by Acheson and Williamson found that around three quarters of groups were either wholly or mainly composed with a single identity whereas the remaining quarter were mixed or cross community (Graham, 2012). These findings are also echoed in other writer’s conclusions: “when one examines the state of civil society in Northern Ireland, one finds that to the extent that associations exist in Northern Ireland they tend to reinforce existing community identities” (Power, 2011).

At a policy level, representatives from the third sector repeatedly highlighted a sense of frustration at their lack of involvement in the policy-making process during interviews with the OECD, conducted as part of this Review. There seems to be limited opportunity for the third sector to influence policy development, with policy formed principally at political and bureaucratic levels (see Chapter 4). The Delivering Social Change programme for example includes a number of flagship programmes that work with the third sector for delivery, like the Bright Start programme or the Social Enterprise Hubs; however, interviewees said that the third sector was offered little role in identifying these areas as a priority or in articulating how the programmes would operate. Some third-sector bodies believe that this has limited the impact of these programmes. For example, while the Bright Start programme aimed to grow the childcare and social enterprise market, much of the government funding for childcare services has in reality been channelled into the existing for-profit sector.

This is echoed in the case study on the Delivering Social Change Framework which notes that stakeholder consultation with the third sector was relatively limited and tended to confirm issues that had already been identified by the OFMDFM. The case study also suggests that not only was the third sector not effectively engaged in the development and articulation of Delivering Social Change, but that limited subsequent communication and involvement with the third sector led to the sector generally having a poor understanding of the programme’s overall functioning. This inevitably reduces the ability of the third sector to work as an effective partner (that shares evidence, expertise and innovative ideas) with government to deliver the objectives of Delivering Social Change, thereby reducing the overall “pool of talent” that the government can draw on to achieve better social outcomes.

While there seems to be a political opening towards new types of delivery models, it was suggested during interviews with the OECD that this discussion remains largely limited to commissioning and payment by results models. The experience of commissioning discussed in the case study on Health Services in Northern Ireland highlights the challenges of getting commissioning right not just in Northern Ireland but internationally. It sets out challenges such as measurement of performance and outcomes, availability of data and achieving a genuine purchaser-provider split; these will all be equally relevant challenges for policy makers to consider if a similar commissioning model is extended to other service areas. Furthermore, experience from other OECD countries suggests that these kinds of contractual arrangements may tend to benefit larger and/or private sector organisations (Audit Commission, 2007) while smaller bodies are unable to bear the non- or deferred-payment risk associated with payment by results.

These challenges are hindering the third sector’s contribution to service delivery in Northern Ireland and the national economy in general. Below are some suggestions that Northern Ireland could consider to support greater collaboration with the third sector:

- **Embrace co-design:** This could mean involving third sector organisations in deciding what public services are provided and how they are delivered in “collaborative commissioning” or even “co-producing commissioning” which establishes a dialogue with providers and stakeholders to agree on objectives, processes and resources. The case study *Health Services in Northern Ireland: An Assessment* notes that while service providers reported that they were universally unengaged in the planning of services to be commissioned, a deep understanding of how services are organised and delivered (which service providers should be able to provide) is necessary to make the shift to longer term planning and commissioning that delivering on the objectives of *Transforming Your Care* will require.
- **Invest in the third sector:** If service delivery is to become more diverse in Northern Ireland, there must also be a third sector which is ready and able to take on a greater role. As the levels of funding, that have been historically available to the third sector, will no longer be there government’s role must now shift to one of “investor” (rather than a “giver”) in community groups by clearly articulating expected outcomes so that the capacity and capability of the sector may grow.
- **Open up service-delivery opportunities:** It is clear that Northern Ireland already “purchases” public services from the third sector. However, the OECD’s discussions with both government and representatives from the sector highlighted challenges associated with this, especially in terms of rigidities around the procurement process, which lock out space for innovation and risk. The procurement process should be addressed to introduce greater scope for social value and that innovation be part of tenders.
- **Incentivise co-operation:** Given the community sector’s close links at the local level, this might mean that they are well placed to help support interaction across different communities. While civil society groups have had some success at supporting intercommunity relations, available evidence suggests that only a minority of civil society groups are mixed or cross community. Actions to promote activities that challenge rather than reinforce the status quo, such as incentives for partnership and co-operation across community divisions as part of government investment and purchasing, might facilitate this change.

The above actions can be seen as complementary. Alone their efficacy will be limited; they should be pursued together as a concerted approach so that Northern Ireland’s public sector is able to reap to a fuller extent the benefits that the third sector has the potential to provide for delivering public services. Being more open and supportive to the third sector requires both policy and cultural changes within government. Experience shows that cultural change is often protracted and difficult to achieve. Leadership and incentives are critical. Mandating change at the political level may be one mechanism to help ensure that all actors sign up and are committed to delivering collectively. The third sector can be an invaluable partner in helping Northern Ireland achieve better outcomes through the services it provides. There is already a strong foundation to achieve this in Northern Ireland with a vibrant third sector and in some cases the third sector already acting as an important actor for service delivery, especially at a community level. Truly

capitalising on the third sector's potential can provide Northern Ireland with a greater pool of expertise, capacity and ideas to enhance the social outcomes that service delivery can achieve.

Collaborative commissioning is also about going beyond the competition dynamic. Clearly, competition has a role to play through market testing and contestability to drive both internal and external actors to improve performance; however, should it be the only or predominant dynamic, this may ultimately undermine service quality (Nesta and Innovation Unit, 2013; OECD, 2015a). Northern Ireland's Innovation Lab provides an institutional setting for a more collaborative approach to commissioning, and could provide the springboard for implementing the technique across other areas of government.

While including concepts such as social value as part of procurement can be challenging, there is encouraging experience in other parts of the United Kingdom. The Public Services (Social Value) Act came into force on 31 January 2013 in England and Wales.<sup>9</sup> The Act requires that commissioners of public services think about how they can secure wider social, economic and environmental benefits. In a recent review of the Act by Lord Young it was noted that, where the Act has been applied, its effect has been positive; in particular, it has encouraged commissioners "to think about securing value through procurement in highly innovative ways which have generated significant cost savings and demonstrated a much more responsive way of delivering better services" (UK Cabinet Office, 2015).

However, the Young review also noted that one of the main areas for improvement was the measurement of social value. The way that outcomes are quantified is inconsistent and this can make it difficult for procurement officers when evaluating bids. To help advance the measurement of social impact the review provides a framework and principles for the current state of social impact measurement. Over the longer term it has asked Inspiring Impact, a ten-year programme led by the voluntary sector to develop social impact measurement including a methodology for commissioners to assess the additional value provided by a social value contract, set standards for measurement and promote good measurement principles (see also below and case study on procurement).

Opening up service delivery also means considering different models. Outcome-based funding models may help to drive up performance, reduce costs and innovate service delivery (as outcomes, rather than outputs or processes are specified in the contract, providers have greater flexibility). However, such approaches may reduce opportunities for smaller organisations to enter the market because payment based on performance shifts the risk of under- or non-delivery to the service provider. Outcome-based funding models where the risk is not shifted to the service provider themselves, such as Social Impact Bonds (SIBs), may be appropriate for some areas of non-statutory service delivery. Early intervention and prevention programmes are frequently an appropriate candidate for SIBs since the upfront investment is offset by reduced costs in the long term.

In particular, there are now a number of relevant examples of SIBs being used to support better experiences for looked after children with a view to improving long term educational and other general well-being outcomes within this group. These practices may be particularly relevant for Northern Ireland given the interest in this policy area (see the case study *Improving Education Outcomes for Looked after Children: An Assessment*). Relevant examples include a SIB in New South Wales, Australia that is focused on preventing children entering out-of-home care in the first place, and returning

children to their families once in out-of-home care. Manchester City Council in the United Kingdom launched a SIB in 2014 which provides targeted interventions for looked after children with severe emotional and behavioural issues to support returns to foster or home care settings from residential local authority care. A final example is from a SIB in Saskatchewan, Canada for Single Mothers which focuses on supporting single mothers and preventing future costs generated from at-risk families, especially the costs and poor outcomes associated with children entering foster care. The project provides parenting and literacy skills to help single mothers find future work and support their children.<sup>10</sup>

The Department of Finance and Personnel in Northern Ireland is currently working with departments to explore opportunities to pilot alternative financing models for public service delivery, including Social Impact Bonds and Community Mutuals/Cooperatives. These models will involve the public sector working with the private and third sector to tackle deep rooted social issues, with an emphasis on social innovation and improving outcomes for people. This is an emerging area where knowledge is still being developed but international experiences point to the importance of being able to measure social impact and the quality of outcomes (i.e. a government can measure if a job seeker is placed in employment over time, but developing a measure of quality employment that matches a job seeker's skills and experiences is more challenging); having access to evidence on what makes effective interventions (even if government payment is linked to performance it is nevertheless important to know that interventions are likely to be successful) and risks such as government over-paying, providers gaming the system by targeting certain types of clients, or provider failure which carries implications for service continuity. The Cabinet Office in Whitehall is particularly active in the area of social investment, and some of its work might provide useful directions to guide Northern Ireland as it develops work in this area (also see Box 5.1).

However, it should be acknowledged that increasingly engaging with the third sector through contracts and service delivery may pose challenges to the third sector's traditional role as an advocate for broader social goals and its ability to influence policy making as organisations are at the same time aiming to influence the policies for public services and are service providers (see Chapter 3 for further discussion of this issue).

The scale and complexity of social challenges and the pressure on public budgets has led to a growing interest in social enterprises in some OECD countries. Social enterprises are “any private activity conducted in the public interest, organised with an entrepreneurial strategy but whose main purpose is not the maximisation of profit but the attainment of certain economic and social goals, which has a capacity of bringing innovative solutions to the problems of social exclusion and unemployment” (OECD, 2015b). The challenge for social enterprises to access capital has led to the growth of the social impact investment market. Capital providers from the private sector are clearly a major actor in this market, but many governments are also helping to grow the market for social enterprises. One way is through how services are commissioned (see above); another is by investing and building capacity in the market. OECD countries are taking different approaches to support different parts of the social impact investment ecosystem, from supply and demand to intermediaries (see Box 5.1); Northern Ireland may be able to draw on these experiences to develop similar approaches to support their social enterprise sector.

### Box 5.1. Supporting the social enterprise market: OECD country examples

**Australia's** “Social Enterprise Development and Investment Funds” make AUD 20 million available as a cornerstone investment to seed the growth of three investment funds. The funds will help to improve access to finance and support for Australia’s social enterprises to help them grow their businesses and increase the impact of their work in their communities. This action also aims to support the broader growth of the social impact investment market in Australia.

The social sector struggles to collect, manage and analyse their data to understand and demonstrate impact. In the **United Kingdom**, GBP 2 million has been made available as a pilot programme to help social ventures develop the systems, processes and governance to help understand and improve their social impact.

In **Canada**, the government asked citizens for ideas about how to harness the power of social finance to improve social and economic outcomes for Canadians. Through the “National Call for Concepts for Social Finance” the government received over 150 responses, including some promising ideas where the government will connect partners and develop concepts into investment-ready ideas that are suitable for social finance pilot projects.

**Scotland** is developing the Scottish Community Banking Trust which will pool the resources of the third sector to create new financial products that address gaps in the current provision for the sector, especially for smaller providers who are yet to establish a proven revenue model.

Source: OECD (n.d.), “Observatory of Public Sector Innovation”, [www.oecd.org/governance/observatory-public-sector-innovation/](http://www.oecd.org/governance/observatory-public-sector-innovation/) (accessed 5 June 2016); Senscot (2013), “The Scottish Community Banking Trust”, July, [www.senscot.net/view\\_art.php?viewid=16013](http://www.senscot.net/view_art.php?viewid=16013).

## Procurement reform

### *Pursuing social objectives through service delivery: The example of public procurement*

Though public service delivery is frequently considered from the perspective of benefits or impacts on external clienteles, public service delivery also has a significant internal clientele composed of public institutions such as departments, hospitals or schools. In most OECD countries governments are among the largest purchasers of goods and services. As a result, their purchasing decisions may be used to pursue secondary policy goals.

### *Balancing secondary policy objectives for impact*

While efficiency and cost effectiveness are among the primary objectives of public procurement, Governments increasingly use this purchasing power as a policy lever to support various secondary objectives such as green growth, the development of small and medium-sized enterprises, or innovation. The OECD has monitored these trends as part of its efforts to review country progress in implementing the 2008 “Recommendation of the

Council on Enhancing Integrity in Public Procurement”, as well as in the development of public procurement data for the *OECD Governance at a Glance*.

The 2015 OECD *Recommendation of the Council on Public Procurement* (the Recommendation) encourages a balanced approach to the inclusion of policy goals in public procurement.<sup>11</sup> Recognising the delivery of goods and services necessary to accomplish government mission in a timely, economical and efficient manner as the primary procurement objective, the Recommendation identifies secondary policy objectives as any of a variety of objectives pursued through public procurement, such as sustainable green growth, the development of small and medium-sized enterprises, innovation, standards for responsible business conduct or broader industrial policy objectives. The policy choice regarding whether to pursue secondary policy objectives in public procurement will vary by government and the needs of citizens, but the Recommendation identifies steps that should be taken whenever such objectives are pursued (see Box 5.2).

#### Box 5.2. OECD Recommendation on Balanced Social Objectives

**V. RECOMMENDS** that Adherents recognise that any use of the public procurement system to pursue secondary policy objectives should be **balanced** against the primary procurement objective.

To this end, Adherents should:

- i) **Evaluate the use of public procurement as one method of pursuing secondary policy objectives in accordance with clear national priorities**, balancing the potential benefits against the need to achieve value for money. Both the capacity of the procurement workforce to support secondary policy objectives and the burden associated with monitoring progress in promoting such objectives should be considered.
- ii) **Develop an appropriate strategy for the integration of secondary policy objectives in public procurement systems**. For secondary policy objectives that will be supported by public procurement, appropriate planning, baseline analysis, risk assessment and target outcomes should be established as the basis for the development of action plans or guidelines for implementation.
- iii) **Employ appropriate impact assessment methodology to measure the effectiveness of procurement in achieving secondary policy objectives**. The results of any use of the public procurement system to support secondary policy objectives should be measured according to appropriate milestones to provide policy makers with necessary information regarding the benefits and costs of such use. Effectiveness should be measured both at the level of individual procurements, and against policy objective target outcomes. Additionally, the aggregate effect of pursuing secondary policy objectives on the public procurement system should be periodically assessed to address potential objective overload.

Source: OECD (2015c), “Recommendation of the Council on Public Procurement”, [www.oecd.org/gov/ethics/Recommendation-on-Public-Procurement.pdf](http://www.oecd.org/gov/ethics/Recommendation-on-Public-Procurement.pdf).

The vast majority of OECD member countries use public procurement as a tool to implement policies or strategies to foster secondary policy objectives. In fact, 26 OECD member countries have developed strategies or policies to support green public procurement, SMEs and innovative goods and services. These strategies are

predominantly developed at the central level (see Table 5.1). The decision to pursue secondary policy objectives, as well as the goals set for this use of public procurement are generally political decisions, established in each country and based on the particular needs and context. While the OECD's work is initially focused on ensuring that the goals set are achieved in the most efficient and beneficial manner, work is also underway to identify good practices for further determining target opportunities and setting goals.<sup>12</sup>

Table 5.1. **Development of strategic public procurement by objective**

	Green public procurement	Support to SMEs	Support to innovative goods and services
Australia	●	●	●
Austria	●	○	●
Belgium	◆●	●	●
Canada	◆●	●	●
Chile	◆●	◆●	●
Denmark	●	●	●
Estonia	○	○	○
Finland	●	◆	◆
France	◆●	◆●	◆●
Germany	●	●	●
Greece	◆●	●	○
Hungary	◆	●	●
Ireland	●	●	●
Italy	◆	◆	◆
Japan	●	●	●
Korea	●	●	●
Luxembourg	◆●	◆●	◆
Mexico	●	●	●
New Zealand	◆●	◆●	◆●
Norway	■	◆●	◆●
Poland	●	●	●
Portugal	●	◆	◆
Slovak Republic	○	○	○
Slovenia	◆●	●	●
Spain	◆●	◆●	◆●
Sweden	◆●	●	●
Switzerland	◆●	◆●	◆
United Kingdom	●	●	●
United States	●	●	◆●
Brazil	◆●	◆●	●
Colombia	◆	●	●
OECD29			
◆ A strategy / policy has been developed by some procuring entities	13	10	10
● A strategy/policy has been developed at a central level	24	23	20
■ A strategy / policy has been rescinded	1	0	0
○ A strategy/policy has never been developed	2	3	3

Source: OECD (2015d), *Government at a Glance 2015*, OECD Publishing, Paris, [http://dx.doi.org/10.1787/gov\\_glance-2015-en](http://dx.doi.org/10.1787/gov_glance-2015-en).

### ***Maximising economic impact through social clauses in public procurement***

While public procurement as a public service is used in support of a variety of secondary policy objectives in the United Kingdom and Northern Ireland, including support for small and medium enterprises, and for innovation and sustainability, this section focuses on the use of public procurement to maximise economic impact, in

particular through the use of social clauses targeted at developing the workforce through returning long-term unemployed as well as apprenticeship programmes.

The use of public procurement as a service to tackle social exclusion of this sort has developed over time in the United Kingdom, in particular through a detailed policy and legal analysis of the issue prepared with the support of the Joseph Rowntree Foundation. Published in 2002, this report notes that “to some extent there is always a ‘trickle-down’ effect from public expenditure,” but focuses on actions to improve this effect “to maximise the benefits that accrue to disadvantaged communities to enable them to take responsibility for themselves and their families, compete effectively in the job market and share in the success of the UK economy” (Macfarlane and Cook, 2002).

Taking as a starting place the lack of information and guidance on when community benefits requirements are compatible with the UK policies of value for money and the relevant European Union Directives on Public Procurement, the report identifies the flexibilities in the legal and policy frameworks which allow their inclusion. Consistent with this background, Procurement Guidance Notes (PGNs) on the integration of social and environmental policy objectives have been in effect since 2005, and social clauses have been included in construction contracts in Northern Ireland since at least 2008, supported by a model clause developed by CPD in consultation with the construction industry. To further these efforts, Northern Ireland committed in the 2011-15 PfG to “include Social Clauses in all public procurement contracts for supplies, services and construction”.

This commitment was supported in a PGN (DFP, 2013), issued by the Northern Ireland Department of Finance and Personnel’s Central Procurement Directorate on approval of the Procurement Board in November of 2013. In addition to setting out practical guidance on the use of social clauses, the PGN also outlines additional elements of the Executive’s commitment on social considerations in public procurement. These include:

- the commitment in the PfG
- the approval in 2011 of a revised definition of “Best Value for Money” (in place since 2002) that includes sustainability among cost and quality
- reference to the 12 key principles to govern the administration of public procurement, which includes a principle of integration with the Executive’s economic, social and environmental policies, among others.

This section of the PGN also notes the adoption of a 2012 strategic plan that sets targets for the implementation of social clauses in line with the Executive commitment and requires monitoring of compliance as well as quarterly reporting to CPD on the details of opportunities delivered through social clauses.

The PGN identifies two primary methods for incorporating social considerations into public procurement processes: 1) using award criteria linked to the subject matter of the contract; and/or 2) using contract performance clauses linked to the subject matter of the contract. The PGN specifies how to determine, in each case, if an appropriate link to the subject matter of the contract exists; clarifies that both approaches may be used in the same procurement process, if appropriate; and emphasises throughout, that careful planning and consideration of the use of social considerations should be conducted from the beginning of the process, as the need is defined, to ensure the maximal benefit.

To assist procurement officials in this early planning and integration of social considerations, reference is made to the Northern Ireland Guide to Expenditure Appraisal and Evaluation (NIGEAE),<sup>13</sup> and a guidance document entitled “Equality of Opportunity and Sustainable Development in Public Sector Procurement” (Equality Commission and the Central Procurement Directorate, 2008), which includes a detailed flow chart designed to illustrate how equality and sustainable development issues should be considered throughout the public procurement process.

The Northern Ireland Strategic Investment Board (SIB) also has a role in the advancement of social objectives. As part of SIB’s remit on advice and development work, the organisation has been tasked, in a letter of expectation from the First and deputy First Minister, with working with departments and other key stakeholders to develop a “Buy Social” agenda. SIB’s approach involves recognition that maximising social outcomes may require going beyond the use of social clauses as a minor extension of existing contracts, instead treating this policy priority as involving an innovation in the way procurement projects are planned and executed. To this end, SIB has developed a “Buy Social” toolkit<sup>14</sup> and is conducting a review of social clauses to establish an evidence base for continued implementation of this approach. While there is currently no lead department to undertake the development of social clauses, SIB also provides support to stakeholders to assist them in the implementation of the lessons in the toolkit.

The toolkit explores the two primary methods of incorporating social considerations identified in the PGN: either extending the contract specifications through award criteria related to social objectives or requiring specific performance elements that incorporate such considerations. After an analysis of principles and priorities, the toolkit focuses on targeted recruitment and training (TR&T) as a key opportunity to leverage social benefit through public procurement.

Elements of specific guidance regarding TR&T within the toolkit include a policy approach to target opportunities, and an identification of a variety of options for what to include as social objectives, such as new entrant training opportunities, work experience opportunities and local supply-chain opportunities. Guidance for focusing the effort to achieve successful outcomes, including through setting and calculating targets, identifying partners and appropriate monitoring and reporting are also addressed. Model clauses are included, as is a section identifying necessary language for development of business cases.

Interviews with stakeholders indicated that the focus on incorporating social clauses has yielded positive outcomes in some cases. Additionally, the “Buy Social” website hosts a number of case studies demonstrating successful projects which incorporated social clauses, including construction projects such as stadia and arenas as well as contracts for services such as for security guards.<sup>15</sup> In each example, the social clause requirements included in the project are listed, along with the current status or final outcome.

In some cases, performance targets were exceeded. For example, in the Regional Stadia Programme – Ravenhill/Kingspan Stadium – the award criteria encouraged tenderers to commit to delivery beyond minimum social clause requirements, and more than three times the number of apprentices were recruited (13 as compared with the required 4), twice as many student placement opportunities were provided (from 2 to 4), and more than double the number of practical proposals for social returns for the local community were achieved (13 distinct proposals with a number of sub-proposals were identified, with only 5 required).

Such cases are consistent with the feedback from a variety of stakeholders interviewed during the fact-finding missions, who indicated that in cases where planning was done carefully from the beginning to integrate social considerations, successful outcomes were being achieved. Others indicated that, in addition to the planning phase, a detailed and hands-on approach during contract management was also essential to success.

Interviews also indicated that this success is not yet consistent across departments or projects. Interview subjects suggested that in many cases, the social clauses appeared as nothing more than an additional contractual requirement that must be met, and not an integrated element of a project, making them difficult to satisfy. Others indicated a need to recognise that there is not a one-size-fits-all approach that is appropriate to social clause inclusion, and that this needs to be considered in the development of standardised clauses.

The role of political leadership was also highlighted in a number of interviews. One of the reasons cited for success in the implementation of social clauses in projects conducted by the Department of Culture, Arts and Leisure (DCAL) included a high level of support from the Minister, who viewed such social outcomes as central to the projects being delivered by DCAL. This focus translated into planning and procurement processes that deeply integrate the social objectives, providing both government officials and contractors better resources for successful outcomes during contract performance.

A lack of consistency in the use of social clauses, and the expectations for their fulfilment, is also cited by industry, according to interview subjects both inside and outside government. This takes a number of forms, including:

- creating only short-term opportunities that do not provide genuine change of circumstance for the participants
- lack of co-ordination among colleges, employment agencies and contractors in identifying appropriate candidates as good fits for particular procurement projects
- lack of sophistication in setting targets for social outcomes (arbitrary determination of  $x$  number hired per  $y$  value of contract).

Interviews with a variety of stakeholders indicated a general sense of lost opportunity, for these reasons. Development of a skilled workforce is a key concern of the commercial sector, and interview participants indicated a strong willingness to support a coherent government approach to well-integrated apprenticeship and employment training programmes. One example of such a programme is the public private/sector ICT apprenticeship scheme, which involved Enterprise Shared Services working with the NICS, the IT industry and the education sector. More than one hundred people have already passed through the scheme, which has been applauded by politicians, schools, parents and the industry itself. One challenge to the establishment of such a coherent approach, identified by multiple interview participants, was a sense that procurement officials had been left to take forward the social policy without sufficient involvement of those with expertise in the areas of social concern.

To improve outcomes in the pursuit of social objectives through public procurement, elevation of the importance of the issue and its inclusion early in the commissioning process must be achieved. Various stakeholders recommended potential steps, including the creation of an entity with the remit and expertise to advise commissioning officers on how best to include social objectives, the placement of individual officials with such

expertise within each procuring department, and the building of relationships with more groups that can provide contacts with target populations at all levels.

These suggestions reflect the practices of some OECD member countries. For example, in Korea, the Ministry of Strategy and Finance; Ministry of Industry Trade and Resources (which houses the Korean Small and Medium Business Administration); Ministry of Culture, Sports and Tourism; and Ministry of Government Administration and Home Affairs all have control of programmes that implement preferences through public procurement. When public procurement preferences are established, the relevant stakeholders meet to ensure consistency in approach (OECD, 2016). In the United States, each major department has an Office of Small and Disadvantaged Business Utilization (OSDBU) that assists procurement officials in identifying and pursuing opportunities for small businesses. The officials from each agency also participate as members of an OSDBU Directors Interagency Council, which meets monthly to exchange and discuss information on acquisition methods, issues and strategies in support of small businesses.<sup>16</sup>

### Streamlining regulation and processes

Several of the issues that have been discussed in the chapter can be illustrated through consideration of Northern Ireland’s *Better Regulation Strategy*. The power to regulate is one of the main areas through which governments intervene in society and economy. For this reason, regulatory capacity is an important factor to be leveraged to support the goals of Northern Ireland’s public sector reforms and, at the same time, create conditions that will be favourable to its economic development. Countries across the OECD have recognised the need and the benefits to accrue from regulatory simplification. Though this is also recognised in Northern Ireland, the path to better regulation is less clear. How to develop this path and achieve the goals of regulatory change is the focus on this section.

Ensuring that regulations are coherent with government’s strategic vision engages the same processes as policy-setting and planning in other areas: proposals are assessed, decided upon, implemented and evaluated. The process of regulatory streamlining and simplification should follow the same path. Regulatory policy is horizontal; it cuts across different subject areas and regulatory authorities. It addresses the justification for intervention by public authorities and the means of intervention, as well as the effectiveness of regulation in achieving policy aims.

The rationale for regulatory simplification is often that the regulatory framework and the burden it presents for citizens, businesses and the public sector have become excessive. The burden for businesses and citizens is felt in both time and cost required to comply with regulations, aggravated by irritation at factors including inconvenience, duplication and lack of transparency. In the public sector, the burden is felt in the increased cost of public services as well as frustration at the complexity of procedures.

The term “better regulation” when used in Northern Ireland generally refers to regulatory policy with businesses, charities, voluntary organisations and social enterprises as the targets of regulation. Northern Ireland’s *Better Regulation Strategy*, launched in 2001 (DETI, 2001) with subsequent reviews in 2006-07 and 2010 sets out the requirements for regulatory development to be followed by departments. Successive reviews of the strategy (see DETI, 2010) have developed it further and, in particular, have set out actions to be taken in order to further extend regulatory tools and practices in Northern Ireland. Revisions to the Strategy following the 2006-07 review led to the development of a better regulation action plan to cover the period 2010-13 which set out

initiatives and actions to improve the better regulation arrangements. These changes notably resulted in the simplification of the regulatory impact analysis (RIA) process and revised RIA guidance which was published in 2014 (DETI, 2014a).

Northern Ireland's *Better Regulation Strategy* is primarily concerned with regulatory policy and processes as these impact on the business sector (including voluntary organisations, charities and social enterprises) with the primary objective of stimulating the economy through a business environment which is attractive to new investors and increases competitiveness for existing businesses. It is an on-going effort on the part of government to streamline and simplify the regulatory process. The major tools available under the strategy are the regulatory impact analysis tool (RIA), policy reviews, and regulatory delivery improvements. Communication with stakeholders is an integral element in all of these tools. Under the Strategy, departments are required to conduct a proportionate RIA if their proposed policy arrangements, whether legislative or administrative, are likely to have an impact, whether positive or negative, on the wider business community.

Better regulation was also addressed as part of Northern Ireland's Review of Business Red Tape. Reporting in 2014 the review made six high level recommendations to improve the regulatory landscape as it affects business, as well as additional supporting recommendations (DETI, 2014a). Actions on the recommendations of the Review of Business Red Tape are still pending.

Northern Ireland's better regulation arrangements as they apply to business are of relatively sophisticated design and contain many elements of good practice defined in the OECD Council Recommendation (OECD, 2012). They are necessarily broadly aligned with the UK arrangements. Interviews conducted with representatives of the business sector generally supported the Strategy and approach, although some were keen to see further improvements, such as those recommended in the Review of Business Red Tape.

However, as a regulatory instrument focusing on regulation of businesses, the Strategy is minimally concerned with the application of regulatory simplification to citizens and the public sector. Though this is partially offset by service transformation through digital government extending the policies, tools and techniques contained in the Strategy to regulations which burden citizens and the public sector, it would ensure a more comprehensive approach to regulation in line with OECD best practice. Similarly, extending service transformation under the Citizen Contact Strategy to include digital-government support for better regulation for businesses would also be beneficial.

Northern Ireland has also adopted the practice of regulatory stock reviews. The review under development at DETI calls for *ex post* reviews of legislation involving: sector-based and particular requirements of regulation as identified for review based on stakeholder feedback (essentially complaints) and evidence as gathered with a view to making improvements. To date, regulatory stock reviews in Northern Ireland have consisted of a pilot approach which has been applied by focusing on three sectors: hospitality, construction, and agri-food. However, Northern Ireland's approach to regulatory stock reviews has not been systematic to date. In this regard the Review of Business Red Tape recommended a rolling programme of reviews, with regulations being reviewed every seven years.

### ***Evidence-based approach to regulation***

The use of tools which can quantify the effect or cost of regulation on businesses or citizens, and the setting of objectives to reduce that cost over time, have been addressed repeatedly in the development of regulatory policy internationally. Northern Ireland's RIA guidance, taken together with the other impact assessment tests, generally follows the indicators set out in the Annex to the OECD Council Recommendation (OECD, 2012).

The primary tool used internationally to quantify regulatory impact and reduce administrative burdens on businesses outside of the RIA is the Standard Cost Model (SCM). Although the SCM has not been systematically applied by the Northern Ireland Executive, adaptations based on SCM used in an adapted form by DOE and DARD and validated with stakeholders, is an alternative and cost-saving approach that has allowed the departments, to focus their efforts and understand the cost drivers for stakeholders, set targets and monitor progress. The use of net performance measurement (ensuring that the reduction claimed to be achieved takes into account new measures enacted in the intervening period) is also part of good practice. It can most easily be achieved if the SCM is applied to new requirements during the RIA process, as provided for in the existing Northern Ireland RIA guidance.

For its part, NISRA reports annually on the compliance costs to business associated with its statistical surveys. NISRA reports on the measures taken by departments to reduce the burden on respondents, including form simplification, changing contact channel, reducing data requirements, reducing sample sizes and providing advice to support completion.

### ***Regulatory policy players***

In the Northern Ireland Executive, the lead role in regulatory policy is played by the Department of Enterprise, Trade and Investment (DETI). DETI is responsible for co-ordinating the Better Regulation Strategy and policy, as it applies to the regulation of business, and departments are responsible for their own better regulation action plans. Though DETI plays a co-ordinating role at the level of the Strategy, departments act independently in the development of their regulations.

The DETI arrangements for the co-ordination of better regulation efforts include supervising and revising the better regulation strategy and its tools, including RIA guidance; maintaining a network of better regulation contacts across NICS organisations; producing an annual report on better regulation activity and representing Northern Ireland in UK-wide better regulation co-ordination. DETI also participates in the UK-wide structures which are available to support better regulation, such as the four nations Better Regulation Forum and the Whitehall Regulatory Excellence Forum (DETI, 2014a, p. 14).

The Northern Ireland institutional arrangements for the Better Regulation Strategy rely on a consensus and the responsibility of individual departments and ministers for their own activity. The better regulation co-ordination responsibility in DETI neither extends to monitoring the quality of simplification plans or RIAs produced by departments, nor to running administrative simplification programmes and monitoring the progress towards objectives or targets. There are few incentives available to the co-ordinating unit or the DETI minister to ensure that departments meet the requirements of the strategy, and there are no formal sanctions available. However, in several OECD countries, the regulatory function resides in the CoG, as in Canada (see Box 5.2). In

Australia, the State of New South Wales' responsibility for the State's Better Regulation Strategy resides in the Department of the Premier and Cabinet (New South Wales, Department of Premier and Cabinet, 2015).

### Box 5.2. Canada's Regulatory Affairs Sector

The Regulatory Affairs Sector, transferred in July 2006 from the Privy Council Office, supports the Treasury Board in its role as the Queen's Privy Council for Canada by providing advice to the Governor General and managing the government's regulatory function. The Sector also provides leadership on federal regulatory policy and the Cabinet Directive on Streamlining Regulation (CDSR).

As such, the Sector is engaged in two key functions: 1) supporting government priorities through continuous improvement of policy; and 2) advising Treasury Board ministers on Governor in Council (GIC) submissions.

The Sector delivers on its mandate by undertaking policy research and analysis, and developing policies and associated frameworks; providing reliable and timely advice to federal organisations on regulatory policy interpretation and application; reviewing regulatory and non-regulatory GIC submissions (except for appointments), ensuring that submissions adhere to the CDSR and that relevant information is provided for decision making; contributing to learning programmes that strengthen the regulatory capacity of all government organisations, particularly the understanding of regulatory policy requirements; and brokering the resolution of issues through interdepartmental co-ordination and horizontal policy management.

*Source:* Government of Canada (2015), "Regulatory Affairs Sector", Treasury Board of Canada Secretariat Organization, [www.tbs-sct.gc.ca/ip-pi/structure/index-eng.asp](http://www.tbs-sct.gc.ca/ip-pi/structure/index-eng.asp).

Though the Review of Business Red Tape observed significant improvements to the regulatory process as a result of the Strategy, it nonetheless noted the lack of central monitoring of regulatory initiatives as an area in need of attention (DETI, 2014b, p. 13).

Northern Ireland has further recognised that one of the key tools to facilitate co-ordination is through capacity-building within the civil service. This has been supported by the training course provided centrally by the Centre for Applied Learning, which assists staff across the NICS familiarise themselves with the requirements of the DETI's RIA guidance.

Interestingly, though DETI is the lead department responsible for the Strategy it does not play a central role in oversight to the application of regulatory requirements by departments. Instead, DETI relies on stakeholders to challenge departments on the analysis contained in RIAs. This has resulted in differing approaches to regulatory development being applied by different departments. The Review of Business Red Tape pointed to the lack of consistency in RIA across the NICS as an issue in need of attention (DETI, 2014b, p. 37).

### *Stakeholder input and engagement in regulatory review*

One issue associated with the conduct of regulatory reviews concerns the lack of engagement of stakeholders. The reasons underlying this lack of stakeholder engagement are similar to those discussed elsewhere in this chapter. In several OECD countries,

stakeholder input in the regulatory process has taken the form of advisory bodies in the area of better regulation. These bodies are generally significantly independent of government and have a role to represent external stakeholders.

In Northern Ireland the business sector has been the primary stakeholder engaged in the regulatory process. Though the definition of business for the purposes of regulatory policy includes organisations in the civil society sector, such as charities, the general public has not played a significant role in the definition of regulations. This reflects the primary business-centred approach proposed by the *Better Regulation Strategy*. Interestingly, surveys of business perceptions show that this sector has not felt any improvement in the regulatory environment.

Proposals have been made to increase the engagement of stakeholders in the regulatory process, such as the establishment of advisory bodies or independent champions or scrutiny committees. As proposed by the Review of Business Red Tape, these bodies would serve to represent the interests of business in the regulatory process. These independent bodies could also serve to strengthen the role of stakeholders in *ex ante* assessment and also serve a useful purpose by bringing together stakeholders and regulators.

As in other areas of policy and programmes in Northern Ireland co-ordination, across the NICS and with other levels of government and non-governmental stakeholders, of regulatory policy and its application have proven challenging. Across the NICS, collaboration between departments appears to be enabled by informal arrangements, resulting in an uneven application of the Strategy's requirements and limited central oversight by DETI. Progress has been made in this area to extend better regulation arrangements to cover all local authorities; this was reported in DETI's annual reports on better regulation covering 2011-12 and 2012-13. The relevant minister wrote to local councils in February 2012 to seek the councils' endorsement of the extension. OECD was informed in August 2015 that this widening scope had been achieved. Collaboration and co-ordination of regulatory policy between Northern Ireland and other UK regions appears strong.

It appears that there is a need for greater engagement of stakeholders external to the NICS in regulatory policy. Though engagement with the business sector has been strong, it is less developed with other non-governmental stakeholders. The establishment of advisory bodies and independent panels have been proposed to enhance the role of stakeholders and call forth greater engagement with regulators. The approach has been applied and proven successful in several OECD countries.

## Improving operational delivery of services: Recommendations

Governments at all levels across the OECD are seeking ways to improve how they deliver public services. Faced with changes and challenges stemming from demographic, societal and economic factors, governments do not have a choice whether to change and adapt. Several areas discussed above may contribute to the improvement of service delivery, as can restructuring government, procurement reform and regulatory streamlining, discussed below.

In light of the above, the Government of Northern Ireland should consider the following recommendations.

***Recommendation 20 on The NI Innovation Lab***

Support the NI Innovation Lab as it seeks to develop its full potential through departmental ownership, skills development, active user and sponsor-department participation in lab sessions and impact measurement. Northern Ireland's Innovation Lab is an impressive example of how the government is nurturing innovation in the public sector. To support its development as a powerful source for achieving change across Northern Ireland's public sector, Northern Ireland should:

- Ensure that NI Executive departments gain ownership of the Lab through a financial contribution or by providing strategic direction to it.
- Distribute the cost of the Lab across all department budgets at the start of the next PfG and mandate a junior minister or senior civil servant from each department to sit on the Lab's board.
- Ensure that the Lab can move beyond the traditional skillset of civil service to employ such new techniques as ethnography, design and prototyping to help demonstrate the uniqueness of its approach compared with the rest of government, through:
  - informal “shadowing” during a Lab project to help Northern Ireland's civil servants develop the skills mentioned above
  - involving the sponsor department actively in the whole lab process to fully exploit the learning opportunity (and result in shared outcomes)
  - actively engaging users as Lab participants, both frequently and extensively across the full policy cycle
  - ensuring that the Lab continue to involve service-users actively in its projects at all stages of the process so that it does not just involve service-users in defining and researching an issue but as options to solve it are articulated, to obtain feedback, re-develop and refine the ultimate solution to the issue.
- Use indicators to measure the Lab's impact. Indicators should range from simple output indicators that measure the Lab's activity (e.g. number of lab projects conducted, number of departments engaged with) to more outcomes-based indicators on how the Lab is affecting change in government (e.g. by asking sponsor departments to evaluate their experience, how it changed their perceptions, track the Lab's recommendations, etc.). This should be complemented by outcome-based indicators that measure the impact of the Lab's activities on service delivery.

***Recommendation 21 on Harnessing innovation to improve service design and delivery***

Mainstream innovative approaches across government and the wider public sector by fully utilising existing networks and pockets of innovation in service design and delivery. Reinforce these efforts through political leadership and commitment. Use the Innovation Lab as a springboard to increase awareness of innovative approaches and develop capacity across the public sector to service design and delivery.

- Develop a general policy for user engagement across government. The policy should outline expected standards, procedures, and elements to ensure coherence and co-operation across departmental boundaries.
- Obtain political leadership and commitment so that the outputs of innovative approaches (e.g. from the Innovation Lab’s projects) can be implemented across different policy areas.

The case study on Looked-After Children observed that a number of promising policies and programmes have been identified but that the evidence base is not robust, and recommends that the value of these innovations be assessed to identify and share information on what works, for whom and under what circumstances they can be applied.

The case study on commissioning for health services observed that there is a need to encourage a more ambitious, more proactive approach, creating an environment of innovation, experimentation and learning to help inform the direction of future Commissioning Plan Directions, and recommends that the commissioning process encourage adaption and improvement, recognising that it rarely “gets it right” the first time.

### ***Recommendation 22 on User engagement in service design and delivery***

Use Northern Ireland’s innovative user-engagement exercises to identify demonstrable results on how citizens’ input has been used to shape public services, and engage “early movers” in this field to share experience and practice across the public sector, notably the NICS, on what user-engagement means and the potential impact that it can have on improving service design and delivery.

- in so doing, continue to review NI public-administration bodies with a view to improving their responsiveness to the needs of the population while delivering more efficient, effective, and quality public services.

### ***Recommendation 23 on Restructuring for more effective government***

Pursue the restructuring/rationalisation of Departments in the Government of Northern Ireland, and the implementation of the restructuring/amalgamation of local governments, and monitor impact against results over time.

- develop an assessment framework, including a small number of performance indicators, to assess after a suitable period (say, five years), the impact of this restructuring on, for example:
  - the efficiency of decision making from the citizen’s standpoint
  - the effectiveness of service design and delivery, including on the quality of services, their delivery, and the impact of the restructuring (including the resulting savings in human and financial resources) on the achievement/improvement of results/outcomes for people.
- use this performance information as input into decision making on whether and how to adjust course/pursue further restructuring/rationalisation initiatives.

### ***Recommendation 24 on Third-sector capacity to deliver services***

Support third-sector capacity in partnering on service delivery. Providing Northern Ireland’s population with the best public services that the public sector can does not mean that the public sector needs to act alone. The third sector has invaluable local knowledge, expertise and networks that can be tapped into to help deliver public services in partnership. To harness this potential, open up opportunities for third-sector engagement in service delivery:

- consider how Northern Ireland can invest in third sector capacity so it can meet delivery needs
- review public procurement processes to ensure that different service delivery models can be tested
- shift Northern Ireland’s role to one of “investor” (rather than a “giver”) to community groups, and design service delivery models that facilitate third sector participation, while investing in capacity through seed funding and skills development
  - clearly articulate expected outcomes (in return for the provision of funds) and support capacity-building in the third sector for service delivery
  - invest in training in the third sector on financial management, demonstrating impact and business growth
  - provide seed funding to facilitate the growth of the social impact investment market to help increase the availability of capital providers to social organisations .
- use the Innovation Lab as an institutional setting for a more collaborative approach to commissioning, and to provide the springboard for implementing the technique across other areas of government
- provide incentives for greater inter-community engagement within civil society. The community sector’s close links to the local level means that it is well placed to help support interaction across different communities. Northern Ireland should:
  - promote activities that challenge rather than reinforce the status quo
  - provide incentives for partnership and co-operation across community divisions as part of government investment and purchasing to deliver services more efficiently and effectively.

The case study on healthcare commissioning recommends:

- facilitating the third sector’s role as a partner in healthcare service delivery through a more collaborative approach to commissioning, opening up service delivery opportunities, and investing in the third sector to develop its professionalism, capacity and capability
- making greater use of collaborative commissioning by involving third-sector organisations in deciding what public services are provided and how they are delivered.

***Recommendation 25 on Empowering owners of social objectives policy***

Identify and empower owners of social policy objectives in public procurement:

- ensure ongoing, high-level commitment to integrate social objectives better in the planning and commissioning phases of more procurement processes
- develop and make available expertise to commissioning and procurement officials as they undertake their work
- clarify the role and remit of procurement officials to ensure appropriate inclusion during the planning and commissioning process
- develop the necessary expertise, collect and share successful examples and best practices within the Northern Ireland, and cultivate additional relationships with neighbourhood, local and regional organisations that can assist in identifying proposals for social outcomes that are truly welcomed by and beneficial to the targeted communities.

***Recommendation 26 on Strengthening governance***

Strengthen Northern Ireland’s governance of its procurement function. The case study on public procurement recommends that DFP should:

- evaluate, with relevant stakeholders, agenda-setting for the Procurement Board
- address perceived risk aversion to empower innovative decisions
- develop further the role of officials responsible for commissioning procurements
- leverage existing successes as pilots to cross silos
- clarify and harmonise the roles of relevant stakeholders in the commissioning and delivery of major infrastructure projects.

***Recommendation 27 on Whole-of-government strategy***

Establish a whole-of-government strategy for better regulatory quality, covering the regulation of businesses, citizens and the public sector.

- extend the application of the better regulation principles and tools, adapted if necessary, to regulation which places obligations on citizens and on the public sector itself (“Regulation Inside Government”), as well as the regulation of business
- extend the application of the better regulation principles and tools to all public sector bodies with regulatory responsibilities, inclusive of the executive departments, local councils, and other public bodies.

***Recommendation 28 on Establishing a Better Regulation Unit***

Establish a Better Regulation Unit (BRU) within the OFMDFM with responsibility to monitor and maintain momentum in the streamlining of regulation as well as developing ongoing regulatory policy tools to assist this effort. Assign responsibility to the BRU for:

- providing guidance to Executive departments, local councils and other public bodies with the delivery of their commitments under the regulatory stock review programme, providing both support and constructive challenge
- planning, design, and implementation of the extended scope of better regulation strategy and tools to cover all sectors affected (citizens, businesses and within the public sector)
- monitoring progress and reporting to the First Minister and Deputy First Minister on the achievement regulatory reduction targets
- executive departments, local councils, and other public bodies should be responsible for reporting to the BRU for their delivery under these programmes
- the FM and DFM should report annually to the Northern Ireland Executive and Assembly on results in pursuing reductions in regulatory burden and cost.

***Recommendation 29 on Targeted streamlining of regulation***

Establish a programme of targeted streamlining of the regulation of businesses, citizens and the public sector itself. Launch a rolling programme of regulatory stock reviews priority areas identified in the PfG and covering all three targets of regulation: citizens, businesses and the public sector itself.

- apply regular regulatory stock reviews to all the executive departments, and also regulatory practice in local councils and other public sector bodies
- base measurable targets for reducing the cost and burden of regulation on the Standard Cost Model for the regulation of businesses, adapted measures for citizens, and cost savings for the public sector itself
- make Ministers accountable for achieving cost and regulatory burden reduction targets within their portfolios (ministerial departments and other public bodies)
- as accounting officers, make Permanent Secretaries responsible for implementing streamlined regulations using centrally-defined methodologies and tools and in line with whole-of-government programmes. For non-Executive departments, this responsibility should lie with the Chief Executive Officer or equivalent.

## Notes

1. Note that Simon Hamilton (MLA) has since become Minister for the Department of Health, Social Services and Public Safety. Arlene Foster (MLA) was the Minister for the Department of Finance and Personnel from 11 May 2015 to January 2016. Mervyn Storey became the Minister for the Department of Finance and Personnel on 12 January 2016.
2. For more information, see <http://mind-lab.dk/en/>.
3. It is important that the lab model is developed in conversation with all relevant stakeholders in government. In particular, where more flexible approaches to working are being developed it may be important to consult with public sector unions.
4. Outputs measure the quantity of an activity performed whereas outcomes measure the difference that the activity achieves.
5. See [www.newcolin.com/Default.aspx](http://www.newcolin.com/Default.aspx) for more information.
6. The Resurgam Trust is a community-owned and local led trust in the Lisburn Northern Ireland. Barnardos Northern Ireland is a charity that works for children in Northern Ireland.
7. See <http://resurgamtrust.co.uk/> for more information.
8. See <http://resurgamtrust.co.uk/group/early-intervention-lisburn-partnership-for-more-information>.
9. Consult the Public Services (Social Value) Act on line at [www.legislation.gov.uk/ukpga/2012/3/enacted](http://www.legislation.gov.uk/ukpga/2012/3/enacted).
10. For more information, see [http://data.gov.uk/sib\\_knowledge\\_box/case-studies-existing-sibs](http://data.gov.uk/sib_knowledge_box/case-studies-existing-sibs).
11. Since the adoption of the Northern Ireland Public Procurement Policy and the creation of the Procurement Board, Northern Ireland has addressed many of the central issues highlighted in the Recommendation and substantial reforms have taken place around a series of targeted three-year strategic plans.
12. A collection of Best Practices for Green Procurement consisting of country case studies is available at: [www.oecd.org/gov/ethics/procurement-green-procurement.htm](http://www.oecd.org/gov/ethics/procurement-green-procurement.htm), and similar work is underway to identify cases for procurement of innovation.
13. Find more information here: [www.dfpni.gov.uk/eag](http://www.dfpni.gov.uk/eag).
14. Consult the toolkit on line at [www.buysocialni.org/sites/default/files/Buy-Social-Toolkit.pdf](http://www.buysocialni.org/sites/default/files/Buy-Social-Toolkit.pdf).
15. For more information, see [www.buysocialni.org/case-studies](http://www.buysocialni.org/case-studies).
16. For more information, see [www.osdbu.gov/](http://www.osdbu.gov/).

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## Chapter 6

### Northern Ireland for a common purpose

*This chapter discusses the principal findings of this Public Governance Review and proposes a series of considerations for the implementation of its recommendations. Based on experiences of other OECD countries the conclusion proposes for Northern Ireland a process of incremental reform based on dialogue with key stakeholders inside the public sector and beyond. This chapter further proposes that the governance of Northern Ireland public sector reforms, including the implementation of the recommendations of the Review, be assigned to a dedicated project office in order to provide for a whole-of-government approach.*

The findings presented in this Public Governance Review are based on the premise that sound public governance can contribute to economic growth, improved standards of living and better quality of life for the citizens to whom the government is accountable. Sound public governance can help position Northern Ireland to achieve its aim of improving public service design and delivery to meet people's needs, thereby enhancing its ability to improve multi-dimensional outcomes for citizens and businesses over time.

In this concluding chapter we summarise the major findings and observations presented in this Review in the spirit of supporting Northern Ireland's pursuit of public-sector reforms to improve outcomes for people and businesses.

## Improving strategic approaches

**Improving strategic approaches** is the first of the three overarching themes examined in this Review that the PGR's terms of reference identified as a priority for Northern Ireland. The ability to articulate and pursue a vision-based strategic plan or plans, with a small number of multi-year, multi-dimensional objectives to be achieved by the government over the life of its mandate, is one of the cornerstones of effective and efficient government.

The findings of this Review suggest that there needs to be increased dialogue among political, civic and business leaders about the vision for Northern Ireland's future. From this foundational vision should flow targets and goals for government that are linked up to a greater advantage and better reflect citizens' priorities. Northern Ireland's Programme for Government (PfG) outlines the priorities of the Executive over a five-year horizon. However, establishing priorities is but one step in developing a strategic outlook. At present, Northern Ireland's approach to planning revolves around the identification of a long list of fairly narrow objectives and how to address them. The limitations of this approach are well understood by all sectors of Northern Ireland's government and society and all acknowledge the necessity of articulating the next Programme for Government around a small set of multi-dimensional outcomes-based strategic priorities to be pursued over the medium term.

This new approach to planning is also made necessary by Northern Ireland's reduced fiscal capacity. In a context where budgets from Westminster will be constrained over the short to medium term, hard choices will have to be made. Northern Ireland is no longer able to pursue a large number of seemingly disconnected objectives; instead it must shift to an approach centred on strategic planning that aims to achieve results for people around which there is broad societal consensus.

Across the OECD, aligning strategic planning to budgetary planning is crucial for strong performance and efficient service delivery. In Northern Ireland, the alignment of strategic plans to budgets takes several forms. However, overall there appear to be few effective links between planning and expenditures. Limitations were also identified in linking the results of evaluations of policy initiatives to budgetary and spending decisions.

A related issue is the tendency of institutions to focus their planning horizon as a function of the yearly budgeting cycle. As a result, institutions and agencies align budgets with short-term plans without paying much attention to longer-term objectives. A shift toward multi-year fiscal plans could improve the situation as it could motivate departments and agencies to focus on longer term strategies.

An important contributor to strategic planning relates to the use of performance information. Northern Ireland has already begun the work to base its performance monitoring on the use of an integrated framework of key national outcomes rather than on outputs. At the same time Northern Ireland could follow the lead of other UK regions and transition toward a system of Key National Indicators (KNIs) based on existing sources of data to establish baseline information on measures with impacts on various areas such as the economy, health, and education. This information could in turn be used to inform policy development, support performance monitoring and identify future trends. Key National Indicators, combined with performance information and evaluation results of existing policy and programme, will be essential to further refine the outcomes-based framework towards which Northern Ireland is leaning as part of the next PfG.

Improving Northern Ireland's approach to strategy setting and implementation has implications for whole-of-government steering led by, the centre of government, strategic, government-wide human resources management, the ability to anticipate issues through early intervention and prevention strategies, and harnessing digital technologies for more effective and efficient digital government. These are discussed below.

### ***Enhancing outcomes for people: Delivering cross-cutting/multi-sector reform initiatives***

Shifting the basis of the Government's planning from outputs and activities to outcomes will necessitate an approach to government policy and programmes which leverages existing capacity in the system, irrespective of where this capacity may unfold. The ability of governments to deliver cross-cutting and multi-dimensional reforms depends on two conditions:

First, the existence of centre-of-government (CoG) institutions that are able to coordinate across the government's institutional silos and that possess sufficient clout in relation to the public administration as a whole to drive change in the face of institutional resistance.

Second, the engagement on an ongoing basis by the government with actors beyond the core public administration, such as civil society organisations and the private sector. This second condition turns on the ability of governments to engage citizens and operate in an open and transparent manner. We discuss these matters below.

Northern Ireland's CoG institutions need to play a central role in public-sector reform. Although areas of good practice have been identified in the PGR, the Review suggests areas for improvement in the structure and the operational culture and practices in NI's CoG institutions. One of the principle influences on the CoG function is Northern Ireland's power-sharing agreement. The resulting structure of government and decision-making rules tend to draw even the most anodyne issues upward for adjudication by the Executive rather than for resolution elsewhere in the system. The experiences of OECD countries suggest some avenues to address these issues, such as enhancing the role of officials and reviewing how to engage the Executive at preliminary stages in the decision process. Both would support the overarching goal set by the Northern Ireland Executive more toward basing decisions on evidence and focussing on outcomes.

There is also a need to develop the capacity at OFMDFM and DFP to function as CoG institutions. Presently, OFMDFM and DFP operate primarily as policy departments rather than as CoG institutions. Though it may not be possible to delegate policy

responsibilities over certain policy areas and issues more fully, a balance needs to be found between their CoG and departmental roles.

How these departments are internally structured to bolster their capacity to act as a CoG institution also requires consideration. Given their dual role, OFMDFM and DFP act as instigators of whole-of-government policy and programmes, such as Delivering Social Change. However, consideration should be given on how to adjust their level of involvement in these initiatives as they mature; the Review recommends that once mature, their management be transferred to the lead department in whose policy area the initiative is being deployed, and reinforce OFMDFM's role in overseeing performance-monitoring and supporting Executive sub-committees responsible for these policy areas.

Additionally, the capacity of both OFMDFM and DFP to play the CoG role fully will require building the institutional capacity to exercise it properly. This can be achieved through increased attention to developing staff skill sets and competencies. This also entails re-thinking procedures and processes to focus on co-ordination rather than managing policies and programmes, as well as strengthening capacity to ensure that both OFMDFM and DFP effectively exercise their challenge function with respect to policy proposals emanating from departments.

Weak collective responsibility and solidarity among the Executive affects the ability of the Government of Northern Ireland to drive whole-of-government responses to multi-dimensional policy challenges. As a result, departmental silos are robust and usually associated with significant ministerial imprimaturs on decision making. This in turn exacerbates an operational culture with few incentives to work horizontally. Senior officials see their foremost responsibility in supporting their ministers rather the government as a whole. In addition, the fragility of consensus at the Executive has reverberations throughout a system in which inter-departmental policy differences wait for resolution from the Executive rather than being resolved at the level of officials.

One possible avenue to address this situation may lie in the Assembly's "PoliticsPlus" programme which provides training to sitting MLAs on their individual and collective responsibilities.<sup>1</sup> An adaptation of this team-building approach to the Executive should be implemented so that it can lead effectively as a cohesive group of ministers acting in solidarity in pursuit of a common purpose – that of implementing a vision that improves outcomes for the people of Northern Ireland, regardless of community affiliation or loyalty, to whom they are individually and collectively accountable.

### ***Strategic human resources management***

Having a strategic vision for government should have positive impacts across the public sector. Having this shared vision should also have positive impacts in planning at the operational level, such as in human resources management. Strategic human resources management (HRM) presents both a challenge and an opportunity for the NICS during this period of public-sector reform. Over a relatively short period the NICS will be adjusting to staffing level reductions, departmental re-organisations, new local government and education structures, and significant reforms in major areas of public services, such as welfare reform. The challenge for the NICS leadership will be to manage these changes with a civil service that already show signs of low morale and engagement and which lacks confidence in its leadership.

These reforms also present an opportunity for the NICS if handled properly. For example, the voluntary exit of staff may enable civil service renewal. Organisational

changes should also enable the re-deployment of staff toward functions that are better suited to their background and training. While the NICS presents all the prerequisites to implement these reforms, it will be important to build upon these in a manner that will enable staff competencies to adjust to the new context and their new roles. Key investments in training to build capacity in policy, horizontal initiatives, and working with civil society are likely to be needed.

Strategic human resources management also calls for more attention to be paid to performance management and to building incentives to change organisational behaviour and drive change. Leadership is essential to encourage collaboration among governmental and non-governmental actors, especially where institutional structures or operational culture stand in the way of change and reform. Leadership from the centre is one of the keys to get buy-in, especially where there is resistance from key actors, so that the government vision is implemented effectively and efficiently. In addition to leadership changes to the operational, behaviours may need to be fostered. Incentives embedded as part of strategic human resource management approaches have been shown to be effective in promoting changes and innovation in organisations. Informal incentives, embedded in the culture of an organisation and a society, are much more difficult to adjust and manipulate. Changing the culture of an organisation takes much more time than changing regulations, competency frameworks, performance-management systems or awards programmes. Each of these elements can contribute to an eventual culture change but none will succeed without leadership being demonstrated from senior level down to the individual team leaders.

In Northern Ireland there does not appear to be a fully efficient incentives model. The Northern Ireland government should thus strengthen its competencies framework and its performance-management system to incentivise leadership, horizontal work, innovation and promote knowledge-sharing across the NICS.

### ***Early intervention/prevention***

The identification of desired policy outcomes is a crucial element in the development of government policies and programmes. This is especially true where the interventions concern longstanding and apparently intractable social or economic problems. The Early Intervention/Prevention approach underscores the value of taking an outcomes-based approach to government and the focus of government interventions as part of a concerted strategic plan. It is well understood across the NICS and broader public sector that intervening early to address the social problems of individuals or certain groups of individuals can diffuse these before they amplify. This was recognised in the Delivering Social Change Framework and is also reflected in other areas of policy such as Transforming Your Health and plans for the development of community justice centres, for example. However, the evidence provided to this Review suggests there is still a considerable way to go before Early Intervention/Prevention becomes an integral part of social policy and planning in Northern Ireland.

Although the Early Intervention/Prevention approach has been actively promoted by the non-governmental, there appears to be a lack of comparable attention given to this approach across the NICS. At present, the evidence collected through this Review suggests that departments appear to consider the application of this approach to consist principally in the collection of data (OECD, 2015a). In some ways the status of Early Intervention/Prevention mirrors that accorded to well-being: both are recognised as important but there appears to be no government-wide concrete strategy or plan to ensure

that these are taken into consideration in the development of new policies or programmes. For example, Early Intervention/Prevention appears not to have been considered in the development of policies and programmes for Looked-After Children. Countries such as New Zealand that have been successful in implementing the Early Intervention/Prevention approach have done so on the basis of an affirmed strategy to support its application. This should be pursued through the articulation and inclusion of a comprehensive Early Intervention/Prevention framework and strategy as an integral part of the Northern Ireland Social Policy, currently under development.

Part of the answer to fostering greater application of the Early Intervention/Prevention approach relies on increasing the use of evidence in decision making. Open Government Data and Big Data can be key sources of information for policy makers and public-service delivery agents to support anticipatory planning and the design of early intervention/prevention initiatives across all main service areas. There is already considerable awareness to the need to shift to evidence-based policy and decision making. One of the likely benefits to be drawn from Atlantic Philanthropies' funding as part of Delivering Social Change has been the investment in evidence-based capacity in the civil-society sector. The demonstration effect derived from the activities of these actors have shown the value of evidence-based approaches which may in turn percolate and influence the operating culture of the NICS and broader public sector. Areas of specific attention identified in the course of this Review include placing greater emphasis on using open/big data and on measuring efficiency, effectiveness and outcomes. In this regard Northern Ireland may also benefit from the existence of new data being generated by national and regional governments in the OECD, such as the OECD Regional Well-Being Index (OECD, 2015b).

### ***Digital governance***

A strategic vision is also one of the foundations for service transformation, such as that enabled through digital government. The findings of this Review suggest that Northern Ireland is well positioned to take advantage of the opportunities created by digital and innovative service delivery. Overall, Northern Ireland has taken impressive steps to develop its public services to better meet citizen needs and improve social outcomes. Northern Ireland's main challenges therefore lie in its ability to move from strategy and design for digital government to full implementation. From a service delivery aspect, investments will need to be made in order to realise the promises of digital government enabled service delivery improvements. The successful implementation of digital government includes benefits beyond improving services to citizens. The fully realised potential of digital government may enable service delivery that improves outcomes; enhance trust in government, and foster increased citizen engagement. These benefits in turn will enable user perspectives in the design, development and delivery of public services.

Consolidating existing efforts may be a needed first step to ensure Northern Ireland achieves the expectations across the digital and innovation agenda. This may entail mainstreaming digital service delivery that is showing potential. This will also mean developing capacity across the civil service and civil society sector to enable the adaptation to digital government.

There is also an opportunity for Northern Ireland to explore and leverage the potential of social media and digital user engagement to enhance service delivery. Present experiments with the use of social media to engage should continue, though greater co-

ordination across the NICS would be beneficial. This co-ordinated approach may include guidelines and training to support the proactive integration of these tools within departments and across the NICS.

## Improving engagement with people

**Improving engagement with people** is the second of Northern Ireland’s priority PGR themes as identified in the terms of reference of the PGR. Citizen engagement is an important contributor to policy and programme development and their successful implementation. Public consultation is important because it provides a means to assess needs and evaluate priorities; it gives legitimacy to measures beyond the electoral cycle and provides a framework for accountability. In addition, as recognised across the OECD, having in place the right accountability regime contributes to effective government by enabling performance information to be utilised to adjust policy and programmes to better reflect the needs of citizens.

Given the particular political context in Northern Ireland, there is a need to engage citizens proactively at all stages of policy and programme design process. It is moreover important to establish a channel for dialogue on political priorities and policies and to foster accountability of the public sector and government to its people. As the voluntary and community sector is involved with various government departments their inclusion in policy making could also be an avenue to identify duplications and create synergies between department efforts and overcome silos.

### *Citizens’ engagement*

Though recognised as an important part of the policy and programme development process citizen engagement in Northern Ireland remains an area in need of specific attention in the broader work of the NICS and the public sector as a whole. Though stakeholder engagement is both an identified best practice and a legal requirement under Section 75 of the *Northern Ireland Act* there is considerable evidence that actual practice is at best uneven.

Citizen engagement practice in Northern Ireland is supported by a number of tools which serve to guide departments in their use of consultations as part of the policy development process. The existence of these tools suggests that stakeholder engagement is recognised as a core part of policy making and its key principles are well-understood. It does however not guarantee that it is effective. In fact, the large number of guidelines and manuals signals inconsistency across practices. Currently stakeholder engagement appears to be rather a compliance with obligations without having a real impact. Despite a formally active approach towards external inputs, consultation is often formal and inward-focused. Often stakeholder engagement takes place when the policy has already been drafted, though this varies across departments.

In contrast to this general picture, Northern Ireland is beginning to employ innovation methods to engage its citizens in some areas. The Innovation Lab in DFP has brought service users directly into the policy design process, providing citizens with the opportunity to talk directly to policy makers about what they think works, and what works less well, in the public services that they use. Similar efforts in the design of a new social strategy are also encouraging.

The Review identified areas where citizen engagement practices could be enhanced, such as: recourse to traditional means of consultation, engagement at a late stage of the policy development process or inadequate use of inputs received, in certain instances limited notice periods, short consultation periods, formal and inward-focused processes, lack of plain language documentation (e.g. documents using technical language), reliance on a limited number of stakeholders, lack of consideration of stakeholder input and its use (i.e. no feedback), lack of engagement in *ex ante* planning and *ex post* evaluation of policies.

Achieving more effective citizen engagement will also necessitate consolidating and building on the pockets of rooted innovative activities already underway. On the one hand this will require demonstrating the impact of current efforts, by ensuring that citizen input follows through into tangible results in the services that citizens use. On the other hand, it is also about using the current efforts as a springboard to implement more innovative, collaborative user engagement across the public sector. Both of these actions require capacity to act and implement, but more fundamentally require a cultural shift across the entire public sector – up and down service delivery chains – to embrace a more open model that puts the citizen and their experience at the centre of policy making.

There is also considerable scope to broaden the number of actors involved in the citizen engagement. The Northern Ireland Assembly, given its strong linkages to communities through its MLAs, is already playing an important role in connecting the public to the government and politicians, but the Assembly could play an even larger role in this area. Local governments could also be asked to play a larger role given their new responsibilities over community planning. Organisations in civil society, such as the Joint Forum, are also well positioned to play a larger role in building linkages between government and citizens. Finally, as noted above, digital government is opening up new avenues for engagement with citizens as part of a move away from traditional processes, such as formal public consultations, to more innovative co-design methods.

### ***Openness, transparency and accountability***

Openness, transparency and accountability are three essential principles of good governance and the presence of which contributes to effectiveness of governments and promotes trust in government. The Review finds that Northern Ireland has in place the institutions necessary to foster these principles, but that adjustments in a number of practice areas may be needed.

The Review finds that Northern Ireland's public sector has not fully embraced transparency as a means to enhance stakeholder engagement to create better policies and promote legitimacy. Openness and transparency must also exist operationally within the NICS when it comes to sharing critical departmental operational and administrative data such as financial information with DFP or regulatory data with DETI, in order to enable government to operate effectively and efficiently. At present, actions taken to support openness and transparency derive from a compliance culture rather than an institutional commitment to their underlying principles.

Getting beyond this stage requires both communicating the impacts and benefits of open government practices and the political will to follow them. For example, the Northern Ireland Executive and local civil society organisations have only been involved in the Open Government Partnership process to a limited extent. In this regard the recently founded NGO Open Government Network for Northern Ireland, which is already

engaging in discussions with DFP, is exploring opportunities to leverage the advantages of open government in Northern Ireland. This process presents an opportunity for the Northern Ireland Executive to engage in a dialogue with civil society about public sector reform inspired by the principles of Open Government.

The link between Open Government and accountability stems from the need to ensure that performance information derived from outcomes-based indicators is available, accessible and comprehensible to all: Government officials, MLAs, CSOs, citizens, and businesses. In the broader perspective accountability derives from the ability of public institutions to assess and communicate their performance on the basis of timely and up-to-date data. The Review found that Northern Ireland already collects voluminous data across all its areas of activity. However, it appears that the use of this data in policy, planning, and evaluation needs to be enhanced. The awareness of the need to link accountability to outcomes is already in evidence in the public sector, such as through the adoption of outcomes-based accountability. However, continuing down this path will require increased attention to what the information which is being collected is and how it can be used to improve governmental performance and societal outcomes.

Northern Ireland's accountability institutions, the Northern Ireland Audit Office and the Assembly, appear to play a meaningful role in ensuring that the Government of Northern Ireland is accountable to citizens and the legislature. The Assembly, through its committees, plays an important accountability role through its examination of departmental activities. There is ample evidence that ministers and senior officials appear before committees regularly to discuss the performance of their departments. That said the Assembly's role in accountability should be enhanced by increasing its role in policy development, such as through policy studies. The NIAO for its part is regarded as effective in providing feedback on the evaluation and monitoring of government programmes. However, going forward there is a need for NIAO to move away from its compliance-based auditing approach towards one that focuses on outcomes. The NIAO should take on a more proactive role in monitoring the government's progress on achieving its outcomes. NIAO should also seek to enhance its capacity to communicate with the Assembly on a proactive basis.

The Equality Commission, the Information Commissioner and the Ombudsman Office are further institutions with an important role in accountability and transparency. Given their privileged access to citizens, civil society and government and their awareness about systematic problems in the government, they are well-placed to promote open government. They should take on a more active role in developing Northern Ireland's open government agenda.

## Improving operational delivery of services to citizens and businesses in Northern Ireland

**Improving operational delivery** of public services is Northern Ireland's third and final priority theme to be examined under the PGR, according to the PGR's terms of reference. It constitutes a goal being pursued by governments at all levels across the OECD. Faced with changes and challenges stemming from demographic, societal and economic factors governments do not have a choice whether to change and adapt. Several areas discussed above may contribute to the improvement of service delivery, such as digital government, innovation, and enhanced co-ordination.

### ***Restructuring for more effective government***

The structures of government established in Northern Ireland in 1998 are similar in several respects to the Whitehall model of ministerial departments, though these also reflect the principles of power-sharing which lie at the heart of the *Belfast Agreement*. These institutions play an important role in the pursuit of public-sector reform. Crucially, political agreement between the members of the Executive will be necessary to continue down the path of reform, especially as hard policy and political choices are likely to be necessary in light of further anticipated constraint in Northern Ireland's fiscal resources.

As the first major public sector reform implemented under the current Executive local government amalgamation is notable because it seeks to derive similar improvements to those hoped for in other sectors of government, notably: improved service provision, cost reductions, and greater coherence between mandate, public interest and services provided by public institutions. Moreover, the recent transfer of responsibility for community planning to local councils is anticipated to lead to greater community engagement in local affairs, with the potential for impacts beyond local government.

A second major reform announced in March 2015 will lead to the reduction in the number of departments from the current 12 to 9 starting with the election of the new Assembly in 2016. However, beyond the reduction in administrative structures, the greater benefit to accrue from departmental restructuring stems from improved coherence in departmental mandates and responsibilities. Furthermore, the reduction in the number of departments should also contribute to greater coherence within policy areas by eliminating institutional barriers in sector-specific programming (e.g. in education, where a single department will now be delivering most of the programming). Overall, departmental restructuring is likely to fulfil its promise of a more effective, efficient, co-ordinated and collaborative government which provides better services and value for money.

However, if reforms in local government and departmental structures have proved relatively consensual, further reforms may prove less so. The much delayed amalgamation of Northern Ireland's five Education and Library Boards under a single Education Authority (ESA) highlights some of the difficulties which lie in the future as more politically sensitive areas of public administration face reforms.

Effective government also means engaging effectively with a broad range of actors across the economy. Northern Ireland already has a vibrant third sector engaged in service delivery, with particularly strong links in local communities. Against this however there is also frustration across the sector generated by a perceived lack of consistent and comprehensive engagement in the policy making process, particularly in the early stages of policy development. Furthermore, to date, the sector has benefitted from high levels of public funding, which in a context of budgetary tightening going forward will be more limited. These challenges create a platform for Northern Ireland to revisit its relationship with external actors, to focus on building greater collaboration, investing in third sector capacity and opening up service delivery opportunities.

Northern Ireland is already considering some models of alternative service delivery. This work should focus on how service delivery models can be developed to facilitate the involvement of smaller providers, while broadening the scope of contracting to include concepts such as social value and innovation. Given the challenges of implementing some alternative models such as social impact bonds, it is also imperative that this work be accompanied by investment in outcomes measurement and building the sector's capacity.

In terms of its engagement with the third sector, Northern Ireland should develop a more collaborative model of engagement with the third sector by drawing on the innovative practices of user engagement that are being developed within the NICS itself (such as DFP’s Innovation Lab), and by creating the framework conditions that will enable the third sector to partner effectively with the government of NI on strategic policy design and implementation, and not only simply deliver services.

### ***Procurement reform***

Across the OECD governments have focused on procurement processes as an area where process and procedural improvement can increase the effectiveness and efficiency of governments. The Review through its case study on procurement finds that substantial progress has been made in improving the context for public procurement in Northern Ireland. Strategic plans focusing on establishing governance structures and a professional approach (2002-05), pursuing value for money (2005-08) and driving economic sustainability through public procurement (2008-11) indicate a sustained interest and focus on public procurement reform. While the procurement process in Northern Ireland has improved, it reflects issues that have been identified in other areas of the Review such as lack of stakeholder engagement, institutional barriers, and lack of political or senior-official level attention and direction.

There has been success in consolidating procurement, with demonstrated savings of GBP 7.7 million in 2014-15, and 66% of common and repetitive spending now covered by collaborative arrangements. Still, there is evidence that the effectiveness and efficiency of the procurement system is affected by barriers to working across departments. This is particularly evident in the way in which expertise and market knowledge gained from specialised procurement is not shared across institutions. Though several pilot projects have been launched to test new approaches to procurement, these have yet to be mainstreamed. For example, the expertise gained through the purchase of meals for the health sector could be applied to others as the purchase of meals in the education sector. At present, this potential has yet to be fully realised as a result of institutional barriers and other considerations.

The NI Procurement Board plays a critical role in the governance of the public procurement system of Northern Ireland, though its focus is often on issues which are less strategic and more operational. Refocusing the attention of the Board to provide strategic input should be pursued, while allowing the new NICS Board to take on operational responsibilities for approving public procurement guidance notes and other policy matters. Roles and responsibilities of stakeholders in procurement need to be clarified. In major procurement projects, the Procurement Board, Central Procurement Directorate, the Strategic Investment Board and commissioning entities are involved in the procurement process, which can appear duplicative, undermining effectiveness and efficiency gains. Additionally, responsibility and expertise regarding the inclusion of social objectives during the planning and commissioning of procurement projects should be clarified.

The need to better respond to the procurement needs of government, focusing on value for money, and achieving efficiency has not been matched by the development of new procurement approaches or the adoption of new solutions. Aversion to risk has been identified as the main factor retarding process innovation. Solutions to improve innovation and improve services, while at the same time reducing risks in procurement,

can result from the greater use of information systems and actively engaging with stakeholders. These approaches should be actively pursued.

### ***Streamlined regulation and processes***

Improvements in regulation have also been identified by governments across the OECD as an area which can contribute to improvement in service delivery and responsiveness to business and citizen needs. Regulatory simplification has been recognised as a priority area for government and is currently the object of a well-designed strategy, the Northern Ireland Better Regulation Strategy, which includes elements identified as good practice by the OECD. As a document primarily concerned with the impacts of regulation on business, the Strategy could be improved by enhancing its focus on the impact of regulations on citizens and the public sector. However, despite progress made in regulatory simplification, parties affected by regulation perceive little change in the regulatory environment.

The division of responsibility between DETI and DFP over regulatory simplification and digital transformation are primarily informal and based on consensus and the responsibility of individual NICS departments and ministers for their own activity. This has resulted in a lack of co-ordination between regulatory improvements and other strategies such as digital government, thereby reducing the positive impacts of the reforms. In terms of the broader Better Regulation Strategy, there appears to be few incentives across the public sector to foster co-ordination or ensure that the departments meet the requirements of the Strategy that have been identified in the Review. As Northern Ireland continues to fine-tune its approach to regulation in light of external inputs, such as those of the Review of Business Red Tape, additional focus should be given to improving CoG-led co-ordination over the application of regulatory policy requirements, formalisation of regulatory stock and policy reviews, and better CoG-led oversight over the RIA process.

## **A final recommendation on how to manage the implementation of the PGR's advice**

In light of the challenges assessed here, the OECD makes the following recommendation on how the Executive should oversee the implementation of the Review's advice:

### ***Recommendation 30 on the Governance of implementing reform***

Northern Ireland should assign responsibility for implementing these recommendations to a dedicated project office (perhaps styled as a Delivery Unit) located within OFMDFM, co-led by the OFMDFM and the DFP.

- The project office should be headed jointly by a senior official from OFMDFM and from DFP. The project office, in turn, should be made-up of civil servants seconded from all executive departments as well as from major non-departmental bodies, such as Health and Social Care Boards. The personnel selected for the project office should be of sufficiently senior rank to enable them to engage their respective departmental leadership effectively.

- The project office should report to an Implementation Committee composed of Permanent Secretaries and the heads of major non-departmental public bodies and chaired by the Head of the Civil Service.
- The Implementation Committee should report to the Executive through the Head of the Civil Service. The Executive should be the final decision-making body with regard to implementation.
- The Implementation Committee should report on progress to the Executive on a regular basis, either bi-annually or annually, on both outputs and outcomes being achieved through the reform-implementation process. This performance information should inform PfG and Budget planning.
- The Executive should report annually on progress to the Assembly and people of Northern Ireland.
- Permanent Secretaries, collectively as a group and individually within their responsibilities for their department, should be held accountable through their annual performance-appraisal process for the implementation of reform plans and actions approved by the Executive.
- Performance agreements for all project office personnel, permanent secretaries, and the Head of the Civil Service should make explicit reference to the realisation of key reform deliverables.

In the course of this Review, the OECD made a number of findings and observations which frame its recommendations:

The near-term environment in which Northern Ireland's government makes decisions will likely not change markedly. Fiscal pressures arising as a result of the constrained DEL Budget will continue to affect the ability of the government to design and deliver quality public services on a sustainable basis.

Employment and wealth creation in Northern Ireland will also likely continue to lag behind other regions of the United Kingdom; reductions in public spending and staff could further slow the rate of economic growth.

Community fault-lines will continue to be a factor in defining Northern Ireland's society. To this are added demographic factors similar to those faced elsewhere in Europe: the ageing of the population, growing multi-ethnicity, and growing inequality in socio-economic conditions whether relating to income, educational attainment or health status. At the same time social bonds are being redefined through social media and other non-traditional sources of social-capital formation.

Civil society and other non-governmental actors are increasingly present as providers of services. As trust in government wanes across Europe and elsewhere, citizens will increasingly look to civil society and the private sector as partners in meeting their needs.

The public sector is uniquely placed to address these factors, in Northern Ireland as elsewhere, though doing so successfully will require it to change. This Public Governance Review argues the proposition that to address these challenges successfully, Northern Ireland's public governance arrangements need to evolve.

As stated at the beginning of the Review, sound public governance – the ability of government to plan strategically to solve existing and emerging multi-dimensional policy challenges identified using sound evidence, mobilise internal and external resources to

execute these plans efficiently and effectively, and use robust performance information to modify these plans if results are not being achieved properly – can help position Northern Ireland to achieve its aim of improving public services to meet people’s needs, thereby enhancing its ability to improve multi-dimensional outcomes for citizens and businesses over time. Not doing so might simply lead to drift astray and in the long-term overcast the challenges that the government and people of Northern Ireland so fervently wish to see resolved.

## Notes

1. For more information, see <http://politicsplus.com/>.

## *References*

- OECD (2015a), “Northern Ireland responses to OECD Public Governance Review questionnaire”, internal working document.
- OECD (2015b), “OECD Regional Well-being: A Closer Measure of Life”, [www.oecdregionalwellbeing.org/index.html](http://www.oecdregionalwellbeing.org/index.html) (accessed 1 April 2015).

## *Annex A*

### **Introduction to the Public Governance Review of Northern Ireland case studies**

Northern Ireland's (NI) Department of Finance and Personnel (DFP) commissioned the Organisation for Economic Co-operation and Development (OECD) in November 2014 to undertake a Public Governance Review (PGR) of Northern Ireland (NI). Its purpose is to provide an assessment of, and recommendations on, public-sector reform in Northern Ireland that will align with Northern Ireland's own medium-term priorities for public-administration reform. Under the Terms of Reference for the PGR the OECD also undertook five case studies focusing on specific topics that fall within the responsibility of NI departments and which highlight issues raised within the main report (OECD, 2014).

The five case studies apply the same methodology used for the Public Governance Review; analysis is based on multiple points of evidence provided by the Government of Northern Ireland, including responses to OECD questionnaires and documentation and the results of meetings organised by the Government of Northern Ireland with government and non-government stakeholders that took place during OECD team missions in Belfast and Londonderry. In addition, the OECD drew upon the expertise of peers and experts from OECD member countries, along with practice-based evidence from the Organisation's 34 member countries and other relevant international experience. The case study recommendations focus on specific issues relating to the case under review, while linking to broader issues addressed in the PGR itself. The case studies are structured to respond to the Terms of Reference prepared by departments.

The five case studies included as part of the report are:

- Problem-Solving Justice in Northern Ireland (Annex B)
- Improving Educational Outcomes for Looked-After Children in Northern Ireland (Annex C)
- The Governance of Public Procurement in Northern Ireland (Annex D)
- Northern Ireland's Delivering Social Change Framework (Annex E)
- Health Services Commissioning in Northern Ireland (Annex F).

In addition, as a contribution to the PGR sub-theme "streamlined regulation and processes", Annex G presents a case study on Northern Ireland's Better Regulation Strategy.

## *References*

OECD (2014), “OECD Public Governance Review – Northern Ireland: Improving Public Services: Terms of Reference”.

## *Annex B*

### **Problem-solving justice in Northern Ireland**

*This case study on problem-solving justice discusses Northern Ireland's experience with the Domestic Violence Listing Arrangements (DVLA) based on an assessment of a pilot project conducted in the Magistrates' Court and Family Justice Centre in City of Londonderry. This case study explores the feasibility of broadening the scope and ambition of a problem solving justice within the judiciary of Northern Ireland. The findings and recommendations of this case study form part of the overall recommendations of the Northern Ireland Public Governance Review.*

## Introduction

This case study is one of five being carried out under the terms of reference of the OECD Public Governance Review (PGR) of Northern Ireland (NI). It aims to provide a review of the Domestic Violence Listing Arrangement (DVLA) in the Londonderry Magistrates' Court and an analysis of the establishment of a Family Justice Centre in Londonderry, by the case study's own terms of reference. More generally it aims to explore the feasibility of broadening the scope and ambition of a problem solving approach within the judiciary of Northern Ireland. The case-study findings will be integrated into the final PGR report and inform the PGR's overall recommendations to the NI Executive on its public-governance reform agenda.

Courts in many OECD countries are doing an impressive job: they play a crucial role in upholding fundamental rights, they resolve countless disputes, adjudicate criminal offences and by doing so provide an important contribution to the rule of law and to the equal treatment of all under the law. This reflects on economic performance as well: a high score on the Rule of Law Index<sup>1</sup> is clearly linked to economic growth.<sup>2</sup>

Yet, courts and justice systems in general are often criticised for being too slow and expensive and not producing desired outcomes. The latter is especially true for the criminal-justice system that has fallen short of its ambition to reduce crime and provide public safety. Over the last few decades the understanding that the traditional working methods of the criminal justice system do not produce desired outcomes<sup>3</sup> has sparked initiatives to develop, experiment with and implement better ways of enforcing justice.

Some OECD countries have established problem-solving courts. These courts use the authority attached to courts “to address the underlying problems of defendants, the structural problems of the justice system including jail and prison overcrowding by diverting certain offenders from incarceration and custody, and the social issues of communities” (Berman, 2000, p. 78). These courts apply a holistic view and the “judicial case processing is partnered with treatment providers and community groups to provide follow-up and support for victims and offenders alike in order to reduce recidivism” (Bakht, 2005, p. 225).

Most OECD countries have streamlined problem-solving principles in certain fields of their criminal justice, i.e. without introducing a full-fledged court. In this context, the case-management process or track is differentiated according to the circumstances of the case or of the defendants (e.g. juvenile offenders). These diversion schemes embody a problem-solving approach outside of a problem-solving court.

## Problem-solving principles

While problem-solving methods and courts differ in practices across types of courts and countries, some of the key principles of problem-solving justice according to different studies (Berman and Feinblatt, 2002; Berman and Feinblatt, 2005; Administrative Office of the Courts and Center for Court Innovation, 2004) include (Figure B.1):

- **Creative partnerships:** Problem-solving courts work closely with other criminal justice agencies. The community is often involved in the judicial process alongside social services and treatment providers. The services of the latter can be

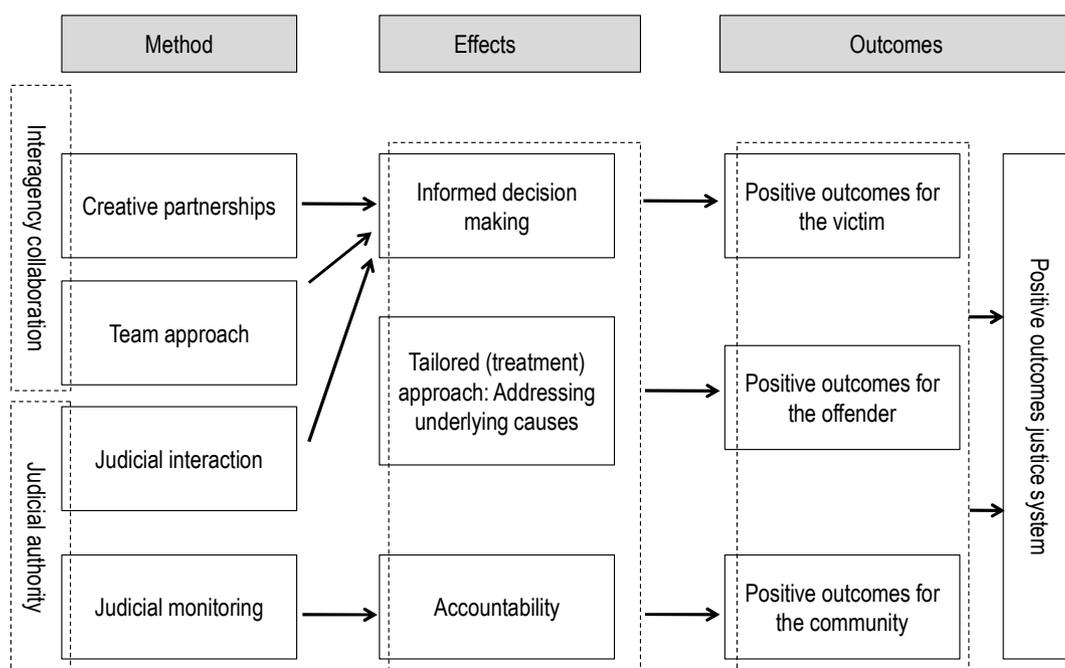
included in the sentencing options. Problem-solving courts also seek to “re-engineer” how government systems respond to social problems as these courts engender reforms outside as well as inside the courthouse.

- **Team approach:** In problem-solving courts all parties are asked to unite behind the same goal: rehabilitation of the offender with the objective of reducing re-offending and crime. This requires a non-adversarial approach where the role of the judge, of the prosecutor and of the defence lawyer evolves and adjusts to the specificities of the problem-solving approach. Judicial decisions are reached in collaboration with the members of the team (including social workers and treatment providers) although the judge has the final say.
- **Judicial interaction:** Whereas in a mainstream court in certain countries and jurisdictions the role of the judge is that of a detached arbiter, the judge in a problem-solving court actively tries to build a relationship with the defendant. The judge fosters a dialogue and speaks directly with the defendant on a frequent and long-term basis. His or her role is not unlike that of a coach, as the judge tries to motivate and empower the defendant to have him or her make progress with the treatment programme and to stay on the right track.
- **Judicial monitoring:** In problem-solving courts the authority of judges is used to alter the behaviour of defendants by staying involved even post-adjudication. Defendants are required to account for their behaviour on a regular basis during status hearings. Prior to these hearings it is not uncommon for judges to discuss the progress of each defendant in conference meetings with other members of the problem-solving team.
- **Informed decision making:** Problem-solving courts enhance the knowledge of judges both of the defendant and the individual cases before them (e.g. through reports of social services and treatment providers) and of underlying causes of criminal behaviour by educating judges on substance abuse and addiction, domestic violence dynamics, crime patterns in certain neighbourhoods, etc. The interaction with the defendants also facilitates better-informed judicial responses.
- **Tailored approach:** Problem-solving courts reject the “one-size-fits-all” approach to criminal cases where judges may merely act as ‘case processors’. Instead, decisions in a problem-solving court try to meet the specific needs of each case and address the underlying causes of the criminal behaviour.
- **Accountability:** Judicial monitoring is one of the most distinct characteristics of problem-solving courts and emphasises the accountability of offenders and effectivity of the problem-solving justice approach. Judges supervise how offenders are completing their treatment programme or community service (“compliance-monitoring”) through regular reporting or check-ups. Holding offenders accountable for noncompliance to their treatment programme is important and sends the message to offenders, the justice system and the public “that courts mean business”. This supervision can take place either prior to sentencing (pre-plea sentencing model) or after a verdict (post-plea sentencing model).
- **Focus on results:** Problem-solving courts measure their results by assessing the effects of case processing on victims (safety), offenders (recidivism) and communities (perceptions of neighbourhood crime). They also aim to generate

positive outcomes for the justice system by saving costs, reducing prison and jail overcrowding and increasing public trust and confidence.

As shown in Figure B.1, interagency collaboration and judicial authority are key determinants of a successful problem-justice initiative leading to positive outcomes in the justice system. More specifically, creative partnerships, a team approach and judicial interaction generate an informed decision-making process on the circumstances of the case leading to positive victim-focused outcomes. Moreover, a problem-solving approach will produce the conditions for better rehabilitation of the offender by addressing the underlying causes of the criminal behaviour (e.g. through treatment). Judicial monitoring will create the necessary accountability mechanisms to meet the community’s security needs and reduce criminal and disruptive social behaviour.

Figure B.1. Problem-solving principles



Source: Author’s own work, based on Berman, G. and J. Feinblatt (2002), “Problem-solving courts: A brief primer”, Center for Court Innovation, New York; Berman, G. and J. Feinblatt (2005), *Good Courts. The Case for Problem-Solving Justice*, The New Press, New York; Administrative Office of the Courts and Center for Court Innovation (2004), “Opportunities and barriers to the practice of collaborative justice in conventional courts”, Judicial Council of California, Administrative Office of the Courts, San Francisco.

## Main types of problem-solving justice approaches

### *Offender-focus: Drug courts*

Drug courts bring treatment and care into the courtroom (Boxes B.1 and B.2). Offenders whose criminal behaviour is linked to drug addiction are offered treatment programmes instead of punishment. The judge oversees the rehabilitation process during regular court hearings where the participants (as the defendants are called) have to

account for their progress in treatment and other areas of their lives (i.e. housing, employment). In between hearings the participant is subject to randomised drug testing. Drug courts have put the adversarial nature of the criminal process largely aside in favour of a team approach. The judge acts as the leader of a team which includes the prosecutor, the defence lawyer, social workers, treatment providers and often probation services.

### Box B.1. Drug courts in England and in Scotland

In England the Drug Testing and Treatment Order (DTTO), a probation-based court order, was introduced under the Criminal Justice Act of 1998. DTTOs required that “courts regularly review offender progress on courts orders and conduct drug tests” (Bowen and Fox, 2015). In 2003, the Drug Rehabilitation Requirement (DRR) replaced the DTTO. Judicial supervision appears very limited in those criminal cases in England that are handled by a panel of lay judges. Because they serve in a panel of three on a rotating basis they cannot provide continuity in the management and oversight (Nolan, 2009, pp. 47-49).

In 2005, the first dedicated drug courts (DDCs) opened their doors in West London and Leeds. These courts resemble the contemporary drug court model including the central role of the judge. Furthermore, these courts promote “increased cooperation and information-sharing among court staff and partners, including community based treatment providers” (Bowen and Whitehead, 2013, p. 12).

Scotland introduced a drug court in Glasgow in 2001 and in 2002 also one in Fife (the latter closed in 2013) after a lengthy process of planning and deliberation (Nolan, 2009, p. 113). Under the Scottish model supervision is based on a DTTO and/or probation imposed for between six months and three years and the regular drug court principles are applied: offenders are linked to treatment service, are seen regularly by their supervising social worker and addiction worker, are subjected to regular drug testing and have to report to the courts on a regular basis. The Sheriff can impose short prison sentences or short periods of community service as a sanction (McIvor, 2010).

There are a few salient differences between the English and the Scottish experiences.

- **Review process:** In the Scottish drug courts pre-review meetings are organised in the morning prior to the review hearings in the afternoon. In these pre-review meetings, the team members (including criminal justice social workers, medical officers, nurses and addiction officers) discuss the progress of the offender in the presence of the Sheriff. In the English courts the judges have to suffice with written reports prepared by the supervising probation officer and presented in court.
- **Frequency of review meetings:** In England review hearings take place every four to six weeks whereas in Scotland they are scheduled at least every month and often every fortnight (especially during the early phases of the order).
- **Response to non-compliance:** The Scottish Sheriffs can impose short prison sentences or short periods of community service as a sanction whereas their British counterparts do not have the option of such intermediate sanctions.

*Source:* McIvor, G. (2010), “Drug courts: Lessons from the United Kingdom and beyond”, in Huckelsby, A. and E. Wincup (eds.), *Drug Interventions in Criminal Justice*, Open University Press, Maidenhead.

### Box B.2. Family drug treatment courts in Australia

The first Family Drug Treatment Court in Australia opened its doors in Victoria in May 2014 as a three-year pilot. Emphasis is placed on protecting children of substance-abusing parents and reuniting families. “The court delivers a holistic and accelerated approach to child protection cases where parental substance abuse is an issue, and is designed to have the child or children reunited with their parents – or placed in permanent alternative care – within a brisk 12 months” (Marshall, 2015).

Support, treatment and comprehensive access to services is offered to the entire family and include: residential treatment, drug and alcohol counselling, mental health counselling, parenting and housing programmes. In a family drug court, the purpose is not so much to avoid incarceration (which is the case in regular drug courts), as it is to obtain family reunification. If parents meet the goals set out in their Family Recovery Plan as part of the Family Drug Treatment Court, the magistrate can decide to return the child or children in the care of the parent on a full-time basis.

*Source:* King, M. et al. (2014), *Non-Adversarial Justice*, Chapter 9, The Federation Press, Sydney; and Children’s Court of Victoria (n.d.), “Family Drug Treatment Court”, [www.childrenscourt.vic.gov.au/jurisdictions/child-protection/family-drug-treatment-court](http://www.childrenscourt.vic.gov.au/jurisdictions/child-protection/family-drug-treatment-court) (accessed 20 June 2016).

### ***Offender-focus: Mental-health courts***

A substantial number of criminals and offenders suffering from mental illness navigate the criminal justice system (Denckla and Berman, 2001). Correctional facilities act as *de facto* mental hospitals yet they experience a severe shortage of medical treatment for mentally-ill individuals and “many ex-offenders with mental illness find themselves back in the criminal-justice system again in short order” (Denckla and Berman, 2001, p. 4). Mental-health courts have been established to stop this revolving door. They focus on offenders who have committed (in most instances) minor offences and whose major problem is mental illness or disorder rather than criminality (Winick, 2003, p. 1059).<sup>4</sup> In this context, “rules of evidence, procedure and court-room etiquette are often relaxed to facilitate the participation of the mentally-ill offender” (National Judicial Institute, 2011, p. 10). Participation in a mental-health court programme is voluntary and once a treatment plan is in place, mental-health courts function similarly to drug courts. The court ensures the participant is engaged in treatment and attends the appropriate treatment sessions, is medication-compliant and is getting the services to which the participant is entitled (Hora, 2011, p. 15). Court monitoring is thus mainly focused on treatment-compliance and not necessarily on offending behaviour.

### Box B.3. The Nova Scotia Mental Health Court

The Nova Scotia Mental Health (NS MHC) has been in business since November 2009. Prior to that an implementation team met for a full year. The active involvement of many stakeholders was part of the planning process. The steering committee consisted of representatives from the Prosecution (national and regional), Legal Aid, the Department of Health and Wellness, the Department of Community Service, the Police (national, regional and municipal), the Department of Justice and the Nova Scotia Judiciary. The mental health court team works together with community partners and government agencies related to mental health and addictions, housing, income assistance, employment, education, vocational training, policing, and victim services. To explain the functioning of the court, team members regularly engage in public education sessions.

“The goal of the NS MHC is to treat Nova Scotians with mental disorders who commit criminal offences with fairness and compassion while helping them improve their mental health and thereby reduce their risk to public safety.” Participation in the mental health court team is voluntary, all participants have legal representation and to enter the programme participants must accept responsibility for their offence. Review hearings are held once per week. When a participant successfully reaches the end of the mental health court programme, this is marked by a graduation. Upon successful completion of the programme the charges are usually withdrawn or graduation marks the end of a community-based sentence.

Some statistics for the Nova Scotia Mental Health Court 2010-13 (four years):

- “687 individuals were referred to the Court.
- 232 people (34%) were deemed eligible to participate in the programme.
- 199 participants (86%) successfully completed the programme and graduated.
- The majority of the people referred were men (67%).
- The age range for all the people referred was 18 to 86 years, 38% of those referred were 18 to 30 years.
- The most common diagnosis was schizophrenia for men and bipolar disorder or major depression for women.
- Criminal offences varied from fairly minor mischief, theft, and breach offences to more serious charges involving assaults, weapons and threats.”

*Source:* Provincial Court Nova Scotia (2014), “Nova Scotia Mental Health Court Report: Celebrating Five Years”.

### ***Offender-focus: Diversion schemes***

The term is sometimes used for “programmes whereby a person is brought before a court, but is then redirected, usually temporarily, into a programme for some form of intervention, to be then returned to courts for a decision about a final disposition.” (King et al., 2014, Chapter 10). Diversion programmes are available in certain OECD countries for mental health, alcohol and substance abuse and domestic-violence cases. This referral mechanism resembles the so called pre-plea model of problem-solving courts where upon entering the treatment programme the judicial process is put on hold and sentencing is deferred until after completion or ending the programme (although without regular judicial monitoring).

The ambitions of diversion programmes echo the objectives of problem-solving courts as they seek to reduce recidivism improve health and social outcomes for offenders, cost-saving for the community and enhance the perceptions of the justice system. (King et al., 2014, Chapter 10) But diversion schemes take less time from the courts and may therefore be “considerably less expensive” (King et al., 2014, Chapter 10). Some diversion schemes could qualify as a “light” version of problem-solving court (with shorter programmes and less judicial supervision) (e.g. Box B.4.)

#### Box B.4. Court Integrated Services Programme (CISP) at the Magistrates’ Court of Victoria (Australia)

The CISP was established in 2006 and operates at three different courts. The programme “offers a co-ordinated, team based approach to the assessment and treatment of defendants at the pre-trial or bail stage.” It further provides offenders with support services (e.g. accommodation, mental health, alcohol treatment). More specifically:

The objectives of the CISP are to:

- provide short term assistance before sentencing for accused with health and social needs
- work on the causes of offending through individualised case management
- provide priority access to treatment and community support services
- reduce the likelihood of re-offending.

The CISP provides:

- a multi-disciplinary team-based approach to the assessment and referral to treatment of clients
- three levels of support based on the assessed needs of the client
- case management for up to four months for medium and high risk clients
- referrals and linkages to support services including drug and alcohol treatment, acquired brain injury services, accommodation services, disability support and mental health care.

Any party to a court proceeding can access the CISP by way of referral, including applicants, respondents and accused from all jurisdictions of the Magistrates’ Court, such as the Family Violence Division.

A 2009 evaluation found that CISP:

- had achieved or exceeded its targets for the engagement and retention of clients
- was able to match the intensity of intervention to the risk and needs of clients
- achieved a high rate of referral of clients to treatment and support services.

Other key findings were:

- A study of CISP clients’ health and well-being showed they had much lower levels of mental health than comparable community groups and that their mental health improved during their period on the programme.
- Magistrates and other stakeholders showed a high level of support for the programme and its outcomes.
- Compared with offenders at other court venues, offenders who completed CISP showed a significantly lower rate of re-offending in the months after they exited the programme.

*Source:* Extracts from DOJ (2009), “Court Integrated Services Program Economic Evaluation – final report”, Department of Justice, Melbourne, [www.magistratescourt.vic.gov.au/publication/court-integrated-services-program-economic-evaluation-%E2%80%93-final-report](http://www.magistratescourt.vic.gov.au/publication/court-integrated-services-program-economic-evaluation-%E2%80%93-final-report).

### *Victim-focus: Domestic violence courts*

Domestic-violence courts exclusively deal with cases related to intimate abuse. Although they function under the umbrella of problem-solving courts, they are different in the sense that protection of the victim rather than treatment and recovery of the offender has priority (Hora, 2011, p. 14). Victims are provided with extensive services such as counselling, shelter and advocacy. Offenders are commonly required to participate in batterers' intervention programmes and report to the judge about their compliance. Yet, most domestic violence courts still emphasise the offenders' accountability over his or her rehabilitation (Berman and Feinblatt, 2005, p. 8). Using a "carrot and stick" approach, the offender will receive a suspended sentence (probation) depending on his or her treatment or protective-order compliance. However, domestic-violence cases qualify for diversion programmes under certain court models.

#### **Box B.5. Specialist Domestic Violence Courts in England and Wales**

Specialist Domestic Violence Courts (SDVCs) are led by the public prosecution service of England and Wales. SDVCs' primary concern is with the victims of domestic violence. Lay magistrates preside the court sessions. SDVCs are characterised by multi-agency information sharing, fast-tracking of cases and they offer comprehensive and immediate victim services. Safe courthouses and facilities are features of this innovation (Bowen and Whitehead, 2013, p. 9). Review hearings are not part of the court procedure. (Nolan, 2009, p. 60). An exception to that rule is the Croydon court where a defendant's compliance with community rehabilitation orders is reviewed after three months (Nolan, 2009, p. 62).

Different types of domestic-violence court models exist. An important distinction is the one between dedicated courts and integrated-court systems. In an integrated domestic-violence court one judge handles criminal cases related to domestic violence as well as the accompanying civil matters including custody, visitation, civil protection orders and matrimonial matters. These courts work with the principle "one family, one judge". In non-integrated courts the family court judge might be uninformed of a protection order issued during criminal proceedings. Similarly, a criminal court judge might be unaware of relevant family-court proceedings relating for example to divorce or child-protection. The objectives of an integrated family domestic-violence court are: "1) a more holistic and multi-disciplinary approach to family problems; 2) more effective judicial monitoring to increase accountability for the offenders and compliance with court orders; 3) improved judicial decision making as a result of the judge having more information about the family; and 4) better access to and co-ordination of support services (i.e. legal and social services) for the victims and children" (Birnbaum, Bala, and Jaffe, 2014).

### Box B.6. Operational practices in US domestic violence courts

In an attempt to portray a national picture of the functioning of domestic violence courts a survey was held among all these courts (Labriola et al., 2009). The following results give a good overview of the working methods of these courts:

- About 80% of the domestic violence courts work with dedicated victim advocates (often employed by the prosecution) practising at, or in conjunction with, the court. Victim advocates accompany victims to the court proceedings, provide varying services (e.g. safety planning, counselling, housing referrals), explain the criminal justice process, and facilitate prosecution and counselling.
- The vast majority of the domestic violence courts, in approximately nine out of ten cases, issue a temporary protection order or a restraining order at the first appearance of the defendant at the court. Batterer programme mandates are used by all courts and are the primary response of approximately one third of the courts. Nearly all courts also offer treatment related to alcohol and substance and to mental health issues. In certain models, this approach serves under a diversion scheme.
- Almost two-thirds of the courts often or always order offenders to probation. Just over half of them often or always require offenders to return to the court post-disposition for monitoring. When confronted with noncompliance, about three-quarters of the courts impose often or always a sanction. In almost a third of the cases this sanction involves jail.
- Even though considered to be a major concern, the courts do not consistently provide safety measures.

*Source:* Labriola, M. et al. (2009), “A National Portrait of Domestic Violence Courts”, report submitted to the National Institute of Justice, p. v-viii, Center for Court Innovation, New York.

### *Victim-focus: Family-Justice Centres*

Family-Justice Centres are initiatives that also aim to improve the position of domestic-violence victims. Although not a problem-solving court, they share the ambition of domestic-violence courts to help victims and hold offenders accountable. Family-Justice Centres provide co-located, one-stop, multidisciplinary services to victims of family violence. A Family-Justice Centre may “offer comprehensive medical and legal services, counselling to victims and children, links to the court system, as well as access to on-site professionals providing civil legal services, job-training and placement assistance, public-benefits assistance, advocacy, and safety planning” (Cleveland Municipal Court, 2010).

Family-Justice Centres aim to fill the gap between collaboration and service-integration by creating collaborative service arrangements (Figure B.2) leading to enhanced services for clients through specifically created partnerships. This continuum as envisaged in Family-Justice Centres links together various steps e.g. co-operation, co-ordination, and collaboration leading to the creation of integrated, wrap-around services.

Figure B.2. Continuum of collaborative service arrangements



*Source:* Author’s own work, based on Sandfort, J. and H.B. Milward (2008), “Collaborative service provision in the public sector”, in Cropper et al. (eds.), *The Oxford Handbook of Inter-Organizational Relations*, Oxford University Press.

### Box B.7. Family-Justice Centres in selected OECD countries

The first US Family-Justice centre was established in San Diego in 2002. Upon its initial success, President Bush in 2003 launched the President’s Family-Justice Initiative, making 20 million of federal dollars available to set up similar centres elsewhere in the US. The San Diego model is “hailed as a national and international model of a comprehensive victim service and support centre” (US Department of Justice, 2007).

In 2013, with EU funding under the Daphne 3 project, six pilot projects with five Family Justice Centres were set up in Europe (in Belgium, Germany, Italy, the Netherlands and Poland) (European Commission, 2014).

### *Community-focus: Community courts and partnership*

Community courts deal with quality-of-life crimes such as prostitution, illegal vending, graffiti, shoplifting, fare-beating and vandalism. In these types of misdemeanour cases in mainstream courts, offenders are often sentenced to a few days in prison or they are simply sent away. Community courts respond in a more meaningful way by pressing the offender to repair the damage done to the community for the crime or offence he or she has committed. The offender is offered concurrently specific help to address the underlying issues that influenced their criminal behaviour. Sentences reflect this dual strategy and consist of community-restitution projects along with short or longer-term treatment.<sup>5</sup>

Community partnership and community involvement are important principles of problem-solving justice, most notably in community courts. Yet, community engagement can also be a part of other justice initiatives. For instance, community members can be asked to identify problems or issues that they want the justice system to care about, such as in Community Advisory Boards. In addition, members of the public can also be involved in administering justice, such as in justice panels.

### Box B.8. Swindon Neighbourhood Justice Panel

The Swindon Neighbourhood Justice Panel (United Kingdom) brings offenders and victims together in a hearing that lasts 40 minutes in order to engage them in “a process of meaningful dialogue, structured around a restorative justice script.” Agencies such as the police, housing and social services may be present as well. The discussion ends in a “problem-solving contract” that lasts for six months. During the term of the contract the offender is asked to attend “progress panels”. If the offender is not making good progress, the panel has “the option referring the case on for further action, such as formal prosecution”. Cases that are heard involve antisocial behaviour and low-level crime. The members of the Panel are volunteers.

*Source:* Bowen, P. and S. Whitehead (2013), *Better Courts: Cutting Crime through Innovation*, p. 7, NEF and Centre for Justice Innovation.

### Box B.9. Community Advisory Boards

Community Boards members of the public interact with justice agencies by providing an opportunity to voice concerns about public safety and other community problems. Their input might also be used to inform and co-design justice policies. Not only can this deliver new perspectives, community boards also “send a strong symbolic message about accountability” (Center for Court Innovation and Bureau of Justice Assistance, 2014).

Creating a community board cannot only be rewarding but also a challenge. The following questions should therefore be answered by the justice agencies (such as the police, prosecution and the courts):

- Is a community advisory board the best way to engage the community or are there other, more appropriate outreach activities?
- Will the board complement the mission of the justice organisations involved?
- Are the participating justice organisations prepared to dedicate the time needed to operate a community board?
- Are the participating justice organisations capable of balancing the differing views, interest, skills, and commitment levels of community members with the needs and limitations of the justice system?

*Source:* Center for Court Innovation and Bureau of Justice Assistance (2014), “How Community Advisory Boards Can Assist the Work of the Justice System”, US Department of Justice.

## Effectiveness and efficiency

### *Recidivism-reduction and rehabilitation*

Drug-court evaluations and other evidence show that problem-solving courts may reduce recidivism substantially. Drug courts are successful in reducing recidivism during the time of the programme and this positive effect tends to continue in the following years (Box B.10). Similarly, studies show that mental-health courts and community courts can be successful in reducing recidivism<sup>6</sup> (e.g. Cross, 2011; Sarteschi, 2009; Lee et al., 2013). Such findings are inconclusive with regard to domestic-violence courts, however, due to their great operational diversity and potentially to their main victim-focused approach.

### Box B.10. Combined effects on recidivism reduction: The Multi-Site Adult Drug Court Evaluation (MADCE)

In a 2011 study the Urban Institute found that 18 months after baseline the reported recidivism rate of drug court participants was 49% vs. 64% of the comparison group. Drug court participants were also half as likely to reoffend. Official re-arrest rates at 24 months after baseline were 52% vs. 62%, but this difference was not statistically significant (Rossman et al., 2011, pp. 78-79). The evaluation did not demonstrate different effects for different sub-categories of offenders, although “offenders with a violent history saw a relatively greater reduction in criminal behaviour stemming from drug court participation” (Rossman et al., 2011, pp. 79-80).

These studies seem to support one of the main assumptions of problem-solving justice that rehabilitating the offenders will discourage their criminal behaviour (aside domestic violence courts) yet further analysis is needed in this area especially for mental health courts and community courts.

### ***Community benefits***

Community courts especially may yield positive effects for the community as a whole, including community engagement and participation in the justice system, as well as due to community work (see for example, Lee et al., 2013, p. 5).

### ***Cost-effectiveness***

While requiring major initial investments, problem-solving courts can be cost-effective, mainly due to reduced costs for incarceration and detention. Studies on drug courts show that every US dollar spent results in a gain of more than two dollars (see Table B.1). According to certain of these studies drug courts that serve high-risk offenders “returned approximately 50% greater cost benefits to their communities than those serving low-risk offenders” (Marlowe, 2013, p. 121; Carey et al., 2006; Carey, Macklin and Finigan, 2012).

**Table B.1. Cost effectiveness of drug courts: Comparison of different studies**

Meta-analyses/ comparative study	Investment	Revenue
Aos, Miller and Drake (2006) 57 drug courts	USD 1	USD 2.10
Logan et al. (2004) 3 drug courts	USD 1	USD 2.71 (all participants) USD 1.13 (unsuccessful participants) USD 3.83 (successful participant)
Carey et al. (2006) 9 drug courts	USD 1	USD 3.50

*Source:* Author’s own work, based on Aos, S., M. Miller and E. Drake (2006), *Evidence-Based Public Policy Options to Reduce Future Prison Construction, Criminal Justice Costs, and Crime Rates*, Washington State Institute for Public Policy, Olympia; Logan, W. H. et al. (2004), “Economic evaluation of drug court: Methodology, results and policy implications”, *Evaluation and Programme Planning* 27, pp. 381-396; Carey, S. M. et al. (2006), “California drug courts: Outcomes, costs and promising practices: An overview of Phase II in a statewide study”, *Journal of Psychoactive Drugs*, SARC Supplement Number 3, pp. 345-356.

In the context of community courts, the evaluation of the *Red Hook Community Justice Center* showed that the savings exceed the costs by a factor of nearly 2 to 1. For each adult misdemeanour defendant, the Court estimated to save approximately USD 4 800 per defendant in avoided victimisation costs. Total net benefit is estimated at USD 6.8 million. While comparison data are unavailable, the evaluator concluded that it is “highly likely that the Justice Centre produces a net benefit to society” (Lee et al., 2013)

While the overall evidence is inconclusive and robust analysis needs to be undertaken, examples of problem-solving justice approaches highlight their cost-saving effect for the justice system while generating positive outcomes in other sectors (e.g. socio-economic areas).

## *Working ingredients*

### Interagency collaboration

The importance of inter-agency collaboration is corroborated by a study of 69 US drug courts. Findings show that collaboratively working as a team and strong co-operation between law enforcement as participant and treatment providers attending staff meetings and court sessions were more successful in reducing recidivism (Carey, Macklin and Finigan, 2012, pp. 25-27). Dedicated prosecutors and public defenders seemed to produce better results (Cissner et al., 2013).

### The role of the judge: supervision and sanctions

The judicial role as an authority figure in the drug court model is crucial in the success of problem-solving justice. This is often related to the assumption that judicial monitoring promotes compliance. For judicial supervision to generate the desired results, frequent status hearings are an important success factor.

**Table B.2. Judicial status hearing and successful programme completion**

High risk participant (N=82)		Low risk participant (N=186)	
Hearing every two weeks (N=32)	Hearing every four to six weeks (N=50)	Hearing when necessary (N=91)	Hearing every four to six weeks (N=95)
75%	56%	75%	72%

*Source:* Marlowe, D.B. et al. (2007), “Adapting judicial supervision to the risk level of drug offenders: Discharge and 6-month outcomes from a prospective matching study”, *Drug and Alcohol Dependence*, S4-S13.

Sanctions are essential for the effectiveness of a problem-solving approach. Such courts often use graduated sanctions, i.e. sanctions that vary in their severity and become more severe after continued non-cooperative behaviour or in response to more serious breaches of the programme conditions. Graduated sanctions have been associated with reduced recidivism (McIvor, 2010). A formal system governing the punishments is seen to stimulate sanction effectiveness and when punishments follow immediately upon the infraction (Koetzle Shaffer, 2006, pp. 185-187).

### Treatment

Treatment oriented towards rehabilitation tries to motivate, guide and support constructive change in factors leading to criminal or offending behaviour or preventing pro-social behaviour. Treatment has proven to be more successful than deterrence-oriented correctional interventions (Lipsey and Cullen, 2007). Research on problem-solving courts and more specifically drug courts has shown that success is related to the duration of the treatment programme (Koetzle Shaffer, 2006, pp. 182-185; Carey et al., 2006). In addition, starting the treatment soon after arrest improves the chances of finishing the first phases of the treatment programme successfully (Rempel and DeStefano, 2002). The use of single treatment provider is also associated with reduced recidivism (McIvor, 2010).

## Procedural justice

There is growing evidence in some OECD member countries (e.g. Australia, Canada and the United States) that high levels of procedural justice contribute to the success of problem-solving courts. This is mainly related to the interaction of the defendant with the judge but also with other agencies and institutions within the justice system (Rempel, 2014).

### *Institutional and other considerations*

Research on problem-solving courts has shown these courts can be successful. Yet in order to be effective, they must operate within certain institutional and policy frameworks including the following elements:

- Problem-solving initiatives need to be a good fit with the strategic policy framework and can benefit from a supporting legislative framework.

Problem-solving courts in the United States were judge led-initiatives that followed a grass-roots development process and which was later sanctioned by a supporting legislative framework. In England and Wales and to a certain extent in Australia and Canada, problem-solving courts followed a more centralised top-down development trajectory (Nolan, 2009) as local court administrations were centralised in the hands of the Executive (Bowen and Fox, 2015). This structural difference between the two systems may explain the divergence in judicial leadership in problem-solving reform (Bowen and Fox, 2015). Attention is required to balance central control over problem-solving courts to limit regional disparities in problem-solving court administration while ensuring that their development is tailored to reflect local specificities.

- Necessary resources need to be secured at the start of the planning process which will require political support.

Resources are a crucial determinant in the establishment of problem-solving courts (e.g. Australia, Canada, England and the United States). Although once in operation these can be cost-effective, the investments made in Canada and the United States show that the development of problem-solving courts including drug courts and Community-Justice Centres require substantial amounts of money. These financial resources require political support. Problem-solving courts have been shown to generate support across the political spectrum and transcend conventional political categories (Nolan, 2004, p. 9).

- Problem-solving initiatives need to be adapted to local legal culture.

Operational practices of problem-solving courts differ significantly: while in some US drug courts, the courtroom may become a stage or “theatrical” (applause and cheering for staying clean and sober and judges hugging participants), in other countries judges may show more restraint in accordance with traditional court-room etiquette. Countries also present greater reluctance in breaking away from the adversarial approach, when applicable. Moreover, whereas in US drug-treatment programmes complete abstinence is the norm, other countries emphasise the need for harm-reduction.

- A careful planning process including a thorough needs assessment and commitment from all stakeholders.

Careful planning is crucial in establishing a successful problem-solving court. It is essential to secure the co-operation of key justice partners as well as community-based organisations, treatment and service providers. An informed estimate of the project

volume (e.g. number of defendants/participants or services provided) is essential, when funding needs to be secured and staff trained accordingly.<sup>7</sup> The influx of potential defendants should be assessed to warrant investments. Commitment and enthusiasm among judges and representatives of other participating organisations is crucial as is the availability of high quality treatment and sufficient capacity to provide treatment and other services. (cf. McIvor, 2010)

- A monitoring and evaluation system needs to be in place at the onset.

High-quality evaluations of problem-solving courts are scarce. A sound monitoring system will register both policy actions (inputs and processes) as well as policy outcomes (outputs and impacts). While monitoring is concerned with gathering factual data, evaluation aims to appraise policy performance in relation to the problem being addressed. Criteria may include effectiveness, efficiency, adequacy, equity, responsiveness and appropriateness. Evaluations are all important as they can lead to continuation (with or without small adjustments) or termination and also may give cause to redefine goals, objectives and potential solutions (Dunn, 1981, p. 339).

- Problem-solving courts have to ensure due process of rights of the defendants

While problem-solving courts tend to effectively reduce recidivism and promote rehabilitation, to connect with communities, and improve experiences of victims with the justice system, the enhanced role of the judges in a problem-solving court is often criticised (e.g. stepping into the shoes of social workers; no longer being impartial due to their close connection with defendants or lack of independence due to collaboration with professional partners or the community). These concerns need to be taken seriously in the planning phase as well as during the operation of these courts to ensure due process. Another important issue is the non-adversarial approach that characterises most problem-solving courts. This causes some to fear that defence lawyers might effectively represent their client by dismissing and not fully upholding their legal rights.<sup>8</sup>

The Government of Northern Ireland has recognised that three main social challenges could benefit from a problem-solving approach in the country (DOJ, 2014):

- **Drug and alcohol abuse:** In Northern Ireland drug and alcohol abuse is generally recognised as a high contributory factor to crime (especially violence against persons), both for adults and juveniles. It is also costly for society and weighs on public finances: it is estimated that alcohol misuse alone costs Northern Ireland up to GBP 900 million every year (almost GBP 250 million for health and social care; GBP 103 million for courts and prisons; GBP 280 million for police and fire services) (DOJ, 2013a, p. 35). Treatment for drug-addicted offenders is already part of the system. The Probation Board for Northern Ireland (PBNI) and the Youth Justice Agency have programmes in place to that effect. Treatment needs are identified via so-called Pre-Sentence Reports (see below).

### Box B.11. Social issues related to offending: PBNI risk assessments

The statistics as collected by PBNI in the context of risk assessments of individuals subject to a probation order confirm the relevance of the aforementioned social issues for explaining criminal behaviour. The table below summarises the results for 2 985 persons that have been subjected to a risks assessment in 2013/14. Only those problems which for more than 10% of the offenders constitute a large offending related problem have been included in the table. In addition statistics on mental health are shown. As the table shows mental health constitutes a large offending-related problem in 2% of the offenders with a probation order. However, one in four experience large offending related problems with “reasoning/thinking”. This seems to imply that the line between problems with mental health and reasoning/thinking cannot always be clearly drawn.

Prevalence of offending related problems		
Social domain	% L	% S, M, L
Finances	12%	43%
Family and personal relations	11%	57%
Individual domain: Substance misuse and addiction		
Alcohol	28%	63%
Drugs	18%	43%
Personal domain: Health		
Mental health	2%	26%
Personal domain: Personal skills		
Reasoning/thinking	24%	94%
Individual domain: Individual characteristics		
Aggression	11%	56%
Impulsiveness/risk taking	25%	95%
Responsibility/control	16%	88%
Offending domain: Lifestyle and associates		
Lifestyle put offender at risk of re-offending	14%	78%

Source: PBNI (2014a), “Statistical brief”, September.

- Mental-health challenges:** In an extensive 2010 report the Criminal Justice Inspection of Northern Ireland (CJINI) concludes that mental health provision is deficient across Northern Ireland and argues for the need to establish more effective partnerships between the justice system and Health Services.<sup>9</sup> In addition, CJINI argues that given the high prevalence of mental-health issues which are not exclusive to a specific area of criminal justice, all courts should *de facto* act like mental-health courts. CJINI recommends for pre-trial hearings that a judge specialised in the field of mental health determine the mental state of the defendant based on medical reports. It also suggests that “the Northern Ireland Court Service (NICtS) should arrange for judges to have access to expert advice in interpreting psychiatric reports and handling cases involving mental-health issues” (CJINI, 2010, p. 20).
- Domestic violence:** More than one in ten offences is domestic-related. About one-third of recorded crimes result in criminal proceedings. Of the convictions recorded in 2012, over 5% concerned a primary offence with a domestic-violence motivation. The economic costs of domestic violence are estimated to have risen from GBP 610 million in 2010/11 to GBP 674.3 million for the year 2011/12 (Table B.3).

Table B.3. Estimated costs of domestic violence and abuse in Northern Ireland for 2010/11 to 2011/12  
(in GBP millions)

	Adult females		Adult males		Children		Total	
	10/11	11/12	10/11	11/12	10/11	11/12	10/11	11/12
Health and social care services	21.9	23.7	7.3	7.9	17.5	18.6	46.7	50.2
Criminal justice services	59.8	61.6	19.9	20.5	-	-	79.5	82.1
Housing support services	4.1	4.1	-	-	-	-	4.1	4.1
Lost economic output	51.9	57.5	17.3	19.2	-	-	69.2	76.7
Intangible human costs	307.5	345.9	102.4	115.3	-	-	409.9	461.2
<b>Total economic costs</b>	<b>445</b>	<b>492.8</b>	<b>146.9</b>	<b>162.9</b>	<b>17.5</b>	<b>18.6</b>	<b>609.4</b>	<b>674.3</b>

Source: DHSSPS and DOJ (2013), “Domestic and sexual violence and abuse in Northern Ireland 2013-2020”, public consultation document.

### The Strategic Framework for Reducing Offending

The Government of Northern Ireland recognises that the concept and practice of problem-solving is a good fit within the current strategic and operational environment (DOJ, 2014, p. 47). In particular, as analysed below, the Strategic Framework for Reducing Offending<sup>10</sup> provides a solid basis for the introduction of problem-solving justice in Northern Ireland.

Launched in 2013, the Strategic Framework for Reducing Offending has two main objectives: “Promoting timely interventions across government to support people in achieving positive outcomes in their life, thereby reducing the risk that they become involved in offending behaviour; and where people do offend, holding them to account for their actions, whilst providing the systems and support to bring them to the point where they can move on and do not reoffend in the future” (DOJ, 2013a, p. 7).

In the Strategic Framework several elements can be distinguished that correspond to the principles of problem-solving justice (see above). Similar to a problem-solving justice approach, the Framework is:

- **Outcome-focused:** The ultimate goal of the Strategic Framework is long-term and sustained reduction in offending in Northern Ireland.
- **Collaborative:** In order to reach the objective of reducing offending, effective partnerships are regarded as pivotal: “reducing offending behaviour requires effective partnership working between Government departments, statutory agencies, the private sector, the voluntary and community sector and wider society”. (DOJ, 2013a, p. 18)
- **Based on addressing underlying issues of criminal behaviour:** The Strategic Framework recognises that criminal behaviour is often linked to broader societal and individual problems (e.g. unemployment, poverty, housing circumstances, education). The implication for offenders at the level of the individual is that attention to their often complex needs is required. In other words, the underlying issues contributing to the offending behaviour should be addressed.

- **Offender-accountability focused:** Offenders must be held accountable for their behaviour and receive appropriate punishment. However, a purely punitive approach is not regarded as being successful over the long term. A full range of responses including prison or community sentences and, where appropriate, diversion is required.
- **Community- and victim-inclusive:** Community views and support should be solicited in both developing and implementing local solutions. For crime victims their experience with the justice system should be as positive as possible. Community and victim-inclusive policies will improve public confidence in the criminal-justice system.

Other Executive Strategies aligning with problem-solving principles are the Delivering Social Change Programme (the subject of another case study under the Terms of Reference of the NI Public Governance Review) and the project for Public Sector Reform by the Department of Finance and Personnel that emphasises the need for collaboration and partnerships similar to principles described above.

### *Current practices*

A number of operational practices are found in Northern Ireland which tends to align with problem-solving principles.

### *Probation practices*

- **Pre-Sentence Reports (PSRs).** To assist the court in crafting sentences tailored to the circumstances of the offender the Probation Board Northern Ireland (PBNI) prepares a pre-sentence rapport. PBNI bases its report on the information available on the individual involved and on one or more interviews with the offender. The impact of the crime on the victim and the personal circumstances of the offender are important topics of conversation during the interview.

#### Box B.12. **Pre-Sentence Report definition**

“A report in writing, prepared in accordance with Northern Ireland Standards and Service Requirements and submitted by a probation officer or qualified social worker of a Board or authorised Trust with a view to assisting the court to determine the most suitable method of dealing with a defendant and which imposes a restriction on liberty commensurate with the seriousness of the offence(s).”

Source: PBNI (2013), “Pre-Sentence Report for the Court”, leaflet, [www.pbni.org.uk/wp-content/uploads/2015/02/NewPSR-29.10.13.pdf](http://www.pbni.org.uk/wp-content/uploads/2015/02/NewPSR-29.10.13.pdf)

- **The Assessment, Case Management and Evaluation System (ACE)** has been used by PBNI since 2 000. This tool helps the probation officer to assess the likelihood of reoffending within a two-year period. The ACE assessment has the following three sections: Social Domain, Personal Domain, and Offending Domain (see also Box B.11). Of the offenders who in 2013-14 underwent an ACE assessment, PNBI assessed the probability of re-offending as low in 20%, as medium in 51% and as high in 29% of the cases (PBNI, 2014b).

- **Enhanced Combination Orders (ECO)** are developed by PBNI at the request of the Lord Chief Justice and without the need for legislative change. They represent a community-based alternative for the increasing number of custodial sentences of up to 12 months. ECO offers an alternative to custody “with a focus on rehabilitation, reparation, restorative practice and distance, with the added benefit of being considerably less costly to the state than custody”. Of particular interest is the fact that the ECO provides for the possibility of judicial monitoring (PBNI, 2015a).

#### Box B.13. Operating principles of Enhanced Combination Orders

**Victim focus:** Victims registered with the PBNI Victim Information Scheme are updated on sentence details and supervision by PBNI

**Desistance and “what works”:** ECOs focus on issues as accommodation, substance misuse, health issues, attitudes and behaviour, employment, education and training, finance, social relationships and lifestyle.

**Sentencer engagement:** ECOs can be subject to Court reviews and adjustments to the supervisory requirements which can be made.

**Enforcement:** Enforcement standards are strictly adhered to.

**Collaborative working:** PBNI works closely with PSNI and the Community and Voluntary Sector.

*Source:* PBNI (2015a), “Enhanced Combination Order (ECO): Pilot Proposal”.

An ECO can be ordered when the court is considering a custodial sentence up to 12 months, if the lifestyle of the offender can be described as unstructured and the offender has a range of needs and is motivated to change. Participation of offenders who are heavily dependent alcohol and drug users are excluded. Community service (between 40-100 hours) is a compulsory requirement of the ECO as is its supervision by the probation officer. A curfew may be part of the ECO. The pilot will commence in October 2015 in two pilot areas: Ards and Armagh and South Down (PBNI, 2015a).

#### *Collaborative partnerships*

Several collaborative partnerships are in place in Northern Ireland, including:

- Reducing offending partnership

DOJ, PSNI, PBNI, Youth Justice Agency (YJA) and the Northern Ireland Prison Service (NIPS) work together in the so-called Reducing Offending in Partnerships (ROPs). ROPs focus on priority offenders involved in high level of criminal behaviour within the police district. ROPs specifically pay attention to robberies, burglaries and thefts, crimes that have a strong impact on the community. ROPs were first piloted in Ballymena and Coleraine. An evaluation of the pilot in Ballymena has shown that ROPs are successful in reducing crime and making communities safer.<sup>11</sup>

### Box B.14. Three strands of Reducing Offending in Partnerships

**Prevent and deter:** Reduce crime and anti-social behaviour through early identification and intervention.

**Catch and control:** Close monitoring of those who persist in their offending.

**Rehabilitate and resettle:** Joint approach to provide support and assistance to provide a way out of crime.

*Source:* DOJ (2013b), “Reducing offending partnerships to be rolled out across Northern Ireland”, 23 May.

- Multi-Agency Risk Assessment Conferences

Multi-Agency Risk Assessment Conferences (MARACs) were specifically developed in the context of domestic abuse. The key organisations present at a MARAC include PSNI, Health and Social Services, Education, NI Housing Executive, PBNI, Women’s Aid, Victim Support Northern Ireland and Men’s Advisory Project. The different agencies discuss the risk of serious harm to people experiencing domestic abuse. Each case is discussed for up to 15 minutes. Actions are agreed and taken by the agencies present to reduce the risk of further and recurring violence. Only high-risk cases are considered during a MARAC. After the meeting the participating organisations each implement their own actions (PSNI, DHSSPS and DOJ, n.d.). Based on the policing districts 14 MARACs have been established since the start in 2010. In the year 2013 1 641 cases were heard. In 95% of the cases the victims were female and in 5% of the cases male. PSNI referred the most cases (1 179) followed by women’s aid (286) and health and social care (146) (PSNI, DHSSPS and DOJ, 2014).

#### *Youth justice initiatives*

- Youth conferencing

Youth conferences are carried out under the responsibility of the YJA. The purpose of youth conferencing is to discuss what can be done to make amends for the harm done and prevent future reoffending. The intended participants include a juvenile offender, his or her family, the victim, the police, the community, and supporters of both the victim and the offender.

### Box B.15. The youth conference process

“At a youth conference, the young person is invited to give an account of the offence and the victim, and if present, is encouraged to ask the young person questions about what has been said and how they have been affected by the crime. Others in attendance are also invited to give their views on the crime and its effects. A critical element of the conference is the collaborative development of a youth conference plan which sets out actions to be taken by the young person to make amends for the offence and reduce the likelihood of further offending”.

*Source:* Jacobson, J. and P. Gibbs (2009), “Making Amends: Restorative youth justice in Northern Ireland”, p. v, Prison Reform Trust, [www.prisonreformtrust.org.uk/uploads/documents/making\\_amends.pdf](http://www.prisonreformtrust.org.uk/uploads/documents/making_amends.pdf).

In over half of the cases (52%) the youth conference is a diversionary measure with the Public Prosecution Service (PPS) referring the juvenile to a conference, and in the other half (48%) the conference is court-mandated following a conviction. According to the most recent statistics, in 2013/14 1 846 young people were referred to a youth conference. Over the years in three out of four cases the conferences resulted in a ratified plan. The average number of working days from a referral to a ratified plan in the year 2012/13 was 33 days (which is an improvement of 10-20 working days compared to the years before). The average number of working days from plan ratification to the completion of the plan is 127 days. Around 40% of referrals involve juveniles who are looked after in the care home system (CJINI, 2015).

For the year 2010-11 the rate for reoffending following a youth conference order is 54% compared to 63% for individual receiving a probation or supervision order. The recidivism rate for those juveniles receiving a diversionary disposal is on average 19% (CNJNI, 2015).

- Youth engagement clinics

In the fall of 2014 the Department of Justice announced a national rollout of Youth Engagement Clinics following a successful pilot in Belfast. The primary objective of Youth Engagement Clinics is to reduce the processing time in youth cases. The clinics were developed by PSNI, YJA and PPS. As part of the clinics, juvenile offenders (between 10 and 18 years) whose cases are deemed suitable for diversion are offered help to make an informed decision about their options. The clinics are led by Youth Diversion Officers from PSNI all trained in restorative practice. In presence of the parent or guardian and solicitor the decision of PPS is explained to the young person. According to the Department of Justice, “the underlying idea is that when you give the youth stronger support earlier in the process and help them to make a properly informed decision about the offer of a diversion”, less cases arrive before the courts. In turn, they hope to “create capacity in the youth court and allow the judiciary and the wider system to focus more effort on cases that are not suitable for diversion” (Northern Ireland Assembly, 2013). Some 95% of young people who attended a Clinic in 2014/15 accepted a diversionary disposal. In 2014/15 the average time taken in a Clinic case was 51 days. In comparison, the average processing time in youth charge cases was 100 days, with youth summons cases taking on average 183 days.

## Lesson learned in the current problem-solving approaches in Northern Ireland

**Recognition of interaction between social issues and offending behaviour.** Most of the stakeholders in Northern Ireland acknowledge that drug and alcohol abuse, mental ill health and domestic violence are linked to offending behaviour. The relationship between alcohol and substance abuse and criminal behaviour is specifically considered strong. It is recognised that addiction and mental health problems often co-occur (the so-called dually diagnosed) and that both drug and alcohol abuse and mental health problems are not seldom a contributory factor in the occurrence of domestic violence. Domestic violence, in terms of numbers of cases, appears to be less of an issue than addiction and mental-health problems. Due to the close link between social issues and criminal behaviour, some individuals find themselves navigating the criminal justice system when their situation (and underlying social issues) could be addressed more effectively outside the justice system.

**Varying support towards problem-solving courts.** In view of these challenges, the Government of Northern Ireland is exploring the possibility of strengthening the application of problem-solving justice principles. There is broad support for the more holistic approach that characterises the response to crime in problem-solving justice among a wide range of stakeholders in Northern Ireland. The notion of judicial oversight is well received, particularly in cases of alcohol and drug abuse and domestic violence.

**Strong support for diversion.** Most stakeholders are keen to support stronger diversion of cases and stressed that court interventions should be reserved for the most serious cases. Currently, not enough distinction occurs and, according to a stakeholder: “all cases are thrown into the same pot”. Early intervention and a triage system focused on diversion are seen as ways to realise tailor-made solutions and to reduce pressure on the court system. Some mention that decisions about diverting cases away from the courts should be an interagency decision. This would require further knowledge on timely intervention, responses and the type of external expertise available (outside of the justice system). While awareness is present, this calls for building and refining knowledge of justice agencies on social issues, individual problems and efficient and effective interventions.

Diversion would not only reduce the number of cases going to court; the number of individuals incarcerated or in custody would also decrease. The ineffectiveness of short prison sentences is a recurring theme among stakeholders: although the victim and the society deserve a clear response to criminal behaviour, short prison sentences seem to foster rather than resolve the situation and underlying issues. Short prison sentences are seen disruptive and create problems with employment (individuals lose their jobs when sent to prison) and relationships. At the same time, because of the relatively short time spent in prison, meaningful rehabilitation while confined is absent. Therefore, alternatives to custody including ECO, curfew and electronic monitoring appear as viable options. To provide assistance to individuals leaving custody PBNI set up a mentoring programme to assist offenders in their transition from custody to community. The mentoring starts 4 weeks prior to release and lasts a maximum of 12 weeks after release. The mentors are volunteers or belong to community organisations (PBNI, 2015b and 2015c).

**Support for restorative justice is equally strong.** Connected to the diversion practices, increasing restorative practices in the administration of justice could support the application of problem-solving principles in Northern Ireland. Current initiatives within the administration of juvenile justice e.g. victim offender conferences could serve as good practice to extend to adult offenders. Restorative justice could also support the creation of a more conciliatory administration of justice to “The Troubles”, given that in a post-conflict situation justice needs to be transformative, moving away from the past. Yet the application of restorative justice principles in the context of domestic violence seems to be more problematic, given the dynamics of power imbalance in these cases.

**Collaboration is of crucial relevance.** Any meaningful response to crime needs to involve a strong collaboration of organisations within the justice system as well as sound working relationships with external organisations (e.g. service providers). This is key in any innovation in the justice system. Well-functioning collaborations are operating in Northern Ireland. One described successful example refers to the Multi-Agency Risk Assessment Conferences (MARACs) in the context of domestic violence cases. Common goals are seen as a determinant factor while defining realistic short and longer term deliveries is essential. Yet the majority of stakeholders consider collaboration at the national government level to be inadequate. National government is felt as

compartmentalised, with the different departments referred to as silos. In particular, the successful application of problem-solving principles will require stronger, deeper and sounder co-operation between the Department of Justice and the Department of Health, Social Services and Public Safety and the Department of Education.

**Community involvement is a key factor.** Similar to inter-agency collaboration, community involvement is considered to be a vital condition for a well-functioning justice system. Given that government and society in Northern Ireland still bear the consequences of “The Troubles”, community involvement appears to be particularly important. Linked partly to cultural and religious divisions, citizens feel mainly attached and loyal to their own local communities,<sup>12</sup> and often less so to the government.<sup>13</sup> The past political situation has generated a general mistrust toward the government, from which the justice sector (courts, police, prosecution) still suffers nowadays. To build trust of the community in justice policy, it is therefore crucial to engage with them and integrate their views (e.g. co-designing and co-producing and co-delivering justice policy). It is equally important to adapt justice policies to local circumstances. An example of local partnership already in place in Northern Ireland to be highlighted includes the Policing and Community Safety Partnerships (PCSPs).<sup>14</sup>

**Momentum and opportunity.** A momentum for change and innovation is felt among most stakeholders in Northern Ireland: “There is an appetite for doing things differently”. Most stakeholders are united behind a vision of better outcome-oriented justice interventions and a more holistic approach towards offenders. The relatively small jurisdiction of Northern Ireland (e.g. one police organisation, a Public Prosecution Service consisting of four regions) coupled with a PBNI delivering high quality services are highly seen as strong factors conducive to innovation. Yet for this the “new ways of doing justice” vision to be implemented, the position of the Minister of Justice in the interdepartmental force field needs to be strengthened in order to be able to provide the necessary leadership and steering capacity to the rest of the stakeholders.

## In focus: Responding to domestic violence in Londonderry

### *The Domestic Violence Listing Arrangement*

Table B.4. Incidence and prevalence of domestic violence in 2013/14 in Northern Ireland

Domestic abuse cases reported	27 628
Murder with a domestic motivation	7 (41% of all murders)
Sexual offences with a domestic motivation	394

*Source:* DHSSPS and DOJ (n.d.), “Stopping Domestic and Sexual Violence and Abuse in Northern Ireland: A Seven Year Strategy”.

Domestic violence is a serious social problem with severe consequences for its victims in Northern Ireland and in other OECD countries. Its high costs both at the human and economy levels are references. In the draft seven-year strategy to tackle domestic and sexual violence and abuse which has yet to be finalised and published, one of its five strands is to improve the protection and justice available to the victims<sup>15</sup> (victim-focus measures).

The Londonderry Magistrates’ Court introduced the Domestic Violence Listing Arrangement (DVLA) with the same ambition. Since November 2011 all domestic-violence cases in the Londonderry jurisdiction are clustered in specific court settings and the same judge hears all cases. This judge also took the initiative to set up the DVLA, which then became a collaborative effort of NICtS, PPS, PSNI, DOJ, Victim Support, Foyle Women’s Aid (FWA) and the Men’s Action Network.<sup>16</sup>

Through the DVLA domestic violence cases are clustered and heard on specifically assigned days.<sup>17</sup> Victim Support and FWA liaise with each other to provide monitoring, moral and practical support. A specially trained prosecutor represents the PPS. The cases are heard by a district judge in the seat of the Crown Court as it is easier to reserve this courtroom for domestic violence cases alone on a regular basis.

Fast-tracking of cases is an important objective of the DVLA, and the overall purpose is to make the victims feel safe, secure and confident to attend court and give evidence. The listing arrangement is seen as a first step to create a more victim-friendly court environment. Victims can enter the court via a separate entrance and special measures are taken when necessary (including the possibility to testify via a video conference). The services by Victim Support and FWA are seen as all important to assist the victims with court proceedings as well as with other (social) needs.

The DVLA has resulted in a reduction (albeit modest) in the number of victims not attending or refusing to give evidence. Before the pilot, 52% of contested hearings did not proceed due to lack of victim co-operation, nonetheless during the pilot this has dropped to 47% (Table B.6).

Table B.6. Domestic violence contests prior and during DVLA pilot

	1 December 2010 – 30 November 2011		1 December 2011 – 8 July 2014	
# contests	69		230	
Injured party did not attend court	29	(42%)	75	(32%)
Injured party attended court	40	(58%)	155	(67%)
Gave evidence	13	(33%)	33	(21%)
Refused to give evidence	7	(18%)	32	(21%)
Guilty pleas	16	(40%)	55	(35%)
Withdrawn	1	(3%)	11	(7%)
Convicted in their absence	3	(8%)		
Not attending/ refusing to provide evidence	29 + 7 = 36 (52%)		75 + 32 = 107 (47%)	

Source: McElholm, B.P. (2014), “Domestic Violence Pilot Listing Arrangement”, September.

Overall, there is strong support for the DVLA among key stakeholders. The agencies collaborating in the DVLA feel that the listing arrangement has significantly improved the positions of victims. They stress the importance of complainants and victims appearing in court. Although the number of cases withdrawn by victims has not decreased as anticipated, representatives of collaborating agencies find that victims are better informed and the level of services available to them has increased. To address the needs of men and women victims of domestic violence, a holistic approach was required by stakeholders. The wrap-around services provided by FWA are thus a crucial element to the DVLA and such initiatives could be extended to Men’s Advisory Project.

Collaboration between all organisations involved is considered to be an important success factor, the MARACs being a good example and consistent with international practice. The process of organising collaboration is characterised as piecemeal, and better

structural organisation could have taken place from the onset of the project. To improve the position of victims further and prevent domestic violence, the health sector should become more involved and furthermore raising the level of education is needed. Young people should be taught about sound and healthy relationships between men and women, and more general issues related to violence, control and gender should be discussed in school. Specifically related to court proceedings an integrated court hearing both for criminal and family cases (the one court, one judge model) would be an improvement to the current separate handling of these cases which is seen as costly, morally draining and inefficient. This was also confirmed by some of the women victims in Ashleywood house.

The DVLA does not specifically target the offender and the current model does not address the causes of violent behaviour by the perpetrator. Importantly in the Londonderry DVLA initiative, stakeholders appear to be open to the option of treatment programmes for perpetrators and willing to explore how stronger offender accountability can be put in place by means of judicial supervision. This would strengthen the problem-solving principles of the DVLA. Among the collaborating agencies there is a willingness to turn the DVLA into a full-fledged Specialist Domestic Violence Court including judicial monitoring. The judge is ready to explore this measure, especially if Probation could offer intensive programmes to the offenders of domestic violence. Currently, only in the context of a severe breach of the probation order are cases brought back before the court. Judicial monitoring on a regular basis is seen as a lever to prevent those breaches while providing a more meaningful response when they occur.

The success of the Londonderry DVLA appears to depend strongly on personalities with both the judge as the driving force and the very active involvement of Foyle's Women Aid. It would be important however, to further institutionalise this model to ensure that it can be replicated in other areas and address other social challenges.

In conclusion, the DVLA clearly applies problem-solving principles. The main objective of improving the position of the victim is compatible with the ambitions of domestic-violence courts. A bottom-up approach with a judge taking the initiative to improve court practices resembles the active position of judges in problem-solving courts. Still, the DVLA is not a specialist domestic-violence court, mainly due to its exclusive focus on the victim. Although the offender is held accountable through court proceedings this does not stretch to include the model of judicial supervision, which is common in domestic violence courts. Yet, should a full problem-solving court be contemplated, it is important to guarantee sufficient caseload to merit a special docket, which would most likely imply that it would be placed in Londonderry or Belfast. Some stakeholders voiced the concern that problem-solving courts can be very labour- and resource-intensive and introducing different procedures for different type of cases bears the risk of fragmenting the system. The public might also view these courts as “soft on crime”, particularly in view of a high level of distrust in the justice system.

Overall the current DVLA experience provides a strong foundation for the Government of Northern Ireland to celebrate the success of the current initiative, strengthen it and explore the possibilities of replicating it in Belfast and with regard to other pressing social challenges in the country.

### *One Safe Place: Plans for a Justice Centre*

Foyle Women’s Aid (FWA) is a charity organisation based in Londonderry with the purpose of preventing and stopping domestic violence and domestic abuse. The organisation has served the community for the past 35 years and offers a wide range of services to women who have experienced domestic violence, such as social services, accommodation and court support services. FWA also provides training to professionals working with families that are subject to domestic violence. FWA collaborates closely with the Londonderry Magistrates’ Court in supporting the victims whose case is heard before the DVLA.

FWA plans to expand its activities and wants to establish a Family Justice Centre “One Safe Place” in the near future. It is the ambition of FWA not only to make this the first Centre of its kind in Northern Ireland, but also to be the “first comprehensive European effort” towards a co-located, multidisciplinary Justice Centre and Training Academy.

Two broad objectives of FWA with the Justice Centre can be distinguished:

- **Supporting the victims of domestic violence: housing and co-location of services.** The Centre is foreseen to provide housing for the victims of domestic violence (especially older women and vulnerable adults) in 14 units catering for one or two people. FWA is working in partnership with APEX Housing to achieve this, thereby responding to the immediate demand for suitable housing across the region for this specific target group. The Centre will co-locate several agencies providing legal, judicial and social services in order to provide wrap-around services for victims of domestic abuse, sexual violence, elder-abuse, and for vulnerable families. Representatives from a total of twenty external agencies will be housed at the Centre.
- **To save and regenerate a landmark building in the historic area of Londonderry.** The building in which the Centre will be housed will be reverted back to use thereby avoiding the risk of dereliction of the historic building. The building has been empty over the past 15 years and is in dire need of restoration. In addition to housing units and co-location of services the One Safe Place is planned to house a Student/Research Reference and Learning Centre, create a social enterprise coffee shop and exhibition facilities and to be home to a permanent exhibition to honour the contribution of women to the history of Londonderry. One Safe Place aims to become the European Centre of Excellence that will provide training to all new Family Justice Centres in Europe. The social enterprise initiative will provide local employment and training. The permanent exhibition will be part of the women’s history project and will create a comprehensive collection of women’s stories and memories of life in the city of Londonderry.

Yet, it is not fully clear through which mechanisms these objectives will be achieved. Establishing a logic model would help to clarify links between the Centre’s activities and outcomes.

### Box B.16. Benefits attributed to the Centre by FWA

Improved access and confidence in the delivery of justice; improved support for victims and witnesses; improved facilities for victims and families; improved working environment; improved working between agencies and sharing of information; financial savings in respect of building provision and maintenance services; meeting national strategies for delivering local joined up justice; providing a safe and secure environment for staff; increase options to victims of violence and abuse; provide culturally sensitive services encouraging access by all communities; reduce violence crime figures/incidents; reduce the number of domestic/family violence, serious incidents and murders; reduce child abuse; reduce the incidents of elder abuse; reduce homelessness caused by domestic violence; hold abusers accountable by co-ordinated monitoring; reduce anti-social behaviour, youth crime and school exclusions.

*Source:* FWA (2015), “The Justice Centre One Safe Place”, presentation to the OECD, 2 March.

The costs to purchase the property, renovate and equip it fit for purpose are estimated to be a little over GBP 4.8 million (Brown, 2014). A large part of this money has already been committed. As for the operational costs, it is anticipated that income will be generated by the rent paid by the co-located agencies and by the money generated through the social enterprise initiative. Yet, the sustainability of the model needs to be further evidenced.

Over the years FWA has provided numerous services to many victims of domestic violence and is acknowledged for the accomplishments. The establishment of the Justice Centre in Londonderry would represent a logical next step in fighting domestic abuse. Yet achieving the Centre’s objectives would require moving forward in a structured and evidence-based manner and extend to male victims.

## Conclusion and recommendations

***Recommendation 1: On the approach being taken in the Domestic Violence Listing Arrangement in Londonderry Magistrates’ Court and how this might be further developed: Celebrate success and expand selectively.***

**Celebrate.** The DVLA is a good example of establishing successful collaboration within the justice sector and between the justice sector and communities. The initiative helps improve the experiences of victims of domestic violence throughout the healing process (judicially and socially). The listing arrangement delivers the message to the public that the justice system prioritises the needs of society and victims. Furthermore, it proves that through judicial leadership important justice innovations can be realised.

**Strengthen monitoring and evaluation.** A thorough system documenting the results of the DVLA is not in place. Current evaluation scheme primarily focuses the number of victims not providing evidence in court. Anecdotal information is gathered on victim experiences. This information is portraying a favourable picture (e.g. “the DVLA process is better organised”, “domestic violence cases are taken seriously and handled quicker”), but a more structured inventory of the experiences is recommended, and not the least to

find out where the system can be improved. The monitoring system could include criteria related to case processing times, conviction rates, court-mandated probation and qualitative indicators. In addition, a workshop could be initiated with all the parties in the current collaboration to highlight success and achievements, discuss improvements and consider potential new goals and related practices for the DVLA. This can be viewed as an informal evaluation of the DVLA that possibly may lead to (some) readjustments of the current goals and practices including an offender focus and stronger diversion measures.

**Expand court practices including judicial supervision and creating a criminal and civil justice interface.** As experiences in other OECD countries show, reducing offending in the context of domestic violence is not straightforward. There is no conclusive evidence that as a whole domestic violence courts are successful in that regard. However, a study in the state of New York involving 24 domestic violence courts did find that courts which prioritise deterring re-offending and sanction non-compliant behaviour are more successful (Cissner, Labriola and Rempel, 2013).

To this end, Northern Ireland may consider introducing judicial supervision for a select number of offenders in those cases where it is expected that judicial oversight has the greatest impact. Selection criteria should be decided with all the organisations currently part of the collaboration and specifically with probation officers and persons in charge of the current Integrated Domestic Abuse Programme. An experiment over the period of a year with roughly 20-25 perpetrators which is rigorously monitored and evaluated should be able to provide insight in the added value of judicial oversight as part of the DVLA. Depending on the results of the evaluation a decision can then be made to either stop or continue with judicial monitoring.

In addition, it is recommended that the Londonderry Magistrates' Court explore the feasibility of experimenting with the "one family, one judge" concept, by having the judge hearing the DVLA cases also handle the family law proceedings of these people. Although limited studies are available there is indication that such an integrated approach improves the experiences with the court. Logistically this is not an easy undertaking (e.g. jurisdictional challenges), yet in light of the relatively modest number of DVLA cases, this does seem feasible. A careful planning process with all stakeholders involved should precede this initiative. The advantage is that strong working relationships are already established, although new parties (e.g. family) should enter this newly designed collaboration.

Implementing these recommendations would make the current DVLA move towards a more fully developed integrated domestic court, with judicial supervision of a select number of perpetrators participating in a batterers intervention programme. The effects should be closely monitored and evaluated, and the expectations for reducing offender recidivism be made realistic.

**Explore expanding geographically and dealing with other offending behaviours.** Conditional upon the outcome of a broad needs assessment and prioritisation of actions (see above), Northern Ireland may consider exploring the feasibility of a DVLA in the Laganside Magistrates Court in Belfast. Stakeholders felt the DVLA model to be replicable. To achieve the necessary caseload, an urban area, and therefore Belfast, seems to be the logical choice. The first step would be to organise a meeting with stakeholders in Belfast to discuss the willingness to contribute in this type of listing arrangement. Although the support and enthusiasm of all stakeholders are required, this applies all the more to the judiciary. From the onset a district judge should be identified to take the lead

in shaping collaboration with Women and Men’s Aid organisations. The lesson that can be learned from Londonderry is that the collaborative structure should be firmly put in place from the beginning and the roles of each participant clearly defined. A rigorous monitoring and evaluation system should also be functioning from the start. Establishing a DVLA in Belfast would provide information on the transferability of this model. It would also provide insight in the viability of introducing such an innovative practice in a court without the initiative coming directly from the court. It is recommended to limit the ambitions in Belfast to introducing a DVLA focusing on streamlining the process for the victim in expectation of the results with (possibly) more far-reaching innovations in Londonderry.

Heavily dependent alcohol and drug users are currently not included in problem-solving approaches in Northern Ireland especially those dealing with domestic violence. Given the prevalence of these social challenges in the country, it is recommended to expand the current DVLA pilot to deal with this particular group (either in Londonderry or Belfast). In view of the evidence on judicial supervision of offenders with serious drug addiction, it would be important to organise court reviews at regular intervals. The results of this additional pilot could then be compared with the pilots in Ards and Armagh and South Down. This would provide insight on the effectiveness of judicial oversight in the context of ECOs for different target groups, including high-risk offenders.

In terms of extending this model to mental health issues, a number of stakeholders see this as problematic and stigmatising. Yet, as noted by several stakeholders, in the current situation, the Mental Health Order, which stipulates that personality disorders are insufficient ground for treatment,<sup>18</sup> appears to hamper a meaningful and adequate response to mental health issues as people clearly in need of treatment do not receive the help they need. As such, while establishing special listing arrangements for mental health issues seems premature in the context of Northern Ireland, a careful look at the current regulatory system related to mental health issues is warranted.

***Recommendation 2: “One Safe Place” Justice Centre proposal from Foyle Women’s Aid and whether this is compatible with the problem-solving justice approach: Moving forward with a structured approach***

**Define success.** The business plan of the proposed family justice centre states: “The ‘One Safe Place’ model works and has been successful in the USA and Europe”. However, the business plan does not specify what exactly constitutes success and what would be the contributing factors. Success should be clearly defined (in measurable units of analysis). The FWA should be as specific as possible in this regard. This also relates to the number of clients it wants to reach and the specific services provided to these clients. In the business model it is estimated that 500 to 1 000 clients per month will request the services of the Centre. How was this number evaluated? What is the so-called catchment area? And as not all clients will have the same needs: What target groups can be distinguished for which particular services?

Once the Justice Centre is in place it is expected to reduce crime (and thereby) costs. According to FWA this will be achieved, by a reduction in serious assaults and murders, a reduction of repeat use of health services and a reduction in police investigation time, a reduction in repeat offenders and therefore court time, and finally by preventing homelessness. Yet there is a need for a clear logic model to establish the robust links between the proposed activities and expected outcomes.

**Co-locate and collaborate.** Co-location of services is a concept with great potential in the Northern Ireland context. Co-location needs to result in strong collaboration or more importantly service integration. When service integration is realised organisations work together to provide new services to their clients. Yet, co-location on its own will not automatically improve information sharing and communication or create good working relationships. It is a necessary condition to achieve these ends but not a sufficient one. It is therefore recommended that the collaborating organisations/agencies clearly define the specific issues and client needs, their means and how to tailor them to the client needs and define operations and work processes. What are the steps needed to get from co-location to co-ordination, to collaboration and possibly service integration? Are there any trust issues/tensions between the organisations involved?

**Strengthen planning.** The image envisioned by FWA to place the client at the centre of a circle made of all organisations and projected services requires stronger planning based on a sound business model and clear indicators.

**Disentangle multiple objectives.** Proper accommodation will be critical for an effective Justice Centre. But the two objectives of setting up a “One Safe Place” to support the victims and saving and refurbishing a landmark building, seem to be very ambitious. While they are not irreconcilable, achieving both of them demands great management skills – with different skills for each individual enterprise. It is therefore recommended to ensure the proper management and governance structures in place, which will require a team of experts with clearly defined individual roles and responsibilities. It is also recommended to focus on ensuring functionality of the Centre prior to engaging in discussions on becoming a European Centre of Excellence. Based on the international experience, the focus should be on first realising the collaboration (and where possible service integration) in order to realise improved services to the victims of domestic violence.

**Model sustainability.** Clear indicators will soundly inform the sustainability of the model. As mentioned above, capital and resources need not only to be committed but secured and based on a strong business model. This includes identifying clear revenue to sustain operational costs.

### ***Recommendation 3: Looking ahead: Strong point of departure to expand problem-solving principles in the justice chain***

Internationally, two important drivers behind the establishment of problem-solving courts are identified: the recognition that the justice system should address underlying social issues in the context of criminal behaviour in courts and the need to connect the justice system with the community. These drivers are clearly found in Northern Ireland. In addition, the problem-solving principle of collaboration is deemed to be of crucial importance for a successful operation of the justice system.

While there is a concern that problem-solving justice approaches might be seen as a soft-on-crime option, experience in other OECD countries (e.g. United States) shows that problem-solving courts – and specifically drug courts – have received support from the full political spectrum either because of their focus on rehabilitation and perceived compassionate approach towards offenders or because of the demanding nature of the treatment programmes and strong compliance monitoring. Importantly, these approaches are also viewed favourably for the fact that they can be presented as a solution that saves taxpayers’ money.

The devolution of justice has provided a unique opportunity to debate and agree on the approach that Northern Ireland as a society takes to reduce offending (DOJ, 2013a, p. 11). This resulted in a government justice policy that is well thought out, balanced and explicitly takes a non-punitive and humane approach. Crime is not seen as a “justice” topic only, but part of larger societal dynamics. Without diminishing criminal responsibility and accountability for this type of behaviour, it is felt that a meaningful response to criminal behaviour requires addressing the underlying causes of offending. Interventions should also be made as early on as possible. Emphasis would therefore be placed on both prevention and diversion. Furthermore, it is being recognised that reducing offending requires fostering collaboration with other organisations, statutory and non-statutory alike, as well as with the community. In the end, while rehabilitation of offenders is not a goal in and of itself, the overall purpose is to create safer communities and crime prevention.

These basic policy assumptions and objectives echo the values behind problem-solving justice whether it is building creative partnerships or advancing a tailored and team based approach thus providing a high level formal framework for problem-solving practices in Northern Ireland. However, concrete policy initiatives – though certainly not absent – seem to somewhat lag behind the visionary ideas. For the policy objectives to be actually achieved, they need to be put into practice. Robust needs assessment for evidence-based decision making, collaboration frameworks, and sustainable financing decisions will be critical to ensure effective design and implementation of problem-solving justice initiatives.

**Needs-assessment.** Any concrete policy initiatives related to deepening problem-solving practices in Northern Ireland should be based on a robust needs assessment. While the identified types of social challenges could all benefit from a problem-solving approach, any specific problem-solving initiatives would require a more in-depth assessment of which specific problems, in which geographical areas, and which specific target group would benefit most from a problem-solving approach.

**Collaboration.** While the policy plans of the Justice and other departments place a strong emphasis on collaboration, stakeholder consultation reveals a strong silo-based approach at the national government level to administering policies and programmes, both in relation to justice and other policy sectors. If problem-solving and other justice innovations are to be successful, better collaboration between departments is required. Since problem-solving justice is strongly connected with public health issues, in particular the co-operation between the department of Justice and the department of Health, Social Services and Public Safety needs to be intensified. Not least because in a business model of any problem-solving initiative the investments and revenues are bound to affect both departments. In addition, a strategic partner in any problem-solving initiative is the judiciary. Since the role of judge is crucial in introducing these kinds of innovations, especially when it comes to judicial supervision and oversight, it is important to ensure that the judiciary is “on board”. It is therefore recommended to organise expert meetings and discussions within the judiciary, with management as well as with other judges.

**Resources and finances.** In Northern Ireland, similar to many OECD countries, public spending as a whole is under significant pressure. This is particularly the case for the department of Justice, given that difficult funding and prioritisation decisions have been required in light of a budgetary reduction of 15.1% for all DOJ spending for the 2015-16 Budget. Legal aid is one area in particular where the demands exceed the budget

and urgent measures need to be taken (Northern Ireland Executive, 2015). While problem-solving courts can be financially attractive, they would require significant upfront investments which could outweigh the returns. This underlines the importance of the aforementioned needs assessment, as the financial investment decisions need to be made very strategically. This is one of the reasons why an incremental approach with regard to introducing problem-solving justice is sensible. To this end, Northern Ireland may consider embracing a gradual approach to adopting principles of problem-solving justice and strengthen problem-solving elements in different parts of the existing justice chain. More incremental yet meaningful changes can be introduced without creating a heavy financial burden. This would facilitate experimenting and assessing the effectiveness and cost-benefit of different initiatives, which could be introduced on a larger scale.

More broadly, Northern Ireland may consider strengthening the following problem-solving elements in different phases of the criminal justice chain. This implies redefining the systemic and jurisdictional approach of the justice system based on a typology of cases in order to create interoperability between a criminal and civil interface for instance. To deepen the problem-solving approach, Northern Ireland could benefit from strengthening practices which share similar principles with problem-solving justice. Streamlining problem-solving justice methods seem easily adaptable to the current institutional and policy frameworks. They would also not require significant new investments from the already constrained budget. These practices could be expanded overtime to introduce a fully-fledged problem-solving court which would require significant investment of resources (financial and labour) and established institutional mechanisms and collaboration structures. Some of the high-level directions for expanding problem-solving practices may include:

- **Prevention.** Prevention is clearly a domain that can benefit from better collaboration between departments. Investments in education, health and social services can contribute to reduce crime and thereby prevent costs further down the justice chain. All three social domains (drug and alcohol abuse, mental health and domestic violence) might benefit from increasing preventative measures.
- **Diversion.** Problem-solving courts are highly resource-intensive and international trends point to combining these courts (e.g. for mental health, drugs and domestic violence) with diversionary interventions, or placing diversionary interventions at the core of a problem-solving approach. Mental-health problems in particular are seen as one of the fields that are worthy of diversion since mental illness and related criminal behaviour is considered to be broader than a justice issue but also and sometimes primarily a public health one | Similarly this could further be emphasised where alcohol- and substance-abuse is apparent (including in domestic violence cases). In line with the CJINI proposal, it is recommended to identify offenders entering the court system and suffering from mental illness as early as possible. This can be done by creating a triage system in place where courts through pre-trial hearings and assisted by experts from the mental-health sector, decide whether a defendant can and should be diverted from the court process (and receive treatment outside of the justice system). In other instances, cases might benefit from a diversionary approach with continued court involvement. This requires establishing processes to allow for courts to ensure the defendant receives adequate treatment, and to foster close collaboration with treatment providers and sharing responsibility for case management. It is recommended to explore the feasibility of instituting such diversionary schemes if

not to intensify existing initiatives. Strengthening ties with treatment providers and improving the court's knowledge of mental health issues are problem-solving elements that should be part of these diversionary schemes.

- Diversionary schemes can also benefit from direct community involvement, for example by setting up Neighbourhood Justice Panels. It is recommended to explore the feasibility of Neighbourhood Justice Panels in Northern Ireland in one or more pilot projects. These Panels would provide the opportunity to bring victims and offenders of low-level crimes together for a hearing with the purpose of realising a problem-solving contract. The Panel could hold the offender accountable through progress panels. These panels combine two key elements of restorative and problem-solving justice and depend on strong community engagement and participation.
- **Sentencing.** It is recommended to develop more general activities aimed at raising the knowledge of the judiciary (and other justice agencies) on social interventions and other interventions based on best practice. Improving the knowledge base is an important condition for informed-decision making, an important element of problem-solving justice (see above). In addition, in light of the importance of procedural justice in problem-solving initiatives, it is recommended to improve the skills of judges in this field. Training, enhancing procedural justice or for example feedback by experts (psychologists) on judicial behaviour during court sessions could be instrumental.
- **Post Sentencing.** Judicial supervision and monitoring is a key ingredient of problem-solving justice. Northern Ireland is introducing this element in the Enhanced Combination Order (ECO). In this community-based alternative to custodial sentences court reviews can be part of the process. In effect, this means the pilot will experiment with post sentence judicial review and monitoring. In the pilot proposal this court review is presented as optional. It is recommended giving the element of judicial review more emphasis in the ECO and organising at least one court review relatively early at the beginning of the ECO, to use the role of the judge as an authority figure to promote compliance, especially when heavily dependent drug and alcohol users participate in the programme.

Importantly, Northern Ireland could also explore innovative approaches for financing community initiatives to deal with the root causes of crime, for example through a future Delivering Social Change Framework Signature Programme or Justice Reinvestment strategies found in some OECD countries. In particular, the approach of the Delivering Social Change Framework could support the design and delivery of effective (problem-solving) justice services (including health, general social well-being) by bringing together the relevant executive departments in working horizontally with the civil society. Justice reinvestment supports cost effective, evidence based policies projected to generate savings while reducing crime and reoffending and maintaining a focus on public safety by reinvesting into community-based initiatives which aim to address the underlying causes of crime (LaVigne et al., 2014; Smart Justice, 2012).

Overall, strengthening problem-solving justice approaches in Northern Ireland can provide an important opportunity to contribute to the modernisation of the justice system and to resolve pressing social challenges. Further extension of these approaches would need to necessarily entail a strong buy-in from all the relevant agencies and service providers involved, from the public prosecution to housing and employment services and the different communities. An efficient jurisdictional and operational interface between

criminal and civil justice could enable more seamless and victim-oriented approaches in delivering justice services, especially in cases of domestic abuse. The ability of problem-solving justice initiatives in Northern Ireland to achieve their objectives of reducing crime and reoffending behaviour as well as achieving social cohesion, however, would strongly depend on the overall and efficiency of the justice system, including increasing timeliness of case consideration, strengthening case triage approaches, reviewing the legal aid system to respond to citizen legal needs, advancing court performance as well as the quality of legal representation, and creating incentive for horizontal collaboration.

### Appendix B.1. List of organisations interviewed

- Committee on the Administration of Justice
- Community Restorative Justice Ireland
- Criminal Justice Inspection Northern Ireland
- Department of Justice
- Derry Solicitors Association
- Domestic Violence Partnership
- Foyle Women’s Aid
- Law Society
- Men’s Advisory Project
- Northern Ireland Alternatives
- Northern Ireland Commissioner for Children and Young People
- Northern Ireland Courts and Tribunals Service
- Police Service Northern Ireland
- Probation Board for Northern Ireland
- Public Prosecution Service for Northern Ireland
- Queen’s University
- University of Ulster
- Victim Support Northern Ireland
- Voices Victim Group
- Youth Justice Agency

## Notes

1. Consult the index on line at <http://worldjusticeproject.org/rule-of-law-index>.
2. For more information, see [www.economist.com/node/10849115](http://www.economist.com/node/10849115).
3. Building on dozens of meta-studies of hundreds of correctional intervention studies, Lipsey and Cullen conclude that correctional sanctions often do not prevent subsequent criminal behaviour and even that a “significant portion of evidence points in the opposite direction”. According to them “the theory of specific deterrence inherent in the politically popular and intuitively appealing view that harsher treatment of offenders dissuades them from further criminal behaviour is thus not consistent with the preponderance of available evidence” (Lipsey and Cullen, 2007, p. 302).
4. A 2008 nationwide survey of mental health courts in the United States found that 98% accepted misdemeanour offences, 27% accepted felony charges, and 4% accepted violent felony charges (Slinger and Roesch, 2010, p. 260).
5. For more information, see [www.courtinnovation.org/project/midtown-community-court](http://www.courtinnovation.org/project/midtown-community-court).
6. For more information, see [www.neighbourhoodjustice.vic.gov.au/home/about+us/results/](http://www.neighbourhoodjustice.vic.gov.au/home/about+us/results/).
7. See [www.courtinnovation.org/sites/default/files/Planning\\_Checklist.pdf](http://www.courtinnovation.org/sites/default/files/Planning_Checklist.pdf) for more information.
8. In response to these criticisms, several principles and guidelines were drafted. They stress the knowledgeable and voluntary entry of participants into a problem-solving court programme while defence attorneys or lawyers should verify that their clients, upon entering a drug court programme, abandon certain rights “knowingly and intelligently”. Lawyers also need to ensure their clients are well informed, especially regarding the repercussions if the client fails to comply with the rules and court order (Freeman-Wilson, Sullivan and Weinstein, 2003). See also, e.g. US National Legal Aid and Defenders Association (2002) and US National Drug Court Institute (2002).
9. Problems with selection of most appropriate cases were foreseen and the judiciary fears delay, inequities and stigmatisation (CJINI, 2010, p. 22).
10. Other strategies and policies mentioned are: Prison Service Reform; Domestic and Sexual Violence and Abuse Strategy; Victims Strategy; and Fairer, Faster Justice.
11. No specific information is given on the level of recidivism reduction. The information available specifies: 68% of priority offenders involved reduced their offending behaviour whilst engaged in ROP during 2011/2012”. See [www.pbni.org.uk/probation-central-to-reducing-offending-partnerships/](http://www.pbni.org.uk/probation-central-to-reducing-offending-partnerships/) for more information.
12. Yet there is still a (strong) division between the two communities (also geographically).

13. This is supported by public opinion research. Notably, Catholics feel very much attached to their local communities. See [www.ark.ac.uk/publications/updates/update93.pdf](http://www.ark.ac.uk/publications/updates/update93.pdf) for more information.
14. They are statutory bodies established under the Justice Act (Northern Ireland) 2011 and consult and engage with the local community on issues of concern in relation to policing and community safety (see [www.pcsp.org](http://www.pcsp.org)).
15. The other four strands are: driving change through co-operation and leadership, prevention and early intervention, delivering change through responsive services, and support.
16. Foyle Women’s Aid (FWA) is a non-profit organisation providing support to victims of abuse through awareness raising and preventive educational initiatives; Victim Support NI is a non-profit organisation providing support to “people affected by crimes” (victims and witnesses) in Offices, Courthouses and Outreach centres; Men’s Action Network (MAN) provides support services to men through counselling centres, telephone helpline, self-help support groups and advocacy campaigns.
17. Each second and fifth Tuesday of the month a hearing is reserved for contested cases and all adjournments and reviews are listed on each first and third Wednesday of the month.
18. The Order states: “No person shall be treated under this Order as suffering from mental disorder, or from any form of mental disorder, by reason only of personality disorder [...]” The Mental Health (Northern Ireland) Order 1986, Part I, Title 3.

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## *Annex C*

### **Improving educational outcomes for looked-after children in Northern Ireland**

*This case study discusses the emerging policies and practices concerned with looked-after children in Northern Ireland. This case study explores the holistic approaches to supporting child well-being and standard setting with a focus on continuous improvement, as well as some targeted interventions that show some promise for meeting the complex needs of looked-after children and supporting long-term success. The findings and recommendations of this case study form part of the overall recommendations of the Northern Ireland Public Governance Review.*

## Introduction

Prior to the mid-1980s, in Northern Ireland as well as in other countries, education for looked-after children – that is, children who are in the care of a local Trust<sup>1</sup> – was a low priority. Since then, efforts to improve educational outcomes for looked-after children (LAC) have intensified across countries. Various reports, policies and programmes have attempted to raise the priority of education and to improve interagency co-operation (Goddard, 2000). Based on available international data, it appears that outcomes for looked-after children in Northern Ireland and beyond have improved in the ensuing decades.<sup>2</sup>

This case study on looked-after children in Northern Ireland provides an opportunity to bring together evidence from a range of policies and programmes from different countries, to identify gaps in provision, and to consider how these might be addressed. Emerging policies and practices are explored, including holistic approaches to supporting child well-being, and standard setting with a focus on continuous improvement, as well as some targeted interventions that show some promise for meeting the complex needs of looked-after children and supporting long-term success.

Based on findings from the case study and the review of literature, these indicate a real need to continue to build the evidence base on “what works” and to innovate, as well as to address some basic aspects of provision in Northern Ireland. For example, as the numbers of looked-after children continue to grow, more high quality home and school placements are needed. Social workers, who frequently have heavy caseloads, need to have more time to devote attention to looked-after children, their families and carers. According to the Department of Education educators and carers may need training to understand how to address behavioural challenges or to better support well-being and achievement. To achieve any of these goals, while there is evidence that schools have access to a range of training/support regarding understanding and managing the behaviour of LAC children, more strategic investment of limited resources will be needed.

The next section sets out the methodology for this case study. In Section 3, recent benchmarking data on looked-after children educational outcomes are presented in comparison to outcomes for general student populations in the United Kingdom. These data highlight major gaps in achievement. Section 4 turns to a short discussion of factors that support looked-after children educational achievement, and which are important to consider in the development of more effective policies and practices.

This case study is one of five case studies being conducted in the context of an overall Public Governance Review (PGR) of Northern Ireland; their findings will be integrated into the final Public Governance Review report. Efforts to improve interagency working as well as links between central departments, local trusts and voluntary organisations (Section 5) and to implement policies and programmes (Section 6) are therefore the major focus for the study. OECD recommendations conclude with the next steps to be taken.

## Methodology

Findings are based on a review of relevant literature and interviews conducted with key stakeholders in the Northern Ireland Department of Education, the Department of Health, Social Services and Public Safety, and numerous advocacy organisations serving looked-after children, their families and carers (see Appendix C.1).

Key information interviews focused on:

- priorities for improving outcomes for looked-after children in Northern Ireland
- what is known about gaps in services and their impact on learning
- interagency working and co-operation. Organisational and professional cultures, communications and barriers to effective working were of particular interest.

The diverse stakeholders from the Department of Education (DE) and Department of Health Social Services and Public Safety (DSSHPS) and leaders from non-profit and voluntary organisations that were met shared many insights on current policies and practices, challenges related to intergovernmental communication and implementation<sup>3</sup>. Analysis of the current system and barriers to address draws on the information shared in interviews and in official documents.

We also reviewed academic and policy literature, focusing on factors that affect educational achievement of looked-after children and interventions. This review was not systematic, but rather an opportunistic analysis. Several promising practices and policies that have been developed and implemented in other countries were identified to inform OECD recommendations for Northern Ireland. Indeed, key informants interviewed in Northern Ireland also noted interest in several of these programmes (Scotland’s Getting It Right for Children, the Virtual School Head in England, and other interventions to support learning). Brief descriptions of these policies and programmes, as well as studies and evaluations of their implementation are provided. Northern Ireland can learn much from others’ prior experiences to better anticipate challenges.

Finally, it’s important to note that while some studies that measured the impact of specific interventions were found they were mostly of small scale. It is difficult to make any strong claims about “what works” to improve educational outcomes of looked-after children. Nevertheless, these studies raise important questions and highlight areas where further research is required.

## Benchmarking data on looked-after children

A number of studies across countries have consistently shown that looked-after children have lower educational outcomes than mainstream learners. They are also more frequently excluded from school, which may be due to problems of behaviour. Looked-after learners are more likely to be bullied. Few care leavers go on to university (Condie et al. 2009; Zima et al., 2000).

Benchmarking data on qualification levels puts the challenges into sharp focus.<sup>4</sup> The following tables show the highest level of attainment for all school leavers and for looked-after leavers for the 2013/14 academic year.

Table C.1. **Highest level of educational attainment**

	Northern Ireland		England	
	Looked after children	General school population (NI)	Looked after children	General school population
1 or more General Certificate of Secondary Education (GCSE) at grades A*-G	73%	100%	NA	NA
5 or more GCSEs at grades A*-G	49%	98%	NA	NA
5 or more GCSEs at grades A*-C	29%	82%	12%	52.1%

Source: Department of Health Social Services and Public Safety of Northern Ireland (DHSSPS) (2015), "Children in care in Northern Ireland", 2013-14 Statistical Bulletin, 18 June, [www.dhsspsni.gov.uk/child-care-ni-13-14.pdf](http://www.dhsspsni.gov.uk/child-care-ni-13-14.pdf).

The GCSE examinations are taken by most pupils in England, Wales and Northern Ireland at the end of compulsory school education, year 12, and are intended to communicate attainment in different subject areas (there are 50 GCSEs). They are not compulsory; and schools may choose not to enter students (see [www.politics.co.uk/reference/gcse](http://www.politics.co.uk/reference/gcse)).

Table C.2. **School age children with statement of special education needs (SEN)**

	Looked-after children	General school population
Northern Ireland	26%	5%
England	29%	2.8%

Source: DHSSPS (2015), "Children in care in Northern Ireland", 2013-14 Statistical Bulletin, 18 June, [www.dhsspsni.gov.uk/child-care-ni-13-14.pdf](http://www.dhsspsni.gov.uk/child-care-ni-13-14.pdf); Department for Education, England (2014), "Outcomes for children looked after by local authorities in England as of 31 March 2014", Statistical First Release, SFR 49/2014, [www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/384781/Outcomes\\_SFR49\\_2014\\_Text.pdf](http://www.gov.uk/government/uploads/system/uploads/attachment_data/file/384781/Outcomes_SFR49_2014_Text.pdf).

For Scotland: attainment of all school leavers and looked-after school leavers, by their highest level of attainment 2013/14, see Table C.3.

Table C.3. **School age children with statement of SEN**

	Scotland	
	Looked after leavers	All school leavers
1 or more qualifications at Scottish Credit and Qualifications Framework (SCQF) level 3 or better	91%	98%
1 or more qualifications at SCQF level 4 or better	74%	96%
1 or more qualifications at SCQF level 5 or better	40%	84%
1 or more qualifications at SCQF level 6 or better	12%	59%
1 or more qualifications at SCQF level 7 or better	2%	19%
No qualifications	9%	2%

The Scottish Credit Qualifications Framework (SCQF) covers all levels of education, from school to post-doctorate. The qualifications are intended to communicate the knowledge, skills and attitudes (e.g. autonomy, ability to work with others) students have attained (see <http://scqf.org.uk>)

Note: Differences in the education systems of Scotland and the rest of the United Kingdom mean that it is not possible to make direct comparisons.

Source: DHSSPS (2015), "Children in care in Northern Ireland", 2013-14 Statistical Bulletin, 18 June, [www.dhsspsni.gov.uk/child-care-ni-13-14.pdf](http://www.dhsspsni.gov.uk/child-care-ni-13-14.pdf); Department for Education, England (2014), "Outcomes for children looked after by local authorities in England as of 31 March 2014", Statistical First Release, SFR 49/2014, [www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/384781/Outcomes\\_SFR49\\_2014\\_Text.pdf](http://www.gov.uk/government/uploads/system/uploads/attachment_data/file/384781/Outcomes_SFR49_2014_Text.pdf).

Lack of educational qualifications is connected to higher rates of unemployment, mobility, homelessness, financial difficulties, physical and mental health problems for young people leaving care (Viner and Taylor, 2005).

### What factors are associated with educational achievement for looked-after children?

There is a great deal of complexity and variation within the population of looked-after children, as Stein (2006) has observed, and thus a need for better theory and outcomes studies tracking not only “what works”, but also “for whom”, and “under what circumstances”. The current evidence base nevertheless provides a good foundation for understanding factors that support educational achievement, and directions for new programme development and research.

To date, a few small-scale studies have focused on factors that support educational achievement for looked-after children. Within this literature, we identified three broad categories:

- responsiveness to the child’s needs
- stability of home/school placements and the quality of relationships
- high expectations for educational achievement, and support when needed.

#### *Responsiveness to the child’s needs*

Human rights frameworks and national legislation support the rights of children, young people and their families to have their views heard and taken into account in the provision of services. This is a first principle for services for looked-after children in Northern Ireland and for children’s rights internationally.

A few studies have pointed out that there are, however, a number of challenges in ensuring that the voices of looked-after children and their families are indeed heard. In England, for example, Winter (2006) points out that looked-after children have had little involvement in developing assessment and care planning systems, and that there is little consideration for their privacy or safeguarding of their welfare (cited in McLeod, 2007). In a 30-country survey, Eurochild (2010) found disparities between children’s rights and their actual involvement in policy consultations or in decisions that directly affect them. Liabo, Gray and Mulcahy (2013) have also found that research on programmes for looked-after children do not generally include their viewpoints. Borland et al. (1998) observed that there was little research on daily school experiences of looked-after children, very little attempt to gather teacher views, and no systematic observation of practice. Nearly 20 years later, it appears that little has been done to remedy this gap in the research.

McLeod (2007) and Munro (2001) identify a number of barriers to taking the views of looked-after children into account in planning of direct services. Real capacity to listen to young people, McLeod notes, requires a good understanding of development as well as the time and capacity to build supportive relationships with them. Moreover, dialogue with disaffected youth can be challenging. At the same time, looked-after children have noted the importance of establishing a bond – with their social worker or another adult who will listen, empathise and advocate for them (Butler and Williamson, 1994).

Another important issue from Munro’s (2001) study was in regard to the lack of confidentiality, including sharing of documents and case notes. Many looked-after children were uncomfortable with this. Indeed, children may be less willing to confide vital information if they believe it will be widely shared.

McLeod (2007)<sup>5</sup> notes that youth may feel they have not been heard if their wishes have not been acted upon, particularly in regard to more significant issues, such as family visits (see also Munro, 2001). A report of the Office for Standards in Education (Ofsted)<sup>6</sup> in England corroborates these views, finding that children and youth believe that being able to express their views is vital, but that they do not in reality have much say. Nor is it possible to generalise about children’s preferences. Social workers, on the other hand, must deal with resource and time constraints as they attempt to help looked-after children and may not be able to respond to expressed wishes.

Effective listening and care, as found by McLeod (2007) and Monroe (2001), require sophisticated listening skills and discretion. More thought needs to be given on how to balance children’s desire for confidentiality and the need to share information. More resources may need to be allocated to improve training and professional development, to lower staff turnover rates, and to ensure that case workers and other professionals have enough time to truly listen and respond (Boddy et al., 2014).

### ***Stability and the quality of relationships***

Stability – whether of home or school placements – is associated with better educational outcomes for looked-after children. For example, Aldgate et al. (1992) found that improved educational attainment was associated with long-term home placements. Jones et al. (2011) found that factors associated with outcomes included the number of placements, age at first placement, and any behavioural problems. Fernandez (2009) in an eight-year longitudinal study of outcomes for looked-after children in Australia<sup>7</sup> found that multiple moves and the loss of significant attachments lead to elevated behavioural and emotional problems.<sup>8</sup> Children who were fully integrated with their foster families, on the other hand, performed better academically and had fewer behavioural problems at school than their peers who were not fully integrated.

Key informants for this case study felt that decisions on whether to move children to a new foster home should also consider the stability of school placements. Ward and Skuse (2001) in their examination of data from a longitudinal study of 249 looked-after children in England found that while age, behavioural problems and the absence of mental health support contributed to placement breakdowns, the majority of moves were actually planned transitions between temporary placements, suggesting, as they note that “... the system may ignore the needs of those children who cannot swiftly return home” (Ward and Skuse, 2001, p. 333). A better understanding of reasons for placement moves in Northern Ireland may help to identify alternative approaches that can also support stability. When school transfers are absolutely necessary, they need to be planned so that any potential problems are addressed effectively. This also includes the need to share information when children transition from primary to post-primary education.

Stability of school placement is also important. As noted above, looked-after children are frequently excluded from school due to challenging behaviour. Fletcher-Campbell et al. (2003) suggests that schools may do more to provide support for these students, including by developing strong relationships with children and providing support and assistance when needed. Gilligan (1998) argues that schools may also help looked-after

children to develop their resilience and self-efficacy so they will have the necessary skills to deal with challenges throughout life.

Other elements of stability include parental involvement, when appropriate. While each child's circumstances are very different, decisions on whether and how to maintain contact with birth parents may be important to stability. Contact may include simply being sure that parents have information on the child's health and progress in school, are involved in decisions related to the child's studies or other decisions regarding their everyday lives, or again that there is more active involvement or more informal visits with family (Boddy et al. 2014).

### ***High expectations and extra support, when needed***

A number of studies have found that adults frequently have low expectations or negative stereotypes that lead to the marginalisation of looked-after children in schools. The National Research Council (2000) and Rubie-Davis (2007) found that teachers who communicate low expectations for their students have a negative impact on student achievement.

Jackson (1998) found that many looked-after children who achieved five or more GCSE examinations at grade C or above had a role model or mentor to support them. Many of these children were also enthusiastic readers. Extra-curricular interests, social events, and extra learning support, when needed, are also important. Dweck's (2006) findings that individuals who have a "growth mind-set" (i.e. the idea that long-term success is correlated with effort rather than innate ability or talent) are more likely to succeed over time are also relevant here. Learners develop self-efficacy as they are praised for effort rather than ability.

In Northern Ireland, educational outcomes for looked-after children in residential care are lower than for those in home care. Key informants noted a number of conditions that disadvantage learners in residential homes, including lack of study space, lack of materials, and fewer hours dedicated to schooling. On the other hand, Emond (2014) found that children in residential care in Dublin had better learning outcomes with teachers who were able to build their confidence and trust, to stimulate their interest and to set out expectations for their learning.

The following section explores governance arrangements in Northern Ireland, identifies gaps in institutional communication and service provision, and suggests alternatives to address them.

### ***Key actors work in a siloed structure lacking an integrated approach to looked-after children***

Looked-after children in Northern Ireland have a diverse set of actors responsible for designing, implementing and delivering their care and education, as well as advocating on their behalf. Ideally, these actors should form a tight network around the child and his/her needs. Despite reported progress in working better as a group, the constellation remains fragmented across type of actor and responsibilities (e.g. strategy, implementation, service delivery, etc.) and falls short of taking an integrated, child-centred approach.

### *The children and their carers: A brief profile*

As of March 2014, there were just over 2 850 looked-after children in Northern Ireland (DHSSPS, 2014). The children may be living in foster care, with relatives or friends (kinship care), or residential homes or schools. In some cases, they may be in care but living with their parents. It is reported that approximately 75% live in foster care, with priority given to placement with kin; 12% remain with a parent; 7% are in residential care; and the remaining 5% are in another form of placement (DHSSPS, 2014). A significant portion of looked-after children have special education needs, disabilities, and come from environments with drug and alcohol abuse, poverty, mental health issues, severe economic pressures, as well as domestic violence. The fact is that they constitute a relatively small group in terms of the total population.

Carers are those responsible for looking after the child. The carer is generally a foster carer, with approximately 40% of foster carers being kin<sup>9</sup> (DHSSPS, 2014), a grandmother or an aunt for example; often not educationally advantaged and may be living on fixed incomes. The carers are often perceived as the greatest advocates and supporters of the looked-after child. As such they play a critical role in the child's education outcomes and overall well-being, but, according to interviews conducted for this case study, they sometimes face difficulty advocating on behalf of the children for whom they care.

### *Policy responsibility is divided among government departments and agencies*

Northern Ireland's Department for Health, Social Services and Public Safety (DHSSPS) has the lead responsibility for looked-after children, particularly with respect to establishing overall policy. The Department of Education (DE) is responsible for setting education policy, which includes looked-after children. Other key department level actors are the Department of Justice (DoJ), which has jurisdiction over this cohort in juvenile justice detention, including ensuring their education, and the Department of Employment and Learning (DEL), which is responsible for universities and vocational training, and intervenes with respect to youth employment policies and opportunities for youth over 16.

Policy implementation occurs through a hierarchical system of agencies. The Health and Social Care Board (HSC Board) oversees the five regional Health and Social Care Trusts (HSC Trusts), and is responsible for management and operations, performance monitoring and management, as well as service commissioning. The HSC Trusts ensure that looked-after children policy is implemented and that the needs of the children are met, independently of their religious affiliation. HSC Trusts are the "corporate parent"<sup>10</sup> for children in their care. As such, the Trusts are responsible for care planning and review, and for ensuring education outcomes for individual children, working with their education counterparts as necessary. The Department of Education (DE) has one education authority (EA) with five regional offices. The EA is a new entity, replacing the five Education and Library Boards and Staff Commission that functioned relatively autonomously. The driver behind this change was the Review of Public Administration and a desire to introduce greater regional coherence in the delivery of services, including those for looked-after children, and to facilitate co-operation with other relevant agencies. The EA is legally obligated to ensure all children have suitable provision of education and if the child cannot participate in education, the EA must ensure that education is somehow provided, for example through "education otherwise than at school." The EA is

expected to work across Northern Ireland for children and youth, including looked-after children.

Within the parameters of their legal, policy, governance and accountability frameworks, the agencies of both departments can decide how policy is implemented. There is discussion whether a higher degree of standardisation is needed in order to ensure greater quality and uniformity among basic needs covered in Northern Ireland. The establishment of the EA is intended to support the goal of ensuring greater harmonisation, i.e. a more integrated Northern Ireland approach, in the services offered.

At the same time, there is an intention to remain sensitive to regional differences in service needs. Currently, Belfast and the South Eastern Region have dedicated joint “Looked-After Children in Education” teams. These are integrated into the education welfare service, and managed by the chief education welfare officer. The teams are multi-disciplinary and cross-agency as staff includes a representative from the education welfare service, a teacher, a youth worker, a member of the HSC Trust, a social worker, and at times a dedicated education psychologist. The HSC Trust also partially funds a Looked-After Children Teacher. As a unit, the team manages all the referrals from schools relating to looked-after children, provides individual tutor support, support to all residential units, youth work support for individual young people, and runs specific projects with identified schools. The North Eastern Region has a similar model and the Southern and Western Regions historically, which have not had such teams, have focused on capacity building for schools to improve understanding of the needs of LAC and educational outcomes as part of an integrated approach across Children and Young People’s Services which includes tutoring to increase attainment.<sup>11</sup> Despite their different approaches, these regions all aim to create a closer working relationship between the sector agencies.

### *Advocates and the voluntary sector speak for children’s rights and deliver services*

While implementation responsibility for services supporting looked-after children rests with the agencies noted above, most of support services, particularly with respect to specific programmes (e.g. advocacy services, youth groups, parental support groups, etc.), are delivered through the voluntary sector and civil society organisations (CSOs). Among the representatives interviewed it was clear that advocates and the voluntary sector do not split along the lines of communities of origin or religious affiliation. In fact, one representative indicated that in organisations specifically for youth activities, these often represent the first time that children or youth interact with peers from a different community. Overall, advocates and the voluntary sector operate in a unique space: 1) they do not work along communities of origin; 2) they are contracted for service provision by government departments or agencies or by both; 3) they will often serve an advocacy function; and 4) in some cases they provide policy advice and research on relevant topics related to their advocacy area. The advocacy groups differ in terms of human resource and financial capacity, although they all depend to varying degrees on department or agency funding. For example, the Voice of Young People in Care (VOYPIC) is funded by the HSC Board, and DHSSPS to provide advocacy services. Contact between VOYPIC and the government is at the Department and Board level, though service implementation with the government is at the Trust level. At the same time representatives of different advocacy groups indicated to the OECD team that they felt their capacity to reach the children can be limited by the HSC Trust social workers and

child carers who act as gate-keepers. In addition, the government also funds individual programming initiatives within the voluntary sector, for example the Fostering Network’s “Fostering Achievement” programme, funded by DHSSPS, the HSC Board, and the DE.

This combined model of advocacy in addition to service delivery seems to work for the region. However, it creates a voluntary sector and civil society that is very dependent on the government for funding and contracts, and spins a web of interrelated activity that circulates a limited amount of funds through itself – action and funds circulating in a limited sphere. As discussed in Chapter 3, this focus on service delivery and dependence on contracts also has its risks.

### *Other actors play an important role in outcomes and public opinion*

Other actors that play a strong role in the education outcomes of looked-after children are schools, principals, and teachers. Schools with a leadership focused on improving learning for all students can make a difference with looked-after children and their outcomes. School management, however, is autonomous from DE. There is a looked-after children policy and a pupil attendance strategy in development, and the DE is planning to provide guidance on best practice approaches in schools to support implementation. We face some information gaps with respect to information regarding how the schools work with looked-after children, incentives and disincentives for enrolment and how schools, school leaders and school staff work with the system surrounding this cohort.

Finally, despite not being directly involved in looked-after children care, the media is a powerful influence and can shape public opinion regarding social issues, especially around children and the elderly.

### *Analysis*

While there seems to be a general understanding of the need to work together among the various actors, it does not seem to be the case or to be actively pursued, an issue also discussed in the main report. It is in part stymied by hierarchical and fragmented institutional structures. Inter-institutional exchange is most active and dynamic at the technical (agency) level, driven by the need to co-operate, and supported by mechanisms such as the Personal Education Plans (PEPs). The Looked-After Children in Education Teams serve as a bridge in the education space, placing them figuratively between the departments and Agencies. This may be due at least in part to the fact that it is really through the looked-after children teams that representatives of the two departments (DHSSPS and DE) come together in one unit where the work for the children can coalesce. In the rest of the institutional space, key actors seem to remain more firmly within their sectors, i.e. education or social services, and the voluntary sector and schools are most strongly associated with the institution for which they are delivering services.

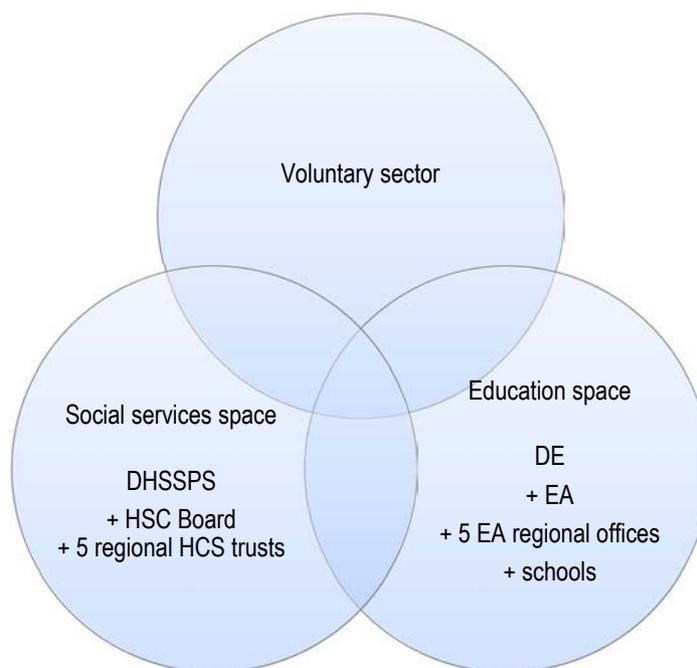
The need for stronger co-operative activity at a department level – where objectives and priorities are set – is recognised by department and agency officials. Currently, such co-operative activity is limited, which can weaken or even jeopardise cross-sector co-operation and collaboration. It has been noted in other OECD studies dedicated to public governance, that the behaviour of higher-level officials is often linked to the expectations of ministers or the highest-ranking senior civil servant. If ministers or senior civil servants reinforce hierarchical and siloed working mechanisms, are reluctant to share information, and have difficulty clearly stating objectives, a more dynamic and effective interaction at higher civil service levels may be impeded. Conversely, if ministers expect

senior civil servants to act in a co-ordinated manner and collaborate among themselves, they can often create an enabling environment for more fluid collaborative working (OECD, 2011). Part of this fragmented approach at the strategy setting level may be due to the different or divergent political considerations of ministers and their constituencies. Not only does this appear to impact the capacity of departments to work together, for example on a joint social services/education looked-after children strategy, as explored later in this case study, it also may be affecting firmer advocacy for the rights of children in Northern Ireland, including those of looked-after children, where in some communities advocacy is considered the right and responsibility of the family.

While there is greater possibility for information exchange at the implementation level, information flows remain top-down, siloed and sector driven, limiting information sharing across institutions. As noted above, networked activity through inter-institutional exchange is most active at the technical level. However, these various agencies are working within their sector and with specific regional counterparts, rather than in a larger networked environment. This can reinforce a sector driven perspective regarding the needs of looked-after children, and can more easily support achieving sector-based outcomes rather than holistic ones. It can also promote territorialism in the development policy, as seen with the proposed looked-after children strategy, as well as with respect to resources, evidenced by some sector representatives expressing concern that their resources were being used to support initiatives linked to other sectors, and a general reluctance to pool resources. This is despite the fact that representatives also remarked during interviews that pooling resources would be helpful and pointed to the looked-after children teams as an example of where this can work.

The institutional landscape might look significantly different if the children were actively placed at the centre (Figure C.1). In this schematic, the children are at the core, together with the current Looked-After Children Teams (LAC Teams), families, and carers. The social services space, formed by DHSSPS and its agencies responsible for looked-after children overlaps with the education space. In the education space, the schools are brought more directly into the education dynamic. The various overlaps imply a more complete interaction by all entities, a more fluid inter-institutional exchange, and stronger collaboration with respect to looked-after children. The existing institutional hierarchies in each sector may hold for delineating responsibility, accountability and authority, but there is some hope that if all actors in the social service and education space are putting the children at the centre, and are working toward shared objectives and add an emphasis on child well-being, then there will be greater room for a building a networked structure. The voluntary sector interacts fully with the social services and education spaces, as well as with the core. In addition, the advocacy space is easily identified as the intersection between the voluntary sector and the government, and with ties to the core. This is less evident in the current structure where the voluntary sector seems to act as part of the hierarchy delivering services rather than as a recognised central partner to advocate and act for the well-being of the child. In this model there is more room for collaborative working, shared information flows and a pooling of resources. An operational model more akin to Scotland's Getting it Right for Every Child, or other possibilities presented further in this study (see section entitled *Strengthening collaboration and building stewardship*) may support creating such a space.

Figure C.1. **Institutional space placing looked-after children at the centre in Northern Ireland**



*Note:* LAC Teams refers to the “Looked-After Children in Education Teams”.

*Source:* Author’s own work.

The objective – and challenge – is for the various actors in Northern Ireland to think first about what drives poor outcomes for looked-after children, key among which, are low responsiveness, instability, and low expectations, – and what the child may need from the care structures to address these drivers, and then about how individual institutions can contribute expertise to supporting these needs in an integrated and institutionally appropriate way. Accomplishing this may require an institutional shift in action, moving to a model akin to what is seen in Scotland with its *Getting it Right for Every Child* policy, where the system is structured so that service planning and delivery runs across children’s services – including for looked-after children – and so that practitioners are supported to concentrate on the issues that make a difference to the lives of children and youth. As the Guide states: “*Getting it right for every child* [...] draws help toward the child rather than passing the child from one service to another.” (Scottish Government, 2010) (Box C.1).

### Box C.1. Scotland's Getting It Right For Every Child

In Scotland, policies for looked-after children are embedded within the Getting It Right For Every Child (GIRFEC) framework. GIRFEC sets out consistent principles for all people who work with all children and young people (professionals, carers, parents). These principles are being integrated into all policies and practices, strategies and legislation affecting children, youth and their families.

The central aim of GIRFEC is to improve outcomes and well-being for all children. The framework sets out eight indicators of well-being to ensure that children develop as successful learners, confident individuals, responsible citizens and effective contributors. Children who are well are: safe, healthy, achieving, nurtured, active, respected, responsible and included.

These eight indicators are used to track each child's development and to create individual plans. In addition to the well-being indicators, a My World Triangle and Resilience Matrix helps with understanding individual needs and aims.

Under GIRFEC, every child has a "Named Person" from birth until their 18th birthday. The Named Person is usually a health visitor or senior teacher, already known to the family. Although the Named Person does not have any special duties, in most cases, when children do need extra support (as is the case for looked-after children), the Named Person is the first point of contact for the family, and will help arrange the support necessary to safeguard the child's development and well-being (see [www.gov.scot/Topics/People/Young-People/gettingitright/named-person](http://www.gov.scot/Topics/People/Young-People/gettingitright/named-person)). In principle, the Named Person remains the same, creating a point of stability in the child's life.

Whenever two or more agencies need to work together to provide services to children and family, a lead person is designated to guide the process. The lead person ensures that both child and family understand what is happening and that they are involved in decisions, act as a main point of contact, promotes interagency working, ensures that plans are implemented and reviewed, and that children are supported through transition points. The lead person is also expected to be familiar with the working practices of the different agencies, to support involved staff.

The GIRFEC implementation plan, which was first published in 2006, set out a strategy for streamlining children's records, assessments and action tools, the development of national tools for practitioners, training materials and guidance, a pilot test of the ICT system for records sharing across agencies, and a communication strategy for managers and staff working with children's services.

Evaluations of progress across local authorities and at the national level follow a similar format, reporting on signs of progress and learning points, ongoing challenges and areas for further development in changing professional practice. These implementation reports have noted steady progress, but also acknowledged that it takes time to put systems in place, and most importantly, to change mind-sets of professionals who may need to make significant changes in their practice. A 2009 evaluation of GIRFEC noted that some of the early successes were due to the fact that professionals were involved in the early development of policy, and therefore had a sense of ownership.

A 2013 report summarises findings from self-assessment questionnaires that were sent to Community Planning Partnerships (CPPs). The self-assessments included a 5-level Maturity Model matrix, with Level 1 being commitment at the most senior level, Level 2 the development of a corporate strategy, Level 3 service development, Level 4 implementation and Level 5 the vision and strategy are embedded. CPPs ranked their own perceptions of progress for different areas of programme design. The majority of CPPs ranked themselves at Level 3, with GIRFEC processes implemented in critical areas of business. Of 30 CPPs, only two reported that GIRFEC had become an integrated part of normal business.

The GIRFEC model is ambitious. It sets out a broad vision for child well-being and achievement for all children. Importantly, policies to support looked-after and other vulnerable children are embedded in the broader strategy, rather than as add-on programmes. It has involved a careful design and consultation process, implementation planning, training and capacity building. Ongoing monitoring and formative evaluation of the implementation process has been useful for identifying successes as well as areas where more attention is needed.

Scotland reports improvements in educational outcomes for looked-after children (as has England). Further progress in this area will likely require more in-depth consideration of learning needs and appropriate teaching strategies for this vulnerable population. But the vital elements of responsiveness, stability and expectations for children's learning are now being put in place.

Source: Scottish Government: [www.gov.scot/Topics/People/Young-People/gettingitright/named-person](http://www.gov.scot/Topics/People/Young-People/gettingitright/named-person); [www.gov.scot/Topics/People/Young-People/gettingitright/lead-professional](http://www.gov.scot/Topics/People/Young-People/gettingitright/lead-professional); [www.gov.scot/Publications/2009/11/20094407/1](http://www.gov.scot/Publications/2009/11/20094407/1); [www.gov.scot/Topics/People/Young-People/gettingitright](http://www.gov.scot/Topics/People/Young-People/gettingitright).

To a strong degree, this is the approach supported by the Minister for Education who, after spending time with looked-after children and listening to their experiences and perceived needs, requested the development of education policy specifically for looked-after children. Both he, and his policy team, were recognised during interviews conducted by the OECD for their dedication to, and championing of, this cohort, and a great deal of forward movement in this area is attributed to them. This is a positive development for policy relating to looked-after children, who usually enjoy little visibility in the policy arena. However, care must be taken to institutionalise the momentum given by the Minister and his team so that the agenda and its impact continues past the electoral cycle. One way to achieve this is by developing a shared vision and strategy centred on the needs of the child.

Northern Ireland’s legal and regulatory frameworks guiding the care and education of looked-after children place the full responsibility for care on DHSSPS and its Trusts. They make little mention of the role of education and there appears to be some incoherence in the regulations or rules across the departments. This can exacerbate issues of instability for looked-after children, which is precisely what both departments say they wish to avoid. One example provided by looked-after children stakeholders was the gap created with respect to ensuring transport for the children or youth. Concretely, if a child needs to take a taxi to school, there are some circumstances under which a social worker may not be able to ensure that the cost is covered or be reimbursed because: 1) the Children’s Resources Panel had not yet determined which expenses would authorise payment by the HSC Trust; 2) the child was in short-term placement which is outside the criteria for DE’s policy of ensuring home to school transport. When both of these circumstances combine, a gap is left, which causes uncertainty and more stress for the child. This not only serves to highlight incompatibilities in policy, but also a degree of institutional inflexibility that can negatively impact a child.

***Current legislation, rights and standards may not fully support putting the child at the centre***

*Legislation makes little mention of education for looked-after children*

The parameters for the care of looked-after children are set by the *Children (Northern Ireland) Order 1995 (S.I. 1995/755 [NI2])*<sup>12</sup> and the *Children (Leaving Care) Act (Northern Ireland) 2002 (c.11 [NI])* (Box C.2). The Children (NI) Order 1995 establishes the “right to review” which includes not only having care plans reviewed but also that the child can express his or her concerns, desires and feelings about any issue affecting them, although as noted above, listening to and building trust with children and youth requires both time and skill. It also establishes the right of the child to receive written notification of the main points discussed during his or her care review (Children’s Law Centre, 2012a). What the Children (NI) Order 1995 does not do, however, is ensure or guarantee education beyond what is mentioned regarding employment, education and training – when there is a need to consult with the Education Authority (formerly the Education and Library Boards as mentioned in the legislation); or to make provision for education supervision orders.

### Box C.2. Key legislation governing looked-after children in Northern Ireland

The Children (Northern Ireland) Order 1995 (S.I. 1995/755 [NI2]) is the primary law governing the care, upbringing and protection of children in Northern Ireland and focuses on the role of DHSSPS and especially the HSC Trusts. There are three layers to the Order: primary legislation, regulations (or subordinate legislation), and Department Guidance. The Department Guidance does not have the force of law but rather indicates how professionals (e.g. social workers) should carry out their responsibilities with respect to looked-after children. The Children (NI) Order 1995 includes a series of guiding principles, primary among which are: 1) children are best off in their families; 2) the welfare of the child must come first; 3) a partnership approach is best. This means that HSC Trusts are empowered to help children by providing services to their families in an effort to maximise the possibility of a child growing up in their own family setting, or to remove children from their families as a last resort to protect the child. It also places the welfare of the child above that of adults. Finally, it recognises that the various actors involved, ranging from social workers, professionals in statutory and voluntary entities, parents and children (as far as age and development allows) should work in partnership for the best of the child.

An amendment to the Children (NI) Order 1995, the Children (Leaving Care) Act (Northern Ireland) 2002 (c.11 [NI]) relates to young people leaving care, and seeks to improve their life chances as they move towards an independent life. Critically, it makes HSC Trusts responsible for assessing and meeting the needs of looked-after youth until they are at least 21.

Source: DHSSPS (n.d.), “Child Care Law Rough Guide”, [www.dhsspsni.gov.uk/child-care-law-roughguide.pdf](http://www.dhsspsni.gov.uk/child-care-law-roughguide.pdf).

### *International agreements and rights of children could be adhered to more strongly*

There are some critical matters with respect to looked-after children that are not supported through laws or legislation, for example ensuring timely PEPs, barring exclusion from school, and promoting or ensuring access to advocates. Such access, and other rights especially relevant to looked-after children, are supported by the United Nations Convention on the Rights of the Child (UNCRC), notably by Articles 3, 5, 9, 12, 20, 25, 28 (Children’s Law Centre, 2012b). At the European Union level, the rights of the child are set out in Article 3 of the Treaty of Lisbon and the Charter of Fundamental Rights. The articles emphasising a child’s right of determination face some challenges in Northern Ireland. It is reported by advocates that this is due in part to a lack of knowledge about rights in general and about the rights of looked-after children specifically. As communicated during interviews for this study, it is also because parent’s views are seen as having more weight than those of children in Northern Ireland. This results in weak adherence to the right of the child to participate in decisions that affect them and affects the capacity of advocates to play their role. It also reflects a general tension between the rights to protection and to participation in UNCRC (O’Neill and Zinga, 2008).

*Care standards could be introduced to ensure more uniform quality of care*

The ability to ensure quality in care is mixed. For example, there are applicable regulations for foster care, as well as minimum care standards for children's homes and supported accommodations. However, the regulations for foster care are not accompanied by a set of standards that can help ensure harmonised or quality provision. Standards can be useful to set guidelines for measuring and evaluating quality. Based on a review of foster care undertaken in December of 2013 by the Regulation and Quality Improvement Authority, there is a general recognition that the regulations require revision and a series of standards should be developed to better guide the foster care of looked-after children (Regulation and Quality Improvement Authority, 2013).

Despite general agreement that PEPs are positive and support a child's education, there are no regulations or standards governing their development and use. It is estimated that only about 84% of children had PEPs in 2013-14 (DHSSPS, 2015). A Health and Social Care Commission Plan directed that, from April 2014, all school-age children who had been in care for 12 months or longer have a PEP (Health and Social Care Commissioning Plan, 2013). In the EA regions, there is support for the development and monitoring of PEPs in line with DE targets. This support is provided through different models, three regions with looked-after children in education teams and others within a multi-service team co-ordinated from staff outside the Education Welfare Service. Based on interviews, our understanding is that the Western region has no LAC team, but assists with LAC PEPs by offering training, advice and follow-up with schools when the trust requests it.

*Analysis: Finding stability for the "right reasons"*

There is ambiguity reported with respect to the legal underpinnings for the care of looked-after children, including for education. There also seems to be regulatory and jurisdictional incoherence, both of which can generate more instability and stress on the children in all aspects of their lives. For example, educational placement does not need to be considered in a care placement approach, potentially putting at risk the stability a child may gain from attending the same school, despite moving homes. This is not the case, in practice, in NHST area where school/education placement is considered in the proceedings. This is mirrored in the education of looked-after children (and all minors) in the Juvenile Justice Detention system, which is under the purview of Northern Ireland's DoJ not the DE. Under this arrangement continuity in learning could be jeopardised once the child is placed in the detention system.<sup>13</sup> The DE has the legal obligation to ensure all children receive an education, but whether or not this extends to children in the detention system is unclear, and illustrates further ambiguity in competence attribution and the exercise of responsibility.

In terms of rights, child participation and agency are important principles, but support of these may be falling short in Northern Ireland. A looked-after child's participation in care planning is protected by the legislation, is part of the policy structure, and is generally considered a good practice. However, despite being invited to participate in review meetings, interviewees reported that most children do not, either by choice or due to a lack of information. This is consistent with research in England, as discussed above (McLeod, 2007; Munro, 2001). In its report, the Regulation and Quality Improvement Authority noted that children interviewed indicated little awareness about decisions made concerning them, and were not informed that decisions were being taken (Regulation and Quality Improvement Authority, 2013). This indicates that the right to review is not

actively upheld, nor indirectly is UNCRC article 12.<sup>14</sup> Children are often uncomfortable with these proceedings. Given that this is widely known, the fact that it is not addressed by creating an environment of greater comfort for the child in order to support their participation, runs counter to the notion of putting the child at the centre. From an education standpoint, teacher attendance at looked-after children reviews is not required and thus they do not always participate.<sup>15</sup> This can make planning for the child more difficult, especially in cases where they move schools (Regulation and Quality Improvement Authority, 2013).

The issue of standards is a bit of a tightrope walk. While they can support authorities who are trying to ensure similarity in the type and quality of services provided, for example, they can also reduce the space implementing bodies may need for flexibility and making common sense decisions that help the children (e.g. in the introductory example of paying for a taxi, there needed to be some room for the social worker to make a decision). Developing standards is a complex issue, as they need to go beyond aspiration to something concrete and that can be realised. Australia’s standards applicable to children and youth in “out-of-home care” are concise in number (13 in total), are concretely and simply stated, and are accompanied by 22 measures that help identify if the standard is being met. Few standards have more than one measure associated with them. For example: “Standard 2: Children and young people participate in decisions that have an impact on their lives”. This is accompanied by one measure: “The proportion of children and young people who report they have opportunities to have a say in relation to decisions that have an impact on their lives and that they feel listened to” (Government of Australia, 2011). Not only is the standard easy to understand, the measure is clear and it puts the children at the centre since, in order to identify if the standard is being upheld, it is the children who are asked about their opportunities to have a voice.

Current frameworks and practices are facilitating education responsibilities to be split out from DE for a segment of the child population; low active support of child participation and agency; and little activity in establishing quality standards. Ultimately the frameworks underscore a gap between putting children at the centre and an ability or practice of doing so. In its *Getting it Right for Every Child* policy, Scotland has strived to manage these issues by ensuring that the policy is woven into all existing strategy, policy, practice and legislation that affects children, youth and families (Scottish Government, 2008), as has Australia with its standards of care (Box C.3).

### Box C.3. Standards of care in Australia

Key informants in Northern Ireland noted that the quality of care children receive across the local trusts varies a great deal. While the central agencies may decide to withhold funds from trusts that do not develop appropriate strategies for looked-after children, there are few other instruments to focus attention on quality.

Australia dealt with similar problems related to uneven quality across its states and territories by introducing standards of care for vulnerable children, including looked-after children. Policy makers and stakeholders identified six key areas for well-being for all children and young people nationally: health, safety, culture and community, spirituality, emotional development and learning and achieving. The standards of care for looked-after children are grounded in these six areas, but are also tailored to the particular needs and context of the individual child. The Standards are part of the National Framework for Protecting Australia's Children 2009-2020.

### Box C.3. Standards of care in Australia *(continued)*

Standards of care are a particularly promising practice because they focus attention on a common vision and expectations for provision. Key documents clarify definitions and indicators that are used to track implementation. The data help identify areas where there are promising practices, as well as where improvements are needed.

The 13 standards are:

1. Stability and security
2. Participate in decisions
3. Tailored to needs of Aboriginal and Torres Strait Islander communities
4. Individualised plan
5. Health needs
6. Education and early childhood
7. Education, training and/or employment
8. Social and/or recreational
9. Connection with family
10. Identity development
11. Significant others
12. Carers
13. Transition from care planning

Services linked to these standards are tracked through system of nationally comparable data, with data from various agencies brought together in one comprehensive database.

National measurement and reporting arrangements have been rolled out progressively, with the full set of 22 measures matched to the 13 standards included in the database by the end of 2015. Measures most relevant to educational outcomes are to be reported from 2015. They include reading and numeracy: the proportion of looked-after children achieving national reading and numeracy benchmarks (Standard 6) and the proportion of young people who complete year 10, year 12 or the equivalent vocational education and training (Standard 7). All measures are to be improved or replaced for reporting beginning in 2016.

Monitoring results are reported in the National Framework for Protecting Australia's Children Annual Report to the Council of Australian Governments (COAG). The national results are used for various analyses and reports and may help identify geographical gaps in services or best practices that may be shared more widely. These national data have also been used by non-profit and voluntary organisations in various reports and position papers. For example, the CREATE Foundation conducts an annual survey of children in a specific area of interest, linked to the Standards of Care.

### Box C.3. Standards of care in Australia (*continued*)

Although a full evaluation of the standards and measurements has not yet been conducted, it appears that there is improved transparency and focus on the quality of care and children's outcomes. More analysis on the data reporting process, and whether and how they are leading to improvements in policy and practice will be needed.

*Source:* Government of Australia (2011), "What do the National Standards Cover?", *An Outline of National Standards for Out-of-Home Care*, Australia, Department of Social Services, Canberra, ACT Australia, [www.dss.gov.au/our-responsibilities/families-and-children/publications-articles/an-outline-of-national-standards-for-out-of-home-care-2011?HTML#sec\\_7](http://www.dss.gov.au/our-responsibilities/families-and-children/publications-articles/an-outline-of-national-standards-for-out-of-home-care-2011?HTML#sec_7); McDowall, J. (2013), "Experiencing Out-of-Home Care in Australia: The Views of Children and Young People", <http://create.org.au/wp-content/uploads/2014/12/2013-CRE065-F-CREATE-Report-Card-2013-Web-File-web.pdf>.

### ***Care and education strategies for looked-after children should target the underlying causes of poor outcomes***

There is general agreement among Northern Ireland's stakeholders for looked-after children that improving outcomes for this cohort, including education outcomes, requires a holistic, integrated and strategic approach; one that is anchored in a shared vision and supported by common language and definitions. Such an approach can translate into a strategy focused on ensuring the overall well-being of the children, where the different aspects of their care, including education, are acted upon through this lens and begin to target some of the underlying causes of poor outcomes. However, this does not appear to be the case in practice; and the lack of a strategy supported by outcome objectives for this group may be contributing to the dissonance in approach. Specifically, with respect to education, the responsibility for poor outcomes associated with looked-after children cannot be placed squarely on the shoulders of any one actor. They are the result of circumstances, attitudes, and multiple, cross-sector and multi-stakeholder interventions.

### *Strategic frameworks*

While there is a great deal of discussion and recognition in Northern Ireland that to best improve outcomes for looked-after children an integrated approach is necessary, the reality is that much of the activity, especially at the strategic level remains fragmented and unclear; and this affects the ability of agencies and other service providers to ensure quality services.

There are three active framework documents linking to looked-after children: *Care Matters*; *Our Children and Young People: Our Pledge 2006-2016*; and *Every School a Good School*. *Care Matters*, introduced by DHSSPS in 2009, is a comprehensive, cross-department guide for looked-after children policy and activity in Northern Ireland. It forms the looked-after children component of OFMDFM strategic initiative – *Our Children and Young People: Our Pledge 2006-2016* that establishes six broad outcomes objectives for children and youth. Children should be: 1) healthy; 2) enjoying, learning and achieving; 3) living in safety and with stability; 4) experiencing economic and environmental well-being; 5) contributing positively to community and society; 6) living in a society that respects their rights (DHSSPS, 2007). The DE's *Every School a Good School*, was introduced in 2009 as a general education policy which, while taking a

mainstreaming approach to looked-after children, also recognises the need to consider their outcomes by looking at progress for students that may not achieve GCSE Grades A\*-C due to personal challenges faced (Department of Education, 2009). To support achieving the objectives outlined in the *Our Children and Young People* strategy, the HSC Board led the introduction of the Children and Youth Strategic Partnership as a means to bring the various service agencies for children, as well as the voluntary sector, together to share planning, identify ways to share resources, and build consistency among HSC Trusts. It has been quite active especially as a means to prevent children from entering care, for example by establishing Family Support Hubs.

Neither strategy – that of OFMDFM or DE – carves out a specific space to address the needs of looked-after children. Meanwhile, *Care Matters* has never been accompanied by an implementation plan or a monitoring and evaluation system. In addition, responsibilities for action and accountability for results is vague, and appears to cause tension – particularly with respect to financial responsibilities – between DHSSPS and DE agencies.

### *Analysis*

Northern Ireland is currently embarking on a new round of strategy development for children and youth, including an updated children's strategy to be introduced by OFMDFM. This presents an ideal opportunity to develop a vision that puts children at the centre, one that takes a holistic approach to their well-being and that also promotes greater integration among the actors and their interventions. At the moment, however, it appears that this opportunity may well be missed, and that *Care Matters*, the social services and education component will be split into two separate policy documents.

As part of OFMDFM initiative, DHSSPS is working on an overall policy for children that includes looked-after children and will seek input from other Departments with an interest in the policy area, including DE. The Department remains informed of DE policy with respect to looked-after children and will provide advice and input where required. The DE has a more accelerated time scale for developing the looked-after children education policy but both Departments have been engaged in discussions to ensure both policies can be co-ordinated and developed in tandem so that they are supportive and complementary.

There are a number of concerns with respect to this approach, not the least of which being that DHSSPS and DE are forging their own paths in a policy area where success depends greatly on a coherent and integrated strategy, shared objectives and a co-ordinated approach. It is notable that agencies, advocates and the voluntary sector generally remarked during OECD interviews that this split approach did not seem consistent with the desire to take a holistic perspective regarding looked-after children. It also risks falling short of correcting some of the weaknesses in the looked-after children governance system with respect to strategy – among these being the lack of a shared vision and clear strategic objectives, as well as confusion regarding priorities, fragmented policy implementation and limited monitoring and evaluation of what is already in place.

***There is no vision-based strategy and objectives are ambiguously defined for looked-after children***

The role of strategy is to provide a clear direction for decision makers and other relevant actors. Strategy needs to consider present and future challenges and opportunities, setting a course for a policy area and providing the framework to align resources and capacities in order to meet the strategy's objectives. Behind a strong strategy is a vision and this appears to be missing for Northern Ireland's looked-after children. While there are numerous plans and initiatives encompassing this group, there is no specifically articulated and commonly agreed upon vision as to what Northern Ireland wants for its children in care in the next 10 to 15 years. For example, this could translate into ensuring that looked-after children grow and develop into well adjusted, productive, and civic-minded members of the adult community, with a solid educational foundation, by taking a well-being approach to their care. (The vision is of well-adjusted adults, the strategy is a well-being approach). Putting a strategic emphasis on well-being to realise the vision automatically supports the various areas the government seeks to address for this cohort, including: education and health outcomes, job training, housing, life satisfaction, civic mindedness, etc. Ensuring positive outcomes in these areas will require strong qualitative relationships among all institutional actors, the children and carers, and among the institutions themselves. A focus of this sort shifts the concentration away from what it is an institutional actor wants to achieve, to what it is they need to do to ensure the overall well-being of the child.

Once a vision is established, it is easier to build a strategy that supports it and set appropriate objectives. The issue of objectives can be looked at in two ways. The first is through the perspective of the departments, which is currently the case, and ultimately puts the departments and their priorities ahead of the children. What this means for each actor, particularly DHSSPS and DE, can be subtly different and can guide action differently. The second is through the perspective of the child, and is based on what needs to be accomplished for the child's well-being. Objectives may not be realised right away. Thus, like a strategy, on the one hand they need to be supported to withstand electoral cycles, and on the other, they must incorporate priority actions that will result in appropriately timed outputs (short, medium, and long term), as stakeholders – most importantly the children – need to see results.<sup>16</sup> An approach such as this, with social services, education, service delivery and advocacy focusing on a strategy and series of objectives that explicitly place the child at the centre, can also increase stability for the child, one factor behind poor outcomes. A relevant example of vision setting, strategy development, the identification of strategic objectives, priority actions with associated outputs, and evaluation mechanisms is found at the agency level in Ireland (Box C.4).

#### Box C.4. Establishing a strategic and results-oriented approach to child service in Ireland

Ireland's Child and Family Agency, Tusla, was established in 2014 as an independent legal entity having merged parts or all of three other Irish agencies: HSE children and family services; the Family Support Agency; the National Education Welfare Board. Among its numerous services are Alternative Care Services (i.e. foster care, residential care, special care and aftercare), Educational Welfare responsibilities, Child Welfare and Protection Services (including family support services), and adoption services.

In its 2015-2017 Corporate Plan, Tusla articulates a corporate vision – that “all children are safe and achieving their full potential” and a mission – “With the child at the centre, our mission is to design and deliver supportive, co-ordinated and evidence-informed services that strive to ensure positive outcomes for children.” Recognising that quality services and adequate support for children and families is best supported with long-term, evidence-informed planning and sufficient resources, and aided by broad and active stakeholder consultation, the agency established eight clear strategic objectives. The objectives are aligned with a series of key actions within the agency's portfolio, and desired long-term outcomes, which in turn are associated with short-, medium- and long-term outputs. Finally, explicit and measurable targets, linked to strategic objectives, are established over the short term (1-3 years). For example, one specific indicator for looked-after children is “the percentage of children in care in full-time education” with the first year performance target set at 95%, and years two and three at 100%. This target is linked to a short-term output: “Attendance, participation and retention in full-time education is embedded in service delivery for all children”, and supports achieving two different strategic objectives. Finally, the agency's plan also supports broader policy frameworks as well, including Healthy Ireland (2013) and Better Outcomes, Brighter Futures (2014), the national policy framework for children and youth.

*Source:* Tusla – Child and Family Agency (2014), “Tusla Corporate Plan: 2015-2017”, Tusla – Child and Family Agency, Dublin, Ireland, [www.tusla.ie](http://www.tusla.ie).

An exercise to better define objectives and develop a commonly agreed upon position regarding the necessary milestones to ensure well-being could help build greater coherence in looked-after children initiatives, including the development of a looked-after children strategy. In addition, taking a more dynamic approach to stakeholder engagement, including the perspective of the children – particularly at the policy design stage - may be one way to ensure that objectives and priorities not only those of departments but also of the children. Together, these combine to draw a clear roadmap for stakeholders, clarifying expectations in the care of looked-after children, and better ensuring appropriate outcomes.

#### ***Shifting perspectives on prioritisation and policy development could promote a more child-centred approach***

The lack of a commonly defined strategic objective also leads to differences in prioritisation, which can, in turn, create dissonance in policy development. The priorities of DHSSPS for looked-after children focus on: keeping children out of care; ensuring good treatment – including the best outcomes in education and health; and supporting the transition into adulthood and independent living. DE's priority is its mandate – to ensure

education and educational outcomes – the achievement of which is reduced when stability in the child’s environment is low. As in the case of strategy and objectives, there are two ways to look at the issue of priorities. The first is from the perspective of the departments and their practical mandates: ensuring the safety and care of the children for DHSSPS and ensuring the education of children for DE. This can generate different considerations as to what is in the best interest of the child and its education outcomes. For instance, while there may need to be a change in a child’s care arrangement that requires changing schools,<sup>17</sup> this can also be considered disruptive for the child’s stability, placing DHSSPS and DE at odds as to what is best for the child. While these concerns are not mutually exclusive, they are based on the perspective and concerns of the departments.

The second way to consider priorities for looked-after children is by standing in the place of the child, considering the factors that hinder positive outcomes, including low responsiveness, instability, and low expectations for success. This reframes the priority question into one focusing on “How do I (or my agency, or my department best counteract these forces so that the child has the best chance for a successful and fulfilled life”? To do so means that all actors need to work with and answer the same set of guiding questions regarding the care of the child. In addition, under UNCRC, children have the right to participate in decisions that affect them, so it is important to actively seek their perspective when making such decisions. As part of its practitioner guidelines for *Getting it Right for All Children*, Scotland identified five questions<sup>18</sup> that all practitioners needed to answer to guide their actions. These are linked to Scottish well-being indicators for looked-after children, but serve to help prioritise intervention as well. They are not linked to the sector interests of the department, agency or other institution to which the practitioner is attached, but rather to the well-being of the child. Implementing an approach of this nature will require all concerned parties to come together in order to develop and define a commonly agreed upon strategic vision and objective for looked-after children.

### ***Policy implementation and service delivery is challenged by fragmentation and resource constraints***

Policy implementation and service delivery for looked-after children in Northern Ireland face some challenges: 1) the potential for disparities in quality of care or access to services across regions; 2) a fragmented approach to programming; 3) resources. In terms of potential regional disparities in quality and access to care, there are three factors to consider. First, at the agency level there is room for uneven quality in how policies are implemented and services are provided. For example, looked-after children teams have been acknowledged by all actors to be a positive introduction into the care mix, but for diverse reasons, they have not been implemented in each region. Second, each HSC Trust and EA can tailor activity to a region’s needs – for example in rural vs. urban areas – and this is positive. Yet, it is coupled with a lack of standards or an established set of basic services that must be provided for looked-after children. There is a move by DE toward a stronger regional approach, but how this will be accomplished remains unclear, particularly as agencies stress the importance of retaining some flexibility or autonomy in how they execute policy. Finally, in the case of DE and EA, delivering on education outcomes rests with schools, principals and teachers. It was commented that DE and its agencies have little leverage to ensure policy implementation given school autonomy, and decision making power that rests with the Board of Governors. However, here DE may need to adjust its approach, ensuring that schools have a broader set of outputs or outcomes for which they are accountable with respect to looked-after children, and

designed in such a way as to minimise any tendency to avoid enrolling this cohort lest the schools' rankings be affected in league tables.

The services “space” for looked-after children is characterised by a project approach that results in a high number of individual projects, programmes and initiatives based on funding obtained. This can arise because programmes are not tethered to a strategic direction, rendering strategically designed programming with clear targets and exit strategies extremely difficult. It can also arise, or be compounded by, a lack of stewardship in cross sector initiatives – i.e. when there is no entity responsible for guiding and co-ordinating overall action in a policy area. This project fragmentation is reinforced by fragmentation in delivery as many of the services for looked-after children and their carers are provided by a panoply of civil society organisations (CSOs) in the voluntary sector. The result is a large amount of activity in a relatively limited space, with limited resources and with a small niche target. A fragmented approach like this can create confusion regarding service options, service overlap among organisations, and does not make an effective use of limited resources: in conversations with stakeholders it was noted that one voluntary organisation may be funded by eight different parts of the system. In addition, because these CSOs depend a great deal on the government departments and/or agencies for project funding – for example DHSSPS funds a large number of voluntary organisations that deliver support services – there is a significant amount of competition in the service space for contracts, coupled with a high degree of uncertainty surrounding funding streams. This means that projects can begin but may be abruptly cut off due to a lack of resources, impacting service contracts and the ability to retain trained staff at the CSO level. It also impacts the end user – looked-after children and/or their carers. Expectations within the system are created that cannot always be met, and the result is not only disjointed service delivery but also discontinuity and instability in the services available.

These implementation and service delivery challenges are compounded by resource challenges: funding, human resources (including time), and infrastructure.

While all actors are aware of imminent budget cuts (or at best a budget freeze), there is little visibility as to the degree of the cuts. Because there is little manoeuvre for financing in Northern Ireland given budget rules, human resource structures, such as the looked-after children in Education teams are faced with significant constraints. The funds had historically been spread across three regions but with the introduction of the single authority all five sub-regions are in receipt of the allocated funding. In other words, that the same amount is now spread across five teams. There is a last issue with respect to funding, and this is that funds provided for looked-after children do not appear to follow the child, but rather stay with the service provider. For example, a very recent initiative gives schools GBP 1 000 per looked-after child enrolled. This is, in principle, to help the school with any additional resource needs for the child. However, as with a typical block grant structure, there is no monitoring of whether or not the funds are used for the child, and if the child is moved to a new school the money does not move with them in that school year, but rather stays with the original school. This can mean that services intended to benefit the looked-after child are not reaching them, and that a new school may be reluctant to take a looked-after child mid-year because they will not receive the additional funds. While this funding scheme is well intended, its execution requires refinement: there is little flexibility built into this funding scheme and few parameters to ensure the money is used for the child. Dedicated funding that follows the child may be more appropriate. Given an increase in the number of looked-after children, the system for this cohort is under pressure to help more children, maintain or improve timeliness,

and continues delivering the same or more services. All of this affects the quality of care received by the children, as well as the capacity of social workers (who are already stretched) and education staff to do their jobs as effectively as they would like. Infrastructure, in terms of placement, is also a challenge as there may be an insufficient number of suitable foster care homes available. Despite the government's best efforts to avoid placing a child in care, or to actively place children with kin, foster care provided by non-family members is still the most frequently used fostering option. Being more active in performance monitoring and evaluation, and introducing programme and spending reviews could help decision makers shift resources by identifying where they are most effectively used (i.e. have highest impact), what may need to change, and which programmes are successful in terms of results generated.

### ***Resource allocation could be more effective with greater monitoring, evaluation and programme reviews***

Data generated from policy and programme monitoring and evaluation with respect to outcomes for looked-after children appears to be lacking in Northern Ireland. Information regarding education can be grouped into two categories: pupil assessment and education policy evaluation. While certainly schools in Northern Ireland provide feedback, report cards and other sorts of progress reports as a means to evaluate pupil performance (Shewbridge et al., 2014), at the policy level for the purposes of tracking looked-after children progress, the emphasis is on GCSE results, school attendance at exclusion. At least at the policy level, little else seems to be considered in terms of a child or young person's progress and the impact that education policy and initiatives may be having on such progress. This may be due, at least in part, to a lack of data; however a lack of data signals either a lack of data gathering or that the data gathered are not the necessary or relevant data.<sup>19</sup> At least two categories of data should be considered: 1) data on the children/youth and their needs; 2) data on the results or impact of programmes and projects designed to support looked-after children, including education policy and desired outcomes.<sup>20</sup> Closer monitoring of educational progress may also be important to identify a need to intervene and support children.

In the first instance, there is some contradiction in what is reported regarding data gathering and looked-after children. On the one hand it has been reported that social workers and carers gather a lot of data. On the other hand, it is reported that up-to-date baseline data are not available, and that there are data quality concerns: often data are not gathered in a way that takes all of the child's needs into consideration and so it is not possible to identify what the needs are (e.g. for counselling or protection services), not to mention being able to determine if needs are being met. The lack of baseline data may be due to the fact that there is no legislation requiring HSC Trusts to provide the government with data, and so any data gathered and reported is voluntary.<sup>21</sup> This is in contrast to England and Wales where there is a statutory requirement for local authorities to submit information regarding looked-after children to the Secretary of State (Box C.5) (UK Statistics Authority, 2013).

### Box C.5. Details regarding statistical information gathering for looked-after children in Northern Ireland

Information gathered by Northern Ireland on looked-after children for statistical purposes focuses on the number of placements, changes of school, timeframe for adoption and the percentage of care leavers 19+ that are in training, education or employment. Information relating to educational outcomes is reported, and includes data on children eligible to sit exams, levels of progression and GCSE and GNVQ attainment. Inspectorates do not publish statistics regarding their findings on looked-after children services, children's homes, fostering and adoption services; and there is no publication on expenditures on looked-after children as this is not collected from HSC Trusts. Finally, the data reporting process in Northern Ireland is driven by the capacity for social workers to complete forms for each child, and the need to gather additional supplementary information from schools and the court systems as appropriate. Social workers have four months to complete their reports, and combined with an apparent lack of an information management system, a gap appears between the reference and publication dates. This system structure can negatively impact data quality, timeliness and compliance costs.

Source: UK Statistics Authority (2013), *Assessment of Compliance with Code of Practice for Official Statistics: Statistics on Looked After Children*, Assessment Report 265, November 2013, UK Statistics Authority, London, [www.statisticsauthority.gov.uk](http://www.statisticsauthority.gov.uk); DHSSPS (2015), "Children in care in Northern Ireland, 2013-14", *Statistical Bulletin*, 18 June, [www.dhsspsni.gov.uk/child-care-ni-13-14.pdf](http://www.dhsspsni.gov.uk/child-care-ni-13-14.pdf).

In the second instance, the ability to assess progress in achieving policy and programming goals rests on effective monitoring and evaluation mechanisms. These in turn rely on indicator systems nourished with information that is specific, measurable, attainable, relevant and time-bound. Without such information actors do not know what they are planning for, or what they are expected to accomplish. Among the objectives indicators in the *Our Children and Young People* strategy, there are two specifically related to looked-after children using baseline data that dates from 2002 and 2003 respectively: 1) percentage of children under 16 (looked after for more than two-and-a-half years) in the same placement for the last 12 months or placed for adoption; 2) percentage of formerly looked-after children who at their nineteenth birthday are in training, education, or employment (OFMDFM, 2006). Desired outcomes are indicated with directional arrows, and there is no published target to reach.<sup>22</sup> In *Care Matters* there are very clear action statements, but no indicators that can serve as a yardstick to measure results.

Data are not enough, however. They need to be accompanied by analysis, and should serve to support an evidence-informed response to the issue(s) at hand. One area of analysis that is missing in Northern Ireland is the actual impact of the various looked-after children initiatives in place. The fact that there are no programme or spending reviews for looked-after children initiatives, especially those provided by the voluntary sector, can lead to an ineffective use of resources. At the same time, undertaking such an exercise may be more challenging in the absence of clear objectives, an evidence-informed understanding of the needs of the children, and monitoring and evaluation systems. Programme reviews can help identify the efficiencies, effectiveness, coherence and/or synergies of different initiatives with respect to policy aims. In addition, academic studies on the impact of certain kinds of programme interventions (e.g. reading

programmes, Virtual School Heads, and other programmes as outlined in Box C.6). Performance information on individual initiatives, obtained by monitoring and evaluating programmes based on a clear set of criteria can be used to support policy performance and budget allocations in order to: 1) help guide decision making regarding resource allocation and reallocation; 2) provide input for decision making, strategy development, budget formulation, setting performance targets, etc.; 3) support reporting and accountability with respect to the use of funds, for auditing, managerial and political accountability. Introducing programme and/or spending reviews for department or agency initiatives and for services provided by the voluntary sector would help decision makers understand the impact of the various activities supporting looked-after children. It can also help determine if these activities are aligned with overall priorities, and help identify which are successful, which require adjustment in order to yield better outcomes, and which may need to be replaced. Such an exercise would not only provide insight into what is best supporting for looked-after children but also understand how spending is taking place within programmes, and whether it is effective.

The majority of the strategic challenges explored stem from the lack of a shared vision and strategic objectives for looked-after children, and harmonised, well-defined priorities. However, given that looked-after children outcomes – be they in education or general well-being – depend on the effort of multiple actors, a strategic approach is not enough. Attention needs to be paid on the co-ordinating and collaborative capacity of the various actors in Northern Ireland, and the capacity for stewardship, as a lack of support for looked-after children does not seem to be the case, rather it is how this support is framed and how it is co-ordinated that seems to be the issue.

### ***Strengthening collaboration and building stewardship could help support better overall outcomes***

Ensuring the overall well-being of looked-after children, including their education outcomes, is a collaborative effort among multiple actors. A capacity to work together is more evident at the implementation level than at the strategic level. For example, HSC Trusts may be involved in the educational dimension of the children under their care; social workers and representatives from the corresponding EA are dedicated to ensuring the best for looked-after children; and there seems to be a move at this level to engage in professional networks as well as broader care networks that include advocates, carers and the children. Meanwhile, at the strategic level not only does there appear to be little collaborative capacity across departments but even co-operation appears challenging (Box C.7). The biggest evidence of this is that the departments are not working together to build an integrated or holistic strategy for looked-after children, incorporating education as a fundamental component. It is also evident in the fact that IT systems between the sectors are reportedly not harmonised; ideally Personal Education Plans would be made easily available (i.e. electronically) to the relevant authorities. In addition, EA is not explicitly represented on the Children's Resources Panel, mandated to look at and make decisions regarding looked-after children needs.<sup>23</sup> Not every Trust operates such a panel to determine/approve financial expenditure or to have a mandate to make decisions about the needs of looked-after children.

### Box C.6. Targeted interventions to support learning

Liabo, Gray and Mulcahy (2013) conducted a systematic review of interventions to support looked-after children between 10 and 15 years of age and in mainstream schools. Partly because they used strict criteria regarding studies that could be included, they included only 11 studies in the analysis. They note that “[...] no study was robust enough to provide evidence on effectiveness.” (Liabo, Gray and Mulcahy, 2013, p. 341).

Promising interventions identified included:

#### **Tutoring programmes**

Liabo, Gray and Mulcahy (2013) identified three studies comparing different approaches to tutoring (two in the United States and one in the United Kingdom). These studies found that tutoring was effective for looked-after learners, who improved the skills. Ritter et al. (2006) found that tutoring was effective for improving reading and mathematics skills for learners between 5 and 15 years of age.

#### **Targeted funds**

Scotland piloted a programme, which provided funds to 18 educational authorities to improve educational outcomes. The funds were used for programmes such as tutoring or mentoring, personal education plans, transition support, staff development and technology support. In their review, Connelly et al. (2008) note that the results of the programmes were positive, partly because programme leaders also worked hard to engage children (Liabo, Gray and Mulcahy, 2013).

#### **Reading interventions**

An evaluation of the Reading Rich programme, which promotes writers’ residencies in children’s homes, found that carers in the homes raised their awareness of literacy as an important activity outside of school. The Letterbox Club, which (sends reading materials to looked-after children) was associated with improvements in children’s reading attainment (although low achievers’ scores on pre- and post-tests actually went down) (Liabo, Gray and Mulcahy, 2013).

#### **Designated champion of education**

Berridge et al. (2009) evaluated the Virtual School Head (VSH) programme in 11 educational authorities during its initial pilot phase. They found that looked-after children in these areas performed well as compared to the national average, and most improved their GCSE results. This study found that the VSHs had succeeded in raising education for looked-after children as a priority. They also contributed to integrating of education and social work. The report authors also identified a few concerns during the pilot phase, including a disconnect between children and concerns regarding such issues as placement or a school move and the response of adults participating in the programme. It appears that adults were not sufficiently tuned into children’s needs or views (Liabo, Gray and Mulcahy, 2013).

Harker et al. (2003) evaluate the Taking Care of Education programme, which designates a person responsible for working within the local authority to improve looked-after children’s education, and co-ordinates local efforts. In an 18-month follow-up, the evaluators found that scores for well-being and self-esteem improved, although there were no other statistically significant changes. The youth participating in the programme believed that encouragement from carers and teachers supported their educational achievement.

#### **Training for carers and other professionals**

Another review of the literature, this time by Hock et al. (2011), reviewed training and support programmes for carers on the physical and emotional health and well-being of looked-after children. Six studies were included in the review (five randomised controlled trials and one prospective cohort study). Three studies found benefits from training and three found no effective – either positive or negative. Those studies which found benefits were of longer duration, a shorter time period for the follow-up assessment and were focused on carers of younger children.

### Box C.7. Co-ordination, co-operation and collaboration

Co-ordination, co-operation and collaboration build on each other, where co-ordination is the basis and can grow into collaboration.

- **Co-ordination:** Joint or shared information insured by information flows among organisations. “Co-ordination” implies a particular architecture in the relationship between organisations (i.e. centralised or peer-to-peer; direct or indirect), but not how the information is used.
- **Co-operation:** Joint intent on the part of individual organisations. “Co-operation” implies joint action but does not address the relationship among participating organisations.
- **Collaboration:** Co-operation (joint intent) together with direct peer-to-peer communication among organisations. “Collaboration” implies both joint action and a structured relationship among organisations.

Source: Adapted from OECD (2005), *e-Government for Better Government*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264018341-en>.

### *Analysis*

Co-ordination and collaboration for improved looked-after children outcomes could be stronger among all relevant actors in Northern Ireland. Some initiatives to build a more joined-up way of working are already in place and appear successful. For example, looked-after children teams were established with the intent to better support children by promoting greater cross-agency work, and building a stronger understanding of each party’s role and expertise. Other initiatives, such as PEPs are reported to also generate a stronger cross-sector understanding and foster better joint working practices (see Box C.8). Another method to build greater collaboration is through joint training with respect to looked-after children needs and education. This has been welcome by the various actors, each acknowledging that often educators and social workers were not fully aware of the nuances and challenges faced by the other when working with looked-after children. When thematically appropriate, such training can include not only agency professionals, but also the voluntary sector, carers, teachers and principals, school counsellors/psychologists, etc. Job-shadowing – wherein social workers and teachers shadowed their counterpart’s work day over six half-day periods – is another option that has arisen in the literature to support stronger understanding among social services and education professionals (Harker et al., 2003).

### Box C.8. Personal Education Plans

England first introduced Personal Education Plans (PEPs) in 2000 as a way to strengthen the focus on educational outcomes for looked-after children across social services and education. PEPs are to include targets for social and emotional development, and should also include transition plans for learners leaving care (e.g. further or higher education and/or employment).

In Northern Ireland the PEP model was adopted in 2011, although it is not currently a legislative requirement. During interviews, several key informants noted that implementation of the PEP had been far from smooth. In the 2013-14 school year, 16% of looked-after children did not have a PEP. The PEP, which is to be completed within the first 20 days, is frequently delayed. Sharing across sectors is also hindered by incompatible computer systems.

In many ways, Northern Ireland's experience resembles implementation challenges in England. For example, a 2012 Education Matters report found that timescales were frequently not adhered to, looked-after children were not involved in their development, and there was little follow through for the plans developed.

Hayden (2005) in a study on implementation of PEP in one local authority in England found that the system had helped focus attention on the educational needs of looked-after children. However, there were also problems with ensuring that social workers and teacher were able to follow through with the plans, that some care plans in the study simply seemed unrealistic and did not take account of significant conflict and disagreement, that the systems were not focused on children's needs as well as the practitioners and that frequently, children were not meaningfully involved in the process. Timescales were also unrealistic. The author also found additional barriers in residential care and secure accommodation, where staff saw themselves as being outside the education system and unable to plan appropriately.

Based on these and other problems identified in implementation of PEP, evaluators in England have emphasised the importance of:

- a clear and concise guide, outlining roles and responsibilities of the various actors
- a protocol to guide communication between the looked-after children Team, social workers, designated teachers and the child
- requiring that all children have a PEP within 20 school days of entering the care system
- materials explaining PEP and its process that are engaging and accessible for children and young people, and that are age appropriate
- having a “champion” for looked-after children within schools
- easing administrative burdens through integration of data systems
- providing regular training for all PEP users (social workers, teachers, and so on).

*Source:* DCSF (Department for Children, Schools and Families) (2010), “Promoting the Achievement of Looked After Children: Statutory Guide for Local Authorities”, DCSF, UK Government, [www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/276468/educational\\_achievement\\_of\\_looked\\_after\\_children.pdf](http://www.gov.uk/government/uploads/system/uploads/attachment_data/file/276468/educational_achievement_of_looked_after_children.pdf).

In the case of Northern Ireland, building greater co-operation may require taking a stronger “joined-up” approach. This can be promoted in a number of ways, and two of them merit particular considerations here. The first is a better mix of “soft” and “hard” mechanisms<sup>24</sup> that promote joined-up working among diverse actors. Soft mechanisms can include awareness raising campaigns, training programmes, working groups, and co-ordinating bodies to oversee a specific concern or policy initiative, for example. Northern Ireland already uses soft mechanisms with respect to building co-ordinated efforts for looked-after children, particularly through the looked-after children teams and PEPs. On the spectrum between “soft” and “hard” mechanisms are strategic planning requirements, contracts to establish norms for a specific exchange, and the use of performance results as part of a performance management tool. Currently, none of these appear to be applied to the looked-after children policy area in Northern Ireland. First, there are no strategic planning requirements specifically for looked-after children or requirements for collaboration in strategic planning or service delivery for this cohort, nor do there appear to be effective mechanisms for performance measurement through monitoring and evaluation. “Hard” mechanisms, such as statutory requirements for co-operation, for example in the development of an integrated strategy, are also weak or do not exist. This may change, however, if the *Children’s Services Co-operation Bill* is passed (Box C.9).

#### Box C.9. The proposed Children’s Services Co-operation Bill

In late 2014, an individual member of the Northern Ireland Assembly, introduced the Children’s Services Co-operation Bill, which if passed would amend the Children (NI) Order 1995. This bill puts a statutory dimension to the six outcomes articulated the *Our Children and Young People* strategy (modifiable by the Office of the First Minister and Deputy First Minister (OFMDFM) via subordinate legislation), and would make inter-departmental co-operation obligatory for their accomplishment. It facilitates the pooling of departmental budgets and the sharing of resources to achieve these outcomes, while also establishing a duty for all key agencies to co-operate in the planning, commissioning and delivery of children services. The Bill introduces a reporting requirement, wherein the OFMDFM would be responsible for publishing the progress made on achieving the six outcomes, the degree of co-operation undertaken, and efficiencies associated with such co-operation.

*Source:* Campbell, J. (2015), “The Children’s Services Co-operation Bill,” *Research and Information Service Bill Paper*, Northern Ireland Assembly Research and Information Service, Northern Ireland Assembly, Belfast, [www.niassembly.gov.uk/globalassets/documents/raise/publications/2015/ofmdfm/4015.pdf](http://www.niassembly.gov.uk/globalassets/documents/raise/publications/2015/ofmdfm/4015.pdf); Children and Young People’s Strategic Partnership (n.d.), “Comparative analysis: Children’s Services Co-operation Bill”, Children and Young People’s Strategic Partnership, Belfast, [www.cypsp.hscni.net/wp-content/uploads/2015/07/ComparativeAnalysisChildrensServicesCooperationBill.pdf](http://www.cypsp.hscni.net/wp-content/uploads/2015/07/ComparativeAnalysisChildrensServicesCooperationBill.pdf).

Based on the international examples evaluated for this case study, particularly Scotland and Ireland, when the strategic approach is driven by child well-being, inter-agency collaboration is the primary way to meet objectives, and collaborative working – while potentially challenging at first – has the potential to become more integrated into the habitual working culture. This was featured in a study evaluating mechanisms to promote greater inter-agency collaboration for improved educational outcomes among looked-after children in three English local authorities (Harker et al., 2003). The same study also evaluates the use of other soft mechanisms and highlights the importance of

building networks and information flows, establishing commitment, having appropriate leadership, and ensuring adequate systems and resources (Box C.10) (Harker et al., 2003).

**Box C.10. Promoting greater inter-agency collaboration and “whole-authority” approach: Examining the application of Taking Care of Education in three English local authorities**

Early research into what is required to promote more effective inter-agency collaboration in a looked-after children education initiative was undertaken in three of the English local authorities participating in the National Children’s Bureau (NCB) development project, Taking Care of Education. Researchers found that inter-agency collaborative working among professionals at the local level and a “whole-authority approach” for looked-after children education depended on a series of key factors:

- A commitment to working together: commitment needed to be expressed not only through shared strategic goals and working practices by staff, but also by senior managers, relevant professionals, and the political level.
- Appropriate co-ordination structures and a networked approach: in addition to key co-ordination mechanisms such as agreements, co-ordinating bodies and multi-professional networks, fostering greater understanding as to the work of professional counterparts through cross-sector training programmes and job-shadowing helped build a better understanding of professional roles and responsibilities and strengthened the collaborative relationship.
- Strong leadership: having a “lead officer” with a hand in policy statements and the ability to promote a corporate approach was critical, though insufficient without enough capacity to influence strategy.
- Ensuring adequate resources: time – or lack of it – was a key resource constraint and initially a more collaborative way of working was perceived to be too time consuming. This perception eventually changed, as inter-agency collaboration became a more customary working method.
- Aligning targets and priorities: it was recognised that when the targets and priorities of individual agencies are aligned with inter-professional ones work co-operation becomes stronger.

Of note is that information flows and timely communication were deemed important, including the development of information sharing protocols by education and social services. However, ensuring proper information exchange and communication was considered challenging for several reasons, including issues of confidentiality (there was a feeling that more guidance was needed from the government level with respect to this matter) and data uploading which often depended on a third party, such as schools.

*Source:* Harker, R. M. et al. (2003), “More than the sum of its parts? Inter-professional working in the education of looked-after children,” *Children and Society*, Volume 18 (2004), pp. 179-193; published on line 13 September 2003 in Wiley InterScience ([www.interscience.wiley.com](http://www.interscience.wiley.com)), doi: 10.1002/CHI.787.

Another possibility for promoting a greater collaboration and a more integrated approach to looked-after children is to build a stronger culture of stewardship around their concerns in order to address the key issues – responsiveness, stability and expectations – that impact outcomes. This could be done in two ways. The first approach focuses on building stewardship within existing governance structures. Currently, there is no clear single leader or responsible entity for looked-after children that guides and co-ordinates relevant policies and initiatives and has a broad perspective on accountability systems. Establishing a single entity responsible for guiding and co-ordinating matters relating to looked-after children, and empowering it to ensure that strategic objectives are supported through sector policy and programming initiatives, oversee monitoring, evaluation and assessment, and clearly establishing roles and responsibilities for greater accountability, could help focus attention on what is leading to the poor outcomes of this group. Such an arrangement could also help the groups responsible for looked-after children to pool already declining resources. The entity could be identified by OFMDFM, assume the responsibility for strategic and policy coherence, set priorities, and ensure that programming is co-ordinated and effective as well as that resources are optimised for outcomes. This does not necessarily mean changing current structures, but rather identifying a clear leader who has the mandate and responsibility to prioritise the well-being – including education – of looked-after children and other vulnerable children.

The second approach could be accomplished by bringing all child or child-and-family services under one roof, including services for looked-after children. This is already done in some Australian states (e.g., Department of Family and Community Services in New South Wales; Department for Education and Child Development in South Australia; Department for Child Protection and Family Support in Western Australia); in certain Canadian provinces (e.g., the Ministry of Children and Family Development in British Columbia, and the Ministry of Children and Youth Services in Ontario); and in Ireland (Department of Children and Youth Affairs). In some cases, for example South Australia’s Department for Education and Child Development (DECD), the department has responsibility for both strategy development and implementation. The DECD’s organisational mission is to put children and youth at the centre of its strategic and policy considerations. Policy implementation for looked-after children occurs through its Families SA unit. In other instances, action to build greater co-ordination is taken at the implementation (agency) level. This is the case in Ireland through Tusla, the child and family agency, established as an independent legal entity (Box C.11). Such agencies are also seen in various US states.

It bears remembering that just bringing people together in the same structure does not automatically generate greater joined-up working. Working cultures, mechanisms and incentives must be aligned so that “two-houses-in-one” do not form. Among other things, this can require strong and committed leadership, appropriate stewardship, incentive mechanisms for joined-up working, and clear and measurable objectives for cross-functional teams so that the results and benefits of working together can be communicated.

**Box C.11. Alternative governance structures for looked-after children:  
South Australia and the Republic of Ireland**

There appears to be a growing trend to bring child and child welfare or child-protection-related services under one roof. Models for this vary, and can range from a ministerial or department framework, as seen in South Australia, to that of an agency, as in Ireland.

The Department for Education and Child Development in South Australia, Australia is tasked with overseeing early childhood care and services, providing services of benefit to children and families – including health and well-being services for families – and leading and managing the state’s education system. With respect to looked-after children, the department is responsible for child safety, including child protection services, out-of-home care, and adoption (Department for Education and Child Development, 2015). The Department has an overall four-year strategic plan, and sub-strategies for specific groups including a service plan for the delivery of child protection services. This service plan includes action for looked-after children and includes education outcome objectives (e.g. ensuring looked-after children can successfully engage with the school system) and performance measurement in the area (e.g. monitoring school absence rates for children in care and attending government schools, as well as schooling results for those attending government schools) (DECD, n.d.).

In 2013, Ireland passed the Child and Family Agency Act, which led to the establishment of Tusla, Ireland’s Child and Family Agency. The Act dissolved the Family Support Agency and the National Education Welfare Board, and transferred the relevant portions of the functions of the Health Service Executive and all functions of the National Education Welfare Board to this new agency. Doing so also required an amendment to the 1991 Child Care Act. Among the various agency functions are to provide for the protection and care of children in situations where their parents are not, have not, or are not likely to do so adequately. It also establishes agency governance and accountability structures (Government of Ireland, 2013). As an agency Tusla is an independent legal entity, accountable to the Department of Children and Youth Affairs. It is responsible for child protection and welfare, alternative care (which includes foster, residential and special care), family and community support, educational welfare services and domestic, sexual and gender-based violence. The agency does not take a strategic role – this is the role of the Department – but rather focuses on the delivery of services. The Department of Children and Youth Affairs acts as the steward for the relevant policy areas, harmonising issues impacting children and youth including early childhood care, education, youth justice, child welfare and protection, child and youth participation, research concerning children and youth, and other relevant cross-sector initiatives (Department of Children and Youth Affairs, n.d.). It consults with the Department of Education and Skills and Department of Health

*Source:* DECD (Department for Education and Child Development) (2015), “About the Department for Education and Child Development”, Government of South Australia Department for Education and Child Development, [www.decd.sa.gov.au/](http://www.decd.sa.gov.au/); DECD (n.d.), “Families SA: Service Plan”, Government of South Australia Department for Education and Child Development, [www.decd.sa.gov.au/aboutdept/files/links/2014\\_Families\\_SA\\_service\\_p.pdf](http://www.decd.sa.gov.au/aboutdept/files/links/2014_Families_SA_service_p.pdf); Government of Ireland (2013), *Child and Family Agency Act 2013*, House of the Oireachtas, Government of Ireland, [www.irishstatutebook.ie/2013/en/act/pub/0040/](http://www.irishstatutebook.ie/2013/en/act/pub/0040/).

## Conclusion and policy recommendations

This case study has identified a number of gaps in the provision for looked-after children in Northern Ireland. Among these is the lack of a vision and strategic approach that considers the drivers behind poor outcomes for looked-after children which is compounded by strongly siloed and fragmented institutional structures<sup>25</sup> legislative structures and operating norms that do not put the child at the centre, and the need for an institutional steward responsible for guiding and co-ordinating policy in this area. No single actor bears the responsibility for poor outcomes among this cohort; rather they are the result of circumstances, attitudes, and multiple, cross-sector and multi-stakeholder interventions. The following policy recommendations bring together key points from the analysis undertaken in this brief case study.

### ***Recommendation 1: Take a holistic, child-centred approach***

The population of looked-after children is relatively small, and in Northern Ireland and elsewhere, policies and programmes to support their well-being and educational attainment tend to be seen as “add-ons” rather than integrated within an overarching strategy. Holistic programmes that support the well-being and achievement of **all** children, and not just looked-after children, will have higher visibility and political currency (policies targeted to looked-after children may fit within an overarching strategy). Moreover, a focus on well-being highlights the importance of children’s right under UNCRC to participate in decisions that affect them. A well-being focus, in terms of care, emphasises the importance of quality relationships. These elements, although not directly related to education, all contribute to children’s academic success and are particularly important for looked-after children.

Northern Ireland is now engaged in a renewal of child and youth strategy. This is an opportunity to engage both DHSSPS and DE in setting priorities and articulating a vision that puts all children at the centre. Consultation with the voluntary and NGO sector and children and their families will reinforce this goal.

### ***Recommendation 2: Develop balanced, coherent strategies for implementation and strengthen a joined-up way of working***

Improving outcomes for Northern Ireland’s looked-after children will require some changes in approach among actors. First, all actors responsible for this cohort will need to better consider as primary the drivers behind poor outcomes (top among which are low responsiveness, instability, and low expectations of success), and what the children may need and receive from care structures and education in order to address these challenges. Second, individual institutions should contribute their expertise to supporting the needs of looked-after children from the perspective of addressing the primary causes of poor outcomes in an integrated and institutionally appropriate way. Any such changes in approach should be institutionalised in order to overcome the impact of electoral cycles. Ultimately the institutional space should actively place the children at the centre, which is currently not the case, and work to break down a fragmented, siloed and highly sector-based structure that works against implementing an integrated and holistic approach for looked-after children.

Clear institutional stewardship for looked-after children at the appropriate level of government can also ensure better interagency-working. A steward could be identified within existing governance structures, or adjustments could be made to these structures in order to bring child and/or child-and-family services under one roof (including those for looked-after children). Either possibility – but potentially the latter most strongly – could help build a truly child-centred approach to the care, education and well-being of looked-after children, as well as of other vulnerable children, and Northern Ireland’s children overall.

Existing “soft mechanisms” should also be extended to promote co-ordination and should include joint-training programmes among professionals and potentially even job-shadowing. These could be complemented further by introducing other co-ordination mechanisms including strategic planning requirements, contracts to establish norms for specific exchange, and the use of performance results as part of a performance management tool. Adopting a strategic approach that puts the child at the centre can be a strong mechanism to promote greater joined-up working at the institutional level.

Both vertical and horizontal governance structures may also be reinforced through the development of national standards. Northern Ireland may learn from Australia’s experience with the development of clear, concrete national standards. The standards have been important for focusing different providers on shared goals and delineating clear roles for staff, including those that cross professional boundaries. Streamlined measures have also been important for identifying gaps and areas for improvement, and ensuring equity of services across regions. When developing standards, however, it should be ensured that there is still sufficient flexibility for locally appropriate approaches to implementation.

When aligned with performance management, objectives clarify expectations. Performance management incentives related to provision for looked-after children should also be harmonised across agencies, and interagency working needs to be regularly reviewed, and adjustments made if necessary. Ensure that any strategy developed includes a clear statement of desired outcomes (results) and realistic short-, medium- and long-term outputs linked back to strategic objectives. Strategic priorities should be set from the perspective of the children. Ultimately the institutional priorities of departments and their agencies with respect to looked-after children should centre on what the children need in order to overcome the drivers behind poor outcomes, rather than the institutional priorities of the departments.

Training needs (and funding to support new training) should be identified. Professional staff and carers need to have the training and resources to respond to children’s needs. Professionals across agencies and carers, families and children need to develop a shared vocabulary to ensure better understanding of processes and goals

### ***Recommendation 3: Identify savings and set priorities for investment***

A lack of resources – including insufficient funding, staff time, quality home placements, and underinvestment in research and programme evaluation – has been among the most important barriers to improving outcomes for looked-after children.

In the current environment, agencies are very unlikely to receive any funding increases. There is therefore a need to identify savings – for example, by addressing inefficiencies currently in the system – and redirect funds to priority areas. Northern Ireland should consider introducing regular programme and spending reviews – at both

the government and voluntary sector levels – in order to gain insight into what activities are best supporting outcomes for looked-after children, and whether spending is effective. This can help better orient resources in a system that is already under pressure, and especially in the face of budget cuts or freezes. It could also provide greater stability in terms of programming for the voluntary sector as well as the children and carers this sector serves.

There should be some flexibility for how spending is used – to meet urgent needs, to pay for special services or support for looked-after children, and so on. Finally, schools should be held accountable for using the extra funding they receive for looked-after children to provide services for these children. Funding should follow the children when they change schools.

***Recommendation 4: Monitor implementation and use data to identify areas for improvement***

The absence of good monitoring data and research has held back progress for looked-after children. This is a priority area for change. A first initiative will be to consider outcomes beyond GCSE results that can provide insight into well-being and educational attainment for looked-after children. Baseline data will need to be established and regular tracking mechanisms developed. Data can be used to track gaps in provision and identify areas for improvement.

***Recommendation 5: Invest in innovative interventions, evaluate results***

A number of promising policies and programmes have been identified. However, the evidence base is not robust. More research on what works, for whom and under what circumstances is needed. Evaluation should be incorporated into programme design from the beginning. This may also provide a basis for better evidence-informed policy and programming decisions.

Across the board, research and evaluation needs to include the voices of looked-after children, families, carers and of the professionals implementing the programmes.

## **Appendix C.1. List of organisations interviewed**

- Children’s Law Centre
- Department of Education
- Department of Health, Social Services and Public Safety
- Education Authority
- Health and Social Care Board
- NI Assembly
- NI Guardian Ad Litem Agency
- NI Youth Forum
- The Fostering Network Northern Ireland
- Voice of Young People in Care
- Youth Council for NI

## Notes

1. Looked-after children may be living with a foster family, family relative or friend or in a residential home. In some cases, children are in the care of the local Trust but living with their birth parents. See [www.dhsspsni.gov.uk/index/hss/child\\_care/looked-after-children/care-matters.htm](http://www.dhsspsni.gov.uk/index/hss/child_care/looked-after-children/care-matters.htm).
2. According to the DHSSPS Information Analysis Directorate (IAD) “The percentage of looked-after children achieving Level 2 or above in English has risen from 50.7% at September 2008 to 82% at September 2014. The figure for the general school population is 91%. The percentage of Looked After children achieving Level 2 or above in Maths has risen from 52.2% at September 2008 to 83% at September 2014. The figure for the general school population is 92%.”
3. Neither children or youth who are currently in the system nor their families, carers, or school leaders or teachers were interviewed for this case study.
4. An attempt was made to extend this analysis to countries beyond the United Kingdom. It appears that many countries do not gather data on looked-after children at all. One international Eurydice report from 2005 was located, which brings together responses to a query sent to European countries regarding kinds of data gathered. Several countries stated they do not gather data for this population. Other countries noted specific studies directly or indirectly related to looked-after children, but they do not systematically gather data on looked-after children. Admittedly, the Eurydice report is dated, but it was impossible to identify any subsequent efforts to develop an international database. Among those countries that do gather data (e.g., Australia, Denmark, Norway, the Netherlands and the United States), the figures are heterogeneous, reflecting differences in definition, policy and legal frameworks, methods of gathering data, as well as demography (Eurydice, 2005; Boddy et al., 2014).
5. Some 22 interviews were conducted with 11 young people between 9 and 17 years of age, and 11 social workers. They had all been looked-after for at least six months.
6. The Office of Standards in Education (Ofsted) in England is an independent, non-ministerial government department, which reports directly to Parliament. It is responsible for inspecting and regulating education and training for all levels.
7. The sample included 59 children (29 boys and 30 girls). Researchers gathered data on children’s characteristics, history of care, family of origin, integration with foster family, and the parenting style of carers.
8. A 2012 survey by the CREATE Foundation in Australia included the views of 1 069 children. They found that for children, a good placement is one where they felt they were in a warm, caring home and were happy and safe. Having a variety of activities and control over their own space were also important.
9. Data reflect 2014 figures.

10. In other words, the carer with final statutory responsibility for the welfare of a looked-after child.
11. The North Eastern Region model is based on a dedicated multi-disciplinary team: the Education Welfare Service for Looked-After Children in Education. This model links Education Welfare Officers to each Residential Childcare Unit, has dedicated support from Education Psychology one day per week, provides peripatetic teacher support, after-school tutor support to residential units, and manages education welfare service referrals with respect to Looked-After Children, as well as any subsequent PEPs. The Southern and Western Regions historically have concentrated on developing capacity, co-ordinated by an Adviser (rather than a chief education welfare officer), in partnership with other region-specific services, Pupil Personal Development Services, the Education Welfare Service, the Youth Service and EOTAS. It also established a capacity-building programme for schools in partnership with the Southern HSC Trust. Here, the Education Welfare Officer linked to the school manages any non-attendance LAC referrals and the development of a LAC Forum staff (through the Education and Health Trust) is sought for to focus on educational outcomes for LAC through case discussion. In addition, each local HSC Trust has “Looked-After Children Teams” which address the Looked-After Children cases from a social services perspective, and there are Looked-After Children Strategy Management Groups, comprised of EA and HSC Trust representatives, that meet once every two months to review specific matters with respect to the children.
12. Note should be taken of the *Children (Northern Ireland Consequential Amendments) Order 1995 (SI 1995/756)* which introduces amendments to specific acts applying exclusively to Great Britain or the United Kingdom as a whole as a result of the Children Order.
13. It is reported by authorities in Northern Ireland that the Department of Justice and the Department of Education are in the process of integrating education services for young people held in detention with those provided for other young people unable to sustain a place in mainstream education. Responsibility for education at the Woodland Juvenile Justice Centre will be transferred to the regional Education Authority (EA) and this process should be completed before summer 2016. It is hoped that this will enable more effective management of educational transitions for youth entering and leaving the justice system.
14. UNCRC Article 12 states: “You have a right to have a say and be listened to. If a decision is being made that will affect you, then you have a right to say what you think and be taken seriously by adults.” This however, assumes children know their rights and feel comfortable being present during deliberation (Children’s Law Centre, 2012b).
15. However, teachers have the right to have a substitute teacher take over class while they attend care planning sessions, and the DE has dedicated funding for that purpose.
16. For example, short-term outputs (1-3 years) can focus on responding and managing crisis and helping children build coping skills and resilience; medium-term outputs (4-6 years) might emphasise development; and long-term outputs (7-10 years) being those that focus on helping the children meet hopes and aspirations for the future.
17. In the 2013-14 school year, 8% of looked after children changed school at least once. This is similar to statistics from the prior four years (DHSSPS, 2015).
18. These questions are: 1) “What is getting in the way of this child or young person’s well-being? 2) Do I have all the information I need to help this child or young person?”

- 3) What can I do now to help this child or young person? 4) What can my agency do to help this child or young person? 5) What additional help, if any, may be needed from others? (Scottish Government, 2015a)
19. It can also signal few or no incentive mechanisms for data reporting, though whether or not this is the case in Northern Ireland remains unclear.
  20. This is different from performance reporting which does exist with respect to looked-after children and is undertaken by the HSC Board through formal and informal meetings with the HSC Trusts, as well as with an annual report on delegated statutory functions.
  21. Statistical data reporting should not be confused with reporting for performance measurement systems established between the HSC Trusts and HSC Board in relation to the DHSSPS.
  22. Establishing targets can sometimes be controversial as it can generate perverse incentives or have unforeseen (often negative) consequences. However, without some indication as to the degree of increase or decrease in desired activity, establishing and communicating the actual impact becomes all the more challenging. The fact that there is no published target does not exclude another fact that the relevant authorities may be working with an internally identified target.
  23. The Children's Resources Panel is comprised of Trust chairs and health professionals, and while it includes a member of the Looked-After Children Team it does not specify if this member is to be a representative of the EA or if he/she remains a member of the HSC Trust. The Panel does not explicitly include a representative from the EA. Its purpose is to manage the access to service provision for looked-after children and their families based on a needs assessment. It also analyses and evaluates assessment reports to ensure that children are placed in the most suitable institutional environment or otherwise for their needs. The Panel does not concern itself with the education of the children.
  24. "Soft" co-ordination mechanisms are less binding and easy to "do and undo"; "hard" mechanisms are more binding and establish a formal norm for action that is difficult to amend.
  25. The issue of the lack of co-ordination among executive departments is also discussed in the case studies on Delivering Social Change, procurement governance and regulatory streamlining as well as in the main Report.

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## *Annex D*

### **The governance of public procurement in Northern Ireland**

*This case study discusses the governance of public procurement in Northern Ireland and its reform. This case study explores the principal stages of reform which have contributed to improving public procurement in recent years. The findings and recommendations of this case study form part of the overall recommendations of the Northern Ireland Public Governance Review.*

## Introduction

With expenditure of around GBP 2.7 billion per year, public procurement represents a significant economic activity in Northern Ireland. Given this impact on the economy, Northern Ireland has embarked on a series of reform efforts since 2002, designed to further economic growth and maximise economic and social outcomes for the local community.

These efforts are reflected in the current governance structure of public procurement within Northern Ireland. In 2002, the Executive adopted a revised Northern Ireland Public Procurement Policy (NIPPP) for Northern Ireland Departments, their Agencies, non-Departmental Public Bodies and Public Corporations. From adoption of the NIPPP, public procurement in Northern Ireland has been overseen by a Procurement Board (the Board), chaired by the Minister of Finance and Personnel with membership including the Permanent Secretaries of departments and independent representation. The Board oversees development and implementation of overarching policy, with support from the Department of Finance and Personnel's (DFP) Central Procurement Directorate (CPD) and the Centres of Procurement Expertise (CoPEs). CPD provides procurement service to all Northern Ireland departments, and is a central purchasing body under the United Kingdom Public Contracts Regulation.<sup>1</sup> Each CoPE is responsible for managing procurement within specialist sectors, and CoPE status is obtained through an independent review and accreditation process. In part, support for the Board takes the form of a Procurement Practitioners Group (PPG), which has a broad membership among interested procurement specialists and assists CPD in the development of procurement guidance.

In this context, the Board agreed in June 2014 that a review of the arrangements for leadership and strategic direction on public procurement was timely. While the NIPPP has been subject to amendments through time and supplemented by a wide range of Procurement Guidance Notes, the Board is interested to determine whether the current structure is achieving the desired outcomes and whether changes could further increase effectiveness to maximise the return on public expenditure and ensure that Northern Ireland is receiving the best value for money. As part of this review, and as part of a broader review of public governance, the OECD was invited to conduct this case study focused on the governance of public procurement.

Specifically, the OECD was asked to provide a review of five areas, including:

1. best practices in governance, including the appropriate roles of politicians and officials in the governance of public procurement policy and strategy
2. the role of procurement in driving value for money
3. the role of those responsible for commissioning procurements
4. the proper balance between standardisation, centralisation and delegation
5. the commissioning and delivery of major infrastructure projects.

While these each represent specific focus areas for review and recommendation, there is also a great deal of interplay among them. Many of the elements of a well-functioning public procurement system involve achieving the proper balance between competing policies, processes or structures, and the priorities identified here reflect this need for appropriate balance. In particular, policies regarding standardisation, centralisation and

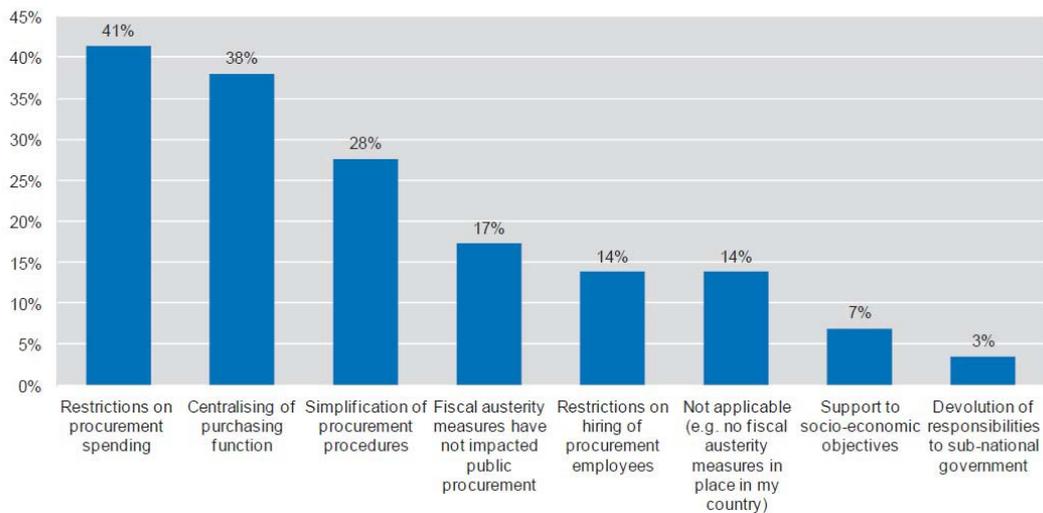
delegation (element four) form a central core around which the remaining areas can be addressed. By focusing on identifying the centralisation roles of the Board, CPD and CoPEs, insights into achieving the remaining policy goals can be illuminated.

## Organising procurement governance for best value

As a means of aggregating demand, reducing administrative duplication and driving value for money, many OECD countries and countries around the world have created or further empowered central purchasing bodies (CPBs). In fact, as countries use public procurement as an instrument to control spending as part of austerity measures, centralisation of the procurement function is a key tool (see Figure D.1). Recognising the value that can be created by such entities, the 2015 OECD Recommendation on Public Procurement identifies centralised purchasing as a key tool for driving efficiency (see Box D.1).

Figure D.1. **Impact of austerity measures on procurement**

% of responding OECD countries



Source: OECD (2013), *Implementing the OECD Principles for Integrity in Public Procurement: Progress since 2008*, OECD Public Governance Reviews, OECD Publishing, <http://dx.doi.org/10.1787/9789264201385-en>.

### Box D.1. OECD Recommendation on Efficiency

**VII. RECOMMENDS** that Adherents develop processes to drive **efficiency** throughout the public procurement cycle in satisfying the needs of the government and its citizens.

To this end, Adherents should:

...

**Develop and use tools to improve procurement procedures, reduce duplication and achieve greater value for money**, including centralised purchasing, framework agreements, e-catalogues, dynamic purchasing, e-auctions, joint procurements and contracts with options. Application of such tools across sub-national levels of government, where appropriate and feasible, could further drive efficiency.

*Source:* OECD (2015), “Recommendation of the Council on Public Procurement”, [www.oecd.org/gov/ethics/Recommendation-on-Public-Procurement.pdf](http://www.oecd.org/gov/ethics/Recommendation-on-Public-Procurement.pdf).

CPBs take on a variety of roles in different country contexts, from central policy making through aggregated purchasing and training. In most of the OECD member countries, CPBs undertake the role of acting as a contracting authority aggregating demand and purchasing (85%), and as manager of the system for awarding framework agreements or other consolidated instruments, from which contracting authorities then order (73%). In contrast, in fewer OECD member countries CPBs co-ordinate training for public officials in charge of public procurement (38%) and establish policies for contracting authorities (31%). CPBs in several OECD countries, including the United Kingdom, exercise all the above-mentioned functions whereas CPBs in nine other OECD member countries (35%) have a single role, e.g. in Estonia, Luxembourg, and Poland (see Table D.1).

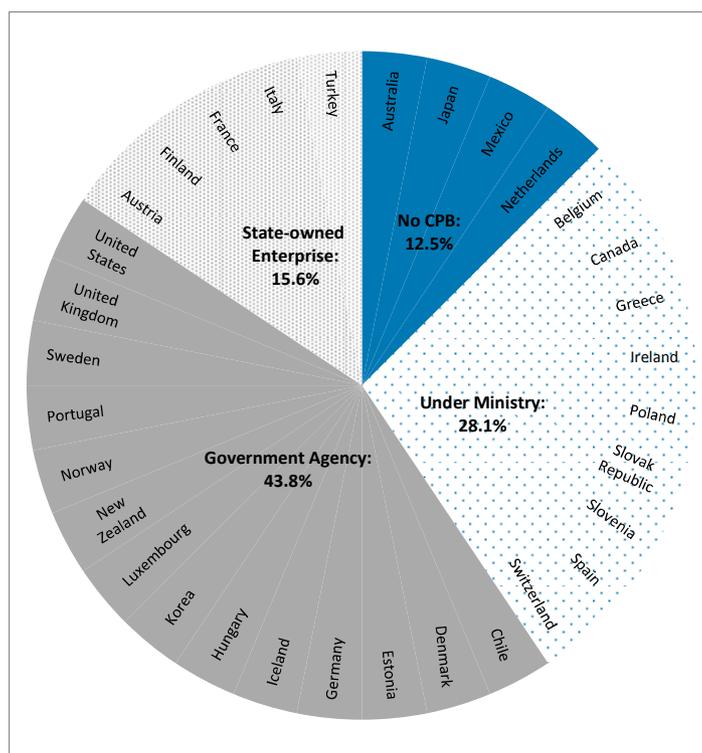
There is also variety in the legal status of CPBs in different country contexts. In many countries, CPBs operate as government agencies (43.8%), while they operate under a ministry in many others (28.1%). A smaller proportion (15.6%) have CPBs that operate as state-owned enterprises (see Figure D.2).

Table D.1. Role of central purchasing bodies

	Contracting authority aggregating demand and purchasing	Manager of the national system awarding framework agreements or other consolidated instruments	Co-ordinate training for public officials in charge of public procurement	Establish policies for contracting authorities
Austria	●	●	○	○
Belgium	○	●	○	○
Canada	●	●	○	○
Chile	○	●	●	●
Denmark	○	●	○	●
Estonia	○	●	○	○
Finland	●	●	○	○
France	●	●	●	○
Germany	●	○	○	○
Greece	●	●	●	●
Hungary	●	●	○	○
Iceland	○	●	●	○
Ireland	●	●	●	●
Italy	●	●	○	○
Korea	●	●	●	○
Luxembourg	●	○	○	○
New Zealand	●	●	●	○
Norway	●	○	○	○
Poland	●	○	○	○
Portugal	●	●	○	○
Slovak Republic	●	○	○	○
Slovenia	●	●	○	○
Spain	●	●	○	●
Sweden	○	●	○	○
Switzerland	●	●	●	●
Turkey	●	○	○	○
United Kingdom	●	●	●	●
United States	●	●	●	●
OECD Total Yes ●	22	22	10	8
No ○	6	6	18	20
Brazil	●		●	●
Colombia		●	●	●

Source: OECD (2015), *Government at a Glance 2015*, OECD Publishing, Paris, [http://dx.doi.org/10.1787/gov\\_glance-2015-en](http://dx.doi.org/10.1787/gov_glance-2015-en).

Figure D.2. Legal status of central purchasing bodies



Source: OECD (2015), *Government at a Glance 2015*, OECD Publishing, Paris, [http://dx.doi.org/10.1787/gov\\_glance-2015-en](http://dx.doi.org/10.1787/gov_glance-2015-en).

While centralising the public procurement function can offer a number of benefits, there are also potential risks or disadvantages that must be addressed (see Table D.2).

Table D.2. CPBs and PP aggregation: Key trade offs

Advantages	Disadvantages
Savings (economies of scale)	Reduced competition
Lower transaction costs	Concentration of power
Greater bargaining power	Decrease chances of success for SMEs
Strategic procurement	Increases damages if corrupted
Rationalisation of the PP system	Excessive standardisation of goods and services
Training/advisory role	
Budget management	
Information hub	

Source: Nikita Stampa (2015), "Presentation to the Leading Practitioners on Public Procurement", Head of Unit DG GROW, European Commission, April.

This context is useful in examining the governance structure of public procurement in Northern Ireland. Working together, the Board, CPD and PPG combine to conduct the primary functions of a CPB, including developing public procurement policies, conducting aggregated procurement and establishing framework agreements, while CoPEs are responsible for buying sector-specific products and services. Given this structure, the following sections examine the balance of roles among the relevant parties in evaluating the effectiveness of the governance structure.

## Harnessing the Procurement Board

Central to the development of procurement policy in Northern Ireland is the Procurement Board. Chaired by the Minister of Finance and Personnel, the Board is comprised of the Permanent Secretaries of the six largest spending departments and two independent members who are selected through a merit-based application process. The Board meets in-person twice per year, and has a role in approving procurement policies in the interim.

This structure represents an evolution during the time of the Board's existence, as it was originally open to the permanent secretaries or a representative from each department. The change in structure was designed to produce a more focused atmosphere by requiring high level attendance and targeting the most relevant departments. Interview participants indicated that it has achieved this goal, and now functions as a more engaged and effective forum for discussion.

The agenda for Board meetings is prepared by CPD, though there is no prohibition on others asking to add items. There is also an opportunity during meetings for other items to be brought forward, and the agenda is generally split between items designed for discussion and others designed simply to keep members up to date on developments. Some indicative examples of recent Board topics include reporting on the current three-year strategic plan and developing the next, discussion on social and community clauses, and the development of a proposed audit model for determining the operational effectiveness of CoPEs.

Interview participants in a variety of positions relative to the Board indicated that, while it generally functions well, there are areas for improvement. Specifically, some stated that the matters presented to the Board are often focused on the specifics of compliance or the right way to procure something, while this level of conversation is not particularly suited to the membership of the Board. Instead, it was suggested that the conversations of the Board should focus on the larger picture for strategic procurement, with one interview participant recommending topics like the drive for value for money generally or encouraging consistency, and another recommending topics like attitude toward risk and driving an innovative culture. Further strategic topics for consideration could include monitoring planned strategic procurement across government to elevate consideration to benefit the whole of Northern Ireland rather than specific organisations or sectors (crossing silos), improving relationships with suppliers by monitoring expenditures and performance across government (with help from improved procurement data), and discussing key procurements to ensure effective co-ordination with cross-departmental policies or objectives. These topics are all generally consistent with the direction of procurement reform across OECD countries, identified in the Recommendation as a “growing interest in the governance of public procurement to achieve efficiency and economy, and to foster secondary policy objectives” (OECD, 2015).

Another consequence of the focus of the Board's role with respect to compliance and procedural business is a potential for overload. One interview participant indicated that with so much coming through for review and approval by the Board, it is possible for potentially large issues to be buried among the traffic, leading to policy decisions being made without the right discussion. Some stakeholders have indicated that the limited membership of the board leads to a feeling among non-members of having policy decisions forced upon them, though participation in the PPG is more open. Finally, one

interview participant indicated that the momentum that comes from good conversations at the meetings of the Board tends to be lost as they only meet every six months. Concern about the function of the Board was summarised by one interview participant as serving the settling process of integrating policy into the established institutions rather than as an agent for driving dynamic improvement.

### Addressing risk aversion to fuel innovation

In addressing the role of risk avoidance in public procurement systems, “[a]voiding undue risk is a fundamental responsibility of any governing body.” However, if taken too far, “improper obsession with risk avoidance can suffocate creativity, stifle innovation and render an institution ineffective” (Schooner, 2011).

This concern is consistent with the responses provided by interview participants throughout the public procurement system in Northern Ireland. One of the primary sources of this concern is procurement complaints; stakeholders in many different roles indicated that the risk of a procurement complaint from an unsuccessful bidder was a major factor in ensuring that procurement processes were conducted without change or innovation. In addition to the formal complaint mechanism, interview participants also indicated that questions from MLAs in response to constituent complaints can involve a substantial amount of time to answer. Finally, there is a perception among interview participants that compliance is a critical element in responding to reviews from oversight bodies, including the Public Accounts Committee.

Focus on strict compliance rather than on a more managerial approach to pursuing value for money has been identified as a common problem in procurement systems reviewed by the OECD (2013). This can hinder innovation in at least two principle ways. First, the focus on compliance restricts opportunities for new and innovative public procurement processes that could yield savings through reduced duplication or lessened administrative burden. Second, it can restrict the willingness of procurement officials to attempt satisfying government needs with new or innovative approaches to structuring contracts for goods and services, as legal clarity regarding an innovative contract approach may be difficult to obtain. Each of these problems was identified as a common thread throughout interviews with stakeholders.

One of the best means of supporting innovative steps, either in procurement processes or in targeting innovative solutions, is the development of good data and a strong business case to support any risk that will be taken. This includes both data on procurement activity as well as developing market understanding of the goods and services regularly purchased, especially those targeted for potential centralisation. In the case of procurement processes, CPD currently collects procurement data, and is in the process of implementing a new e-procurement solution that will standardise data collection. As more – and more reliable – data becomes available, it will be important to prioritise uses for that data that can drive efficiency and process improvements. This is an important element of the OECD Recommendation on Public Procurement, which instructs adherents to “Develop indicators to measure performance, effectiveness and savings of the public procurement system”. For information on the development of key performance indicators, see Box D.2. By including such indicators in contracts throughout the procurement system in a manner that allows aggregation of the data over time, the health of the procurement system can be measured. Identifying where there are consistent trouble spots (for example, if delivery is consistently late, or if products underperform their

specifications), arguments for procurement reform and innovation in procurement processes can be strengthened.

### Box D.2. Establishing good key performance indicators

Good key performance indicators must possess some fundamental qualities to fully benefit an organisation and its suppliers. They should be:

- **Relevant**, i.e. linked to key objectives of the organisation (critical outcomes or risks to be avoided), rather than on process.
- **Clear**, i.e. spelled-out in the contractual document and as simple as possible to ensure common understanding by the buying organisation and the supplier.
- **Measurable and objective**, i.e. expressed on pre-determined measures and formulas, and based on simple data that can be gathered objectively and in a cost-effective manner.
- **Achievable**, i.e. realistic and within the control of the supplier.
- **Limited**, i.e. as few as required achieving the objectives while minimising their disadvantages (costs, efforts and risk of dispute) to both entities. To the extent possible, the use of information and documentation already available under the contract management process should be promoted rather than requiring the collection of additional data or documentation.
- **Timed**, i.e. include specific timeframes for completion.

Procurement key performance indicators can be established for any important objective of the organisation. While a wide variety of subjects can be considered, the following ones may be appropriate:

- **Delivery:** i.e. whether the supplier delivers on time, delivers the right items and quantities, provides accurate documentation and information, responds to emergency delivery requirements, etc.
- **Pricing:** competitiveness, price stability, volume or other discounts, etc.
- **Customer service:** number of product shortages due to the supplier, training provided on equipment and products, warranty services, administrative efficiency (including order acknowledgement and accurate invoice), accuracy of performance data and reports provided by the suppliers, etc.
- **Product:** meets specifications (including percentage of rejects/defects), reliability/durability under usage, packaging, quality and availability of documentation and technical manuals, etc.

Finally, not all key performance indicators have to be monitored with the same frequency, the majority potentially being assessed on a monthly basis, with some others only quarterly or even annually.

*Source:* OECD (2013), *Public Procurement Review of the State's Employees' Social Security and Social Services Institute in Mexico*, OECD Public Governance Reviews, OECD Publishing. <http://dx.doi.org/10.1787/9789264197305-en>.

In addition to developing data to support appropriate risk taking in procurement decisions, it is also critically important to communicate the motivations, outcomes and changes in procurement processes with relevant stakeholders.

With respect to unsuccessful offerors who might file a procurement complaint or raise questions with their MLA, an opportunity to limit this situation involves providing debriefings to bidders following a solicitation process. The PCR and NIPPP require debriefing of all tenderers for procurements above GBP 30 000, and this requirement is met through the generation of written debrief reports produced by the eTenders NI system. These written debriefings include details of the process and of the relative advantages and characteristics of the winning bid relative to each tender.

Interview participants indicated that verbal debriefing of offerors is not done as a matter of course, but could serve to limit the number of cases in which formal complaints are filed. Verbal debriefing is recognised as a good practice used in some OECD countries to promote a constructive and transparent dialogue between the buying organisation and the marketplace, and to expand the supply base. Verbal debriefings can help bidders better understand the public procurement process and how to improve their offers, thereby increasing their chances in subsequent procedures. They also reassure bidders of the adequacy of the procedure and the opportunity to talk through concerns with a contracting official can reduce the chances that an unsuccessful offeror will submit a formal complaint. Communication flows both ways during a verbal debriefing, also allowing contracting officials to identify elements of the procurement process that were confusing or limited the ability of offerors to provide their best solution.

Despite the potential advantages, conducting verbal debriefings is resource intensive. For this reason, application of verbal debriefing can be applied selectively (for instance, only when procurements exceed higher thresholds, or in other particular cases where the risk of a complaint is high, or at the request of the unsuccessful tenderer), as long as all tenderers for a given procurement are treated fairly.

More broadly, some interview participants suggested the need to collect and publicise information regarding the frequency of procurement complaints to illustrate that the government is often successful in defending their procurement actions. In addition to sharing such information, it can be important to evaluate the cases where the government is unsuccessful in defending the procurement action, in order to identify potentially recurring issues that could be addressed through procurement guidance or training.

### **Improved commissioning for better outcomes**

The OECD has identified the lack of adequate needs assessment, planning and budgeting of public procurement as a major risk area. Common risks identified in countries include:

1. failure to budget realistically
2. misalignment of procurement with the overall investment decision making
3. interference of high-level officials in the decision to procure or informal agreements on contracts. For instance, when assessing whether a new road or airport is needed, political considerations may prevail (OECD, 2013).

The OECD Recommendation on Public Procurement addresses this risk both by encouraging transparent dialogue with suppliers and by supporting sound technical processes for needs identification and proposal evaluation (see Box D.3).

### Box D.3. OECD Recommendations on Transparency and Efficiency

**VI. RECOMMENDS** that Adherents foster transparent and effective stakeholder participation.

To this end, Adherents should:

- ii) Engage in transparent and regular dialogues with suppliers and business associations to present public procurement objectives and to assure a correct understanding of markets.** Effective communication should be conducted to provide potential vendors with a better understanding of the country's needs, and government buyers with information to develop more realistic and effective tender specifications by better understanding market capabilities. Such interactions should be subject to due fairness, transparency and integrity safeguards, which vary depending on whether an active procurement process is ongoing. Such interactions should also be adapted to ensure that foreign companies participating in tenders receive transparent and effective information.

**VII. RECOMMENDS** that Adherents develop processes to drive **efficiency** throughout the public procurement cycle in satisfying the needs of the government and its citizens.

To this end, Adherents should:

[...]

- ii) Implement sound technical processes to satisfy customer needs efficiently.** Adherents should take steps to ensure that procurement outcomes meet the needs of customers, for instance by developing appropriate technical specifications, identifying appropriate award criteria, ensuring adequate technical expertise among proposal evaluators, and ensuring adequate resources and expertise are available for contract management following the award of a contract.

*Source:* OECD (2015), "Recommendation of the Council on Public Procurement", [www.oecd.org/gov/ethics/Recommendation-on-Public-Procurement.pdf](http://www.oecd.org/gov/ethics/Recommendation-on-Public-Procurement.pdf).

Interview participants indicated that there are issues with the commissioning process in terms of training, timing and co-ordination. Often those responsible for the essential step of defining the need in the commissioning process are not properly educated in the importance of this task for a successful procurement outcome, how it fits into the larger procurement picture or how to best define needs in terms of outcomes, rather than specifications. Developing this last capacity, in particular, can help foster advances in procurement as the market is invited to offer innovative solutions.<sup>2</sup> While it is not a simple task, there are some effective strategies for managing a competency such as this across a procurement workforce (see Box D.4). Some OECD countries have developed specific training or certification requirements for officials involved in the commissioning and project management elements of the procurement process. The United States, for example, has multi-level certification requirements for contracting officer's representatives and a distinct certification requirement for programme and project managers.<sup>3</sup>

### Box D.4. Roadmap for implementing competency management

This roadmap has been formed based on the experience of OECD countries in introducing competency management. It does not constitute a prescription but a checklist or guidelines on how to engage in competency management.

**Step 1: Deciding to introduce competency management.** This is a strategic choice and hence a long-term commitment. Competency management should be regarded as a means to achieve an objective. It is important to establish the objectives for the competency modelling project in advance. Formulating the objectives clearly can contribute to creating a shared perspective on competency management among the different stakeholders. The link to the organisational mission and vision should be made here. The decision to introduce competency management should not be taken lightly, as it is by no means an easy process. Nevertheless, competency management can serve as leverage for changing the organisational culture. The introduction of competency management can be an interesting opportunity to introduce organisational change in a period of broader government reforms.

**Step 2: Organising, planning and communicating the shift to competency management.** Three aspects should be considered here: i) determining the organisation of competency management which refers to the HR governance structure that is applied; ii) planning the approach for the development of a competency management system which involves defining concepts, determining the relevant parts of the organisation and selecting the development tools; and iii) developing and implementing communication plans to obtain support from staff.

**Step 3: Identifying competencies and developing competency models for the specified target groups.** This diagnostic phase begins with specifying the target groups of competency management. Then, the competency model is specified and the competencies are identified. There is no ideal competency management system but a good one is always aligned with the specific goals of an organisation. A government's competency model ideally includes a mix of competencies specific to the public service and competencies that appear in both public and private sector organisations. Competencies specific to public service generally take on the form of (public service) values, for example; commitment, service, integrity, transparency, accountability, and equity. Other competencies with an emphasis specific to public service are public service professionalism and probity, affinity with public sector management, political awareness, political savvy and public service motivation.

**Step 4: Integrating competencies into various HR processes.** The integration of competencies into the various HR processes can happen gradually or suddenly. When gradual integration is chosen, it is possible to start with a pilot project in one department, with a group of employees or in one HR process. The HR processes (selection, remuneration, workforce planning, etc.) to which the competency model(s) will be applied need to be selected. Competency management is more than simply using competencies in various HR processes. It is a system that needs to bring about organisational-wide dynamics. Therefore, the competency-based HR systems should be integrated so that they are aligned and mutually supportive. The challenge is to develop competency management as an integrated, core part of HRM and to avoid the risk of it becoming an isolated tool or an end in itself.

**Step 5. Revising and updating the competency management system on a regular basis.** It is particularly important to grasp the dynamic nature of individual job-related competencies. It is necessary to schedule regular updates and revisions of the competency management system. Competency modeling is a continuous process, not a one-time project. To be useful, the list of competencies needs to be revised as business strategies and conditions change. In terms of timing, there are several options, such as a periodical evaluation or a comprehensive review over several years.

*Source:* OECD (2013), *Public Procurement Review of the State's Employees' Social Security and Social Services Institute in Mexico*, OECD Public Governance Reviews, OECD Publishing, <http://dx.doi.org/10.1787/9789264197305-en>.

As important as defining the need, the commissioning official must work with the procurement officials early enough to ensure adequate timing for market research and the development of an effective procurement strategy. Interview participants indicated that, as in many countries, procurement officials are often presented with last-minute or urgent demands to conduct procurements. When government requirements are passed to the procurement official with very little time to meet them, it restricts the ability to work together to identify the best potential solutions. In many cases, the most effective solution may be determined by a formal interaction with the market to solicit input (see Box D.5 on Requests for Information, and Box D.6 on Market Research Techniques), but these interactions require time to conduct properly.

These issues were identified as part of the outputs of the Innovation Lab on Public Procurement conducted early in 2015 (Beattie, 2015), which highlighted the need to:

- be better and more attractive customers
- think in terms of problems and buying solutions
- be outcome driven, rather than process driven
- create constructive and mutually beneficial, proactive relationships
- take risks, recognising the true cost of risk avoidance, transfer and delay.

### Scaling-up success through CoPE expertise

CPD has demonstrated substantial success in efforts to centralise procurement. A Collaborative Procurement Team was established in 2013 to undertake a programme of collaborative procurement on behalf of all bodies covered by the NIPPP. The most recent evaluation of the collaborative procurement programme demonstrated savings of GBP 7.3 million identified between CPD contracts and the use of Crown Commercial Services collaborative agreements during 2014/2015. During this period, the overall percentage of contracts awarded to SMEs increased by 2% from the previous year, and 66% of common and repetitive spending is now covered by collaborative arrangements (DFP 2015). Still, more can be done to leverage the expertise developed within the CoPEs in areas of procurement overlap.

As identified in the introduction, each CoPE is responsible for managing public procurement within a specific sector. These include education, health supplies, housing, roads, transport and water. In addition, CPD houses three CoPEs, focusing on construction works, construction health projects and supplies and services.<sup>4</sup>

With focus in their respective areas, each of the CoPEs has built up an expertise and deep market knowledge with respect to necessary elements of their operation. As an example, the Business Services Organisation (BSO), the CoPE responsible for health supplies, has built up experience in the procurement of meals to meet the needs of hospitals and patients in other facilities. Translink, the organisation responsible for the integrated bus and rail systems in Northern Ireland, has established very successful procurement strategies for fuel by working with suppliers to streamline the logistics and dramatically cut the cost of delivery, and has developed an expertise in the purchase and long-term operation of buses.

### Box D.5. Use of requests for information in public procurement

A **request for information** (RFI) – sometimes referred to as a letter of interest (LOI) or expression of interest (EOI) – is a method used by public buying agencies to obtain preliminary information and feedback from the private sector on an identified need, in order to finalise their strategy and develop achievable objectives and deliverables.

Such requests generally outline a potential and broadly defined requirement and ask suppliers to describe their ability to satisfy the requirement and to provide ideas and suggestions on how to improve the eventual solicitation. Specific information requested may include:

- availability of technologies, products or services in the market place to meet the identified need
- the willingness and interest of the potential suppliers to offer the potential products or services, and their general experience and capabilities
- whether the terms and conditions considered (including expected delivery and basis of payment) are acceptable to potential suppliers
- an indication of costs associated with providing the product or service.

RFI are beneficial to suppliers as it allows them the opportunity to:

- assess and comment on the adequacy and clarity of the requirements as currently expressed
- offer suggestions regarding potential alternative solutions that would meet the requirements
- comment on the procurement strategy and proposed conditions
- be informed of potential future requirements of the buying agency, and prepare for a solicitation that may subsequently be issued.

The information received by the public buying agency allow it to:

- assess potential alternative solutions that would meet its requirement
- determine whether to proceed with the requirements/strategy as planned, and if so, to further develop internal planning, approval and solicitation documents that may potentially lead to a solicitation
- refine the procurement strategy, project structure, cost estimate, timelines, requirement definition and other aspects of the requirement
- become a more “informed buyer” with an enhanced understanding of industry goods and service offerings in its areas of interest.

To maximise their potential benefits and avoid giving an unfair advantage to any supplier, RFIs must be disseminated through public media to as many potential suppliers as is cost effective and not be limited to a few selected or preferred suppliers. Whenever possible, the identified requirement should be defined in functional and performance terms, supported by material or technical specifications if necessary, to encourage effective competition by giving suppliers the opportunity to develop solutions capable of satisfying the public agency’s requirements.

RFIs are to be used for information collection purposes only and not as a substitute to a competitive process or as part of a prequalification process. To ensure clarity for the private sector, they should clearly indicate that they are not solicitation documents and do not represent any commitment with respect to future purchases or contracts.

*Source:* OECD (2013), *Public Procurement Review of the State's Employees' Social Security and Social Services Institute in Mexico*, OECD Public Governance Reviews, OECD Publishing. <http://dx.doi.org/10.1787/9789264197305-en>.

### Box D.6. Common aims, outputs and benefits of supply market research

Supply market analysis provides a strategic understanding of:

- how a market works
- the direction in which a market is heading
- the competitiveness of a market
- the capability, capacity and performance of a market
- information on key suppliers and market shares
- how markets can be developed to better meet customer requirements
- how pricing on the market works – i.e. its cost structures and recent price trends
- what the market's risks are and how to prepare to mitigate them
- the probability, or not, of market failure.

The outputs of market analysis as regards tender procedures include:

- planning and budgeting the procurement activity
- designing tender documents which match ISSSTE's needs with the suppliers' available solutions, including the right specifications and evaluation and award criteria
- choosing the right procurement procedure and strategy – both in terms of how the market currently operates as well as how it may operate in the future in relation to new entrants or innovative technology
- structuring public tenders so as to obtain healthy competitive bids
- procuring without negatively affecting the supply base and, in particular, providing contract opportunities for SMEs.

Key outcomes are:

- improved value for money
- identification and management of supply-related risks
- more and fairer opportunities for suppliers.

The benefits of supply market analysis increase in proportion to the degree of business risk and/or expenditure on the goods or services.

*Source:* OECD (2016), *Improving ISSSTE's Public Procurement for Better Results*, OECD Public Governance Reviews, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264249899-en>.

In each of these cases, and many others that were identified during the course of interviews, there is both a potential and an appetite to expand this expertise beyond the CoPE itself to provide the services for other entities. To carry further the examples above, the education system also has a need for meal services, even if slightly different than that of a hospital, and also operates a separate bus fleet. And a wide variety of other government services also need fuel, so there is an opportunity to expand the expertise there in many directions. While it would be possible for CPD to undertake centralised

purchasing in these areas, stakeholders indicated a preference for an approach that would allow the CoPE with the relevant expertise to function as a central purchaser in these cases, though some recognised that changes to relevant regulations or policies may be necessary to allow this outcome.

Support for this kind of expansion was expressed at all levels by interview participants, and yet there is limited progress in actually breaking down the silos to truly aggregate the purchasing in cases like this. A number of possible explanations were provided for why this may be difficult. Some interview participants indicated a disconnection between the civil service and political leadership. Others indicated a concern on the part of those entities, asked to join an existing arrangement, that their own particular needs would not be well met. Finally, some indicated that, though there is enthusiasm from the procurement community to expand such aggregation of demand across entities, the leadership of a CoPE can view such expansion as the dilution of the primary mission of the entity.

While there is merit to these concerns, a properly planned and structured arrangement, involving all stakeholders in the development, could address the concerns while allowing access to the vast potential for additional savings which could be achieved through restructuring the provision of services to better leverage common goods and logistical arrangements.

## Supporting effective infrastructure procurement

An important element of driving efficiency through public procurement reform is eliminating duplication in administrative function and institutional frameworks, as recognised in element VII of the OECD Recommendation on Public Procurement (see Box D.7).

### Box D.7. OECD Recommendation on Efficiency

**VII. RECOMMENDS** that Adherents develop processes to drive **efficiency** throughout the public procurement cycle in satisfying the needs of the government and its citizens.

To this end, Adherents should:

**Streamline the public procurement system and its institutional frameworks.** Adherents should evaluate existing processes and institutions to identify functional overlap, inefficient silos and other causes of waste. Where possible, a more service-oriented public procurement system should then be built around efficient and effective procurement processes and workflows to reduce administrative red tape and costs, for example through shared services.

*Source:* OECD (2015), “Recommendation of the Council on Public Procurement”, [www.oecd.org/gov/ethics/Recommendation-on-Public-Procurement.pdf](http://www.oecd.org/gov/ethics/Recommendation-on-Public-Procurement.pdf).

Efforts to ensure efficiency in major infrastructure procurement have included the creation of a centralised procurement and delivery service in CPD following the transfer of part of the Health Estates Investment Group in late 2014. Additionally, substantial progress has been made in simplifying prequalification processes and in standardising

terms and conditions of contracts across the Government. Additionally, implementation of eTenders NI is expected to facilitate additional simplification of the prequalification stage of construction procurement.

In addition to CPD, CoPEs support construction works and construction health projects through commissioning, design, procurement and delivery; the Strategic Investment Board (SIB) has a role in some major infrastructure projects through its mandate to help develop and deliver major programmes and projects. Created in 2002, the SIB is owned by the Office of the First Minister and Deputy First Minister and was created to fast-track infrastructure and other large projects. The role of the SIB was designed to be advisory, with staffing of project managers to assist in the delivery of projects like roads, hospitals and other signature developments. Over time, the role of SIB has expanded to include increased advocacy for the development and use of social clauses to support local economic development as well.

Interview participants expressed a range of views about the relationship and potential for overlap between the work of CPD and SIB, both in terms of the advisory role in infrastructure projects and in the development of policy related to social clauses. Some indicated that this overlap at times caused tension, but others viewed the existence of both entities as complimentary, with SIB available to provide advice to Departments on complex projects, in conjunction with CPD's Construction divisions.

In this context, there are additional questions regarding the best methods of ensuring successful delivery of major infrastructure projects. Developing expertise in the specialised area of commissioning and designing major infrastructure projects across numerous departments, especially where it is not central to the mission of the entity, is duplicative and costly, but interview participants expressed that, in some cases, increased reliance on outside organisations – either CPD or SIB – for the delivery of a project was viewed with suspicion by departments concerned about retaining control of the final outcome.

## Conclusion and recommendations

Through the life of the Board, substantial progress has been made in improving the context for public procurement in Northern Ireland. Strategic plans focusing on establishing governance structures and a professional approach (2002-05), pursuing value for money (2005-08) and driving economic sustainability through public procurement (2008-11) indicate a sustained interest and focus on public procurement reform. While many interview participants offered additional suggestions for improvement or were critical of various elements of the current structure, the majority were in agreement that the public procurement system in Northern Ireland has improved steadily.

In the context of this case study, the following recommendations are offered to support Northern Ireland in continuing to evolve the governance model for public procurement:

### ***Recommendation 1: Evaluate, with relevant stakeholders, the responsibilities of the Procurement Board***

Under the current structure, the Procurement Board fills a variety of roles. Specifically, the role of approving policies developed by CPD and the PPG (including agenda items focused on compliance or developing good practices), was contrasted by

stakeholders with the role of setting strategic direction for procurement policy in Northern Ireland. Each of these functions is necessary, but they need not necessarily be undertaken by the same body. With this in mind, Northern Ireland should evaluate, with all relevant stakeholders, the ongoing responsibilities of the Procurement Board. Some potential options to consider include:

- Use of the Outcome and Engagement Focus of the new NICS Board to address the issue of approving policies and developing good practices. The NICS will be chaired by the Head of Civil Service, with a broader membership than the Procurement Board. This decision could address the concern that some departments currently believe that they do not have a say in procurement policies.
- Development of an Executive sub-group of ministers to raise the profile of the strategic direction and policy setting function. While the Procurement Board operates at the level of Permanent Secretaries, elevating these issues could serve to resolve some of the political barriers to cross-silo procurement opportunities.

***Recommendation 2: Address perceived risk aversion to empower innovative decisions***

In many cases, driving value for money and achieving efficiency require new procurement approaches or the adoption of new solutions to satisfy government needs. Procurement officials can be empowered to pursue these opportunities through steps designed to address unnecessary risk aversion. Doing so can involve a variety of efforts, including:

A focus on detailed research and data to support the innovative approach, all documented in detail. On-going development of the e-procurement system in Northern Ireland should support this data collection, and methods of using the data to support strategic procurement decisions should be a priority. This recommendation applies to both innovative procurement processes to drive competition and value for money and the procurement of innovative products and services, where detailed data can support the decision to move toward a “tried and true” solution.

Additional communication with stakeholders is important before and during the procurement process, especially where stakeholders who may be affected can be identified, to facilitate understanding of the benefits of the new approach. Additional communication in the form of verbal debriefings with unsuccessful offerors, in limited cases, can also be an effective means of reducing the frequency of complaints.

Finally, sharing of information publicly with all stakeholders regarding the frequency of procurement complaints, their success rate and the reasons why the government is losing complaints can all help procurement officials in better supporting procurement decisions that involve risk. Sharing cases of successful legal defence to challenges is also encouraged, to ensure that both procurement officials and suppliers are more aware of the likely outcome of potential future challenges.

***Recommendation 3: Further develop the role of those responsible for commissioning procurements***

Properly integrating the officials responsible for identifying and defining government needs into the public procurement process is a challenge for many countries, and could be addressed through a number of specific steps, including:

Ensuring appropriate training for officials involved in commissioning procurements. While such officials do not need to become experts in the public procurement process, a general understanding of the process combined with relevant skills such as defining outcome-based (rather than specification-based) tender documents can yield substantial improvements in securing innovative solutions. Such training should also involve commercial skills such as market research, for reasons identified below.

Ensuring appropriate market expertise in decisions to aggregate procurement. In many markets, specialised expertise can yield substantial savings, for example through better understanding of logistical arrangements. Such expertise can also identify opportunities to better achieve social objectives. Identifying and leveraging sources of such expertise is critical in the commissioning phase, particularly in cases where procurement is being aggregated.

***Recommendation 4: Leverage existing successes as pilots to cross silos***

CPD has demonstrated success in collaborative procurement, and these efforts should continue and expand for products and services that are purchased across the entities covered by NIPPP. At the same time, substantial market and procurement understanding has been developed within the CoPEs in commodity areas that overlap with one or a few other procuring entities. Many of these could be expanded to allow the purchase of similar products by other departments or entities. By allowing the CoPEs to function as central purchasers for specific types of goods or services such as meal deliveries, busses or fuel, this deep expertise can be harnessed to provide better outcomes.

Overcoming existing barriers to working across departments will require a concerted effort to develop the necessary political will. As with addressing risk aversion, developing data in support of the expansion of these programmes and effective communication with affected stakeholders is critical to further reform. This is true not only for new entities that might join an effort (who must be assured that their specific needs will be met), but also for those entities currently conducting the effort (to ensure that broadening the focus will not detract from the primary mission). Beginning with one or a small number of pilot programmes to demonstrate the benefits can be more effective than a broader cross-cutting effort implemented too quickly. In some cases, legal barriers may need to be eliminated to allow these pilots to operate.

***Recommendation 5: Clarify and harmonise the roles of relevant stakeholders in the commissioning and delivery of major infrastructure projects***

Evaluating the appropriate roles of the Procurement Board, CPD, the Strategic Investment Board and commissioning entities in the procurement of major infrastructure projects could yield cost savings and better management of such projects. As an area of procurement with special considerations, numerous potential complications and heightened risk, establishing expertise in the delivery of such products, in a manner that does not require duplication across numerous entities, can drive efficiency. Such

increased centralisation must be done carefully, to ensure that the responsible entity retains appropriate control over the decision to commission such projects and the needs that such projects must satisfy.

### **Appendix D.1. List of organisations interviewed**

- Business Services Organisation
- Confederation of British Industry
- Construction Employers' Federation
- Deloitte
- Department of Education
- Department of Employment and Learning
- Department of Enterprise, Trade and Investment
- Department of Finance and Personnel
- Department of Regional Development
- DFP Central Procurement Directorate
- Graham Construction
- NI Water
- NIPSA
- Office of the First Minister/Deputy First Minister
- Procurement Board
- Quarry Products Association
- Strategic Investment Board
- Translink

## Notes

1. For more information, see [www.legislation.gov.uk/ukxi/2015/102/regulation/37/made](http://www.legislation.gov.uk/ukxi/2015/102/regulation/37/made).
2. This is particularly true in complex, rapidly evolving areas such as ICT, where the market model has shifted from development of large, long-term projects to an agile development model that builds functionality over time through rapid iterations and ongoing beta testing.
3. Details about each of these programmes is available from the United States Federal Acquisition Institute at [www.fai.gov/drupal/certification/certification-and-career-development-programmes](http://www.fai.gov/drupal/certification/certification-and-career-development-programmes).
4. Some stakeholders have questioned the number of CoPEs, but there does not seem to be excessive overlap between the areas of sector expertise embodied in the current non-CPD CoPEs. This is an issue that should be monitored in the certification of additional CoPEs, to ensure that there is not unnecessary duplication in the development of sector expertise.

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## *Annex E*

### **Northern Ireland's Delivering Social Change initiative**

*This case study discusses the Delivering Social Change Initiative, from its programme origins through to implementation. This case study considers how Delivering Social Change was established as a means of spurring new policy and programme approaches to tackling poverty and social exclusion as well as demonstrating the potential of whole of government interventions to address these problems. The findings and recommendations of this case study form part of the overall recommendations of the Northern Ireland Public Governance Review.*

## Introduction

### *About Delivering Social Change*

Delivering Social Change (DSC) is officially described as:

*“a framework that seeks to co-ordinate key actions across Government departments to take forward work on priority social policy areas” with the aim of “deliver(ing) a sustained reduction in poverty and associated issues across all ages and is also seeking to secure an improvement in children and young people’s health, well-being and life opportunities thereby breaking the long term cycle of multi-generational problems”* (The Executive Office, n.d.)

To these ends, DSC is presented as a “new level of joined-up working by Ministers and senior officials across Executive departments to drive through initiatives which have a genuine impact on the ground” (The Executive Office, n.d.). Initiatives flowing from DSC are primarily structured to occur at the level of local communities across several policy areas: education, health, general social well-being, and economy (The Executive Office, n.d.; OFMDFM, 2015a). DSC is referenced in the Programme for Government 2011-16 (Northern Ireland Executive, 2011).

Poverty and social exclusion persist in Northern Ireland and government actions to address these issues have a long history. DSC was established on the understanding that actions to date had not made a great-enough impact and that a new approach was needed to address the complex and multi-faceted nature of poverty in Northern Ireland. Across the OECD there are several examples of initiatives linking poverty and social exclusion to other social outcomes, such as health status (Vermont, Department of Health, 2012).

#### **Box E.1. Healthy Vermonters 2020: State Health Assessment Plan**

*The Health Disparities of Vermonters*, published by the U.S. state of Vermont’s Department of Health in 2010, offers an in-depth assessment of the differences in health status among the people of our state. The report details how our health is shaped by factors well beyond genetics and health care. Income, education and occupation, housing and the built environment, access to care, identity of race, ethnicity and culture, stress, disability and depression are “social determinants” that affect population health.

*Source:* Vermont Department of Health (2012), “Healthy Vermonters 2020”, Vermont Department of Health, Montpelier.

The same recognition existed among Northern Ireland’s social and political leadership, however. As several stakeholders within and external to the public sector commented during OECD mission interviews, the political structures created in 1998 reinforced departmental accountability and issue silos and created a system where senior officials’ primary responsibilities are contingent upon individual ministers rather than on the whole of government. DSC was therefore conceived to apply a multi-dimensional approach by creating conditions for departments to work horizontally to overcome in a deliberate fashion the vertical siloes that tend to preclude the NI Government from

designing and implementing multi-sectoral responses to multi-faceted challenges. DSC was designed to complement existing programmes and services of executive departments, but at the same time create opportunities for departments to innovate. DSC was therefore styled as a “pilot” or “demonstration” initiative that aimed to lead a change in the culture of government and how it approached challenges and measured success. If successful, it was hoped that DSC would also lead to a reduction in the number of interventions by enabling departments to pursue only those that showed the potential to affect real change.

Though presented as a single unified initiative, Delivering Social Change is in fact composed of three different interventions: Signature Programmes; Social Investment Fund; and Child care. These interventions are funded through the Delivering Social Change Fund, which is a fund under the control of OFMDFM.

Through Delivering Social Change the OFMDFM created a framework with three overarching objectives:

1. providing a way for OFMDFM to take forward significant cross-cutting policy development and programme delivery work
2. providing a mechanism for other departments to use the framework to take forward their cross-cutting policy and delivery work
3. developing an outline framework for future social policy interventions to complement the Economic Strategy. (The Executive Office, n.d.)

Though not a stated as a principle objective of DSC, by establishing the Framework, OFMDFM was taking a greater leadership role in policy and programme design. This role would counter one of the weaknesses in Northern Ireland’s public governance, being the relative weakness of its Centre of Government institutions. By driving change, OFMDFM would be taking on a role consistent with the OECD’s assessment of the role that tends to be played by Centre of Government (CoG) institutions in OECD countries in creating incentives to foster greater policy and programme coherence across government (OECD, 2015a).

### Box E.2. Principal tasks of the CoG

- Mobilising commitment by the political leadership to support strategic direction of reform
- Establishing a strategic policy framework to ensure that individual policies are consistent with the government’s goals and priorities
- Improving the quality of evidence used for decision making
- Acting as a central overview and co-ordinator to ensure horizontal consistency among policies
- Anticipating and resolving policy conflicts early in the policy process
- Working with Ministries of Finance to reconcile policy priorities and budgetary imperatives
- Designing implementation procedures and monitoring mechanisms to ensure that policies can be adjusted in the light of progress, new information, and changing circumstances
- Promoting an administrative culture that fosters cross-sectoral co-operation and a systematic dialogue between different policy communities.

*Source:* OECD (2012), “31st Meeting of Senior Officials from Centres of Government: Sessions Notes”, Paris.

Though ideas for whole of government programmes and policies may come from anywhere within a public administration, these often arise in CoG institutions primarily because of their broad view over the institutions of government. In this light the role played by OFMDFM in designing DSC, and creating the incentives to bring key departments to work together, are entirely consistent with the tasks of CoG institutions highlighted in Box E.2. However, given that OECD CoG institutions tend to display limited capacity to manage multi-sector programming themselves, most CoG institutions tend to withdraw progressively from leading these activities in favour of another government institution – usually the lead department/ministry. From leading the initiative, the CoG institution's role tends to transition toward monitoring its performance. Tools, such as Canada's Management Accountability Framework, can be used by CoG institutions to carry out this monitoring role.

### Box E.3. Canada's Management Accountability Framework

Canada's Management Accountability Framework or "MAF" was devised by the Treasury Board of Canada Secretariat, one of Canada's three Centre of Government institutions, to provide a comprehensive framework which establishes expectations for sound public sector management practices and performance. Consisting of an annual assessment process, MAF pursues four primary objectives:

- to gain an organisational and government-wide view of the state of management practices and performance
- to communicate and track progress on government-wide management priorities
- to continuously improve management capabilities, effectiveness and efficiency
- to provide input into the Deputy Head Performance Assessments.

Among its ten expected outcomes, MAF seeks to encourage horizontal policy and programme delivery through the assessment of:

*Governance and Strategic Management:* Maintain effective governance that integrates and aligns priorities, plans, accountabilities and risk management to ensure that internal management functions support and enable high performing policies, programmes and services.

*Source:* Government of Canada (n.d.), "Elements of the Framework", [www.tbs-sct.gc.ca/hgw-cgf/oversight-surveillance/maf-crg/eof-edc-eng.asp](http://www.tbs-sct.gc.ca/hgw-cgf/oversight-surveillance/maf-crg/eof-edc-eng.asp) (accessed 5 June 2016).

## Programme origins

The Delivery Social Change (DSC) Framework was established as the "visible expression of the Executive's commitment to work together to deal with the most persistent problems of multi-generational poverty and social exclusion" (OFMDFM, 2012). Though several of the elements that came to compose DSC were consulted upon prior to implementation, several interviewees who participated in its design explained that its main features resulted from discussions among OFMDFM Special Advisors. Interviewees shared that at the heart of these discussions was how best to address frustration among ministers and their Special Advisors about the lack of progress resulting from past government programmes to tackle poverty and social exclusion. A key

problem in this regard was the difficulty for department to work together, which resulted in duplicated interventions, with similar clienteles, without any marked improvements in their condition. These duplicated efforts were deemed by ministers and advisors to be both a poor use of public funds, though they also highlighted a more profound problem in how government in Northern Ireland worked: Departments were more interested in protecting their policy silos and the resources attached to them than addressing problems in a holistic and collaborative fashion. From these discussions emerged the broad outline for what would become the Delivering Social Change Framework.

Described as a new approach to programme design and delivery, the Delivering Social Change Framework was established to create an incentive for departments to approach problems differently than in the past so that better results/outcomes might be achieved on the ground for people. The solution approved by the Executive would consist of a central fund under the control of OFMDFM, the Delivering Social Change Fund, which would be used to finance community-based interventions. The Fund would finance three types of intervention in discrete but inter-related areas:

- delivering Social Change through a Social Investment Fund to transform local areas and develop communities by way of area-based initiatives
- delivering Social Change by Supporting Families which would seek to address the specific needs of individuals and families irrespective of where they live
- delivering Social Change through Childcare Signature Programmes, designed to address the problems which have been identified for families specifically in relation to securing accessible, affordable and integrated childcare provision. (OFMDFM, 2012).

As described on the Delivering Social Change web site, this funding would further be used to achieve a number of goals:

- create an incentive for departments to work together across institutional silos on social problems through collaborative and co-ordinated interventions (joined-up)
- encourage the adoption of a robust set of outcome indicators to measure the performance of the initiatives
- encourage innovation and risk taking in departments by encouraging the development of a new way of doing business and discharging their responsibilities
- generate savings of public funds as new more effective approaches replaced existing ones through better outcomes and effectiveness (mainstreaming)
- invert the dialogue about the use of public funds between NICS and the Executive by considering strategic and innovative investment first over “inescapable expenses” rather than fund the former out of remaining resources (The Executive Office, n.d.).

Though stakeholders within and external to the public sector<sup>1</sup> frequently referred to DSC in reference to the Signature Programmes, at its origins the centrepiece of DSC was to be a Social Investment Fund (SIF). However, as SIF project-launches were delayed by a variety of factors, including delays in the identification and approval of community-based projects, limited capacity at the local level to undertake SIF projects, and inter-departmental co-ordination issues, the political office in OFMDFM proposed using some

of the SIF funds<sup>2</sup> to launch smaller scale initiatives under the DSC umbrella. These initiatives became the Signature Programmes.

In the beginning the political staff in OFMDFM who devised DSC saw a leading role for departments in designing and proposing the demonstration projects and initiatives under the Signature Programmes. However, it soon became apparent to OFMDFM that departments, while only too happy to access additional money, were unable to come up with innovative approaches and, instead, sought funding for existing programmes or variations on them. In face of this situation the original scope and purpose of the original six Signature Programmes were drawn-up by OFMDFM and then proposed to departments for implementation. Though some departments initially resisted this approach, all participated in the Signature Programmes. The original six Signature Programmes launched in October 2012 are:

- Social Enterprise Hubs to tackle the lack of local employment by encouraging business start-ups within local communities and address the issue of derelict local premises.
- Community Family Support Programme to support young people and their families.
- Family Support Hubs to assist families and help them to overcome challenges which could otherwise be overwhelming and unmanageable.
- Improving Literacy and Numeracy to raise the literacy and numeracy levels of children and young people in Primary and Post-Primary Schools and provide valuable teaching experience to recently graduated teachers.
- Nurture Units to support the social, emotional and behavioural development of young children and provide an opportunity to challenge some of the barriers which can contribute to low educational attainment.
- Support for Parents to deliver high quality parenting support programmes (The Executive Office, n.d.).
- A seventh Signature Programme focusing on youth (Play and Leisure Signature Programme) as announced in October 2013.

In September 2014, three additional Signature Programmes, developed under the tutelage of Atlantic Philanthropies, were announced:

- services for people with dementia and their families and carers
- early intervention services for young families in need of support, and
- expansion of shared education to drive improvements in educational standards.

While the original DSC Signature Programmes were established as a means of fostering the development of more joined-up structures for delivery of services and lead to positive impacts across a number of social indicators, the Atlantic Philanthropies Signature Programmes were devised principally to test early intervention and prevention approaches founded on an evidence-based approach and to develop systemic change through new models of operation. Therefore, in addition to funding its Signature Programmes, Atlantic Philanthropies also invested in capacity-building, in evidence-based decision making and evaluation.

The Social Investment Fund (SIF) is the other major component of the Framework. SIF shares the same overarching goals as the Signature Programmes (reducing poverty and exclusion) though its approach is more decentralised and community-based. SIF's approach is the strategic use of funds to make life changing differences to people and communities facing disadvantage. The broad strategy for SIF as well as its concept, objectives and methodology were outlined in a March 2011 discussion paper (Northern Ireland Executive, 2011). Through the SIF investments it was hoped to achieve demonstrable improvements in supporting communities to:

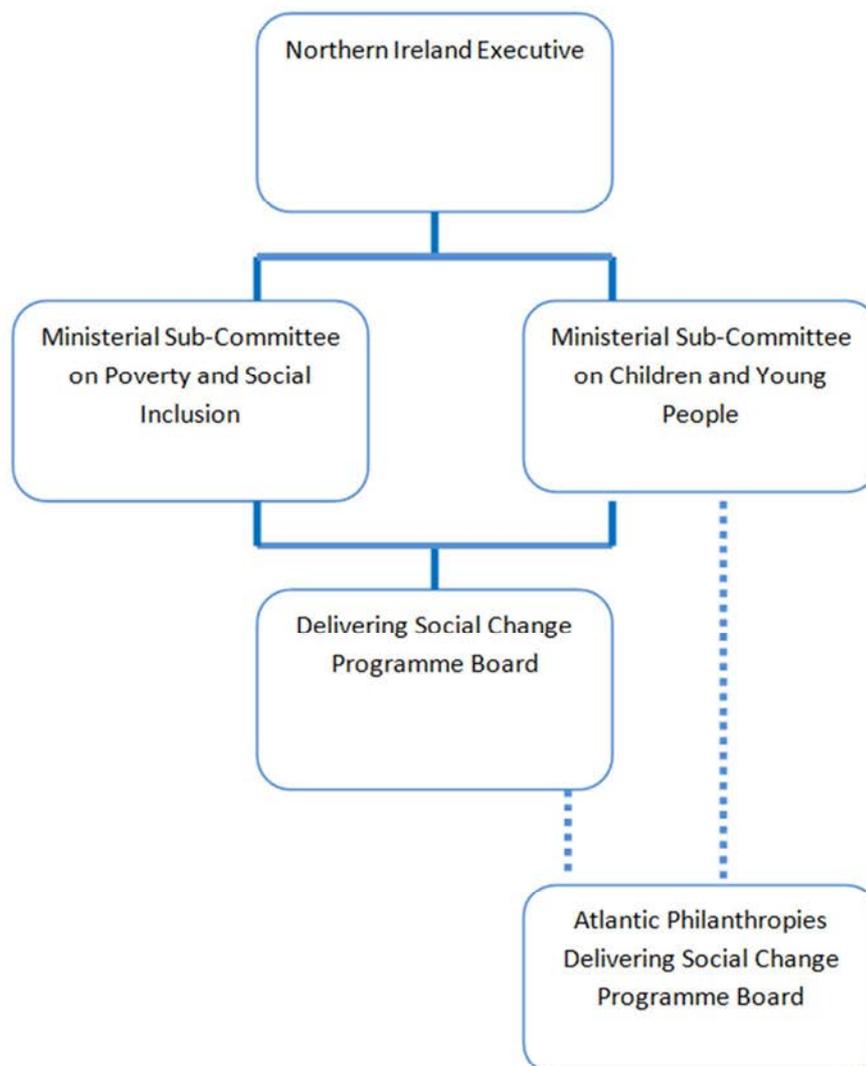
- build Pathways to Employment by tackling educational under achievement and barriers to employment; tackling skills deficits and promoting jobs brokerage, widening access to the labour market, promoting business start-up and social enterprise
- end dereliction and promoting investment in the physical regeneration of deprived communities
- increase community services by regenerating and refurbishing existing facilities and providing play facilities and environmental improvements
- tackling the systemic issues linked to deprivation including poor mental and physical health (suicide and self-harm, young mothers), substance abuse, community safety, children and young people at risk, physical health and enhancing community capacity, confidence and partnership working to end deprivation (OFMDFM, 2015b).

Though DSC was born of a desire to break from past modes of intervention, its areas of intervention were fully consistent with and mapped against the 2011-16 Programme for Government (OFMDFM, 2012). As a consequence, lessons learned from the success or failures of DSC may in turn be useful to the development of the next Programme for Government and information gathered should contribute to develop a new Social Strategy which could be part of the Programme for Government during 2016-21. For this reason, the lessons learned from DSC are readily applicable to the development of the next Programme for Government which ministers and senior officials have described as focusing on outcomes. In the following sections, we discuss themes that would be relevant to these discussions.

## **Governance arrangements are key contributors to the success of horizontal arrangements**

At the outset the governance arrangements for DSC were established with the objective of “(ensuring) that the Executive, through the DSC governance arrangements, is aware of and can support those priorities coming forward which can have the maximum influence on improving long term outcomes.” (OFMDFM, 2012). The governance of DSC, illustrated in Figure E.1, is assured by a number of bodies.

Figure E.1. Delivering Social Change governance structure



Source: Author's own work, based on The Executive Office (n.d.), "Delivering Social Change - Introduction", [www.executiveoffice-ni.gov.uk/articles/delivering-social-change-introduction](http://www.executiveoffice-ni.gov.uk/articles/delivering-social-change-introduction) (accessed 5 June 2016) and OFMDFM (2015a), "Terms of Reference - Tackling Poverty and Terms of Reference: Tackling of systemic and cross cutting issues through the Delivering Social Change Framework".

The governance for DSC flows from the Northern Ireland Executive and is delegated to two ministerial sub-committees, the Ministerial Sub-Committee on Poverty and Social Inclusion and the Ministerial Sub-Committee on Children and Young People.

- The committees are both co-chaired by OFMDFM's two junior ministers each representing one of the two leading parties in the Assembly.

- The sub-committees are responsible for all aspects of Delivering Social Change, the Signature Programmes, and the Children and Youth initiatives. The Social Investment Fund is managed by a separate governance structure.
- All ministers are members of the committees, thereby ensuring the representation of both communities and all political parties in the sub-committees.
- The First Minister and deputy First Minister are *de facto* members of the Sub-Committees and chair an annual joint meeting of the sub-committees.
- Officials from OFMDFM also attend meetings of the sub-committees. The membership of the ministerial sub-committees is referenced in Appendix E.1.

The second layer of governance is the DSC Programme Board (Board) which was established to support the Executive role with DSC. The Board, also co-chaired by the co-chairs of the sub-committees, is composed of officials (at Deputy Secretary Grade 3 – one level down from the most senior civil servant reporting directly to a Minister). Special advisor from OFMDFM are also members of the Board. The membership of the DSC Programme Board is referenced in Appendix E.2.

The DSC Signature Programmes financed by Atlantic Philanthropies (AP) are overseen by a second programme board, the Atlantic Philanthropies Programme Board (APPB). The APPB is responsible for oversight and monitoring of the three Signature Programmes funded through AP and announced in September 2014. The APPB, which receives administrative support from OFMDFM, includes representatives from Atlantic Philanthropies, the Department of Health, Social Services and Public Safety, the Department of Education, and OFMDFM civil servants and Special advisors. The membership of the APPB is referenced in Appendix E.3.

The governance of the SIF lies outside the Ministerial Sub Committee and other DSC governance structures. It is managed externally by a Departmental Programme Board chaired at Grade 3 level and includes Special Advisors (or SpAds) and senior officials; the Social Investment Fund Steering Groups; and individual project management boards for each project. The Steering Groups are community and locally-based in each of the nine SIF zones<sup>3</sup> and are composed of representatives of local business, political, statutory and voluntary and community sectors. The Steering Groups were originally established with voluntary/community, statutory and political representatives who were tasked with identifying need and developing area plans containing proposed projects to address those needs. Over time the role of the Steering Groups has evolved from area plan development. The Steering Groups now maintain project oversight and support decision making related to project funding projects and are managed by lead partners (The Executive Office, n.d.; OFMDFM, 2015b).

The priorities of the Sub-Committees are:

- “a holistic and comprehensive approach to child poverty
- a comprehensive early-years strategy that focuses on the development and well-being of each child, including affordable access to high quality early-years provision for families living in areas of disadvantage and poverty in urban and rural areas
- provision for vulnerable young people, including those in care settings, those engaged in anti-social behaviour and those in contact with the criminal justice system; promotion of good mental health and early intervention in addressing

mental health issues as they arise; provision of care for children with autism, learning, physical and sensory disabilities including respite and community provision

- safeguarding, including support for parents, families and carers
- provision for children with special educational needs in mainstream and special schools, including transitions to adulthood and the provision of appropriate health and social care interventions
- provision of school buses, road safety and transport issues” (OFMDFM, n.d.).

An interesting feature of these governance arrangements is that neither the sub-committees nor the Board appear to play a role in control of the Delivering Social Change Fund. Control over this key aspect of the Framework was retained in OFMDFM. In the case of the SIF, some of the decision-making power extends to the local level, though ultimate decision making resides with OFMDFM given its control over the Delivering Social Change Fund.

### ***Maintaining commitment***

The differences in the governance structures for each part of DSC reflect the different goals of the programme and the creation of different incentives associated with these goals. The DSC's governance structure also shares the overarching objective of ensuring involvement of the Executive and fostering increased horizontality in programme design and delivery. However, these arrangements have not proved sufficiently adapted to fully achieve these ends.

From the outset it was determined that maintaining ministerial participation and interest in the DSC was primordial. It was therefore decided that the sub-committees would meet every two months, with a joint meeting of both sub-committees convened once a year in the presence of the First Minister and deputy First Minister as co-chairs. The frequency of meetings was meant to ensure sustained attention to DSC. By elevating to the level of an executive sub-committee the governance of DSC it was hoped that a sense of common-purpose would be created which would facilitate collaboration and co-operation between ministers and departments. In addition, sub-committees were also meant to mitigate operational tendencies of the Executive: weak solidarity among members; the tendency of ministers to pursue their own priorities at the expense of those of the government; and the apparent difficulty for departments associated with ministers of one party to work with departments associated with ministers of another. In effect, the governance arrangements for DSC were an attempt by OFMDFM to counter the forces inherent in Northern Ireland's complex political arrangements.

Though DSC was and remains a high-profile initiative of the Northern Ireland Government it appears that the interest of ministers was not sustained as senior officials began substituting for ministers at the meetings. Though the decrease in ministerial attendance at sub-committee meetings could be explained by the competing demands on ministers' agendas, this could also expose a number of significant issues with the governance of DSC:

- First, low ministerial attendance could hamper the effectiveness of the sub-committees as decision-making bodies.

- Second, it could blur the line between the role of officials and ministers, especially in regard to their accountability and responsibility.
- Third, while the sub-committees were established to mitigate weak executive solidarity, the frequent absences of ministers from meetings could reinforce this weakness as ministers could readily dissociate themselves from decisions taken in their absence.

### *Empowerment for better governance*

The composition of the Programme Board is also of interest. As structured the Board could be described as a means of connecting the political and administrative interests in DSC and thereby improve co-ordination between these two functions in the governance of DSC. While few interviewees were critical of the functioning and operations of the Board, the mission team noted that the Board featured four potential weaknesses which could be limiting its influence over DSC:

- First, the OECD team observed that economic departments – though represented in the DSC Board – tended to be less active than the social departments. While this could be a reflection of the DSC's focus on primarily social concerns, it suggests that economic interventions were not fully integrated into the monitoring of DSC.
- Second, while departments were represented on the Board by officials, this representation was at a rank below that of permanent secretary. This suggests that the most senior ranks of the civil service – and the most able to interact with ministers on a regular basis – could be disconnected from the implementation of a key government priority.
- Finally, while the logic of this fusion of the political and administrative in the management of DSC might facilitate the pursuit of common interests, no interviewees who contributed to this project commented on this aspect. As a result, it remains unclear whether common interests are in fact being secured.

In the case of the APPB the mix of political, civil service and AP representatives on the programme board also suggests a desire to foster a degree of co-ordination among various interests and, especially among the three leading departments. OFMDFM's presence on the Programme Board underscores the importance of the AP funded programmes to the Executive. However, this presence also marks the dominant presence of OFMDFM across the entire DSC which several stakeholders within and external to the public sector have underlined as one of the factors that have been disempowering to departments.

This leads to a number of observations.

- **Priority signals.** The priority profile of Delivering Social Change was possibly weakened at the outset by the decision to appoint junior ministers to chair the DSC sub-committees rather than to assign other members of the Executive. This decision may have inadvertently signalled to the system that DSC was a lower priority for the Executive, an impression that was heightened by the tendency of sub-committee members to be replaced by officials. This could also be said of the DSC Board which included officials below the permanent secretary rank. Additionally, several interviewees from within the NICS commented that the

DSC was perceived across the NICS as an OFMDFM initiative over which its staff, including special advisors, had the greatest influence. Therefore, given the operational culture of NICS and the observed tendency to seek confirmation from the Executive for most significant initiatives, it appears that the governance arrangements for DSC signalled a message contrary to what had been anticipated.

- **Decision-making influence.** Hence, rather than signal the importance of DSC to the Executive as a whole, the decision-making clout of the sub-committees and Board ended up being minimised. Centralising essential decision making over DSC within OFMDFM meant that neither the sub-committees nor the Board played a leading role in the selection of the initiatives for inclusion under DSC, their funding, or implementation. This secondary role would be apparent to any stakeholder involved with DSC such that it would be advantageous to discuss the ramifications of DSC initiatives with OFMDFM rather than with the sub-committees or Board. This relative lack of influence over the Framework may have manifested itself in the absence of ministers at sub-committee and Board meetings.
- **Clarity of roles.** Neither the ministerial sub-committees, the Programme Board nor the SIF Steering Committees were given Terms of Reference upon their establishment. Though the ministers agreed on what they termed “delivery arrangements” these remain silent on matters of governance typically associated with ministerial committees or committees of officials (DFP, 2015). The APPB, for its part, has fairly loose Terms of Reference worked into its funding agreement (OFMDFM, n.d.).

#### Box E.4. Delivery Social Change delivery arrangements

The DSC framework will be led by Ministers through the Executive Ministerial Sub-Committee on Children and Young People and the Sub-Committee on Poverty and Social Inclusion. Both Committees will be chaired by Junior Ministers and will meet quarterly on alternate rotation. This will mean four scheduled meetings per year (two for each Sub-Committee). Once a year, the Sub-Committees will hold a joint meeting to be chaired by the First Minister and deputy First Minister.

The Executive MSCs will be supported by the Delivering Social Change Programme Board which will meet every eight weeks. This Board will oversee the delivery of the DSC delivery framework, ensuring that key milestones and targets are achieved. The Board will oversee a family of projects, monitoring in particular project formation and delivery. Each of the projects within this family of projects will have its own Project Board and will include representatives from key departments and organisations. OFMDFM Special Advisers will be invited on to the Programme Board and all of the Project Boards.

In addition, one of the projects within the overall delivery framework will deal with cross cutting policy issues. This is important because it will: 1) support a more joined up approach; 2) ensure that there is not an overemphasis on policies and strategies at the cost of delivery; and: 3) avoid duplication whereby multiple planning documents address the same issues.

#### Box E.4. **Delivery Social Change delivery arrangements** *(continued)*

Standard Programme methodology will be employed to ensure that the Programme and the constituent projects are properly managed. There will be an overall Programme Initiation Document, Programme Plan, Risk Register and Benefits Realisation Plan. The Programme will be subject to gateway reviews. Each Project will also employ standard Project methodology and will have its own Project Initiation Document, Project Plan, Risk Register and Benefits Realisation Plan. Higher risk projects will be subject to gateway reviews.

*Source:* The Executive Office (n.d.), “Delivering Social Change - Introduction”, [www.executiveoffice-ni.gov.uk/articles/delivering-social-change-introduction](http://www.executiveoffice-ni.gov.uk/articles/delivering-social-change-introduction) (accessed 5 June 2016).

Though most officials acquainted or involved with DSC’s signature programmes acknowledged that the selection of these initiatives reflected OFDFM’s priorities, based upon the children and young people’s discussion paper (OFMDFM, 2012), the sub-committee stated its desire to become more involved in the identification and delivery of some Signature Programmes. Specifically, the minutes of the October 2012 meeting noted:

*“Ministers agreed that the short to medium term work that would flow, in line with the priority issues identified within the Early Actions paper, would be beneficial to children, young people and their parents. Ministers were also of the view however that their commitment towards the objectives of Delivering Social Change could be further displayed through the identification and delivery of a small number of more immediate departmental “Signature” actions in key areas such as parenting and child support, educational underachievement and NEETS. These actions could see the development of new programmes or the continuation/extension of existing programmes that were proven to be successful. The potential for these or future projects to be delivered in a more effective joined up way should also be examined.”* (OFMDFM, 2015b)

However, without clear Terms of Reference for the sub-committee this statement is essentially aspirational as it appears that the sub-committee did not play a significant role in the signature programme choice or delivery.

Though Terms of Reference need not be extremely detailed, these ensure a common understanding among all committee members and stakeholders with regard to the mandate and role of the committee. An example of Terms of Reference from the Government of Newfoundland and Labrador (Government of Newfoundland and Labrador, 2015) (see Box E.6) feature several elements that clarify the *raison d’être* of a committee, these include: mandate and purpose, operating principles, main roles and responsibilities and decision making.

### Box E.5. Atlantic Philanthropies Signature Programmes governance elements

The direct management of each of the projects will be provided by individual Project Boards. In the case of EITP and DSP the Boards will be chaired by DHSSPS and comprised of representatives from The Atlantic Philanthropies, OFMDFM and funding departments and may include representatives from other organisations involved in project delivery, e.g. PHS and HSCB. In the case of SEP the Project Board will be chaired by DE and comprised of representatives from Atlantic Philanthropies and OFMDFM and may include representatives from other organisations involved in project delivery. Project Board Chairs will develop detailed proposals for memberships of their respective boards within these parameters for agreement by the Joint AP/DSC Programme Board.

The role of the Project Boards will be to:

- develop plans to deliver the overall vision, objectives and outcomes for each Programme including an overarching evaluation framework
- oversee the development of the Project Brief and Business Case
- authorise expenditure levels, set stage tolerances (agreed by AP/DSC Programme Board) and ensure funding for agreed expenditure is available within delegated limits
- authorise or reject proposed changes to cost or timescale beyond tolerance levels and all proposed changes to scope, checking for possible effects on the Business Case
- escalate to AP/DSC Programme Board where variances are beyond the authority of the Project Board
- ensure Risks and Issues are being tracked and mitigated/resolved.

Detailed project initiation documents and project plans will be prepared for each project at the outset based on the PRINCE 2 methodology. Review points will be established at key points in the project to oversee implementation and progress.

#### Advisory bodies

An independent Expert Advisory Committee (EAC) will be established to provide advice on service design and implementation to each project. The EAC will also guide evaluation and performance measurement. OFMDFM, DHSSPS and Atlantic Philanthropies will nominate members to this Committee. The EAC will report through the individual Project Boards to the AP/DSC programme Board.

Project Boards, with the agreement of the AP/DSC Programme Board, may invite input from other key stakeholders.

*Source:* OFMDFM (n.d.), “Joint AP/DSC Programme Governance and Funding Arrangements for Early Intervention Transformation Programme”, (draft).

## Box E.6. Terms of Reference of the All-Party Committee on Mental Health and Addictions (April 2015)

### Mandate

The All-Party Committee on Mental Health and Addictions was established as a result of a private members' motion raised and supported by all members of the House of Assembly on January 21, 2015. The all-party committee will review the provincial mental health care system with the goal of improving mental health programmes and services to better serve the needs of residents in Newfoundland and Labrador. The committee will consist of Honourable Members from all parties of the House of Assembly.

### Purpose

- i. to review the current state of provincial mental health and addictions services
- ii. to receive expert testimony on best practices in mental health care delivery
- iii. to consult, review, understand and make recommendations
- iv. to report its findings in the House of Assembly with the goal of improving mental health and addictions programmes and services in the province.

### Key principles

- Collaborative. All parties will follow generally accepted rules of collaborative work such as respect, active listening, tolerance of differing views, etc.
- Consensus-seeking. Although consensus may not be possible on all points, best efforts will be made to reach consensus on as many key points as possible with the ultimate goal of presenting a consensus report.
- Open and transparent. Feedback received throughout the consultation process will be made publicly available as soon as possible after each session.
- Accountable. The committee commits to respond to all major points made or ideas proposed by the participants, even if they disagree with or are not supportive of them.
- Accurate and thorough. Best efforts will be made to capture the views of all those interested in the topic; analysis and summary efforts will strive to keep the “voice” of the presenters intact.
- Shared learning. All involved understand that this is a complex topic and that there is always more to learn about it; they accept that they can learn from both the public and from one another.

### Membership

- Minister of Health and Community Services, Chair
- Minister from Social Policy Committee, acts as alternate to Chair
- Provincial Government Members of the House of Assembly – Two seats
- Official Opposition Members of the House of Assembly – Two seats
- Third Party Members of the House of Assembly – One seat

### Box E.6. Terms of Reference of the All-Party Committee on Mental Health and Addictions (April 2015) *(continued)*

#### Alternates

- Government Members of the House of Assembly – one
- Official Opposition Members of the House of Assembly – one
- Third Party Members of the House of Assembly - one

#### Meetings

- Business / debrief meetings will be scheduled bi-weekly.

#### Role of Chair

The chair will convene and manage committee meetings in accordance with the terms of reference, and will facilitate requests made by committee members in collaboration with the secretariat.

#### Role of Secretariat

The secretariat will ensure that the integrity of data generation is maintained, and that logistical requirements are always in place. Secretariat support will be provided by the Department of Health and Community Services and the Office of Public Engagement.

#### Voting

Decisions are made by consensus. If consensus is not possible, majority voice voting is used with the minority view documented.

#### Timeline and Committee wrap-up

The committee will convene from the day of official announcement to when the final recommendations are tabled in the House of Assembly. Committee will dissolve upon submission of recommendations in the House of Assembly.

#### Travel and accommodations

Travel, accommodations and per diems will be reimbursed as per Government of Newfoundland and Labrador's travel policy.

*Source:* Government of Newfoundland and Labrador (2015), "All-Party Committee on Mental Health and Addictions - Terms of Reference", [www.beheardnl.ca/documents/terms\\_reference.pdf](http://www.beheardnl.ca/documents/terms_reference.pdf)

The presence of politicians in all of DSC's governance arrangements is also noteworthy. Though a role for the executive in steering major government initiatives is fairly common across most countries and reflects an appropriate level of executive accountability, DSC is notable in involving politicians at all governance levels, including the Programme Board and SIF Steering Groups. In the case of the Board, originally set up

as a supporting committee to the Executive itself, this level of political participation risks blurring of the line between bureaucratic advice and administrative oversight and political decision making. Creating inter-related though separate governance structures for politicians and officials results from the need to ensure that administrative decisions are free of political interference. This is also important because politicians and civil servants have different roles, imperatives, and time horizons and work to differing expectations. In the case of the Social Investment Fund Steering Groups, the number MLAs sitting as members of the Steering Groups would seem to introduce a risk of politics interference with the determination of local needs and furthermore introduced the risk that political divisions at the Assembly level would interfere with decisions at the local level.

**Communicating the vision.** Finally, numerous interviewees, both within and external to the public sector, noted that there appeared to be lack of clarity on the part of members of the sub-committees and the Programme Board about their role and mandate. This is echoed within the community sector where there abounds much uncertainty about DSC and its governance. We will return to this issue below.

### *Governance summary*

In short, though the DSC Framework was supported by governance arrangements which gave a significant place to Northern Ireland's political and civil service leadership, these arrangements were structured in a manner which appears to weaken their impact and contribution to the steering and stewardship of the initiative. Though these governance arrangements did not undermine DSC, they similarly did not appear to contribute significantly to its success.

## **Multi-dimensional problems require horizontal approaches**

One of the objectives pursued by DSC is to achieve lasting improvements in reducing poverty and social exclusion “by co-ordinating actions between departments” (Northern Ireland Executive, 2011). This issue was highlighted previously. To this end a medium to longer term objective of DSC was to lay a foundation to change the operational culture of ministers and the civil service and create the conditions for greater horizontality. Though this objective grew out of concerns in OFMDFM about the lack of interdepartmental co-ordination when dealing with similar or related problems, this concern was also one of the main messages to emerge from the stakeholder consultations that led to the establishment of DSC (OFMDFM, 2012). The underlying causes for this stemmed from political, institutional, and organisational culture and, to a degree, from a lack of capacity within the NICS and broader public to work horizontally.

While the co-ordination of front lines interventions has long been practiced at the point of service, this co-ordination has tended to occur as a result of need rather than planning. For example, stakeholders interviewed for this case study illustrated the problem in reference to families in need of social support who require nearly 27 different interventions from across the range of public services being delivered by NI (e.g. social workers, health workers, police, etc.). It was hoped that by introducing greater horizontality and multi-dimensional approaches in service delivery, this would lead to better co-ordination of the interventions and, it was hoped, to a reduction in their number as duplicative services would be eliminated. To get to this point, it was expected that departments, working together, would not only better co-ordinate actions, but would also work together at the stage of priority identification and programme design.

At the outset the structure of the Framework's governance was constructed to foster a horizontal outlook on programme design and delivery. However, the views of NICS stakeholders vary in terms of the DSC's impact on the ability of departments to collaborate. Questionnaire responses describe DSC specifically as a "successful experiment in cross-departmental working (sic)". Other responses noted that part of the problem was rooted in the lack of political leadership which hampered the ability of departments to work across ministerial portfolios (OECD, 2015b). Where ministers and senior officials often define their role in terms of protecting their policy domains and departmental resources, DSC's sole incentive lever to encourage horizontally was the DSC Fund. In this regard it is interesting to note that the focus on outcomes, near absent from DSC's early discussion documents (OFMDFM, 2012; OFMDFM, 2011), is referenced by stakeholders as one of the main objectives of DSC. This is relevant as it introduces another lever for encouraging interdepartmental co-ordination that shifts the discussion from one of resources to one of whole of government contribution to social change and improvement. In other words, outcomes become a measure for the degree of collaboration among departments to the development of a whole-of-government approach to NICS programme design and delivery.

By demonstrating tangible and sustainable reduction in poverty and disadvantage DSC could be described as a tool to change the operating culture of the NI government as a whole. The evidence considered as part of this case study suggests that for Northern Ireland's government this remains a goal to be achieved.

### ***Working horizontally requires a unifying vision***

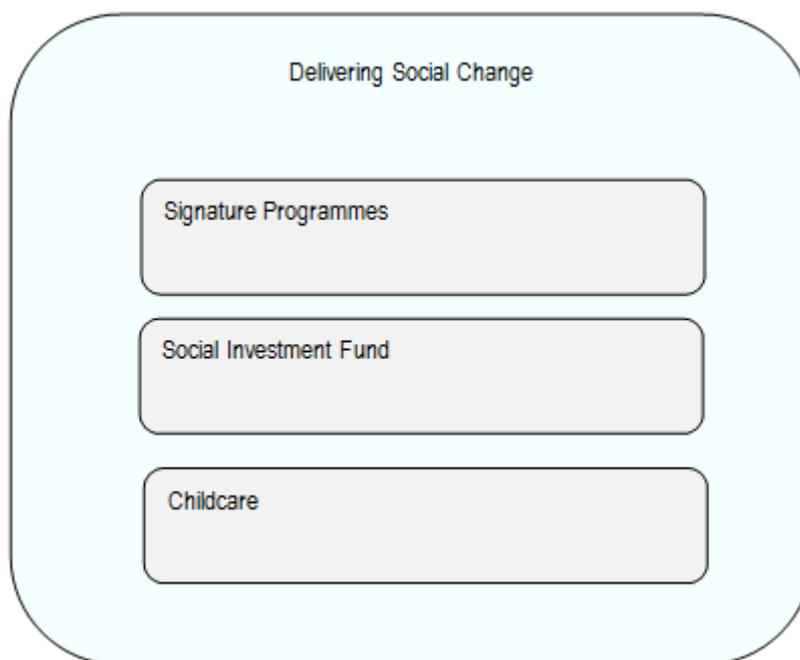
Clarity of objectives is one of the key factors that have been associated with the success of government-wide initiatives. As most governments are structured institutionally to reflect certain key policy areas, in most countries this means that on most issues the natural of departments is to drift toward their policy domain and associated stakeholders rather than toward issues that cut across departmental boundaries. To counter this situation requires the development of a coherent and shared vision for government-wide initiatives. The communications of this vision to internal and external stakeholder serves not only to inform but also to create a shared understanding and common purpose. In the case of DSC, this shared understanding and common purpose appears lacking. As an initiative DSC emerged from OFMDFM without much preliminary discussion with departments. In terms of stakeholder consultations, these were limited in scope and primarily confirm issues that had already been identified in OFMDFM.

As a consequence, though the general outline and objectives for DSC were relatively well understood, the means to address these and the roles to be played by departments and the non-governmental sector were less clear. This lack of clarity about DSC manifested itself through this case study in a number of ways: First, most stakeholders, including several within the NICS and broader public sector, equated DSC with the Signature Programmes; second, there was little discussion of the Social Investment Fund or the children and youth focused initiatives despite their officially stated priority; third, few were able to describe DSC beyond its most general elements.

This suggests a failure in communicating to citizens and stakeholders the goals and vision for DSC, how it functions and how it delivers. We will return to this issue below. However, in terms of how DSC is seen to function, it is clear that the communications strategy and activities associated with DSC did not increase public and stakeholder

awareness of the Framework and, consequently, one of its key pillars, engagement of the community ended up not being supported. Figure E.2 represents the operating vision of DSC as described in official documents consulted as part of this review.

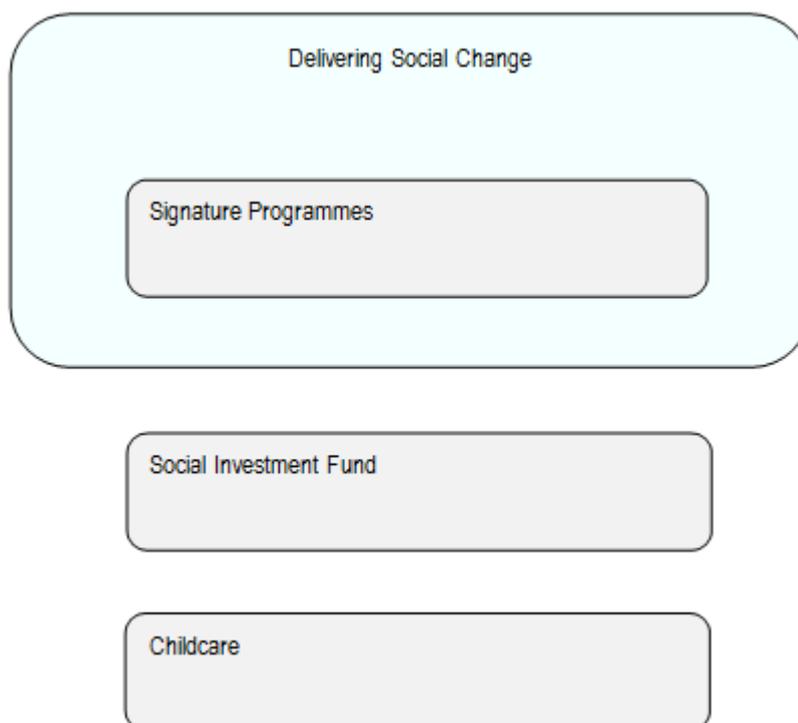
Figure E.2. **Delivering Social Change Framework**



Source: Author's own work, based on The Executive Office (n.d.), "Delivering Social Change - Introduction", [www.executiveoffice-ni.gov.uk/articles/delivering-social-change-introduction](http://www.executiveoffice-ni.gov.uk/articles/delivering-social-change-introduction) (accessed 5 June 2016).

Figure E.3 represents how several stakeholders, including many within the public sector, describe how DSC functions from their perspective.

This lack of a coherent vision about what Delivery Social Change seeks to achieve and initiatives that have been launched as part of DSC could be a factor that has hampered greater horizontality. The same arguments can be made about DSC's interest in promoting multi-sectoral approaches. As noted above, in some social areas multi-sectoral service delivery was already a necessity, though this relied more on co-ordination among actors rather than on truly joined-up actions. Rather than co-ordinating interventions among departmental silos, DSC sought to create incentives to increase departmental interventions with impacts within their policy areas but also in the areas under the responsibility of other departments. For example, rather than address school absenteeism for **looked-after children** through the co-ordinated interventions of two social workers, one from the education sector and one from the social care sector, it was hoped DSC would lead to the development of a child policy leading to a single intervention by a single social worker who would holistically consider a child and not as a client from a policy sector.

Figure E.3. **Delivering Social Change Framework: Stakeholder perspective**

*Source:* Author's own work, based on stakeholder interviews.

In several regards DSC proved successful in getting departments to work together on various aspects of a single problem. However, as several stakeholders within and external to the public sector noted, these collaborations were few among institutions and typically only lasted for the duration of the programme funding. In this regard the Signature Programmes appeared to have made a limited impact as most programmes typically involved only one department and OFMDFM, such as the Community Family Support Programmes/Pathways to Success. The AP Signature Programmes, for their part, were more complex projects involving a greater number of departments and most of them, such as Getting Ready to Learn, which involves five departments and AP (The Executive Office, n.d.). At the level of SIF the fund projects were typically community-based and involved limited involvement by NICS departments. Co-ordination in this regard was a lesser concern. The Children and Youth strategy, for its part, is still in development and lessons learned from the Signature Programmes may prove relevant to the implementation of this strategy as it moves forward.

Though evaluations have not been completed for DSC Signature Programmes a number of interviewees described Northern Ireland departments as continuing to face difficulties in working horizontally. It was suggested that the manner in which DSC was rolled out across departments may have contributed to this as Signature Programmes focused on involved few departments and a contributing factor may have been where the programmes were first developed, the OFMDFM, with little in the way of consultation with departments and external stakeholders.

An example proposed by several interviewees which highlights this issue is the Literacy and Numeracy Signature Programme. Frequently pointed to by interviewees within and external to NICS as the most successful of the Signature Programmes, this programme is remarkable in that it is housed within a single policy area, education. Though its aims are to improve outcomes with respect to employment, poverty reduction, educational attainment, among others, the fact that only one department was involved in it did not contribute to horizontality nor did it create formal or informal structures upon which future inter-departmental approaches could be built.

The remaining five Signature Programmes have objectives that cross departmental boundaries though, as noted above, the number of implicated departments will be small. What this suggests is that the criteria for DSC Signature Programmes were fairly broad in such a way that programmes inconsistent with one of its key goals would qualify for funding.

### ***Horizontal arrangements can extend beyond the public administration***

Another dimension associated with multi-sector programme design and delivery concerns the ability of government to work with other government institutions, beyond the core civil service departments, and with other sectors such as the private and civil society sector. In this instance, with the exception of the Signature Projects developed with Atlantic Philanthropies, there are few tangible examples of NICS being able to work effectively with other sectors. As we will discuss below, the involvement of outside stakeholders into the design of DSC and its Signature Programmes was small and occurred at the early stages of DSC's creation. As DSC rolled out, it appears that the role played by these other interests was limited, with the exception of them being recipients of DSC funding. In this regard the Social Investment Fund may be a notable exception as it relies on significant community involvement in the identification of qualifying projects and the management of their implementation.

### ***Horizontality may be improved with the application of the right incentives***

The ability for governments to work in a co-ordinated fashion has proven a challenge in several countries. In the case of Northern Ireland, the obstacles to working across government institutions are partly structural, as they reflect the machinery of the Northern Ireland government, but also part of the organisational cultural of the public sector. There are numerous incentives and disincentives that can be used to foster greater co-ordination and horizontally. The lever promoted by DSC was financial support to bring organisations to work better together. Though the evaluation of DSC remains to be completed, it appears that the increased funding which came with DSC did not make a lasting impact on interdepartmental collaboration. As several interviewees commented, departments would collaborate when funding was available but would revert to their departmental silos and means of operating once the funding ended. Beyond highlighting a problem with incentives for DSC, it also suggests issues with applying lessons learned from the DSC Programmes and the lack of mainstreaming of promising initiatives once funding ended.

An associated issue is the lack of non-financial incentives to foster departmental co-ordination and horizontality. As we noted above, the introduction of outcomes into the discourse surrounding DSC served to establish a common ground upon which departments could plan their interventions. At the level of the public administration,

incentives can also be established to foster horizontality. At different points in the case study NICS officials noted that the performance management process for NICS staff and senior officials did not underscore the contributions made to government-wide priorities, such as DSC. It was observed that despite the emphasis placed on working in a joined-up fashion (for example in the Programme for Government and other statements of government policy) the performance of senior officials, or the organisations which they lead, seldom included consideration for interdepartmental projects or working on government-wide priorities generally. In the specific case of DSC, the performance of senior officials did not consider how their organisation contributed to DSC. The use of strategic human resources management tools, such as performance management, has been used in several OECD countries to develop great attention to whole of government actions and changing organisational cultures (OECD, 2015a).

We previously referred to Canada's Management Accountability Framework (MAF) as a means which can be used across a government to track the adherence to government-wide priorities and the contribution made to the realisation to government priorities. For example, MAF includes a specific assessment for the contribution made by institutions to governance and strategic management.

Canada also links the results of the government-wide MAF assessment to the performance management process for its senior officials. As outlined in Box E.7, the performance of deputy heads in Canada's government is based on a number of factors, including the contribution made to government-wide priorities (Privy Council Office, 2015). This performance management process also includes consideration of the MAF results on the understanding that institutional results are a reflection of how deputy heads have acquitted their roles.

### ***Service delivery choices can address broad societal needs***

Another factor to examine is how well DSC reflected an effective service delivery approach. The issues of poverty and social exclusion are complex and addressing them must rely on more than a single intervention. This issue was readily acknowledged from the outset in the development of DSC. Ensuring the effectiveness of the interventions will require directing individuals to the service that would bring the greatest potential impact.

From the consultations supporting the development of DSC came the understanding that tailoring services to individuals, families and communities and the most difficult problems require interventions that span the responsibilities of several public sector organisations. Several examples were suggested by interviewees from within and external to the public sector which highlighted the need for co-ordinated actions, such as in the area of support to children and families which necessitate education, social welfare, health and other sectors. This understanding is reflected in the OFMDFM's "chain of need" which describes three levels of intervention: One-on-one services for specific cases (individuals or families); services for particular groups; and services for all citizens. In terms of resource use, specific interventions would be the most resource intensive and those directed to all citizens the least resource intensive (OFMDFM, 2012). Therefore, given limitations in resources the selection of approaches would prove most challenging.

The "chain of need" is exemplified in the selection and implementation of the Signature Programmes, such as the Family Support Hubs and Social Enterprise Hubs, as well as the Atlantic Philanthropies Signature Programmes, and its Early Intervention Transformation Programme.

### **Box E.7. Performance Management Programme Guidelines for Canada's Heads of Agencies and other Governor-in-Council Appointees (excerpt)**

#### **Performance agreements**

The performance agreement is a mutual understanding between the appointee and the appropriate authority as to what is expected for the performance cycle. This performance agreement is comprised of individual commitments, as well as the related performance measures:

#### **Individual commitments**

**Policy and Programme Results.** These commitments reflect the organisation's priority areas of focus during the performance cycle, related to business plans. They are challenging but achievable with effort through the individual's own influence and control. They must also be results-oriented and measurable or clearly demonstrable. Commitments must be such that the individual will personally make a significant contribution to their achievement. Individuals are expected to develop commitments based on their organisation's business plans.

Each commitment must be accompanied by related performance measures which are observations or data that determine and define if and how well the commitments are met. They will form the basis of reporting at the end of the performance cycle.

#### **Management results**

Individuals with responsibility and accountability for the management of an organisation will also be measured on their progress implementing the management conditions described in the Management Accountability Framework (MAF). The organisational and management accountabilities set out in the MAF translate into generic commitments and serve as benchmarks for expected performance of Governor in Council appointees.

#### **Leadership results**

These commitments reflect the expected demonstration of the Key Leadership Competencies which are required to successfully carry out the responsibilities of the position. The Key Leadership Competencies are generic commitments and serve as a benchmark for expected performance of GiC appointees.

#### **Corporate results**

This commitment reflects a current Government priority. It will be identified on an annual basis by the Clerk of the Privy Council and the results will be evaluated and rewarded based on the contribution of the individual toward the corporate commitment.

Details on the corporate priorities are posted annually on the Privy Council Office website.

*Source:* Privy Council Office (2015), "Performance Management Programme for Heads of Agencies and other Governor-in-Council Appointees", Government of Canada, Privy Council Office, Ottawa.

As Northern Ireland, governments across the OECD have been challenged in their attempts to find means to design and deliver services and programmes that will make a meaningful impact on intractable and multi-dimensional social problems. The choices are typically between universal programmes and targeted interventions. For example, in 2102 the New Zealand Parliament's Maori Affairs Committee requested expert opinions on the issue (Parliament of New Zealand, 2012).

#### Box E.8. Universal and targeted funding approaches (New Zealand)

Universal services are those that are widely available for all citizens wishing to use them, often at no or minimal cost. While some universal services do have wide coverage, they may not be intended to be available everywhere for everyone, and there are usually some criteria for determining access (e.g. age for universal services for children such as free visits to the doctor for children under six years).

Targeting services or interventions means services are offered to a limited group of individuals/families, i.e. they are not universally available. Early intervention services are usually targeted to certain populations or areas. Prevention of child maltreatment involves targeting services to families with high and complex needs, based on an identification of known factors that place the child at risk of maltreatment. This includes targeting services, such as positive parenting programmes, to these families. Targeting may be based on:

- individual or family characteristics of the child (child-based targeting)
- average characteristics of the area where the child lives (place-based targeting)
- specific areas of need across population groups (e.g. mental health)
- specific groups or individuals who are known to be at risk of developing a particular health, behaviour, social or developmental problem.

*Source:* Parliament of New Zealand (2012), "Universal and Targeted Funding Approaches", Parliament of New Zealand, Maori Affairs Committee, Auckland.

As was highlighted at several points in this Review by several stakeholders, there remains in Northern Ireland a significant degree of service delivery which is defined by reference to community. This practice has resulted in the duplication of public services and consequent public expenditures that are higher than elsewhere in the United Kingdom and politically risky to compress. From the evidence presented as part of this Review, the Signature Programmes have been designed to focus on the needs of targeted populations and their specific social needs. However, what is less clear is the degree to which the allocations and initiatives that have flowed from the Signature Programmes have reflected community divisions. If this is indeed the case, this limits lessons to be learned from DSC and how these may be applied to more streamlined delivery and toward a reduction in public expenditures.

The Social Investment Fund is a greater concern in this regard as the allocation of funding is based on investment zones that reflect the geographic contours of Northern Ireland's two main communities. Because of this factor, and the fact that funded projects vary in their scope and nature, it is unlikely that SIF contributed to promoting effective service delivery.

Overall, though the views of stakeholders interviewed as part of this Review varied, there was general agreement that DSC contributed to better integration of services across

organisations, though perhaps not a lasting improvement. However, less clear is the degree to which DSC may have replicated past approaches to government funding along community lines.

### ***Capacity as a precondition for horizontality***

Another factor raised by several interviewees within the public sector concerns the capacity of staff to support interdepartmental objectives. Though not strictly evident only in the case of DSC, interviewees commented that staff lacked some of the skills necessary to work horizontally. This may highlight an assumption on the part of Northern Ireland's political leadership that departments had the necessary capacity to work better together.

Ensuring that the capacity is in place to work horizontally depends on a number of institutional and individual factors. Foremost, the infrastructure of government must include means by which organisational and staff are able to connect and network on issues that are horizontal in nature. This infrastructure may include supporting tools that are common to all staff or to staff working within a given area. Examples of this include shared databases, intranet sites, wikis, and social media. Other supports will include the establishment of communities of practice, formal and informal networks, and team-building opportunities. A good example of this type of support is the NICS Policy Champions Network. Another means of building capacity is through training and professional development opportunities that are provided to reinforce staff skills in particular operational or administrative areas. In the case of DSC specifically and the NICS more broadly, several interviewees noted that capacity within the NICS to work horizontally was not as developed as it should be. Specific areas in need of attention in this regard concerned training and development.

### ***Horizontality summary***

In short, though DSC had as one of its principal goals to foster collaboration across NICS departments, indications from the evidence gathered suggests that the only lever applied consisted in funding. While this immediate injection of funds was welcomed in departments and the fact that these funds were disbursed in a manner pursuant to horizontal goals and outcomes, this does not appear to have had a lasting effect in the funded areas nor did it communicate well to other service or policy initiatives.

## **Placing citizens at the heart of social change**

Improving the quality of public services means putting citizens at the centre of administrative action. This can take many forms, but one of the main benefits is improving public services by bringing in the expertise of service users (Löffler, 2009). In the case of DSC, though the Framework originated in OFMDFM, its development included a series of stakeholder consultations held in 2012. Documents prepared for OFMDFM identify the stakeholders consulted as including representatives of the Poverty and Social Inclusion Forum, Children and Young People's Strategic Partnership, Neighbourhood Renewal Partnerships, Local Rural Action Groups and organisations representing constituencies under section 75 of the *Northern Ireland Act*. The consultations which focused on seven themes<sup>4</sup> identified a number of key ones upon which Delivery Social Change would be based. The consultations came to three principal conclusions:

- Delivering Social Change should be built upon past initiatives with positive impacts.
- Maintain a strategic outlook on poverty and social exclusion.
- Services need to be tailored to individuals, families and communities with the recognition that flexibility will be needed to ensure that different people, families and communities receive the support they need (OFMDFM, 2012).

In addition, other consultations were held, such as those revolving around SIF and focusing on a pre-discussion strategic document (OFMDFM, 2011) and those undertaken by the department for Education on the Early Years Strategy, which also contributed to shaping DSC (OFMDFM, 2012).

Though consultations were an integral part of the development of DSC, these appeared limited in scope and served to confirm issues that had already been identified in OFMDFM. Consultations involving NICS departments and other public sector institutions were similarly limited.

The involvement of citizens in the implementation of DSC was similarly limited. With the exception of the Social Investment Fund which provides for a large role for the community in the selection and implementation of Fund projects, several interviewees within the NICS reported that the level of community input which preceded the establishment of DSC was not sustained when the Signature Programmes were selected. These views focus on the manner by which Signature Programmes areas were first selected in OFMDFM prior to engagement with departments, limiting in this way the possibility for meaningful stakeholder engagement. This would be consistent with the viewpoint expressed by stakeholders internal and external to the public sector concerning the lack of effective citizen engagement across the public sector.

However, a different perspective on this considers DSC as an example of a real effort at community engagement in social policy development that incorporates elements of co-design which ensures government, citizens and stakeholders are working in a two-way relationship to tackle social issues. Interviewees, principally within NICS, point to SIF and Social Enterprise Hubs as areas where communities are actively involved as partners in the programme. These interviewees also point to other means of involving citizens and service users, such as the use of omnibus survey instruments, to collect thoughts and opinions on the biggest social barriers faced by citizens. Citizens are also asked to self-nominate for future engagement activities, such as workshops, to ensure that the voices and opinions of the public are captured to inform future social policy development.

For its part the SIF stands out from the Signature Programme as its decision making and delivery structure places community interests at the centre of decision making. Though OFMDFM, departments and agencies, and external funders play a role in co-ordination and oversight of SIF projects, community representatives are involved in providing strategic direction through the development of area based plans and through management and delivery of many of the final approved projects. The Steering Groups established in each Investment Zone, for their part, play a key role in community consultations and ultimately in project selection.

Several stakeholders within the public sector also suggested that the recent local government reforms, and in particular the role which local councils will be playing in community planning, may provide increased opportunity generally for citizens to engage in social policy development in the future. This new Statutory Duty for Community

Planning establishes a framework where local councils, departments, statutory bodies and other relevant agencies will be able to work together in a number of economic and social areas based on effective community engagement (DoE, 2015). This role for councils remains to be enhanced beyond the advisory role played by local councils in SIF steering committees. This would be consistent with the desire for local involvement in decision making.

The citizen-engagement approaches that have been part of the development and implementation of DSC, its Signature Programmes and SIF projects have relied upon what could be described as traditional forms of citizen engagement. These include the use of consultation meetings, workshops and discussion papers which citizens and stakeholders are asked to respond to. Though governments across the OECD are increasing their use of digital means to engage citizens, this element has not been adopted for DSC.

Where DSC has fostered the development of web-based tools these have been an offshoot of the European Centre for Delivering Social Change, established to support DSC. The Centre, which hosts a website for sharing relevant research, articles and other publications of interest stakeholders, has also established an online forum using Google+ for sharing information relating to Delivering Social Change. OFMDFM, for its part, maintains a website devoted to presenting information and documents relating to DSC. This includes a newsletter-style stakeholder which is distributed to over 1 000 recipients and which serves to provide updates on the progress of DSC. However, beyond these limited examples, there is no use of digital media to either encourage citizen engagement or support the implementation of DSC. This is an area in need of further development.

### ***Citizen engagement summary***

In summary, though traditional consultations in the form of workshops, consultation meetings, and discussion papers were integral to the development of DSC, there is less clarity about the involvement of community interests in the implementation of the initiative. SIF stands as an exception given the role played by communities in Fund decision making. Similarly, while some effort has been made to provide information on the DSC via electronic means, no means of digital engagement have been deployed to support the initiative.<sup>5</sup> In terms of citizen engagement, DSC exemplifies many issues that have been identified elsewhere in NICS. As a demonstration initiative DSC had the potential to try new approaches to community involvement and the use of new technologies to support this. This potential has yet to be realised.

## **Building the evidence base for designing social improvement and well-being programming**

Evidence-based decision making is a key tool with which governments and public administrations can examine and measure the likely benefits, costs and effects of their decisions. It is an extremely beneficial exercise for governments (OECD, 2011). Placing evidence at the centre of decision making was recognised early on in the development of DSC and, it was hoped, would be one of its main demonstration effects. DSC was further established with the objective of fostering improvement across a series of social areas, including general well-being. This interest in using DSC to improve well-being was identified early in the development of DSC. The concept of well-being itself is a broad concept which captures a number of dimensions important in people's lives (Doran,

Wallace, and Woods, 2015). Measuring well-being relies on the use of indicators to establish the level of well-being, which links this with two other aspects of DSC: increasing the use of evidence and decision making and changing the focus in the public sector from targets to outcomes.

### ***Create incentives for an evidence-based operational culture***

The focus on shifting decision making in the NICS towards greater reliance on evidence was one of the goals to be pursued by the DSC. As several commented, it was hoped that moving toward the greater use of evidence would change the nature of discussions among ministers and officials and give way to increased focus on early intervention. This would also entail moving officials and ministers away from reliance on approaches already in place, with little evidence of any positive impact, towards considering new approaches whose impacts could be measured

Supporting this shift toward evidence-based decision making requires infrastructure to gather and analyse information. Several interviewees noted that one of the main benefits of DSC was the establishment of an extensive programme of information and experience gathering that would contribute to improving the delivery structures for the framework elements as well as the evaluation processes. One initiative in this regard was the establishment of a partnership with the University of Ulster and Queen's University in the European Centre for Delivering Social Change. Since its establishment the Centre has served as a platform for gathering and sharing European and international best practice for tackling poverty and social exclusion. However, the Centre is at an early stage of its development and a true picture of its capacity to support evidence-based decision making has yet to emerge. Otherwise, few stakeholders within the public sector shared specific examples of how the use of evidence in their organisations had increased as a result of DSC. As DSC and its Signature Programmes are still on-going, this may reflect the fact that lesson learning about the use of evidence has yet filtered into departmental culture and operations.

Another factor raised previously concerns the limited role which departments have played in the development of Signature Programmes and other aspects related to DSC. As was suggested by several interviewees within the NICS, the dominant role played by OFMDFM in developing Signature Programmes meant that departments had little ability to put forward information to assist in the selection of the programme or its design. As a consequence, on several occasions OFMDFM proposed programmes that would be difficult to implement for departments. Two frequently cited examples of this are the Literacy and Numeracy and the Social Enterprise Hubs Signature Programmes. In both cases, information held by departments which would have aided OFMDFM shape the proposals was not considered as part of decision making. This resulted in delays in the roll out of these two Signature Programmes as departments tried to negotiate modifications to facilitate their implementation. However, this appears to have been less of a situation with the second wave of Signature Programmes and those led by Atlantic Philanthropies.

The increased reliance on the use of evidence was seen as a way of shifting the focus among ministers and officials away from historic practices towards new approaches with greater potential to effect real change. It is in this area that Atlantic Philanthropies made a significant contribution by including early intervention and prevention as foundational elements of its activities in Northern Ireland. Though early intervention and prevention were key considerations in the consultations leading to the DSC, this aspect of the

Framework gained increasing attention through the Atlantic Philanthropies grants. The AP projects funded out of these grants placed the development of evidence as key programming consideration, thereby drawing the attention of stakeholders to the importance of grounding interventions in evidence. Atlantic Philanthropies was further instrumental in funding the evaluation of its programmes in Northern Ireland, which served to further highlight the efficacy of evidence-based approaches through all phases of a project (Atlantic Philanthropies/Mathematica Policy Research, 2013). In doing so, AP also prompted increased attention to the issue of evidence and its use across the entire programming phases: design, development, implementation and evaluation.

### ***Partnerships to support the use of evidence***

A number of non-governmental organisations have also played a role in raising awareness of evidence-based approaches by contributing to building capacity across the public sector in this area. In this area as well, AP played a critical role through its grants to non-governmental organisations. As a consequence of this funding these NGOs gained not only the means to contribute to evidence-based decision making but also gained access to the DSC partners, such as Atlantic Philanthropies, and have worked closely with the Northern Ireland departments and public sector organisations in support of DSC. The involvement of these NGOs as critical in the areas of the collection and dissemination of information, evaluation, and independent or commissioned research was also noted by several interviewees. Though positive about their contribution to changing the nature of the discussions around policy making in Northern Ireland, these organisations however recognised that DSC's transformational aspects with the use of evidence have yet to be integrated into the operational culture of the NICS and broader public sector.

The recourse to evidence-based decision making in DSC was not absolute and there was the recognition in OFMDFM that expediency of action – that is countering the inertia which had been a factor in creating DSC – meant basing initiatives on a more limited evidence base. As stakeholders within the NICS noted, at certain key points the necessity for OFMDFM to be seen to act was deemed more important than the evidence-base. Though no interventions were funded without any evidence in support, the evidence used was at times thinner than what would have been expected or hoped for. For example, political staff noted that several of the Signature Programmes originated out of a desire to demonstrate action and test principles and that as a result some Signature Programmes were selected with little evidence-base to support them. In some cases, projects were selected principally because of their novel approach rather than because evidence pointed to their utility or need, or the evidence used was partial and based on experience in other countries. In others the interventions were funded using DSC resources to demonstrate “proof of concept” for certain approaches despite awareness that these would not have medium to long term impacts.

Another issue arising from the use of evidence, well-being and outcomes concerns the lack of Signature Programmes that have been adopted as part of regular departmental programming following their DSC funded phase (i.e. mainstreaming). At the outset it was hoped that DSC funding would enable departments to try new approaches to problems which, if found successful, would be adopted to replace less successful approaches. The money saved from ending ineffective approaches would be recycled to fund the newer approach. To do so would necessitate evidence-based evaluations of the Programme. However, even where evidence pointing to tangible results arising from Signature Programmes, these have not been mainstreamed as departments dropped the new

programme as soon as the financing ended. For example, the Literacy and Numeracy Signature Programme was not pursued by the department despite its apparent success. This suggests that despite DSC's focus on the use of evidence, NICS departments have not adapted their decision making to include evidence-based considerations and have continued to privilege existing approaches over the new ones.

### ***Evidence and well-being summary***

Although well-being, the use of evidence, and outcomes are referenced in several places documents and pronouncements concerning DSC, interviewees consulted within and external to the public sector suggests that much remains to be done to fully integrate these aspects into the DSC, in particular, and as to how Northern Ireland departments approach policy making. Though they are broad indications that matters have improved in several regards, there is still some way to go for the Northern Ireland public sector to fully embed these approaches. The fact that Signature Programmes have not been mainstream should be considered as an indication that evidence-based approaches have to be fully integrated into the NICS and the ministerial operating culture. However, as interviewees within NICS suggested, the lack of mainstreaming at this time can be leveraged to foster evidence-based approaches by providing departments with the time to conduct evaluations and assessments of the Programmes with the view to potential adoption at a later date. Especially in a period where departmental structures will be changing, this also provides the time necessary to consider issues such as the proper alignment of Signature Programme lessons learned with the new departmental role and mandates.

More importantly perhaps, the full integration of evidence-based approaches offers Northern Ireland's leaders with the opportunity to base their decisions on evidence rather than on purely political interests which have tended to mark the design, development, and implementation of government programming in the past.

## **Conclusions and recommendations**

Delivering Social Change was established in an attempt to move the NICS and public sector generally towards a new way of approaching the chronic problems of poverty and social exclusion delivery that could yield measurable, positive outcomes. It was also conceived as a means of testing and demonstrating that holistic and strategically planned interventions offer the greatest potential for addressing these chronic issues. Though there is evidence that DSC's goals and objectives, and the means of reaching these, are not well understood, even by stakeholders in relative proximity to the Framework, there is broad consensus that increasing the attention of government to these matters is positive and beneficial. How to affect these chronic problems and whether the way forward laid out in the DSC is sound should be the object of a full evaluation of each of its components and the initiative as a whole. The recommendations presented below suggest avenues to enhance the potential for the NI Government to achieve its objectives through the Delivering Social Change Framework.

### ***Recommendation 1: Governance***

As noted above, the governance arrangements for Delivering Social Change could be strengthened to clearly delineate between the roles and mandates of each of its governance structures. Part of this stems from the absence of clear Terms of Reference for the governance structure, a situation which is atypical of the practice across the OECD. Terms of Reference would also serve to demarcate between the guiding and oversight function and the operational and administrative function of the committees. In the case of DSC, the former role is best played by the sub-committees, the latter role would best be played by a committee composed entirely of officials. This separation would also instil at the level at which officials would gain greater awareness of the need to collaborate with peers and to provide advice to ministers based on the best available evidence. At present, the fusion of the political and administration roles within the DSC governance undermines accountability and may also contribute to officials being overexposed to political considerations. The existing governance arrangements may also hamper the whole-of-government approach while misusing Ministers' valuable time debating purely technical or administrative matters.

In addition to clarifying the roles and responsibilities of each governance level, it is also important to provide these with appropriate support to guide their decision making. As discussed, at present, OFMDFM has played the central role in terms of the selection of Signature Programmes. Though decision making at the Executive level for an initiative as important as DSC is not in itself problematic, streamlining the decision process is. To aide this, clarity should be brought to the criteria and process surrounding the approval of Signature Programmes. Furthermore, communicating to stakeholders the selection criteria may further enhance the quality of project proposals and, thereby, improve the realisation of Framework objectives.

As noted above, the need to ensure that parochial and political considerations do not interfere with the administration of the Framework suggests the need to limit the influence of the political class in favour of greater involvement by communities. This is specifically the case with the Social Investment Fund which affords a large place for Assembly members on its Steering Committees.

Another finding concerns the relatively minor role which officials played in the development of the DSC Framework. In many OECD jurisdictions the delineation between politics and administration, often referred to as the political-administrative interface, sees the politician as a decision-maker and the civil servant as advisor and, frequently, proponent of certain governmental actions. Applied to DSC this model would have seen the ministerial sub-committees as the ultimate decision-making body on project proposals first reviewed by the civil service against criteria which has previously received executive approval.

A related point concerns the lack of direct involvement in the governance structures of the NICS' most senior officials. As noted above, as a priority initiative of the Executive, the presence of more senior officials in DSC's governance structures would send a signal to the entire public service concerning the importance of the initiative, and at the same time would underscore the need to adjust procedures and practices to support its overarching goals, such as horizontality. Finally, the presence of senior officials would enable the use of human resources tools, such as performance management, to ensure that officials are contributing actively to the realisation of government-wide priorities, such as DSC.

In light of the findings the Northern Ireland government could consider the following:

- The overarching governance for Delivering Social Change could be unified under a single executive sub-committee and composed, as currently, of ministers and junior ministers.
- The DSC Programme Board could be restructured to be composed solely of senior officials below the Permanent Secretary Grade (Deputy Secretary and/or Assistant Secretary). It could perform the functions of a mirror committee of officials to provide technical support and policy advice to the Ministerial committee.
- The SIF Steering Committees could be restructured to be composed solely of representatives of community-based organisations. Terms of Reference could be developed for all DSC governance arrangements. At a minimum these Terms of Reference could establish membership, roles and responsibilities, decision-making processes, and specific rules of order and procedure.
- A specific process and funding criteria could be developed to guide the decision-making process for DSC Programmes and investments. The criteria should reflect the key goals and objectives of the programme.

### ***Recommendation 2: Horizontality***

Working horizontally, across government, and with actors inside and external to the public sector has been identified as an issue at several points in the broader Public Governance Review and in this Review specifically. In this instance as well it may be too early to determine to what extent DSC has had an impact on the ability of the NICS to work in a horizontal (within the NICS) and multi-sectoral (with actors across the public sector and in the non-governmental sector) way.

While most of the Signature Programmes demonstrate the awareness of the need to address from multiple angles some of the determinants of poverty and social inclusion, it is also true that some of the programmes, such as the Literacy and Numeracy Programme, strayed away from this early vision to take on narrower approaches centred around one policy area. As some interviewees also noted, as the initiative rolled out it appears that the necessity to demonstrate change may have come to outweigh this early objective. Therefore, if DSC could be said to be coherent with the goals of fostering cross-cutting approaches, its implementation was less so. Similarly, though DSC could be seen as a means of improving service delivery – especially through the better targeting of interventions. Though one of the goals of DSC was to improve impact by enabling government to drop ineffective programmes in favour of newer and more effective programme, the lack of mainstreaming of programmes that have apparently proven effective suggests that service delivery improvement was not a primary goal.

The Social Investment Fund is perhaps a better example of the DSC Framework engaging with actors outside of the NICS. Given the significant role played by communities in SIF project approval and stewardship, it created conditions for departments to work with actors outside of government. As such, the Fund stands as a better example of DSC fostering multi-sectoral approaches to address social ills. However, it is too early to determine whether the SIF will have contributed to forging lasting relationships between the NICS, communities and the non-governmental sector.

As noted above, civil service leadership is one of the factors that contributes to the ability of public administrations to work in a horizontal manner in support of government-wide priorities. This calls for not only the active participation of senior officials in the implementation of these initiatives but also on creating incentives for these officials. Therefore, making contributions toward the realisation of government-wide priorities – such as DSC – would send a powerful signal to the civil service. It would also create incentives for senior officials to ensure that their institutions and staff have the capacity necessary to support these initiatives.

As a result, NI could consider the following:

- The performance management process for all senior officials from Grade 3 (Deputy Secretary) and upwards should include an element which assesses their contribution to the advancement of whole-of-government priorities.

### ***Recommendation 3: Use of evidence***

DSC has clearly focused the attention of ministers and officials on the necessity to use evidence to develop programmes and evaluate them. It is unclear, however, to what extent this has filtered to truly change how ministers and officials make decisions and recommendations. Part of this may stem from the time necessary for the lessons learned from DSC to permeate the NICS and public sector more broadly. It may also be a reflection of lack of capacity – both in terms of skills and structures – to bring evidence to the centre of decision making. In both instances, embedding well-being and evidence into government policy, it may be too soon to determine the extent of DSC's impact.

From the outset, DSC acknowledged that if successful, its approach would contribute to improving well-being in Northern Ireland. However, despite this foundational statement, it remains unclear to what degree well-being has been integrated into DSC. It can be fully expected that any success tackling poverty and social exclusion will have an impact on well-being. However, it was not demonstrated to what degree the Signature Programmes or the SIF include indicators which could be used to determine the impact of DSC on well-being.

In light of this, the NI government could consider the following:

- The outcomes-based focus of the Delivering Social Change policy framework should be strengthened in order to enable ministers to assess the performance of initiative against these outcomes based on robust evidence.
- Human resources tools, such as training, could be utilised to further develop the capacity of NICS staff in a number of areas such as horizontal working, evidence-based decision making, and other areas that were pursued as objectives of the DSC.
- Indicative criteria for well-being could be developed and applied as part of the evaluation of Northern Ireland priorities in the areas of social and economic policy.

### ***Recommendation 4: Citizen engagement***

Finally, citizen engagement remains an area in need of specific attention, not simply in the context of Delivering Social Change, but in the broader work of the NICS and the public sector more generally. As we noted above, with the exception of the SIF,

community and stakeholder involvement have not been a key element in the roll out of DSC or in the selection or implementation of most of the Signature Programmes. By most accounts consultations with citizens and stakeholders were conducted at the early stages of developing DSC, but these included relatively few interveners and relied on traditional means of consultation. Similarly, digital and social media have not been used as a tool to disseminate information about DSC or to engage the public. These remain areas in which the NICS needs to invest.

In light of the findings NI could consider the following:

- OFMDFM and principal Delivering Social Change partners, including Atlantic Philanthropies, could establish a citizen engagement strategy to increase the contribution of citizens and stakeholders in the future development of DSC, including consideration for a role in identification of priorities areas of Signature Programmes.
- OFMDFM and principal Delivering Social Change partners, including Atlantic Philanthropies, could seek opportunities to leverage digital technologies and social media to increase dissemination of information on DSC as well as increase citizen and stakeholder involvement in the initiative.

### ***Closing comments***

As Northern Ireland considers the development of a renewed social policy framework, some final observations on Delivering Social Change may be relevant:

- First, any social policy framework needs to be built on partnership and co-design with the civil society sector but also ensure adequate and meaningful participation from the broad public sector, including local councils.
- Second, attention will need to be given from the outset to the outcomes that are being pursued and the availability and capacity to analyse evidence relating to these outcomes. Evaluation and performance measurement will need to be addressed as the framework is being developed.
- Third, governance arrangements that differentiate between political and administrative accountability and responsibility will need to be established. Given the impact on society at large, a place within these governance arrangements should be ensured for community interests.
- Fourth, developing the institutional and human resources capacity within the NICS and broader public sector will be essential to the implementation of the framework. Finally, as Northern Ireland proceeds with the renewal of its social policy framework it might seek to inspire itself from internationally recognised best practices and examples in other comparable jurisdictions, whether within the United Kingdom or further afield, in keeping with the social and economic realities of Northern Ireland.

## Appendix E.1. Membership of the Delivering Social Change Ministerial Sub-Committees

Name	Department
Emma Pengelly	Office of the First Minister and deputy First Minister
Jennifer McCann	Office of the First Minister and deputy First Minister
Michelle O'Neill	Department of Agriculture and Rural Development
Carál Ní Chuilín	Department of Culture, Arts and Leisure
John O'Dowd	Department of Education
Stephen Farry	Department for Employment and Learning
Jonathan Bell	Department of Enterprise, Trade and Investment
Mark H Durkan	Department of the Environment
Mervyn Storey	Department of Finance and Personnel
Simon Hamilton	Department of Health, Social Services and Public Safety
David Ford	Department of Justice
Maurice Morrow	Department for Social Development
Michelle McIlveen	Department for Regional Development
Mark Browne	OFMDFM – Official (Director Equality and Strategy Directorate)
Joe Reynolds	OFMDFM - Official (Director Programme for Government, Delivering Social Change and Financial Governance Division)
Lucy Marten	OFMDFM – Official (Delivering Social Change Team)

*Note:* Neither Mark Browne, Joe Reynolds or Lucy Marten are members of the Committee but provide support to the Committee related to the Programme.

## Appendix E.2. Membership of the Delivering Social Change Programme Board

Name	Business area/ department
Junior Minister	Joint Chairperson
Jennifer McCann	
Junior Minister Emma Pengelly	Joint Chairperson
Dr Mark Browne	Office of the First Minister and deputy First Minister, DSC Programme Director
Joe Reynolds	Office of the First Minister and deputy First Minister, Programme Support
Stephen Boyd	Office of the First Minister and deputy First Minister, G5 Director of Finance
Stephen Brimstone	Office of the First Minister and deputy First Minister, FM Special Adviser
Aine McCabe	Office of the First Minister and deputy First Minister, dFM Special Adviser
Louise Warde Hunter	Department of Agriculture and Rural Development
Maggie Smith	Department of Culture, Arts and Leisure
Katrina Godfrey	Department of Education
Heather Cousins	Department for Employment and Learning
Colin Sullivan	Department of Finance and Personnel
Fiona McCandless	Department of the Environment
Sean Holland	Department of Health, Social Services and Public Safety
Anthony Harbinson	Department of Justice
Chris Stewart	Department of Enterprise, Trade and Investment
Tracy Meharg	Department for Social Development
John McGrath	Department for Regional Development

### Appendix E.3. Membership of the Atlantic Philanthropies DSC Programme Board

Name	Affiliation	Role
Dr Mark Browne	Office of the First Minister and deputy First Minister	DSC Programme Director
Stephen Brimstone	Office of the First Minister and deputy First Minister	FM Special Adviser
Aine McCabe	Office of the First Minister and deputy First Minister	dFM Special Adviser
Joe Reynolds	Office of the First Minister and deputy First Minister	Programme Support
Lucy Marten	Office of the First Minister and deputy First Minister	Programme Support
Padraic Quirk	Atlantic Philanthropies	Board Member
Paul Murray	Atlantic Philanthropies	Board Member
Angela Hodkinson	Atlantic Philanthropies	Board Member
Peter Boyd	Atlantic Philanthropies	Board Member
Faustina Graham	Department of Education	Shared Education
Andrew Bell	Department of Education	Shared Education
Sean Holland	Department of Health, Social Services and Public Safety	Dementia/Early Intervention
Eilis McDaniel	Department of Health, Social Services and Public Safety	Dementia/Early Intervention
Chris Matthews	Department of Health, Social Services and Public Safety	Dementia Programme
Jerome Dawson	Department of Health, Social Services and Public Safety	Dementia Programme
Maurice Leeson	Department of Health, Social Services and Public Safety	Early Intervention
Stephen Boyd	Office of the First Minister and deputy First Minister	G5 Finance Division
Pauline Donnan	Office of the First Minister and deputy First Minister	Statistics/Evaluation
Janis Scallan	Office of the First Minister and deputy First Minister	Statistics/Evaluation

*Note:* Neither Joe Reynolds or Lucy Marten are full-members of the Committee though they provide support to the Committee related to the Programme.

### Appendix E.4. Membership of the Strategic Investment Fund Programme Board

Name	Role
Mark Browne	Office of the First Minister and deputy First Minister, Senior Responsible Officer
Ricky Irwin	Office of the First Minister and deputy First Minister, Programme Director
Orla McStravick	Office of the First Minister and deputy First Minister, Programme Manager
Aine McCabe	Office of the First Minister and deputy First Minister, dFM Special Advisor
Emma Pengelly SIF Team	Office of the First Minister and deputy First Minister, FM Special Advisor

\* Members of the SIF Team provide secretarial and other support.

## Appendix E.5. List of organisations interviewed

- Carnegie Roundtable
- Children in Northern Ireland
- Community Places
- Department for Education
- Department for Employment and Learning
- Department of Health, Social Services and Public Safety
- Education and Skills Authority
- Health and Social Care Board
- Joint Forum, Delivering Social Change Representative
- National Children's Bureau
- NI Association of Mental Health
- Office of the First Minister and deputy First Minister
- Parenting NI, Odyssey - Parenting your teens
- Poverty Policy Forum, NI Council for Voluntary Action
- Social Care Commissioning, Health and Social Care Board
- Social Enterprise NI

## Notes

1. Several individuals from the government and non-governmental sectors contributed to this Review through confidential interviews. Indication of the provenance of the interviewee is described as follows: public sector includes individuals from the Northern Ireland Civil Service and other public institutions, such as non-departmental public bodies; external to the public sector refers to individuals from the civil society, charitable, or community sector, and NICS refers to individuals working for a Northern Ireland executive department, including ministers and special advisors.
2. Though SIF funding was used to launch the DSC Signature Programmes, the total funding for SIF was unaffected over the duration of DSC.
3. The nine SIF zones cover all of Northern Ireland and mirror the health and social care board areas outside Belfast and the four Assembly constituencies within the greater Belfast Area. The only exception is the Derry/Londonderry zone which mirrors the former Derry City Council boundary. These zones are: Belfast North, Belfast South, Belfast East, Belfast West, Derry/Londonderry, Southern, South Eastern, Northern, and Western (The Executive Office, n.d.).
4. These themes were: education, employment, welfare reform, economy, government, communities, and health.
5. As discussed in Chapter 4 of the Review, the use of social media by the Northern Ireland departments is restricted.

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## *Annex F*

### **Health services commissioning in Northern Ireland**

*This case study discusses the principal elements of Health and Social Care commissioning in Northern Ireland. This case study explores how the commissioning system functions and how it supports the delivery of health and social care. The findings and recommendations of this case study form part of the overall recommendations of the Northern Ireland Public Governance Review.*

## Introduction

As part of the broader Public Governance Review (PGR) of Northern Ireland that the OECD is undertaking, the OECD was asked to conduct a case study on the key elements of Health and Social Care commissioning in Northern Ireland. This document presents the findings of that case study and provides recommendations on potential ways to improve the effectiveness of the delivery of health and social care (HSC) services through better commissioning in Northern Ireland. The focus is on how the commissioning system as a whole functions, including a discussion of how well current commissioning arrangements are placed to support the delivery of health and social care in Northern Ireland. It does not discuss the performance of any individuals who are part of this system. The document builds on OECD experience in the field, existing literature, a small set of targeted interviews with key stakeholders in Northern Ireland to ascertain their perception, and on an international survey on commissioning and health service delivery across selected OECD countries, which was conducted specifically for this report.

All analysis in this Case Study is based on information received by 27 August 2015, the date at which the OECD received final comments from the Government of Northern Ireland on the preliminary draft sent to DFP for fact-checking.

## Background to review

Across industrialised countries the cost of healthcare is increasing, driven upwards by increases in the costs of providing care, medical advances and demographic changes<sup>1</sup> (Appleby, 2013; de la Maisonneuve and Oliveira Martins, 2013). The rising cost, alongside downward pressures on public expenditure, presents a significant challenge to maintaining and improving standards of health and social care. In NI the situation is no different. For the 2014/15 budget the Department of Health, Social Services and Public Safety (DHSSPS) identified that it required an additional GBP 420 million to meet the costs of all existing policies and expectations (DHSSPS, 2014b). Taking into account planned increases to the DHSSPS budget of GBP 90 million and savings of GBP 170 million the DHSSPS predicted the funding gap would be about GBP 160 million. Given these financial constraints, the DHSSPS needs to ensure that available resources are used to increase access to services and improve the health of the population in the most efficient and sustainable way.

At present the commissioning process, although only one element of the overall health and social care system in NI, is intended to play a central role in ensuring the efficient use of resources to deliver health and social care services that are responsive to the population's needs and drive continuing service improvement, offering both "value for money" and strategic direction. The term "commissioning" is particularly associated with the UK National Health Service (NHS). Commissioning refers to the proactive and strategic process for the planning, purchasing and contracting of health services to meet the health needs of a local population (Shaw et al., 2013; KF, n.d.). Commissioning is an "end-to-end" process that covers "the cycle of assessing the needs of people in an area, designing and then securing appropriate service" (Macmillan, 2010), it is therefore also intended to have a system-shaping function. As such the commissioning process in Northern Ireland is critical to the functioning of the whole health and social care system.

However, recent reviews and studies have suggested that the commissioning system has weaknesses. For example, the Donaldson Review raised concerns that the current commissioning arrangements in Northern Ireland do not appear to be operating as effectively as anticipated (Donaldson, 2014). The review concluded that the commissioning system was underpowered and that an important part of the commissioning process – Local Commissioning Groups – act more as advisers and project managers than commissioners. Set against a backdrop of financial constraints and anticipated increase in demand, it is likely that services will continue to struggle to achieve future targets. There are therefore concerns that commissioning in the health and social care system in Northern Ireland may be performing poorly. It is in this context that the Minister for Health, Social Services and Public Services recently announced a review of current commissioning arrangements (Box F.1).

**Box F.1. Terms of Reference for review of commissioning arrangements announced by the Minister**

As the next budget period draws closer, and to ensure that the commissioning of health and social care services is fit for purpose to meet the changing and growing needs of the citizens of Northern Ireland in the future, the Department has instigated a review of commissioning to identify opportunities for improvement. This review will:

- Undertake an assessment of how the commissioning process facilitates the delivery of high quality and efficient health and social care services in Northern Ireland, with particular reference to:
  - assessing the health and social well-being needs of the population of Northern Ireland
  - strategic planning to prioritise needs within available resources, including the use of financial and other levers, to reshape services to meet future needs
  - engaging patients, users, carers/families and other key stakeholders at a local level in the commissioning of health and social care services
  - securing, procuring, incentivising and agreeing high quality, value for money service provision to meet the assessed and prioritised needs of the population
  - ensuring the delivery and outcomes from services commissioned
  - evaluating the impact of health and social care services and feeding it back into the commissioning process in terms of how needs have changed
- Bring forward recommended options to improve the effectiveness of the delivery of health and social care services in Northern Ireland.

*Source:* Government of Northern Ireland.

## Objectives

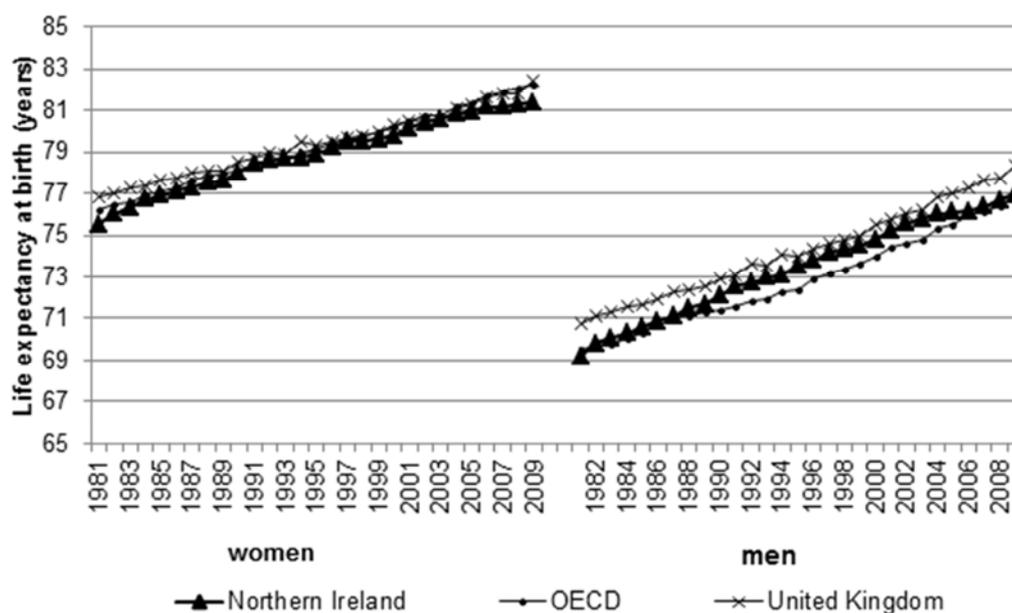
This case study specifically seeks to consider the following three aspects of the *Review of Commissioning Arrangements*:

1. how effectively the health and social well-being needs of the population of Northern Ireland are assessed

2. the use of strategic planning to prioritise those assessed needs within available resources
3. how well the system incentivises high quality, value for money, service provision to meet the assessed and prioritised needs of the population.

Life expectancy provides a simple indicator of the relative health of the population (Bevan et al., 2014). In Northern Ireland, there has been a steady increase in life expectancy at birth between 1991-93 and 2010-12 by about five years for men, from 72.7 years to 77.8 years, and about three and a half years for women, from 78.7 years to 82.3 years (ONS, 2014). It can be seen in Figure F.1 that life expectancy at birth in Northern Ireland is largely comparable to the OECD and UK average; in 2009 life expectancy at birth for women in NI was slightly lower than in the OECD and UK averages, 81.4 years compared to 82.3 years and 82.4 years respectively, and slightly higher for men compared to the OECD average, 77.0 years versus 76.7 years, but lower than the UK average, 78.3 years (OECD, 2015, DHSSPS, 2013).

Figure F.1. Life expectancy at birth for men and women in Northern Ireland, United Kingdom and OECD, 1981-2009



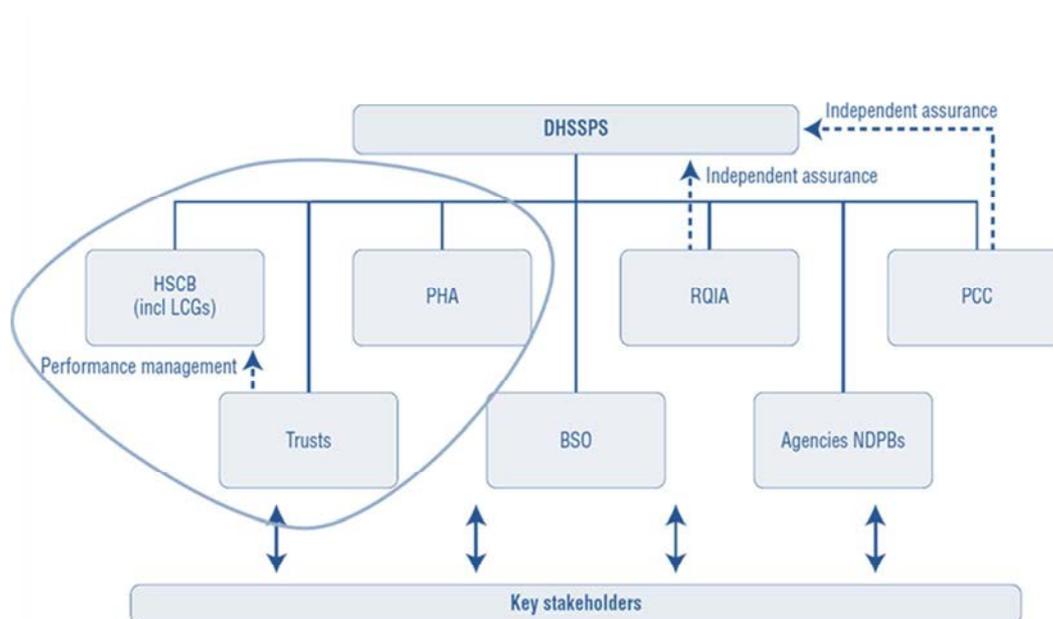
Source: Author's own work, based on OECD (2015), "OECD Health Statistics 2015", [http://stats.oecd.org/index.aspx?DataSetCode=HEALTH\\_STAT#](http://stats.oecd.org/index.aspx?DataSetCode=HEALTH_STAT#) (accessed 23 July 2015) and DHSSPS (2013), "Life Expectancy Decomposition", data, Department of Health, Social Services and Public Policy, Belfast, [www.health-ni.gov.uk/sites/default/files/publications/dhssps/hscims-life-expectancy-decomposition-2013.pdf](http://www.health-ni.gov.uk/sites/default/files/publications/dhssps/hscims-life-expectancy-decomposition-2013.pdf); [www.nationalarchives.gov.uk/doc/open-government-licence/version/3/](http://www.nationalarchives.gov.uk/doc/open-government-licence/version/3/).

The main causes of death in Northern Ireland are circulatory disease, cancer and respiratory diseases, which respectively accounted for around 31, 28 and 13% of deaths in 2010 (DHSSPS, 2013).

## Organisation of the health and social care system

Health and Social Care (HSC) has been provided as an integrated service in Northern Ireland since 1973 and is almost entirely free at the point of use for all residents, with the exception of dental care and care home costs<sup>2</sup> (Ham et al., 2013). The current organisational structure of NI's HSC system was established as part the NI Executive's Review of Public Administration (RPA) commenced in 2002.

Figure F.2. Overview of Northern Ireland's health system



*Note:* The boxes under DHSSPS represent the various HSC bodies. The circle encloses those bodies directly involved in the commissioning of services.

DHSSPS = Department of Health, Social Services and Public Safety. HSCB = Health and Social Care Board, LCGs = Local Commissioning Groups, PHA= Public Health Agency, BSO = Business Services Organisation, RQIA = Regulation of Quality Improvement Authority, Agencies = Special Agencies (Northern Ireland Blood Transfusion Services, Northern Ireland Medical and Dental Training Agency and Northern Ireland Guardian ad Litem Agency), NDPBs= Non departmental Public Bodies PCC = Patient and Client Council.

*Source:* Author's own work, based on DHSSPS (2011), "Framework Document", Department of Health, Social Services and Public Policy, Belfast, [www.health-ni.gov.uk/sites/default/files/publications/health/dhssps-framework-document-september-2011.pdf](http://www.health-ni.gov.uk/sites/default/files/publications/health/dhssps-framework-document-september-2011.pdf); [www.nationalarchives.gov.uk/doc/open-government-licence/version/3/](http://www.nationalarchives.gov.uk/doc/open-government-licence/version/3/).

As demonstrated by Figure F.2, the DHSSPS has overall authority of the health and social care system, but delegates responsibility for the commissioning, delivery and governance of services to Arm's Length Bodies established under the Health and Social Care Act (NI) 2009 (O'Neill et al., 2012). The DHSSPS has three main responsibilities (DHSSPS, 2014a):

- Health and Social Care (HSC), which includes policy and legislation for hospitals, family practitioner services and community health and personal social services.

- Public Health, which covers policy, legislation and administrative action to promote and protect the health and well-being of the population.
- Public Safety, which covers policy and legislation for fire and rescue services.

## Financing of the health and social care system

The NI Executive is funded by a block grant from the UK government, the size of which is determined by the Barnett Formula<sup>3</sup> (Ham et al., 2013, UK Government, 2010). The Executive's spending power is fixed for each year of the block grant and resources cannot be reallocated between years; however the Executive is free to distribute the grant among the government programme as it chooses (NIE, 2015). The current block grant covers the years 2011 to 2015.

Each year the DHSSPS makes a request for resources (RfR) under the headings of health and social care. These are presented to the Northern Ireland Assembly (NIA) as part of the Main Estimates in June each year and contain the net expenditure needed by the DHSSPS to fulfil its RfR obligations (McGregor and O'Neill, 2014). The DHSSPS receives the largest proportion of the block grant. In 2014/15 the DHSSPS received over GBP 4.6 billion, which accounts for almost 47 % of total public expenditure. Thus, despite progress on health outcomes and evidence from the most recent review of the four health systems of the United Kingdom by Bevan et al. (2014) which highlighted that the NI health system's performance is comparable to those in the other UK countries (Bevan et al., 2014), health and social care remains a key issue for the NI Assembly, as it accounts for the largest proportion of its budget.

It can be seen in Table F.1 that while the actual budget has increased year after year, in real terms the budget has been relatively stagnant. Each year the DHSSPS gives the Health and Social Care Board (HSCB) a revenue resource limit (RRL) to draw upon (McGregor and O'Neill, 2014). Details on how the RRL is allocated among different health and social care services are detailed further.

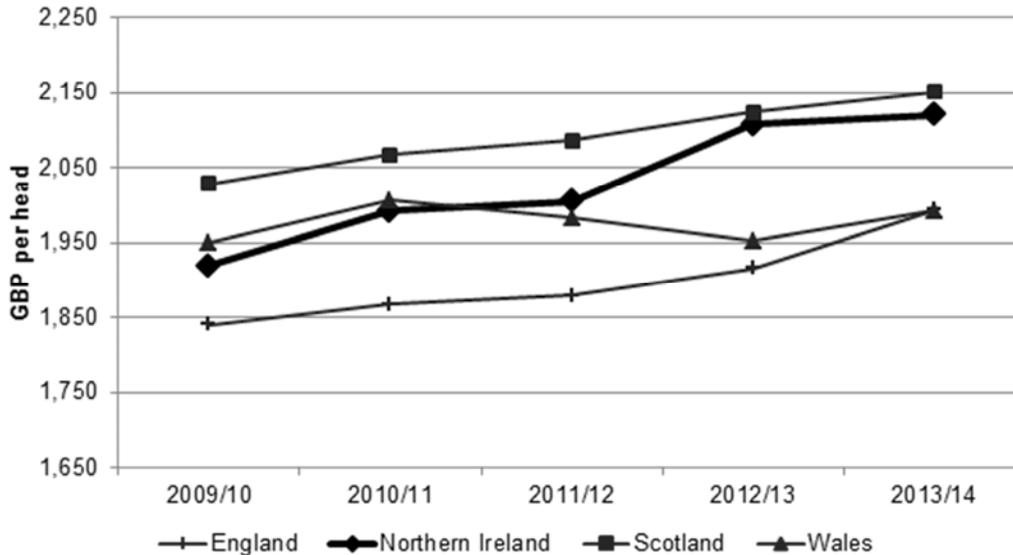
Table F.1. DHSSPS budget settlement 2011-15

	2011/12	2012/13	2013/14	2014/15
Current expenditure (GBP million)	4 838.1	4 447.6	4 569.2	4 659.4
% uplift		1.5%	2.7%	2.0%
Real terms % (updated April 2014)		- 0.3%	0.9%	- 0.2%

Source: DHSSPS (2014b), "Briefing Paper for Health Committee: DHSSPS Financial Position in 2014/15", Department of Health, Social Services and Public Policy, Belfast, [www.dhsspsni.gov.uk/index/pressoffice/statements-minister/statements-minister-2014/fo2014-15.htm#anch1](http://www.dhsspsni.gov.uk/index/pressoffice/statements-minister/statements-minister-2014/fo2014-15.htm#anch1).

Government spending per head has increased by around 10% from GBP 1 919 in 2009/10 to GBP 2 121 in 2013/14 (UK Government, 2014), which is the greatest increase in spending on health per capita of the four countries of the United Kingdom (Figure F.3).

Figure F.3. Government expenditure on health per head across the United Kingdom, 2009/10 to 2013/14



Note: The figures do not include expenditure on social care.

Source: UK Government (2014), “Public Expenditure: Statistical Analyses 2014”, HM Treasury, London, [www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/330717/PESA\\_2014\\_-\\_print.pdf](http://www.gov.uk/government/uploads/system/uploads/attachment_data/file/330717/PESA_2014_-_print.pdf).

## Commissioning health and social care in Northern Ireland

Commissioning involves the introduction of competition in the provision of healthcare, with the retention of a public monopoly in financing. This structure has emerged from the dual goals of addressing current public sector inefficiencies while retaining the known equity advantages of public healthcare systems. All health systems, regardless of the model of delivery and financing, undertake planning, purchasing and contracting of health services and resources (Box F.2) (Figueras et al., 2005).

Since 1991, the commissioning process in the UK National Health Service has operated as a purchaser-provider split (Porter et al., 2013). The separation between the “purchaser” (commissioner) and “providers” of health services has created a “quasi-market” in which both public and independent health care providers are able to compete for contracts to deliver services. This element of competition was intended to drive up quality and increase “value for money”<sup>4</sup> (Donaldson, 2014). Following devolution,<sup>5</sup> Northern Ireland maintained a version of the purchaser-provider split, while both Scotland and Wales abandoned the split in 2004 and 2009, respectively (Bevan et al., 2014; O’Neill et al., 2012).

### Box F.2. Strategic planning purchasing and contracting of health services

Purchasing is the allocation of funds to health service provider organisations as reimbursement for products and services on behalf of identified groups or the entire population (Figueras et al., 2005). Models of purchasing vary across countries, principally determined by the model of health system financing. Purchasing functions may take place at the central, regional and/or local levels. In many countries, the purchasing of advanced technologies takes place centrally, regardless of the arrangements of other services. In general, the organisation responsible for collating funds plays a central role in purchasing, which can be, for example, an insurance scheme, a Ministry of Health or an autonomous agency. There may be more than one purchasing organisations and each may have different market shares. Although the presence of multiple purchasers may introduce an element of competition into the system, competition between purchasers is generally rare.

Purchasing models also vary by the degree of integration between the purchaser and provider. Some countries, such as England, New Zealand, Northern Ireland and Spain, have created a purchaser-provider split in which the purchaser acts as an agent for the patients and/or government to identify health care needs and contract the necessary services from a separate health service provider (OECD, 2010). In other countries, such as Scotland and Wales, there is a single body which performs both the purchaser and provider functions. The purchaser-provider split is intended to create a competitive “internal market” between providers to increase the efficiency and cost-effectiveness of service delivery (Tynkkynen et al., 2013). In the absence of competition, the system requires information and transparency to ensure provider challenge, and an independent body outside of the system to hold providers to account (O’Neill et al., 2012). Other factors which may influence the purchasing model include the public-private mix of providers, and the level of centralisation/decentralisation of the health system (Figueras et al., 2005).

Regulation of providers’ budgets varies by health care system. In countries where the health system is funded nationally through general taxation fixed allocations are usually made to purchasers on the basis of a capitation formula. In the United Kingdom, the underlying principle of a capitation formula is to distribute resources based on the relative need of designated populations for health services.

In publically funded healthcare systems with limited health care resources there is a need for a transparent and effective approach to identifying needs and allocating resources to ensure greater efficiency in the use of available resources and equity of access and health outcomes (Shaw et al., 2013). More strategic approaches to purchasing ensure that available resources are used to improve the health of the population in the most efficient way, thus providing “value for money” (Figueras et al., 2005; Shaw et al., 2013). The 2000 World Health Report distinguished between passive and strategic purchasing (WHO, 2000):

“Passive purchasing implies following a predetermined budget or simply paying bills when presented. Strategic purchasing involves a continuous search for the best ways to maximise health system performance by deciding which interventions should be purchased, how, and from whom.”

Strategic purchasing seeks to enhance population health through a continual process comprising a series of activities embedded within a wider strategy to improve health. The process covers the planning, procuring and monitoring of services to inform future purchasing of services. An effective approach places the needs of the patients at the heart of the process to ensure services deliver the highest quality care that is responsive to patients’ needs to improve health outcomes (RCGP, n.d.).

In order to be able to effectively place patients at the heart of this process, their involvement in the process as well as that of organisations working on their behalf and for them (civil society organisations, patients’ organisations, health personnel associations, etc.) is evident.

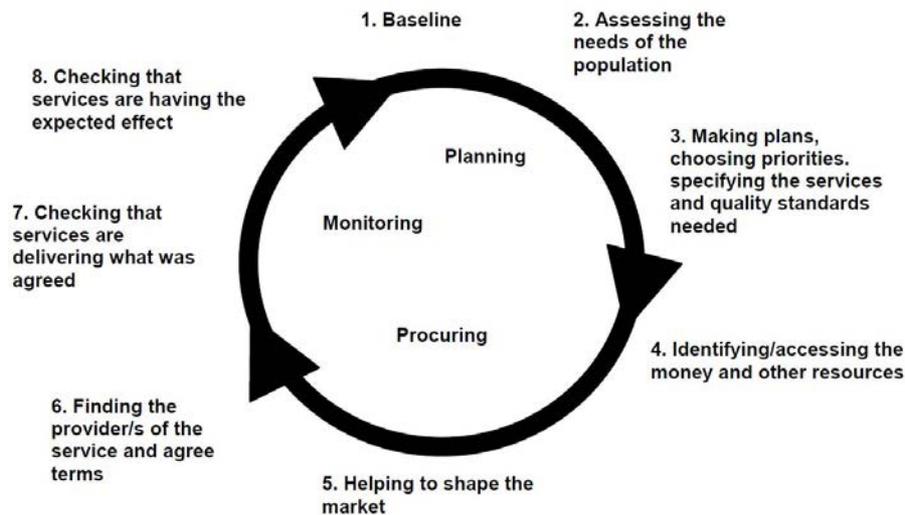
The commissioning process in Northern Ireland was reformed as part of the 2009 Health and Social Care Act. The Act reduced the number of bodies involved in the commissioning process. It created a Health and Social Care Board (HSCB) and the Public Health Agency (PHA) responsible for commissioning care, and five health and social care trusts<sup>6</sup> (HSC trusts) and an Ambulance Service Trust responsible to deliver care (Ham et al., 2013). Prior to 2009, there were 19 Health and Personal Social Services trusts, 13 acute or combined hospital trusts, 5 community trusts and the Ambulance Service Trust.

In Northern Ireland, the commissioning process is arranged around a “commissioning cycle”, which is an “end-to-end” process that covers activities ranging from needs assessment through to evaluation of the impact of the commissioned services to feed back into the new baseline assessment of needs, as presented Figure F.4.

The Minister’s priorities and targets for health and social care are set out in an annual *Commissioning Plan Direction* (DHSSPS, 2015). This *Direction* requires the HSCB to produce an annual *Commissioning Plan*, in full consultation with the PHA, detailing the services that will be commissioned in that financial year and the costs to be incurred as a result (DHSSPS, 2011). The *Commissioning Plan* must also detail how commissioning will deliver on the Minister’s priorities and targets, as well as the planned transformation of services. The *Commissioning Plan Direction* is complemented by an annual Indicators of Performance Direction, which aims to ensure that a core set of performance indicators is in place across the health and social care sector.

The HSCB is assisted in preparing the *Commissioning Plan* by the five Local Commissioning Groups (LCGs). The LCGs assess the needs, and identify the priorities, of their local populations based on health and well-being statistics, demographic changes and information related to health inequalities at the regional and local level, supplemented by interviews with a cross section of stakeholders including patients, service users and carers, and community, voluntary, statutory and private sector providers (HSCB, 2012).

Figure F.4. The Northern Ireland commissioning cycle



Source: DHSSPS (2011), “Framework Document”, Department of Health, Social Services and Public Policy, Belfast, [www.health-ni.gov.uk/sites/default/files/publications/health/dhssps-framework-document-september-2011.pdf](http://www.health-ni.gov.uk/sites/default/files/publications/health/dhssps-framework-document-september-2011.pdf); [www.nationalarchives.gov.uk/doc/open-government-licence/version/3/](http://www.nationalarchives.gov.uk/doc/open-government-licence/version/3/).

The *Commissioning Plan* cannot be published without the approval of the PHA. If the PHA does not approve the *Plan* then it is referred to the DHSSPS. The Commissioning Plan provides the framework for each HSC trust to develop its own plan setting out how it will deliver those services to be commissioned from it.

### Box F.3. Function of the key bodies in relation to commissioning

The structure, roles and statutory responsibilities of the various bodies involved in the commissioning process are outlined in the *Framework Document* produced by the DHSSPS.

#### Health and Social Care Board (HSCB)

The HSCB is the main “purchasing” body. The board is responsible, in consultation with the Public Health Agency, for identifying and quantifying the services required to meet assessed needs and approving the associated costs based on consideration of affordability. The HSCB is required to secure the Service and Budget Agreements with providers and ensure that commissioned services are delivered as contracted. The HSCB is responsible for performance management, service improvement and resource management and the contracting of primary care services (provided by GPs, dentists, opticians and community pharmacists) (Ham et al., 2013).

#### Local Commissioning Groups (LCG)

The five LCGs sit within the HSCB. Each LCG is co-terminus with the boundaries of the five trust areas (O’Neill et al., 2012). Each LCG has 17 members (for a term of four years) made up of: four GPs, four district councillors, one pharmacist, one dentist, two voluntary and community sector organisations and five employees of the HSCB and Public Health Agency –two social workers (HSCB), one nurse (PHA), one public health medicine specialist (PHA) and one professional from supplementary medicine, e.g. dietician, occupational therapist (PHA) – and is supported by an Assistant Director of Commissioning. The LCGs assess the health and social care needs of their local populations, identify priorities and emerging needs, and secure the delivery of a range of services to meet those needs. The capitation formula identifies funds for the populations of each LCG area, and the HSCB is accountable for ensuring that the funds are used for that purpose. The resources for each LCG population can be used to secure services from any appropriate provider. In order to ensure a consistent approach across the region, LCGs are supposed to work collaboratively on areas of mutual interest.

#### Public Health Agency (PHA)

The PHA provides the public health advice support to the commissioning and performance management of the HSCB and the LCGs (PHA, 2011). There are 11 PHA commissioning teams covering: specialist services; unscheduled care; elective care; cancer care; palliative care; long-term conditions; maternity, paediatrics, gynaecology and child health; community care; elderly and physical disability; children and families; mental health and learning disabilities; and prison services. The HSCB is statutorily required to regard the advice and information of the PHA, and the annual commissioning plan cannot be published by the HSCB without full consultation and agreement with the PHA. The PHA commissions care related to services that fall under its jurisdiction such as health protection and improvement in health and social well-being (O’Neill et al., 2012).

#### Health and Social Care Trusts (trusts)

The five trusts are the main “providers” of health and social care commissioned by the HSCB and PHA in their regions. Services to be provided are contracted through Service and Budget Agreements (SBAs). The sixth trust is the Ambulance Service which operates at the regional level. The trusts may also commission aspects of social care such as domiciliary care (O’Neill et al., 2012).

**Box F.3. Function of the key bodies in relation to commissioning** *(continued)***Patient and Client Council (PCC)**

All HSC bodies must have regard to advice from the PCC on matters relevant to its role. The PCC engages with the public to obtain their views on services and with HSC bodies to promote the involvement of patients, clients, carers and the public to ensure that the needs and expectations of the public are addressed in the planning, commissioning and delivery of health and social care services (DHSSPS, 2014c). The PCC also provides assistance to individuals making or intending to make a complaint, which are published in an *Annual Complaints Report*, and promotes advice and information to the public concerning health and social care. The PCC has a Board made up of a Chair and 16 non-executive members (PCC, 2014). Board meetings take place in public and are held in various locations to encourage public attendance. In addition, the public can engage with the PCC through; becoming a Local Advisory Committee member, joining the membership scheme, taking part in a research study, participating in focus groups and questionnaires, meeting decision makers and responding to consultations (PCC, 2012).

**Regulation and Quality Improvement Authority (RQIA)**

The RQIA informs the DHSSPS about the availability and quality of services, drawing on its regulatory functions, and its wider statutory responsibility to encourage improvement in the quality of services. HSC bodies look to the RQIA for independent validation of their internal arrangements for clinical and social care governance (DHSSPS, 2014c).

*Source:* Adapted from DHSSPS (2011), “Framework Document”, Department of Health, Social Services and Public Policy, Belfast, [www.health-ni.gov.uk/sites/default/files/publications/health/dhssps-framework-document-september-2011.pdf](http://www.health-ni.gov.uk/sites/default/files/publications/health/dhssps-framework-document-september-2011.pdf); [www.nationalarchives.gov.uk/doc/open-government-licence/version/3/](http://www.nationalarchives.gov.uk/doc/open-government-licence/version/3/).

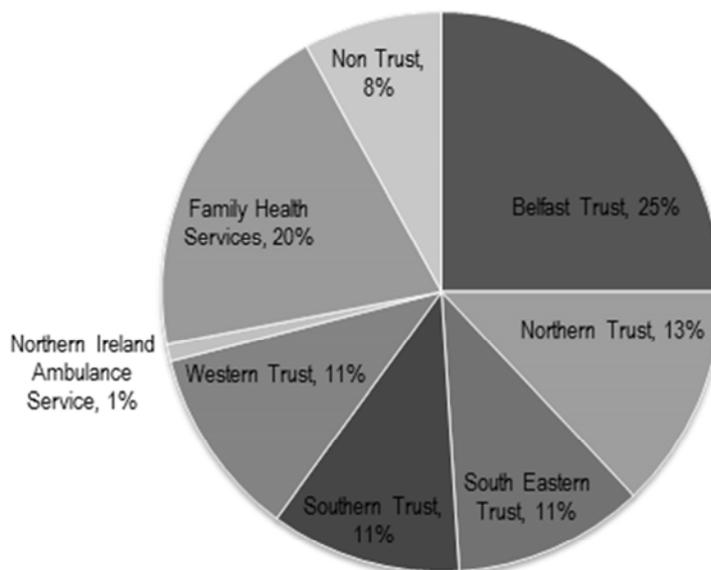
**Allocation of funds is based on assessed needs**

Primary and secondary care are funded separately; primary care is managed and funded directly by the HSCB, while secondary care is organised into five geographical care trusts and funded principally by the HSCB and PHA (O’Neill et al., 2012). As demonstrated in Figure A2E.5, over 90% of resources allocated by the HSCB and PHA are distributed among the six trusts (five geographical trusts and the Ambulance Service trust), which account for 72%, and the Family Health Services (FHS), for 20% (HSCB/PHA, 2015). Non-trust spending includes funding to other providers, such as community and voluntary sector organisations, extra contractual referrals<sup>7</sup> and funds destined for trusts but not yet fully allocated.

The DHSSPS makes direct revenue allocations to the HSCB and PHA to cover hospital, community health and social care services in the form of a revenue resource limit (RRL) on an annual basis. The HSCB attributes its RRL to its five Local Commissioning Groups at the start of each financial year. Some elements are also held centrally, for example regional services. Additional resources are typically attributed using the regional capitation formula for fair shares. The formula consolidates statistical models based on the Programme of Care commissioning structure to give each LCG a fair share which reflects the relative need for resources across each LCG such as population

size, gender, age and socio-economic profile. The aim of the formula is to allocate resources based on needs. Baseline resources are reviewed each year to ensure they are equitably deployed using the capitation formula fair shares.

Figure F.5. Total planned spending by organisation for 2014/15



*Source:* Author's own work, based on HSCB/PHA (2015), "Commissioning Plan 2014/15", draft, 26 January 2015, Health and Social Care Board and Public Health Agency, [www.hscboard.hscni.net/download/PUBLICATIONS/COMMISSIONING%20PLANS/Draft%20Commissioning%20Plan%202014-15.pdf](http://www.hscboard.hscni.net/download/PUBLICATIONS/COMMISSIONING%20PLANS/Draft%20Commissioning%20Plan%202014-15.pdf); [www.nationalarchives.gov.uk/doc/open-government-licence/version/3/](http://www.nationalarchives.gov.uk/doc/open-government-licence/version/3/).

Health and social care services are commissioned from Health and Social Care Trusts and other providers such as voluntary organisations. The HSCB and PHA issue Trusts with monthly RRLs, with the HSCB also identifying sources of funds by LCG. Trusts use these monthly RRLs to draw down cash from the DHSSPS to cover expenditure. The detailed application of resources at Programme of Care and service level is also informed through ongoing needs assessment and prioritisation of service pressures by commissioners and PHA as part of the commissioning planning process. The total resources are split to Programme of Care (PoC) within the Commissioning Plan for planning purposes. Reporting on planned resource deployment is provided across LCGs, Trusts, other Providers, Programmes of Care and service areas.

Differences in RRLs between LCGs are intended to reflect differences in population sizes and need profiles within localities. The Northern LCG has the largest crude population while the Western LCG has the smallest and, accordingly, these two LCG have the highest and lowest planned spending of GBP 726 million and GBP 512 million respectively (Table F.3) (HSCB/PHA, 2015). The majority of allocated funds are spent within the local hospital trusts (highlighted in shadow in Table F.3); however, there is some movement of funds between LCGs. The Belfast hospital trust receives substantial

funds from other LCGs and consequently receives the largest allocation of resources overall. This reflects the distribution of specialist services.

Table F.2. **Planned expenditure by Programme of Care (PoC) for 2014/15**

PoC	PHA		HSCB		Total	
	GBP mln	%	GBP mln	%	GBP mln	%
Acute Services	5	6.9	1 454	44.52	1 459	43.73
Maternal and Child Health	0	0.06	139	4.25	139	4.16
Family and Child care	-	-	212	6.48	212	6.34
Older People	0	0.05	662	20.28	662	19.85
Mental Health	14	19.34	241	7.39	255	7.64
Learning Disability	-	-	245	7.5	245	7.34
Physical and Sensory Disability	-	-	103	3.14	103	3.08
Health Promotion	51	73.3	49	1.5	100	3.01
Primary Health and Adult Community	0	0.35	161	4.93	161	4.84
<b>Subtotal</b>	<b>70</b>		<b>3 265</b>		<b>3 336</b>	
Family Health Services			861		861	
Not allocated to PoC*	19		69		88	
<b>Total</b>	<b>89</b>		<b>4 195</b>		<b>4 284</b>	

Source: HSCB/PHA (2015), “Commissioning Plan 2014/15”, draft, 26 January 2015, Health and Social Care Board and Public Health Agency, [www.hscboard.hscni.net/download/PUBLICATIONS/COMMISSIONING%20PLANS/Draft%20Commissioning%20Plan%202014-15.pdf](http://www.hscboard.hscni.net/download/PUBLICATIONS/COMMISSIONING%20PLANS/Draft%20Commissioning%20Plan%202014-15.pdf).

Table F.3. **Resources by Local Commissioning Group**

Hospital Trust	Local Commissioning Group					A&E*	Prisons*	FHS*	Regional*	Total
	Belfast	Northern	South Eastern	Southern	Western					
Belfast Trust	541	135	125	53	29	22	-	-	152	1 056
Northern Trust	2	517	1	1	2	16	-	-	13	551
South Eastern Trust	40	6	355	9	2	18	8	-	26	463
Southern Trust	1	6	8	447	3	15	-	-	9	488
Western Trust	1	8	1	4	437	12	-	-	17	481
NIAS	0	0	0	0	0	56	-	-		57
Non Trust	49	55	41	44	39	9	-	861	3	1 100
Subtotal	634	726	531	559	512	147	8	861	218	4 197
Not Assigned to LCG										88
<b>Total</b>										<b>4 284</b>

Source: HSCB/PHA (2015), “Commissioning Plan 2014/15”, draft, 26 January 2015, Health and Social Care Board and Public Health Agency, [www.hscboard.hscni.net/download/PUBLICATIONS/COMMISSIONING%20PLANS/Draft%20Commissioning%20Plan%202014-15.pdf](http://www.hscboard.hscni.net/download/PUBLICATIONS/COMMISSIONING%20PLANS/Draft%20Commissioning%20Plan%202014-15.pdf).

Each financial year, the LCGs are required to break even. The financial performance of trusts is closely monitored by the HSCB and those at risk of breaching their RRL are required to adopt contingency plans and report to the HSCB monthly (O’Neill et al., 2012). The allocation of resources for FHS is based on a capitation formula similar to that for secondary care. The HSCB commissions a range of FHS services which are broken down by sector rather than PoC. In 2014/15, the planned spending was: GBP 487 million on pharmacy, GBP 248 million on general medical services, GBP 104 million on dental services and GBP 22 million on ophthalmic services (HSCB/PHA, 2015).

## Lessons learned

The OECD undertook a review of extant health and social care services reviews in Northern Ireland commissioned by the DHSSPS, key informant interviews with individuals involved in the commissioning and delivery of services,<sup>8</sup> and a survey of commissioning approaches in similar jurisdictions.

Interviewees were selected by the DHSSPS. Where multiple representatives from the same organisation were selected, group interviews were conducted. In total eight group interviews were conducted face-to-face in Northern Ireland, supplemented afterwards with a three telephone interviews with key individuals who were unable to attend in person. A list of organisations interviewed is provided in Annex. The aim of the interviews was to contextualise the issues around commissioning and to identify whether the current system is perceived to incentivise high quality, value for money service provision to meet the needs of the population. This information is particularly important because it may not be available through documentary evidence. All three questions included in the terms of reference were covered in the interviews:

1. how effectively the health and social well-being needs of the population of Northern Ireland are assessed
2. the use of strategic planning to prioritise those assessed needs within available resources
3. how well the system incentivises high quality, value for money service provision to meet the assessed and prioritised needs of the population.

Within each interview, informants were encouraged to focus on their particular areas of expertise or experience and interviewees varied in their knowledge of the three areas. Researchers re-listened to interview recordings and read interview notes to identify recurring themes emerging from the data in relation to the three questions. The interviewees were promised confidentiality, in order to facilitate open and frank discussion, and their expert judgments are reported here in that spirit.

The survey aimed to draw learning from other countries experience on what works well or less well in relation to the planning, purchasing and contracting of health services. The survey was disseminated electronically to selected high income countries with a national health service system: England, New Zealand, Portugal, Scotland and Wales. An overview of the health system in each country is presented in the appendix. The survey was designed with the assistance of the ELS/Health Division and was sent to OECD country contacts within each country.

### ***Previous reviews found that there is scope for available resources to be used more efficiently but have not resulted in visible, system-wide change***

Particular concerns have been raised around productivity in the HSC system (Appleby, 2011), with hospital performance in a number of areas, such as against waiting time targets, having declined over the last two years with people waiting too long for an outpatient appointment, diagnosis, surgery and cancer treatment (NIAO, 2015). Consequently, the NI health and social care system has come under considerable political scrutiny (Timmins, 2013). As a result, the HSC system has been the subject of numerous independent reviews over the last decade. In general, there is consensus across the reviews that there is scope for available resources to be used more efficiently. The

reviews point to an over reliance on hospital delivered care, and an associated higher spending on specialised acute services. Compton et al. (2011) recommended a shift in the provision of care away from hospitals and into the community and advocated for local commissioning to be the central approach for organising services and delivering change (Compton et al., 2011). Finally, in the most recent review Donaldson et al. (2015) raised questions about whether the structures in place were the right ones to deliver this change. The key findings from these reviews are summarised in Box F.4.

#### Box F.4. Key findings from reviews published in the last ten years

##### **Independent Review of Health and Social Care Services in Northern Ireland (Appleby, 2005)**

The independent review aimed to examine the likely future resource requirements of HSC in NI and to consider the scope for the resources devoted to HSC to be used more effectively. Overall, the review concluded that a significant underlying reason for current problems is related to the use of resources rather than the availability of resources, which is demonstrated by the fact that health care utilisation was substantially higher than expected based on population health status. The review highlighted a number of areas of poor performance, including the volume and length of waiting times for treatments and a higher spending on prescription drugs per capita relative to the rest of the United Kingdom. Performance management arrangements were reported to lack appropriate performance structures, information, clear and effective sanctions and incentives at individual, local and NI organisational levels to encourage innovation and change. The separation of the purchaser and provider was highlighted as an important factor in sharpening incentives.

##### **Rapid Review of Northern Ireland Health and Social Care Funding Needs and the Productivity Challenge: 2011/12-2014/15 (Appleby, 2011)**

The later review identified an estimated funding gap of around GBP 2 billion by 2014/15. Appleby reports that, in the absence of additional funding, closing the gap would require an increase in productivity of over 30% in the following four years. While the gap represents a huge challenge, the review identified a number of areas where NI underperformed compared to England, which represents opportunities where potential savings could be achieved across the system. This included: higher costs of elective, non-elective and day-cases; lower rates of activity per head of hospital and community staff; greater number of inpatient spells per year; longer length of hospital stay; and higher spending on prescription drugs per capita.

##### **Transforming Your Care: A Review of Health and Social Care in Northern Ireland review (Compton et al., 2011)**

This review undertook a strategic assessment of the HSC system and put forward recommendations for the future configuration of services and provides an implementation plan. The review has been described as the “*biggest shake-up of health care in the region’s history*” (Ham et al., 2013). The review concluded that the case for change was unassailable as the current, and future, pressures on the health and social care system (including a growing and ageing population, poorer health and increase in chronic conditions, and instability in the health and social care system) means that services will not meet the needs of the population or be sustainable in the years to come. The review proposed a new model of care for NI, which included placing the service user at the heart of the model to promote: better outcomes, the use of outcomes and quality evidence to shape services, population-based planning of services, a focus on the prevention and tackling of inequalities, integrated care and realising value for money. To achieve this, the review advocated a move away from a hospital-centred approach to one

#### Box F.4. Key findings from reviews published in the last ten years (*continued*)

more focused on the provision of care, wherever possible, in the community. It recommended that local commissioning should be the central approach for organising services and delivering change. The review concluded that resources could be used more efficiently, and recommended shifting GBP 83 million from current hospital spending into primary, community and social care services.

#### **The Right Time, The Right Place (Donaldson, 2014)**

Commissioned to examine the arrangements for assuring and improving the quality and safety of care in NI, the review found no evidence to suggest that the HSC system was more or less safe than in comparable countries. Overall, the review found that there was a high level of uncertainty over who has control of the system, and that the system lacked thought-leadership. In relation to commissioning the review concluded that the system is currently underpowered:

- Northern Ireland has not fully implemented commissioning, as a result it does not reap the benefits of a sophisticated commissioning system, yet has the downside of increased complexity and overhead costs.
- The purchaser-provider split was intended to create a competitive internal market, but the scope for genuine competition has always been limited.
- Funds are allocated in a process akin to block contracting. As such, it does not fully take account of the diagnosis or the procedure undertaken, the complexity of the patient or measures of the quality of care. Block contracting was abandoned by England because it was considered not to achieve value for money.
- The HSCB is arguably not sufficiently resourced to conduct needs assessment, service planning and fund allocation.

The LCGs have very few resources and act as advisors and project managers rather than commissioners.

Key informant interviewees demonstrated a high level of awareness of these reviews and their conclusions. The reviews, as well as *Transforming Your Care* and *The Right Time, The Right Place* in particular, were frequently referenced during discussion. However, there was also a sense that despite these reviews, and a general consensus in support of their findings, their publication has not resulted in system wide change and many of the problems identified persist. As discussed in the following section, there was a perception that the lack of proactive and strategic response was due, at least in part, to the commissioning processes.

The rest of this section draws on the interview data to explore in more detail some of the perceived challenges in relation to the commissioning process. In general, interviewees were very open and provided a rich source of data. Interviewees primarily focused on the role of the HSCB as the commissioner. The findings are structured around the three questions presented in the terms of reference and each question is discussed in the particular context of how the commissioning of health and social care contributes to the effectiveness of these services. However, the commissioning process is non-linear and each stage interacts with the wider health care system in different ways. As such, findings do not neatly map onto the three questions and there are recurrent themes that emerge. Insights from the surveyed countries are presented in standalone boxes where relevant throughout the text.

***The current commissioning process was reported not to be fit for purpose***

Almost all interviewees identified at least some positive features of the way health and social care services are commissioned and delivered in Northern Ireland. Indeed, most stressed that services are delivering population outcomes broadly equivalent to, and in some instances better than, comparable countries. The majority of participants also praised the dedication of the staff delivering care and commented that the relatively compact size of the system has enabled strong and often trusting relationships to evolve between individuals, facilitating informal interactions between the various bodies. Indeed, for some, the quality of these relationships explained how the system has continued to function despite resource constraints and organisational challenges. Finally, there was widespread support for the integration of health and social services and concern that it should remain. However, even though it is an integrated system almost all interviewees, including those from the key commissioning bodies (HSCB, PHA, HSC trust and LCGs) primarily focused on planning and delivery of health services rather than social care.

Despite identifying some positive features of the health and social care system, it was widely agreed that the system was underfunded to meet current and forecasted needs and that the funding gap will be exacerbated by continuing austerity measures. Concerns were raised by a large majority of interviewees over the long term sustainability of the HSC system and the role of commissioning within the system. Behind this broad agreement, however, views varied concerning how long the present system could continue to operate under the status quo. The reasons given for this concern also varied as did the potential solutions identified.

The prevailing view among interviewees was that the current commissioning process and associated structures were not fit for purpose, but there was no clear preference for a particular alternative. In general, and despite the fact that many interviewees thought the commissioning system was clearly mapped out in the relevant legislation, the commissioning structures were considered to be highly complex, involving “too many hands”. More recent developments, such as the introduction of Integrated Care Partnerships (ICPs)<sup>9</sup>, while arguably good in themselves, were reported to have added to this complexity. For example, the creation of the ICPs, even though they are not part of the commissioning system, was perceived by interviewees to have weakened the LCGs by drawing away GPs. Most interviewees who offered an opinion commented that the voices of key stakeholders, including clinicians and service users, were often absent from the commissioning process. There was near unanimity that politicians often found themselves engaged with the commissioning in unhelpful ways although it was also recognised that the political system made it hard for politicians to avoid this kind of involvement. Support for the existing system of commissioning came from a very small minority.

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***Health and well-being needs of the population of Northern Ireland are unevenly articulated to the commissioning process***

In general, it was reported that the commissioning process is not built upon a clear understanding of the population’s needs. The framing of the question of needs assessment was oriented towards a medical model and definition of needs. The current approach to needs assessment was reported to be reactive, as for example it was observed to be about “counting things when [they] appear at hospital but not before that.”

A number of interviewees linked the inability to conduct adequate needs assessment to an overall absence of a strategic approach to commissioning (see following section). Additionally, interviewees contended that it related to the lack of capacity and expertise within the HSCB to conduct needs assessment and the relative absence of specialist knowledge feeding into the process. As a result, a number of interviewees questioned whether the HSCB was adequately equipped to make decisions about resource allocation based on need. A summary of key findings from interviews is presented in Box F.5.

**Box F.5. How effectively are the health and social well-being needs of the population of Northern Ireland being assessed? Summary of key findings from key informant interviews**

- The HSCB’s ability to conduct meaningful needs assessment was perceived to be hampered by the lack of an overall strategic vision to commissioning.
- The ability of the HSCB to conduct needs assessment was perceived to be hampered by the lack of capacity within the HSCB to analyse and interpret available data. As a result it was reported that needs assessment is based on healthcare activities (or transactions) rather than need, which is insufficient to inform the planning of services.
- While specialist knowledge was available, it was poorly articulated in decision making. In particular the PHA’s ability to veto the Commissioning Plan was described as a “*nuclear option*” (i.e. the veto is a destructive rather than constructive mechanism) and consequently to not have been the lever intended.
- The LCG’s ability to meaningfully contribute to needs assessment was perceived to be limited by the availability of data and the limited availability of specialist knowledge, in particular GPs.
- It was said that social and primary care providers often interpreted and assessed health and social well-being needs differently, but this difference in view does not appear to be formally feeding into the commissioning process.
- The role of providers in the needs assessment was not clear.
- Service users, carers and the public are reportedly not fully engaged within the commissioning process, such that public and lay perspectives of social needs are poorly represented in decision making.

Source: OECD interviews.

*The available data was perceived to be inadequate to inform needs assessment, especially for LCGs*

While there were differences in opinion, the predominant view across stakeholder groups was that available data was insufficient to enable meaningful needs assessment. Although, the HSCB was reported to have access to a lot of data, a number of interviewees commented that there was a lack of capacity among those conducting and interpreting the analysis within the HSCB to turn the data into knowledge that can be used to support decision-makers, as they do “not have sufficient understanding to be gleaning insight”. In addition, one interviewee reported that there was a delay in the release of data, until it had been validated. This lack of “real-time” data was perceived to have prevented the systems from being more reactive to emerging issues and in decisions being made retrospectively. As a result, commissioning was perceived to be based on “counting what people got, not what they need”. There was almost universal acknowledgement across stakeholder groups that the commissioning process needs to move away from focusing on service utilisation to needs assessment and instead be striving to understand what factors influence demand for services in order to prevent patient numbers rising.

Available data was perceived not to be shared well either more widely across the system or with the general public. Some interviewees considered that the lack of available data hampers the LCG’s ability to conduct needs assessment at the local level and contribute to the commissioning process. While interviewees provided examples where the LCGs have been able to make a valuable contribution to understanding local needs, in general these were considered to be one-off exercises and were associated with opportunity costs: “taking people away from doing something to look at data that should have been there already”. One interviewee, from outside the arm’s length bodies, commented that the format of publically released data is “not helpful”. In particular, they reported that it was difficult to obtain data on individual hospitals, which is needed to understand their relative performance: “this makes it difficult to show that a hospital is unproductive [...] how do you make resource decisions without any productivity data?”

The value of collecting data from social care and voluntary agencies was not acknowledged.

*There was reported to be a lack of clinical expertise feeding into the process, and in particular the role of the PHA was considered to be diminishing*

Interviewees from the PHA and HSC trusts suggested that there was a lack of clinical judgement feeding in to the needs assessment process and, despite the formal role of the PHA to provide the clinical input, the majority of interviewees perceived that the HSCB made only limited use of PHA input – although it was noted that input varies by PoC with specialist acute services reportedly working best based on the legacy of working relationships. A number of interviewees claimed that there was a tension between the HSCB and PHA, with one commenting “structurally it’s an anomaly where much of the board’s professional advice comes from the PHA” and that the HSCB and PHA are moving apart to a point where the PHA is frequently not consulted until after the Commissioning Plan has been formulated. As a result, it was perceived that the Plan was written by people whose primary intention was to “balance the books” (see following section). The option for the PHA to veto the commissioning plan was described as the

“nuclear option”. Consequently, it was reported to never have been used, and as such not to be the lever intended.

The LCGs’ ability to meaningfully contribute to local needs assessment was likewise viewed with some scepticism due to the lack of input from key specialists, notably GPs. In addition, as noted earlier, the ability of LCGs to recruit GPs was reported to have been further diminished by the creation of the ICPs, as GPs are reportedly leaving the LCGs to participate instead in the ICPs where it was perceived, by interviewees, that they felt a more natural fit.

More generally, it was stated that those working in primary and social care did not have a formal mechanism through which to feed into the needs assessment, which was considered by some interviewees to be at odds with the declared policy of shifting care from the acute sector to the community. Additionally, a number of interviewees contended that those working in community settings, outside of the trusts, interpret the definition of needs differently from those in the acute sector, and that the current process does not therefore reflect the range of views held by those working in the health and social sector.

It was reported by some interviewees that the understanding of the population needs resides within the trusts, yet it was not clear what role, if any, the provider organisations played in needs assessment.

#### **Box F.6. Facilitators identified from survey findings to enable specialist knowledge to contribute to needs assessment**

Across the countries surveyed, all respondents reported that the commissioning process in their country was built on a clear understanding of population needs. In general, the ability to enable specialist knowledge to feed into the process was reported to be facilitated by a collaborative and inclusive approach:

- “Through consultation. Typically working groups are used to develop services and deal with issues. The working groups can include clinicians, consumers, providers and Unions” (New Zealand).
- “Regional health authorities that, to a large extent, conduct the needs assessments, have had health care professionals involved from the beginning (e.g. public health physicians, nurses and others). Decisions about specific lines of production, for instance, are taken with the input of specialists. The voluntary sector is also involved but probably to a lesser extent” (Portugal).
- “Commissioning services in Social Care takes place dependent on the type of service and the best approach to market engagement at both national and local level [...]. Both approaches are undertaken following inclusive and often extensive consultation and the development of commissioning and contracting strategies” (Scotland).
- “Within an integrated healthcare system, the needs assessments are led by Local Directors of Public Health, as informed by clinical colleagues and other partners and stakeholders. This is reinforced at the highest level by the Local Health Board membership that includes voluntary sector members and stakeholder chairs, ensuring that this input is reflected in the needs assessment, commissioning and planning” (Wales).

The English respondent highlighted a particular barrier to needs assessment related to the commissioning of health and social care separately. The respondent claimed that as a result of the separated system health commissioners are not always able to ensure patients receive social care, even when it is considered the best type of treatment and the more cost-effective.

*There was considered to be insufficient input from service users, carers and the public*

Another source of information about needs comes from service users. Although there has been a central role for users built into the system through the PCC, the vast majority of interviewees considered that the current engagement with, and opportunities for, users to feed into the system have been “tokenistic”: “There is a structural role for service users through the PCC to be consulted through the process, but potentially has created a tick box mentality and the PCC is not being fully utilised.”

Whilst the PCC does have a role in supporting input from service users, and there is scope for improvement in the nature and scale of service user involvement, there is a need to recognise the role of Public and Personal Involvement, and co-design of services, which is undertaken across HSC organisations, and embedded in the commissioning, service design and planning processes across HSCB, PHA, Trusts and ICPs. For example, the 10 000 Voices initiative, the work with PCCs, service user/carers membership of ICP Partnership Committees, or the co-design of mental health care pathways and Regional Colleges.

***The commissioning system limits how well strategic planning prioritises assessed needs within available resources***

In general, the commissioning process was considered to be poorly designed to deliver strategic planning that prioritises assessed needs within available resources. In the absence of a reported long-term strategy, which clearly outlines what the commissioning process is trying to achieve, the drive to deliver health and social care services within annual budget targets was reported to have resulted in short-term decision making focused on performance targets with insufficient consideration paid to the longer term impact. The lack of a clear provider perspective, weak patient and public involvement in decision making, and weak links to workforce planning, were all considered to hamper the HSCB’s ability to commission (and to decommission) the services needed to meet the population’s needs with the best use of available resources. A summary of key findings from interviews is presented in Box F.7.

**Box F.7. How strategic planning is used to prioritise the assessed needs within available resources? Summary of key findings from key informant interviews**

- The commissioning process was characterised as being reactive rather than proactive, based on healthcare activities (or transactions) rather than on health outcomes. As a result it was considered that the commissioning is not facilitating the long-term transformation in care needed to address the increasing demand for services in general and to develop new models of care to meet complex conditions in particular.
- There was considered to be a lack of clarity over what the commissioning process is trying to achieve and who leads the commissioning process. The minister was reported to be frequently brought into the process. Consequently, in some cases, priorities were reported to be politically negotiated rather than based on optimally meeting assessed needs.
- The purchaser-provider split was not considered to be “real” and consequently strategic planning was said to be weak. Multiple bodies were reportedly involved in the purchasing of care contributing in a lack of clarity and transparency.

**Box F.7. How strategic planning is used to prioritise the assessed needs within available resources? Summary of key findings from key informant interviews (continued)**

- The commissioning cycle operates on an annual cycle and is under intense pressure to meet financial targets within each cycle. This is reported to have resulted in a focus on short-term financial targets, which disincentivises investments for long-term gain.
- Providers were reportedly not fully engaged in the planning process. What engagement did occur was considered to be dominated by the relationship between the HSCB and the trusts, and as a result commissioning was considered to be too heavily focused on the acute sector.
- There is a lack of integration between primary and secondary care. It was considered by some (but not all) interviewees that primary care could take on and manage more of the services being commissioned by trusts.
- Service users, carers and the public are reportedly not fully engaged within the commissioning process, such that public and lay perspectives of social needs are poorly represented in decision making.

*Source:* OECD interviews.

*There was reported to be a lack of clarity over who is leading the commissioning process and what commissioning is trying to achieve*

The ability to move to an outcome-based approach was perceived to be hampered by the lack of leadership and clarity over what the commissioning process is aiming to achieve. A number of interviewees stated that it was not clear who had overall responsibility of the commissioning process. While legislation formally tasks the HSCB with the role of commissioning, it was claimed that all plans were closely scrutinised by politicians. As a result, despite the reported aim of the LCGs to act as a gravitational pull away from centralisation, decisions are always being raised to the top. It was noted by interviewees that the key ministerial document related to commissioning, the *Commissioning Plan Direction*, lays out objectives based on targets, the impact of which was illustrated by one interviewee: “If outcomes are not seen as important by the minister it is very difficult for the LCG to make it important [...]. If the board is not prepared to take hold of strategy then there can be no leadership at lower levels”.

The impact of the reported lack of leadership, and clarity, was illustrated by trusts who claimed they were frequently left to commission services without clear direction. This was reported by interviewees from the PHA and trusts to have resulted in a heterogeneous array of service across the trusts, and an anxiety among interviewees that it will result in a “post code lottery”<sup>10</sup> rather than in a rational allocation of resources.

The lack of leadership was reported to impact on planning in other ways for example, the “bidding process is very long.[It] takes a long time to come to a decision with multiple iterations” and the process of bidding was reported to have many “backdoors and loops”, which could be used to block proposals. The lack of transparency was linked by a number of interviewees to limit the ability for certain providers to compete (see following section).

*The purchaser-provider split was perceived to have not been fully implemented*

There was a consensus among interviewees that the purchaser-provider split is not real, as the HSCB is not the only body tasked with commissioning services. Interviewees highlighted the role of trusts in commissioning community care, the PHA's role in commissioning public health services and the LCG's ability to sign off on local services with a value of up to GBP 100 000. As a result, the commissioning process was perceived to be highly complex, with multiple layers of governance.

*Inability to move towards a more strategic approach is hampered by the perceived budgetary constraints*

The apparent inability to take a more strategic approach was related to the fact that the commissioning process operates on an annual cycle<sup>11</sup> and the constraints of the budgeting arrangements, which were reported to have placed intense pressure on the system, to meet annual financial targets. It was stated that the HSCB's principle aim was to ensure that it is using available budget to "cover costs" rather than "being put into investing in the future". This is reported to have created a commissioning body that is "managerial and financial in approach", highly reactive in nature, pursuing "quick win" financial gains and not designed to deliver the transformation in care needed to reduce future demand and increase the quality, safety and efficiency of services. For example, interviewees reported that budgets are adjusted and shifted between trusts to ensure that the HSCB breaks even in the course of the financial year. This has reportedly resulted in a lack of clarity at the trust level as to the available budget, hampering the trusts ability to take longer-term and more strategic decisions. As a consequence, one interviewee commented: "[You] don't know till end of year what savings will need to be made. [You] end up salami slicing. Don't fill staff vacancies, reduce equipment, rather than making a rational decision, such as closing services."

There was almost universal consensus that to deliver on the objectives of Transforming Your Care requires a shift to longer term planning and commissioning that addresses population needs over a 5-15-year cycle. Given that the block grant is allocated for a five-year period, a number of interviewees contended that the funding model should not be a barrier to taking a more strategic approach, particularly for core activities.

**Box F.8. Survey respondents highlighted the benefit of longer term planning in facilitating strategic decision making**

In Portugal, Scotland and Wales, respondents highlighted the usefulness of longer term strategic decision making in facilitating capacity planning:

- "Along with the yearly contracts, there are strategic three-year plans, with the definition of strategic objectives, with main action and investment plans. These might include the development of new services or contracting out to the private sector. Over a certain amount, investments by providers require Regional Health Authority (ARS) approval. ARS are responsible for considering their population's needs and the existing capacity before authorising any such investments" (Portugal).

**Box F.8. Survey respondents highlighted the benefit of longer term planning in facilitating strategic decision making** *(continued)*

- “Decisions to invest are made as part of developing and approving the Integrated Medium Term Plan. The needs assessments, including analysis of current service delivery and any gaps against those needs, inform the commissioning element of the plan, including any investment in provider capacity. From 2014/15 onwards, NHS Wales has moved away from annual to three-year medium term plans and commissioning. This was in response to the constraints of the annual cycle having an impact on the efficient and effective planning and delivery of services” (Wales).

*Provider organisations reported that they were not fully engaged in the planning process*

Understanding how needs can best be met using available resources requires not only a comprehensive understanding of needs, but also a deep understanding of how services are organised and delivered. However, interviewees from provider organisations universally reported that they were not fully engaged during the planning stages. Furthermore, the same interviewees suggested that this stemmed from a perceived lack of capacity and/or confidence among the HSCB to engage with provider organisations.

What provider engagement did occur was reported to be between the HSCB and trusts. The dominance of the relationship between the HSCB and the trusts were reported to have, in part, contributed to an overreliance on acute care and to have undermined the purchaser-provider split. As noted above, interviewees highlighted that the trusts are acting as both providers and purchasers. For example, the HSCB allocates funds directly to the trusts from which they can commission community care. This was cited to have placed restrictions on the ability for alternative providers to enter the market (see following section), and was further criticised by some interviewees who claimed that the types of community care services being commissioned by the trusts focused on those that could be treated as outpatient services, which avoids the desired shift to community care.

There was consensus among interviewees that there is a particular failure in identifying and engaging with providers of primary, but reasons offered for this differed. Some suggested that there is a lack of leadership in primary care, while others suggested that there is a lack of opportunity and/or mechanism through which they can engage. The creation of the GP Federations was suggested to have created a potential opportunity for more readily engaging GPs; although it was noted that the Federations’ status is currently uncertain as they are not recognised as providers and that GP contracts would need to enable individuals to free up time to participate in Federations. Some interviewees thought that primary care providers could take on more responsibility to co-ordinate social care, and suggested that the option for funds to flow from primary to secondary care should be explored (see following section).

### Box F.9. Engagement of potential providers in advance of commissioning services: Findings from survey results

The engagement of provider organisations varies by countries surveyed. Interestingly, in New Zealand, where there is a purchaser-provider split, the respondent reported that providers are often excluded in the planning stages because of the perceived conflict of interests. In Wales, where there is no purchaser-provider split, it was reported that: “the provider delivery arm is embedded within the organisation, and are fully involved in the planning, commissioning and delivery of services. This is a major benefit over the previous arrangements where the provider voice was more remote”. Scotland has created provider forums to bring together providers to contribute to the strategic development and quality of those services. This is reported to be a particularly important mechanism for engaging the third sector in the commissioning process.

- “Stakeholders are regularly involved in commissioning (e.g. in the discussion of indicators to be monitored, their capacity, the difficulties they face as well as other suggestions they may have). Again, the third sector is probably less involved but in terms of services a lot of the commissioning goes on within the public sector” (Portugal).
- “There is considerable lead in time to any commissioning, providers are not at all of the key strategic planning fora, however there are provider forums where in particular the third sector is involved and support to engage in any process” (Scotland).
- “Joint Local Strategic Commissioning Plans outline strategic and operational national and local outcomes and priorities which providers can utilise to make plans for potential service development/tendering opportunities” (Scotland).

#### *There was reported to be limited engagement with other government departments*

Interviewees, in particular from the LCGs, perceived there to be virtually no cross-sector working with other government departments, such as education and welfare, whose agendas overlap with health and social care. Interviewees from the LCGs cited the recent reforms of the local councils as a missed opportunity to align services more closely, suggesting that local councils should have instead been organised around the trust areas in order to integrate more services.

Similarly, some interviewees noted a limited use of cross border co-operation to improve services. Although where it has been developed, for example the “all island” Congenital Heart Disease Network, it was considered to be a successful collaboration between the DHSSPS and the Republic of Ireland.

Finally, a gap in the commissioning process was believed to be the separation of commissioning from workforce planning. There was reported to be a limited pool of senior clinical specialists, and in a number of instances this has reportedly given rise to patient safety concerns where services are being run with insufficient staffing levels. The Department has stated there is a strong commitment to the principle of protecting and improving the quality of health and social care services, especially safety. Patient and client safety is a key priority for the Minister and the Department, and the safety of services underpins all commissioning decisions. Interviewees highlighted the impact that taking a network approach to delivering services, such as the Northern Ireland Cancer Network, and Critical Care Network of Northern Ireland, can have in overcoming some of the workforce issues. These are reported to be functioning well, where trusts have

come together to plan services, however it was noted that a collaborative approach has been less successful for cardiology. In such cases, interviewees noted it requires a neutral board to step in and broker decisions. Interviewees universally expressed anxieties about the pending workforce crisis, particularly in primary care, given the workforce implications of moving away from acute care.

*The lack of engagement of service users, carers and the public in the planning process inhibits HSCB's ability to take strategic decisions*

As noted above the involvement of services users, carers and the public was considered by the majority of interviewees to be inadequate. While there was a range of views on how, and the extent to which, users should be involved in commissioning, the majority of interviewees considered that their inclusion would add value to informing the development of services. For example, one interviewee suggested that by placing users at the heart of the governance of the commissioning process it would help them to understand why commissioning decisions are worthwhile and make them equally accountable for decisions taken: “With joint responsibility comes joint accountability leading to a better commissioning arrangement.”

The systematic engagement of patients and the public was in turn reported to facilitate the HSCB's ability to address some of the contentious strategic decisions such as the closure or decommissioning of services.

It was acknowledged that there is a need to ensure that the appropriate people are selected, which requires training and capacity building in order for the individuals to be able to meaningfully contribute at the strategic level. The same interviewee commented that the perception that users lacked sufficient understanding was linked to a wider issue that, in general, official documentation is inaccessible: “[user involvement] requires information that is readable and that is understandable to all stakeholders – clearly outlines what are the problems, what are the drivers and what are the issues we need to have a discussion about.”

**Box F.10. Mechanisms for engaging patients' and the public's views and experience in the commissioning process: Findings from survey**

While there was reported to be benefits from the inclusion of public, patients, service users and carers in the planning of services, for example a Scottish respondent commented that it is important to start with service users/patients in order to understand “what they need and want to meet their own personal outcomes”, none of the countries surveyed seemed to have introduced a systematic approach to engaging patients and the public in decision making:

- “Information is collected from a number of sources (e.g. complaints, audits, evaluations, consumer groups and working groups)” (New Zealand).
- “It is mandatory for hospitals to have regular patient satisfaction surveys and to publish the results online. Primary care centres have this requirement as well and the results of these surveys are directly linked to the financing of these units. In neither case are the surveys designed specifically to inform the commissioning process but may have a reflection on it if specific questions arise and these may then be introduced in the negotiations. Patient experiences are seen as very relevant, hence the requirement to have these consultations regularly” (Portugal).

**Box F.10. Mechanisms for engaging patients’ and the public’s views and experience in the commissioning process: Findings from survey (continued)**

- “While all Local Health Boards have regular/ongoing patient and public engagement that both informs service change and planning/commissioning they would all recognise that this can be further developed” (Wales).

***The commissioning system provides weak incentives to deliver high quality, value for money services***

There were reported to be insufficient mechanisms in place to incentivise improved performance and there have been limited attempts to stimulate competition between trusts. As a result the commissioning process was reported to be neither geared towards lowest cost for delivery nor best practice. This was confounded by the fact that available data was reported to be poorly suited to identify and end inefficiencies and decommission redundant services. Finally, there was a level of instability within the market which is perceived to prevent the ability of alternative providers, particularly voluntary and private providers to enter and compete in the market. A summary of the key findings from interviews is presented in Box F.11.

**Box F.11. How well does the system incentivise high quality, value for money, service provision to meet the assessed needs? Summary of key findings from key informant interviews**

- There were reported to be few mechanisms in place to incentivise improved performance, reward providers that meet targets or sanction those who do not.
- The commissioning process was reported to incentivise the delivery of activities rather than health and well-being outcomes. This was perceived to be confounded by the fact that payments were linked to the volume of activity and not the outcomes achieved.
- There is reported to be insufficient data available, at least in the public domain to enable monitoring and evaluation of providers’ performance. As such is it poorly suited to identify inefficiencies in the system, and present the case for bringing in alternative providers or decommissioning services where providers fail to deliver the services as commissioned.
- Resources were perceived to be allocated on the basis of existing provider power rather than efficiency. Furthermore, there was reported to be limited competition between trusts. As such the allocation of resources is not based on securing “value for money”. A “network approach” to provision of services was suggested as a potential solution.
- Risks were reported not to be shared across the system, with the responsibility for meeting financial targets resting with the HSCB.
- The opportunity for alternative providers to compete in the market was acknowledged to be limited by the size of the system, current budgeting arrangements and a failure to implement a true purchaser-provider split. As a result, there were reported to be few opportunities to introduce more contestability and managed competition.

*Source:* OECD interviews.

There were reported to be few mechanisms to incentivise provider's performance, as a result risks are not being appropriately shared.

The system currently has no mechanisms to incentivise improved performance or to reward providers that meet financial targets. In this context, interviewees reported that budget-setting was largely based on making marginal changes to the previous budget with few attempts to deliver a step change by bringing in alternative providers or decommissioning services where providers have failed to deliver services. This was reportedly confounded by the inability within the system to build up an appropriate network of alternative providers (see below).

With the exception of specialist services, money was considered by some interviewees to be "handed to trust" without consideration of which trust is delivering the service most efficiently. Consequently, it was reported that the allocation of resources is not necessarily taking account of which service offer the best "value for money". This was reported to be in part due to the fact that LCGs are working in relative isolation from each other, and limited formal opportunities existed to facilitate cross trust collaboration. Some interviewees advocated the "one Northern Ireland" approach of the PHA to the commissioning and provision of immunisation and screening services, as well as the network approach for the delivery of specialist services, such as the Northern Ireland Cancer Network, as a potential solution to overcoming some of the inefficiencies.

There was reported to be a lack of clarity over who is ultimately responsible for the commissioning process. For example, contrary to their role outlined in legislation, LCGs reported that the current system does not enable them to sanction providers when they fail to deliver the services contracted. It was suggested however that there "needs to be someone tightly bound so if outcomes are not achieved there are some sanctions".

It was felt that risks are not shared across the system. The perception of budget constraints as "soft" (see section above) was stated to have resulted in a lack of accountability on trusts to break even, with responsibility for meeting financial targets instead resting with the HSCB. Consequently, some interviewees highlighted that this has given rise to risks being shared in a perverse way. For example, if one trust overspends then the deficit is covered by a trust that underspent, and as such there are no incentives to encourage providers to do things more efficiently. Additionally, one interviewee suggested that the adjustment for diseconomies of scale included in the capitation formula led to large inefficient hospitals receiving more money.

An interviewee highlighted parallel issues in primary care. In the current model it was postulated that primary care physicians lack responsibility or accountability and hence have no incentives to improve performance. Instead the interviewee pointed to the benefits of GP fund holding,<sup>12</sup> in which GPs had a degree of ownership over their own budgets. The interviewee suggested that this led to GPs starting to negotiate in terms of quality and costs, and resulted in cost savings in terms of prescribing budgets. Following the abandonment of fund holding it was reported that the numbers of referrals went back up.

### Box F.12. Managing risks within the system: Findings from survey

In the countries where there is a purchaser-provider split, risks were reported to have been shifted to the provider organisations.

- “I think risk sharing is appropriate, especially in the short run. Providers would only receive a 'marginal tariff' if they considerably exceed previous years' activity levels, plus the tariff itself is sufficiently low to require providers to be very efficient. On the other hand, commissioners face a considerable risk of running out of money if they inappropriately plan activity. In the long run, however, risk sharing could be made even more efficient with a capitation based (as opposed to activity based) payment” (England).
- “Typically, government agencies try to transfer risks to providers. However, initiatives like Social bonds do share risk. The government is also adopting a whole of government contracting framework that is fairer” (New Zealand).
- “The current payment mechanisms focus on per case models and service bundling (rather than fee for service), shifting some risk to providers. Payments tend to be risk-adjusted to avoid adverse selection. There are additionally budget caps so providers have less incentive to provide more care than contracted. More recently, contracts tend to have a longer, three-year perspective, if not financially at least in terms of strategy” (Portugal).

Conversely, in Wales, where the purchaser-provider split has been abandoned, the risk is reported to be held by the boards who are responsible for both the planning and delivery of care:

- “As the healthcare system is fully integrated, the risks are held and managed by the integrated Local Health Boards” (Wales).

### *Lack of data was reported to prevent adequate monitoring of providers' performance, and the shift to an outcome based approach*

The commissioning process was perceived to focus on achieving activity targets rather than on health and well-being outcomes. Creating a system that rewards providers based on outcomes achieved rather than on units delivered was acknowledged to be more challenging as it requires more sophisticated metrics. The current data available was not considered to facilitate outcome-based incentives as it is reportedly based on activity data: “Data is orientated towards payment for very well defined things that they [patients] come in for. ‘Define and cost it’ that’s how the system’s geared up.”

### Box F.13. Adoption of outcome based performance measurements: Findings from survey

The respondent from England reported that it has been difficult to shift to an outcome focus because of the predominance of an activity-based payment-system, which focuses on outputs rather than outcomes. The reliance on an activity-based payment system was reported not to provide sufficient incentives to providers to find the most cost-effective treatment option. However, New Zealand, Portugal and Scotland have reportedly been able to shift to a focus on outcome:

**Box F.13. Adoption of outcome based performance measurements:  
Findings from survey (continued)**

- “The Results Based Accountability (RBA) tool has been adopted to develop performance indicators (How many, how much, and is anyone better off). We are also starting to focus on what makes the biggest difference to outcomes through RBA” (New Zealand).
- “Quality, efficiency and accessibility indicators are contracted with each provider, with pre-established targets and financial returns if targets are achieved. Additionally, other indicators are monitored on a monthly basis. There has been an effort to improve the set of indicators used, to have them more based on evidence, valid and reliable. The efforts go towards relying more on outcome rather than process indicators too” (Portugal).
- “Improvements have been made through the use of outcome focused assessment and care planning tools, contracts specifications and outcome monitoring reporting to move services from input/output models to more around understanding what impact the service is having on the life of the end user” (Scotland).

There was reported to be a lack of service level data available, at least in the public domain, to facilitate the monitoring and evaluation of the comparative performance of providers. Data was therefore claimed to be poorly suited to identify inefficiencies in the system or strengthen arguments for closing services or shifting their provision to an alternative provider. Without this data readily available one interviewee asked, “How do you make any resource decisions without any productivity data?”

There was claimed to be a lack of transparency over the distribution of resources. For example, one interviewee commented that RRL data is only made publically available at year end, reflecting actual spend rather than anticipated spend.

*Instability within market inhibits ability to introduce alternative providers, and reduced contestability*

There was reported to be limited contestability within the market, as a result where providers fail to provide the service commissioned there were few examples of alternative providers being sought. However, the size of the market, current budgeting arrangements, and a lack of a true purchaser-provider split have reportedly limited the ability to build up and maintain a strong network of alternative providers, especially from the voluntary and private sector.

The current budgeting arrangements were considered to have created a level of instability in the market. For example, a number of interviewees cited the unplanned cuts to funding of elective procedures as an example of the impact that the lack of longer term financial planning has had on private providers who have “had to down tools and now are not in situation to be able to pick up service”. As another interviewee reflected “no one is going to invest if uncertainty is in the market”.

An independent provider of social care commented that the commissioning of community care by trusts lacks transparency. The interviewee reflected that in their own experience trusts only commission out additional services to the voluntary sector when they are unwilling or unable to provide them internally, and: “decide whether they want

to offer the service and if not the trust will tender the service out.” When services are commissioned out the interviewee reported there to be few open calls: “[the] first you know is that a service is up and running”. This has reportedly made it difficult for alternative providers of community care to participate in the market. Consequently, potential opportunities for better resource use could be missed.

#### Box F.14. Identification of the full range of suppliers: Findings from surveys

In England, New Zealand and Portugal, countries with purchaser-provider splits, there was reported to be a clear and open tendering process, which enables all eligible providers to compete.

- “Since every willing and qualified provider can compete for publically funded patients, all who want can be visible for commissioners” (England).
- “The NZ Government has clear rules of sourcing and transparent reporting on procurement. Providers have clear processes to raise concerns about procurement activities by government agencies” (New Zealand).
- “Competition is somewhat limited since the public sector is predominant and the private sector has mostly a supplementary role. Regional Health Authorities (ARS) are responsible for finding, within the private or social sector, providers able to deliver care not delivered by NHS institutions (when longer waiting times arise, for instance). In specific areas, for example, long term care and diagnostic tests, the role of the private sector is larger; there is a wide range of private providers, both for profit and not-for-profit that work for the NHS. In terms of procurement, the NHS runs public consultations, advertised on newspapers” (Portugal).

Conversely in Wales, which has abandoned the purchaser-provider split, the market and contracting does not apply. The Planning Framework sets out the requirement for NHS organisations to engage and be fully transparent in developing and finalising their Integrated Medium Term Plans and agree on elements that cross organisations.

## Discussion

There are strong reasons why an expert opinion holds as in no system is commissioning done consistently well (Ham et al., 2013). The opinions of our interviewees and the analyses from previous reviews all reinforce the view that Northern Ireland, in this sense at least, is no exception. However, even though commissioning is imperfect, significant improvements can be made in Northern Ireland.

In making recommendations, it is recognised that commissioning involves managing polarities,<sup>13</sup> in which each decision will bring certain benefits to the system but also certain problems. In Northern Ireland, for example, the tensions between commissioning through annual, activity based, budgets (which may provide clarity and system stability) and transformative proactive commissioning (to deliver long term sustainable change) have resulted in a much stronger focus on the former than on the latter.

### ***Lack of longer term planning as a result of focus on annual budgets and politicisation***

Decisions have been driven by annual activity targets. Annual decision-making cycles reinforce limited strategic capacity so that strategic ambitions, such as *Transforming Your Care*, for example, have had little traction. However, it is also the case that working within allocated annual budgets and providing system stability have an important place but these can be located within a more clearly articulated long-term practical planning, which is largely absent in Northern Ireland. In response to the constraints of the annual cycle impacting on efficient and effective planning and delivery of service, Wales has moved to three-year medium term plans and commissioning. This reform was introduced in 2014/15; as such it is too early to establish its impact.

Interviewees identified not so much a lack of political leadership but a “wrong” sort of engagement. It was said that it blocked rather than drove longer term thinking and improvement. Often interviewees would have concurred with Timmins (2013) that, because of the relative size of the devolved administrations compared to England, there is a “less clear-cut distinction between national and local than in England. What is local easily becomes national. This makes health appear to be even more ‘politicised’ in the three smaller countries of the United Kingdom” (Timmins, 2013). As a consequence of “politicisation”, interviewees reflected that local decisions were frequently raised to the ministerial level. This was, in many instances, described as inappropriate, creating delays within the system and enabling reconfigurations to be too easily blocked by local concerns (for more on localism versus centralism see below). It was reported to have impacted on HSCB’s ability to make longer term strategic decisions as “the declared policy is that it’s a temporary closure. [You] can’t say anything is permanent”. This was related not only to difficulties in confronting system-wide changes such as acute care in hospital but also to small services changes.

### ***Inability to implement a “true”<sup>14</sup> purchaser-provider split resulting in tensions between trust and competition***

Questions have been raised about how far the purchaser-provider split operates in practice. As a result the commissioning system fails to maximise the benefits of a “real” purchaser-provider split while failing to achieve a more integrated approach which would bring service providers and service users closer to funding flows (O’Neill et al., 2012).

Consequently, arises a tension in commissioning between trust and competition. Julian Le Grand (2006) argued that if public services are treated as if they were “knaves”<sup>15</sup> who required targets and incentives before being able to pursue the public good, then in a short space of time the former public service “knights”<sup>16</sup> would conform to their role as “knaves” (Le Grand, 2006). However, although this concept of depending upon trusted “knights” may be popular with professionals, there is compelling evidence that a degree of choice and contestability (or competition) can drive improvement and that a lack of incentives can reward failure and poor performance (Bevan and Fasolo, 2013).

While almost every interviewee recognised the benefits of competition, some interviewees argued that the continuity and stability of relationships allowed for a degree of trust which itself can improve the efficient running of services by aligning behaviours. Indeed, some of this relationship-building rather than purchasing is an important part of what most interviewees admired in what they saw as the approach in Scotland. Others,

however, argued that these very relationships acted as a barrier to change making difficult conversations less likely because of close personal relationships. In order for a system based on trust to be successful, a number of interviewees contended that it would need to set up greater opportunities for collaboration between LCGs and trusts, as within the current system the LCGs are reported to be working in relative isolation, which is stated to have resulted in a “patchwork quilt” of service provision with each LCG doing something different.

### ***Insufficient engagement of experts, service users, the general public and the third sector in health commissioning***

Expert judgment, input from patients and their organisations and high quality data would give commissioners the required information to move towards more strategic commissioning. The expertise of clinicians, service providers, the public and patients and the third sector are important to tailor commissioning to real needs and make informed choices on trade-offs. However, current mechanisms for this expertise to be fed into the process, through the PHA, LCGs and ICPs, were considered not to be having the intended impact. Furthermore, interviewees were especially concerned that expertise from primary care, community care, service users, and third sector providers were often weakly represented in decision making. This was in part equated to the dominance of the trusts in the commissioning process and the fragmentation of other providers. The newly formed GP federations were suggested as a potential mechanism for facilitating the engagement of GPs in the commissioning process.

A wider form of expertise was considered to be the need to look outwards from the existing system, for example, to identify new models of care and opportunities or to work more closely with other agencies beyond HSC within (or even beyond) Northern Ireland. This was also the view of the Donaldson Report which argued that the NI system would benefit from stronger thought-leadership from within. Donaldson reported that there is no established health and social-care think-tank, and some key disciplines such as health economics are not strongly represented. Yet, several third sector organisations work in the field and could be more extensively and systematically consulted to introduce the experts’ opinion in the process.

### ***Tensions between a capitation approach and a fee for service***

A further observable tension in Northern Ireland is between a capitation approach and a fee for service. The fee for service approach, linked to a tariff can be a useful means to reward efficient providers. However, in the *Five Year Forward View* in NHS England it is recommended that there should be a shift to capitation payments to create system incentives to reward the better management of long term conditions (NHS, 2014). The likelihood is that for standard and repeated episodes of care, tariffs will help improve efficiency while for care organised around the specific needs of individuals entailing complex conditions, a capitation approach would be more appropriate.

### ***Tensions between delivery of services at a local vs. regional level***

There was a tension between achieving economies of scale, improving the quality of specialist services, and providing more comprehensive services at the level of Northern Ireland, on the one hand, and a passion for localism and community based services on the other. This was associated with a reported concern among users that services should not

be over-centralised in Belfast and a conflicting anxiety among service providers to avoid a potential “post-code lottery” which could be associated with localism.

This tension in practice appears to be managed in favour of localism with relatively few flows of money between trusts other than for specific specialist services. Important exceptions to this include the PHA, and the network approach to the delivery of specialist services as for example cancer services. A local approach was considered the most favourable option for ensuring that the needs of the local population are placed at the centre of decision making.

Two notable concerns were raised regarding localism. First while there were many examples of innovative practices at the LCG and trust level, mechanisms for cross trust learning were reported to be limited. Second, localism was seen to inhibit workforce planning. Northern Ireland appears to be particularly vulnerable to a limited pool of senior management and clinicians. For example, the Chief Medical Officer is currently also acting as the Chief Executive of the Belfast Trust, and numerous examples were provided by trusts and LCGs on the difficulties in recruiting senior consultants, and the impact this has on their ability to deliver high quality care at all sites, all of the time. This creates, as noted by Compton, a fragility within the system. There is evidence that some of these challenges are being overcome through a regional approach to planning of more specialised services –for example the creation of the all-Ireland paediatric congenital cardiac services (NIA, 2015). There was also some suggestion from the interviews that the commissioning of public health services by PHA may be functioning well because of a regional approach to the planning and delivery of services and a small well organised team with clinical expertise. This was not corroborated further as most interviews focused on the role of HSCB.

However, it is also recognised that the choice between localism and a “one Northern Ireland” solution is not only about the technical efficiency of the health and social care system; it also reflects preferences for different ways of working and engaging.

### ***Mismatch between policy rhetoric and practice, with the acute sector still perceived to be dominating commissioning decisions***

In order to shift care into the community or people’s homes the Compton review advocated a stronger role for local commissioning. However, the relationship between the HSCB and the trusts continues to dominate the commissioning landscape and social services were reportedly all too often being delivered via hospitals rather than through the community.

The policy’s aim of shifting care into primary and community settings will require an increase in capacity in primary and social care. Yet a recent BMA review of General Practice in Northern Ireland highlighted that growth in the general practice workforce is not keeping pace with the demand for services, and this is likely to be confounded by an impending workforce crisis as almost a quarter of GPs are aged 55 and over (BMA, 2015). We heard that a similar situation exists for social care workers.

### ***Focus on activity rather than outcomes***

Perhaps most overtly of all, the commissioning system in Northern Ireland addresses the tension between commissioning for outcomes rather than commissioning activities (or transactions) by being largely oriented towards the latter. This opposition can provide

insight and it allows policy makers to have a clearer idea of what public money is being used for and this may explain some of the reluctance to shift towards a more outcome driven approach. However, in previous reviews and in current interviews it was repeated that to facilitate innovation and joined up working across public agencies there was a need to commission more often for outcomes.

### ***Previous reviews have had limited purchase***

This review resists the idea of a perfect model of commissioning. Instead, it makes recommendations based on how decision-makers in Northern Ireland believe they can best manage these polarities, given the particular scale, skills, and preferences of stakeholders. However, before doing so, it is relevant to consider why previous reviews have apparently had so little purchase. Ten years ago, in 2005, Appleby argued that the performance management system needed to be reformed to take on serious, long term target setting coupled with rewards and sanctions at organisational and individual levels and greater devolution to providers. In turn, Appleby argued, providers themselves need to consider how to devolve functions within their organisations, in particular, finding ways in which to engage frontline staff with the incentives faced by the organisation as a whole – through, for example, devolution of budgets and associated responsibilities. These are conclusions that, with nuances and emphases, have appear in various reviews since then (including this one). So our final discussion point is to ask why it has proved so difficult to achieve such changes.

The articulation between the political system, the health and social care system, and the administration of financial flows, is not one that interviewees found easy to negotiate. We heard that the HSCB works within particular financial constraints to deliver overall budgets on an annual basis and it works within this system to meet its responsibilities. This was believed to result in, on occasion, perverse incentives. Politicians, it was said, find themselves responding to constituents’ concerns and are being drawn into specific consequences of financial constraints and in particular narrowed to decommissioning services. Even where they see the general need for wider transformations they may resist specific local changes intended to support these transformations. Service providers seek to maintain safety and quality and this may often mean system stability; consequently, there may be limited competition and innovation. As a result, most stakeholders ended up believing that the commissioning system was unsustainable (and contributed to an unsustainable health and social care system) but were unable to foresee how it might be changed.

## **Conclusions and recommendations**

The desired outcomes of good commissioning practice for health and social care services in Northern Ireland are broadly agreed upon among the stakeholders consulted and include:

- delivering the best possible health and well-being outcomes equally for the whole population of Northern Ireland
- providing high quality and safe health and social care services
- achieving the best value for money within the available resources.

However, there is mounting evidence that existing arrangements are not delivering these outcomes. Key informants interviewed for this case study unanimously concurred with the findings of earlier reviews of HSC in Northern Ireland completed during the past ten years that there is a need for reform. A number of reasons were suggested for this, and these were summarised in the Discussion section above. However, it is also noted that internationally the perceived benefits of commissioning have often lagged behind reality. More locally, successive sets of recommendations focused on Northern Ireland have not been fully acted upon. The recommendations that follow draw particularly on the insights from stakeholder interviews, enriched by the international survey and wider literature. This ensures recommendations are informed by relevant expertise but there has been no independent analysis of the details of decision-making processes around commissioning. This puts limits around how detailed recommendations can be drawn up. Furthermore, while the experts interviewed broadly agreed on the need for change, they disagreed about what the system should be changed to. Within these limitations, recommendations are as specific and targeted as possible while recognising that there is no “silver bullet” to solve the multi-faceted challenges to successful commissioning. Indeed, in Recommendation 5 it is acknowledged that there are at least three internally consistent and viable approaches to the overall governance arrangements. Overall, the recommendations are designed to inform specific actions that, collectively, will help to deliver the intended outcomes.

***Recommendation 1: Build capacious change management based on the active engagement of all health system stakeholders and technical expertise in delivering an improved commissioning architecture***

Given the gap between, on the one hand, successive recommendations for reform and the reported longstanding concerns of interviewees, and on the other hand the limited reforms achieved, the first recommendation is that reforming the commissioning of HSC should be treated as a change management project.<sup>17</sup> Change management is a structured approach to working with individuals and groups to help deliver a desired change. It is facilitated by an agreed vision, by clarity about operational delivery, and by an ability to learn and adapt. Despite previous reports and recommendations, and a recognition of the need for change, it has proved difficult to manage change in the commissioning process in Northern Ireland. Identifying the best way forward for commissioning is only part of the challenge. There is also a need to develop the skills and capacity to deliver change and this requires that the NI Executive engage politicians in the commissioning process in a way that allows political leadership to shape an agreed vision of a more ambitious, effective and innovative commissioning model. Those bodies identified should also play an active role in this process. In return for this strategic input from political leaders, operational matters should be clearly assigned as the responsibility of those bodies tasked with the role of commissioning. Therefore, the DHSSPS should specifically consider how to build a capacity for leading change in complex systems, including training opportunities and recruitment within the Department to provide a platform to support change across Northern Ireland as a whole and building a network of practitioners to help deliver this. Specifically:

- There should be a small change management team dedicated to delivering the recommendations contained in this Report and to review recommendations from previous Reports that remain un-actioned upon.

### ***Recommendation 2: Re-energise and re-shape the Commissioning Plan Direction***

Working within allocated annual budgets and providing system stability have an important place in good commissioning but these should be located within a more clearly articulated long-term programme. The DHSSPS’s *Commissioning Plan Direction*, along with the *Commissioning Plan* produced in response to the *Direction*, should therefore seek to not only respond to the day-to-day pressures in delivering care but also keep in sight the longer-term changes it is aiming to bring about in population health outcomes. To this end the Plan, at a minimum, should promote effective and innovate commissioning, based on achieving gains in health outcomes, rather than focusing on existing service provision. This will require integrating annual plans, workforce planning and public health strategies. Specifically, this would include: better use of competition to drive innovation; a more holistic approach to commissioning services ensuring continuity of care, driving value for money improvements through procurement, and encouraging new providers into the market. Specific skills to deliver this include health economics, epidemiology and statistics.

More immediately, the Plan should seek to define its objectives in terms of long term population health outcomes. The OECD international survey highlighted the view that even with annual budgets countries such as Portugal and Wales have been able to develop more medium term planning arrangements, which were perceived to have improved the efficiency and effectiveness of the planning and delivering of services (see the introduction of Integrated Medium Term Planning in Wales (Welsh Government, 2013).

Longer term planning can also reinforce an outcomes-based approach to planning (see, for example, the Results Based Accountability tool being adopted in New Zealand [MoH, 2015]). Along the survey, it was also said of Scotland that “Improvements have been made through the use of outcome focused assessment and care planning tools, contracts specifications and outcome monitoring reporting to move services from input/output models to more around understanding what impact the service is having on the life of the end user.” Outcomes should be defined in “SMART” terms; specific, measurable, achievable, realistic; and time bound. There is also a need to encourage a more ambitious, more proactive approach, creating an environment of innovation, experimentation and learning to help inform the direction of future Commissioning Plan Directions. The commissioning process should encourage adaption and improvement, recognising that commissioning rarely “gets it right” first time. Thus:

- look to address health needs over the medium to long term
- have a stronger SMART outcomes focus.

### ***Recommendation 3: Increase the role of provider organisations in the commissioning process, particularly considering primary care***

In order to secure value for money, there is a need to engage with the full breadth of potential provider organisations, including primary care and the third sector. Also there is a need to identify ways of strengthening the practical involvement of primary and social care providers to develop more integrated care pathways to ensure that care is delivered in the most appropriate setting. The knowledge and experience needed to do this will most often be held by provider organisations as well as primary care, with its long-term relationships with patients, which can be a vital source of such insight.

Therefore, commissioners should work with provider organisations to ensure: that provision is efficient and effective; that provision is sustainable; and that it is sufficient and fairly distributed. Our survey highlights a number of different ways by which provider organisations might be engaged in the commissioning process, potentially the most appropriate options would include establishing Scottish-style provider forums or a Welsh approach to embedding providers within the planning, commissioning and delivery of services. Either option would require that commissioners are able to understand three things:

- the perspectives, needs and capacities of provider organisations (and in particular this may require greater efforts to understand the needs of primary care)
- the existing plans, quality assurance processes, and performance management approaches which ensure that providers are able to deliver commissioning plans to budget and to the standard required (and as appropriate these should be written into service agreements)
- how providers (including potential new entrants to the market) might be incentivised and supported (through training or sharing future plans, for example) to help change behaviours to ensure sustainable delivery.

Commissioning needs to be more creative in how it contracts services. To deliver on health outcomes may require input from more than one provider and may include collaborating with a provider from outside the health and social care sector. In order to facilitate the involvement of the most appropriate providers contracting arrangements should enable sub-contracting and consortia building, or for example set different outcomes for two or more providers which together will achieve the impact more effectively than one provider on its own. In addition, in order to facilitate the inclusion of smaller providers commissioning could look at the use of smaller contracts to enable SME to bid and compete to deliver services.

Bringing more and new players into the market might involve looking at how to make market entry more attractive (e.g. the energy sector) and may require additional incentives but it also calls for stability in the market provided by a transparent decision making framework and a clear long term strategic view. The contracting process needs to be transparent and fair. For example, all providers need to be notified sufficiently in advance when a new service is to be commissioned to allow them to prepare a bid. Providing considerable forward warning was reported, by a survey respondent from Scotland, to be a particularly important mechanism for engaging the third sector in the commissioning process. Furthermore, through enabling providers to contribute to the strategic development of services, the Scottish respondent reported that this engaging process “providers can utilise to make plans for potential service development/tendering opportunities”. The perception that the market is fair will encourage more potential providers (including General Practice) to enter the market. For this reason, the pursuit of an outcomes-based approach should be tempered by the need to maintain trust, mutual understanding and a shared sense of purpose. In summary, provider organisations should be given:

- a formal and effective role in commissioning (possibly learning from the approaches currently found in Scotland and Wales)
- forward warning and support to enable all providers to participate in future service delivery.

***Recommendation 4: Involve the public, service users, carers and third sector to create ownership and encourage joint responsibility for health and well-being***

The Donaldson Review (2014) argued that engaging the public and service users is a powerful way to drive improvement. However, despite identifying some successful examples, such as the 10 000 Voices Initiative, which drew on the experience of thousands of patients in developing new pathways of care in pain management, overall Donaldson argues that public engagement and patient/user involvement has not been a prominent part of the Northern Ireland HSC system. This view was reiterated by our interviewees who also suggested that there has been limited success in involving the public, service users, carers and third sector in the commissioning process. From evidence heard here the PCC does not appear to be having the impact intended on ensuring the inclusion of the public in the planning, design and delivery of services.

While there is a need for a more detailed review on the current mechanisms that seek to include the public, service users and carers, based on evidence heard here, one suggestion is to take a more co-operative and inclusive approach giving public, service users, carers and third sector a more central role in order to ensure tailored services, joint accountability and decision making.

As discussed in Recommendation 2, one emphasis in this and other recommendations is to make commissioning more outcomes-based. Outcomes should be relevant to the needs and preferences of service users and carers. Indeed, supporting independence, offering choice, and ensuring that more marginalised voices are represented are all features of good quality commissioning. As the capacity for more innovative commissioning develops, the HSCB should be considering more user-led approaches to commissioning as is being piloted through the Integrated Personal Commissioning England (NHS, 2015).

Priorities and decisions need to be clearly articulated in a manner that is accessible to the public, and services users, to help the commissioner justify why decisions are worthwhile and correct and to give evidence that they do reflect the public interest and not that of only a few. This may often include giving service user organisations and representatives a greater role. In summary:

- Commissioners should seek to engage with the public, service users and the third sector in a meaningful way in order to help shape services.
- Commissioning should drive improvement through requiring patient and public engagement and using the results to inform the allocation of resources.

***Recommendation 5: Reconsider the governance structures and make an active choice***

Currently the purchaser-provider split has not been fully implemented in Northern Ireland. Instead the current commissioning arrangements are complex and fragmented across a number of bodies, resulting in a lack of clarity over who is ultimately leading the commissioning process and a lack of accountability across the system. The perpetuation of this system is not a consequence of a deliberate decision but a result of inertia and lack of prioritisation.

First, there is a need to reflect on and re-clarify the roles of the NI Executive, DHSSPS and the Arm's Length Bodies in the commissioning process. The majority of interviewees believed that the role of these organisations, as laid out in the *Framework*

*Document*, does not match the role they are playing in reality. For example, particular concerns were expressed over the diminished role of the PHA in the drafting of the *Commissioning Plan*, and many perceived the LCGs to be under-resourced and under-powered to fulfil their responsibilities. In addition, the lack of clarity was reported to have resulted in tension between the various organisations.

In considering the overall structure of the HSC system there are at least three internally consistent and feasible governance structures. These might be considered to be “straw men” to provide a structured debate and choice. Neither the evidence collected for this evaluation, nor the wider evidence base, can provide a compelling case to select one over the others. However, any one of these would be preferable to the current system. Judgement about which model is best suited to the context and preferences of Northern Ireland should be made by NI stakeholders themselves.

The first perspective is to shift commissioning decisively to the local level and to replace the role of HSCB with revamped LCGs with real power. It would require a central mechanism to co-ordinate the spread of learning and best practice across the trusts and agreed processes for purchasing specialist services. Potentially it will not overcome that the perceived issue of post code lottery and lack of co-ordination between trusts and workforce planning might be made harder. An additional issue is that there are potentially limited commissioning skills currently available within the system and under this proposed model and capacity might be spread out too thinly.

The second approach would involve abandoning the purchaser-provider split by moving the functions of the Board into the department within an integrated purchaser-provider approach. The DHSSPS would be responsible for bringing closer together resource allocation with service providers, service users and service delivery. This approach would risk losing dynamism, local accountability and innovation but these could be compensated through contestability, transparency and public engagement. However, it might reduce transaction costs and help deepen existing relationships across the health and social care sectors.

The third approach involves creating one body (building on a strengthened HSCB) to address population needs. It would bring in relevant expertise to inform the decision making process including clinicians, users, and providers. Finance would form part of the assessment but would not be the driver. It would be given a remit to take a more strategic approach in a consolidated commissioning board and would recruit the best available technical expertise and change management leaders from across Northern Ireland. In this model the trusts would have to take on the role of assessing – and championing – local needs. Particular inputs would be sought from the PHA, as well as from networks that have been set up such as the one for cancer.

The task of choosing one approach over the others is not (only) a technical choice. It is also a choice based upon what form of relationships, accountabilities and behaviours the people of Northern Ireland wish to prioritise. However, whichever approach is to be selected would come with not only the anticipated benefits but also risks to manage and trade-offs to make. Any structures put in place should be managed by the most technically qualified and experienced staff. Therefore, any decision around the future structure of the commissioning process needs to consider the implications of the reported shortages and challenges of recruiting and retaining high quality staff. Those closest to the local context are best placed to understand and manage these.

The final recommendation is that a well facilitated process involving all key stakeholders should be devised to conduct an open debate and reach a clear conclusion that is morally binding.

## Appendix F.1. Overview of health systems in selection countries

	Overall governance of health and social care	Provision and financing of healthcare and social care	Commissioning of health care
England	The Department of Health is responsible for setting health and social care policy. Since 2013 responsibility for the commissioning of the majority of NHS services has been devolved to local clinical commissioning groups (CCGs). Local health and well-being boards oversee the delivery of integrated health and social care services.	Healthcare services are primarily organised and delivered through the National Health Service (NHS). Most primary and specialist care is provided through the NHS system, although there is a sizable private sector funded through voluntary insurance, direct payments and NHS contracts.  Social care services are provided through a means-tested system delivered at the local level by local authorities. People with assets beyond a set threshold receive no financial state support.	The distinction between purchasing (commissioning) and provision, first introduced in 1991, remains in force, although the nature of both the providing and purchasing organisations has changed. The NHS commissioning system was previously made up of Primary Care Trusts (PCTs) and specialised commissioning groups. Most of the NHS commissioning budget is now managed by 211 clinical commissioning groups (CCGs) at a local level. At a national level, NHS England commissions specialised services, primary care, offender healthcare and some services for the armed forces. CCGs and NHS England is supported by new commissioning support units (CSUs). Commissioning of public health services is undertaken by Public Health England (PHE) and local authorities, although NHS England commissions, on behalf of PHE, many of the public health services delivered by the NHS
New Zealand	The New Zealand Ministry of Health distributes funding to 20 District Health Boards (DHBs). The DHBs are accountable to the local community and the Minister, and are responsible for managing public resources and purchasing publically funded health care services for their population from private providers. DHBs also own and operate public acute care and mental health hospitals, which provide most secondary and tertiary care.	Health care in New Zealand is financed largely through public sources, mainly through general taxation and social security contributions. A small amount of funding comes from private sources. The New Zealand Ministry of Health distributes funding for most publicly funded services to 20 district health boards (DHBs). Care necessitated because of accidents or injury is financed through the Accident Compensation Corporation	DHBs receive funding from The New Zealand Ministry of Health and are responsible for managing public resources and purchasing publically funded health care services for their local population from private providers. DHBs purchase a significant proportion of primary care services through contracts with primary health organisations (PHOs), which were introduced following the 2001 Primary Health Care strategy. PHOs organise and manage publically funded primary care, and subsidise low-cost access to GP services.
Portugal	Planning and regulation take place largely at the central level in the Ministry of Health and its institutions. The High Commissariat fir Health (ACS) is responsible for the design, implementation and evaluation of the National Health Plan. The management of the NHS takes place at the regional level. In each of the five regions, a health administration board that is accountable to the Ministry of Health is responsible for strategic management of population health, supervision and control of hospitals, management of primary care and implementation of national policy objectives. They are also responsible for contracting services with hospitals and private sector providers for NHS patients.	The current Portuguese health care system is characterised by three co-existing, overlapping systems of provision: the universal NHS; special public and private insurance schemes for certain professionals (health subsystems); and private VHI providing additional coverage to a minority of the population. A mix of public and private health service providers delivers Portuguese primary health care. Secondary and tertiary care is mainly provided in hospitals.  Like most European health systems, the Portuguese health care system draws on a mix of public and private financing. The NHS is predominantly financed through general taxation. The health subsystems	The Ministry of Health receives a global budget for the NHS from the Ministry of Finance, which is then allocated to the many institutions within the NHS. It is the responsibility of the five regional health administration boards to allocate the funds to best provide for the needs of the local population by contracting services with hospitals and private sector providers for NHS patients.  A mix of public and private health service providers delivers Portuguese primary health care. These include primary care centres integrated in the NHS, private sector primary care providers (both non-profit-making and profit making) and professionals or groups of professionals in

	Overall governance of health and social care	Provision and financing of healthcare and social care	Commissioning of health care
Scotland	<p>The Scottish Cabinet Secretary for Health, Well-being and Cities Strategy is responsible for health and for health services, and is accountable to the Scottish Parliament. Supported by The Scottish Government Health and Social Care Directorate, ministers set policy, oversee delivery of services by the NHS and regulate the small independent sector. Planning and delivery functions are delegated to 14 regional NHS Boards, seven Special NHS Boards and one public health body.</p>	<p>Healthcare services, as in the rest of the United Kingdom, are delivered through the NHS and financed primarily through general taxation, including a small national insurance contribution. The NHS covers all residents, and health services are free at the point of use. In Scotland there are very few exceptions such as dental care, for which there are co-payments. There is a very small independent health care sector, both private a non-profit making.</p>	<p>a liberal system with which the NHS contracts or develops co-operation agreements. Secondary and tertiary care is mainly provided in hospitals.</p> <p>Following devolution in 1999, NHS trusts were merged with boards and the purchaser-provider split introduced by the UK Government in 1991 was dismantled. Until recently, each board delegated responsibility for delivery to operating divisions for acute services and to community health partnerships (CHPs) for community and primary care services.</p> <p>The Integration Bill passed in 2014 has introduced substantial changes. Health Boards and Local Authorities are required to integrate adult health and social care services and can decide whether to include children's health and social care services into their local integrated arrangements. They are required to establish local integrated partnership and governance arrangements, have integrated budgets for health and social care, and are jointly responsible for joint strategic and locality planning in the area.</p>
Wales	<p>For several decades, Wales had a health system largely administered through the UK Government's Welsh Office. Far greater responsibility for most aspects of health policy was devolved to Wales in a process beginning in 1999. Since then, differences between policy approach and framework in England and Wales have widened. Seven Local Health Boards (LHBs) are responsible for all aspects of planning and providing health services in their geographical areas. The boards of these bodies, together with those of the three remaining NHS trusts (for ambulance services, specialised cancer care and public health), are appointed by and accountable to the Minister for Health and Social Services. LHBs operate within a policy framework determined by the Welsh Government and plan services accordingly. Responsibility for social services lies with 22 local authorities, which are required to work in partnership with the NHS and the third (non-profit-making) sector. Separate regulatory bodies for health and social care work with the Wales Audit Office and others to report independently on service performance.</p>	<p>Healthcare services are delivered through the NHS – leadership is provided by the NHS Trust Public Health Wales (PHW), which operates both nationally and through its staff located in each LHB. Primary care is mainly provided by independent contractors, as in the rest of the United Kingdom. The services are funded by a "block grant" Wales receives from the UK government based on its share of the total UK population; how this "block grant" is used is determined by the National Assembly. Budgets are allocated to Local Health Boards (LHBs). GPs and other private contractors are remunerated in ways very similar to that elsewhere in the United Kingdom. Limited use is made of formal mechanisms to pool funding between NHS and other public bodies. There is relatively limited private financing of healthcare, and the NHS makes very little use of the private sector (the exception being dental care, which now relies heavily on private provision).</p>	<p>Purchaser-provider split: steadily abandoned since 1999, completely gone since 2009.</p> <p>Since devolution of health policy to Wales in 1999, the country has abandoned the purchaser-provider split introduced in the UK NHS in 1991. The last remaining vestiges of the internal market were removed with the creation of seven Local Health Boards (LHBs) in 2009. These LHBs are responsible for all aspects of planning and providing health services in their geographical areas. There is no formal competition between providers. Patients' views are reflected through the internal mechanisms of LHBs or statutory community health councils rather than through choice of provider. Because of the country's small size and the absence of an organisational level between the local and national, political involvement in local decision making is sometimes strong.</p>

*Note:* Information in this table draws from an international survey on commissioning and health service delivery across selected OECD countries, which was conducted specifically for this report.

*Source:* OECD (2015), "Survey on Commissioning in Selected Countries".

## Appendix F.2. Abbreviations

BSO	Business Services Organisation
DHSSPS	Department of Health, Social Services and Public Safety
FHS	Family Health Services
GP	General Practitioner
HSC	Health and Social Care
HSCB	Health and Social Care Board
HSCT	Health and Social Care Trust
LCGs	Local Commissioning Groups
NAO	UK National Audit Office
NDPBs	Non departmental Public Bodies
NHS	National Health Service
NIAS	Northern Ireland Ambulance Service
PCC	Patient and Client Council
PHA	Public Health Agency
PoC	Programme of Care
RfR	Request for Resources
RRL	Revenue resource limit
RPA	Review of public administration
RQIA	Regulation and Quality Improvement Authority
TYC	Transforming Your Care

## Appendix F.3. List of organisations interviewed

- Public Health Agency
- South Eastern Health and Social Care Trust
- Belfast Local Commissioning Group
- Health and Social Care Board
- NI Cancer Network
- Southern Local Commissioning Group
- Mental Health Charity
- Belfast Health and Social Care Trust
- Royal College of General Practitioners
- NI Social Care Council
- Department of Health, Social Services and Public Safety
- Southern Trust
- School of Economics, University of Ulster
- Belfast Health and Social Care Trust
- Department of Health, Social Services and Public Safety
- Western Health and Social Care Trust
- Northern Health and Social Care Trust

## Notes

1. According to the OECD, “In all countries, both health and long-term care will be driving up public spending. Focusing on the cost-containment scenario, for OECD countries, average public health care expenditure is projected to increase from 5.5% of GDP in 2010 to 8% in 2060; whereas public long-term care expenditure is projected to increase from 0.8% to 1.6% of GDP in 2060.”
2. Social care clients make a means tested contribution to care home-costs.
3. First used in 1978, the Barnett Formula is the mechanism used by the United Kingdom Government to allocate more than half of total public expenditure in Scotland, Wales and Northern Ireland. The Formula determines the annual changes to the spending allocations to the Northern Ireland Executive. Under the Formula, the Northern Ireland Executive receives a population-based proportion of the changes in planned spending on, comparable to Government services in England, England and Wales or Great Britain as appropriate.
4. “Value for money” is not about achieving the lowest price, instead it aims to ensure the best use of resources for intended outcomes.
5. Devolution refers to the statutory granting of powers from the Westminster government in London to the Scottish Parliament and the National Assembly for Wales and Northern Ireland, which resulted following referendums in Scotland and Wales in 1997 and Northern Ireland in 1998. The devolution settlements are complex and differ between countries. In Northern Ireland the following powers are devolved: health and social services, education, employment and skills, agriculture, social security, pensions and child support, housing, economic development, local government, environmental issues, including planning, transport, culture and sport, the Northern Ireland Civil Service, equal opportunities, justice and policing.
6. Northern Ireland is separated into five health and social care trusts by area (Belfast, Northern, Southern, South Eastern, and Western). A sixth trust covers ambulance services, which operates at the regional level.
7. Extra contractual referral is the transfer of a patient to a provider outside Northern Ireland for assessment and/or treatment which is considered necessary but not available in Northern Ireland (HSCB, n.d.) and for patients travelling outside Northern Ireland for treatment. *Health and Social Care Board*, on line: [www.hscboard.hscni.net/publications/Policies/270%20Information%20for%20patient%20travelling%20outside%20Northern%20Ireland%20for%20treatment.html](http://www.hscboard.hscni.net/publications/Policies/270%20Information%20for%20patient%20travelling%20outside%20Northern%20Ireland%20for%20treatment.html).
8. Interviewees represented the DHSPS, HSCB, LCGs, PHA, HSC trusts, NI Social Care Council, Royal College of General Practitioners, NI Cancer Network, and a mental health charity and an economist.
9. As part of *Transforming Your Care*, 17 ICPs have been established across Northern Ireland. The ICP bring together health and social care providers from both the statutory and voluntary sector including GPs, community health, social care providers and hospital specialists to help improve the patient’s journey between and within

hospitals and community care. The ICPs focus on the frail elderly and those with long term conditions. The ICPs do not have a commissioning role, but are tasked with developing detailed investment proposals that identify the resources required to better integrate services in line with regional commissioning specifications. Proposals are reviewed by the LCGs.

10. A situation in which an individual's access to health services and or treatment is determined by the area of the country in which they live.
11. The annual cycle and requirement to break even is a requirement placed upon the HSC as whole. It is not the HSCB which needs to breakeven but the HSC as a whole.
12. The 1990 GMS contract allowed GP practices to operate a system of fundholding (Appleby, 2005). Whilst it was not compulsory the majority of GP practices did. Under fund holding each GP practice was allocated an annual budget to purchase services. GPs were entitled to retain any savings made. Fundholding was abandoned in 2002, as it was perceived that it had given rise to an inequitable service.
13. Polarity management involves recognising that in many challenging situations there are tensions that cannot be avoided but should be managed by taking into account, both the benefits and risks, of either end of the tension (e.g. localism versus central co-ordination), see: Polarity Management in Healthcare System – Challenges and Opportunities, Shankari, B Uma; Franklin, A Sunil. *Journal of Contemporary Research in Management* 7.1 (Jan-Mar 2012), pp. 49-55.
14. Purchasers and providers are never hermetically sealed from each other but a “true” separation involves an independent and strategic purchaser acting in the public interest as well as responsive and accountable providers.
15. Self-interested egotists.
16. Public-spirited altruists.
17. A practical discussion of implementing change management in the Canadian healthcare system may be found at [www.cfhi-fcass.ca/Libraries/Commissioned\\_Research\\_Reports/Dickson-EN.sflb.ashx](http://www.cfhi-fcass.ca/Libraries/Commissioned_Research_Reports/Dickson-EN.sflb.ashx) which, in turn draws upon: Iles, V., and Canfield, S. (2004). *Developing change management skills: A resource for health care professionals and managers*. London: National Co-ordinating Centre for NHS Service Delivery and Organisation.

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## *Annex G*

### **Northern Ireland's better regulation strategy**

*This case study discusses the reforms aimed at streamlining Northern Ireland's regulation regime. This case study explores how regulatory capacity can be leveraged to support the goals of Northern Ireland's public sector reforms and, at the same time, create conditions favourable to economic development. The findings and recommendations of this case study form part of the overall recommendations of the Northern Ireland Public Governance Review.*

## Introduction

As part of the Public Governance Review (PGR) of Northern Ireland, the OECD has considered the features of “streamlined regulation and processes” as part of “improving operational delivery” with the overall aim of “Improving Public Services”. “Streamlined regulation and processes” was defined in the terms of reference for the review. In addition, the PGR considered the sub-theme “digital governance” within the higher level theme “Improving Strategic Approaches”.

There is a clear and close link between these two sub-themes in the PGR, because digital services are framed as enabling a reduction in bureaucracy which will lead to streamlined regulation and processes. This case study therefore:

- describes existing and planned arrangements of the NI Executive and NICS departments for improving and streamlining regulation and reducing unnecessary bureaucracy for businesses, citizens and staff, including the role played by digitisation
- recommends actions to improve regulatory policy and governance with the aim of improving the approach to streamlining and improving regulations and processes in Northern Ireland.

This case study assesses regulatory capacity as a factor to be leveraged to support the goals of Northern Ireland’s public sector reforms and, at the same time, create conditions that will be favourable to its economic development. Countries across the OECD have recognised the need and the benefits to accrue from regulatory simplification. Though this is also recognised in Northern Ireland, the path to better regulation is less clear. How to set forth this path and achieve the goals of regulatory change is the focus on this section.

## The policy context of streamlining regulation and processes

The task of streamlining and simplifying regulation and processes is an issue of regulatory policy, that is: it depends upon the way in which policy proposals are assessed, chosen, effected, implemented, enforced and reviewed. Regulatory policy is a horizontal policy area which cuts across different policy subject areas and regulatory authorities – both core departments and the wider public sector. It addresses the justification for intervention by public authorities and the means of intervention, as well as the effectiveness of regulation in achieving policy aims.

The 2012 OECD *Recommendation of the Council on Regulatory Policy and Governance* [C(2012)37] (OECD, 2012a) is a comprehensive international statement on regulatory policy and provides guidance for member countries on ways to build and strengthen capacity for regulatory quality and reform. Its 12 high-level recommendations to member countries are listed below and are set out in more detailed terms in the Annex to the Recommendation. These provide a guideline against which member countries can assess their arrangements.

### Box G.1. OECD Recommendation on Regulatory Policy and Governance, 2012

1. Commit at the highest political level to an explicit whole-of-government policy for regulatory quality. The policy should have clear objectives and frameworks for implementation to ensure that, if regulation is used, the economic, social and environmental benefits justify the costs, the distributional effects are considered and the net benefits are maximised.
2. Adhere to principles of open government, including transparency and participation in the regulatory process to ensure that regulation serves the public interest and is informed by the legitimate needs of those interested in and affected by regulation. This includes providing meaningful opportunities (including online) for the public to contribute to the process of preparing draft regulatory proposals and to the quality of the supporting analysis. Governments should ensure that regulations are comprehensible and clear and that parties can easily understand their rights and obligations.
3. Establish mechanisms and institutions to actively provide oversight of regulatory policy procedures and goals, support and implement regulatory policy, and thereby foster regulatory quality.
4. Integrate Regulatory Impact Assessment (RIA) into the early stages of the policy process for the formulation of new regulatory proposals. Clearly identify policy goals, and evaluate if regulation is necessary and how it can be most effective and efficient in achieving those goals. Consider means other than regulation and identify the trade-offs of the different approaches analysed to identify the best approach.
5. Conduct systematic programme reviews of the stock of significant regulation against clearly defined policy goals, including consideration of costs and benefits, to ensure that regulations remain up to date, cost justified, cost effective and consistent, and deliver the intended policy objectives.
6. Regularly publish reports on the performance of regulatory policy and reform programmes and the public authorities applying the regulations. Such reports should also include information on how regulatory tools such as Regulatory Impact Assessment (RIA), public consultation practices and reviews of existing regulations are functioning in practice.
7. Develop a consistent policy covering the role and functions of regulatory agencies in order to provide greater confidence that regulatory decisions are made on an objective, impartial and consistent basis, without conflict of interest, bias or improper influence.
8. Ensure the effectiveness of systems for the review of the legality and procedural fairness of regulations and of decisions made by bodies empowered to issue regulatory sanctions. Ensure that citizens and businesses have access to these systems of review at reasonable cost and receive decisions in a timely manner.
9. As appropriate apply risk assessment, risk management, and risk communication strategies to the design and implementation of regulations to ensure that regulation is targeted and effective. Regulators should assess how regulations will be given effect and should design responsive implementation and enforcement strategies.
10. Where appropriate promote regulatory coherence through co-ordination mechanisms between the supranational, the national and sub-national levels of government. Identify cross-cutting regulatory issues at all levels of government, to promote coherence between regulatory approaches and avoid duplication or conflict of regulations.
11. Foster the development of regulatory management capacity and performance at sub-national levels of government.

In developing regulatory measures, give consideration to all relevant international standards and frameworks for co-operation in the same field and, where appropriate, their likely effects on parties outside the jurisdiction.

*Source:* OECD (2012a), “Recommendation of the Council on Regulatory Policy and Governance”, [www.oecd.org/governance/regulatory-policy/2012-recommendation.htm](http://www.oecd.org/governance/regulatory-policy/2012-recommendation.htm).

Administrative simplification is a regulatory quality and a regulatory management tool which aims to review and simplify regulations, addressing and streamlining the processes by which public authorities collect information and intervene in individual economic decisions. Streamlining regulations and processes, often with the assistance of Information and Communication Technologies (ICTs), has become an ongoing function of many governments. Among the key and common themes across OECD member countries in recent years has been the desire for better regulation, which can be thought of as both a reduction of non-productive regulatory activities, including internal bureaucracy within public sector organisations, and an improvement of regulatory activity so that it better achieves intended outcomes.

As part of this agenda of better regulation, administrative simplification has been a priority for many OECD member countries over the last 10-15 years. Societies and economies have been changing quickly and complexity has increased, creating a demand for new and revised regulations. The rationale for simplification is often that the regulatory framework and the burden it presents for citizens, businesses and the public sector have become excessive. The burden for businesses and citizens is felt in the time and cost required to comply with regulations, aggravated by irritation at factors including inconvenience, duplication and lack of transparency. In the public sector, the burden is felt in the increased cost of public services as well as frustration at complexity of procedures.

There has been a growing realisation that sustained effort is required to make a significant difference given the ongoing pressure to manage risk by new regulation, and the fact that administrative simplification has been proven not to be a miraculous one-off exercise. The global economic situation has only intensified pressure for better and simpler regulation as governments seek to provide improved conditions for economic growth, tackle social issues and reduce public expenditure.

### ***The context for regulatory simplification in Northern Ireland***

The United Kingdom's regulatory strategy and application of regulatory policy tools has consistently been recognised as one of the most highly developed in the OECD. The United Kingdom has been at the forefront of the development of regulatory policy internationally. The OECD's 2010 analysis nevertheless found that institutional developments, including devolution, as well as the increasing number of regulatory agencies and the increasing influence of the EU, risked complicating the task of better regulatory management (OECD, 2010a, p. 18)

The United Kingdom's asymmetrical devolution arrangements risk complicating better regulatory management by dividing different responsibilities between different regions. In concrete terms: the same powers and responsibilities have not been given equally to the Scottish Parliament and Government, the Northern Ireland Assembly and Executive and the Welsh Assembly and Government. In addition, there is no devolution arrangement for England. As a result, the UK Parliament in Westminster, and government departments and agencies with responsibilities for the United Kingdom as a whole, handle not only matters which are reserved to the United Kingdom, but also other matters as they relate to England (sometimes England and Wales). An authority at the sub-national level, like the Northern Ireland Executive, therefore has responsibilities within its region which are exercised by the national level (the UK government) in England.

The Better Regulation Executive (BRE) of the Department for Business, Innovation and Skills (BIS) leads better regulation efforts for the United Kingdom as a whole. This includes better regulation in England and also in policy areas as they apply in the devolved regions which remain reserved to the UK government (known as “excepted matters” in the Northern Ireland context, and defined as “reserved matters” those which have not gone through legislation in Northern Ireland—the latter being areas where the Northern Ireland Assembly can legislate only with the consent of the UK government Secretary of State).

The Better Regulation Delivery Office (BRDO), also part of BIS, improves the delivery of regulation and works closely with business, local authorities and policy makers. Individual UK government departments also generally operate Better Regulation Units (BRUs) which provide advice, support and challenge within their departments.

The nature of the devolution arrangements means that the BRE and BRDO lead better regulation in England as well as for the United Kingdom as a whole. Better regulation in Wales is the subject of a memorandum of understanding between UK and Welsh ministers. The Northern Ireland Executive has developed its own better regulation strategy and governance and the Scottish Government manages better regulation in Scotland.

Changes to the United Kingdom’s complicated constitutional arrangements are well beyond the scope of this review. For Northern Ireland, the complexity caused by divisions of responsibility on regulatory policy is managed partly by alignment between Northern Ireland and United Kingdom better regulation governance, strategies and policies, and partly by participation in UK-wide co-ordination arrangements.

In the Northern Ireland Executive, DETI has lead responsibility for better regulation policy, and individual departments are responsible for applying the principles and tools of better regulation. DETI participates in the UK-wide structures which are available to support better regulation, such as the four nations Better Regulation Forum and the UK Government’s Regulatory Excellence Forum (DETI, 2014a, p. 14).

It appears that the devolution arrangements create an inevitable challenge for the NICS departments in resourcing best practice better regulatory management; they are to produce and often enforce high quality regulation across a range of policy areas which does not vary significantly with the size of the population, achieve this with a small administration, and manage the interaction of these arrangements with the rest of the United Kingdom and the EU. Interviewees from NICS indicated that they considered that better regulation infrastructure in Northern Ireland which mirrored fully the BRE and BRDO arrangements was unaffordable given the size of the NICS. It is worth explaining why this would be so: Northern Ireland is the smallest UK region by population to which powers have been devolved. Several of the tools and techniques for best practice regulatory management involve concentrating leadership and oversight at the centre of government. For example, a central BRU costs proportionally less of a large jurisdiction’s budget than of a small administration’s budget. A small administration is much less able to achieve economies of scale by having a central unit than a large administration. The effect is amplified in the United Kingdom because the United Kingdom better regulation infrastructure is also responsible for England and thereby gains economies of scale.

The recommendations on streamlining regulation and processes in this review therefore seek where possible to build on existing good practice in Northern Ireland by extending it further and using opportunities to combining resources to achieve more.

## Regulatory policy: Scope and strategy in Northern Ireland

Regulatory policy generally includes all targets of regulation, including businesses, voluntary organisations, charities, social enterprises, citizens and the public sector itself. In Northern Ireland, different arrangements have been developed for the private and voluntary sectors on the one hand, and citizens on the other. Regulatory policy is more clearly identified as such for the first group, while that for citizens is generally framed as service reform. Based on the evidence presented to the OECD, the regulatory policy principles, statements and tools which have been applied to the regulation of businesses (including charities, voluntary organisations and social enterprises) have not been adapted or applied systematically to the internal regulation of public sector bodies – known as “regulation inside government” – either within and between NICS departments and agencies or more widely in the Northern Ireland public service.

### ***Better regulation: Businesses, charities, voluntary organisations and social enterprises***

The term “better regulation” when used in the Northern Ireland Executive generally refers to regulatory policy of the NICS departments with businesses, charities, voluntary organisations and social enterprises as the targets of regulation.

As described above, DETI has lead responsibility for better regulation in Northern Ireland and is the custodian of the better regulation strategy and tools, while the individual departments are responsible for implementing the better regulation strategy and tools in their own policy areas.

Northern Ireland has had a Better Regulation Strategy since 2001 (DETI, 2010). The strategy was reviewed in 2006-07 and again in 2010-11. It set the requirement that Regulatory Impact Assessments (RIAs) should be conducted and published by departments, that micro-business impact tests should be carried out, and that guidance should be provided to businesses a certain period before the entry into force of regulatory requirements. It also introduced an Enforcement Concordat between central and local government which lays out principles of fair enforcement. Successive reviews of the strategy (see DETI, 2010) have developed it further and, in particular, have set forth actions to be taken in order to further develop regulatory tools and practices in Northern Ireland.

The Northern Ireland better regulation arrangements, as set out in the strategy, have the following key features (see DETI, 2010):

- They apply to regulatory activity that has an impact on businesses, charities, voluntary organisations and social enterprises.
- They apply to the NICS departments (and related agencies and bodies), which are required to commit to better regulation in their Corporate Plans.
- DETI takes the lead on co-ordinating better regulation in Northern Ireland and maintaining the infrastructure, but individual NICS departments are responsible for implementing the arrangements in respect of their own activity.
- They set in place five principles of better regulation which are the same as the UK better regulation principles: regulation should be proportionate, accountable, consistent, transparent and targeted.

- They aim at ensuring that only regulation which is necessary is made.
- A RIA process is in place and RIAs are conducted for new regulations which have an impact on the targeted organisations.
- The Enforcement Concordat lays out principles of fair enforcement and the Regulators Compliance Code.
- There is an ongoing requirement to provide guidance to businesses on new or revised legislation at least 12 weeks before it comes into force.
- There is an agreement with the predecessor body to the United Kingdom, BRDO, which allows businesses in Northern Ireland to benefit from some improvements made in England, including the Primary Authority scheme.
- An annual report on better regulation in departments is produced by DETI.

The report on the second revision of the strategy (DETI, 2010) contained a better regulation action plan to cover the period 2010-13 which sets forth initiatives and actions to improve the better regulation arrangements. These are summarised in Box G.2 and have notably resulted in the simplification of the RIA process and revised RIA guidance which was published in 2014 (DETI, 2014a).

**Box G.2. Summary of initiatives and actions: Second Review of the Northern Ireland Better Regulation Strategy**

- Extend the Northern Ireland Better Regulation Strategy to cover all local authorities and all enforcement and regulatory bodies
- Co-ordination of a dedicated Northern Ireland Simplification Plan
- Seek stakeholder views on introduction of Common Commencement Dates for Northern Ireland made regulations
- Design promotional materials and undertake a roadshow for policy makers/legislators/enforcers on the Northern Ireland Better Regulation Strategy
- Establish an Interdepartmental Committee/Group to oversee the Northern Ireland Better Regulation Strategy
- Review and simplify Regulatory Impact Assessment process, including updated guidance, revision of training course and assessment of potential inclusion of cross-border implications within RIA
- Consider use of Standard Cost Model in conjunction with RIA process, and update as necessary
- Review operation of Better Regulation Stakeholders Forum
- Ascertain interest in and need for an Enforcement Organisations Forum
- Seek formal agreement to the draft Northern Ireland Code of Practice on Guidance on Regulations
- Assess relevance to Northern Ireland Regulators Compliance Code/Enforcement Concordat

**Box G.2. Summary of initiatives and actions: Second Review of the Northern Ireland Better Regulation Strategy** *(continued)*

- Investigate options available within current structures for monitoring of RIAs and wider adoption of Northern Ireland Better Regulation Strategy with annual reporting by all departments
- Consider options for developing use of technology to support the better regulation strategy, including streamlining web presence, investigating options for a central RIA database, and formal introduction of a web feedback system for users to comment on specific regulations
- Liaison with Better Regulation Executive on strategic issues and attendance at four nations better regulation events
- Consider potential for a Trading Places Initiative in Northern Ireland (LBRO initiative)
- Enforcement bodies forum (if established) to consider and investigate options for intelligent inspections
- Enforcement bodies forum (if established) to consider and investigate options for sharing intelligence on the compliant or more importantly the non-compliant
- Devise an overarching Marketing Communications Plan for Better Regulation for NICS
- Publication of Better Regulation annual report
- Improve internal communications across the NICS network of better regulation contacts in all organisations
- Improve communication and consultation with stakeholders on better regulation.

*Source:* DETI (2010), “Second Review of the Northern Ireland Better Regulation Initiative”, DETI, Belfast.

Progress on the recommendation to extend the better regulation arrangements to cover all local authorities was reported in the DETI annual reports on better regulation covering 2011-12 (DETI, 2012) and 2012-13 (DETI, 2014b). The relevant minister wrote to the mayors of local councils in February 2012 seeking the councils’ endorsement of the extension, and the OECD was told in August 2015 that this important widening of scope has now been achieved. Local authorities in Northern Ireland are responsible for the delivery of a significant range of services to citizens and businesses.<sup>1</sup>

The better regulation arrangements in Northern Ireland were also addressed in an independent Review of Business Red Tape reported in 2014 (DETI, 2014c) and which made six high level recommendations to improve the regulatory landscape as it affects business, as well as additional supporting recommendations. At the time of writing, the Northern Ireland Executive informed the OECD that a group of senior officials from departments were considering the recommendations and are developing a series of actions to further the regulatory reform for Ministers and the Executive to consider. Political consideration of these have not yet started.

### Box G.3. High-level recommendation of the 2014 Northern Ireland Review of Business Red Tape with supporting detail

1. Appoint an independent Northern Ireland Better Regulation Champion, which has the full support of all Northern Ireland Ministers. It should be a public appointment by the Enterprise, Trade and Investment Minister with the Champion reporting to the Northern Ireland Executive's Sub Committee on the Economy.

This role would include:

- provide strategic leadership and ensure implementation of any agreed actions to be taken forward following this Review
- monitor the delivery of specific reform commitments made by Departments
- engage regularly with businesses and the third sector
- chairing the Regulators Forum.

2. Adopt a Regulatory Budget scheme to manage the flow of regulations. In the first period of operation the aim should be to achieve a neutral balance for the cost of regulation on business:

- The One-In One-Out principle is increasingly being adopted by EU Member States.
- Northern Ireland should devise a system which is fit for purpose within the Northern Ireland context.

3. Progress sector specific reviews in a rolling programme.

A Model has been devised and is being tested through a series of pilots:

- complete pilot reviews
- assess the model
- put a call out to business for issues to be reviewed
- devise and run a rolling programme of reviews.

4. Introduce improvements to the policy making and Regulatory Impact Assessment (RIA) process, including the appointment of an independent scrutiny committee to assess and provide opinion on all RIAs produced by Northern Ireland departments.

- The Independent Scrutiny Committee will assess the economic and business impact (not comment on policy intent).
- It will provide additional assurances to Ministers in making decisions on new regulations.
- Early engagement with business and other stakeholders is needed and more innovative approaches to considering solutions to policy issues.
- Dedicated Better Regulation staff to be in each department to support policy makers.

5. Publish an Annual Statement of Regulation:

- report on previous successes (measurement of achievement of regulatory reform)
- inform on new regulations due to come into force within the next 12 months

**Box G.3. High-level recommendation of the 2014 Northern Ireland Review of Business Red Tape with supporting detail** *(continued)*

- inform of new policies from the Northern Ireland Executive and EU being devised and developed
- release of this publication should be supported by briefing sessions with Northern Ireland's business bodies and trade associations to improve dialogue and more effective engagement.

6. Revitalise the Regulators Forum

Under the Chair of the Better Regulation Champion the Regulators Forum can:

- improve collaboration to reduce burden on business
- agree consistent guidance on issues to support each other and provide clarity to businesses
- progress a work plan of activity, with a number of the supporting level recommendations from this Review forming an integral part of a work plan.

*Source:* DETI (2014c), "Making life simpler: Improving business regulation", DETI, Belfast.

Where there is potential overlap with existing commitments and recommendations from the action plan, following the second review of the better regulation strategy and the Review of Business Red Tape, is identified and addressed in this report.<sup>2</sup> However, not all the commitments or recommendations are covered in this report because not all of them concern matters where there is relevant best practice or where their implementation appears likely to have a significant effect on the capacity to streamline regulation and processes.

Northern Ireland's better regulation arrangements as they apply to business are, overall, already of relatively sophisticated design and contain many elements of good practice defined in the OECD Council Recommendation (OECD, 2012a). They are necessarily broadly aligned with the UK arrangements. The 2014 Review of Business Red Tape has suggested areas for further improvement and highlighted areas where both design and implementation could be improved.

The complex constitutional set-up of devolution in the United Kingdom means that, in many policy areas, the NICS departments and organisations are delivering services and policies which are delivered from UK government departments to citizens in England, and in some cases from local authorities. Therefore, the Northern Ireland Executive is both the "top tier" regulating authority for transferred matters, despite being seen as a sub-national administration, and also a local delivery and enforcement authority, since it has powers and responsibilities which have been delegated to local authorities in other parts of the United Kingdom.

### ***Regulatory strategy for citizens and within government***

There is currently no explicit central lead responsibility within the Northern Ireland administration (NICS departments and agencies) for co-ordinating regulatory policy for citizens, or for government (NICS departments and the wider public sector) as the subject of regulation, which is comparable with the role DETI, takes in respect of businesses and other organisations. This does not mean that there is no activity; indeed, there is evidence of a great deal of high profile work, mainly in the digitisation of services for citizens.

The DFP told the OECD that the NICS adopted a digital strategy called “Digital First” in 2012.<sup>3</sup> This is understood to be based on the principle that services should be reformed to be available first and primarily in digital form, but it does not mean that they should be provided only digitally. Departments are responsible for their own services; this means that decisions to reform services are assessed in line with the standard framework for public sector expenditure, which includes economic appraisal to identify costs and benefits for all sectors of the economy and which is intended to provide assurances about the value for money of public spending.<sup>4</sup> This is separate from any RIA.

Although each department is responsible for its own reforms, all new or transformed services must comply with the policy and be available through the single website for government in Northern Ireland: [nidirect.gov.uk](http://nidirect.gov.uk). This work is led by the Digital Transformation Service (DTS), which is organisationally part of the DFP, and is part of a wider programme. The DTS supports and guides departments and the programme is operated with a commercial partner. The responsibilities of the DTS are much broader than the digitisation of transactional services for citizens: it provides the [nidirect.gov.uk](http://nidirect.gov.uk) website and leads the migration to it, and it also provides citizen contact centre services which include a telephone call centre. It also promotes digital inclusion and leads on open data.

The DTS is focused on NICS citizen services, and has only incidental involvement in NICS services for business, for example if a service is used by both citizens and businesses. The consolidated website for business information in Northern Ireland is [nibusinessinfo.co.uk](http://nibusinessinfo.co.uk). It is still the responsibility of Invest Northern Ireland, the business development agency for Northern Ireland which is a non-departmental public body (government agency) sponsored by DETI. The [nibusinessinfo.co.uk](http://nibusinessinfo.co.uk) website provides information and allows businesses to make enquiries of Invest Northern Ireland about grants and other support. It does not, however, host or provide a gateway to government-to-business online services provided by departments. The consolidation of [nibusinessinfo.co.uk](http://nibusinessinfo.co.uk) is due to be considered as part of a later stage of the project to consolidate information and services on the [nidirect.gov.uk](http://nidirect.gov.uk) website.

In January 2014, the DTS produced a Citizen Contact Strategy under the indirect Strategic Partnership Programme which focuses on digital services. It is described as “a structured framework and guidance developed to assist Northern Ireland Civil Service organisations in the transformation of their citizen-facing service delivery and on-going interactions with their customers” (DFP, 2014, p. 5). The strategy contains a vision and a set of principles for NICS citizen contact designed to last five years. The overall vision that “Government services are available through appropriate and cost effective contact channels, designed with the needs and preferences of citizens in mind” (DFP, 2014, p. 8) is supported by comments on digital quality, digital volume and digital inclusion. They emphasise the aspiration for high quality digital services which are used by all those who wish to do so, a rising trend of users, available services and successful transactions, and

dedicated assistance for citizens who are really unable to use digital services. The key principles of the strategy are set out below.

#### Box G.4. Principles of the Citizen Contact Strategy

##### 1. Promote “digital first”

When developing new services or programmes or reviewing existing services, Northern Ireland Civil Service organisations must seek to ensure that digital online services are the primary means of interacting with citizens/businesses.

##### 2. Redesign transactional services with over 10 000 transactions per year to meet the new “digital first” service standards

All new or redesigned transactional services will meet a clearly defined “digital first” service standard which describes the performance metrics and capabilities that services must achieve.

##### 3. Develop digital capability across the public sector

Organisations across the public sector will ensure that they have appropriate in-house digital capability to effectively deliver their digital services.

##### 4. Build common re-usable components to support “digital first” services

“Digital first” services will be developed around a set of common and reusable components, in order to provide a consistent approach to citizens and deliver value for money.

##### 5. Accessible and inclusive

Ensure that services are accessible and inclusive for all citizens.

##### 6. Consolidate all Northern Ireland Civil Service websites onto [nidirect.gov.uk](http://nidirect.gov.uk)

Government will enable access to all government related information and transactional services through a single web address – [nidirect.gov.uk](http://nidirect.gov.uk).

*Source:* DFP (2014), “NI Civil Service Citizen Contact Strategy”, DFP, Belfast.

One of the recommendations in the Citizen Contact Strategy was that each NICS department should review services with over 10 000 transactions per year to meet a new “digital first” service standard, and nominate “exemplar” services which would be the first to be transformed and from which lessons would be learned and shared. These exemplar services are known informally as “16-by-16” because 16 services were due to be transformed by 2016. In fact, the list of service transformation projects in place under the Digital Transformation Programme has grown and the DTS provided the following list of projects which are either completed, underway in some way, or under active consideration.<sup>5</sup>

### Box G.5. Digital Transformation Programme: Projects

- Electoral register
- Rates collection: payments
- Apply for driving license
- Access Northern Ireland (criminal record checks)
- Apply for Legal Aid
- Booking prison visit
- Rate rebate
- Apply for free school meals
- Transfer and open enrolment (schools)
- Paying a court fine
- Report road faults (“Report It”)
- Apply for fishing license
- Apply for free school transport
- Grants and subsidies under the EU Common Agricultural Policy
- Paying fixed penalty notice (Department of Justice and Police Service)
- Apply for “blue badge” (parking and concessions scheme for motorists with mobility difficulties)
- Register a birth
- Northern Ireland Environment Agency visitor attraction booking
- Employers and public liability claims
- Flood incident service
- Student careers chat service
- Waste carrier registration
- Ordnance Survey Northern Ireland Mapshop
- Planning appeals (Planning Appeals Commission/Water Appeals Commission)
- MOT booking (vehicle tests)
- eHealth content migration from NHS Choices
- Doctor (GP) appointments
- Repeat prescriptions for medication
- Identity assurance
- Find It
- Policy consultation
- Social media mining
- Career tools

**Box G.5. Digital Transformation Programme: Projects** *(continued)*

- Order birth, death and marriage certificates
- Compensation claims
- Landlord registration
- On-line forms
- DFP Properties
- Ombudsman

*Source:* DFP (2014), “NI Civil Service Citizen Contact Strategy”, DFP, Belfast.

Interviewees explained that the process of moving and consolidating information and services did generally lead to improvements for both the citizen and the providing organisation in the public sector (generally a NICS department or agency), and that this was partly because the consultants within the DTS have the mandate, as well as the mindset and skills, to challenge activities they perceive as wasteful and thereby increase efficiency. The DTS approach uses so-called “agile” techniques<sup>6</sup> which also cause departments to revisit and re-appraise the processes involved in service delivery.

Opportunities had been taken to make minor changes to requirements in order to ease the transition to a digital service, but a fundamental reappraisal of either the regulatory requirement or the process was not undertaken. The DTS can only advise individual departments on such changes, and departments are not obliged to act on the advice. Interviews pointed to DTS staff having a central overview, as well as relevant skills and experience, which gave them valuable insights into reforming services for citizens. There are other e-Government projects and programmes which are running in the wider public sector without obvious oversight by the DTS: for example, the Health and Social Care Board has developed an eHealth and Care Strategy, Libraries Northern Ireland has a digital strategy and the Council for Curriculum, Examination and Assessment’s business improvement strategy includes a commitment to assess all existing products and services to determine whether they can be provided online (OECD, 2015).

It is important to note that the Citizen Contact Strategy is not limited to moving services online: other recommendations in the strategy paper included the consolidation of telephone numbers and contact centres (DTS also runs a telephone call centre which is a shared service) and the rationalisation and consolidation of face-to-face contact by NICS with citizens, where it identified considerable duplication in the front-office network. The strategy also identified the reorganisation of local government in Northern Ireland as an opportunity to align services and citizen contact across central and local government in Northern Ireland (DFP, 2014).<sup>7</sup> This opportunity can obviously only be seized if there is sufficient collaboration between NICS departments and the wider public sector.

## Analysis of the regulatory strategy

A regulatory strategy exists in Northern Ireland more explicitly for business (including voluntary organisations, charities and social enterprises) than it does for citizens and government (NICS departments and the wider public sector) as the targets of

regulation. In the case of businesses, the strategy is well designed and contains many of the elements which are called for under the relevant OECD recommendation (OECD, 2012a), including a policy with clear objectives and principles, based on regulating only when necessary, and frameworks for implementing those principles, including systematic RIA arrangements.

Interviewees said that businesses generally supported the policy and approach, although some were keen to see further improvements to both the arrangements and their implementation as recommended in the 2014 Review of Business Red Tape.

The better regulation strategy does support at a high level the objective of ongoing efforts to simplify regulation and processes for businesses, driven by the primary objective of economic growth through a business environment which is attractive to new investors and increases competitiveness for existing businesses. Budget constraints in the public sector provide additional impetus for efforts to simplify regulation, and improvements driven by the wish to improve regulation for businesses or citizens can also simplify and reduce the cost of regulation inside government at all levels.

The better regulation strategy of NICS departments and agencies for citizens in Northern Ireland is not so explicit, but the drives towards digitisation and internal cost reduction clearly move in a similar direction. The Citizen Contact Strategy can be seen as a commitment to improve regulatory quality for citizens by aligning regulatory processes better with their wishes, and the work of the DTS to challenge and redesign internal processes is in some ways equivalent to the role of better regulation experts in a targeted programme to reduce the costs and burdens of regulation. There is also a clear acknowledgment in the work under the Citizen Contact Strategy that the same approach could be equally applicable to the wider public sector, including health, education and local government.

The Citizen Contact Strategy is actually already a form of better regulation strategy with a focus on streamlining the channels of service delivery and implementing them efficiently across NICS organisations. The two main issues arising at the level of the strategic approach are:

- identifying any significant opportunities to secure better streamlining of regulation and processes by developing further the similarities between the better regulation approach for businesses and the citizen-focused “contact strategy” approach
- identifying whether there is a case for widening the scope of these strategic approaches to include other public service organisations in Northern Ireland.

Experience in OECD countries has led to a general view that the focus of administrative simplification should also be wide, and that efforts should concentrate not solely on businesses but include also the costs of regulation on citizens and on the public sector as a target of regulation. Equally, costs other than the administrative ones should be taken into account, for example, substantive costs and irritation factors. The techniques that exist for reducing the administrative burden on businesses are being adapted to help address other costs as well as to focus on regulated subjects other than businesses. The use of limited and targeted quantitative methods is being complemented by qualitative approaches which take into account the irritation which regulation can cause (OECD, 2012a).

In the Netherlands, a major programme for public service reform was launched following the 2003 election. This included four main action areas: the improvement of the provision of services to citizens; a commitment to regulate less, and differently; better organisation of central government; and the reform of central government relations with local government. This led to the launch of a first citizens' administrative burden reduction programme as well as an action plan for the reduction of administrative burdens at local level (OECD, 2010b).

A revised programme for the reduction of administrative burdens for citizens, the reduction of regulation inside government, and the reduction of inter-governmental burdens was established in the Netherlands following the elections in 2007. This programme is based on the identification of the "top 10" most irritating burdens for citizens and the development of "life analysis" which examines different administrative processes that different types of citizens encounter with the public administration. Part of this programme looks at regulation inside government, particularly for professionals working in public services including hospitals and schools, and regulation between levels of government.

International experience also shows how proven administrative simplification tools which have their origins in simplifying the regulatory environment for business can be adapted to streamline regulation and processes for citizens.

In Austria, a programme of administrative simplification for citizens was started in April 2009, based on the Standard Cost Model (SCM) approach to reducing administrative burdens. There was no attempt to make a "full baseline measurement" (the measurement of all burdens), and instead the programme used a focused approach to target the 100 most burdensome obligations. These were selected on the basis of international experience, and with the help of officials within the relevant ministries. The SCM methodology was also adapted to the needs of citizens, with administrative burdens measured in time and direct costs and other qualitative elements introduced to identify which stages of the process were most irritating and burdensome to citizens. On the basis of the work, fast-track-actions were launched in the areas of child birth, primary school registration, marriage, single parents, people with disabilities and people requiring care, as well as pensions, and death (OECD, 2010c).

The areas addressed in the Austrian programme include some of the areas which are already targeted in Northern Ireland digitisation efforts. The significant difference is that the priority projects under the Northern Ireland programme were chosen because the total number of transactions per year were greater than 10 000, which is a measure of importance to the public administration in the first instance rather than to the individual citizen, whereas the areas of the focus under the Austrian programme were based on data about the time and cost of the processes to citizens, and additional insight about which parts of the process should be re-engineered. The added value is therefore in the data available to inform process redesign, as well as the ability to make judgments about the degree of improvement which has been made for citizens collectively and individually.

The Agency for Simplification of the Administration (ASA) was created in Belgium to promote independent businesses. Originally, its focus was the business community but in 2004 its remit was extended to include streamlining initiatives for the benefit of citizens. Streamlining projects were carried out regardless of the target group, and citizens could be considered as part of groups, for example: employees, people receiving benefits, individuals and members of a family. Projects were pursued on various themes such as people qualifying for benefits (the disabled, people taking early retirement), civil

status formalities, registering foreigners, qualifying for tax preferences and other financial grants (OECD, 2010c).

E-government is an important support tool for better regulation in most jurisdictions. It is now used in virtually all aspects of regulatory policy from stakeholder consultation and communication, to the development of redesigned processes to streamline and reduce administrative burdens, and also as a way to spread policies, best practices, and guidance across government, including local levels. It is important to the regulatory arrangements which apply to both businesses and citizens, and within government itself, though it is particularly important to burden reduction on citizens. The Dutch Interior Ministry estimates that 40% of burden reductions for citizens are related to ICT (OECD, 2010c).

During the first two years of Portugal's *Simplex* administrative simplification Programme, 30 of the 50 "emblematic initiatives" relied on ICT and can be described as e-government initiatives. Many initiatives focused on front-office processes with a direct impact on citizens or businesses. Their implementation largely depended having an integrated and coherent e-government back office (OECD, 2010c).

Despite the major role played by digitisation in simplifying regulatory processes, there is generally less evidence from OECD countries of close integration of these areas of responsibility either organisationally or for policy development. Often, policies in these two areas are developed separately and therefore cannot fully exploit the potential synergies. The OECD's 2010 report on administrative simplification advises further integration of the functions in countries where this is not already strong, and suggests that if a single body does not already co-ordinate both the administrative simplification and e-government agendas, there should be systematic co-operation arrangements between the co-ordinating bodies at least in institutional form (e.g. a steering committee) (OECD, 2010c).

In Northern Ireland, the potentially wide application of digitisation to streamlining regulation and processes is already recognised implicitly in the development of common components under the NICS Citizen Contact Strategy. When the DTS develops a module such as "Book It" or "Find It", it is creating an asset which is expected to be used in more than one situation, as well as a service component with which users are familiar. The more processes which can successfully use these components, the better value is achieved for government on the cost of their development. It is not important whether the leverage is achieved through adding services to citizens or services to businesses or even inside government, or whether the services are provided by NICS departments or the wider public service, though it is important that the target of the regulation sees the use of the tool as an improvement.

It is, of course, one thing to devise a general strategy for regulating in a more satisfactory way as part of "business as usual"; it is quite another to implement that strategy and use it to make a concerted effort across government at all levels to streamline regulation and processes. The implementation requires both effective uses of the available tools under the strategy and effective institutional arrangements which manage the work. This section examines ways in which better regulation tools can be used effectively to achieve the specific objectives of streamlining regulation and processes in Northern Ireland.

### ***Current use of regulatory tools and programming in Northern Ireland***

Better regulation is acknowledged in government and business circles to be an ongoing effort, rather than a one-off policy intervention. It is therefore important to examine the ongoing efforts which are being made under the better regulation strategy and the citizen contact strategy.

The major tools available to NICS departments and agencies under the Northern Ireland better regulation strategy are RIA to cover management of the regulatory flow (development of new regulatory requirements), policy reviews to manage the regulatory stock (existing regulatory requirements) and regulatory delivery improvements to streamline enforcement. Communication with stakeholders is an important part of these tools.

Departments are required to conduct a proportionate RIA if their proposed policy arrangements, whether legislative or administrative, are likely to have an impact, whether positive or negative, on businesses, voluntary organisations, charities or social enterprises (collectively referred to as the “wider business community”). Under the revised better regulation strategy, the RIA process includes advice on the use of the Standard Cost Model (SCM) as part of the assessment of costs to business, but it is not an essential requirement to use the SCM (DETI, 2014a, p. 14). The Northern Ireland RIA also includes an additional Small and Micro-Business Impact Test (SAMBIT) which is required if small and micro businesses will be affected and sets out a structured approach to considering alternative and/or less onerous regulatory arrangements for those businesses.

The number of RIAs conducted by NICS organisations has risen over recent years, as has the number of RIAs “screened out” (see Table G.1). This term is used to describe the decision not to conduct a RIA on the basis that the policy does not have an impact (positive or negative) on the wider business community.

**Table G.1. RIA completed or “screened out” 2012-13 to 2013-14**

	2012-13	2013-14	2014-15
RIAs completed	52 (36%)	63 (42%)	90 (37%)
RIAs screened out	92 (64%)	87 (58%)	151 (63%)
Total initiatives considered	144 (100%)	150 (100%)	241 (100%)

*Source:* Information provided to OECD by DETI.

It is not possible to draw meaningful conclusions about the use of RIA on the basis of this data alone, because there is no information published about the appropriateness or quality of individual assessments.

Interviews suggested that the DETI better regulation team did not oversee policy implementation in other NICS departments or the wider public sector and that the current approach to RIA relied on stakeholders to challenge the analysis or absence of it. The approach to RIA across different NICS organisations was also described in an interview as “patchy”. Although the RIAs themselves are made public on the Internet, which is an important measure for regulatory transparency, a review of individual RIAs is beyond the scope of this report. The Review of Business Red Tape suggested that in the past there had not been a consistent approach across NICS organisations to the measurement of costs and benefits in RIAs, and that the revised guidance aimed to improve this (DETI, 2014c, p. 37).

Policy reviews led by NICS departments of existing regulation in Northern Ireland have produced some notable initiatives in streamlining regulation which are highlighted in the better regulation annual reports and the review of business regulation. These include a review of employment law, improvements to environmental permit processes and powers of inspection under specific environmental better regulation legislation, and reviews of entertainment licensing and the law regulating the sale and supply of alcohol.

The responses by individual NICS departments to Part VII of the OECD's baseline questionnaire indicate that there is a general approach to reviewing policy areas holistically rather than simply examining individual pieces of legislation. The frequency of review depends on the policy area, and there is some evidence of repeated reviews, for example the Department for Social Development (DSD) had reviewed the regulation of private-rented housing in 2004 and 2010 with a further review being undertaken in 2015. Although the responses from different departments mentioned the involvement of stakeholders in the reviews, they did not suggest that the reviews were made with a particular regulatory objective in mind, such as reducing the burden of regulation on the subjects of regulation, or the costs of regulation to the public sector.

Although there is currently no standard approach to NICS reviews of regulatory stock in Northern Ireland, this is addressed in the Review of Business Red Tape which designed and continues to test a single model for sectoral reviews (DETI, 2014c, pp. 38-41). The proposed model builds on two approaches adopted by the UK government for improving the regulatory stock: the Red Tape Challenge (a programme of themed reviews of regulatory stock based on stakeholder challenge and a guiding principle that challenged legislation should be repealed unless the responsible ministry can adduce good evidence to support its retention) and the Focus on Enforcement initiative (which used themed reviews to identify areas for improvement in the enforcement of regulation).

The pilot model for Northern Ireland involves close co-operation between business representatives and regulators (both NICS departments and the wider public sector), with ideally a leading role for business in the review. It is being piloted in three sectors: hospitality (which includes food hygiene, alcohol and entertainment licensing), construction and the Agri-Food sector. Discussion with the stakeholders involved in one of the reviews suggested that the process did lead to businesses feeling ownership for recommendations, but at the same time it remained understandable that some businesses were reluctant to “mess with the sheriff” by discussing all issues frankly. The red tape review recommends that a rolling programme of reviews be established based on a finalised review process. It also recommends that a seven-year review period should be included in new legislation.

An additional regulatory management tool recommended in the Northern Ireland Review of Business Red Tape and requested by stakeholders is the adoption of a regulatory budget scheme to, in the first instance, achieve a neutral balance for the cost of regulation on business. The report of the review did not recommend a specific regulatory budget system or category of costs, but noted that the “one-in-one-out” (OIOO) principle was increasingly being adopted by EU member states (DETI, 2014c, p. 56). The UK government has previously operated a “one-in-two-out” rule for business regulation. Such schemes generally operate not on the true basis of OIOO by counting pieces of legislation, but by requiring the removal of an equivalent total compliance or administrative cost or burden to business before new obligations can be imposed. However, legislation passed by the UK government in 2015 introduced a duty on the UK government to set a target “in respect of the economic impact on business activities of

qualifying regulatory provisions which come into force or cease to be in force” during its period of office (Section 21, *Small Business, Enterprise and Employment Act 2015*), as well as allowing the government to define the methodology used for assessing progress against the target. Legislation under consideration by the UK parliament proposes extending the scope of this target to include regulation by national regulators as well as regulation originating from UK government ministers.

There is evidence of some extensive and creative use of quantification in Northern Ireland departments outside the RIA process to reduce administrative burdens on businesses by selective application of the Standard Cost Model (SCM). The SCM, originally developed by Dutch regulatory policy experts, is a way to quantify and understand the cost drivers for regulated subjects of a particular type of administrative cost: the administrative burden. These are costs of regulation which would not arise in the absence of the regulation. The quantification of the burden and the understanding from the model of the components of the cost allow regulators to prioritise and make changes to requirements without compromising the objective of the regulation. Northern Ireland-specific regulation was not included in the United Kingdom's 2005 exercise to measure the baseline of administrative burdens and then take measures to reduce the burden by 25%.<sup>8</sup>

The Department of Agriculture and Rural Development (DARD) and the Department for the Environment (DOE) nevertheless commissioned a review of regulations applying to the agri-food sector in Northern Ireland with a view to simplifying and reducing the administrative burden. This review reported in April 2009 (DARD/DOE, 2009). It is innovative not because it built on the comparable administrative burden measurement conducted for the Department for Environment, Food and Rural Affairs (DEFRA) in Westminster, but because it used working-groups of experienced departmental staff to attempt to quantify the time required for different activities. The baseline measurement was also validated by industry representatives. It was therefore less expensive and complex to conduct than a full measurement involving sampling of individual businesses to derive the cost data.

The agriculture and rural development minister subsequently set a target to reduce administrative burdens by 25%, and interviewees told us that a net reduction of 10.3% had been achieved by the end of 2013 on the 2007 equivalent baseline, also taking into account new burdens, with some of this resulting from changes to EU legislation. Importantly, the report and measurement exercise had produced evidence which allowed DARD to pursue digitalisation decisively as its main regulatory reform strategy, and prioritise its reform actions based on impact. DARD representatives highlighted the integration of their digital and better regulation functions in the same management structure, and demonstrated their reliance on data to drive improvements: they knew how many subsidy forms had been returned by agents and how many directly by farmers; the percentage of cattle identification regulations performed online; the number of farm businesses which had opened digital accounts with the department. They were also mapping this data onto data about broadband availability to identify exactly which businesses fell into the categories “can”, “can't” and “won't”, and devise tailored approaches to customers to move more activity online. They had decided, however, that they would not continue to count administrative burdens, and now used internal cost, customer satisfaction and staff satisfaction as key performance measures for their target operating model.

The Northern Ireland Statistics and Research Agency (NISRA), through its staff working in departmental statistical branches, also encourages a quantitative approach to the cost of businesses responding to government statistical surveys. NISRA reports annually the cost to business of complying with responding to statistical surveys. It also reports the measures taken by departments to reduce the burden on respondents, including form simplification, changing contact channel, reducing data requirements, reducing sample sizes and providing advice to support completion.

The Northern Ireland Review of Business Red Tape noted that there has been no substantive or cumulative single costing of the effect of regulatory reform efforts, and that there is no certainty about whether the flow of regulation is being stemmed or the general efficiency of regulatory regimes (DETI, 2014c, p. 19). It also worked with the Northern Ireland Chamber of Commerce and Industry (NICI) to introduce into the NICCI economic survey questions on the perceptions of Northern Ireland businesses about regulation which will now be asked annually (DETI, 2014c, p. 37). The results showed:

- When asked about the cost of complying with regulation, almost three quarters of businesses surveyed (73%) agreed that the cost had increased for their business in the last five years.
- 57% of businesses rated the quality of guidance in relation to regulatory environment as good or very good, and 31% rated it either poor or very poor.
- 12% of respondents had accessed [nibusinessinfo.co.uk](http://nibusinessinfo.co.uk) for advice on business regulation and 17% had accessed the website for advice on another area of concern. 73% had not accessed the website.
- 12% agreed that government engages well with businesses before any new regulation is introduced.

The arrangements for the work of the DTS on digitising transactional services for citizens and their scheduling have been described above. The projects and the overall programme are managed by the DTS using a recognised methodology. The NICS Citizen Contact Strategy lists performance metrics for the redesigned transactional services as service uptake, cost per transaction, transaction success rate and user satisfaction (DFP, 2014, p. 9) and DFP provided additional information that DTS was now helping organisations with transformed services to quantify the costs of service delivery before and after transformation. Although benefits to users should be included in the cost-benefit analysis required under the economic analysis (business case) for the original project, the response in the OECD baseline questionnaire and subsequent discussions suggest this might cover out-of-pocket expenses rather than a systematic assessment of a monetised time benefit or actual time benefit to the user.

### ***Analysis of use of regulatory tools and programming***

The use of tools which can quantify the effect or cost of regulation on businesses or citizens, and the setting of objectives to reduce that cost over time, have been addressed repeatedly in the development of regulatory policy internationally.

Prospective (*ex ante*) impact assessment of new regulation is one of the most important regulatory tools available to any government. RIA aims to improve the design of regulatory interventions by helping officials identify and consider the most efficient and effective approaches to regulation, including non-regulatory alternatives.

Regulatory Impact Assessment when discussed internationally generally includes practices that involve quantitative cost-benefit analyses of the welfare impacts of proposed regulation, taking into account economic, social and environmental impacts and distributive effects over time. In Northern Ireland departments, the RIA is one of a suite of prospective assessments which must be considered and may be carried out as part of the policy development process, including economic appraisal, environmental assessment and a range of specific non-monetised assessments (OFMDFM, n.d.). RIAs are made public and consulted upon.

The Northern Ireland RIA guidance, taken together with the other impact assessment tests, generally follows the indicators set out in the Annex to the OECD Council Recommendation (OECD, 2012a). The recent improvements to encourage use of quantification of administrative burdens using the SCM and further enhancements to the assessment for small and micro-business are important and could yield benefits if applied systematically.

The OECD has previously noted that there is often a contradiction between, on the one hand, a demand for administrative simplification – which can include administrative burdens as measured by SCM and a more general streamlining of regulation – and, on the other, regulatory inflation when international and supra-national organisations make more rules and national administrations demand high security and safety standards, and when political responses to events demand regulation as demonstrable evidence that “something is being done”. The integration of traditionally *ex post* tools like SCM into the *ex ante* assessment is one way of understanding the cost of the “something” and managing this contradiction. The administrative burden is already assessed *ex ante* in Australia, Austria, the Netherlands, Denmark and Portugal (OECD, 2010a).

The use of the NICS RIA guidance is supported by a two-day training course which is provided centrally to NICS organisations by the Centre for Applied Learning. This is designed to help policy officials understand the guidance and complete the assessments required, and over 30 staff have been trained from across NICS organisations in each of the last two financial years. Interviewees suggested that the training started from a low base, and that the 83 economists in the NICS Economist Group who are assigned to different departments and agencies were largely occupied with investment analysis and business cases, and commenting on the business cases of other departments, rather than RIA.

Table G.2. RIA training courses held by Centre for Applied Learning

	2012-13	2013-14	2014-15
Number of courses held	2	3	3
Total number of staff trainees	20	34	33

Source: DFP, interviews.

In the absence of analytical data about the quality of RIAs, it is difficult to assess the additional scope for improvement in them which would drive the streamlining of regulation. It has become increasingly common internationally to assure RIA quality and completeness by independent oversight, and this is addressed in the section on institutional arrangements below. The Innovation Lab discussion which took place as part of the Northern Ireland business red tape review offered additional potential

improvements to the RIA process and guidance (DETI, 2014c, pp. 62-63) which are being considered by the administration.

The standard process which DETI is developing for *ex post* reviews of legislation is an example of a public stock-take review: sectoral and particular requirements of regulation are identified for review based on stakeholder feedback (primarily concerns about areas of regulation which are not working as effectively as stakeholders believe they should or could) and evidence is gathered with a view to making improvements. One criticism of this type of review is that the issues it covers become limited to those about which feedback is given. This is not necessarily a problem if there are other opportunities to achieve a full understanding of the regulatory issues affecting a particular industry or group of citizens and fundamentally reassess how the objectives of regulation are met. The proposed requirement to include seven-year review requirements in legislation is likely to stimulate this latter type of review.

One improvement which could be considered for the review model is the requirement to use RIA tools to assess options for possible reform. This would ensure that stakeholders involved in the review also had evidence on which to base their recommended course of action. An option appraisal which included administrative burden data would also help depict the significance of this reform in the wider economic context of all businesses. A clear expectation that the review should reduce administrative burdens could also help ensure the review was indeed a regulatory reform tool.

The hospitality pilot review is interesting in part because it has highlighted that businesses see regulatory issues cutting across lines of responsibility between public sector organisations, regardless of whether they are NICS departments or other public sector organisations; in this case the DOE had separately started a review of entertainment licensing, the DSD was undertaking a review of liquor licensing and the Food Standards Agency (FSA) and Department of Health, Social Services and Public Safety (DHSSPS) were preparing legislation for a food hygiene rating system. Although the review team managed these situations, they highlight the need for co-ordination across public sector organisations when preparing regulatory reviews

Interviewees suggested that some of the issues raised in the hospitality review were about inconsistent enforcement, and that the review provided a useful opportunity to clarify these. This reinforces the importance of enforcement in the regulatory cycle.

One concern with business-led stock reviews which was mentioned in interviews was the apparent difficulty in some cases to engage businesses in the review process and find business people willing to chair reviews. Engagement of stakeholders remains an issue in most countries and there is no single recommendation which would improve this. Stakeholders from one of the reviews told us that the engagement with business represented a pragmatic approach and the creation of a safe space for discussion, and the reduction in the number of local authorities in Northern Ireland represented an opportunity to improve business engagement because the burden of consultation and dialogue for multi-site businesses would now be less. One advantage of operating in a smaller jurisdiction is that news of positive experiences with regulatory reviews might spread fairly quickly and widely.

### ***Quantification as a lever for regulatory reform***

Regulatory stock reviews offer one way of streamlining regulation. The SCM, however, is the single methodology for quantifying the administrative impact of

regulation that is relatively understandable and easy to implement. Its advantage lies in its total and individual monetisation of time and additional cost of administrative burdens. The numbers are easy to present to the media and wider public, and provide a basis when opportunities for reduction are being sought, because “what gets measured gets done”. The SCM also allows an administration to identify the most burdensome regulations that should be high profile targets for simplification. Expressing the value of the administrative burden in monetary terms helps administrations to adopt overall and departmental/sectoral quantitative targets for reduction, as well as identify progress towards them.

The process of measurement can be costly, especially when the so-called “full baseline measurement” is conducted (all existing regulation is measured) and when external private companies are contracted for the measurement phase. Other approaches are possible: the measurement can be conducted internally, as in the Czech Republic, although there is an issue about the reliability of the results of this approach to measurement. Further reassurance about data quality can be provided through the involvement of statistical authorities, as in Germany, although this requires additional financing.

A further approach to reducing the cost of applying the SCM is to limit the scope of what is measured to the likely most burdensome regulations and/or priority policy areas. This has led to the application to the SCM in several jurisdictions of the Pareto principle – that 20% of the regulations usually cause 80% of the administrative burdens. Burden measurement is conducted on this basis in the Flanders Region of Belgium, where departments devise lists of 20% of the regulations that they believe will cause 80% of the total burden, or consider which 20% of regulations will cause burdens on 80% of a particular group (for example, schools). Hypotheses can be validated by testing with stakeholders.

The OECD and the Greek Ministry of Administrative Reform and e-Government conducted a joint SCM-based administrative simplification project in 2013-14 which was based on measurement of the obligations likely to be most burdensome in 13 policy areas which had been selected as likely to yield the highest results. This resulted in detailed proposals within 12 months to reduce administrative burdens by 25% without compromising the overall purpose of the regulatory measures (see OECD, 2010c).

The OECD 2010 report on administrative simplification (OECD, 2010c) recommends targeted use of administrative burden measurement, based on areas selected in collaboration with stakeholders as having the potential to be most burdensome. It also suggests that qualitative attempts to identify burdens might also be helpful, including identification of “irritation factors”.

There has been debate in many countries about whether to set targets for the reduction of administrative burdens, and by 2010 targets had been set in all but four OECD member countries. The value of setting a quantitative target is that it creates movement towards the objective at the start of the process, and also helps assess progress. Targets for individual departments or organisations in the public sector increase pressure to deliver results.

It is relatively easy to find reasons why the SCM and a reduction target would be problematic; it is relatively hard to deny the results of administrative simplification programmes which have used the SCM. The Netherlands set itself a second 25% reduction target after achieving the first (OECD, 2010b). Countries which were early

adopters of the SCM have also been among those who have moved on to explore techniques for quantifying and reducing other costs of regulation, including substantive compliance costs and opportunity costs, as well as administrative costs.

Although the SCM has not been systematically applied by the Northern Ireland Executive, the approach adopted by the DARD and DOE panel to the re-use and adaptation of similar SCM data and its validation with stakeholders is an alternative and cost-saving approach, which has allowed the departments to focus their efforts and understand the cost drivers for stakeholders, set targets and monitor progress. The use of net performance measurement (ensuring that the reduction claimed to be achieved takes into account new measures enacted in the intervening period) is also part of good practice. It can most easily be achieved if the SCM is applied to new requirements during the RIA process, as provided for in the existing Northern Ireland RIA guidance.

The issue of regulatory budgets is a further way to impose restrictions on the amount of regulation. As the Northern Ireland Review of Business Red Tape noted, some countries have been experimenting with the implementation of regulatory budgets, including the OIOO approach often based on an assessment of administrative burdens (rather than administrative costs or total compliance costs).

The OECD Council Recommendation on Regulatory Policy and Governance (OECD, 2012a) is silent on the issue of regulatory budgets, and the OECD has noted that several approaches to regulatory budgets have proven to be generally difficult to apply in most countries where they have been attempted, because of the rigour which is required in the costing of obligations. Moreover, the focus of regulatory budgets on administrative burdens or costs alone discounts circumstances in which it might be justifiable to raise administrative burdens or costs without a corresponding reduction. Therefore, it is more rational to apply full cost-benefit analyses to policy options, as required by the range of impact assessments available, rather than prioritise one aspect of the costs while overlooking potential benefits (OECD, 2010c). The introduction of regulatory budgets by the United Kingdom was also preceded by a considerable period of development and consultation (OECD, 2010a, Chap 4), as well as the baseline measurement of administrative burdens.

It is a positive step that the NICC economic survey now includes annual questions on the perceptions of businesses about regulation. This provides a barometer against which to assess business confidence in any targeted regulatory reform efforts to streamline regulation and processes, and one source of data for evaluation. The OECD has produced a practitioner's guide to perception surveys (OECD, 2012b) which provides useful background information which may be helpful to Northern Ireland officials in interpreting the results and in comparing them with those obtained elsewhere.

Results from perception surveys tend to indicate that most often businesses do not feel any improvement in the regulatory environment, and the guide explains how survey design and drivers of perception may influence the results. Understanding these can help frame engagement with stakeholders, particularly concerning irritation factors and service standards, and improve regulatory reform programmes so that they may also deliver what stakeholders understand by "streamlined regulation". The OECD guide makes clear that a comprehensive evaluation system for regulatory reform will include different types of indicators, including the more fact-based measurements such as those provided by RIA and SCM, as well as perception surveys.

### ***Effective institutional arrangements to manage regulatory policy and streamlining in Northern Ireland***

The institutional arrangements can be one of the main factors supporting or hampering good co-ordination and success of administrative simplification efforts. “Institutional arrangements” cover not only the lines of management and accountability within government, but also the exercise and use of power and incentives to achieve desired outcomes.

In many OECD countries, administrative simplification is used as an umbrella term for a set of ad hoc projects that are sometimes not systematically co-ordinated. When simplification efforts are not co-ordinated properly, the synergies of the different approaches may not be exploited fully. Resources can also be wasted on parallel projects such as the digitisation of a process which is then substantially modified.

The main organisational arrangements for regulatory policy in Northern Ireland operate at the level of NICS departments and have been described above: DETI is responsible for co-ordinating better regulation strategy and policy as it applies to the regulation of business, and the DTS of DFP is responsible for digitisation of services, and in this context also plays an important role in streamlining processes. NICS organisations are responsible for their own better regulation action plans, which they are required to have. The NI minister of enterprise, trade and investment is therefore currently the minister responsible overall for better regulation (of the wider business community), and the NI finance minister is responsible overall for digital transformation, but individual ministers remain responsible for prioritising and pursuing better regulation opportunities.

The DETI arrangements for the co-ordination of better regulation efforts include supervising and revising the better regulation strategy and its tools, including RIA guidance; maintaining a network of better regulation contacts across NICS organisations; producing an annual report on better regulation activity and representing Northern Ireland in UK-wide better regulation co-ordination.

The DTS arrangements for the co-ordination of digitisation arrangements are a little more centralised, in that the management by DTS of projects to digitise transformational services or to consolidate information on the NI Direct website requires the participating clients, NICS organisations, to follow certain processes and adopt the development methodology used by DTS. Interviewees said that at least one project had initially been planned by a department using a different methodology, and that the DTS had subsequently re-planned the project using the agile methodology it considers delivers better results. Nevertheless, it was also clear that departments retained clear ownership of their transformation projects and could reject suggestions made by the DTS.

### ***Assessment***

The Northern Ireland institutional arrangements for better regulation and digital transformation are based primarily on consensus and the responsibility of individual NICS departments and ministers for their own activity. The better regulation co-ordination responsibility in DETI does not extend to monitoring the quality of simplification plans or RIAs produced by departments or running administrative simplification programmes and monitoring the progress towards objectives or targets. There are few incentives available to the co-ordinating unit or the DETI minister to ensure that departments meet the requirements of the strategy, and there are no formal sanctions available.

The NI Review of Business Red Tape noted that there had been significant improvements to regulation under the better regulation strategy, but that there was “no significant monitoring of extent to which the [...] policies [...] are being applied by departments, nor any concerted attempt to improve the regulatory environment in a strategic way” (DETI, 2014b, p. 13). It also noted that there was no arrangement in Northern Ireland for independent assessment of the quality of RIAs and/or an intervention mechanism to prevent proposals from being made in the absence of an adequate RIA (DETI, 2014b, p.30), and that there was no certainty about whether the flow of regulation was being stemmed (DETI, 2014b, p. 19). The report recommends the appointment of an independent Better Regulation Champion by the DETI minister, reporting to the NI Executive’s Sub-Committee on the Economy. The role would include:

- providing strategic leadership and ensuring implementation of any agreed actions to be taken forward following the Review of Business Red Tape
- monitoring the delivery of specific reform commitments made by departments
- engaging with businesses and the third sector
- chairing the Regulators Forum (DETI, 2014b, p. 56).

The report also recommends the appointment of an independent scrutiny committee to assess and provide an opinion on RIAs produced by NI departments (DETI, 2014b, p. 56).

The issues therefore considered here are the extent to which the existing institutional arrangements for better regulation co-ordination and oversight, and the independent champion and scrutiny committee arrangements proposed in the review, could best meet the needs of an increased focus on administrative simplification.

In most OECD countries, responsibility for the co-ordination of regulatory policy and administrative simplification lies with one of the ministries or a specialised agency. In many cases, a “whole of government” approach to regulation leads to co-ordination which is close to the centre of government.

In the Netherlands, the role of the central co-ordinating body for administrative simplification, the Regulatory Reform Group (RRG), has been strengthened. The RRG reports to the ministers for Finance and Economic Affairs and through them, to the Cabinet via the Ministerial Steering Group for Better Regulation. The RRG, however, only covers business aspects of the government’s Better Regulation policy. Two other key ministries for Better Regulation are not represented in the RRG: the Ministry of Justice has long played a critical role in managing the development of new regulations and the Ministry of Interior and Kingdom Relations is responsible for reducing burdens on citizens, professionals and inter-governmental aspects, and also has general co-ordinating responsibility for key issues related to Better Regulation including e-government, general co-ordination of the municipalities and the enforcement inspectorates, and for the civil service (including civil service reform) (OECD, 2010c and OECD, 2010b).

In Portugal, the *Simplex* programmes to reduce red tape and improve e-government were placed under the direct political responsibility of the Prime Minister. The Cabinet of the Secretary of State for Administrative Modernisation (SEMA) was made responsible for the programme policy and development, with the operational support of the Agency for Administrative Modernisation (AMA). SEMA was given the responsibility of monitoring and co-ordinating the contributions of the 15 ministries involved in the

programme, as well as providing them with guidance (for example guidance on defining priorities for each area, identifying simplification opportunities, promoting support for the implementation of more complex and transversal measures such as the new industrial facilities licensing regime). Quarterly reports to the Prime Minister were initiated on the implementation of the Simplex programme (OECD, 2010c).

The key issue is not the machinery of government arrangements which locate the co-ordinating body in a particular part of government with particular reporting lines, but how to secure co-operation from other parts of government and the wider public sector who must take action and often take decisions which they find uncomfortable in order to streamline regulation and processes.

The co-ordinating unit needs enough political support and tools to apply effective pressure to other parts of the administration and other levels of government. It is hard to apply such pressure if all are considered equals. A co-ordinating unit which reports directly to the centre of government generally has “teeth”, because it can name and shame other departments either to the prime minister or perhaps to parliament. In the Netherlands, a more direct approach means ministries are threatened with budget cuts if they fail to achieve their administrative burden reduction targets. This has both a disciplining effect and encourages financing decisions for simplification projects (OECD, 2010b).

The DETI better regulation and DTS e-Government co-ordinating arrangements with NICS organisations described above currently resemble more closely the less directive arrangements in the Netherlands, but without an available sanction like budget cuts to act as a disciplining effect. A concerted effort to streamline regulation and processes to cut bureaucracy for citizens and businesses is likely to involve even more difficult policy choices than have been experienced to date in this area.

OECD member countries have increasingly established advisory bodies in the area of better regulation. These bodies are generally significantly independent of government and have a role to represent external stakeholders.

The most well-known independent advisory body is the Dutch ACTAL (*Adviescollege Toetsing Administratieve Lasten* – Advisory Board on Administrative Burdens) which was established in 2000 and acts as an important general ambassador and communicator of the better regulation strategy. It is not only business-focused; rather it covers all of the main types of better regulation activity: burden reductions for business and citizens, EU level work, development of new regulations and impact assessment. It provides advice to the cabinet on the burdens of new regulations, and it has been the inspiration for many similar advisory arrangements (see OECD, 2010b).

Sweden's Better Regulation Council was established in 2009 with a mandate to advise and issue statements on draft laws and other regulations affecting businesses, and on the quality of impact assessments made by ministries and agencies. (see OECD, 2010c and OECD, 2010f).

The proposals for an independent better regulation champion and independent scrutiny committee in the NI Review of Business Red Tape necessarily only covered better regulation as it affects business. A wider focus on better regulation which also covers regulation on citizens and internal public sector might make it worth considering a wider remit. The role of the champion has some similarities with the ambassadorial role of ACTAL in the Netherlands, and the role of the scrutiny committee is more one of oversight. Both have international precedents.

Advisory bodies strengthen the role of stakeholders in *ex ante* assessment and also serve a useful purpose by bringing together stakeholders and regulators. If they only examine matters relating to administrative costs, there is a risk they divert attention away from other costs and the benefits of regulation, however one solution to this is to allow them to oversee the quality of new regulatory initiatives as a whole, not just the better regulation aspects, and to achieve a representative balance of stakeholders. Interviewees stated that the proposal to appoint an independent champion has caused some concern. There has equally been support for the proposal.

## Conclusion and recommendations

The NICS departments and agencies have a well-developed regulatory policy for regulation affecting business (including the voluntary sector, charities and social enterprises) and a clear strategy and programme to digitise transactional services for citizens.

### ***Recommendation 1: Establish a whole-of-government strategy for better regulatory quality, covering the regulation of businesses, citizens and the public sector***

- Extend the application of the better regulation principles and tools, adapted if necessary, to regulation which places obligations on citizens and on the public sector itself (“Regulation Inside Government”), as well as the regulation of business.
- Extend the application of the better regulation principles and tools to all public sector bodies with regulatory responsibilities, inclusive of the executive departments, local councils, and other public bodies.

### ***Recommendation 2: Establish a Better Regulation Unit (BRU) within the OFMDFM with responsibility to monitor and maintain momentum in the streamlining of regulation as well as developing ongoing regulatory policy tools to assist this effort***

- Assign responsibility to the BRU for:
  - providing guidance to Executive departments, local councils and other public bodies with the delivery of their commitments under the regulatory stock review programme, providing both support and constructive challenge
  - planning, design, and implementation of the extended scope of better regulation strategy and tools to cover all sectors affected (citizens, businesses and within the public sector)
  - monitoring progress and reporting to the First Minister and Deputy First Minister on the achievement regulatory reduction targets.
- Executive departments, local councils, and other public bodies should be responsible for reporting to the BRU for their delivery under these programmes.

- The FM and DFM should report annually to the Executive and Northern Ireland Assembly on the results of the achievement of cost and regulatory burden reductions.

***Recommendation 3: Establish a programme of targeted streamlining of the regulation of businesses, citizens and the public sector itself***

- Launch a rolling programme of regulatory stock reviews priority areas identified in the PfG and covering all three targets of regulation: citizens, businesses and the public sector itself.
  - apply regular regulatory stock reviews to all the executive departments, and also regulatory practice in local councils and other public sector bodies
  - base measurable targets for reducing the cost and burden of regulation on the Standard Cost Model for the regulation of businesses, adapted measures for citizens, and cost savings for the public sector itself
  - make Ministers accountable for achieving cost and regulatory burden reduction targets within their portfolios (ministerial departments and other public bodies)
  - as accounting officers, make Permanent Secretaries responsible for implementing streamlined regulations using centrally-defined methodologies and tools and in line with whole-of-government programmes. For non-Executive departments, this responsibility should lie with the Chief Executive Officer or equivalent.

## Notes

1. Local authorities in Northern Ireland now have the following responsibilities, including: waste collection and disposal; recycling and waste management; local planning functions; civic amenity provision; grounds maintenance; street cleaning; cemeteries; public conveniences; food safety; health and safety; environmental protection; environmental improvement; estates management –building design and maintenance; building control-inspection and regulation of new buildings; dog control; enforcement bylaws such as those around litter; sports, leisure services and recreational facilities; parks, open spaces and playgrounds; community centres; arts, heritage and cultural facilities; registration of births, deaths and marriages; off-street parking (except park and ride); local economic development.

Councils also have a role in the following areas: community development; community safety; sports development; summer schemes; tourism. Councils are currently not responsible for the following areas: education; personal social services; roads; public housing; fire service; police service; trading standards; drainage water; sewerage; libraries; street lighting; collection of rates; transport.

From April 2016, councils will also be responsible for urban regeneration and community development (see [www.nidirect.gov.uk/responsibilities-of-local-councils](http://www.nidirect.gov.uk/responsibilities-of-local-councils)).

2. See DETI (2010).
3. Source: Questionnaire Part IV. The DFP also later reported that the “Digital First” strategy had not been completed and issued, and therefore the review team has not been able to thoroughly examine the strategy.
4. The arrangements for economic appraisal are set by DFP in the Northern Ireland Guide to Expenditure Appraisal and Evaluation (Northern Ireland GEAE), which is published online and laid out in a series of webpages at [www.dfpni.gov.uk/eag](http://www.dfpni.gov.uk/eag), rather than as a publication.
5. In addition to this list, Northern Ireland CS departments may be making improvements to internal or public-facing systems which are not within the scope of the central programme, although the DTS does monitor the activity of departments and seek to identify common areas and duplication.
6. “Agile” methodologies originated in software development and emphasise iteration and incremental development of feasible outputs. They are often contrasted with “waterfall” project management in which one stage cascades to the next with little or no opportunity to reiterate.
7. The new local councils existed in shadow form in parallel with the previous local councils until 1 April 2015, and have now assumed their responsibilities.
8. Businesses in Northern Ireland have nevertheless benefitted from the UK initiative to reduced administrative burdens in the following circumstances:
  - when a reduction was made on an excepted matter;
  - when Northern Ireland legislation must be kept in line with Westminster legislation;
  - when a Northern Ireland minister decided to apply similar changes.

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## Glossary

- **Civil Society Organisations (CSOs):** The multitude of associations around which society voluntarily organises itself and which represent a wide range of interests and ties. These can include community-based organisations, indigenous peoples’ organisations and non-government organisations.
- **Executive departments:** Refers to the administrative unit, headed by a member of the Northern Ireland Executive, established under the authority of the *Northern Ireland Act*.
- **Northern Ireland Civil Service (NICS):** Refers to the body of government employees entrusted with the administration, and mandated to carry out the policy of the government of the day. In Northern Ireland, the NICS is the permanent bureaucracy of all 13 Executive departments which have the responsibility of supporting the Assembly, the Executive and the institutions of government.
- **Public sector:** Refers to organisations engaged in the fulfilment of public tasks, on behalf of government.
- **Central Government:** Refers to executive departments and their Executive Agencies, Non-Departmental Public Bodies, and any other non-market bodies controlled and mainly financed by them.
- **Local Government:** Refers to public administration at the level of the locality and any non-market bodies controlled and mainly financed by them; also referred to as local councils or municipal governments.
- **Public Corporations:** Refers to market bodies controlled by either Central Government or Local Government. These can include government-owned companies and trading funds.
- **Public bodies:** Refers to a legal entity which has its own legal personality, established and recognised by law. In Northern Ireland an institution will be deemed a public body government (central or local government, including NDPBs and public corporations) if it exercises control over its general corporate policy.
- **Public administration:** Refers to the aggregate machinery of government, funded by the public expenditures and in charge of the management and direction of the affairs of the executive government, and its interaction with other stakeholders in the State, society and external environment.

- **Whole of government:** “Joined-up government” or “whole-of-government” approaches are associated with a desire to ensure the horizontal and vertical co-ordination of government activity in order to improve policy coherence, better use resources, promote and capitalise on synergies and innovation that arise from a multi-stakeholder perspective, and provide seamless service delivery to citizens and businesses.

Source: OECD, based on: Department of Finance and Personnel (n.d.), “Classification of Public Bodies: Guidance for Departments”, [www.dfpni.gov.uk/classifying-public-bodies.doc+&cd=6&hl=fr&ct=clnk&gl=fr](http://www.dfpni.gov.uk/classifying-public-bodies.doc+&cd=6&hl=fr&ct=clnk&gl=fr); OECD (2008), *Glossary of Statistical Terms*, OECD Publishing, Paris; OECD (2011), *Estonia: Towards a Single Government Approach*, OECD Public Governance Reviews, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264104860-en>; UN Public Administration Programme (n.d.), “UN Public Administration Glossary”, [www.unpan.org/DPADM/ProductsServices/Glossary/tabid/1395/language/en-US/Default.aspx](http://www.unpan.org/DPADM/ProductsServices/Glossary/tabid/1395/language/en-US/Default.aspx).

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