



Northern Ireland
Assembly

COMMITTEE
FOR THE OFFICE OF THE
FIRST MINISTER AND DEPUTY FIRST
MINISTER

OFFICIAL REPORT
(Hansard)

**Programme for Government
Delivery Report**

23 March 2011

Mr Dale Heaney (Office of the First Minister and deputy First Minister):

Thank you very much, Chairman. We are grateful for the opportunity to present on the Programme for Government delivery report as at the end of September 2010. This meeting is useful because it affords the Committee the opportunity to take stock of progress up to that date. We are also involved in drafting the next Programme for Government for 2011-15, which, of course, will be subject to approval by the incoming Executive. We welcome any initial thoughts that the Committee might have on the new programme.

It might be helpful if I draw the Committee's attention to the following points in the report of 30 September. The current Programme for Government has been very ambitious. It is important to bear that in mind when considering progress against targets such as those to eliminate severe child poverty, to increase the employment rate to 75% by 2020 and to promote health and reduce health inequalities. Those types of issues require much longer than three years, especially given the current economic conditions. That makes it all the more important that we monitor the targets on an ongoing basis.

As regards achievements, despite the impact of the economic downturn, the Executive have made, and continue to make, a significant difference to people's lives. Delivery reports tend to focus on what remains to be done rather than on what has been done. Improvements could be made in striking a better balance between the positive and negative aspects of delivery.

Of the key goals and commitments, 55% are rated as green, amber/green or completed. On the face of it, that is slightly disappointing. A much better performance has been achieved against the 331 PSA targets, 70% of which are rated as green, amber/green or completed. Neither statistic gives a real sense of what has been achieved. I will give some examples. There has been more foreign direct investment (FDI) under PSA 1 and more start-up companies are exporting for the first time — 640 against a target of 600. Real progress has been made on urban regeneration through the road network, for example, under PSA 12. There has been increased capital investment under priority 4, which deals with investing money to support infrastructure. There have been improvements in waiting times for transplants, and there has, of course, been legislation to establish a commissioner for older people.

I turn now to areas of concern or slippage. One of the benefits of the report, particularly given the important scrutiny role performed by the Committee, is the ability to highlight areas in which

there has been little or no progress or in which there is slippage or a strong likelihood that the target will not be reached. The current monitoring system enables us to probe further with officials and Departments, including our own, why that is the case, and, more importantly, what is being done about it. The report draws attention to those areas on page 15.

In light of those points, we are happy to hear the Committee's comments and views on the report, particularly on progress against targets, or to address any concerns that members have about the report itself or our wider work activities on the Programme for Government.

The Chairperson:

Page 8 of the report mentions the fourth priority, which is about investing to build our infrastructure. Obviously, the amount of information there is very limited. Can you explain that further? I notice that it is very much about red or amber status, and I am just trying to establish the basis for that.

Mr Heaney:

The areas of underperformance include investment of £110 million in our sports facilities by 2011, thereby ensuring a lasting legacy from the 2012 Olympic and Paralympic Games. Of course, the decision on the stadium was not taken within the timescale that was originally envisaged. There has been slightly better news more recently. However, I think that that indicates the difficulty with setting targets over quite a short time period — three years ago — and aspiring to achieve them within a very specific and stretching timescale. Although that particular element was not delivered, Sport NI delivered £39 million capital spend in 2008-2010 and will deliver in excess of £14 million capital spend this year, 2010-11. In addition, 25 projects under phase 1 of the Sport NI Places for Sport programme have been completed. Although that overarching target was not reached, Sport NI and the Department of Culture, Arts and Leisure (DCAL) did what they could to fill the gap.

There were other areas in which progress was perhaps not as originally envisaged, and they include investment in our cultural infrastructure. The rating is marked as red because the predicted outcome will be around £20 million to £21 million short of the target of £119 million, mainly due to slippage in the library projects of around £19 million over the three-year period. That slippage was to do with the withdrawal of education and library boards from proactive engagement on the libraries capital build programme. Other examples include work on the rapid

transit line in greater Belfast, which was planned to take place over the planning period up to 2011. It is now envisaged that that construction work will begin in 2014. I think that officials were setting themselves quite a stretching target to get things done within three years, when, in fact, getting legislation in place and getting the Official Journal of the European Union (OJEU) notices out in time took considerably longer than was originally thought.

One of the final points that I will make on that priority is that further capital investment was included for our schools and hospitals. The actual out-turn for 2008-09 and 2009-2010 was £441 million, and the Department of Education (DE) has informed us that the target outcome cannot be met in the time frame. That is because the Department has had to apply £22 million of cuts to its capital budget in 2010-11, and £11.5 million of receipts in the proposed capital budget was highly unlikely to be realised in the current economic climate. Therefore, in the light of the economic downturn, a number of issues are outside Departments' control. That has had an impact on the infrastructure priority.

The Chairperson:

Thank you for that. I notice that £647 million will be invested in our water and waste-water infrastructure by 2011. I also notice that that has been given amber/green status, so it must be quite well advanced. Is that the case?

Mr Heaney:

We understand that to be the case. It also links to one of the issues under PSA 15, I believe, which had been progressing quite well until December. That target was about ensuring that the percentage of households experiencing unplanned or unwanted interruptions to their water supply in excess of six hours should be reduced to 1%. As we all know, that had been progressing quite well until December, and then, of course, the freeze came. That had a significant impact on achieving that target. Until September, the interruptions had been reduced to 0.276%. However, we all know what happened and that, in that case, those circumstances impacted significantly on the target. That particular target will now not be reached.

Therefore, since the September report was published, some things have, unfortunately, experienced a downturn in performance.

The Chairperson:

Forgive me for asking, but is there an overall graph or table that illustrates the entire Programme for Government? I just cannot seem to find one. I know that the delivery report shows all the individual aspects and goes into some detail on those, but I wonder whether there is an overall graph.

Mr Heaney:

It is really split into two parts. The first part shows all 66 key goals and commitments. Figure 1 gives a pictorial image of 55% of goals having either green or amber/green and 45% red or amber status. The picture illustrating the PSAs is slightly further on in the document. The total number of PSA targets is given as 334, and the figure of 70% achievement to date comes from that. The red/amber intensity that is shown in the pie chart is set in the diagram as 30%.

The Chairperson:

Overall, would you consider both those levels of achievement to be satisfactory?

Mr Heaney:

It is very difficult to define. I think that, three years ago, no one could have said for certain just how challenging or stretching those targets or commitments would be.

The Chairperson:

We are now three years on and looking back.

Mr Heaney:

If we look at performance against the PSAs, I think that the figure of 70% shows a very good performance. There is quite a bit of overlap between some of the indicators in the PSAs and the key goals. For example, suicide prevention as a PSA target has a status of red, and it is important to note that, as a key goal and commitment, it is also red. That is simply indicative of how stretching the key goals and commitments were over that time period. Some could arguably stretch over 10 to 20 years before we will see an impact.

The Chairperson:

I assume that it may take something quite small to change some of those issues from either green to red or even red right through to green status. One government decision could make a huge

difference. I am thinking particularly of the progress on the A5 development. I see that that is listed as green. If a decision were made by either our Government or the ROI Government to not proceed or to not commit finances to that project, it would change automatically.

Mr Heaney:

I think that that is right. The sports stadium is one such example.

The Chairperson:

That is right.

Mr Heaney:

Similarly —

Ms M Anderson:

[Interruption.]

Mr Heaney:

— things can come out of left field such as the freeze in December 2010, where one target, which was green all along, suddenly went red.

Ms M Anderson:

Certainly, he has done enough damage today.

The Chairperson:

Some people are very sensitive. I am sorry about that.

Ms M Anderson:

I know.

The Chairperson:

Some people are very sensitive. Please go ahead, David.

Ms M Anderson:

After your decisions today about Altnagelvin, I do not think that you should start on the A5.

The Chairperson:

I am sorry, David: go ahead.

Mr Heaney:

It is indicative of the number and range of targets that we have that over 400 are being monitored. Those indicators and targets were produced quickly and under pressure. With the benefit of hindsight, we have a mixture of some that are very challenging and some that are less challenging and can be delivered. One of the benefits of having such a detailed programme is to inform the next Programme for Government. If we were biased, we would choose more strategic and more considered targets. Officials would have more time to think about what is meaningful to the public, what success looks like and would set targets that reflect that, rather than have the current myriad of indicators and targets, which vary in significance and impact.

Mrs D Kelly:

Thank you for your presentation. I understand your point about hindsight, and the changing economic circumstances, the depth of which some of the best commentators and analysts failed to see. Given that in the first statement only 55% of targets were reached, that is not good overall.

I am more interested in why targets were not met. You gave the example of spend on the elite facilities. A political decision was made not to proceed with that project. Has there been any analysis of the reasons why targets were not met so that we can learn lessons? I understand that some could be due to changes in circumstances or economics, and others could be due to political will. However, some may be due to personalities and individuals in the Department just holding things up, or it could be due to sick leave.

Mr Heaney:

I think that you are right. We are keen to overcome the mistakes of the past. There are a range of reasons. Growing the economy will continue to be the number one priority, as it has been for the past three years. We can learn from issues, and we can look at the range of targets used the last time to inform progress and ask how realistic they now are this time around in light of the wider economic circumstances.

For example, the number of tourists was considerably fewer than we envisaged, and that was

down to the economic environment in which we had to live. I think that we can learn from that. Departments are prepared to revisit the matter and put forward something that is stretching, realistic and reflects the priorities that Ministers, the Committees and the public want to see in any programme.

Mrs D Kelly:

I am interested in the collaborative nature of the work. For example, if the economy is the number one priority, education, higher education and affordable childcare are important. I would like to see evidence of joined-up thinking on the minutiae of the Programme for Government and where resources are going to be targeted. What reassurance can you give me that that will be the case?

Mr Heaney:

We can reassure you that, through bilateral meetings with Departments in anticipation of a new Programme for Government, we have found that they are very keen to work cross-departmentally. That is reflected in the spirit in which they have engaged in the process, albeit subject to ministerial and senior executive agreement. We have to be careful about how much work we do now as it will be subject to the new Minister's views.

I think that there is a good spirit of understanding and a need to get it right this time. There is also the need to bear in mind the views of Committees on what is needed, what success means and what the impact will be four years from now. Targets will flow from that. So we value comments to make sure that we produce the right indicators.

Mr James McEldowney (Office of the First Minister and deputy First Minister):

One of the key objectives is to maximise the lessons to be learned from the experience to date. You asked about that earlier, so I am explaining the reasons why. Part of our job is to look at the requirements that may arise for the next Programme for Government and to show the interrelationships between different policy areas and growing the economy. Such interrelationships and how we maximise synergy in the new Programme for Government are areas in which we should undertake consultation, to get feedback and to look at what works well and what has not worked well. There has been a change in economic context, so we should examine the impact of that and how one differentiates between that and other daily operational issues, which the Chairman mentioned initially. For example, failure to have full development

plan coverage of the region could be one factor, but how would that impinge on growing the economy? Part of our job is to be better equipped when looking at the interrelationships.

Ms M Anderson:

Go raibh míle maith agat. Thank you for the presentation. I agree with some of what Dolores said, but as I went through the report, I was a bit impressed about how some Departments had reached almost 100% of their targets, particularly those that are green and amber/green. That has been achieved in areas such as road safety, which is important because, obviously, we are all very distressed about the number of deaths on the roads.

I want to make sure that I am reading the report correctly. As I see it, overall, out of the 334 public service agreements that we had hoped to achieve, 70% are green or amber/green at this stage, and 50 of them are red. That is not bad; I had thought at the beginning that those PSA targets were somewhat ambitious, but this report gives a lot of confidence. Is work ongoing to try to move the 50 that are red into amber and towards amber/green, even within the next few weeks, as we come out of this term and go into the next?

Mr Heaney:

It would be of a mixture of prognoses. Some will not be reached because they are simply too challenging. For example, one target is to generate £300 million of receipts through the sale of assets, and that is never going to happen in the current economic market. Such targets are simply not achievable. It is questionable whether they would be achievable in the next four years. Such targets will have a significant impact. You are right that, with others, Departments may be able to pull out all the stops by the end of this month and report more positively.

However, your question opens up a further issue, which is about making sure that the issues are not lost following this March. As part of the next Programme for Government, we want to ensure that targets that are marked as amber or red are being followed up by Departments. If there is value in seeing those targets reflected in the next Programme for Government, we would expect Departments to do that, so that the measures and actions taken so far can continue to be pursued. If it is a year late, so be it; at least it will be achieved.

Ms M Anderson:

Are you talking about extrapolating those that are in the system and making sure that the next

Minister and Committee and the personnel established around them will, at least, be given some kind of steer, outlining work that has been achieved thus far, where it is at and what progress could be made if the PSA in question were kept as a target in the next Programme for Government?

Mr Heaney:

Exactly. We need to sit down and rationalise which of the targets that are left as amber or red can realistically be finished within a reasonable period and lend themselves to completion. We will agree those with Departments, so that they are not lost and forgotten about, and some of them may turn into some of the indicators in the next Programme for Government.

Mr Kinahan:

Thank you for your presentation. I am intrigued that the report states the position as of six months ago. Is it possible to have a three-month time lag instead of a six-month time lag? Given the economic downturn, and so forth, how accurate is that report on the current position? Also, I note that some targets have a star next to them, indicating that the central team's evaluation differs from that of the lead Department. How accurate is the information that you are being given? Departments may be giving you nice answers that are more hopeful than accurate.

Mr Heaney:

It takes three months for the report to be produced after the end of a quarter, because Departments have a certain process to follow. They are given eight weeks to make their first return, which takes us to two months beyond the end of the quarter concerned. We then have a central assessment team meeting, which involves OFMDFM officials, the Department of Finance and Personnel's performance and efficiency delivery team and its supply team. Together, we challenge the evidence that Departments have given us, and we determine whether we agree with the rating based on that evidence.

As a result of that challenge process, Departments are given a right to reply. We look at that final evidence and decide whether to go with the rating applied by the central assessment team or that applied by the Department. As I said, the report is usually produced three months after the end of a quarter, and the right-to-reply process should be completed by that time. Where that is not the case, a star indicates that there is a particular issue, but there are few of those in the overall report.

That raises another question, which is whether it makes sense to monitor 400 indicators at that strategic level. It feels like an industry in its own right. Departments frequently complain about that and ask whether there is not a better way. Therefore, we are considering various options. For example, the detail may be kept at departmental business plan level, which the Committee could easily challenge and ask for quarterly reports. The Programme for Government, in contrast, might benefit from a higher level consideration of Northern Ireland plc and how it is performing as a whole, taking into account the impact of some of the wider economic issues on delivery. Therefore, you could have a better and more immediate feel for what exactly is happening on the ground. Some might argue that you cannot see the wood for the trees, because there is such a myriad of ongoing indicators. It is, therefore, difficult to understand what is happening in practice.

Mr Kinahan:

That is exactly what I was fishing for. Thank you.

Mr Spratt:

Thank you for your presentation. I note that one of the targets set for 2009 was implementing revised medical support service structures. Is there any way to highlight those targets that should have been implemented much earlier? Does a neon light indicate an outstanding target from 2009? That was the one target that I noted, but there are a few others that go back that far, which is quite alarming. Are they looked at specifically to find out why they have not been met? It could be that some other structure has moved on and that the target has been met in another way.

Mr Heaney:

You are right.

Mr Spratt:

That skews the whole thing.

Mr Heaney:

The deadlines originally set, particularly in PSA 7, which includes the one that you mentioned, were extremely challenging. Towards the bottom of that list is the establishment of the victims' scheme by 2008. That is ongoing, but perhaps that reflects an ambition that was not realistic. I

will outline the mechanisms in place to highlight the targets that are significantly behind schedule. Quarterly reporting is required of Departments, and, as soon as we see a pattern of reds, as under PSA 7, the central assessment team begins to challenge and to recommend accountability meetings. PSA 7 was one of those listed for review either at ministerial level or by the head of the Civil Service. There is a list of those in the document. PSA 15, PSA 18 and PSA 20 are the ones that are listed in the September report.

We follow up issues with each Department, through the head of the Civil Service, to target exactly what Departments are doing and to put things back on track. That can include matters that are not necessarily time-bound but which we think are a cause for concern. We take into account areas in which timescales have missed the mark by some way, but also matters such as quantum of savings, or exactly what was meant by the target as originally envisaged. Those are the processes and mechanisms that are in place. Furthermore, this Committee presents a challenge process, as do the Departments' own mechanisms and the other scrutiny Committees, which will sit down and take a view on how the Departments are performing on the PSAs for which they are responsible.

The Chairperson:

Thank you very much, gentlemen. That ends the questions.