Deloitte.

Shifting gear

Accelerating Public Service Transformation:
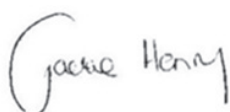Opportunities for Northern Ireland

Contents

Foreword

There is building pressure to transform public services in Northern Ireland. Our core services are straining to meet current needs with available funding and to make progress on our most challenging issues: persistent poverty, inequalities in health and educational achievement, housing stress, community division, economic inactivity and low productivity. If we are to improve outcomes for the people who live here, tackle disadvantage and make public services sustainable into the future, we need to find better ways to plan and deliver them.

The complexities of what we are experiencing in Northern Ireland are not unique and many governments across the world have sought new ways of doing business that will improve outcomes. Efforts to bring about transformation in public services have mostly focused on the adoption of outcomes-based working. This approach sets a longer-term strategic direction - beyond a single political mandate - and directs attention and resources towards those services shown to be most effective in improving people's lives. Doing this well requires a more collaborative approach, with the public and stakeholders from across all sectors being involved in the planning and implementation of public services. It also promotes transparency, enabling citizens to be better informed and more able to hold government to account.

This report aims to support ongoing and future efforts to transform public services in Northern Ireland and embed an outcomes-focused approach. It reflects on the lessons of the partnership between The Atlantic Philanthropies and the Northern Ireland Executive's Delivering Social Change initiative that sought to transform services for children, families and people affected by dementia, and to mainstream models of shared education. It draws on Deloitte's extensive public sector advisory experience including a number of international case studies that illustrate alternative approaches, and offers insights from senior leaders - across the public, private sector and civil society - who have been involved in other transformation initiatives. A cross-sectoral Advisory Group was convened to examine emerging findings from the work and discuss potential opportunities for Northern Ireland. The report offers practical suggestions on the steps that might be taken to help progress service transformation in Northern Ireland.

We hope that this study will contribute to the ongoing debate about the transformation of public services in Northern Ireland and that it will encourage new action and thinking to improve outcomes and the effectiveness of efforts to achieve them.

Jackie Henry
Senior Partner
Deloitte Belfast

Martin O'Brien
Director
Social Change Initiative

The AP/DSC Partnership

The Atlantic Philanthropies (AP) is a global philanthropic foundation that aims to challenge destructive and discriminatory practices and tackle the root causes of inequity. From 1991 to 2016, AP invested £351m of grant funding in Northern Ireland (NI), aiming to: cement peace; reshape higher education; improve public services; develop evidence based social policy; and strengthen the organisations that protect and promote human rights. As the planned end-date for its grant making in NI approached, AP entered into discussions with the NI Executive regarding the potential for a co-funding partnership in areas of mutual interest that would sustain and embed aspects of its work.

The NI Executive had just launched its Delivering Social Change (DSC) initiative, which was designed to tackle poverty and social exclusion across NI, and to introduce a "new way of doing business" for government, involving greater joined-up working, partnership and flexible, outcome-focused service planning. This confluence of strategic direction presented potential for philanthropy and government collaboration. The result was a partnership between AP and the NI Executive that saw a £69m investment in three areas:

- the **Early Intervention Transformation Programme** (EITP) aimed to improve outcomes for children, young people and families by embedding early intervention knowledge and evidence-based approaches;

- the **Shared Education Signature Programme** (SESP) aimed to improve reconciliation and education outcomes by developing and embedding shared education in NI's schools; and

- the **Dementia Signature Programme** aimed to improve the lives of those affected by dementia by embedding and sustaining good practices in publicly supported dementia expenditures, policies and services; including activity on awareness raising, workforce development, short breaks, e-health and data analytics.

The AP/DSC programme was ambitious and distinctive in character. It aimed to effect enduring, system-wide change. The programme is notable because it can point to a number of concrete examples where real service delivery improvements have occurred. It also stimulated different ways of working and added to the evidence base on the challenges of moving towards an outcomes-focused approach. A 'Ways of Working Stocktake' study on the

AP/DSC Programme completed by Deloitte identified the following key lessons:

- collaboration was a positive hallmark of the programme – joint management arrangements provided a platform for enhanced collaboration and co-design. The pooled funding enhanced feelings of collective accountability;

- having a non-Government partner at the decision-making table was viewed as positively disruptive to ingrained ways of working and provided greater funding flexibility;

- the programme encouraged new ways of thinking about impact and use of evidence, but highlighted practical challenges in applying outcomes-based reporting mechanisms (skill gaps, underdeveloped data systems, difficulty connecting project and population outcomes);

- political leadership and enthusiasm from Ministers and special advisors helped raise the programme's profile and build momentum. However, the subsequent lack of political leadership and functioning Government had a negative impact on the programme; and

- pace and effectiveness of implementation was impeded by processes for people deployment and procurement of external support and service, and limited availability of transformation skills.

The OECD undertook a Public Governance Review of NI in 2016, two years into the AP/DSC Programme. It cited the partnership as one of the few examples of effective cross-sectoral undertakings, concluding that the work was having a growing impact on service design and creating capacity for reform. The review also called out the importance of political leadership for the programme.

The lessons arising from the AP/DSC Programme set a platform for further progress towards public service transformation in NI.

The ongoing transformation context in Northern Ireland

The Department of Finance has said, "Given the increasing cost pressures, it is clear that transformation is needed in many of our services in order to meet increasing demand and make services sustainable in the long term. Doing more of the same will get the same results which is now at increasing cost." Significant transformation efforts are underway across Northern Ireland's public services, including major programmes in the two largest spending areas of education and health and social care.

Health: Shortly before the collapse of the devolved administration, in October 2016 the Executive approved the health and social care transformation strategy "Delivering Together". This contained a broad strategic direction for transformation for the period to 2026, together with 18 key actions for the shorter term. Despite the absence of Ministers since early 2017, this document provides a strong policy steer, and has enabled officials to make good progress on the transformation agenda. Update reports have been published on a regular basis. Projects to enable transformation are underway across all elements of health and social care and a number of notable achievements have been made.

Education: In the absence of Ministers, officials in the Department of Education, in partnership with their colleagues in the Education Authority, the Council for Catholic Maintained Schools (CCMS) and the Council for the Curriculum, Examinations and Assessment (CCEA), have initiated an education transformation programme with the aim of ensuring that the education system is sustainable, effective, efficient and delivers positive outcomes for children and young people. The programme of work, which commenced in 2018, comprises three broad work streams addressing efficiency and effectiveness, better educational outcomes and improving delivery of services respectively. Projects include reviews of home to school transport, the schools funding scheme, transitioning young people into careers, planning for schools of the future and the use of technology in education. A number of the projects will be able to be taken forward and implemented by officials, but many will, in due course, require decisions by Ministers. The intention is to develop a set of proposals for consideration by an incoming Education Minister and Executive.

These efforts are ongoing. While making some progress as indicated above, they are facing the challenges typical of delivering public services in parallel with transformation such as competing to recruit key skills, securing sufficient funding etc. This study and its findings have very real, current and future applications.

[1] 'Briefing on NI Budgetary Outlook 2018-2020'

Insights

This section presents the key messages from the study's analysis, reflecting experiences and lessons learned in local and international transformation efforts and presenting case studies to illustrate what might be achieved in future.

Insights are organised around the three themes identified for the study:

1. Collaboration

What have we learned from local and international experiences about how to incentivise collaboration and how might we address features of the system that inhibit it so that collaboration becomes the norm in NI?

2. Outcomes-based working

What steps might be taken to support the ongoing transition towards outcomes-based working in NI?

3. Structures for implementation

What structures and processes seem to enable transformation delivery?

Under each theme we have highlighted the key enablers with potential to support transformation in NI. It is clear from the engagement for this study that these are connected and often inter-dependent: improving practices and behaviours in one regard may support other improvements, while failure to address systemic inhibitors may limit what can ultimately be achieved.

1. **Collaboration**

Making collaboration the 'norm'

Collaboration across boundaries is key to success in an outcomes-based approach. The most ambitious outcomes as well as the most difficult issues often require multiple stakeholders to work together with a clear common purpose. The collaborative behaviour required to deliver outcomes involves working across and within the public sector, across other sectors and with citizens, from policy formulation stage to front line delivery.

There have been pockets of good practice in collaborative working in NI, including the AP/DSC programme that provided positive examples of interdepartmental working, joined up service delivery and co-design with service users. However, there are limited vehicles for sustained interdepartmental working and cross-sectoral working, and a tendency to default to traditional silos. The organisation of the NICS can reinforce siloed working as Departments and their Permanent Secretaries are individually accountable to their Minister for each policy area, with limited formal expression of responsibility to work together or with other sectors on achieving better outcomes.

Another driver for collaboration is the desire to deliver effective and sustainable public services that meet the needs of the end user. This requires more participation and an innovation-led approach to service design and delivery, involving a wider set of stakeholders.

NI has taken some positive steps with the health transformation programme – Delivering Together – committing to collaborative working supported by co-production guidance. Creative ways of involving the public in decision-making have been developed, including the first Citizens' Assembly in NI and establishment of a Compact Civic Advisory Panel (this has been suspended in the absence of an Executive and the panel has had limited time to demonstrate value to date). NI's first public policy think-tank 'Pivotal' has also recently been established. This is welcome as we have lagged behind the rest of the UK and Republic of Ireland in developing such a capacity. Government has also invested in Innovation Labs that, across a diverse range of projects, have offered space for cross-sectoral collaboration and participative design, though their impact on service change has been limited to date.

Greater use of intensive and collaborative working methods like these with the appropriate participation, preparation and follow-through mechanisms for implementation could accelerate and drive delivery on priority issues. However, that needs the development of an innovation mind-set among civil servants so that collaboration, co-production, curiosity and a positive attitude to change, become part of the public sector culture.

Case study experience

In neighbouring jurisdictions there have been similar challenges embedding this behaviour. Leaders of transformation efforts elsewhere, note that clearly defining roles can facilitate collaboration. In Scotland, the Head of the Civil Service fulfils the role of Senior Accounting Officer for all parts of the service. This has reportedly become a positive interface between civil servants and Ministers, incentivising a sense of collective responsibility and creating new space for collaboration. In Wales, the Wellbeing of Future Generations Act (2015) places a duty on all public bodies to collaborate on long-term wellbeing aims.

"There remain systemic challenges to collaboration within the system, primarily related to governance and accountability"

Deloitte
AP/DSC Stocktake Report

While there are subtle but important differences in culture, behaviour and ways of working between the devolved UK nations, NI could consider similar approaches to create a more collaborative culture. For example, the civil service code could be revised so that officials are not just required to serve their own Minister but have a wider responsibility to the Executive and citizens, and to work collaboratively with each other, citizens and other sectors.

In Washington DC, a diverse network of allies from survivor groups to businesses, working alongside government are collaborating to tackle the complex issue of modern slavery. (see 'Freedom Ecosystem' on page 10) and in South Africa, intensive labs have been used to fast track the development of solutions to critical national issues (see 'Operation Phakisa', page 11)

Transformation enablers

- Collaborate within and across the public, private, third sector and with communities, focusing on participative design and joined up delivery of services.

- Further develop innovation capability and the use of innovation tools to generate ideas and support system change.

- Create platforms and structures to support greater collaboration across all sectors as well as the community and citizens e.g. a cross-sector leadership forum (see 'Outward Looking Leaders', page 15) and citizens' assemblies.

- Establish networks to engage external thinking and sharing of data, information and perspectives e.g. think tanks, online forums, academic conferences.

Case Study Spotlight
THE FREEDOM ECOSYSTEM, WASHINGTON D.C.

At first glance Deloitte, a professional services firm, and Free the Slaves, a Washington DC-based nongovernmental organisation (NGO) dedicated to ending modern slavery, seem like strange bedfellows.

Recognising no single organisation has the capacity to respond to the growing complexity and pervasiveness of the challenge to end slavery, a diverse network of cross-sector allies including at-risk communities, survivor groups, government, academia, businesses, and NGOs decided to interact in both organised and fragmented ways to tackle slavery as the "freedom ecosystem."

The Government recognised it needed help. The network of allies brought together a wider set of experiences, ideas and skills. Notably, the freedom ecosystem is infusing the voices of at-risk communities, victims, and survivors, to ensure a survivor-centred approach to their efforts.

 "There is always more that can be done, but it starts with creating a culture of trust and collaboration." (Maria Odom, US Citizenship and Immigration Services' Ombudsman.)

Through engagement across the freedom ecosystem, extensive secondary research, and analysis of successful collective-action examples, Deloitte identified three elements that allies should apply in collaborating for increased progress: Align on common goals; Build mutual ownership; and Create scalable solutions.

https://www2.deloitte.com/us/en/insights/topics/social-impact/freedom-ecosystem-stop-modern-slavery.html for further details.

Case Study Spotlight
OPERATION 'PHAKISA' SOUTH AFRICA

Operation 'Phakisa' translated as 'hurry up' in Sesotho is an initiative of the South African Government designed to fast track the implementation of solutions on critical delivery issues highlighted in their National Development Plan.

A key aspect of this initiative is the use of intensive 'labs' which form a wider approach known as "Big Fast Results". The labs focus on leveraging expertise from government, business, academia, trade unions and the community to share best practice and develop implementable solutions for critical issues.

These labs require an intense personal and professional commitment with a clear 'road map' for delivery in the post-lab phase. The delivery unit assembled after the Ocean Economy Lab created 1,806 jobs in the sector as well as long term Public-Private partnerships in the port areas of South Africa, which are key for driving economic growth.

Phakisa-style labs interrogate practical, cost effective and scalable ways in which government can begin to solve immediate problems. The approach is broken down into three phases: Pre-lab, the lab phase itself and post-lab. This can typically cover a 22-week period with the lab phase itself lasting anywhere between 4-6 weeks depending on the complexity of the issue. The integrity of the lab depends on the strict reporting framework, which underpins the activities as well as all outputs and plans released to the public.

Funding

In NI, funding is allocated to and accounted for by individual departments. In absence of the NI Executive, the recent experience has been one of annual budgets passed by Westminster. This does not encourage collaborative ways of working nor longer-term strategic thinking. The lack of end of year financial flexibility in the system is also a concern. If funding cannot be held beyond the year-end, it can drive sub-optimal spending decisions as officials seek to spend resources within a funding cycle. The ability to pool funding around an outcome would underpin collaborative behaviour and a feeling of shared accountability. In NI, despite positive experience of this, the system does not actively encourage the pooling of funds and it only happens rarely due to the rigidity of the system.

During this study, there was agreement that budgetary practices need to be reformed and, in the meantime, the creation of a more flexible transformation fund could allow for a period of dual running while implementing a complex transformation programme.

"The pooled nature of the funding for DSC Programmes underpinned collaboration at senior programme structure level and enhanced accountability at delivery level"

Deloitte
AP/DSC Stocktake Report

Case study experience

In NSW Australia, budgets have been aligned to outcomes. Alongside this a financial management system and interactive dashboard allows for better tracking of funding against outcomes (See 'Aligning budgets to outcomes' on page 17).

In NI, the AP/DSC Programme had a more flexible funding model with contributions from each partner. The inclusion of private philanthropic funds supported flexibility around profiling of funding across year-end while central transformation funding enabled dual running. In the EITP strand of the programme, five departments contributed funding that was pooled around a shared outcome - "Giving the best start in life to children and young people" – without any expectation that funds would be spent in their domain.

Transformation enablers

- Establish mechanisms to support end of year financial flexibility.

- Develop multi-year budgets to support long-term planning and outcome based budgeting.

- Prioritise the creation of a fund to support transformation around agreed outcomes.

- Encourage cross-sector funding partnerships.

- Take practical steps to facilitate further pooling of funds around outcomes.

2. **Outcomes-based working**

Strategic Focus

Engagement for this study revealed a widely held view that decision making is typically driven by short-term priorities even though better outcomes might be achieved from committing to a long-term strategy. The consensus among key stakeholders was that a consistent and relentless focus on outcomes is necessary and that the long-term nature of outcomes relies on sustained strategic decision-making.

Some parts of central government, local government and the third sector have engaged positively with an outcomes-approach through the development of the draft Programme for Government. While there has been a general endorsement of an outcomes approach, it is yet to permeate fully across sectors or enter public consciousness. Awareness in the private sector is limited with even less engagement. Some senior officials and leaders have described a 'hard middle' within the civil service where buy-in and understanding of what is required under an outcomes approach is limited. This has delayed the shift towards outcome-focused ways of working that promote the active participation of citizens and all sectors as partners in delivering the ambition for greater societal well-being.

Stakeholders also highlighted the challenge of moving to an early intervention and prevention approach rather than a reactive approach. While such initiatives are key to achieving outcomes and reducing the need for later and often costlier interventions, they require upfront resourcing, transparency and an understanding of short, medium and long-term impacts within an outcomes context.

Application of outcomes-based tools has also been challenging in practice. The AP/ DSC programme has provided one of the most extensive tests across NI Government departments to date. Issues identified included defining clear and measurable outcomes at the outset that relate to overall programme aims (not local project targets), so that data collected was meaningful. The capacity to monitor and capture evidence effectively was also a concern, not least in relation to early interventions, which highlighted a need for longitudinal analysis to encourage the commitment of resources in the short-term versus a long-term return on investment.

Case study experience

In South Africa, the "Big Fast Results" approach which includes the intensive labs, described 30,000ft plans and 3ft plans. South Africa's National Development Plan agreed by government can be defined as the 30,000ft plan (long term) and the granular plans developed in an intensive lab e.g. an education lab, could be described as a 3ft plan (short term). This approach carefully balanced the execution of 3ft plans while maintaining focus on the 30,000ft plan (See 'Operation Phakisa' on page 11).

Scotland has developed a 'loop of communication' with all departments reinforcing each other's internal and external communications as a consistent reminder of the bigger picture.

Transformation enablers

*   Within strategic planning processes, increase focus on connecting short-term delivery with long-term outcomes.
*   Deepen understanding, develop skills within and outside the system to support delivery of the outcome-based approach and early intervention.
*   Communicate across sectors and constituencies to promote collective societal ownership of outcomes.

Outcomes Leadership

The desire for transformation coupled with circumstances facing NI creates an opportunity for leaders from all sectors to come together and to move forward. Leadership around outcomes has been limited in recent times with no functioning Executive and the Programme for Government still in draft form. For example, although the health transformation strategy was signed off before the collapse of the NI Assembly, allowing officials to make good progress to date, there are critical areas that cannot be advanced without leadership and decision-making by a Health Minister. The education transformation programme started later and is largely limited to developing proposals for an incoming Education Minister and Executive, with little scope to implement change.

Political championing of outcomes is critical and can encourage the necessary culture and behaviours in government and beyond to take responsibility and develop collaborative working relationships. Political leadership from Ministers and special advisors, alongside the Atlantic funding and participation, raised the profile of the DSC programme, which helped build initial momentum. To enable political leadership around outcomes, the Ministerial induction process could be used to deepen understanding of what it means to adopt a collaborative, outcomes-based approach and the benefits and challenges involved. In a coalition government, the use of an outcomes framework allows Ministers and political parties to align themselves within a manageable framework of aspirations, and to foster a feeling of joint accountability.

Case study experience

Enabling leaders to build an understanding of outcomes and the long-term vision across all levels of the system, can improve accountability and transparency. Scotland has created a leadership forum and it has become a vibrant network for politicians, private sector, third-sector and public sector leaders to come together and encourage unity around a common agenda. Leaders in Scotland find that the present landscape offers an opportunity to bring the 'usual' and 'unusual' suspects together to build relationships and trust (See 'Outward looking leaders' on page 15).

Through our engagements, leaders in other countries reported facing some resistance to the shift to an outcomes-based approach. Strong leadership was sometimes necessary to encourage buy-in and ensure the right people were involved in delivering transformation. These leaders asked difficult questions of more reluctant officials about their motivation and commitment to improving outcomes for the communities and places they serve, e.g. "Why are you in public service"?

In Scotland, leaders at all levels were encouraged to 'own their space' and be confident and resilient knowing they had a senior political champion promoting buy-in to the outcomes-based approach.

Transformation enablers

- Broaden and deepen understanding of the outcomes-based approach among Ministers and leaders in all sectors.
- Develop confidence, resilience, integrity and trust between outward looking leaders by establishing a cross-sector leadership forum.
- Political championing of outcomes and role modelling the behaviour required to achieve the long-term vision.

"In the case of the DSC initiative, the Civil Service was only able to achieve success because of clear explicit support from both First Minister and deputy First Minister and their political staff"

Public Governance Review, NI, 2016 OECD

Case Study Spotlight
OUTWARD LOOKING LEADERS, SCOTLAND

Scotland has a 150 strong forum of leaders who come together to discuss and debate issues affecting all sectors. They meet in plenary a few times a year, on strategic themes linked to outcomes, with a different chair for each session. Separately the forum takes forward collaborative projects and shorter policy events.

The Scottish forum has senior political sponsorship and is supported by the Scottish Government. Discussions take place around a series of topics such as Transforming Scotland – Enabling Collaborative Change and Transforming Leadership in a Digital World. Senior leaders in Scotland have described the forum as a success with the 'medium becoming the message' and leaders coming together to tackle wicked issues.

"The medium became the message"

Senior Official
Scotland

Accountability & Challenge

The outcomes-based, draft Programme for Government sets a direction of travel for societal wellbeing in NI and has encouraged officials to ask whether policies or programmes are making a difference to peoples' lives. While this is positive, there remains a limited understanding throughout the Civil Service and other government bodies of how each area of work contributes to a broad and long-term set of outcomes and who is held accountable for that contribution. Accountability is generally understood to lie within the senior levels of the Civil Service and ultimately with the Head of the Civil Service as Senior Responsible Owner of the Programme for Government. However, given the societal ambition of an outcomes-based Programme for Government, that accountability needs to be pushed further through the system and outside the system when appropriate.

When discussing how accountability is maintained in the context of long-term collaboration around outcomes, senior leaders engaged in this study reported a prevailing view that 'if everyone is accountable then no one really is'. Terms such as 'joint accountability' create tension, as individuals fear losing traditional autonomy. In considering this, it was noted that in Scotland two Director Generals often attend Parliamentary Committee together, given their collaboration around an outcome, to discuss and answer questions on progress against that outcome. Scotland also focused on improving line management, creating a healthy challenge function and increased accountability. In the NICS, there is limited sanction for underperforming and limited reward for success.

The current absence of Ministers and a functioning Executive and Assembly, means there is less opportunity to discuss and scrutinise decisions and subsequent actions. Positive examples remain, for example, a notable feature of the DSC programme was that a non-government funder had a seat at the programme steering group who constructively scrutinised progress and was considered a positive disruptor. The use of Independent Non-Executive Directors to provide a positive challenge function is quite common in government.

"At present there is a mind-set that if everyone is accountable for outcomes then no one really is"

Senior Offical
Public Sector

Case study experience

Increasing transparency is a key dimension in accountability. The case study from New South Wales, describes how alongside budget alignment with outcomes an interactive dashboard has been developed to increase transparency for the citizen and aid decision makers within the system. (see 'Aligning Budgets to Outcomes' on page 17).

Transformation enablers

- Develop processes and tools to display up to date evidence of effort and progress toward achieving outcomes.

- Enhance performance management systems with a focus on how they embed accountability around performance against outcomes

- Other sectors and citizens empowered to scrutinise if and how outcomes are being achieved.

Case Study Spotlight
ALIGNING BUDGETS TO OUTCOMES,
## NEW SOUTH WALES (NSW), AUSTRALIA

The **NSW Government** has developed an Interactive tool for displaying and reporting financial allocations against government outcomes. In 2013, the Treasury committed to the Financial Management Transformation Programme (FMT), which aimed to improve financial governance across the NSW public sector and make government more 'open'.

FMT prepared the way for outcome-based budgeting, which the NSW Treasury committed to at the beginning of the 2017/2018 budgetary year. Three pillars have supported FMT in NSW to deliver the largest reform undertaken by Government in 30 years:

•   **A new financial management system** called Prime that enables cross-government, end-to-end management of the budget – from programme planning to allocation of funding, to tracking expenditure and benchmarking results.

•   **New policies** that support performance and high quality resource management have been developed. These policies have encouraged spending decisions, which align to the NSW Government's outcomes-framework for the state.

•   Proposed new legislation will establish a single framework for public sector financial management, replacing numerous outdated legislative requirements.

The financial dashboard on the NSW Treasury website is a product of the wider work undertaken in the FMT programme. The wider public can now access financial expenditure information, allowing citizens to see what is being spent in their postcode area. They can see 'where the money goes' and 'where the money comes from',
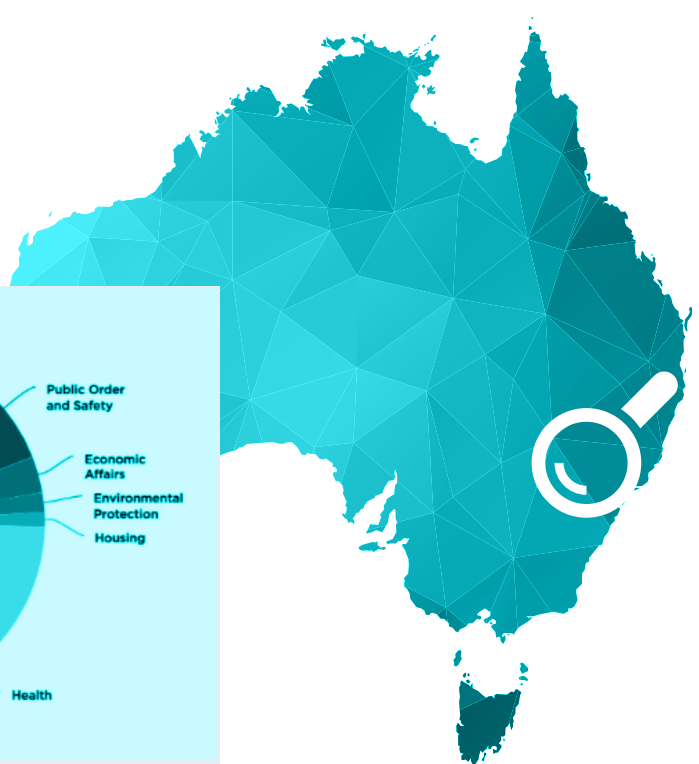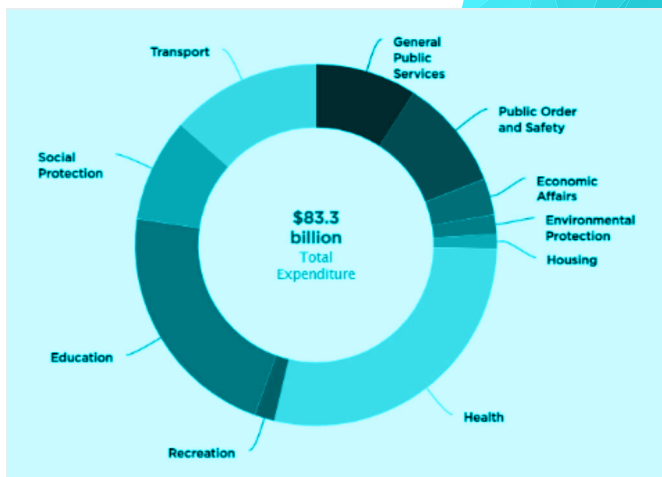
3. **Structures and implementation**

Optimising Structures

Finding the appropriate structure to bring about transformative change is challenging and can involve a range of approaches, from the creation of temporary special delivery vehicles to wholescale organisational restructuring. Any structural change can only be effective in supporting transformation if it also results in a change in behaviours and ways of working. Leaders involved in this study had experience of restructures that facilitated the desired changes to behaviour and ways of working, and restructures that amounted to 'moving the deckchairs around' with limited effect on how organisations work. There was some support for the use of special purpose delivery vehicles as a potential short-term aid to transformation while new ways of working become embedded in the system. Early indications from initiatives like AP/ DSC, suggest that it is possible to begin to change how people work, and work together without resorting to a 'hard' restructure. For example, the EITP strand of the programme applied collaborative governance structures (Programme Board membership included a mix of Departments, agencies and a non-government partner) that encouraged those within the system to adopt the new behaviours and ways of working. Conversely, others argued against the use of special purpose delivery vehicles, considering them a distraction from core business and having little impact on mainstream services and ways of working.

Recent 'hard' restructuring in NI has aimed to enhance the delivery of outcomes by better aligning related policy functions, reducing the number of departments from twelve to nine. This has yet to be evaluated, as there are currently no Ministers or Executive in place to properly test it. While in local government, there is consensus that reducing the number of councils from 26 to 11 in 2015 is beginning to have a positive impact on communities.

A consistent message from local and international contributors to this study was that it is better to incentivise and reward the behaviours required to deliver transformation than to rely on structural change to do the job. In Scotland, the principle of supporting the 'good people operating in a bad system' allowed them to move beyond structural limitations and maximise the value of the people within organisations.

Case study experience

In New Zealand, the pursuit of better outcomes for vulnerable children resulted in the transformation of child and youth services. This involved a 'hard' restructure – creation of a new Ministry for Children that replaced several government bodies and brought functions relevant to child outcomes into the same government department. However, leaders also facilitated behavioural change by celebrating success stories, championing the social workers who embodied the new department's values, and investing in skills development and a higher quality recruitment process. (see 'Restructuring for effective transformation', page 20-21).

Transformation enablers

- Evaluate existing structure when political governance is fully functional.

- Utilise special purpose delivery vehicles with a clear roadmap to transformation and systemic change.

- Move to a 'hard' restructure when necessary with clear and measurable value in relation to achieving outcomes.

"It became clear to us that there are a lot of good people in a bad system"

Civil Society Leader
Scotland

Case Study Spotlight
RESTRUCTURING FOR EFFECTIVE TRANSFORMATION, NEW ZEALAND

The Ministry for Children, established on the 1st April 2017, is a new department in the New Zealand Government responsible for the care and protection of children and young people in New Zealand. The Government has committed to making New Zealand the best place in the world for children to live and grow up.

The previous body, The Child, Youth and Family (CyF) agency under the Ministry for Social Development, did not meet the needs of vulnerable children and did not help them achieve long-term positive outcomes. An expert advisory panel was formed in 2015 after the Minister for Social Development declared CyF not fit for purpose. The panel, made up of Ministers and leaders from education, health, justice, the treasury, NZ Police and NGOs, set in motion a transformation programme to create a system which meets the needs of children and delivers on the government's ambition for New Zealand. The graphic displayed on the next page highlights the impact of the transformation effort so far.

In order to design a department and service centred on the needs of children in New Zealand, the panel used a collaborative design approach (see Figure 1) engaging three key voices in the process. Firstly, the voice of intent identified systemic issues with CyF and set the vision, principles and objectives for the new department. Secondly, the voice of experience came from collaborative design workshops, a Youth Advisory Panel and in-depth interviews with those who had first-hand experience of the previous system. Finally, the voice of the expert involved Maori Reference Groups, experts from academia and knowledge driven by data analysis as well as international experience.

"The previous system did not meet the needs of vulnerable children and was not helping them achieve long term positive outcomes"

Advisory Panel Member
New Zealand

Transformation/ Integration Role – Advisory Panel

Voice of Experience

Voice of Intent

Voice of the Expert
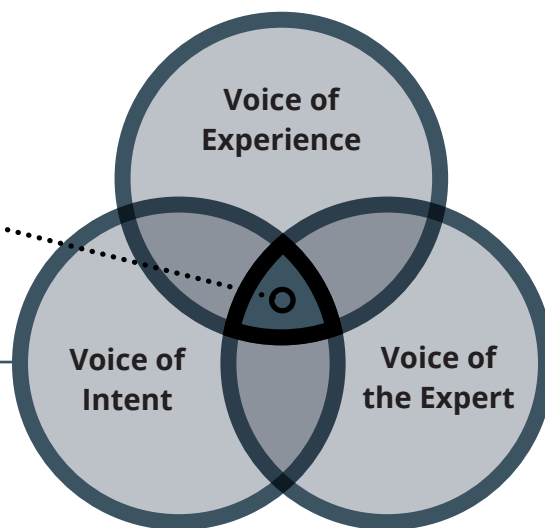
Collaborative Design Workshops
Youth Advisory Panel
Cross-sector Design Team
In-depth Interviews:
• Young People
• Families
• Caregivers
• Social Workers

Terms of Reference
Principles & Objectives
Members of the Panel
Subject Matter Experts

Maori and Practice
Reference groups
International Experience
Analytics/Research
Data/Analysis
Evidence

What has changed in New Zealand?

7,500
young people in care and protection custody in 2017

600
young people in youth justice

6,350
as of 30th June 2018

220
as of 30th June 2018

150
social workers recruited

220
more caregivers available to meet demand
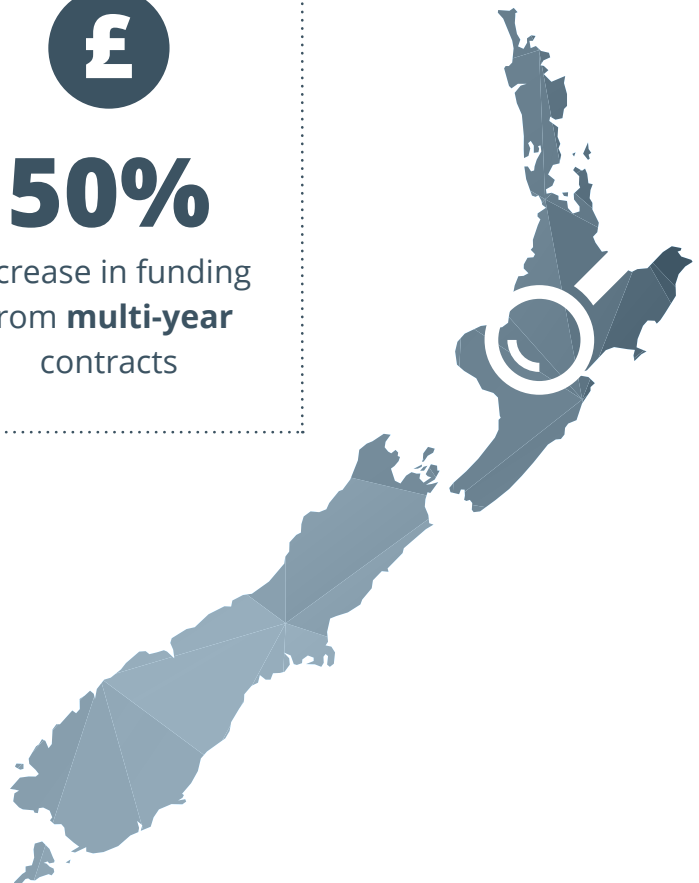
573
partner organisations attended

14
regional and national assemblies

50%
increase in funding from **multi-year** contracts

Delivery

Transformation is not always about generating new ideas – effective implementation is just as important. Appropriate use of data, evidence and citizen-centred design can help identify and overcome obstacles to delivery of transformation programmes and guide any new projects. During the Advisory Group phase of the study, participants reported the view that there are variable levels of experience in implementation among NICS officials at all grades (including senior civil servants). Stakeholders believe there is a need to develop core transformation skills across the service, for example in project management, use of data and evidence, collaborative working and citizen engagement.

Greater people mobility is also needed - it was noted that it is not always possible to access and deploy the expertise required to deliver complex projects even when it is available within the system. Timely procurement of the right resources from the private sector can also be an issue. The significant transformation programmes underway in health and education have encountered these delivery challenges, struggling to recruit skilled people into transformation roles without negatively impacting on the delivery of core services. Some of the activity will in due course also require decisions by Ministers, without which, delivery will not proceed.

The fragmentation and duplication of services has been identified as an inhibitor to effective transformation. There was broad agreement that aligning the objectives of government bodies (including the many Arm's Length Bodies) to the draft Programme for Government outcomes and professionalising service delivery would 'harmonise' activities and enhance the delivery of desired outcomes in NI. When speaking to leaders in other jurisdictions, the need for a 'rallying point' around outcomes, strong political and administrative leadership were important components for successfully aligning activities and managing expectations.

"It is really important to have your best people working on the most important tasks"

Senior Offical
Scotland

Case study experience
Whitehall has appointed central, cross-government heads for specialisms, a function that does not exist in NI. These leaders, for example the Chief Commercial Officer, have to ensure departments have access to and properly use the skills that they need to deliver programmes and services (see 'Professionalising Delivery', page 23).

Transformation enablers
- Carry out a skills' audit to understand current skills and assess skills requirements for high priority government transformation programmes

- Build a layer of cross-government specialists working with 'agility' on critical tasks supported by a fit for purpose deployment system

- Take steps to develop an agreed set of core transformation skills among generalists with improved access to specialist skills when required.

- Ensure the system has sufficient recruitment and procurement capability to help secure necessary external staffing and services in a timely manner

- Develop skills and platforms to enable knowledge transfer within and outside the system e.g. online tools, secondments, collaborative working, mentoring etc.

Case Study Spotlight
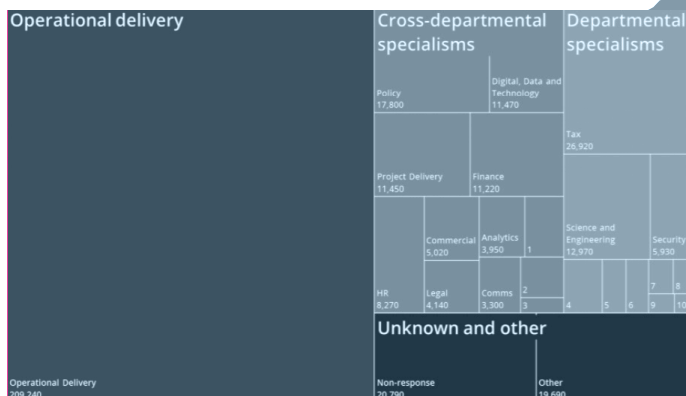# PROFESSIONALISING DELIVERY, WHITEHALL, UK

Whitehall has made a considerable effort over the past four years to professionalise the delivery of key activities such as policymaking, financial management, commercial procurement and contract management.

A report (Institute for Government and Oracle, 2017) found that 22% of the civil servants in Whitehall work in specialisms that are required in every department. Realising the need to develop and deploy these people effectively, the civil service has appointed central, cross-government heads for each specialism. These roles include Chief Commercial Officer and Chief People Officer who take responsibility for improvement agendas, co-ordinating talent management and agreeing professional standards in their specialisms.

This approach has been designed to help departments work more effectively. Permanent Secretaries remain responsible for the performance of programmes and services while the Heads of each specialism are collectively responsible for making sure departments have access to and properly utilise the skills needed to deliver programmes and services.

The engagement phase of this transformation study found agreement around having the right people handling the 'thorniest' issues. This approach could encourage specialists to view their careers through the lens of their specialism as a whole rather than their home department. Developing skills that crosscut departments would allow talent to be deployed where there is a need for accelerated delivery of outcomes.

Composition of the Whitehall Civil Service, March 2014

[1] Institute for Government and Oracle (Professionalising Whitehall, 2017)

Next Steps

While the current NI context is complex, all stakeholders engaged in this study have expressed a desire to see successful transformation that delivers better services and outcomes for the people living here. This section sets out some next steps that leaders could take to support transformation efforts.

The study has identified enablers that could be taken forward to inform current and future transformation programmes. Consideration of collaboration; outcome based working; and structures for implementation proved fruitful in identifying multiple issues that often were weaved together in practice.

The reader should be cognisant of these and encouraged to see positive examples of them both locally and internationally as per the case studies. In looking forward, five 'next steps' are suggested that individually and collectively offer vehicles that would encourage the adoption of the transformation enablers and, in so doing, address the impact of potential inhibitors.

A high profile re-commitment to an outcomes approach

Our study has found that an outcomes approach, as set out in the draft Programme for Government, requires better understanding and **engagement with citizens, third and private sectors**. This has a positive and reinforcing relationship with many of the behaviours required to deliver it. As it stands, the outcomes approach articulated in the draft Programme for Government in NI has not attracted the right levels of attention. Ideally, with senior championing, there is an opportunity to enhance some of the enabling behaviours through **dynamic participation and consideration of how to best deliver the outcomes** it desires to achieve.

A high profile launch, once Ministers are in place, accompanied by sustained communication and engagement would make all sectors and citizens more aware of the transformative nature of the outcomes-based approach and heighten societal responsibility for outcomes. It would provide greater understanding around some of the difficult decisions that have to be made, for example, why we need **strategic longer term thinking**, why easier short term gains may have negative longer term consequences, and **why transformational funding is needed** and where might it come from. The communication should also set out what **behavioural change and new ways of working** are needed to support the programme (e.g. **incentives and sanctions to better embed accountability for outcomes** or systems **for speedy deployment of the people with the right skills**).

Having a healthy challenge function has been identified as an enabler to transformation. Establishing **enhanced reporting of progress towards achieving outcomes** (e.g. via an interactive dashboard) would **sharpen this challenge function**. This would also support **enhanced accountability**. Citizens who are aware of what government is setting out to achieve could engage more readily as active participants in the process.

While there is still uncertainty around when Ministers will return to the Executive, the importance of political support remained a consistent message during our study. A launch of agreed outcomes with **political support** would send a positive message of **leadership** and bring communities on-board to deliver greater societal wellbeing. An accompanying **refresh of Ministerial and Civil Service codes** would be used to set practical expectations around the enabling behaviours.

Explore the utility of the transformation enablers

This study has produced a list of transformation enablers, crystallising the experiences of leaders locally and internationally. These enablers could be used to **review current projects** that are proving difficult or to **guide future transformation** programmes. The purpose of this study is to offer leaders in NI **practical steps** that could be taken in order to accelerate the transformation of public services. While this is a high-level statement, the transformation enablers offer the opportunity to 'drill down' into some of the inhibiting characteristics identified in this study and generate discussion around what can done in the short-term while balancing the desire to deliver better long-term outcomes.

Making collaboration the 'norm'

Collaboration is key in successful transformation efforts and there is broad agreement that more can be done to mainstream collaboration within the system in NI. There is an opportunity to **build on the momentum of initiatives like the AP/DSC programme,** which embodied many collaborative behaviours and ways of working such as **pooled funding with year-end flexibility**, and **structures that support participative design** and **working across departmental boundaries**.

Other jurisdictions have shown the value of platforms and structures to support collaboration among multiple sectors. Continued development and application of **co-design tools such as labs, forums and citizens' assemblies** would support meaningful participation of citizens, the public sector and other sectors in policymaking and service transformation.

Establishing a vibrant cross-sectoral NI leaders' forum would respond to a need for flexible spaces that can build **relationships and trust between individuals, organisations and sectors**. The forum would be a vehicle to build a **deeper understanding of an outcomes-based approach** and to support key enabling skills and behaviours including collaboration, challenge and innovation. There would be value in learning from other models as to what might work best.

As indicated in the high profile recommitment to the outcomes-based approach Programme for Government activity, collaborative behaviour should be called out alongside **identifying areas of mutual benefit aligned with outcomes** in the Programme for Government. This should help deliver on the appetite for collaborative working.

Relentless focus on delivery

There is growing consensus around the view that part of the ambition to transform NI public services needs to be to deliver on what has (largely) already been agreed. While new thinking and new policy may be required in certain areas, improving the quality of delivery would go a long way in many circumstances.

Professionalisation of delivery capability and **mechanisms for improving deployment** came across as critical enablers. These should be considered through the lens of the most significant delivery challenges. Taking the highest priority issues facing the NI government over the next ten years, the NICS should assess what skills it and relevant partners have and what skills are needed to deliver these critical transformation programmes. How can they ensure that strong core skills are in place and that there is good access to specialist skills? If the skills and expertise are in surrounding jurisdictions, what relationships are in place to best share these? How can innovation labs (or similar co-design mechanisms) better consider and improve implementation?

"While Governments may not want to be first movers, it is important they become fast followers"

Public Sector Innovation Leader
Deloitte, British Columbia

Championing a catalyst project

Build the momentum of new ways of working around **early intervention and prevention** activity like that which was supported through AP/DSC's Early Intervention Transformation Programme. This **collaborative activity** cuts across departments, agencies and third sector, **harmonising multi-agency effort around a single outcome** ("Give children and young people the best start in life" from the draft Programme for Government). The structuring of the programme is critical. While not a hard-restructure, the programme governance and operational arrangements cut across departments, to a large degree shaped around the desired outcome. This may ultimately inform future refreshing of structures. The programme, as well as directly contributing to a societally important outcome which will have a positive long-term impact, should also be a rallying point for championing new ways of working including **collaboration, mechanisms (potentially budgetary change) to support pooling and flexibility of funding, ideally the creation of a transformation fund and participative design.**

Appendix 1

Our Approach

We identified local and international examples of transformation using the global network available to Deloitte and examples identified by consultees. For the case studies we spoke with individuals involved and undertook online research. Subsequently we completed one to one consultations with leaders from across the public, private and third sectors, academia and political advisors to draw upon their experience of transformation. A cross-sectoral Advisory Group met for two sessions to examine findings from the case study research and consultations and discussed potential lessons and opportunities for NI. This report has been designed to encourage and offer practical next steps for those undertaking transformation initiatives in NI.

Advisory Group

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We would like to thank those who contributed their time, expertise and experience to this study.

Deloitte.

Social Change Initiative is an international organisation based in Belfast. We collaborate with activists, policy makers and funders to deliver lasting social change.

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