



Northern Ireland  
Assembly

---

**COMMITTEE FOR  
FINANCE AND PERSONNEL**

---

**OFFICIAL REPORT  
(Hansard)**

---

**Review of Performance Against PSA  
Targets and Business Plan**

16 September 2009

**NORTHERN IRELAND ASSEMBLY**

---

**COMMITTEE FOR  
FINANCE AND PERSONNEL**

---

**Review of Performance Against PSA Targets and Business  
Plan**

---

16 September 2009

**Members present for all or part of the proceedings:**

Mr Peter Weir (Deputy Chairperson)  
Mr Simon Hamilton  
Mr Fra McCann  
Mr Mitchel McLaughlin  
Mr David McNarry  
Mr Adrian McQuillan  
Mr Declan O'Loan  
Ms Dawn Purvis

**Witnesses:**

Mr Derek Baker            )  
Mr David Orr                )        Department of Finance and Personnel  
Mr Richard Pengelly        )  
Mr David Thomson         )

**The Deputy Chairperson (Mr Weir):**

We will now begin the session on the review of the Department of Finance and Personnel's

(DFP) performance against public service agreement (PSA) targets and the business plan 2008-

09. Members had requested that a revised document be produced to take account of their

comments. The members' pack includes a copy of the revised document and a copy of the initial summary headlines, which was produced by the Committee secretariat. In late June, OFMDFM published the Programme for Government end-year delivery report, extracts of which are also included in the members' pack. Our understanding is that that report will be debated at a Plenary session of the Assembly in due course.

The departmental officials before the Committee today are Mr David Thomson, treasury officer of accounts for central finance group, Mr Richard Pengelly, the public spending director for central finance group, Mr David Orr, the corporate services director for corporate services group, and Mr Derek Baker, the director of personnel for the Northern Ireland Civil Service, Corporate HR. You are all very welcome.

Again, I remind everyone that this session is being recorded by Hansard and that all mobile phones must therefore be switched off. We are running a bit late, but if you any have immediate points that you wish to make we will be happy to hear those.

**Mr David Orr (Department of Finance and Personnel):**

On 24 June, the Committee asked a number of detailed questions about the performance report.

Out of respect for the Committee, I have brought some senior officials along today to answer such questions. After the 24 June session, we revised the table to provide the Committee with additional information. We are happy to take questions on that.

**Mr McLaughlin:**

I wish to deal with what I see as discrepancies between the Departments' systems of reporting.

The Programme for Government end-year delivery report was published by the Office of the First Minister and deputy First Minister (OFMDFM) subsequent to the Committee's previous evidence session. As you are aware, the Committee raised some serious concerns about that. I appreciate the fact that you looked at the issue again and discussed it with your colleagues.

The DFP document on performance against delivery has seven different status categories: three green, three red, and one amber. However, the OFMDFM end-year delivery report has only four. Will you explain why two Departments that work so closely together did not operate to

common assessment criteria?

**Mr Orr:**

The OFMDFM report was completed after we revised our report. There was some third-party assessment of that; I think that the performance and efficiency delivery unit (PEDU) looked at some of the targets. The targets were expressed in a slightly different way — red, amber, green and amber-green — so it may not be possible to make a direct comparison between the ways that the two reports were constructed.

**Mr McLaughlin:**

I am not sure that I understand your answer, because the Departments were working with the same information. We are supposed to have joined-up Government, so we would have assumed that if the Departments were operating with the same information, we should get the same outcomes. Is that not a reasonable expectation?

**Mr Orr:**

It would be, but those were the statuses that DFP believed that it had achieved on its PSA targets.

We fed that information to OFMDFM and it produced a report. The key point is that OFMDFM did not use the same system for recording status that DFP used. That may explain some of the discrepancies.

**Mr McLaughlin:**

That is precisely my point. In the revised document, the Department gives green status to 22 targets and red status to only one target. The OFMDFM end-year delivery report, however, gives green status to only 14 DFP targets, amber or amber-green status to seven targets, and red status to two targets.

The same information is being used, so a common-sense and understandable explanation is needed for why people working in such close proximity are making different judgement calls.

Which information is the Committee to regard as the exemplar?

**Mr Orr:**

I take your point. I do not have the OFMDFM report in front of me.

**The Deputy Chairperson:**

Will you come back to the Committee on that point?

**Mr Orr:**

Yes.

**Mr McLaughlin:**

Are you not familiar with the OFMDFM report?

**Mr Orr:**

I am, but I do not have it here.

**Mr McLaughlin:**

Therefore, it is not a question of your not having the report in front of you. You are not disputing what I am saying, are you?

**Mr Orr:**

No.

**Mr McLaughlin:**

We are giving you an opportunity to explain why there are two different outcomes and why the Department of Finance and Personnel's assessment has been challenged by a Department with which it works closely on an ongoing basis.

**Mr Orr:**

That is the way that OFMDFM operates and is intended to operate. It takes a challenge function.



**Mr McLaughlin:**

Are we entitled to expect that, going forward, the discrepancy between the two Departments' assessments of performance will disappear?

**Mr Orr:**

We are looking at the Department of Finance and Personnel's assessment of performance, which we submitted to the Committee on 29 June 2009, following the previous session. The Committee asked us to update the assessment within a week, and we did that. Subsequent to that, the OFMDFM exercise was undertaken; and, as I explained, it applied a third-party challenge to some of our assessments.

**Mr O'Loan:**

I am very unhappy with the whole process. The process is so important when it comes to measuring and being able to make statements to the public on the achievements of the Programme for Government. If robust methods are not in place concerning the testing of how the

targets are to be achieved, one cannot stand over commitments on those targets, and that creates a serious situation.

You referred to the fact that the Committee sent the report back because it was substantially inaccurate. We summarised a number of changes that were made. Across the PSAs, around 5% of the judgements were altered. Now we see that there is a further discrepancy between your description of achievement and OFMDFM's description of the same outcomes. How can the public have any assurance about the process when that is the case?

When I look at the judgements that have been made, I could talk all day about whether the status has been achieved or not. For instance, I note that there is a target for the Civil Service to be more reflective of the diversity of Northern Ireland society by 2011. Simply because of the fact that a plan has been put in place, that target is described as being on track for achievement. I seriously question that. There is also a target to deliver efficiency savings of 3% through PEDU. That has been described as having being achieved; but, frankly, I do not see the evidence for that. For a start, I do not see how it could be achieved until the end of the three-year period. Any

outcomes that I have seen from PEDU have been remarkably modest.

There is another target is to deal “effectively” with enquiries through a single telephone number. Who makes the adjudication on what is effective? I see no evidence that that target is being met; the first people I would ask would be the users, but I see no evidence of user surveys being carried out. The document describes the target as being “challenging”; and when I read about something being challenging, I read into that that there is a lot of difficulty in delivering it. The target is described as being on track for achievement. I am sceptical about the whole process and about the overstating of achievement.

Your paper mentions PSA 20, objective 1.1b, and HR Connect. You had that as an amber status; in other words “likely to be achieved”. The Committee challenged that designation in a previous meeting with you, and the status has now been revised to “substantially achieved”. However, the OFMDFM end-year report agrees with the Committee and has attached a red designation. Can you explain that?

**Mr Derek Baker (Department of Finance and Personnel):**

I am the senior responsible owner for HR Connect, so I will deal with that point. I have been in front of the Committee a couple of times to talk about HR Connect, so I will not rehearse all the background: suffice to say that it is a very large, complex and ambitious programme.

In March 2006, when the contract was signed, we set November 2008 as the target for full implementation. Seven services must be implemented; but, in addition to those, a number of fundamental foundation stones needed to be in place, and that required a lot of work. We had to set up the shared service centre; procure the building, fit it out, recruit and train staff, put in place IT systems and so forth. We had to train 5,000 line managers face to face in HR Connect. We had to provide direct access to HR Connect for 27,000 staff and ensure that they all had all ID specifications in place, and we had to migrate data from two old legacy HR systems to a single system, with all that that entailed. Those pieces of work were huge, and they were all completed well in advance of November 2008.

In addition, by November 2008, we had implemented three of the seven services, the single

largest one, by a long way, being the non-industrial payroll, which was the highest risk and most technically difficult service to put in place. Of the remaining four services, three were substantially completed with respect to design, build and testing. The only outstanding service that we had not really got into was non-industrial payroll, which has just been successfully implemented. Therefore, as regards programme management, I am entirely satisfied that, by November 2008, the “substantially achieved” descriptor was appropriate, because the programme was 70% to 80% completed.

**Mr O’Loan:**

You say 70% to 80%; there could be a debate about how substantial that is. How come OFMDFM gives a different reading on this?

**Mr Baker:**

I do not know. You would have to ask OFMDFM that question.

**Mr O’Loan:**

This is a major issue. I do not wish to disparage good work: HR Connect is a good project, and a lot of good work has been done and there have been significant achievements. Nonetheless, in certain cases, PSA targets are precise, and particular dates were agreed. My difficulty with other targets is that they are woolly. However, in these cases, the targets are precise, so if reference is made to full implementation by November 2008, and that is not achieved, then the target has not been achieved.

**Mr Baker:**

We were asked to put a number of predetermined descriptors against those targets, and one option was, “substantially achieved”. As the senior responsible owner for this project, I honestly believe, for all the reasons outlined, that the programme was substantially achieved and that a huge amount of work was done to implement it by November 2008. We were substantially there.

**Mr Hamilton:**

I have a similar line of questions on the disparity between DFP’s and OFMDFM’s assessments of

some of the targets in PSA 20. In particular, I am interested in three of them.

First, DFP's assessment of the:

“Roll-out of the single telephone number point of contact to all remaining NICS Departments and Agencies on a phased basis from October 2009 onwards.”

is that it is “On track for achievement”. Secondly, its assessment of the target:

“Deal effectively with at least 50% of enquiries received through the single telephone number at first point of contact.”

is, again that it is “On track for achievement.” Thirdly, the target:

“Consolidation of 70% of NICS Department and Agency websites into a single thematic based web presence including a

range of transactional services by March 2009.”

is described as having been “Achieved”.

The Committee has taken a keen interest in those reforms and views them as important for driving better public services. The Department’s assessment is that the targets are either on track for achievement or have been achieved, yet OFMDFM rates them as amber, which means that there is significant doubt about whether they have been achieved. There seems to be a fairly significant disparity between saying that a target has been achieved — and as Declan has pointed out, measuring achievement against a point in time in one of those cases — versus raising significant doubt about achievement.

Why is OFMDFM not saying the same thing that you are saying? For instance, you are saying that the consolidation of 70% of NICS departmental and agency websites by 2009 has been achieved, yet OFMDFM says that there is significant doubt that that will be achieved.



**Mr Orr:**

The single, consolidated website went live at the end of March and is receiving more than 400,000 page views each month. It has been a significant vehicle for disseminating information about swine flu and other issues, so I feel justified in claiming that that particular target has been achieved.

Similarly, under PSA 20, objective 4.1, the initial four anchor tenants under the single telephone number point of contact were covered from the end of October. I think that it is justifiable to claim that target as having been achieved. The rollout of that single point of contact was not a target for 2008-09; it is a target for 2009-2010. At that stage, it was seen as being on track for achievement.

We have been developing the strategic outline case to determine the amount of funding required and the amount of business change needed. I agree with the OFMDFM assessment of amber at this moment in time. It has gone to amber, and we are undertaking a Gateway review next week. We will see what status that gives us. We are willing to expose these issues to

independent challenge, but on that particular one, I agree with the assessment of amber.

**Mr Hamilton:**

That is fair enough. This is probably an entirely different issue for us to explore. There is a problem, but the discussion about it is not for now. It is a bit baffling that an assessment can be made, that the website is live, and that 75% of data have been migrated onto it. That should be a fairly easy target to judge, yet OFMDFM is saying that there is significant doubt about whether it has been achieved.

You may want to check with OFMDFM that it is inputting the web address correctly. Sometimes it can be a bit footery if the address is long: maybe the wrong address has been entered into the computer. I cannot see that happening, but that seems to be objectively measureable, and I find it strange that it is not being assessed in the same way. Something is wrong. I accept the acknowledgement that the first target is at the amber stage.

**Mr F McCann:**

PSA 11, objective 4.4, refers to all procurement staff having received basic training in sustainable procurement by March 2009. The DFP performance against targets report indicates that that target has been achieved, although the end-year delivery report gives it an amber status. Please explain why there are two different opinions on whether the target has been achieved?

**Mr Orr:**

It is very difficult for us to comment on OFMDFM's assessment. The sustainable procurement training was delivered to 282 people, and the training package has been rolled out to the centres of procurement expertise. For that reason, we believed that procurement staff have received the basic training in sustainable procurement.

**Mr F McCann:**

Why is there a conflict in the assessments?

**Mr Orr:**

I can only answer questions on what the Department has done and assessed. We are trying to give evidence from our perspective. We believe that that particular PSA target has been achieved.

**Mr McLaughlin:**

Is there an accreditation at the end of the training programme? Maybe that is the basis on which a decision can be made as to whether it has been delivered.

**Mr Orr:**

It is not an accredited training programme; it is a basic programme. However, there is an accreditation of centres of procurement expertise included in PSA 21, objective 5.3. The assessment took place in May and June 2009.

**Mr McLaughlin:**

I am trying to understand the discrepancy. Thank you.

**Ms Purvis:**

I refer you to PSA 21, objective 3.2, which is to deliver 3% efficiency savings. According to your paper, that target has been achieved. However, the briefing paper that you provided to us about the monitoring of efficiency delivery plans states that 91% of efficiency delivery plans are on track for delivery over the first six months of the 2008-09 financial year, but only 52% of the amount of savings is on track for delivery without any risk. The paper also indicates that the assessment of the delivery of efficiencies for the whole of 2008-09 is ongoing. Why is the target reported as being achieved if the process is still ongoing?

**Mr Richard Pengelly (Department of Finance and Personnel):**

The target is specifically about delivering efficiency savings on departmental budgets. That money has been delivered and has been reallocated to other programmes. The risk assessment is in terms of the individual efficiency delivery plans and how those are driven through.

The assessment of achievement was based on two factors. The first was that the adjustment of

the departmental budgets had taken place, reporting for the first six months of the year, when the expectation was that something in the region of 50% would have been delivered. The physical returns from the Departments indicated that 66% had been returned, so we were well ahead of the target. At the time at which the paper was prepared, we were commissioning a dialogue with Departments about performance during the final six months of the year. We are still analysing that, but the clear sense is that that was delivered over the year. There are a number of strands to that overall assessment that makes us confident that that has been achieved.

**Ms Purvis:**

Has that already been delivered for the year?

**Mr Pengelly:**

Yes.

**Ms Purvis:**

The PSA also stated that PEDU drove higher levels of performance and efficiency. What

evidence is there that PEDU is driving higher levels of performance and efficiency?

**Mr Pengelly:**

As I said to the Committee before, that relates to the overall PEDU work programme, and there are a number of strands involved. The key element was the work carried out on the review of the Planning Service, which concluded in November 2008. As a consequence of that, we had a meeting with the Planning Service, the Finance Minister and the Environment Minister in April 2009, which showed that there had been substantial improvements in the performance of the Planning Service as a consequence of that six-week review.

Pending clearance by the Executive of the new performance-management framework, PEDU, in conjunction with colleagues in OFMDFM, undertook some work on efficiency monitoring and performance-measurement monitoring by working with Departments and issuing guidance. I will not go into the detail because we talked about that in some detail before, but the unit has done quite an element of work in relation to driving that agenda.

In relation to the way in which the targets are expressed, there is clearly no definitive, measurable figure against that. However, I am confident from the work that the unit has done — where there have been tangible deliverables, particularly in relation to the Planning Service work — that it is definitely driving higher levels of performance across the system.

**Ms Purvis:**

Are you planning to include a measurable statistic so that it is easier to track performance?

**Mr Pengelly:**

Obviously, that is something that we need to speak to the Minister about. My inclination is to not include a measurable target. For instance, PEDU could have a target of delivering a 1% improvement, but sometimes it just needs to simply acknowledge that everything is being done well. If we introduce a target, we would be putting ourselves in a position in which we would be proactively searching and nit-picking for problems.

As I said before, PEDU needs to be a force for good. To include a measurable target would be



incredibly difficult because, invariably, the unit is looking for situations where there is difficult performance and is highlighting that. We want to nudge difficult performance into good performance; so I am not sure that articulating a specific and measurable target would be useful, particularly in the context in which the PEDU model is contingent upon Executive Ministers inviting the unit into their Department to help them. It would be difficult for the unit to go into Departments on the basis of achieving a certain target.

In general, your point about the need for more objective and measurable criteria for the targets is well made. However, in this case, I am not sure that that would work.

**Ms Purvis:**

Recent reports on the Labour Government have stated that their attempt to deliver £9 billion of efficiency savings has not been successful. I am not asking you to comment on a debate between the Tories and Labour on public spending cuts, but is there a plan to review how efficiency savings have been achieved? Has the policy of making efficiency savings done what it said it would do on the tin? Has it avoided cuts, per se, and made real efficiency savings? We talked

before about the anecdotal evidence suggesting that cuts were being made at the edges. Is a review planned to assess whether the policy has achieved real efficiency savings?

**Mr Pengelly:**

We are currently collating the returns from Departments on performance against efficiencies for the second six months of 2008-09. We will bring that work to the Minister, who will in turn take it to the Executive. That will be the natural time to take stock of the position.

We do not have the same sense of concern that the policy of efficiency savings is not delivering real efficiency, as opposed to cuts in services. You talked about £9 billion. As far as the wider public expenditure situation is concerned, we are facing a constrained environment in the short and medium term. Aside from the issue of pure efficiencies, which involves doing the same for less, the Executive will wish to consider hard-nosed reprioritisation of needs and deferring or pushing off some low-priority public service provision. I do not think that they will want to immediately take the position that that is not what they are about. The key is to ensure that mature debate takes place on hard-nosed prioritisation of the issues and to differentiate

between input efficiency measures and the more qualitative aspects.

**Ms Purvis:**

I am concentrating on efficiency savings.

**Mr Pengelly:**

We will look at that through the quality of returns. We acknowledge that anecdotal evidence exists, but the problem is that we do not see much of it other than high-level speculative anecdotal evidence. Efficiency delivery plans have been published for most, but, unfortunately, not all Departments. Departments are setting out how they will achieve efficiencies, and that will be the subject of public and Committee's scrutiny. We are judging how they are delivering against those plans. No one has come to our Minister or to the Executive and said that they do not like a particular efficiency delivery plan or that certain efficiency savings are not efficiency savings. The anecdotal evidence has not been presented as a problem about how we judge delivery of efficiency savings.

**The Deputy Chairperson:**

David, you have arrived back just in time to ask the next question.

**Mr McNarry:**

I have nothing whatsoever to say to these gentlemen. I have heard enough.

**The Deputy Chairperson:**

It is fair comment that there is a reasonable level of concern from all sides of the Committee about the continuing divergence between the DFP and OFMDFM on the DFP position. It may be useful to determine, while the officials are still here, the best way for the Committee to take this matter forward.

One suggestion is for the production of a third draft report, which aligns more closely with the OFMDFM report and that takes account of some of the issues that have been raised today. Do members have any other thoughts on how to take this forward? Members are concerned about the divergence and the difference of opinion, which makes it difficult for the Committee to make a

judgement. Have members anything more to say? Are members content to ask the officials to look at that?

**Mr McLaughlin:**

I am sure that the officials cannot be content with the fact that there was even a divergence in the Department's own performance report. Following interaction with the Committee, the officials revised their report very quickly.

Clearly, there is a degree of imprecision, and possibly even a suspicion that there was an attempt to plámás the Committee. I am sure that officials are not guilty of that. The issue has to be resolved, and the Committee should put down a marker that it expects it to be resolved.

**The Deputy Chairperson:**

Thank you for the information that you have provided. We look forward to hearing from you soon about the draft report, so that we can try to align the position more closely with that of OFMDFM, and take account of the issues that have been raised.

**Mr Orr:**

That is fine; thank you.