



Northern Ireland  
Assembly

## Research and Information Service Briefing Paper

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NIAR 165-16

RaISe

# Outcomes-based government

## 1 Introduction

This briefing paper has been prepared for the Committee for the Executive Office which, in the context of its consideration of the Executive's draft Programme for Government Framework 2016-21<sup>1</sup> (the draft PfG Framework), requested information on outcomes-based approaches to public governance in other jurisdictions.

The paper focuses on outcomes based approaches adopted in the Commonwealth of Virginia, Connecticut, and Scotland. Within each jurisdiction there is significant experience of outcomes based working by government, and in Connecticut in particular the influence of the work of Mark Friedman is evident. Reference to Mark Friedman, the architect of Results Based Accountability™ (also known as Outcomes Based Accountability™ and later referred to as RBA), and his work is made in the draft PfG Framework which states that it "...draws on the techniques set out by Mark Friedman in his book 'Trying Hard is Not Good Enough', which describes a range of practical techniques supporting an increased outcomes focus in public policy".<sup>2</sup>

The paper is not intended as a manual for RBA (or Outcomes Based Government™ as it is also known) but, outlining the approaches used in the jurisdictions examined, does

<sup>1</sup> Northern Ireland Executive (2016) *Draft Programme for Government Framework 2016-21* [Online] Available from: <https://www.northernireland.gov.uk/sites/default/files/consultations/newnigov/draft-pfg-framework-2016-21.pdf> (Accessed: 21 June 2016)

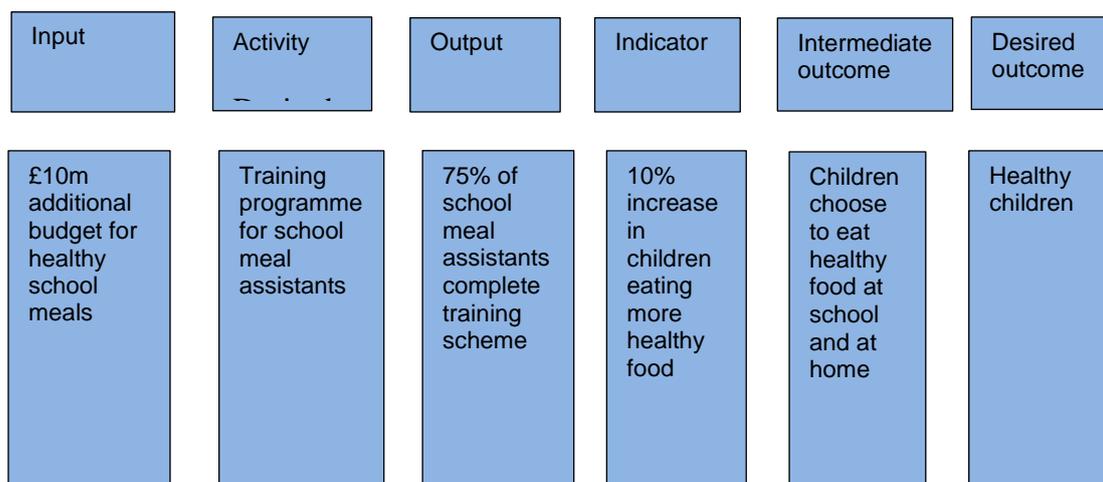
<sup>2</sup> As above, page 8.

highlight some key features of this method.<sup>3</sup> The paper concludes with a brief consideration of the draft PfG Framework in light of the experiences considered in other jurisdictions.

## 2 Background

The fundamental concept underpinning an outcomes-based model of government accountability is a shift away from a traditional focus on *inputs* and *outputs* towards a focus on *outcomes*. This shift requires government to develop performance management regimes which move away from a primary concern with the early part of the 'results chain' to the final part, at which positive change occurs for the citizen. It is a shift which is challenging for government both practically and culturally, given that an *output* is something over which it has greater operational control (more police officers, changing activities to reduce waiting times and the number of job seekers in employment programmes) whilst an *outcome* is something which it can only influence (public health, public safety or the employment rate)<sup>4</sup> and which will be determined by a complex mix of factors. A simple example of a path or 'results chain' from inputs to outcomes is provided for illustrative purposes below.

### Results Chain – from input to outcome



The need to focus on outcomes and for government to work across boundaries, rather than along traditional departmental lines, to help deliver these outcomes is not new to the Northern Ireland Executive (the Executive). In response to an Assembly Question regarding the approach taken to the 2011-15 Programme for Government, the deputy First Minister responded:

<sup>3</sup>Results Based Accountability™ An 'Implementation Guide for Outcomes Based Accountability' [Online] Available from: <https://raguide.org/> (Accessed: 21 June 2016)

<sup>4</sup>Breakthrough Britain (2011) *Outcome-based Government: How to improve spending decisions across government* [Online] Available from: <http://www.centreforsocialjustice.org.uk/UserStorage/pdf/Pdf%20reports/CSJOutcomeBasedGovernment.pdf> (Accessed: 21 June 2016)

*The Programme for Government 2011-15 sets five priorities for achievement by the Executive. Each priority has a set of identified outcomes for achievement. In managing the implementation of the Programme for Government, our role is to support Departments to deliver their commitments and to ensure that the commitments deliver on the outcomes that we have identified. For example, Programme for Government priority 2, which is about creating opportunities, tackling disadvantage and improving health and well-being, identifies outcomes, including fewer deprived communities, reduced health inequalities and greater equality of opportunity in economic participation. One of the advantages of having a Programme for Government managed centrally from OFMDFM is that it enables that strategic focus on the achievement of outcomes.<sup>5</sup>*

Rather than a new approach, the draft PfG Framework is, therefore, perhaps best seen as a development of existing outcomes based governance. In order to facilitate discussion around this developing framework, the remainder of this paper looks at how a number other jurisdictions have adopted outcomes based approaches to governance and performance management. Drawing upon the experiences in these jurisdictions, the paper concludes by identifying a number of potential issues for consideration in relation to the draft PfG Framework.

#### 4. Virginia, Connecticut and Scotland

The Commonwealth of Virginia, Connecticut and Scotland have well-established models of outcomes-based public governance. The approach adopted in Virginia to a large extent provided the template for the model adopted in Scotland. This is reflected in the naming of the public interfaces used in each jurisdiction to allow citizens to access information on how their respective governments and associated agencies are performing: *Virginia Performs*<sup>6</sup> and *Scotland Performs*<sup>7</sup>. Connecticut is of interest as there the legislative branch of government, in particular the General Assembly's Appropriations Committee, took the lead and played a key role in working with the executive branch to introduce the approach across government.

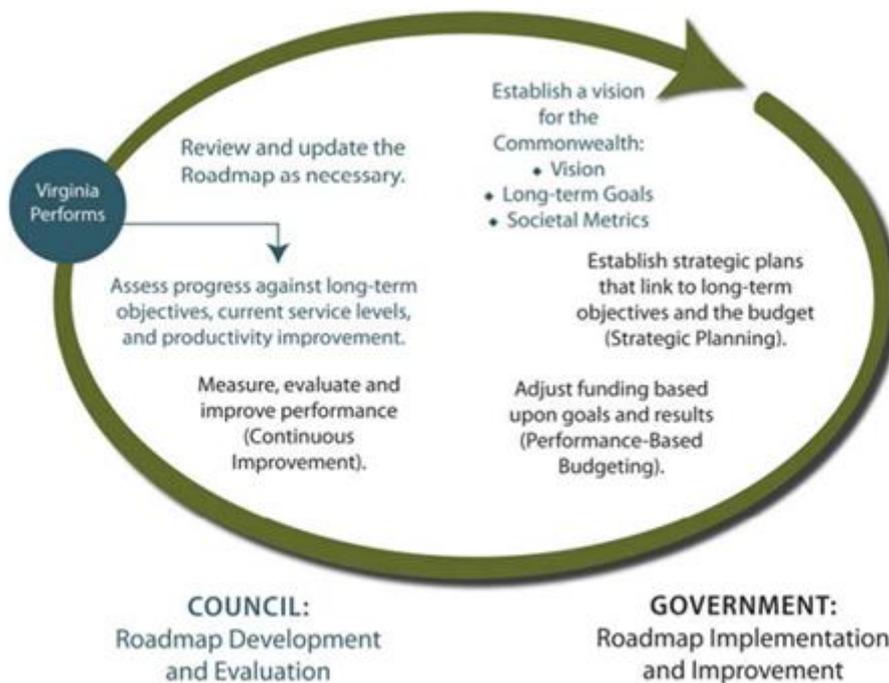
##### **The Commonwealth of Virginia**

The Council on Virginia's Future was established in 2003 by the General Assembly of Virginia. Its remit was to create a vision and a roadmap for Virginia's future and a governing system that supports achievement of that vision.

<sup>5</sup> Northern Ireland Assembly Official Report AQO 8567/11-16 7 September 2015 [Online] Available from: <http://aims.niassembly.gov.uk/officialreport/report.aspx?&eveDate=2015-09-07&docID=242371#AQO%208567/11-16> (Accessed: 21 June 2016)

<sup>6</sup> Virginia Performs (2016) *Measuring Virginia* [Online] Available from: <http://vaperforms.virginia.gov/> (Accessed: 21 June 2016)

<sup>7</sup> The Scottish Government (2016) *Scotland Performs* [Online] Available from: <http://www.gov.scot/About/Performance/scotPerforms> (Accessed: 21 June 2016)



The Virginia Performs model is based on legislation which was designed to ensure that the Commonwealth would have a long-term direction and clear priorities that would embrace Virginia's potential for a successful future. A 2003 Bill established the Council on Virginia's Future and defined its scope of work, membership and duties.

Membership includes leadership from the executive and legislative branches of state government, as well as business and community leaders from across the Commonwealth. The Council has a statutory duty to report on progress of the framework (*Virginia Performs*) to the General Assembly.

Implementation of the roadmap is the responsibility of elected and appointed officials, regional and community leaders, and the people of Virginia. The Council plays a leadership role for positive change by providing a forum where legislature, executive branch, and community leaders can come together for work that transcends election cycles, partisanship, limited organisational boundaries, and short-term thinking.

The Virginia Performs website provides the public with a vast amount of performance data which, in an accessible way, is designed to let citizens know how the state is performing on a range of indicators.

## Connecticut

In Connecticut the legislature, through the General Assembly's Appropriation Committee, took the lead in introduction of RBA. A 2013 research report<sup>8</sup> published by the Center for the Study of Social Policy (CSSP) highlights that 'Connecticut government was introduced to RBA through a legislative briefing by its creator, Mark Friedman. The briefing was sponsored by the General Assembly's Appropriations Committee and implementation began shortly thereafter as part of the budgeting process'. Providing further detail on development within the Connecticut General Assembly, the report notes that:

*In 2004 several legislators, including the new chair of the Appropriations Committee, attended a session on RBA sponsored by the National Conference of State Legislators. Upon their return, a legislative briefing was held where Mark Friedman was invited to present to the full Appropriations Committee and other members of the legislature, whereupon a working group was formed to determine whether RBA could be adopted by the Connecticut General Assembly. The working group later became the Appropriations RBA Subcommittee charged with using a results focus in the appropriations process, and engaging other subcommittees and executive branch agencies.<sup>9</sup>*

Since 2005, when RBA was initiated through a number of pilot exercises, significant developments have taken place. For example, in 2008 the RBA Subcommittee started to require the use of RBA for all new or expanded programmes and made use of set RBA questions during budget hearings. In addition, the following year (2009) agencies were asked to propose three to five programs to be analysed under the RBA framework and to produce RBA report cards for the selected programs. Budget hearings then included detailed RBA presentations for one programme per agency.

A short briefing note entitled 'Results-Based Accountability for Connecticut Legislators' addresses the question of how RBA adds value to the budget process and states:

*The budget process is complicated and unpredictable. RBA is not an attempt to simplify or rigidly systematize the process. First and foremost, RBA provides a straightforward, easy-to-understand approach to framing discussions about the quality of life results legislators are trying to achieve for the people of Connecticut. Through the identification of quality of life results and the selection of indicators of those results, RBA supports two primary levels of discussion: how the constellation of efforts across programs affects a particular quality of life result, and then, through the reporting of key performance measures for each program, how each program is performing for its customers, the citizens of Connecticut.<sup>10</sup>*

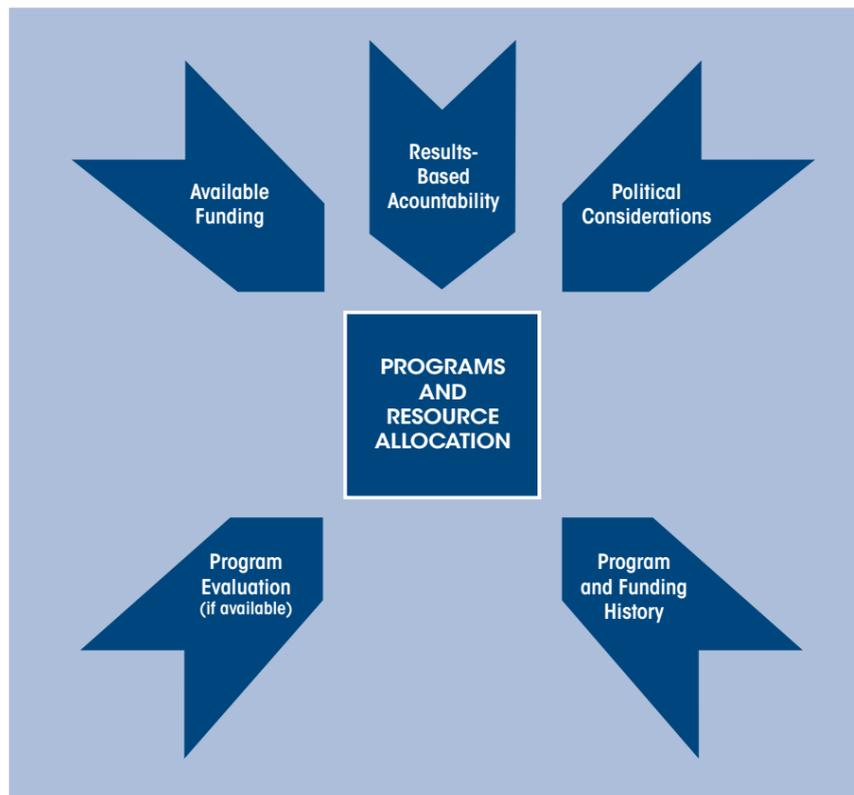
<sup>8</sup> Center for the Study of Social Policy (2013) *Results-Based Accountability (RBA) & Connecticut State Government* [Online] Available from: <http://www.cssp.org/policy/2013/Results-Based-Accountability-RBA-Connecticut-State-Government.pdf> (Accessed: 21 June 2016).

<sup>9</sup> As above, page 10

<sup>10</sup> Rep. Diana Urban (2013) *Results-Based Accountability for Connecticut Legislators* [Online] Available from: <http://resultsleadership.org/wp-content/uploads/2013/03/RBAforConnLegislators.pdf> (Accessed: 21 June 2016)

The two primary levels of discussion referred to in the section quoted above correspond to the distinction, which is central to the RBA approach, between population accountability and performance accountability.

Emphasising the complexity of the budgeting process, the note for legislators underlines that ‘...RBA does not impose a mechanical or formulaic approach to using performance information in the budget process’ and includes this diagram below to show the range of factors impacting on decisions regarding resource allocations.<sup>11</sup>



Set out in the page below is information, drawn from the Center for the Study of Social Policy report entitled Results-Based Accountability (RBA) & Connecticut State Government, which provides a description of some of the key ideas and tools that formed the basis for the use of RBA in Connecticut.

## Results-Based Accountability (RBA) & Connecticut State Government

<sup>11</sup> As above.

## RESULTS BASED PUBLIC POLICY IN ACTION

The above report\*, highlights how RBA framework uses the following components to determine the effective use of resources

**Population Result:** A quality of life condition stated in plain language that taxpayers and voters can understand and support, such as healthy people, safe communities or clean environment.

### The 7 Population Accountability Questions

- 1- What are the quality of life conditions we want for the children, adults and families who live in our community?
- 2- What would these conditions look like if we could see them?
- 3- How can we measure these conditions?
- 4- How are we doing on the most important of these measures?
- 5- Who are the partners that have a role to play in doing better?
- 6- What works to do better, including no-cost and low cost ideas?
- 7- What do we propose to do?

**Population Indicator:** A measure of the extent to which a population result is being achieved, such as the rate of obesity, the crime rate, or rates of air and water pollution.

**Turning the Curve:** Defining success as doing better than the current trend or trajectory for a measure. (This means changing the direction of the curve or, in some cases, slowing the rate at which things are getting worse.)

**Strategies:** a collection of actions with a reasoned chance of turning the curve. RBA encourages the consideration of no-cost and low-cost ideas as part of the mix.

**Performance Measures:** Distinct from population indicators, these are metrics that demonstrate how well programs, agencies and service systems are working. RBA puts all performance measures into three common sense categories: “How much did we do?”, “How well did we do it?” and “Is anyone better off?”

### Performance Accountability Questions

- 1- What is the quality of life result to which the program makes the most important contribution?
- 2- How does the program contribute to the result?
- 3- Who are the programs major customers?
- 4- What measures do you use to tell if the program is delivering its services well? How are you doing on the most important of those measures?
- 5- What measures do you use to tell if the program’s customers are better off? How are you doing on the most important of those measures?
- 6- Who are the partners with a major role to play in doing better?
- 7- What works, what could work, to do better, or to do the least harm in a difficult financial climate?
- 8- What specific actions do you propose to take over the next two years? Focus on 1) no-cost and low cost actions 2) actions to reduce the harm of budget reductions and 3) reallocation of existing resources to obtain best results.

**Data Development Agenda:** A prioritized list of where new and better data are needed.

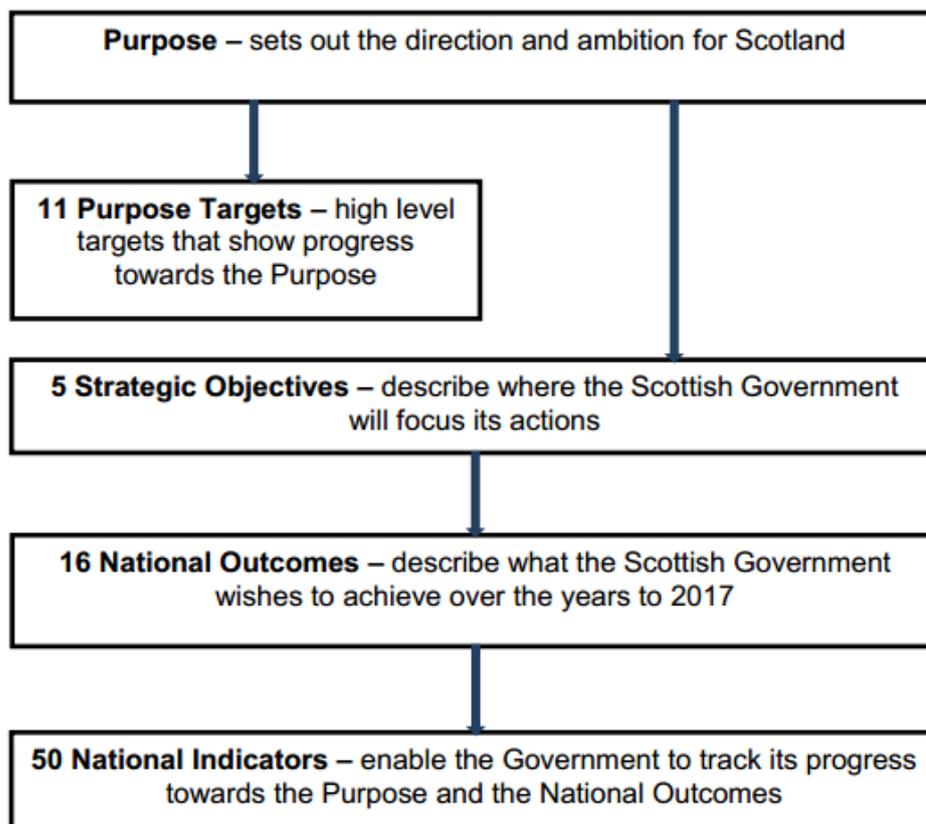
**Information and Research Agenda:** A prioritized list of questions we need answered in order to understand the most important causes and most powerful solutions.

\*Source: Center for the Study of Social Policy (2013) *Results-Based Accountability (RBA) & Connecticut State Government* [Online] Available from: <http://www.cssp.org/policy/2013/Results-Based-Accountability-RBA-Connecticut-State-Government.pdf> (Accessed: 21 June 2016).

## Scotland

Influenced by the model in Virginia, the Scottish National Party introduced its National Performance Framework (NPF) as part of the Spending Review in 2007. The *Scotland Performs* website was launched in 2008.<sup>12</sup>

### Overview of Scottish National Performance Framework<sup>13</sup>



There are broad similarities between *Scotland Performs* and *Virginia Performs*, which is unsurprising given the clear influence that the Virginia model had on the SNP government's thinking.

In 2007, the minority Scottish National Party Government introduced the NPF on the back of a manifesto commitment which referenced the Virginia model. The following year, the *Scotland Performs* website, which allows citizens to see how the Government is performing against its indicators as set out in the NPF, was launched.

The *Scotland Performs* website contains a wealth of data measuring the Scottish Government's indicators. The indicators themselves are subject to review, for example

<sup>12</sup> For information on the evolution of the Scottish model see: Campbell, A. (2015) *What works Scotland: Time-line for the Development of the National Performance Framework and the Outcomes Approach in Scotland* [Online] Available from: <http://whatworksscotland.ac.uk/wp-content/uploads/2015/07/WWS-NPF-and-Outcomes-Timetable.pdf> (Accessed: 21 June 2016).

<sup>13</sup> SPICe Financial Scrutiny Unit Briefing (2012) *The National Performance Framework and Scotland Performs* [Online] Available from: [http://www.parliament.scot/ResearchBriefingsAndFactsheets/S4/SB\\_12-12.pdf](http://www.parliament.scot/ResearchBriefingsAndFactsheets/S4/SB_12-12.pdf), (Accessed: 21 June 2016).

a ‘refresh’ was undertaken following the 2011 Scottish Parliamentary election: “In the original NPF there were 45 indicators, expanding to 50 in the refreshed NPF...seven National Indicators have been removed from the original list of 45. According to Scotland Performs, these indicators either relate to targets that have been delivered or have been replaced by more suitable measures of progress towards the National Outcomes”. In addition, 12 new indicators were added. The Scottish Government assessed the need for indicators against criteria which included: Policy Relevance, Outcome measures, Wellbeing, Simplification and Preventative Spending.

The refresh by the Scottish Government, however, was undertaken ‘in-house’:

*Ministers set the Purpose, Strategic Objectives and National Outcomes. They asked officials to develop National Indicators which enable us to track progress towards the achievement of our National Outcomes and ultimately the delivery of the Purpose. National Indicators were developed and chosen by analysts from across the Scottish Government and a number of organisations across the Scottish Public Sector. The Scottish Government’s Performance Board, chaired by the Director General Health and Social Care – one of three delivery boards collectively responsible for driving forward key parts of the business – agreed the refreshed NPF including the National Indicators. The Cabinet then approved the refreshed NPF, including the National Indicator Set”.*

In the past, the Scottish Parliament’s Finance Committee had raised concerns that the Government was not required to report to the Parliament on its performance. For example, during Session 3 of the Parliament:

*the Committee asked the Government on a number of occasions why it did not formally report on the information in Scotland Performs, but noted that the Government did not appear to accept a need for such a reporting mechanism. The then Cabinet Secretary for Finance and Sustainable Growth, John Swinney MSP, said that information on Scotland Performs shows where things are getting better or more difficult and that...The information is publicly available any day of the week on the website, so anyone can observe the progress that the Government is making.<sup>14</sup>*

The Government, however, has for a number of years now been providing the Scottish Parliament with performance information, including Performance Scorecards drawn from the information on Scotland Performs, to assist scrutiny of the draft budget. In his foreword to the latest ‘Scotland Performs Update’ document, published in December 2015, the Deputy First Minister and Cabinet Secretary for Finance, Constitution and Economy stated:

*I am pleased to provide Parliamentary colleagues with performance information to assist in the scrutiny of the Draft Budget. This is the third consecutive year that this*

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<sup>14</sup> As above.

*has been provided and the process has continued to evolve in response to feedback.*

*As in previous years, Performance Scorecards, drawn from the information on Scotland Performs, are included, with a Scorecard being provided for each interested Committee. As the reporting tool for the National Performance Framework, Scotland Performs provides a transparent and dynamic assessment of how Scotland is performing as a nation across a diverse range of economic, social and environmental indicators.*

*In addition, in response to feedback that a clearer link between spend and national outcomes would be helpful, narratives are also provided this year to help demonstrate this. Two representative narratives are provided for each of the 16 National Outcomes, outlining information on the budget spent, key achievements as a result of spend and how this contributes towards the National Outcome.<sup>15</sup>*

The foreword goes on to note that a review of the indicators used in the NPF was also underway to ensure that they provided the best measures for a successful Scotland and that:

*A key achievement of this work to date has been to place the outcomes approach in Scotland on a legislative footing through the Community Empowerment (Scotland) Act 2015. Under the Act, Scottish Ministers have a duty to consult on, determine and publish national outcomes for Scotland and to regularly report on progress towards these. A review of the national outcomes must also be undertaken every five years. This not only provides longevity for the outcomes approach in Scotland, but will ensure that the national outcomes continue to reflect what matters to the people of Scotland.<sup>16</sup>*

In relation to consideration of the Draft Budget 2016-17, the Finance Committee wrote to subject committees in early 2015 recommending that examination of prioritisation and value for money should be an ongoing aspect of budget scrutiny and wider financial scrutiny.<sup>17</sup> The guidance added that this should include scrutiny of the extent to which public bodies are adopting a priority-based budgeting approach and whether they are spending their allocations well and achieving outcomes. The Committee noted that there was 'much more scope to use the NPF in holding public bodies to account for the delivery of outcomes' and highlighted that subject committees might wish to examine the contribution which public bodies were making towards the national outcomes within the NPF as set out in their respective corporate and business plans.

<sup>15</sup> The Scottish Government (2015) *Scotland Performs Update* [Online] Available from: <http://www.gov.scot/Resource/0049/00491159.pdf> (Accessed: 21 June 2016).

<sup>16</sup> As above.

<sup>17</sup> Scottish Parliament Finance Committee - *Draft Budget 2016-17, Guidance to other Committees* [http://www.parliament.scot/S4\\_FinanceCommittee/General%20Documents/Guidance\\_to\\_subject\\_committees.pdf](http://www.parliament.scot/S4_FinanceCommittee/General%20Documents/Guidance_to_subject_committees.pdf) (Accessed: 21 June 2016).

The committee also expressed the view that it considered it desirable for subject committees to have the flexibility to scrutinise outcomes throughout the parliamentary session rather than during a specific a specific period, such as when considering the draft budget. The Committee also recommended that the Scottish Government continue to publish performance scorecards alongside the draft budget each year.

An illustration of the Scorecard provided to the Health and Sport Committee is provided below:

### Example of Performance Scorecard provided to Scottish Parliamentary committees

#### Health and Sport Committee

The following National Performance Framework indicators have been selected as relevant to the Health and Sport Committee for the purposes of the Draft Budget Consultation Period.

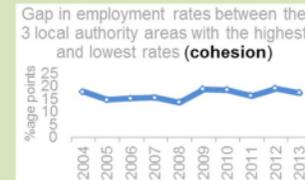
- The report overleaf shows recent performance on these indicators as at 30 September 2014.
- The hyperlinks below take you to the Scotland Performs website for the latest information on each indicator.

- [To narrow the gap in participation between Scotland's best and worst performing regions by 2017 \(cohesion\)](#)
- [Improve children's services](#)
- [Improve children's dental health](#)
- [Increase the proportion of healthy weight children](#)
- [Improve support for people with care needs](#)
- [Improve the quality of healthcare experience](#)
- [Reduce alcohol related hospital admissions](#)
- [Reduce deaths on Scotland's roads](#)
- [Increase people's use of Scotland's outdoors](#)

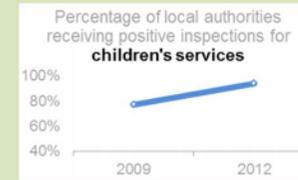
- [Increase the proportion of babies with a healthy birth weight](#)
- [Increase physical activity](#)
- [Improve mental wellbeing](#)
- [Reduce premature mortality](#)
- [Improve end of life care](#)
- [Reduce emergency admissions to hospital](#)
- [Reduce the percentage of adults who smoke](#)
- [Increase the proportion of journeys to work made by public or active transport](#)

- [To match average European \(EU15\) population growth over the period from 2007 to 2017 \(population\)](#)
- [Supported by increased healthy life expectancy in Scotland over the period from 2007 to 2017 \(population\)](#)
- [Improve self-assessed general health](#)
- [Reduce the number of individuals with problem drug use](#)
- [Reduce the proportion of individuals living in poverty](#)
- [Reduce children's deprivation](#)

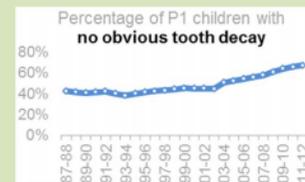
#### Performance improving



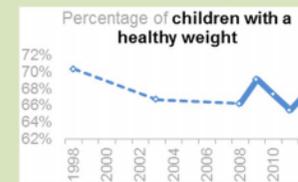
The gap in employment rates between the three local authorities with highest and lowest rates narrowed in 2013 compared to 2012, due to the employment rate rising in the lowest performing areas.



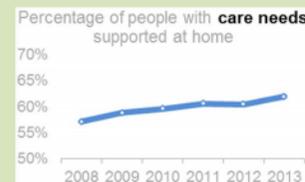
More local authorities received positive evaluations in child protection inspections in the latest period (2009-2012) than in the previous period (2006-2009).



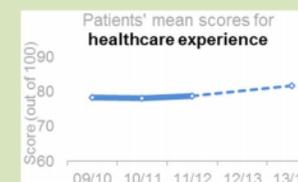
Over the past decade there has been an increase in the percentage of Primary 1 children with no obvious tooth decay.



The proportion of healthy weight children has fluctuated with no clear pattern between 2008 and 2012.

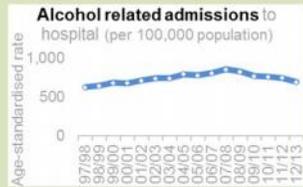


The percentage of people receiving personal care at home (rather than in a care home or hospital) increased last year, as part of a generally increasing trend.



Patient ratings of the quality of their healthcare experience have been improving since 2010/11.

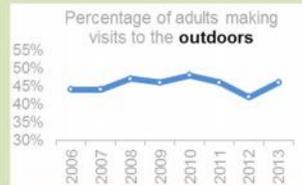
**Performance improving** 



Alcohol related hospital admissions continue to fall from a peak in 2007/08.

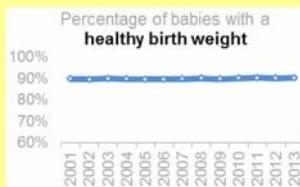


The number of people killed on Scotland's roads has fallen continuously for the past several years, as part of a long term downward trend.

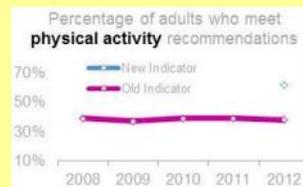


The percentage of adults making at least one weekly visit to the outdoors has been fluctuating since 2006, although it has increased in the past year.

**Performance maintaining** 

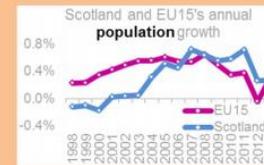


The proportion of babies with a healthy birth weight has remained steady over the past decade, with 90% of babies being a healthy birth weight each year.

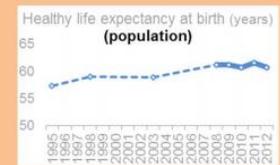


Since the guidelines for physical activity changed in 2012, we cannot compare figures for earlier years. Using the previous guidelines, there was little substantial change over the years since the baseline.

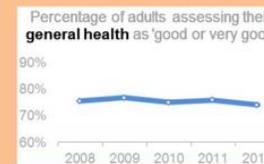
**Performance worsening** 



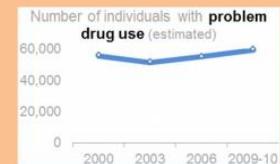
Although Scotland's population has been increasing since 2001, population growth in Scotland was lower than in the EU15 countries in the last year.



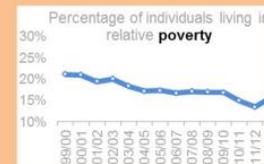
Although levels of healthy life expectancy have been gradually increasing since 1980, there was a decrease between 2011 and 2012.



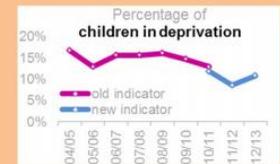
The proportion of adults assessing their health as 'good or very good' fluctuated over the past few years, but decreased between 2011 and 2012.



The estimated number of individuals with problem drug use increased from 2003 to 2009/10.



The proportion of people living in relative poverty has risen in the last year, reversing the flat or downward trend of the past decade.



The proportion of children living in material deprivation increased in 2012/13.

### 3 The draft Northern Ireland Programme for Government Framework 2016-21

The draft PfG Framework follows the basic models adopted by the Scottish Government and the Commonwealth of Virginia. In some aspects the models in Scotland and Virginia are more detailed but this is a reflection of their development over a number of years.

As shown below, the draft PfG Framework sets out an overarching purpose, with outcomes against which progress will be measured by a set of indicators. Each indicator will have a measure which will come from existing datasets or, in some cases, from datasets that will be developed and implemented.

#### Draft Programme for Government Framework 2016-21

<b>Purpose</b>
Improving wellbeing for all – by tackling disadvantage, and driving economic growth
<b>Outcomes</b>
14 strategic level outcomes which, taken together, the Executive believes best describes the society we wish to have.
<b>Indicators</b>
Clear statements for the change that the Executive wishes to bring about
<b>Measures</b>
Largely derived from existing statistics, will form the basis for measuring progress and highlight where corrective action needs to be take

Accompanying the outcomes are Outcome Statements to: explain purpose and rationale; set out the role of the Executive; identify key partners; and list the relevant indicators. The indicators themselves will also be accompanied by statements which: explain why the indicator matters and sets out details of the measure to be used and current trends.

As has been noted earlier in this paper, the importance of outcomes as a feature of the 2011-15 Programme for Government was highlighted by the deputy First Minister in response to an Assembly question. The draft PfG Framework may, therefore, represent a move by the Executive to further integrate outcomes into the work of government through the use of RBA which has been described as ‘...a decision making process for developing public policy that starts with a clearly articulated desired result or outcome to be achieved, assesses current circumstances, uses policy options that have

demonstrated an ability to achieve this outcome, and evaluates progress through data and performance measures'. However, in spite of the specific mention of Mark Friedman and RBA in the draft PfG, it is unclear to what extent the prescribed RBA methodology will be used across government departments and beyond (for example, to non-departmental bodies and local government).

Clearly, in an outcomes driven model, the outcomes (together with the associated indicators and measures) are of fundamental importance. Consultation on the draft PfG Framework opened on 27 May 2016 and closes on 22 July 2016. Given the importance of partnership working highlighted in consultation exercise, the extent to which partners and stakeholders shape the final outcomes, indicators and measures will be of interest.

It is also clear from consideration of other jurisdictions that the quality of data used to measure performance is central to effective application of an outcomes based approach to performance management of government. In this context a number of observations can be made in relation to the data contained in the draft PfG Framework published for consultation.

#### Availability of data:

No data is available for 12 of the indicators. Data is due to be released for one of these while data development is required for 11 of the indicators. It is not clear how long this will take. This will impact on the ability to assess performance and monitor progress of these indicators.

#### Timeliness of data:

This varies from indicator to indicator. While most data is relatively up-to-date (where available), this is not always the case. For example, data for indicator 29 (greenhouse gas emissions) dates back to 2013 and data for indicator 39 (the reoffending rate) dates back to 2012/13. This will impact on monitoring and the ability to take action to address any issues in a timely way. This will also impact on the reporting of progress.

#### Use of provisional data:

Some of the data released is provisional and may be subject to change e.g. indicators 2 (reduce health inequality), indicator 3 (increase healthy life expectancy) and indicator 4 (reduce preventable deaths).

#### Quality of data:

Some of the indicators are based on surveys and as such are subject to error. For indicator 33 (reduce underemployment), the Labour Force Survey estimated the number of underemployed to be 53,000 people for the period October – December 2015, an underemployment rate of 6.6%. The confidence intervals reported are +/- 10,000 people; and +/-1.2pps. Indicator 34 (improve regional balance of economic prosperity through increased employment) is measured at sub-Northern Ireland level (geographic areas to be decided) and as such the sample sizes are small and the confidence intervals are even bigger. For example, the employment rate for Antrim

and Newtownabbey Borough Council in 2014 is estimated to be 71.5% with a confidence interval +/-6.2pps. This will impact on the quality of the data and also on tracking of changes over time.

The Programme for Government 2011-16 had a clear management structure that operated at three levels: programme, delivery and operation. During evidence to the Committee for the Executive Office, the First Minister informed Members that a Programme for Government delivery unit would be established to ensure ongoing monitoring of the Programme for Government 2016-21. It remains to be seen, however, to what extent, under the new framework, the Executive will engage partner organisations in monitoring progress. In both Scotland and Virginia independent mechanisms to monitor and review their respective frameworks are in place. However, the extent of this independence should not be overstated. In Scotland, Ministers still have ultimate ownership of the framework and in Virginia the body charged with overseeing the model, the Council on the Future of Virginia, is chaired by the state Governor, who has a leadership role in ensuring the success of *Virginia Performs*. This is not to say, however, that the Council does not highlight areas where it feels improvements can be made.<sup>18</sup>

In other jurisdictions, including Scotland and Wales, the requirement for government to agree and report on high level outcomes is contained in legislation. This invites the question as to whether or not placing a similar statutory duty on the Northern Ireland Executive would be desirable.

The linkage between outcomes and budgets deserves particular mention, as it has been noted that, in theory, the consideration of outcomes should be an important part of the budget process '...so that resource decisions can be made using the likely impact of an increase or a decrease in funds on the results of a programme. The idea is to change the bundle of outputs purchased to produce a better set of outcomes'.<sup>19</sup>

Addressing the link between outcomes in the draft PfG Framework and the budget, the deputy First Minister, when he and the First Minister appeared before the Committee for the Executive Office on 8 June 2016, stated:

*We are absolutely convinced that the approach that we have adopted is one that has not only found favour with the public but is one with which the public will engage over the consultation period. That will lead to better outcomes in relation to ensuring that*

<sup>18</sup> See for example the following report: Council on Virginia's Future (2011) *Critical Outcomes in Virginia Education* [Online] Available from: <http://www.future.virginia.gov/publications/docs/misc/Education/CriticalOutcomesVirginiaEducation.pdf> (Accessed: 21 June 2016).

<sup>19</sup> Flynn, N. (2001) Paper commissioned for the Finance Committee by the Scottish Parliament Research and Information Group: *Moving to Outcome Budgeting* (paragraph xv) [Online] Available from: <http://archive.scottish.parliament.uk/business/committees/historic/finance/reports-02/fir02-mob-02.htm> (Accessed: 21 June 2016).

*the Budget that we will have to put before the Assembly in December matches what we are trying to do in this Programme for Government.*<sup>20</sup>

It is not clear, however, to what extent the timelines for the development of the programme for government and the budget will facilitate alignment between the two. Furthermore, a previous RalSe paper highlighted what the then Minister for Finance saw as the difficulties in linking expenditure to the Programme for Government. The paper states:

This goal (of linking an agreed budget to programmes and policies) is pursued by the Committee for Finance and Personnel (CFP) in its 2011 *Report on the Response to the Executive's Review of the Financial Process in Northern Ireland*, where it stated:

*The Committee firmly believes that there should be **clear, visible linkages between Budget allocations and the Programme for Government** and is unable to endorse Review Recommendation 7 [that performance outcomes and the delivery of the Programme for Government should not be directly attributable to allocations in budgets but should be monitored and delivered regardless of budget inputs].*<sup>21</sup> [emphasis added]

However, the Finance Minister's response to CFP's statement highlights what he perceives as the challenges in seeking to link Budget allocations and the Programme for Government. The Minister stated:

*There are [...] particular difficulties with attaching funding even to specific targets in the Programme for Government, which has been tried in the past. Departments tried to match funds to their PSAs, and many of them commented that it was a meaningless exercise..... If we were to go down below the strategic level and map those targets, we would disaggregate the Budget to a level at which it would become impossible, and it would not be a practical or even efficient use of resources.*<sup>22</sup>

The paper concluded that the Minister's comments appeared to suggest that the idea of linking outcomes to budgets was not a new idea for Northern Ireland; and the Executive had tried to carry out this type of linkage with limited success.<sup>23</sup>

The example of Connecticut, however, suggests that RBA and can play an important role in improving the budget scrutiny process, albeit that it will compete for influence over resource decisions with a range of other factors. In particular, in Connecticut the

<sup>20</sup> Northern Ireland Assembly Official Report : Minutes of Evidence (2016) Committee for The Executive Office, meeting on Wednesday, 8 June 2016 [Online] Available from: <http://aims.niassembly.gov.uk/officialreport/minutesofevidencereport.aspx?AgendaId=18258&evidID=10616> (Accessed: 21 June 2016).

<sup>21</sup> Committee for Finance and Personnel (2012) *Report on the Response to the Executive's Review of the Financial Process in Northern Ireland* [Online] Available from: [www.niassembly.gov.uk/globalassets/Documents/Reports/Finance/nia28\\_11-15.pdf](http://www.niassembly.gov.uk/globalassets/Documents/Reports/Finance/nia28_11-15.pdf) (Accessed: 21 June 2016). Paragraph 42.

<sup>22</sup> Northern Ireland Assembly (2012) *Official Report (Hansard) 13 February 2012* [Online] Available from: <http://www.niassembly.gov.uk/assembly-business/official-report/reports-11-12/13-february-2012/> (Accessed: 21 June 2016).

<sup>23</sup> RalSe (2014) *Outcome based budgeting*, NIAR 323-14

specific questions proposed by RBA at population and performance levels have been used as tools in the scrutiny process.

Continued development in the Scottish Parliament of linkages between outcomes and budgeting in the scrutiny process are also worth note. It would appear from the experience of the Scottish Parliament that, whilst it is desirable to have the flexibility to scrutinise outcomes independently of the budget process, it is also important not to lose the value of using performance information in the budgeting process.

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