

# ***Executive Response to the RHI Inquiry Report Recommendations and Action Plan***

7 October 2021

## Chapter One

### Introduction and Approach

#### *Introduction*

1. This response and action plan represents the Executive's Corporate Response to the RHI Inquiry Report. It has been prepared under the oversight of the Executive Sub Committee on Reform as agreed in the New Decade New Approach (NDNA) document and the Terms of Reference for which were subsequently agreed by the Executive and published on 30 July 2020. The Executive agreed this report and action plan on 7 October.

2. As outlined in the Terms of Reference, this is the Executive's Corporate Response and Action Plan that has considered the findings of the Inquiry in light of work already completed and proposes in its action plan further reforms to those in NDNA to deliver the changes necessary to improve the transparency, accountability and the functioning of government and rebuild public confidence. Its work has therefore considered the findings and recommendations of the Inquiry, the work already completed on the issues as the Inquiry heard its evidence and prepared its report, and reports on the actions needed to complete the implementation of the recommendations in the report.

3. The Executive will produce an annual report on the implementation of these actions and on how standards are being adhered to. NIAO will monitor, as recommended by the Inquiry, the implementation of these actions.

4. This Corporate Response does not include the response on any disciplinary action that has been completed or is underway in respect of civil servants. The interim HOCS will be leading on this process. A commitment has been made to report on this separately to the Assembly.

5. Similarly this report does not cover the work that has been undertaken within the Department for the Economy in respect of the management of the RHI Scheme itself, for which they respond separately to the Assembly.

#### *Approach Taken*

6. The RHI Inquiry report demands an extensive, wide-ranging response to its recommendations, rather than a piecemeal fulfilment of individual tasks. The report contains a warning *'against any tendency to conclude that some of the necessary changes have already been fully achieved. The Recommendations [set out above] require sustained, system-wide change and will take time to implement effectively'*. The focus of the Inquiry is upon effective change in the behaviours and practices within

government and the emphasis upon change, and not just review or revision, in the report's recommendations is striking. The Executive has agreed that that kind of change will require an approach that takes into account what is required to change an established culture and not just to revise the rules to which it refers.

7. A similar imperative lies behind that part of the NDNA document where cultural and behavioural change within the NICS is addressed alongside equivalent changes to the political sphere within government. The motivation behind NDNA is the restoration of public confidence in the devolved institutions, including the civil service. The codified requirements for Ministers, special advisers and civil servants have all been subject to revision, and the first steps taken to align actual activity to those ethical standards. The Executive recognises that the commitment to these new standards will require ongoing and daily commitment by all in these groups and by the Assembly that will overarch all of the other work of the Executive's response to the Inquiry.

### ***Civil Service Reform – Cultural Change Requirements***

8. The NDNA document requires the Executive to take forward 'reviews of civil service reform, including procurement and appointment processes, public appointments and arm's length bodies'. The RHI Inquiry report offers a much wider agenda for change, encompassing the professional skills of civil servants, the recruitment and capability of staff, governance and financial accountability, record keeping, collaboration, its ability to challenge Ministers, Special Advisers and more senior civil servants, and raising concerns. Change in these areas will not come simply from rewriting rules, but from changes in behaviour. This must include the development of current civil servants but also the ability to refresh the service and broaden its expertise through recruitment.

9. In a highly structured organisation, leadership is the key agent of change. To a significant degree, civil servants will adopt new ways of working because they are expected and encouraged to do so by their managers and leaders. It will be for Theme Leaders, to take the first steps that must continue into and throughout the next mandate.

10. A second key agent of change will be the confidence of the civil service at every level to fulfil its constitutional and institutional functions. The Inquiry has underlined the absolute importance of civil servants knowing their role and fulfilling it to the best of their ability. That includes qualified professionals such as lawyers, statisticians, accountants or economists, and also all those responsible for the provision of impartial advice, including speaking the truth to power, and the delivery of public services. In all its functions, the NICS will continue to serve the Executive as whole, focussing on outcomes, and working to deliver Ministers' objectives. Through the Executive, the NICS also serves the public, not least through the protection of the public purse, the maintenance of the official record and accounting for the use of public resources.

These are all responsibilities which must be safeguarded in the work of the Civil Service.

11. As the Inquiry Report highlights in the first three of its recommendations, there is a particular challenge to increase the capability, confidence and professionalism of civil servants, and to increase the recognition of good professional practice in these roles.

12. The revision of the NICS Code of Ethics is a critical element of work to address civil service culture and behaviour, and as such the promulgation of the new Code ought to form a central plank of any programme of work. But, as the Inquiry Chair has made clear, we should expect to commit ourselves to sustained, system-wide change and that will take time and dedicated resource.

13. The Executive has agreed that an overarching NICS Reform programme be initiated, overseeing and drawing together the separate strands of this response to the Inquiry but also extending to wider issues of renewal and reform.

14. The Finance Minister is responsible for the general management and control of the Civil Service. The Minister will work with the First Minister (FM) and deputy First Minister (dFM), thereby enabling HOCS to work collectively with the NICS Board and Permanent Secretaries to plan and deliver reform of the modernisation of the Service. A draft Memorandum of Understanding (MOU), will be signed off by the Department of Finance and the Executive Office to set out the respective roles and responsibilities for taking forward the reform of the Civil Service. The aim of the work will be to secure improvement in efficiency, effectiveness and achievement of outcomes.

15. The chapters that follow will set out in some detail the work that has already been done and will yet be necessary to develop policy and change the requirements and the parameters within which civil servants work. It will also flag where specific issues of culture and behaviour will need to be addressed through this reform programme.

### ***The Inquiry Findings, Summary and Recommendations***

16. There are 319 Findings in the Inquiry report that represent the Inquiry views on the individual and detailed evidence presented to the Inquiry. The Inquiry has also produced a Summary which identifies 39 important points and themes which emerge from its consideration of the evidence and its findings. The Inquiry's recommendations follow this Summary in the same Chapter of the Report. The Findings and summary present important insight and background to the recommendations that are made thereafter and have been carefully considered in preparing this response document.

17. There are 44 recommendations, of which only one is for anyone outside government; recommendation 38 is for the Assembly. It was not within the remit of

the Inquiry to make recommendations in respect of Treasury or Ofgem, beyond its role as administrator for the RHI scheme.

18. Responding to the report cannot be limited to implementing 43 specific interventions. The recommendations largely refer to improved outcomes, rather than specific actions; many of the recommendations have multiple elements, and most may well require several interventions and actions, not all of which are specified in the report. An individual response to each recommendation will not reflect the scale of the challenge, nor the holistic approach required to address the issues raised. That is not to say that each has not been considered in detail. We have reviewed each recommendation in turn, looked at actions taken to date and identified the further action needed to implement it. A summary of this work is at Annex A.

19. The RHI Inquiry found that the cause of the scheme's failure was not 'corrupt or malicious activity on the part of officials, Ministers or Special Advisers'. Rather, it concluded that 'responsibility for what went wrong lay not just with one individual or group but with a broad range of persons and organisations involved, across a variety of areas relating to the design, approval, management and administration of the NI RHI scheme throughout its life'. There were identifiable weaknesses at each stage of the scheme's development and implementation, and as a consequence, the Executive's response must equally address all the factors in the development and implementation of policy interventions.

### ***Recommendations by Theme***

20. For this overall corporate response the approach taken is to group the recommendations by theme as follows:

*Professional skills of civil servants (including policy skills, and project management and risk management) – 1, 2, 3, 4, 9, 11, 12, 13, 14, 15, 16, 17a.*

21. Most of these recommendations relate to either the guidance that informs professional practice across the civil service, or the care with which that guidance is applied. A significant body of work has been undertaken already to develop practice guidance, and there remains a longer-term need to bring all practice up to a consistently high level.

*Ministers and special advisers – 5, 6, 7, 25, 37, 39, 40, 41, 42, 43.*

22. Much of this body of work has already been delivered through the new Codes and Guidance issued in January, March 2020 and July 2020. The remaining final actions are for the Executive to agree final versions, and for their publication and roll-out, including training and development programmes for Ministers, Special Advisers and Civil Servants.

*Resourcing and People – 8, 10, 24*

23. The issues raised in respect of getting the right person in the right job at the right time will be addressed through the Civil Service Reform Programme, supported by the NICS People Strategy.

*Collaboration and Communication – 17b, 18*

24. The focus of the recommendations is collaboration between neighbouring jurisdictions, particularly in relation to professional development.

*Governance and Financial Controls – 19-23, 29-33*

25. This group of recommendations is wide-ranging, but has been given extensive attention in recent months, not least through the review of business case and expenditure approval processes

*Record Keeping – 26, 27, 28*

26. The recommendations around record keeping are being addressed principally through the completion of planned reviews as well as embedding existing good practice.

*Raising Concerns – 32b, 34, 35, 36*

27. These recommendations are being addressed through the revision of the NICS Code of Ethics, and through the development of an overarching ‘raising concerns’ policy.

28. We believe that this themed approach is in keeping with the Inquiry Report’s expectations. Each of these themes is considered separately in the following sections of this report.

***Actions Responding to the Evidence to the RHI Inquiry***

29. As the issues around the RHI scheme emerged it was the subject of considerable scrutiny by the Public Accounts Committee and internally. PricewaterhouseCoopers were engaged to investigate and report on the issues. This work remained unfinished. The Inquiry was launched on 24 January 2017 by way of a Written Statement to the Assembly by the then Finance Minister and published its report on 13 March 2020. During this period a significant amount of work was carried out across the civil service to respond to the issues and concerns identified.

30. A Lessons Learned report and action plan was produced and agreed by the NICS Board in summer 2017. This covered systemic and generic issues identified through a review of PWC’s unfinished fact-finding investigation into the operation of the RHI scheme. Its purpose was to allow for action to be taken centrally and by individual Accounting Officers on such issues prior to any outcome from the RHI Inquiry. As requested by the Inquiry Chair, it remained in draft and did not attempt to

pre-empt or anticipate the Inquiry outcomes. This work was coordinated across Departments and reported to the NICS Board. A final report was provided to the Inquiry in April 2018.<sup>1</sup>

31. This final report reflected the final updates provided by Departments against their draft action plans. All Departments reported good progress in their implementation and the NICS Board agreed that the work on the generic Lessons Learned issues has been taken as far as practicable, pending the Inquiry report. Departments had examined their own guidance and confirmed that systems and processes were in place to ensure its application and to provide the necessary assurance to oversight bodies including project and departmental boards and audit committees.

32. It also indicated that the monitoring the Inquiry hearings had identified further issues where action could and should be taken now without prejudice to the final report of the Inquiry. These themes were identified as:

- a. Record keeping and knowledge transfer
- b. Relationship between Ministers, Special Advisers and Civil Servants and their respective Codes of Conduct
- c. Effectiveness of formal controls
- d. Raising concerns
- e. Having the right people with the right skills in the right job
- f. Communication and collaboration
- g. The leadership challenge

33. The NICS agreed a new Phase Two action plan in November 2018. Work continued across DoF and the wider service to deliver this plan from this time until the Inquiry Report's publication on 13 March 2020.

34. This body of work applies to all Departments and amounts to a comprehensive review of the functions of public administration, from the initiation of policy, through building teams, funding and delivery, to evaluation and accountability. Very substantial pieces of work have been undertaken which, taken together, form a solid basis for further reform:

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<https://wayback.archive-it.org/11112/20200911213907/https://www.rhiinquiry.org/sites/rhi/files/media-files/NICSBoardLessonesLearnedINQ-101229toINQ-101246.pdf>

- a. the revision of the NICS Code of Ethics;<sup>2</sup>
- b. the review of risk management across the Departments by Group Internal Audit and Fraud Investigation Services (GIAFIS);<sup>3</sup>
- c. the issue of revised guidance on project management<sup>4</sup> and the initiation of a project delivery profession within the NICS;
- d. the NICS People Strategy<sup>5</sup>;
- e. the review of business case and expenditure approvals processes<sup>6</sup>;
- f. reviews of records management policy and HPRM, the electronic records management system;
- g. a review of whistleblowing by GIAFIS<sup>7</sup>;
- h. the institution of more senior grading for Private Secretaries and new practice guidance for Private Office<sup>8</sup>.

35. In addition, further reform is in train that will contribute to our response to the Inquiry:

- a. the NDNA document commits the Executive to significant reforms in the development of the outcomes-based Programme for Government and its alignment with the budget<sup>9</sup>;
- b. in line with the NDNA's commitment to transparency, new arrangements for the enforcement of the Ministerial Code of Conduct have been designed<sup>10</sup>;
- c. the review by HM Treasury of the Orange Book (management of risk) is complete, and the review of the Green Book (appraisal and evaluation) was announced on the 25 November 2020 by the Chancellor alongside his Spending Review. Managing Public Money

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<sup>2</sup> Pending publication

<sup>3</sup> Annex B

<sup>4</sup> <https://www.finance-ni.gov.uk/sites/default/files/publications/dfp/DAOf0220.pdf> and the attachment at <https://www.finance-ni.gov.uk/sites/default/files/publications/dfp/DAOf0220att.pdf>

<sup>5</sup> <https://www.finance-ni.gov.uk/publications/nics-people-strategy-2018-21>

<sup>6</sup> <https://www.finance-ni.gov.uk/articles/better-business-cases-ni#toc-2>

<sup>7</sup> Annex C

<sup>8</sup> Annex D

<sup>9</sup>

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/856998/2020-01-08\\_a\\_new\\_decade\\_a\\_new\\_approach.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/856998/2020-01-08_a_new_decade_a_new_approach.pdf)

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<https://www.finance-ni.gov.uk/sites/default/files/publications/dfp/Enforcement%20of%20the%20Ministerial%20Code%20of%20Conduct%20-%20Final%20as%20agreed%20at%20Executive%20-%20March%202020.pdf>



Northern Ireland is under review. These are key documents that oversee financial management control and governance all of which will be applied here. Such developments in overarching guidance will always be ongoing and will be applied here.

36. This prior work has recognized that making lasting change in the civil service requires both changes to policies and processes, and making changes to civil servants' behaviour and civil-service cultures. Changes to culture and behaviours will require a long-term effort; the short-term focus has therefore been upon changes to policy and process.

37. There are some areas where there remain only relatively modest changes to policies or processes to fulfil the recommendations. But many of the recommendations are about making sure things are actually done right, better and/or differently, and we know that that is not just a matter of changing rules. That is why the Inquiry report states that its recommendations for the NICS “require sustained, system-wide change and will take time to implement effectively”. Implementation also needs to be effective across the NICS, and driven by the leadership of the civil service, not just the teams with policy responsibility and the Inquiry sponsor team.

38. The next Chapters provide the response to the Inquiry Report's findings and recommendations in detail.

## Chapter 2

### Professional Skills

Policy Skills: Recommendations 1, 2, 3, 4, 9,

Project Management: Recommendations 11, 12, 13, 14, 15, 16, 17a

#### ***Introduction***

39. The NICS comprises roughly one third ‘specialist’ civil servants – with qualifications and expertise in, for instance, economics, accountancy, law, statistics, etc. – and two thirds ‘general service’ civil servants with a broad range of responsibilities including policy advice, operational delivery, corporate services, management and general aspects of public administration.

40. The recommendations of the Inquiry covered the professional skills in both specialist and generalist groups, giving particular attention to the development of project management skills, which are relevant in both groups.

#### ***Policy Skills***

41. A number of interventions are required to support the work of civil servants working in policy teams, outside the designated professions. These will be included in the general deepening of the professionalism of officials in non-specialist grades, as part of the NICS Reform programme described in the Introduction. This will incorporate the skills of modelling and testing that the Inquiry identified. It will also seek to make the NICS’s awareness of its own scale and capacity a strength, rather than a potential weakness, and to increase its abilities in collaboration and partnership.

42. The specific actions are as follows:

- a. the Practical Guide to Policy Making<sup>11</sup> is due for a fundamental review (it was last revised in 2016), which the policy community, through the Policy Champions’ Network, would seek to complete by the Autumn 2021;
- b. changes to the Guide would then be fed through to the Policy Skills Guide and the suite of policy-skills training delivered by NICSHR Learning & Development, including the post-graduate certificate; the "Power, Politics and Policy" workshops; and the suite of Policy Skills

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<sup>11</sup> <https://www.executiveoffice-ni.gov.uk/publications/practical-guide-policy-making-northern-ireland>

events. These have proved an effective vehicle for staff development in recent years with total attendance in the high hundreds.

43. Ultimately, senior leaders in each department have the primary locus for ensuring that policy teams at a departmental level are adequately resourced and skilled. In this, they can be supported by the departmental policy champion whose role is actively engage with their Departmental policy makers to identify needs and to promote and lead new policy development approaches in their own Department.

44. Arising from the specific findings of the Inquiry, a new portfolio of commercial skills training has been introduced for generalist grades, including commercial skills of contracting. To date, 1765 staff have undertaken this training and it has been evaluated positively by participants. A learning and development framework for economists has been introduced, including commercial awareness. As Heads of Profession identify any specialist training needs, NICS HR will provide assistance with product development.

45. Further work on the other elements of this recommendation, relating to general awareness of commercial sensitivities and to the gaining of experience outside the NICS, will be addressed by the Policy Champion through the Policy Community. A pilot of the Cabinet Office's "Commercial Skills Assessment and Development Centre" was successfully completed and the NICS Board agreed to rollout the ADC for staff that are responsible for contracts with a value over £20m. Colleagues are currently working with Cabinet Office to facilitate further ADCs.

46. The wider reform work will have at its heart the development of the capability, confidence and professionalism of generalist civil servants, including the definition and recognition of good professional practice in these roles. It will seek to foster pride in work well done and, in particular, increase the profession's awareness of the breadth and significance of its responsibilities.

### *Project Delivery Profession*

#### **Work Completed**

47. Formal project management policy and guidance, including risk management, has been in place across the NICS since the mid-1990s. It has provided project leaders, practitioners and stakeholders with an approach that is grounded in best practice. Importantly, it has not remained static, but has changed and developed to reflect the latest standards, aligning with the approach being taken by the UK Government, in the Whitehall departments, and in the other devolved administrations. The ready availability of best practice guidance in this area is endorsed by the NIAO. In the Summary of Recommendations section of its June 2019 report on the

Management of the NI Direct Strategic Partner Project<sup>12</sup>, the NIAO acknowledged that “*much good practice guidance on contract and project management exists across the public sector*”.

48. At its meeting on 3 June 2019, the Procurement Board requested that CPD carry out a review of policy and guidance in the area of project management and assurance. As a result, CPD recommended that policy and best practice guidance in Project Delivery (PD) needed to be ‘given teeth’ and this may best be achieved under cover of a new DAO letter. This move also anticipated some emerging findings from the RHI Inquiry in the area of project management and is now a formal component of the co-ordinated NICS response.

49. The issue of DAO (DoF) 02/20 in February 2020<sup>13</sup> captures all of the main elements of the work done in this area prior to the publication of the Inquiry report in March 2020 and brings policy and guidance in this area up to date. It takes account of important UK Government developments and the establishment of a formal PD Profession<sup>14</sup> and strengthens policy and guidance overall. The other devolved administrations are also putting measures in place to upskill in the area of project management. The policy and guidance on Gateway™ and Assurance Reviews is also re-emphasised including the availability and benefits of the Starting Gate Review<sup>15</sup>, designed to provide an early independent assessment or ‘early warning’ on the deliverability of policy initiatives.

50. CPD is engaging with the Infrastructure Projects Authority to review the independent programme and project assurance processes. The objective is to refresh and strengthen project assurance and focus interventions on mile-stone based review points. The strengthened oversight will continue to provide for a Gateway 1 mile-stone to review the development and piloting of new or novel policies. The revised project assurance processes are scheduled to be published by December 2021.

51. Key updates in the DAO include:

- Revision of the lower financial threshold for engagement with Gateway™ / Assurance Reviews which has been raised upwards to £1 million, and removal of an upper threshold – this is being applied via CPD’s Centre of Expertise (CoE) for Programme and Project Management and its management of the NI Gateway™ / Assurance Review process;
- Recommendation for the establishment of Departmental Portfolio, Programme or Project Offices (P3Os) to ensure visibility, and provide support for

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<sup>12</sup> <https://www.niauditoffice.gov.uk/publications/management-ni-direct-strategic-partner-project-helping-deliver-digital-transformation-0>

<sup>13</sup> <https://www.finance-ni.gov.uk/publications/dear-accounting-officer-letters-daos-2020>

<sup>14</sup> <https://www.gov.uk/government/organisations/civil-service-project-delivery-profession/about>

<sup>15</sup> <https://www.finance-ni.gov.uk/articles/starting-gate-review>

governance, oversight and reporting on programme/project delivery and assurance – work is at various stages of implementation across the departments with CPD's CoE providing support as necessary;

- A report every six months from CPD to Accounting Officers (AOs) summarising Gateway™ / Assurance Review activity in their Departments and sight of all Gateway™ / Assurance Review reports – the first report to Accounting Officers was issued in September 2020;
- Inclusion of wording which re-emphasises the importance of best-practice risk management procedures which are specific to the delivery of programme and projects;
- Introduction of a more formal appointment process for programme and project Senior Responsible Owners (SROs), set out in Annex B to the revised guidance document; include reference to project boards in this guidance – SROs are being formally appointed in several departments;
- Highlighting the development opportunities available to senior programme/project SROs and leaders through the Major Project Leadership Academy (MPLA) and Project Leadership Programme (PLP) initiatives – seven staff across the departments have enrolled/graduated *via* MPLA, 10 staff enrolled/graduated *via* PLP; and
- Highlighting the role of the leading body for project professionals, the Association for Project Management (APM) – NICS is a corporate member of the APM with a number of staff having individual membership and at least two staff with Chartered Membership (CPP).

52. The UK Government's establishment of a Project Delivery Profession led by the Infrastructure and Projects Authority (IPA) provides a framework for an NICS initiative in this key area. A significant driver for this work was the granting of Chartered Status to the Association for Project Management<sup>16</sup> (APM) in April 2017. This is significant milestone for project professionals. It offers practitioners the opportunity to become chartered members of a professional body. Significantly, it also sets a definitive standard for the project delivery profession and best practice. The benefits of chartered membership in other professions is well recognised and is considered to be an inherent component of competence, expertise and overall success. The opportunity now exists for similar recognition in the field of project management and delivery<sup>17</sup>.

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<sup>16</sup> NICS is a corporate partner of the APM and formally supported its bid for Chartered status <https://www.apm.org.uk/>

<sup>17</sup> CPD has already piloted this by supporting one member of staff in achieving the APM's Chartered Project Professional (CPP) standard

53. In November 2017, with a mandate from the NICS Board reflecting the need to respond to the Inquiry and taking account of the work of the IPA, CPD led work to investigate the benefits of an NICS PD Profession. With support from the IPA and the APM, a formal project was initiated which set out a model for the establishment and implementation of an NICS PD Profession, comprising five work streams in an Action Plan as follows:

- Leadership;
- Professionalism;
- Demand;
- Skills; and
- Management

54. A key output from this project was a paper<sup>18</sup> in February 2019, subsequently endorsed by the NICS Board, setting out the results of the CPD investigation, in particular:

- a project landscape survey, indicating what projects exist across the departments; and
- a project staff survey, indicating the numbers and roles of staff involved in project delivery; and
- a recommendation for a model to establish and implement an NICS PD Profession involving refreshed governance and a new business unit to lead, coordinate and embed this across the departments.

55. The new NICS Project Delivery Profession business unit was formed in March 2021. By working closely with IPA colleagues, the foundations of the profession have been established and work is well under way to implement the profession across Departments on a phased basis, commencing September/October 2021.

56. DAO 02/20 is and must be a 'live' document. An update has been issued *via* DAO 06/21 (September 2021) which refreshes the guidance document attached to DAO 02/20. The new measures provide a response to the first four recommendations of the Inquiry report and further amendments in response to a number of recent PAC report recommendations. This strengthens the requirement and makes it clear that, for example, novel programmes, projects and policies must, at the earliest stage, complete a Risk Potential Assessment (RPA). In addition, a requirement for an external environment scan to be undertaken (for example, other administrations) to

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<sup>18</sup> The NICS Board paper and an update on the five-stream Action Plan are attached as Annex E and Annex F

determine if experience and learning exists that can be applied to the local proposals and the RPA template will be amended to ensure that this is brought to the attention of SROs completing the form. It is recommended that policies, programmes and projects only proceed when this has been completed satisfactorily. Therefore, a Starting Gate Review (or equivalent) becomes a mandatory requirement for new novel policies. The SRO appointment template provided by DAO 02/20 has therefore been amended to include the following additional responsibilities:

- carrying out an external scan for novel policies;
- engaging with the early assurance intervention process such as Starting Gate Review;
- ensuring expertise available in business case preparation and approvals;
- ensuring other professional function support is sought, as required;
- linking to SIB, INI for specialist resources as required; and
- providing transparent reporting on progress.

### ***Work Still to be Done***

57. The early assurance intervention provided by the Starting Gate Review shines light on the importance of identifying practical issues early in the 'policy to delivery' lifecycle. It references the need to recognise the importance of Policy, Project Delivery and Operational Delivery professionals working more closely together. In the best case scenario, these three elements of effective governance should represent a continuum where:

- policy advisers understand and articulate the challenges and constraints involved in delivering (*via* programmes and projects) and implementing (*via* operations and business structures) achievable and effective policies;
- project-delivery professionals understand the policy-making process and the nature of ministerial decision-making, and get an early opportunity to shape and where necessary challenge policy advice, as well as understanding the need to work closely with operational business units on project implementation; and
- operational delivery professionals understand the upstream policy development and project delivery processes and get an early opportunity to re-shape and where necessary challenge the policy content and implementation plans to ensure a smooth transition to the new business as usual.

58. In NICS terms, this would require the relevant Heads of Profession (HoPs) to regularly collaborate in order to embed an understanding of the ‘Policy / Delivery / Operation’ delivery lifecycle in relevant discussions, as well as in staff development and training materials.

59. The NICS People Strategy contains a number of commitments in relation to professional skills development and talent management. Developments in workforce and recruitment planning supported by skills analysis will enable NICS departments, NICS Professions and NICS HR to work collaboratively to ensure that the NICS has supply of the right skills, expertise and volume of staff at the right time.

60. This will enable SROs to access the appropriate skills and expertise. However external experts (e.g., from the Strategic Investment Board, InvestNI and consultants) will always have a role to play in the public sector’s portfolio of programmes and projects, particularly in specialist areas and where internal resources are stretched from deployment within the project portfolio already in place.

61. The use of blended project teams with internal and external staff working together based on the best available match of skills and experience, must be underpinned with good “exit strategy” and skills transfer arrangements agreed for externals from the outset.

62. Four key proposals for addressing the RHI Inquiry recommendations on Professional Skills, with associated timescales, were set out below:

- As a matter of priority, the NICS PD Profession as set out in the February 2019 paper to the NICS Board will be established and operational by 31 March 2021. A new business unit in DoF will be established to define, manage and embed the standards and practices for the new profession. This will be done by working in partnership with the NICS departments, with the proposed departmental P3O offices playing a pivotal role;
- All Departments will be required, as a matter of priority, to put in place a P3O office as set out in DAO 02/20 to be established by 30 June 2021 and operational by 31 December 2021. It is proposed that the new DoF Project Delivery unit works with departmental P3Os to help identify and develop PD leaders and practitioners from within each department. This will be done in alignment with the standards, practices and learning defined as part of the NICS PD Profession.
- Each Department is responsible for the establishment of departmental P3Os. Following this, a proposal for the implementation of Portfolio Management<sup>19</sup> will be brought to the NICS Board to provide a strategic view across the NICS

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<sup>19</sup> Details on Portfolio Management and the Management of Portfolios (MoP) accredited training can be found here <https://www.axelos.com/best-practice-solutions/mop>



programme / project / initiatives landscape, supported by the departmental P3O network. Portfolio Management is an emerging approach in the UK Government which facilitates a strategic view across the programme and project landscape to support decision making on alignment, priorities, funding and resourcing, governance and so on. DoF is currently collaborating with the IPA team that is progressing this work. It can be implemented at multiple levels and the proposed departmental P3O offices are ideally placed to provide individual departmental portfolio views. Departmental portfolios can be collated and presented at NICS Portfolio level, for consideration by the NICS Board, and with strong read-across potential for PfG and/or NDNA. Portfolio Management goes beyond traditional ‘oversight’ and has the potential to provide the kind of perspectives and reporting recommended by the RHI Inquiry; and

- Update the DAO as necessary to include refreshed and strengthened project assurance reviews focused on mile-stone based review points by 31 December 2021.

### *Risk Management*

63. Risk management is a familiar feature in the work of the NICS, and there is extensive material setting out good practice, not least through the application of the Treasury Orange Book, which has recently been revised<sup>20</sup>. There is accredited practitioner-level training in the Management of Risk methodology, available through NICSHR Learning & Development. The place of risk management within formally constituted projects will be supported through the developments in project delivery as set out above. The consideration and management of risk also has to be effective as an aspect of policy development, advice and delivery, and within normal business planning and business management. Again, the principles and policies defining good practice are widely available.

64. It is recognised that the greater challenge may lie in the application of good practice; the individual approach to risk management, and the utilization of risk management as a valuable tool in fulfilling the official’s proper role. As such, the principal work for the future will lie in supporting and challenging the leadership of the NICS to embed a culture that fully embraces risk management.

65. This aspect of the leadership challenge will inform the overarching reform programme as set out in the first chapter.

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<sup>w</sup> [www.gov.uk/government/publications/orange-book](http://www.gov.uk/government/publications/orange-book)

Recommendation	Actions	Anticipated completion date	Lead
1, 2, 3, 4	<p>Fundamental review of the <i>Practical Guide to Policy Making</i> by the policy community, through the Policy Champions' Network, would seek to complete by the;</p> <p>Changes in the Guide would then be fed through to the <i>Policy Skills Guide</i> and the suite of policy-skills training delivered by NICHRS Learning &amp; Development</p>	Autumn 2021	Head of the Policy Community
3, 11, 12, 13, 15, 16, 17a	As a matter of priority, the NICS PD Profession as set out in the February 2019 paper to the NICS Board will be established and operational.	31 March 2021 for new CPD Unit to be operational and implementation of the PD Profession underway.	DoF, CPD
4, 14, 15	All Departments will be required, as a matter of priority, to put in place a P3O office as set out in DAO 02/20.	Established by 30 June 2021, functional by 31 December 2021	All Departments
2, 4, 14, 15	When departmental P3Os are fully functional, a proposal for the implementation of Portfolio Management <sup>21</sup> will be brought to the NICS Board.	A proposal for a substantive Portfolio Management regime to the NICS Board by 31 December 2021.	DoF, CPD
1, 2, 11, 14, 16	Implementation of the IPA's 'Get to Green' refresh of Gateway™ and wider Assurance Reviews.	30 June 2021 for initial roll-out. Full roll-out by December 2021, pending the release of refreshed products by IPA.	DoF, CPD

<sup>21</sup> Details on Portfolio Management and the Management of Portfolios (MoP) accredited training can be found here <https://www.axelos.com/best-practice-solutions/mop>

## Chapter 3

### Ministers and Special Advisers

Recommendations 5, 6, 7, 25, 37, 39, 40, 41, 42, 43

#### *Introduction*

66. The evidence to the RHI Inquiry gave rise to a number of concerns about the standards of behaviour of Ministers and Special Advisers, and this theme followed through into the talks process prior to the restoration of the institutions, manifesting in a number of commitments articulated in the NDNA document in January 2020, and reiterated in the recommendations of the RHI Inquiry Report in March 2020.

67. These have in the main been fully met by the revision of the suite of Ministerial, Special Adviser and Civil Servant Codes, and the development of new Guidance for Ministers and new enhanced Information Management Protocols for all Civil Servants. Key pieces of work in this regard are detailed below.

#### *Work Completed*

##### *Special Advisers*

68. The Executive recognises that the role of Special Adviser is an important feature of modern government. They can offer politically-informed advice to Ministers, ensure co-ordination across Departments through liaising with other special advisers, and act as a link between the Minister and his or her party.

69. It is essential that Special Advisers are subject to, and adhere to, the high standards expected of those in public life. Given the public's legitimate concerns in this regard the Minister of Finance moved quickly to produce and agree strengthened rules on the restoration of the institutions in January, to ensure that incoming special advisers were appointed on new terms. These were approved by the Executive on 20 February 2020.

70. A number of revisions were made to the Code of Conduct for Special Advisers and the Letter of Appointment<sup>22</sup>:

- a. there is a new overarching introduction making clear the critical role special advisers have in supporting ministers and that they are an

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<sup>22</sup> <https://www.finance-ni.gov.uk/publications/special-adviser-appointments>

important part of the team, working closely alongside other civil servants to deliver Ministers' priorities. This section also requires Special Advisors to serve the Executive as a whole, not just their own Minister;

- b. the Code makes very clear that Ministers are responsible for the management, conduct and discipline of their special advisers;
- c. it requires special advisers to keep good records and use official email accounts; and
- d. it requires special advisers to publish their meetings with external organisations, and gifts and hospitality received. There will be an annual statement of the cost of special advisers, including any severance paid and salaries of those in the two highest paybands will be published. Special advisers will also be required to declare any conflicts of interest.

71. There is a new statutory Code for Appointment. Reflecting the personal nature of the appointment, it does not prescribe the process by which the Minister selects a special adviser. The Code for Appointment makes clear that civil service involvement commences at the point at which the Minister advises the Department of the name of the person they wish to appoint as their special adviser

72. The Special Adviser Letter of Appointment clarifies the responsibility of the Minister for the management, conduct and discipline of the special adviser. And it makes clear that the NICS Code of Ethics will apply to special advisers, excluding – as always – the requirements of impartiality and objectivity.

73. The scheme for the Remuneration of Special Advisers transfers responsibility for determining pay to Department of Finance officials, as this department has overall responsibility for determining pay policy and conditions of employment for NICS employees. The Minister of Finance will have no involvement in the setting of salaries including those of Special Advisers. Starting salaries in paybands 2 and 3 will normally be at the bottom of the payband. The Functioning of Government (Misc. Prov.) Act (NI) 2021 sets a maximum salary equivalent to that of a Grade 5 Senior Civil Servant. No Special Advisor will earn more than a departmental Minister. In addition, Special Advisors who leave their post will not receive severance pay if they take up another publicly-funded role.

74. An annual Report is published which details the relevant interests and salaries of all Special Advisers. The latest report was published on 3 July 2020<sup>23</sup>. Information

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<sup>23</sup> <https://www.finance-ni.gov.uk/publications/special-advisers-documents>

about special advisers' meetings with external organisations and individuals is published on a quarterly basis.

75. A new Information Management Protocol for Special Advisers has recently been developed and published.<sup>24</sup>

### *Ministers*

76. In March 2020 significant revisions made to strengthen the existing Ministerial Code of Conduct were agreed by the Executive, and new Guidance for Ministers to complement the revised Code was developed and published<sup>25</sup>. Together they set out the high standards expected of ministers, and detail the ways by which those standards shall be met.

77. The Guidance for Ministers fulfils a similar function within the Northern Ireland Executive to the Ministerial Code in other UK jurisdictions. The recommendations of the Inquiry that refer to the Ministerial Codes elsewhere are primarily fulfilled in the publication of the Guidance.

78. The Ministerial Code of Conduct and Guidance for Ministers are to be read in conjunction with each other. The Code of Conduct sets out high-level principles, and the Guidance expands upon those principles to inform their practical outworking. Together they

- a. set out in greater detail the accountability of Ministers to the Assembly and the need for Assembly committees to be provided with the information they require to allow them to discharge their role;
- b. strengthen the requirements for the declaration of interests by Ministers and requires the active avoidance of conflicts of interest;
- c. set out that Ministers are responsible for the management, conduct and discipline of their special advisers (also included in the Code of Conduct for Special Advisers);
- d. make clear the need for the recording of ministerial meetings and decisions (also to be included in the NI Civil Service Code of Ethics);
- e. require the regular publication of

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<sup>24</sup> Annex G

<sup>25</sup> <https://www.finance-ni.gov.uk/publications/ministerial-code>

- i. declarations of relevant interests;
- ii. details of meetings with external organisations; and
- iii. gifts and hospitality received.

79. Following the publication of the RHI Inquiry report, the Executive Subcommittee on Reform Following the RHI Inquiry reviewed the Ministerial and Special Adviser Codes and have made recommendations to the Executive to add to the Codes in order to ensure that they fulfil the recommendations of the Inquiry.

80. The Functioning of Government (Misc. Prov.) Act (NI) 2021 further places some of the requirements of the Codes and Guidance into primary legislation.

#### *Enforcement Arrangements*

81. In order to ensure that the Ministerial Code of Conduct and the Guidance for Ministers are effective in guiding ministerial behaviour, a new mechanism for the Enforcement of Ministerial Standards has been proposed. The broad shape of those arrangements were included in the NDNA document. A more detailed account of these proposed arrangements was published in March 2020<sup>26</sup>. These arrangements, which will not be implemented until the appointment of the Commissioners, are indicative and will be subject to more detailed examination as part of that process.

82. Since then the Functioning of Government (Miscellaneous Provisions) Bill has been passed by the Assembly, which instead extends the remit of the Assembly Commissioner for Standards to include adherence to the Ministerial Code of Conduct.

#### *Private Office*

83. Key roles in Private Office (Private Secretary and Assistant Private Secretary) have been re-graded and elevated, and new Private Office Guidance has been developed and circulated to all Departments<sup>27</sup>. A review of this guidance with relevant staff has already taken place.

#### *NICS Code of Ethics*

84. The revised Civil Service Code of Ethics has also now been finalised, in consultation with the Civil Service Unions and the Civil Service Commissioners. Subsequent to the publication of the revised Code, a campaign will launch to promote it amongst Civil Servants.

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<sup>26</sup><https://www.finance-ni.gov.uk/sites/default/files/publications/dfp/Enforcement%20of%20the%20Ministerial%20Code%20of%20Conduct%20-%20Final%20as%20agreed%20at%20Executive%20-%20March%202020.pdf>

<sup>27</sup> Annex D

85. The terms of the Code of Ethics form part of the contract of employment for all civil servants (including Special Advisers) so the aim of the campaign is to re-establish familiarity with the Code, placing it front and centre for all Civil Servants, highlighting the contractual obligations it contains and reinforcing the importance of behaviours and values in their everyday role.

### ***Work Still to be Done***

#### *Ministers*

86. In order to ensure the Ministerial Code of Conduct and the Guidance for Ministers are effective in guiding ministerial behaviour, a new mechanism for the Enforcement of Ministerial Standards was to be introduced.

87. Arrangements for enforcement will be considered further in light of the decision of the Assembly to extend the remit of the Assembly Commissioner for Standards in the Functioning of Government (Miscellaneous Provisions) Bill.

#### *Training & Induction*

88. The Inquiry recommended induction and training for both Ministers and Special Advisers. On the restoration of the Institutions Ministers received a Departmental Induction and briefing, and the Executive had a number of away days to discuss common issues and plan a way forward.

89. To complement and align with the work already completed it is proposed that the Institute for Government (IfG) deliver a bespoke professional-development session for Ministers, Special Advisers and Private Office Staff in early 2021. An initial proposal has been received from the IfG and is currently being scheduled for delivery.

## Chapter 3 – Ministers and Special Advisers

<b>Recommendation</b>	<b>Actions</b>	<b>Anticipated completion date</b>	<b>Lead</b>
5, 7	Professional development sessions for minister, special advisers and private offices.	October 2021	DoF, SPAR



## Chapter 4

### Resourcing and People

Recommendations 8, 10, 24

#### *Introduction*

90. The Organisation for Economic Co-operation and Development (OECD) Public Governance Review report published in 2016<sup>28</sup> recognised the critical role that strategic HR could play as an enabler in public sector reform, and proposed recommendations covering areas such as organisational culture, employee engagement, workforce agility, skills, leadership and network development, inter-departmental collaboration and exchange.

91. The RHI Inquiry highlighted a number of shortcomings in relation to resourcing and people issues, and made recommendations including those on recruitment and selection (recommendation 8); on guidance and practice on use of external consultants (recommendation 10); on the sequencing and timing of staff moves so that continuity of business is secured (recommendation 24); and noting in relation to the Inquiry recommendations more generally that effective implementation would require time and sustained, system-wide change.

92. The Northern Ireland Audit Office (NIAO) has also commented on a number of areas for improvement on capacity and capability in a value for money (VfM) study report which has recently been published.<sup>29</sup> The scope of the study covers a range of areas including leadership; governance; strategic organisational development; workforce planning; recruitment and vacancy management procedures; the NICS professions structure; learning and development arrangements; and further transformation of the NICS HR delivery model to maximise benefits. The Public Accounts Committee (PAC) has considered the NIAO report on capacity and capability in the NICS, and published its own report together with recommendations on 20 May 2021.

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<sup>28</sup> OECD (2016), *Northern Ireland (United Kingdom): Implementing Joined-up Governance for a Common Purpose*, OECD Public Governance Reviews, OECD Publishing, Paris. <http://dx.doi.org/10.1787/9789264260016-en>

<sup>29</sup> [https://www.niauditoffice.gov.uk/sites/niao/files/media-files/243951%20NIAO%20NICS%20Capabilities%20Report\\_%28Complete%20WEB%29\\_4.pdf](https://www.niauditoffice.gov.uk/sites/niao/files/media-files/243951%20NIAO%20NICS%20Capabilities%20Report_%28Complete%20WEB%29_4.pdf)

93. Many of the outcomes and recommendations in the published NIAO and PAC reports align with actions and initiatives already cited in the People Strategy and RHI Inquiry recommendations.

94. Recurring themes for change and improvement across the NICS are:

- a. Leadership and governance
- b. Workforce planning
- c. Recruitment policy and vacancy management processes
- d. Skills
- e. Performance management
- f. Talent management and learning and development
- g. HR transformation

#### *The NICS People Strategy*

95. The NICS People Strategy 2018-21<sup>30</sup> was informed by and represents a strategic response to the recommendations arising from the OECD public governance review; the emerging findings from the RHI Inquiry; engagement with NICS colleagues at all grades across all departments, and other evidence such as the findings of the NICS People Survey.

96. The Strategy flows from and is a key enabler for an outcomes-based approach to government. It sets out the vision for a NICS where everyone plays a part in improving the lives of people in NI: a well-led, high-performing and outcomes-focused NICS; a great place to work, where everyone can reach their full potential; an inclusive workplace in which diversity is truly valued.

97. The NICS People Strategy sets out an ambitious change agenda that extends beyond HR services and processes, and focuses on addressing strategic people and cultural issues that are the collective responsibility of every leader and manager in the NICS.

98. Although initially covering a three-year period, it was recognised that given our starting point, the scale of change and the significant cultural shift needed, the Strategy would be realised over a longer time frame, requiring a sustained organisational development approach, particularly in our unprecedented context of continuing to

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<sup>30</sup> <https://www.finance-ni.gov.uk/sites/default/files/publications/dfp/nics-people-strategy-2018-21.pdf>

manage the response to and recovery from the Coronavirus pandemic, preparations for EU exit, and delivering commitments set out in NDNA.

### ***Work Completed***

99. To date, the delivery of the People Strategy has involved the implementation of a programme of work comprising parallel short-term actions and longer-term transformation projects. In year one, transformational projects on employee relations, resourcing and the delivery of the expanded diversity and inclusion agenda in the NICS commenced. Implementation in year two built on the foundations laid in year one, with significant delivery in the areas of learning and development, talent management, inefficiency performance policy and processes, and diversity and inclusion. Early work on the end to end HR and Payroll Services operating model progressed under the Central Government Transformation Programme<sup>31</sup> (CGTP).

100. The People Strategy presents an effective vehicle for enabling co-ordinated delivery in relation to the RHI Inquiry recommendations, and will be referenced in that respect by the other NICS workstreams. Specifically in relation to the delivery of actions to address the recommendations grouped under the theme of ‘Resourcing and People’, there has been the following progress:

#### *Recommendation 8 – recruitment and selection*

101. The NICS has 24 professions and some 400 job roles to which we specifically recruit outside general service. The NICS Board agreed the strategic direction for a review of the NICS resourcing (covering all aspects of recruitment, selection and vacancy management). This included moving away from general-service internal promotions to selection focused more on the basis of the skills and experience required for a job role and greater use of external recruitment.

102. In May 2019, significant volume external recruitment campaigns were launched for Staff Officer (SO) and Deputy Principal (DP) staff to meet urgent Brexit Resourcing requirements. In summer 2021 three further volume external campaigns were launched for Administrative Officer, Executive Officer 1 and Executive Officer 2.

103. This was the first time in the NICS that open competitions took place in relation to these middle-management grades rather than internal promotion boards (*i.e.* limiting applications to existing NI civil servants in the grade below). In addition, these volume recruitment competitions sought to use job roles to match successful candidates to posts.

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<sup>31</sup> The CGTP was initiated by DOF to govern and manage the delivery of the Public Sector Shared Services Programme (PSSSP) in respect of a sectoral approach to delivery of shared services. CGTP agreed a vision for Finance and HR & Payroll of “Enabling the delivery of modern, flexible and customer focussed Finance, HR and Payroll services to Central Government.” A critical element of delivery is having an agreed target operating model for end to end HR and Payroll services for the NICS.

104. NICS HR remains committed to working with CTUS to co-design new resourcing policies and processes with a commitment to undertake formal consultation when detailed proposals emerged.

105. There will also be a need effectively to manage the significant and long-standing cultural issues associated with implementing changes to NICS's recruitment and selection policies. This will require collective planning and delivery between NICS HR, CGTP and DoF Civil Service Reform team.

106. Progress has also been made across other aspects of recruitment and selection during 2019 and 2020 as follows:

- a. job-specific appointments within the NICS generalist grades, for example the recruitment of policy experts at Grade 7 and SO level to work on EU matters, and the majority of SCS vacancies filled *via* individual, job specific, competitions;
- b. the matching of over 570 successful candidates (as at end of February 2021) from the recent middle-management recruitment to job roles based on qualifications, skills and experience (further appointments will be made from this recruitment exercise); and recruitment specifically to administrative customer service roles (as at end of February 2021 *circa* 580 offers issued);
- c. new resourcing principles were agreed by the NICS Board together with the introduction of flexible arrangements which focused on: mobility and flexibility within each Department and across all Departments; prioritised redeployment of staff to those Departments most significantly affected by Brexit; prioritising Brexit related posts from competition lists; and flexibility of recruitment methods;
- d. principles and guidance have been published to support the expansion of apprenticeships<sup>32</sup> within the NICS, and two new apprenticeships developed within the areas of Procurement and Operational Delivery;
- e. NICS departments are sponsoring c100 student placements for the 2021-22 academic year.

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<sup>32</sup> There are currently three apprenticeship schemes in the NICS: an ICT apprenticeship scheme (32 apprentices with plans for further recruitment); a Civil Engineering apprenticeship scheme (18 apprentices with plans for a further recruitment competition this year); and a Mechanical Engineering apprenticeship (apprentices have now progressed to PTO grade and there are plans for further recruitment).

107. In addition, existing processes remain that allow the NICS to secure individuals with specific expertise or skills on a temporary or permanent basis. These include recruitment or secondment, subject to satisfying Civil Service Commissioners' requirements. Further details of the NICS as an employer and existing HR policies and processes have been included at Annex H.

*Recommendation 10 - guidance and practice on the use of external consultants*

108. The actions both underway and planned to address recommendation 10 are led by the relevant NICS Heads of Profession/business areas and included within the programme of work being delivered by the Professional Skills workstream.

109. The People Strategy however contains a commitment to review the NICS approach to professions including Heads of Profession roles and professional requirements to support operational delivery.

110. Progress has been made on this commitment in the further development of the operational delivery profession and across a number of other professions including the ICT, Economist, and Policy professions and in the work to establish the new NICS Project Delivery Profession. The NIAO report on capacity and capability in the NICS has made further recommendations for the support of professions within the NICS.

*Recommendation 24 – sequencing and flexibility of handling staff moves to secure continuity of business*

111. Senior managers ought, as a matter of course, to review the levels of specific expertise required to deliver their business, and take appropriate steps to secure the appropriate expertise and manage the associated risks. This is incorporated into project management, but is good practice in any business area, and is an established element of good risk management. Corporate guidance on managing handovers<sup>33</sup> has been issued for incorporation within departmental procedures.

112. A key theme of the People Strategy is enabling line managers' capability and confidence in their people management roles – empowering line managers by providing greater scope and responsibility to make decisions regarding their staff. An Employee Relations (ER) project in this regard is underway with four separate workstreams – inefficiency performance, sickness absence, discipline, and dignity at work/grievance. An early product in the form of revised inefficiency performance policy and process was introduced from 1st April 2019, in all Departments, as part of a rolling implementation plan.

113. In addition, work has been progressing on the NICS approach to talent management with initial concentration on staff's personal development. A talent management toolkit containing two new guides and an e-learning to support line

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<sup>33</sup> Annex I – Corporate guidance on managing handovers

management and staff was launched on the 29 January 2021. This includes guidance on ongoing and high quality career development discussions and guidance on the development options available within the NICS<sup>34</sup>. Further developments in this area of work will ensure that line managers and staff are supported in decisions about the range of ways in which career and professional development objectives can be met and planned while ensuring continuity of business.

114. A new workforce planning template was developed and made available as an aide to support all NICS departments in workforce planning. This first step and the recently agreed rolling, prioritised recruitment plan for the NICS will enable NICS departments, NICS Professions and NICS HR to work collaboratively to ensure that the NICS has supply of the right skills, expertise and volume of staff at the right time.

### ***Work Still to be Done***

115. The findings of the RHI Inquiry report along with the recommendations arising from the NIAO and PAC reports indicate that the NICS People Strategy themes remain appropriate, and that the Strategy provides a strategic and collaborative mechanism to progress those RHI Inquiry recommendations which relate to the internal operations and culture of the NICS.

116. Progress on the programme of work outlined in the People Strategy has been impacted by a number of cultural and systemic factors, EU Exit preparations and the response to the Covid-19 pandemic. The transitional work which has been necessary by the NICS Departments in preparation for EU responsibilities being returned to the UK has resulted in a significant increase in staffing demands both in terms of external recruitment and internal redeployment. These demands have been amplified in responding to the Covid-19 pandemic which has also required urgent work on a number of HR policies, processes, communications and HR customer service channels to support new ways of working at this time.

117. During 2020 the NICS Board reviewed the People Strategy priorities for the remainder of the current financial year and beyond. This will ensure that the Strategy supports NICS Covid-19 recovery priorities as well as those arising from the RHI Inquiry; the NDNA; the NIAO report on capacity and capability in the NICS and any HR change activities associated with the objectives of the Central Government Transformation Programme (CGTP) and the work by the Civil Service Reform team. Closely aligned to the People Strategy is the NICS Diversity Action Plan.<sup>35</sup> The action plan is currently being reviewed for 2021/22.

118. Discussions on priorities indicated that the vision of the People Strategy remains relevant in the current context. Priorities for implementation within the People

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<sup>34</sup> Annex J - Talent Management Toolkit

<sup>35</sup> Annex K

Strategy for the next period will include recruitment and workforce planning, talent management (specifically how we attract and retain the right skills and develop our people) and the NICS employee relations project (to build capacity of the line manager role in the NICS). The commitments set out in the NICS Diversity Action Plan ensure that diversity and inclusion remains at the core of all People Strategy activity.

119. Two main areas of reform are identified as addressing both urgent service delivery need and longer-term cultural change, namely the delivery of the fundamental review of NICS resourcing (and a NICS recruitment plan) and the review of the model for HR in the NICS. Planning and delivery of these two areas of reform will be led by DoF (NICSHR, CGTP and DoF Civil Service Reform) through the NICS Board in consultation with Departments and CTUS. The negative cultural and other responses to change, an example being the SO/DP external recruitment exercise referenced earlier, highlights the need to ensure a collective, managed, resourced and partnership approach as far as possible with all key stakeholders including TUS.

#### *NICS Review of Resourcing and Recruitment Plan*

120. Work in relation to the NICS resourcing model (*i.e.* the NICS approach to talent management, workforce planning, recruitment, selection and vacancy management) will deliver results across a number of the People Strategy outcome areas.

121. Work is progressing in relation to an expansion of the NICS resourcing mix. Work is underway to further expand apprenticeship schemes and recruitment to fill 45 places on a new Operational Delivery Apprenticeship Scheme is underway. A new graduate management trainee scheme is under development and, subject to level of sponsored places across NICS departments, it is hoped it will launch in early 2022.

*NICS Resourcing Mix*



122. This will build NICS capacity to access the necessary range of skills and, alongside outreach and marketing activity, attract as broad an applicant pool as possible and potentially use NICS recruitment opportunities to contribute to economic recovery.

123. To support the collective leadership across the NICS to ensure the effective delivery of the fundamental changes required in response to RHI and as set out in the NICS People Strategy, consideration has been given by the NICS HR on the further review required of the target operating model for HR in the NICS.

124. The transformation journey for HR in the NICS has been an iterative and evolving process, and began with the introduction of a shared services model in 2007 and there have been a number of key milestones<sup>36</sup> in the journey so far.

125. Since NICS HR was established in 2017, the landscape, in terms of strategic, customer and operational demands and workforce capacity and capability required by the NICS to address these, has changed significantly.

126. Progress has been made by NICS HR in considering the next phase of transforming the HR model to further improve the overall delivery of HR services across the NICS. This will however need collective leadership; extensive stakeholder

<sup>36</sup> Annex L.



engagement; focus; resources; a prioritised plan for change; and appropriate governance arrangements.

127. Reviewing, developing, agreeing and implementing the target operating model for end to end HR and Payroll Services in the NICS is critical to the successful delivery of the vision set out in the People Strategy, the implementation of the recommendations emerging from the NIAO and PAC reports on capacity and capability.

128. The Senior Responsible Owner for CGTP is currently leading development of an Outline Business Case that will confirm the CGTP scope, timescales and scale of transformation which will, in turn, inform the roadmap for transforming the end to end HR model in the NICS.

129. Within NICSHR, the focus is on aligning existing resources to (UK Government) Cabinet Office's Global Design model (which is best practice), and progressing the building blocks of best practice workforce planning; i.e. the resourcing mix, including the expansion of secondments, graduate schemes, apprenticeship schemes and other initiatives such as work placements and pre-employability programmes; ongoing delivery of the recruitment plan; development of job roles and related career frameworks; review the role of the Head of Profession.

130. There remains a risk that resourcing pressures on NICSHR (as a key enabler of the People Strategy) will impact negatively on the implementation plans for the People Strategy. The NICS Board will consider risks to delivery as they confirm and monitor the implementation plan for the remainder of this financial year and beyond.

131. While progress towards implementing the RHI Inquiry recommendations has been made, there is more to be done to achieve the long term systemic cultural change required. A summary of the action plan in respect of the RHI Inquiry recommendations is overleaf.

132. The cultural and behavioural challenge will lie in the increased awareness of resourcing as fundamental to delivery, and in the increased recognition by leaders that they give attention to people as the primary resource available to the NICS. Ensuring that teams are properly staffed, and can access the skills and experience necessary to deliver should be recognised as important a role as any for a leader in the NICS. The systemic changes being set out by NICSHR need to be in place to support leaders, and the two aspects of change work in step.

Recommendation	Actions	Anticipated completion date	Lead
8	Match to job roles and appoint up to a further 850 staff via SO/DP recruitment competition.	December 2021	DoF, NICSHR
10	Agree scope and timeframe for review of NICS recruitment.	Terms of Reference for a review of Civil Service recruitment policy (including scope and timeframe) have been agreed by the Minister, an advisory panel of external HR experts has been formed and initial proposals for the Minister's consideration will be developed by October 2021.2021	DoF, NICSHR
	Develop proposals for the review of NICS workforce model (disciplines, occupational groups, professions, job roles, etc)	December 2021	DoF, NICSHR
24	<p>Further alignment of NICSHR resources and operations to deliver on NICS corporate HR priorities including resourcing activities for critical posts.</p> <p>Ongoing improvement of recruitment and selection processes which have delivered reduced timescales for appointment via the introduction of new resourcing principles to address urgent pressures such as EU Exit and Covid-19 and increased use of online testing and the introduction of video interviewing options.</p> <p>The sequencing and flexibility of handling staff moves to secure business continuity will be incorporated into the review of resourcing and considered alongside the ongoing work on talent management and skills development.</p>	<p>Ongoing</p> <p>Ongoing</p> <p>The review and development of managing internal staff moves is included in the Terms of reference agreed by the Minister for the review of recruitment</p>	DoF, NICSHR

		policy. Proposals will be developed by October 2021	
	<p>Progress implementation of new processes and procedures that enable line managers' capability and confidence in their people-management roles:</p> <p>For example - phased implementation of Employee Relations Project</p> <ul style="list-style-type: none"> <li>▪ Complete roll out of Stage 1 to remaining Departments</li> <li>▪ Roll out stage 2 sickness absence</li> <li>▪ Launch and pilot of new Dignity at work/grievance policy.</li> </ul>	<p>Anticipate September 2022 for the completion of all ER Project, managers having the authority to take decisions on key HR policy areas including performance management, absence and discipline as well as rollout of new complaints policy for dignity at work and grievance matters</p>	DoF, NICSHR

## Chapter 5

### Collaboration and Communication

#### Recommendations 17b and 18

133. Recommendations 17b and 18 arise from the findings of the Inquiry around the lack of effective communication between departments, and between our administration and the UK Government. They also reflect the findings in respect of the capacity of the administration here, given the relatively small size of the jurisdiction and the capacity to address challenges that are also being addressed in other, larger jurisdictions.

134. The development of the finance and economist professions is addressed more generally within the professional skills and governance and accountability themes. Work to develop those professions, including the strategy being developed by Finance Directors for the Finance Profession, will incorporate engagement with colleagues in the jurisdictions in the most appropriate and fruitful ways.

135. Closely related to these recommendations, Recommendation 33 deals with the relationship between DoF and the Treasury. This is linked to one of the findings from the Inquiry that some officials were not aware of the protocol that existed in Northern Ireland whereby DFP led on any engagement with the Treasury for NI Departments. In response to this, DoF has written to departments to remind them of the need to ensure that DoF is the key point of engagement with Treasury and has also contacted Treasury along similar lines.<sup>37</sup> DoF recognises the important role it has in terms of making sure that key information is shared with departments when needed.

136. Furthermore, DoF has written to all departments to remind them of their obligations and set out an engagement protocol which departments must adhere to when considering engaging with HMT. DoF has also communicated the requirements to HMT who are able to direct NI departmental requests to DoF should the protocol not be adhered to. In addition, DoF has written to all departments to set out a knowledge transfer protocol to assist departments engage effectively with DoF, minimising the risk of information that would aid effective decision making and accountability not being shared.<sup>38</sup>

137. Further work is required to address the substance of recommendation 18.

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<sup>37</sup> <https://www.finance-ni.gov.uk/sites/default/files/publications/dfp/daodof0419.pdf>

<sup>38</sup> Annex M

138. There already exist extensive, although not universal, networks at official level. Some are governed within a formal structure, including, for example a memorandum of understanding. Others are more informal and depend upon good communications, professional confidence and personal relationships built up over time. Maintaining those networks, and developing them where they do not yet exist, will be a key role for senior leaders in the NICS.

139. Work is required to establish a framework for engagement between the neighbouring administrations. Part of that work will be to determine the degree to which that framework should set out a pattern or model of good practice, or prescribe certain approaches. It must also be considered how working-level engagement relates to formal intergovernmental relations, which are being further developed following the UK's exit from the EU.

140. Attached at Annex N is a case study showing how Construction and Procurement Delivery (CPD) DoF facilitates the exchange of information and how it co-operates with other parties with regard to areas within its remit (*i.e.* public procurement policy and project delivery) and suggests that NI Departments could set up similar arrangements.

141. Addressing questions of scale and capacity will form a central aspect of the overall NICS reform programme, developing a leadership culture that recognizes the limitations of the Service and can advise Ministers on what is and is not within the administration's capacity. Where it is recognised that the NICS cannot always deliver alone, it has the opportunity to become expert in collaboration and in learning from the experience and expertise of neighbours and stakeholders.

## Chapter 5 – Collaboration and Communication

<b>Recommendation</b>	<b>Actions</b>	<b>Anticipated completion date</b>	<b>Lead</b>
17	The NICS PD Profession as set out in the February 2019 paper to the NICS Board will be established and operational.	31 March 2021 for new CPD Unit to be operational and implementation of the PD Profession underway	DoF, CPD
	Develop the Finance Profession Strategy: establish key stakeholder group to address short term and longer-term actions. Working in partnership with NICS HR on their new approach to the professions and taking forward the Finance Profession as a 'pathfinder' project on the new approach.	Agree long-term action plan by early 2022	Head of Finance Profession
18	Establishment of a framework for engagement between the neighbouring administrations.	December 2021 (subject to the wider development of intergovernmental relations.)	Head of the Policy Community

## Chapter 6

### Governance and Financial Controls

Recommendations 19-23, 29-33

#### *Introduction*

142. A number of the findings from the RHI Inquiry related to the systems of governance and financial control in place within the NICS. These findings were reflected in recommendations within this area. For example, in terms of governance, the Inquiry found that the ‘internal governance systems’ within the then DETI were ‘ineffective where the NI RHI scheme was concerned...’. Although the Inquiry’s finding related to one Department, DETI, it subsequently recommended that all Departments could benefit from reviewing how their governance systems work in practice.

143. A number of the Inquiry findings also related to the systems of financial control within Departments, particularly around the process for the approval of expenditure. For example, the Inquiry examined closely the role of the DETI Casework Committee and found that the information presented to it was inaccurate and incomplete. The Inquiry therefore recommended that the role of the Casework Committee should be examined as part of a wider consideration of the expenditure approval process.

144. The Inquiry also considered the DoF role in the expenditure approval process. It found that the then DFP applied insufficient challenge to the information provided in the business case submission, with too much reliance being placed on the assurances provided by DETI.

145. There were several other findings linked to the DoF approval process, including around the initial categorisation of the proposal as ‘standard’ (rather than novel or contentious, for example). In addition, the Inquiry examined the procedures in place around conditions of approval and found that DETI did not have proper procedures in place to ensure these were met nor did DFP have any way of monitoring adherence to these. A number of the recommendations deal with these various aspects of the business case and expenditure approval process. These are addressed below.

146. A key finding from the Inquiry was that there were insufficient controls in place within the RHI scheme with regards to budgets. Part of the reason for this, the Inquiry found, was that DETI did not have adequate resources or expertise applied to the development, delivery or running of the scheme. The Inquiry therefore made several recommendations around the capacity of the Finance function within the NICS, as well as level of financial literacy more generally across Departments, which are addressed below.

**Work Completed**

147. DoF's response to these issues has been ongoing since the Inquiry and initial Lessons Learned report. As noted, a number of the recommendations related to the expenditure approval process, Recommendation 19, for example, states that the processes for approving new expenditure should be re-designed to be more rigorous, testing and independent. A review of the Expenditure Approval and Business Case processes was carried out in 2019<sup>39</sup> as a direct response to the RHI inquiry and the emerging evidence alongside findings from the Review of Arm's-Length Bodies.

148. This Review of the expenditure approval and business case processes was DoF-led. It sought to examine these processes, along with the role of Finance teams, economists and other professions within them. The aim of the Review was to determine if these processes were fit for purpose, proportionate and clearly understood by all.

149. The Review found that there was a lack of clarity around the respective roles and responsibilities of those involved in the business case and expenditure approval processes. A total of 19 recommendations were made as a result of this Review<sup>40</sup>. A central recommendation was that the NICS should adopt the Treasury best-practice approach for the development of business cases, known as the 'Five Case Model'.

150. The move to the 'Five Case' approach is currently being implemented across Departments. An FD letter, FD (DoF) 11/20<sup>41</sup>, was issued on the 2 November 2020 to initiate the move to the new approach. DoF has also put in place a number of measures to support Departments and other spending areas with the transition to the Five Case model approach. This has included the creation of a new website<sup>42</sup> setting out the new guidance to replace NIGEAE, the design and delivery of a number of training products to make staff aware of the new approach, as well as the production of a suite of business case templates and best practice guidance documents. These are all available *via* the new website.

151. The over-riding principle of value for money will not be changed as a result of moving to the 'Five Case' approach. The guidance is clear that the choice of preferred option in a business case should be guided by a range of factors – not just costs and benefits but also non-monetary impacts, risks and uncertainties, as well as budgetary and funding implications.

152. Supply Division within DoF, which is responsible for approving expenditure decisions that sit outside Departments' delegated limits, have also introduced a new 'triage' process as part of their assessment of business cases<sup>43</sup>. This was done to ensure that expenditure decisions are taken at the appropriate level and reflect the complexity of the proposal

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<sup>39</sup> Annex O

<sup>40</sup> Annex P

<sup>41</sup> Annex Q

<sup>42</sup> [Better Business Cases NI | Department of Finance \(finance-ni.gov.uk\)](https://www.finance-ni.gov.uk/better-business-cases-ni)

<sup>43</sup> Annex R



involved, thus helping to ensure that the Department's scrutiny could continue to be searching and sceptical (Recommendation 21).

153. A Review of Delegated Limits has also been carried out by DoF. The aim was to ensure that the level of scrutiny around spending decisions, both within departments and between departments and DoF, was proportionate. As part of this Review, DoF wrote to all departments asking them to review their own internal delegations, as well as to consider whether there was a need to change departmental delegations with DoF<sup>44</sup>. A number of delegations have changed as a result of that review. A revised DAO has been issued.

154. Recommendation 21 emphasises that DoF's scrutiny role around business cases needing Supply approval should not over-rely on the assurances offered by departments. A challenge in meeting this recommendation is that DoF will not have the same policy expertise that rests within departments. However, to address this, DoF can supplement its decision making through early engagement with departments during the development of a proposal, which the Inquiry recommends and which DoF already regularly do (which also helps to address Recommendation 22). Having considered the case for an Approval Panel within DoF for the most complex cases (Recommendation 21), DoF has decided not to introduce this at this stage. This was to allow time for the changes in process as a result of the move to the Five Case Model approach to become embedded, as well as the other recommendations arising from the review of expenditure approval processes. Similarly, the use of Casework Committees is becoming more widespread across departments as part of their internal assurance processes. The approach taken reflects a review of the casework committee process that had been carried out within DfE. A further review of Casework Committees was therefore not considered necessary at this stage (Recommendation 19).

155. Other recommendations arising from the review of the expenditure and business case processes should also contribute to meeting this recommendation. For example, the review recommended that, where an economist in a department provides advice to the Accounting Officer around the value for money of a proposal, this advice should be shared with DoF, when the corresponding business case is submitted to DoF for approval. This should help to improve transparency around the decision making process in departments, as well as around the key risks relating to value for money.

156. DoF can also set out the ground rules around both the management of resources, as well as the processes departments must follow to gain approval. DoF has already been active in reviewing both these activities. As well as the review of the expenditure approval and business case processes, a review of Managing Public Money NI has also been initiated and will continue into 2021. The aim is to ensure that the document was consistent with financial processes, as well as to reflect the evolving relationship between departments and their arm's length bodies. (Recommendation 32a).

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<sup>44</sup> Annex S

157. DAO 4/20<sup>45</sup> Update to the Orange Book (risk management guidance) confirms the need to ensure that risk management is viewed as an essential part of governance processes and fundamental to how an organisation is directed, managed and controlled at all levels. FD 2/20 provides annual guidance on the importance of accountability reporting within Departmental Annual Reports and Accounts, including the requirement for a Non-Executive's report.<sup>46</sup> As part of Departmental Annual Report and Accounts it is audited by the NIAO.

158. As noted, several of the findings deal with the conditions of DoF approval. Recommendation 23 subsequently states that the Department of Finance should require, and be kept informed of, regular reviews to ensure compliance with such conditions by the spending Department. This recommendation therefore promotes a more proactive engagement between DoF and departments around approval conditions post-approval, as well as a need to ensure that Ministers are made aware of such conditions. The challenge is to identify a way of addressing these recommendations which achieves the additional oversight and assurance sought without introducing processes which may be viewed by departments as overly bureaucratic or limit departmental accountability.

159. Responsibility for this rests with departments and their Internal Audit functions to maintain and review. The Information Management System (IMS) in DoF Supply is now separately used to record specific conditions and to link related business cases. This information is now captured on a revised Supply business case proforma (provided and signed off by Departments as being accurate). This information is then included on IMS as a reference to Supply in terms of performance against previous conditions in considering a linked case. It is not intended to be a failsafe system for Departments to rely upon should their own governance frameworks be deficient.

160. A number of actions have been implemented which begin to address Recommendations 29 and 30, which relate to the capability Finance function within Departments, as well as the broader level of financial literacy across the NICS. For example, a Finance Profession Sub-Group has been established to look at building capacity and capability of the Finance profession. A first step in this will be addressing the current recruitment and retention issues as well as developing a clearly defined approach to career development and training. In the slightly longer term consideration will be given to raising the profile of the finance profession and increasing financial literacy in non-financial staff particularly at more senior levels..

161. In addition, the Economist Profession have developed a bespoke training course on Commercial Awareness for Economists. This has been developed as part of the wider development of a Learning and Development Framework for the Economist Profession in the NICS. E-learning training has also been developed and made available for all NICS staff around the link between public expenditure and Managing Public Money. This course has

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<sup>45</sup> <https://www.finance-ni.gov.uk/sites/default/files/publications/dfp/daodof0420.pdf>

<sup>46</sup> Annex T

been made mandatory for all staff within the Public Spending Directorate in DoF and all departments have been encouraged to make this mandatory for finance staff at Staff Officer and above. Discussion has taken place with NICSHR Learning & Development to gauge the need for further classroom-based training.

162. Recommendation 33 deals with the relationship between DoF and the Treasury. This linked to one of the findings from the Inquiry which was that some officials were not aware of the protocol that existed in Northern Ireland whereby DFP led on any engagement with the Treasury for NI Departments. In response to this, DoF has written to departments to remind them of the need to ensure that DoF is the key point of engagement with Treasury and has also contacted Treasury along similar lines. DoF recognises the important role it has in terms of making sure that key information is shared with departments when needed.

163. Furthermore, DoF has written to all departments to remind them of their obligations and set out an engagement protocol which departments must adhere to when considering engaging with HMT. DoF has also communicated the requirements to HMT who are able to direct NI departmental requests to DoF should the protocol not be adhered to. In addition, DoF has written to all departments to set out a knowledge transfer protocol to assist departments engage effectively with DoF, minimising the risk of information that would aid effective decision making and accountability not being shared. DoF has re-established the regular DoF-led meetings of Finance Directors.

164. Part of recommendation 20 required the department to approach HMT on the issue of false economies related to the categorisation of spend across Budget controls. DoF approached HMT on this issue and HMT has confirmed that the budgeting rules are set by HMT with the macro-economic picture in mind and NI is expected to abide by such rules. In future should similar arrangements occur for another scheme, HMT are content that DoF discuss the position with them and explore what could be done within the budgeting rules that exist at the time.

### ***Work Still to be Done***

165. Further work will be required across a number of areas in addition to the actions already taken, to ensure that the Inquiry recommendations in relation to Governance and Financial Control are fully addressed. These are set out in the tabular Action Plan below.

166. Alongside these improvements to policy and procedure, a cultural challenge arises from the key role for the civil service of protecting the public purse. The Inquiry has highlighted how important it is for all officials to remember that they are spending the public's money, and that every pound must be spent as carefully as if it were their own. Moreover, officials – especially the Accounting Officers – have a responsibility to ensure that the interests of the taxpayer are also brought to Ministers in their advice.

Recommendation	Actions	Anticipated completion date	Lead
<b>R22</b>	<p>As part of the Annual Assurance Statement, departments will be asked to confirm:</p> <ul style="list-style-type: none"> <li>▪ that the appropriate approvals process has been followed for all expenditure;</li> <li>▪ that Ministers have been made aware of conditions that apply to all expenditure approvals as standard and specifically have been made aware of any non-standard conditions that had been applied to expenditure; and</li> <li>▪ that they are content all expenditure activity has adhered to the conditions of its approval.</li> </ul>	New process to be followed from April 2021 (see below)	All Departments
<b>R23</b>	<p>Supply shall:</p> <ul style="list-style-type: none"> <li>▪ include a line in non-standard approval letters to say that Ministers should be made aware of the additional conditions; and</li> <li>▪ issue a Finance Directors letter to advise this change is coming in and that it would be for departments to determine the most suitable method for advising their Minister of such conditions.</li> </ul>	<p>April 2021</p> <p>March 2021</p>	DoF, PSD
<b>R28, 32a</b>	DoF will progress and finalise the review of MPMNI	October 2021	DoF, PSD
<b>R29</b>	Develop the Finance Profession Strategy; establish key stakeholder group to address short-term and long-term actions. Working in partnership with NICS HR on their new approach to the professions and taking forward the Finance	Agree long-term action plan by early 2022	Head of Finance Profession

	Profession as a 'pathfinder' project on the new approach..		
<b>R30</b>	Review and update online training course	Spring 2022	DoF, PSD
<b>R33</b>	<p>DoF will keep the information sharing and knowledge transfer protocols under review, engaging with HMT and departments on their effectiveness and revising where necessary.</p> <p>DoF will assess position with both HMT and departments and review any breaches for lessons learned as part of its first review</p>	First review complete	DoF, PSD

## Chapter 7

### Record Keeping

Recommendations 26, 27 and 28

#### *Introduction*

167. The NICS information management community is responsible for leading and coordinating a range of activities to improve Records Management practices across NICS. Many of these activities address the RHI inquiry report recommendation 28 and associated Lessons Learned Action Plan in respect of the record keeping workstream.

168. Relevant initiatives and changes to policy and good practice are presented to the NICS Information Governance Board (IGB) through the NICS Information Management Council (IMC) for consideration and endorsement.

169. A significant number of improvements and developments have already been completed with others actively under way – leading to a much better environment for the operation of Record Keeping across the NICS.

#### *Work Completed*

170. A series of recommendations relating to special advisors and Ministerial Private Offices (recommendations 26 and 27) have already been addressed resulting in substantial revisions to the Ministerial, Special Adviser and Civil Service Codes of Conduct and Ethics.

171. Many of these updated policies have already been agreed by the Executive and published. The NI Civil Service Code of Ethics will be finalised in the near future.

172. These changes reinforce the importance of behaviours and values and each policy deals specifically with the issue of the Record Keeping and the obligations in relation to transparency. These codes are underpinned by new Ministerial Guidance and new Enforcement arrangements for Ministerial standards.

173. The terms of the Northern Ireland Civil Service Code of Ethics forms part of the contract of all civil servants (including Special Advisers)<sup>47</sup>.

174. Key roles in Private Office have been established and new Private Office Guidance has been developed<sup>48</sup>. A review of this guidance with relevant staff has already taken place.

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<sup>47</sup> Pending publication of the revised Code

<sup>48</sup> Annex D

175. Much of this work was in place for the return of the Executive in January 2020 and progress continues with the recent issue of a new Records Management Protocol for Special Advisers.<sup>49</sup>

176. In addition to this, in terms of progressing Recommendation 28, a cross Departmental Project Team was established to progress the Review of Records Management and the Optimisation of the HP Records Management (HPRM) projects. In addition to these two key projects, a number of task and finish exercises were taken forward, further embedding Information Management best practice across the NICS.

177. Whilst the evolution of these records management projects predated the findings of the RHI inquiry, the Central Project Team liaised with the Inquiry Response Team to inform the lessons learned report and ensure that the work already underway would be supplemented as required to meet the recommendations in the Inquiry Report.

178. The most recent improvements to Record Keeping policy and practice include;

- a. the launch of the NICS Managing Information website, which provides detailed guidance for staff on a suite of Record Keeping information including Records Management, HPRM operations and Data Protection. Detailed information on policy, guidance and training are all accessible from this central portal;
- b. issue of email management policy and guidance, providing help for staff to manage their own account - including email, tasks and calendar items;
- c. launch of Records Management on-line learning now available to all staff. This training is mandatory for all new entrants;
- d. development of revised Retention and Disposal guidance and advice and review of current schedules;
- e. development of an “easy to use” desk aid explaining simply how to create, store, check and share documents;
- f. major upgrade from HPRM 8.3 to CM 9.4 completed before the end of 2020, that will deliver enhanced user functionality and performance improvements;
- g. a suite of further records management policy, training and disposal schedule updates.
- h. the launch of an NICS data-protection and information management hub.

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<sup>49</sup> Annex G

- i. completion of several workstreams within the Projects to review how the NICS carries out its Records Management responsibilities and improving its current electronic storage system (HPRM) for all users.
- j. establishment of a formal project under a Senior Civil Servant SRO to examine what the NICS requires in a records management system in 2021 and beyond.

179. In addition, a number of pieces of work have been substantively completed to address the recommendations specifically relating to Record Keeping as it was relevant in the evidence to the RHI Inquiry:

- a. revisions to the NICS Code of Ethics and production of the Guidance for Ministers, which explicitly reference respective duties to keep accurate records
- b. the strengthening of the Private Office role in record keeping, including: the new corporate guidance developed for Private Offices; the redefining and higher grading of the Private Secretary and Assistant Private Secretary roles; and planned induction, training and ongoing support for Private Office staff;
- c. Review of existing practices such as retention and disposal schedules and Information Asset Registers;

180. A strategic review of the Electronic Document and Records Management System (EDRMS) used by the NICS has been initiated in October 2020. The first stage of this review will scope the requirements for an EDRMS and review the software currently in use to ensure the NICS has a system that is fit for purpose for a modern civil service. It will also consider future requirements to support effective retention, accessibility, utilisation and disposal of NICS information records. It is anticipated that this initial scoping exercise will be completed by the end of June 2021.

***Work still to be done – Action plan for the future***

181. The remaining work to be done is set out in the following table.

182. The focus upon record keeping in the Inquiry, and particularly in the media's reporting of the Inquiry, has reminded civil servants of the centrality of their role in maintaining the official record. There should be a greater pride in the knowledge that this is a crucial function within the democratic institutions. In particular, the addition of the specific reference to record keeping in the revised Code of Ethics ought to inspire within the NICS greater confidence that their record keeping is a central and invaluable aspect of their role.



Recommendation	Actions	Anticipated completion date	Lead
	Carry out a reporting exercise to ensure that products designed to address these recommendations have been appropriately embedded within all Departments.	To be commenced by June 2021.	DoF, Chief Information Security Officer

## Chapter 8

### Raising a Concern

Recommendations 32b, 34, 35, 36

183. The recommendations reflect evidence to the Inquiry that concerns about the non-domestic RHI scheme were raised both within Departments and by members of the public, but these concerns did not lead to effective interventions to address those concerns.

#### **Work Completed**

184. How Departments respond to concerns being raised have been addressed in work prior to the publication of the Inquiry Report.

185. The *NICS Code of Ethics* is currently being reviewed, with a view to publication shortly. The substantive changes include:

- a. a revision to the arrangements for raising concerns under the Code;
- b. explicit reference to separate arrangements for people who are not civil servants wishing to raise matters of concern, and the responsibility for civil servants to give consideration to such concerns raised and to ensure that they are properly addressed.

186. A review of departments' whistleblowing policies by the Group Internal Audit and Fraud Investigation Service (GIAFIS) was commissioned under the Lessons Learnt action plan that arose from the draft PWC review of the RHI scheme. This review has been completed and a suite of recommendations made that will address many of the wider issues of raising concerns.<sup>50</sup> The implementation of these recommendations will also be informed by the NIAO *Good Practice Guide on Raising a Concern*, published in June 2020.<sup>51</sup>

187. The challenges posed by the RHI Inquiry have been a feature in the leadership development courses for civil servants, and this has included the culture and behaviours that meant that concerns were not properly addressed, and questions about the operation of the scheme were not pursued.

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<sup>50</sup> Annex C

<sup>51</sup> <https://www.niauditoffice.gov.uk/publications/raising-concerns-good-practice-guide-northern-ireland-public-sector>

188. The role of non-executive directors has been given renewed attention, with regular meetings of the non-executive directors from all departments being organised to support their functions.

***Work Still to be Done***

189. Work that has been started on implementing the recommendations of the GIAFIS review will need to be completed. These will largely be taken forward through the development of an holistic *Raising a Concern* policy for the NICS, drawing upon the NIAO *Good Practice Guide* and addressing the various strands. This policy shall be prepared for approval by the end of March 2021.

190. Once consultation has been completed, it is proposed to launch and promote the revised NICS Code of Ethics, placing it front and centre for all Civil Servants, highlighting the contractual obligations it contains and reinforcing the importance of behaviours and values, including responding to concerns. The timing of the launch will be informed by communications colleagues to have greatest impact, but it is intended to launch the revised Code before the end of March 2021.

191. With the finalisation of the Code of Ethics and the *Raising a Concern* policy we will be able to provide appropriate guidance to managers, staff and the public about addressing concerns in the NICS. This will also be a vehicle for encouraging the value of addressing things in a positive spirit when they go wrong. The Guidance shall be prepared to be ready with the launch of the *Raising a Concern* policy

192. Work has begun to consider the function and nomination of proposed ‘Speak-Up Champions’ across the Departments. It is envisaged that these Champions will have a responsibility for fostering the culture of curiosity and challenge amongst civil servants, and promoting the standards set out in the NICS Code of Ethics. The first Champions will be appointed by the end of March 2021.

193. Having Champions of this sort will contribute directly to the reform of the NICS at a wider, behavioural level. They will support the good practice of turning concerns and complaints into improvement. And they will support greater public confidence in the responsiveness and effectiveness of the NICS and the wider administration. The Executive’s response to the RHI Inquiry recommendations is just one aspect of the transformation of government here. The *New Decade, New Approach* document sets out a broader vision, to which this Response document makes its contribution.

Recommendation	Actions	Anticipated Completion Date	Lead
32b, 34, 35, 36	Development of an holistic <i>Raising a Concern</i> policy for the NICS	Autumn 2021	DoF, SPAR
	Launch and promote the revised NICS Code of Ethics	Autumn 2021	DoF, SPAR
	Provide appropriate guidance to managers, staff and the public about addressing concerns in the NICS	Autumn 2021	DoF, SPAR
	Appoint new 'Speak-Up Champions' across the Departments.	Autumn 2021	All Departments

## Conclusion

194. The fulfilment of the recommendations of the Inquiry Report should not be approached in isolation from other reform and improvement programmes. As set out here, the recommendations will be woven into broader pieces of work that will improve how Departments operate. Nor is it necessarily right to identify these issues primarily as responses to the RHI Inquiry, when it is rather the case that the Inquiry has revealed systemic weaknesses. The RHI Scheme involved a very few individuals, but all Ministers, special advisers and officials will be impacted by the reforms that are intended in response to the Inquiry.

195. The changes will address the existing civil service, both revisiting good practice and setting new standards. The current cadre will develop their existing skills and learn new ones. The structures in which they work will be improved, and the policies they follow will be revised for the coming period. The changes envisaged will also see the civil service change as it recruits and trains new civil servants.

196. Nor should this Response be seen solely as a matter of civil service reform. A significant proportion of the recommendations relate to the work of Ministers and their special advisers. And for civil service practice to be changed for the better, it needs to be championed by Ministers within their Departments, and Ministers need to recognise and corroborate the functions of officials, enabling them to work to the highest standards.

197. It will be relatively straightforward to follow through with the changes in policy that are set out in this Response. Priority will need to be given to this work even in the extraordinary context of the UK's exit from the EU and the Executive's response to COVID-19. The greater challenge will be to effect real change in the way in which people work, and how they fulfil their roles in government. This will require longer-term effort, and commitment to a deliberate and planned programme to effect change in Departments, the Executive and Assembly. It will be a joint effort and a shared enterprise.

## Action Plan

Recommendation	Actions	Anticipated completion date	Lead
1, 2, 3, 4	<p>Fundamental review of the <i>Practical Guide to Policy Making</i> by the policy community, through the Policy Champions' Network, would seek to complete by the;</p> <p>Changes in the Guide would then be fed through to the <i>Policy Skills Guide</i> and the suite of policy-skills training delivered by NICHRS Learning &amp; Development</p>	Autumn 2021	Head of the Policy Community
3, 11, 12, 13, 15, 16, 17a	As a matter of priority, the NICS PD Profession as set out in the February 2019 paper to the NICS Board will be established and operational.	31 March 2021 for new CPD Unit to be operational and implementation of the PD Profession underway.	DoF, CPD
4, 14, 15	All Departments will be required, as a matter of priority, to put in place a P3O office as set out in DAO 02/20.	Established by 30 June 2021 and functional by 31 December 2021	All Departments
2, 4, 14, 15	When departmental P3Os are fully functional, a proposal for the implementation of Portfolio Management will be brought to the NICS Board.	A proposal for a substantive Portfolio Management regime to NICS Board by 31 December 2021.	DoF, CPD
1, 2, 11, 14, 16	Implementation of the IPA's 'Get to Green' refresh of Gateway™ and wider Assurance Reviews.	30 June 2021 for initial roll-out. Full roll-out by December 2021, pending the release of refreshed products by IPA.	DoF, CPD
5, 7	Professional development sessions for minister, special advisers and private offices.	October 2021	DoF, SPAR

8	Match to job roles and appoint up to a further 850 staff via SO/DP recruitment competition.	December 2021	DoF, NICSHR
10	Agree scope and timeframe for review of NICS recruitment.	Terms of Reference for a review of Civil Service recruitment policy (including scope and timeframe) have been agreed by the Minister, an advisory panel of external HR experts has been formed and initial policy framework proposals for the Minister's consideration will be developed by October 2021	DoF, NICSHR
	Develop proposals for the review of NICS workforce model (disciplines, occupational groups, professions, job roles, etc)	December 2021	DoF, NICSHR
24	Further alignment of NICSHR resources and operations to deliver on NICS corporate HR priorities including resourcing activities for critical posts.	Ongoing	DoF, NICSHR
	Ongoing improvement of recruitment and selection processes which have delivered reduced timescales for appointment via the introduction of new resourcing principles to address urgent pressures such as EU Exit and Covid-19 and increased use of online testing and the introduction of video interviewing options.	Ongoing	
	The sequencing and flexibility of handling staff moves to secure business continuity will be incorporated into the review of resourcing and considered alongside the ongoing work on talent management and skills development.	The review and development of managing internal staff moves is included in the Terms of reference agreed by the Minister for the review of recruitment policy. Proposals will	

		be developed by October.20212021	
	<p>Progress implementation of new processes and procedures that enable line managers' capability and confidence in their people-management roles:</p> <p>For example - phased implementation of Employee Relations Project</p> <ul style="list-style-type: none"> <li>▪ Complete roll out of Stage 1 to remaining Departments</li> <li>▪ Roll out stage 2 sickness absence</li> <li>▪ Launch and pilot of new Dignity at work/grievance policy.</li> </ul>	<p>Anticipate September 2022 for the completion of all ER Project, managers having the authority to take decisions on key HR policy areas including performance management, absence and discipline as well as rollout of new complaints policy for dignity at work and grievance matters</p>	DoF, NICSHR
17	The NICS PD Profession as set out in the February 2019 paper to the NICS Board will be established and operational.	31 March 2021 for new CPD Unit to be operational and implementation of the PD Profession underway	DoF, CPD
	Develop the Finance Profession Strategy. Establish key stakeholder group to address short term and longer-term actions Working in partnership with NICS HR on their new approach to the professions and taking forward the Finance Profession as a 'pathfinder' project on the new approach.	Agree long-term action plan by early 2022	Head of Finance Profession
18	Establishment of a framework for engagement between the neighbouring administrations.	December 2021 (subject to the wider development of intergovernmental relations)	Head of the Policy Community
R22	<p>As part of the Annual Assurance Statement, departments will be asked to confirm:</p> <ul style="list-style-type: none"> <li>▪ that the appropriate approvals process has been followed for all expenditure;</li> <li>▪ that Ministers have been made aware of conditions that apply to</li> </ul>	New process to be followed from April 2021 (see below)	All Departments



	<p>all expenditure approvals as standard and specifically have been made aware of any non-standard conditions that had been applied to expenditure; and</p> <ul style="list-style-type: none"> <li>▪ that they are content all expenditure activity has adhered to the conditions of its approval.</li> </ul>		
<b>R23</b>	<p>Supply shall:</p> <ul style="list-style-type: none"> <li>▪ include a line in non-standard approval letters to say that Ministers should be made aware of the additional conditions; and</li> <li>▪ issue a Finance Directors letter to advise this change is coming in and that it would be for departments to determine the most suitable method for advising their Minister of such conditions.</li> </ul>	<p>April 2021</p> <p>March 2021</p>	DoF, PSD
<b>R28, 32a</b>	DoF will progress and finalise the review of MPMNI	November 2021	DoF, PSD
<b>R30</b>	Review and update online training course	Spring 2022	DoF, PSD
<b>R33</b>	<p>DoF will keep the information sharing and knowledge transfer protocols under review, engaging with HMT and departments on their effectiveness and revising where necessary.</p> <p>DoF will assess position with both HMT and departments and review any breaches for lessons learned as part of its first review</p>		DoF, PSD
	Carry out a reporting exercise to ensure that products designed to address these recommendations have been appropriately embedded within all Departments.	To be commenced by June 2021.	DoF, Chief Information Security Office

32b, 34, 35, 36	Development of an holistic <i>Raising a Concern</i> policy for the NICS	Autumn 2021	DoF, SPAR
	Launch and promote the revised NICS Code of Ethics	Autumn 2021	DoF, SPAR
	Provide appropriate guidance to managers, staff and the public about addressing concerns in the NICS	Autumn 2021	DoF, SPAR
	Appoint new 'Speak-Up Champions' across the Departments.	Autumn 2021	All Departments