



The State of the State 2024

Joint Forum Report

11th April 2024

Contents

Click on a heading to jump to that section

Foreword.....	2
The Challenges.....	3
Digital	4
Net Zero	5
Transformation	6
Collaboration	7
Trust.....	8
Leadership.....	9
Conclusion.....	10

Foreword

A thank you from the Deloitte team

Dear all,

We are delighted to present our report that summarises the discussions that took place during our State of the State Forum Briefing on the 11th April 2024 at Waterman House, in collaboration with the Chief Executives' Forum and the Northern Ireland Public Sector Chairs' Forum. We are immensely grateful to all who attended and participated from across the Northern Ireland (NI) public sector and provided valuable input into this report.

The success of this event was made possible due to the cross-section of attendees from across the NI Civil Service and its Departments, Arm's-Length Bodies, Local Councils, the Emergency Services and many others. The diverse backgrounds and perspectives of the attendees enriched the discussion, leading to informed critical insights on the six key themes that were explored.

We hope that the report will provide useful insights and recommendations that will benefit the public sector in Northern Ireland and drive collaboration across it.



Kind regards,



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The Challenges

Six critical issues within the NI Public Sector were discussed

Discussions centred on six key questions, reflecting both the findings of the 2024 State of the State report and outcomes from the NI Leadership and Governance Conference 2024:

How do we mainstream **digital** transformation?



What are the structures and ingredients for achieving **net zero**?



What are the key success factors in achieving **transformation** and innovation?



What are the resources and mechanisms needed to drive better **collaboration**?



How do we build **trust** and accountability in government and public service delivery?



How do we curate the **leadership** needed in transforming environment?



Digital

Plenty of work to do on furthering continuous improvement and innovation

Chair: Alasdair Kilpatrick, Deloitte



Key Points

- The term 'digital transformation' needs a narrative change
- An NI-wide Public Sector Digital Strategy would be welcomed
- Better collaboration across organisations on digital is needed

Innovation, not Transformation

There was a feeling that the term 'transformation' is now being used to describe every project involving digital, and staff and stakeholders are weary of this and have more difficulty buying in to the concept. Digital innovation should be seen as something everyone can get involved in by using existing technology and digital solutions more effectively, and suggesting and supporting the implementation of new technologies. The focus should be more on continuous evolution and improvement, to build buy-in from those impacted by digital programmes.

Strategy required at the top

Given the scale of digital programmes underway or out for tender, a digital strategy for the NI public sector as a whole was flagged as a "must-do". This would give the Executive

responsibility for directing infrastructure that is aligned to the overall plan for the delivery of public services. All digital investments should be linked to the Programme for Government (PfG) when developed and published.

Improved collaboration needed

There was a consensus that too many silos and organisations duplicating digital provision exist, or in some cases are not undertaking digital projects at all as they lack the budgetary cover, skills and scale to justify them. Cross-organisational collaboration was seen as essential to avoiding this on future projects. AI in public service delivery was also flagged as an area needing more attention. Consistent with the findings of the State of the State, the group felt that there was significant scope in this area which needed to be explored and opportunities exploited.

Net Zero

Building capability to deliver on Net Zero commitments a Public Sector priority

Chair: Gareth Martin, Deloitte



Key Points

- There is a need to build capability and skills in respect to Net Zero (NZ)
- The public sector needs to identify how to fund NZ transition, building on lessons learned in the private sector
- Improved citizen engagement is required to bring people on the NZ journey

Capability and skills

There was significant discussion around the need to build skills in the public sector, both within organisations but also across the wider public sector through further roll out and extension of initiatives such as sustainability forums and carbon literacy training. In order to embed these skills in the public sector and wider economy in the future, these skills need to be developed as part of the education system at all levels.

Funding the transition

There is a substantial challenge in relation to funding the transition to a NZ economy, making the necessary investments into infrastructure, changes to the procurement process and how the public sector delivers services. There is an opportunity to leverage the experience and learnings from the private

sector in order to make efficient use of public funds by taking the best of the initiatives adopted that can be applied in the public sector.

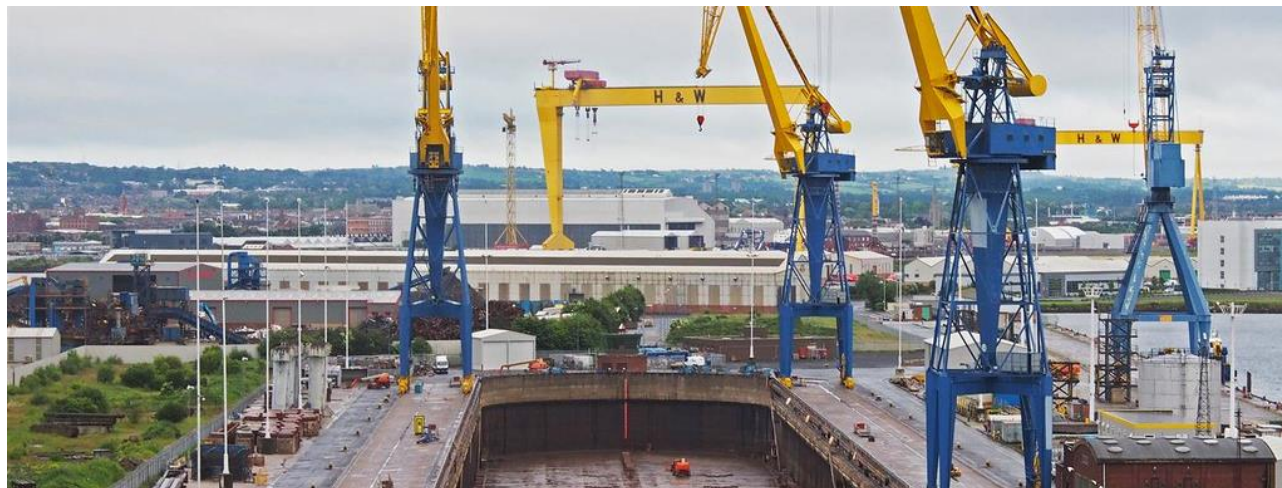
Citizen engagement

In order to impact the transition to a NZ economy it is important to obtain buy-in from the public - in effect the largest stakeholders in the change process. The public sector therefore needs to engage with citizens, being honest about the scale of the NZ challenge, and providing advice on behavioural changes and actions to take on a holistic basis that will also, for example, improve health outcomes, reduce household spending, etc. There should be promotion of collaboration and support for and enhancements of existing initiatives such as community forums and partnership with the voluntary sector.

Transformation

Urgency around the need to reduce barriers and change ways of working

Chair: Anne Dickson, Chief Executives' Forum



Key Points

- New ways of working are required, and should be an immediate priority
- Bureaucratic governance structures need urgent reform
- Independent entities have been successful in enabling transformation in recent examples such as the Troika and policing reform

Public sector reform on ways of working

The group felt a greater sense of urgency was vital to drive forward the new ways of working that are required to realise transformation, and that this cannot be delayed. It would need to be led politically, but with a consistent approach across all strands of the public sector to ensure no duplication of effort. Ideally this would be embedded in the next Programme for Government (PfG).

Learn from recent urgent change examples

The group noted several recent examples where substantial transformation had taken place at pace – such as the Troika and policing reform - and highlighted the lessons from these that could be used to inform any future reform undertaken locally. In particular, the response to the pandemic was seen as a burning platform for driving entirely new ways

of working and collaboration, as well as improved engagement between the public, private and third sector towards achievement of a common goal: better service provision in response to a crisis.

Current governance approach unsustainable

The current risk appetite, and associated governance and accountability frameworks around transformation were seen by the group as barriers to implementing reform, and a disincentive to proportionate risk-taking across the public sector both on programmes and service delivery. To address this, the need for unified, clear and strategic communication – driven by politicians, within the PfG – was stressed as a must to cut through the current approach, backed up with changes within the NI Audit Office (NIAO) and the Department of Finance (DoF).

Collaboration

Cross-organisational forums and a changing approach to risk are a must-do

Chair: Heather Moorhead, NI Confederation for Health and Social Care



Key Points

- Collaborative forums and networks need formal recognition
- Track improvements in collaborative practice through KPIs and appraisals
- Fundamental changes required to collaborative risk approaches

Promote collaboration with formal ties

There was consensus in the group that while collaboration does happen inconsistently across Departments and organisations, there are very few formal bodies to promote it and foster knowledge-sharing. Formal recognition and promotion of collaborative forums and networks was seen as essential to unpick current issues around siloed working and overreliance on existing business procedures, as well as promoting accountability on cross-organisational programmes and outcomes.

Performance statistics to build the case

To promote the importance of collaborative working, the group discussed several formal mechanisms including linking outcomes directly to the agenda set in a Programme for Government (PfG), Key Performance Indicators (KPIs) to validate efficiency benefits

and placing collaborative cross-organisational working as a formal requirement for all major delivery programmes involving multiple organisations.

Sharing risk across organisations

Current approaches to risk were consistently seen by the group as a blocker to collaboration, highlighting the need for changes to risk-appetite within the public sector and sharing risk ownership across organisations that are working together on major programmes. A major theme discussed was the tendency within organisations to rigidly follow business processes at the expense of collaborative working that could bring major benefits. Making collaborative partnerships safer with a new, shared and standardised approach to risk would enable better quality, more efficient programmes.

Trust

A need for clear priorities, transparency and honest communication

Chair: Sir Malcolm McKibbin, Deloitte



Key Points

- Improving trust starts with a transparent Programme for Government (PfG)
- A dedicated multi-year fund for major reform programmes is desired
- Clear and honest communication needed about work being done

Programme for Government urgently needed

Across the group, there was recognition that a PfG for the returned Executive needs to be drafted at speed, requiring clear priorities to be identified and delivered with a particular focus on robust plans, milestones, rapid implementation and monitoring that is placed in the public domain.

Channels for assessing performance

There was consensus on the need to be transparent about the ownership of responsibility and accountability for what is to be delivered, both in a PfG and in general across major delivery programmes. In the case of cross-cutting initiatives and outcomes, this will likely require new accountability arrangements, and the NI Audit Office (NIAO) was mentioned as being able to assist the drafting of any new measures of

accountability for cross-cutting programmes.

Better communication and collaboration

A consistent point raised was the need for improved standards in how progress is communicated, and improving collaboration between organisations. It was felt that public sector leaders - who between them have huge experience - could act as a supportive collective to provide advice and assistance to government. This would best be facilitated by formal engagement between Ministers, senior civil servants and representatives of public sector leaders. A dedicated multi-year fund for major transformation programmes was also cited as a driver for collaboration, with allocations for specific initiatives and transparent accountability arrangements to support building trust in public sector processes and delivery.

Leadership

Addressing a leadership deficit with new approaches to training and recruitment

Chair: Marie Doyle, Deloitte



Key Points

- Past austerity measures have had an impact on leadership training
- A need to promote and elevate leadership of the future
- Opportunities for new leaders to innovate and drive progress, especially in the digital space

Leadership training essential

A consistent point raised across the group was the impact felt by the current lack of leadership training, creating a general deficit in leadership skills across the spectrum of roles from senior leadership to middle management. To address this, there were recommendations to embed leadership training across all Departments and organisations with improved opportunities for mentoring and coaching, and to make leadership skills a critical part of recruitment and promotion exercises for senior roles.

Future Leaders

Boards were frequently mentioned in discussions both as challenging positions for future leaders to hold, and that the same groups of people were circling around them, highlighting a deficit in future leaders. There

was consensus on a general lack of confidence for people to take on senior roles due to the rigid accountability frameworks, and the difficult decisions to oversee. Both contribute to making leadership positions less attractive and candidates less likely to put themselves forward at a time where there is a strong demand for future leaders.

Innovative skills desired, especially in Digital

A lack of leadership in the digital space was noted, with a critical need for innovative leadership in the future. This also raised discussions around the ideal qualities for leadership, such as effective communication of outcomes, less outright risk-aversion through innovative and measured approaches to change, and ensuring that leaders have the deep sectoral knowledge to make effective decisions with beneficial outcomes.

Conclusion

Consistent themes across all discussions

Across all of the six discussion areas, a series of four cross-cutting themes emerged:

- **The need for a Programme for Government (PfG):** the recent absence of the Executive had a major impact on the agenda for the public sector as a whole in Northern Ireland, with an absence of medium to long-term planning and a reactive response to decision-making. A PfG was frequently mentioned as critical – both to communicate the key priorities for the public sector to all stakeholders, and drive the changes required in high-impact areas such as Net Zero, sectoral reform and digital innovation.
- **Collaboration is key:** across all discussions, the need for improved collaboration between Departments, Arm’s-Length Bodies, Local Authorities and the teams within them was highlighted again and again as a critical driver for change, innovation and – in the case of Net Zero - reaching legal obligations. Siloed working in current arrangements was consistently flagged as an issue, and it was recognised that subject matter expertise and lessons learned from previous programmes could be used to inform future decision-making, programme delivery and improved ways of collaborative working.
- **Approaches to risk need to change:** regardless of theme the current risk-averse approach of public sector governance was highlighted as a challenge to overcome – from implementation of digital improvements, to delayed progress on major projects due to extensive governance, to knowledge sharing across Departments and to disincentivising future leaders. The need to reform the current approach to risk, in collaboration with the NI Audit Office and Department of Finance was identified: doing so would realise extensive benefits from perception of service provided in the public sector, cost-efficiencies and successful programme delivery in critical areas such as Digital and Net Zero.
- **Improved communication across the board:** communication between the public sector and its internal and external stakeholders was seen as an area of improvement, particularly as a way to both rebuild trust in the capability to deliver benefits, but also to inform the general public of what the sector is doing to address those most critical of priorities – cost-of-living challenges, health waiting lists and access to essential public services.

It is evident that the challenges faced by the public sector in Northern Ireland are complex and multi-faceted. However, as Sir David Sterling highlighted in his closing remarks, the importance of working collaboratively is critical to addressing these challenges. By working together, we can create a more cohesive, efficient, and effective public sector that serves the needs of all citizens in Northern Ireland. The need to foster collaboration and cooperation in the public sector to build a brighter future for all has never been greater.