



**Departmental Sponsorship of
Arm's Length Bodies Lab**

**Insight Report
February 2018**



Department of

Finance

An Roinn

Airgeadais

www.finance-ni.gov.uk



Innovation
Lab

The Innovation Lab

...connecting, collaborating, listening, failing fast, learning, disrupting, inventing, and enabling.

The Innovation Lab was established in 2014 and sits within the Department of Finance. The Lab responds to challenges where effective service provision for the public has proved most difficult. It aims to improve public services by creating new and ground-breaking innovations through transformation and invention. We are committed to inspiring curiosity, empowering creativity, and bringing to life paradigm-shifting ideas. We believe in connecting, collaborating, listening, failing fast, learning, disrupting, inventing, and enabling. The Lab has a role in the Innovation Strategy for creating a culture of innovation by encouraging collaboration, openness to new ideas, innovation, and risk taking. Our i-dec method has been developed to address these challenges.

**i-dec - innovation through design,
experimentation and creativity**

Our i-dec philosophy is built on design principles. Namely, putting users first, understanding relationships, developing prototypes, testing iteratively, and scaling up solutions which work.



Background

There are approximately 120 ALBs within the NI Public Sector ranging in size, spend and complexity

Since 2008 onwards NI departments have focused much attention on departmental sponsorship of Arm's Length Bodies (ALBs). However it is recognised that sponsorship of ALBs needs to be proportionate; reflective of the good governance arrangements which exist within the majority of ALBs; with an increased emphasis on outcome delivery. Given the reduction in resources faced, both by departments and ALBs, it was considered an opportune time to revisit how the sponsorship of ALBs is carried out and to develop a more effective approach which benefits departments and ALBs in the delivery of public services.

There are approximately 120 ALBs within the NI Public Sector ranging in size, spend and complexity. In expenditure terms NI ALBs account for approximately 70% of the NI Executive Departmental Expenditure Limits (DEL) budget.

In relation to looking at a more effective approach to sponsorship representatives from Chief Executives' Forum (CEF), Chairs' Forum and Department of Finance (Public Spending Directorate and Public Sector Reform Directorate) met to discuss the potential of holding an Innovation Lab. It was considered that this would be useful in helping engagement with key stakeholders and assisting in informing how departmental ALB sponsorship could be improved to benefit all stakeholders.

It was agreed that the Innovation Lab, sponsored by Julie Thompson, Deputy Secretary of Public Spending Directorate in the Department of Finance, would run a 2 day Innovation Lab process to help identify and develop measures to improve the relationship between ALBs and NI departments. The outputs from the Lab event were to help inform a review of ALB sponsorship.

The objectives of the Innovation Lab were agreed with the sponsor as follows:

- Gather new insights into departmental sponsorship of ALBs from key stakeholders.
- Understand the benefits and disadvantages of existing sponsorship arrangements to departments and ALBs.
- Facilitate stakeholders to develop a shared understanding of the operating context.
- Involve key stakeholder groups in the consideration of what “good sponsorship” looks like.
- Explore and develop ways of improving the sponsorship arrangements.
- Bring key stakeholders together in a collaborative process in order to develop proportionate approaches to departments’ ALBs sponsorship.
- Produce a report of the key issues and recommendations which will be used to inform a review of ALB sponsorship to be taken forward by DoF.

In identifying attendees to the Innovation Lab event, engagement and discussion took place with the Chairs’ Forum, the Chief Executives’ Forum and Permanent Secretaries across the NICS to ensure that overall there was a suitable mix, spread and balance of participants representing ALBs and their sponsor departments i.e. in terms of type, sector, size, nature etc. A full list of participants is set out in Appendix A.

The Challenge Question

How can the relationship between Departments and ALBs be developed to ensure the effective delivery of public services and improved outcomes?

Executive summary

The Innovation Lab event took place on 29th and 30th January 2018 and the interest of all the participants in addressing the challenge question was evident throughout the course of the 2 day process, in the collaborative and partnership approach adopted throughout.

By working through the exercises individuals and stakeholder groups were able to look at and understand the challenge from other perspectives. It is this approach, coupled with the energy, enthusiasm and passion of stakeholders at the event that was instrumental in leading to the 16 recommendations made.

A high level summary of these recommendation is listed below. The more detailed description of each recommendation is set out later in this report.

Recommendations:

- Adopt the Cabinet Office Code of Good Practice with NI revisions if necessary.
- Develop a shared understanding and openness of dialogue to enable policy development.
- Consideration of a language that fits with a collaborative and partnership approach.
- Establish a Forum for Shared Leadership in The Executive Office with members from ALBs and Departments.
- Take forward a high level review of ALBs their purpose, functions and number of ALBs within the context of Programme for Government.
- Review and streamline ALB support services where appropriate to include consideration of shared and sharing services.
- Develop guidance on what 'Earned Autonomy' looks like.

- Consider the role of Tailored Reviews and how they can be rolled out (to include guidance).
- Develop integrated and inclusive strategic planning processes that focus on outcomes.
- Define and agree roles in the context of value and risk sharing.
- Utilise a 360 degree approach to develop honest, trusting and supportive relationships between ALBs and sponsor departments.
- Develop shadowing, secondment and training opportunities at senior level for ALBs and Departments.
- Work on shared projects between Departments and ALBs potentially through a policy symposium.
- Consider a talent pool for Board appointments, with the intention of ensuring good governance skills.
- Encourage / influence Assembly Committees and Minister Briefs to focus / report on outcomes.
- Review and simplify the Business Case Approval process.



The Workshop

Context

The challenge question that formed the basis of the framework for discussion and consideration during the 2 day innovation event was as follows:

How can the relationship between Departments and ALBs be developed to ensure the effective delivery of public services and improved outcomes?

The question was issued in advance to participants as a means of setting the scene and scope.

Attendees included Chief Executives of local ALBs, Chairs of local ALBs, the Comptroller and Auditor General and a Director from the Northern Ireland Audit Office as well as senior and operational sponsors from NICS Departments. In addition, colleagues from the Cabinet Office, the Ministry of Justice (MOJ) and the MOJ Chief Executive of Office of Legal Ombudsman were in attendance to provide their knowledge and expertise on the challenges and opportunities faced in relation to their ALB and Department relationships.

- It was explicitly mentioned by participants that the context and environment within which they participated and developed the recommendations were in line with the following principles: there was an opportunity to use the process and outputs as a platform for behavioural and cultural change.
- There was a collaborative and partnership approach between stakeholders.
- The development of relationships meant relationships of trust and relationships in the context of added value.

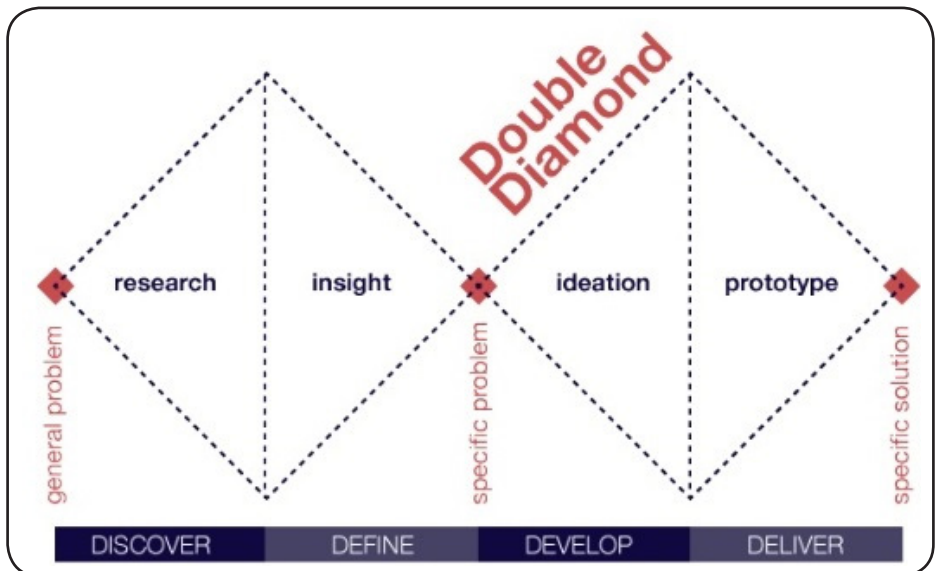
The Lab process

The Lab took place over 2 highly intensive practical and interactive days. The agenda for the 2 day event is recorded at Appendix B.

The exercises were designed to ensure people worked in a collaborative and partnership where relationships between different stakeholder sectors could be explored, harnessed and developed. Exercises took place in pairs, in table settings, in stakeholder group settings and in a large group format.

The Double Diamond Design Model was used as the framework for the event. It has 4 distinct phases: Discover, Define, Develop and Deliver. While normally used in service design projects, it was agreed that it provided a disciplined, logical process that the participants needed to be brought through together to ensure the event had a productive outcome. In fact the event concentrated on the first 3 stages of the double diamond – Discovery, Define and Develop.

Figure One: The Double Diamond Design Model



The Double Diamond approach encourages people to diverge and converge their thinking at different parts of the process and the exercises for the Lab process were designed to replicate this approach. Additionally each exercise was carefully planned to build on the previous one to ensure that any learning or understanding was constant and focussed.

Day 1 - Discovery and Define

For the first part of the day participants heard from a series of speakers including:

- The Head of the Northern Ireland Civil Service.
- The Comptroller and Auditor General of the Northern Ireland Audit Office.
- The Deputy Secretary from the Executive Office with responsibility for the Programme for Government.
- A Cabinet Office Senior Policy Advisor with responsibility for the “Partnerships between departments and arm’s-length bodies Code of Good Practice”.

The speaker sessions were designed to provide attendees with overall context for the event, some reflections on the lived experiences of senior players, and a vision of ‘what could be’ to encourage participants to think beyond their particular areas.

The afternoon exercises encouraged participants to:

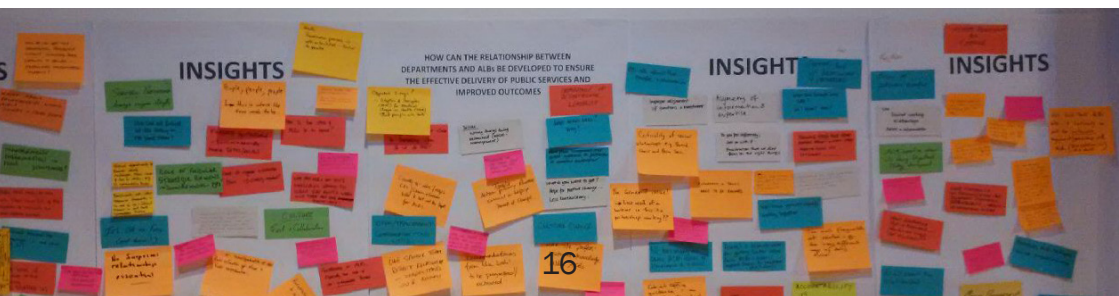
- Understand the context from other perspectives (empathy mapping).
- Focus on looking at the issues, gaps, challenges, opportunities and what an effective and efficient relationship would look like - (fishbowl exercise).
- Identify key themes relating to the challenge question – Appendix C.
- Identify the key questions for each theme – Appendix D.

Throughout the course of day 1 participants were asked to note down key insights they had relating to any of the sessions. These populated a general insights board and more specific insights boards relating to the following 3 questions posed in the fishbowl exercise relating to the challenge question:

- What are the current gaps / issues / challenges?
- What are the opportunities?
- What would an effective and efficient relationship look like?

These general and specific insights were then used in a group stand-up exercise to ascertain the key themes (Appendix C) and the questions arising from these themes (Appendix D). Some of the key insights noted that were recurrent included:

- Focus on impacts, not processes.
- Resources need to be concentrated.
- Look at balance between compliance / micro management and focusing on performance.
- Do some NDPBs need to be merged?
- Proportionality.
- No surprises.
- Earned autonomy.
- The current use of language does not reflect the relationship.
- Willingness to partner and a desire to build relationships.
- Need to understand roles, aims and objectives of ALBs and Departments to ensure alignment.



Day 2 - Develop

Day 2 commenced with a joint speaker session from the Head of ALB Division in the UK Ministry of Justice and the Chief Executive of the Office of Legal Ombudsman Office in England who talked openly and frankly about the professional relationship they had. This cemented the progress made on day one and enabled a shift of focus to the development stage of the Double Diamond Model where there was a concentration on Day 2 on idea generation, idea selection and idea development. This culmination of these ideation phases led to the development of the recommendations. Building on the key questions relating to themes participants voted to identify their 5 main questions for further consideration. It was not possible to deliberate on each individual question due to time constraints but in the interests of providing a complete overview of the process a full list of those questions is provided in Appendix D.

The five key questions that were selected as the most popular by the group for further consideration were:

- How can we be clear about what we are trying to achieve and the freedoms / framework we are trying to deliver?
- How can we encourage 2 way accountability?
- How do we move towards outcomes and away from process measurement?
- Can we define earned autonomy and what does it look like?
- How do we streamline the approvals process?

Each of these questions then progressed through a series of exercises that looked at:

- Rapid idea generation.
- Idea selection.
- Idea development.
- Developing ideas into recommendations.

Following the rapid idea generation a world café style approach was implemented to encourage groups to consider how the ideas generated could be translated into feasible and practical recommendations that would be impactful and aligned to an outcome focused approach. The recommendations also had to link to the original challenge question that the Lab had been issued for consideration:

How can the relationship between Departments and ALBs be developed to ensure the effective delivery of public services and improved outcomes?

A group consensus discussion on proposed recommendations was then held to accept or decline proposed recommendations. In total 16 recommendations were developed and agreed by consensus of the group. These are to be considered by the NICS Board. A high level summary of the recommendations is set out in Appendix E.

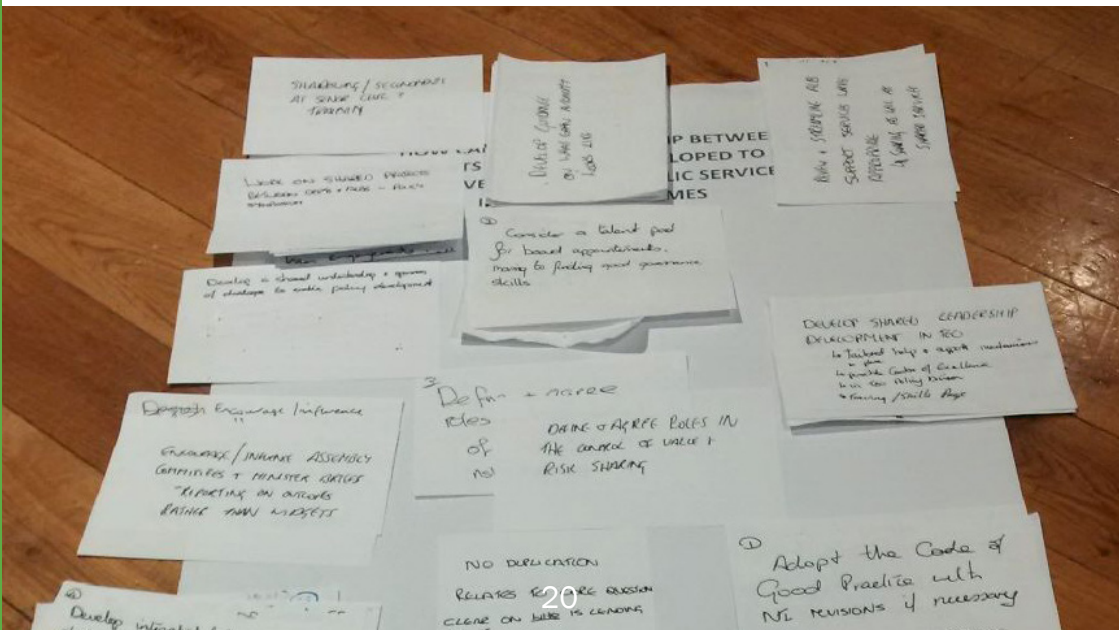
Recommendations

In total 16 recommendations were identified at the end of the 2 day process for consideration by the NICS Board. These are set out below, together with a short description of the underpinning rationale for the recommendation.

These for ease of reference have been categorised into 3 distinct areas:

- Those that relate to the review of current arrangements.
- Those that suggest new areas and fall within the remit of development.
- Those remaining that can be categorised as business as usual that don't specifically fall within the other 2 remits and are considered to be recommendations that could be taken forward quickly within current business operations.

The recommendations have not been prioritised and are therefore presented in no particular order of importance.



Review

The term review is used in this context to describe those recommendations that will require an evaluation or consideration of the existing provision.

Take forward a high level review of ALBs their purpose, functions and number of ALBs within the context of Programme for Government.

There was agreement from the participant group that a high level review should take place of all ALBs to determine whether each ALB is still fit for purpose, is relevant or requires updating of their functions in line with the 14 strategic outcomes and 42 indicators set out in the current draft Programme for Government. Additionally consideration should be given to whether some ALBs might be grouped to become one larger ALB where they share similar resource etc. Additionally thought should be given to whether several ALBs could remain stand alone but utilise shared facilities (accommodation, HR functions or personnel).

Review and streamline ALB support services where appropriate to include consideration of shared and sharing services.

This recommendation links with the previous one in relation to the consideration of ALB support services. The group felt these should be reviewed and where appropriate the focus should be on sharing / shared services within the ALB / Department relationship framework. Following a review this could mean the sharing of services across ALBs such as front line service provision or sharing services between ALBs and Departments. The review should also consider the feasibility for ALBs to use some of the NICS shared services. This streamlining would lead to increased efficiency for both ALBs and Departments and develop further their desired collaborative and partnership approach.

Consider the role of Tailored Reviews and how they can be rolled out (to include Guidance).

The group heard how England and Wales have written specific Guidance on Tailored Reviews <https://www.gov.uk/government/publications/tailored-reviews-of-public-bodies-guidance>. It was considered that guidance in the NI context on this area should be developed that would enhance the relationship between ALBs and Departments. The guidance should include, but not necessarily be exclusive to, setting out the roles of Tailored Reviews and how they could be rolled out.

Consider a talent pool for Board appointments, with the intention of ensuring good governance skills.

The participants felt that it would be beneficial to consider having a pool of people for Board appointments. It was suggested that this pool could include people who had narrowly missed out on appointments to boards from previous competitions including Audit Committees. It was felt this approach would ensure good governance skills for appointments and would also assist in speeding up processes that can often be long and cumbersome as individuals would no longer have to apply for each competition.

Review and simplify the Business Case Approval process.

This area highlighted several specific aspects of the process that are worthy of consideration by the NICS Board in their own right. In general terms there was a desire to review the existing NIGEAE appraisal guidance to streamline it to simplify the process. Part of the rationale for this was to provide clarification on what are considered 'grey' areas such as proportionality. The specific areas highlighted by the group were:

- Build the business case approval into the business plan approval for Departments / Department of Finance.
- Improve training on the preparation of, and dealing with, business cases.
- Remove duplication from the system through process mapping.
- Stop the pay remit process for bodies on NICS terms and conditions.
- Assume compliance with the requirement to explain or justify any variation.
- Evaluate the current issues in the approval process in terms of impact and evidence, providing guidance on these where necessary.

It is suggested that the NICS Board consider this recommendation in both general and specific terms.

Develop

The term develop is used to describe the following set of recommendation that would primarily involve the development of new processes or services.

Establish a Forum for Shared Leadership in The Executive Office with members from ALBs and Departments.

There was a consensus that the development of a forum style / Centre of Excellence in Shared Leadership would enhance and cement the relationship between ALBs and Departments. It was anticipated that this would best sit in the Executive Office as the owner of PfG and therefore best suited to ensure alignment of this function to PfG outcomes. The overarching aim of Shared Leadership would be to put tailored help and support mechanisms in place that would assist in the development, maintenance and enhancement of the ALB / Department relationship.

Specifically the following were identified as key support mechanisms:

- The Forum would be made up of members from ALBs and Departments.
- Identification of the skillset required to work in Departments and ALBs.
- Build capacity and capability within this function to support outcome based accountability, driven by the central team.
- Develop job specifications and competency frameworks across the ALB and Departments.

It was recognised that by investing in people there was a greater likelihood to bring about behavioural and cultural change within the ALB / Department - the shared Leadership Forum / Centre of Excellence was considered a good way of achieving this.

It should be noted that these support mechanisms are unlikely to constitute an exhaustive list. The Board may (subject to the approval of all / part of this recommendation) wish to enable further dialogue between key stakeholders on this topic.

Develop integrated and inclusive strategic planning processes that focus on outcomes.

The purpose of this recommendation is to ensure that strategic planning processes are aligned to the Programme for Government strategic outcomes and performance indicators. Additionally, the integrated and inclusive aspect of this recommendation focuses on the desire of ALBs and Departments to align themselves more effectively as partners and collaborators. In order to achieve the objective of this recommendation several specific enablers were identified as follows:

- As a means of identifying two way accountability, the Department should plan from the bottom up with ALBs as well as from the top down.
- The ALB business planning should include collaboration with stakeholders.
- There should be a new form of remit letter to ALBs that focuses on empowering ALBs to deliver rather than constraining delivery.
- Thought should be given to the purpose of organisations' Annual Reports to ensure they are outcome focussed.

- ALBs and Departments must take time to talk together to come to a common understanding, possibly through the establishment of 'Heads of Agreement'.
- The translation of outcomes into the context of the ALB / Department relationship should take place to ensure it is meaningful and aligned.
- The introduction of an outcome assessment for ALBs based on the business plan and considered part of the normal process.

While this is the list of integrated and inclusive strategic planning processes identified by the Lab over the two days it should be noted it is unlikely to be exhaustive. The Board may (subject to the approval of all / part of this recommendation) wish to enable further dialogue between key stakeholders on this topic.

Consideration of a language that fits with a collaborative and partnership approach.

There was a consensus that the current language used within the relationship between ALBs and Departments was not currently fit for purpose in aligning with the context within which this Lab was taken forward. There was a desire within the group to move away from the perceived parent-child relationship to one where there was a genuine commitment to collaborate and partner within the relationship process. It was believed that a common agreed language that encouraged a more productive collaborative and partnership relationship should be considered and agreed. This language should be reflected in any guidance, standards or principles resulting from these recommendations.

Define and agree roles in the context of value and risk sharing.

This recommendation has strong links to the ‘Adopt the Cabinet Office Code of Good Practice with NI revisions if necessary’ recommendation (below under Business as Usual section) and the ‘Consideration of a language that fits with a collaborative and partnership approach’ (immediately above). This recommendation also links clearly with the principles set out previously. In defining and agreeing roles in the context of value and risk sharing, representatives from key stakeholder groups would need to develop this area further. The language used will be pivotal to reflect the value of each party to the relationship and the shared approach to risk that each party will agree to undertake. There could potentially be an opportunity to make NI revisions to the Code to include some of the information agreed for this recommendation. At a base level any existing guidance would need to be updated to reflect the new agreed roles to the context of value and risk sharing.

Develop shadowing, secondment and training opportunities at senior level for ALBs and Departments.

The group felt that the development of these opportunities would increase the likelihood of a collaborative and partnership approach. Providing these opportunities would make significant headway in ensuring alignment to each other, alignment to the PfG and developing a mutual understanding of each organisations work. This in turn would develop trust, and lead to behavioural and cultural change, and understanding within and between organisations.

Develop a shared understanding and openness of dialogue to enable policy development.

The shared understanding and openness of dialogue aspect of this recommendation links closely with the comments provided in recommendation relating to working on shared projects; recommendation relating to 360 degree feedback (both set out below under Business as Usual section) and the recommendation to develop shadowing, secondments and training (immediately above). The concept of enabling policy development will disseminate from these recommendations and a collaborative and partnered approach would enable policy development to be taken forward having consideration not only for the outcomes in the PfG and alignment to these but also ensuring alignment for policy development between ALBs and Departments.

Develop guidance on what 'Earned Autonomy' looks like

The concept of earned autonomy is integral to the development of trusting relationships. It was certainly an area of great interest and discussion over the two days. With the desire and enthusiasm of all key stakeholders to move towards a partnership and collaborative approach there was recognition that everyone wanted to work towards a move to earned autonomy. In order to achieve this goal there was agreement that guidance should be developed to set out and describe what earned autonomy would look like within the context of the ALB / Department relationship. More specifically it was felt that this guidance should include the following:

- Identification of good practice.
- Articulate the factors / principles that need to be considered and produce a case study of earned autonomy to include information on behaviours, culture and the outcome focused approach.

- Identification of the consequences of achieving good practice (more autonomy, a different/shorter process).
- Rewarding good practice - for example by involving the best in developing and supporting others.
- Set out the characteristics of an organisation in special measures eg decreased autonomy, micro management and further scrutiny.

Outside of being written in specific guidance, other suggestions around the area of earned autonomy included:

- The development of a programme of support / resource framework.
- Alignment of the approval process to earned autonomy recognising the principle of proportionality.
- Review delegation levels.
- The information in this recommendation is not likely to constitute an exhaustive list.



Business as usual

The term business as usual is used for the following set of recommendations that don't specifically fall within the other two remits and are considered to be recommendations that could be taken forward quickly within current business operations.

Adopt the Cabinet Office Code of Good Practice with NI revisions if necessary.

There was a consensus that the Cabinet Office Code of Good Practice guidance on Partnerships between Departments and ALBs should be adopted with consideration being given to including NI revisions if necessary. It was felt by the group that the adoption of this Code, if approved by the Board, was something that could be done quite readily, perhaps with revisions being introduced when determined.

Encourage / influence Assembly Committees and Minister Briefs to focus / report on outcomes.

The emphasis in this recommendation is about encouraging and influencing Committees and Ministers, where it is not done already, to ensure briefings are aligned to the PfG strategic outcomes and performance indicators where the focus should be on changing lives and improving outcomes for people.

Work on shared projects between Departments and ALBs potentially through a policy symposium.

Working on shared projects would encourage the development of a collaborative and partnership approach between ALBs and Departments. One of the main benefits of working on shared

projects, apart from developing the relationship in terms of trust and understanding, is to show the added value benefits not only to the organisations but also, and more importantly, to the end user whom the organisations are ultimately working for. It was suggested that the identification and outworking of these projects could be taken forward through a policy symposium.

Utilise a 360 degree approach to develop honest, trusting and supportive relationships between ALBs and sponsors.

The group felt that the introduction of a 360 degree approach where feedback was provided on ALBs to Departments and vice versa would be instrumental in supporting the development and establishment of an honest, trusting and supportive relationship. The inference was that this feedback should be regular and possibly independent. Feedback should be a continuous process of conversation and reflection that can lead to the development of trust within relationships. The benefit of using feedback regularly is it becomes part of the DNA of the relationship that would go long way to bringing about behavioural and cultural change in the relationship between ALBs and Departments. The independent aspect removes the 'all eyes on you' and encourages people to speak more candidly, often producing valuable and credible information that may not have been captured in a non independent approach.

Next steps

It is anticipated that the principles under which the recommendations were established will be reflected on as part of the overall consideration and approval of recommendations by the NICS Board. These principles should also be taken into account in the formulation of any framework for future work that arises following the approval of any of the recommendations.

Following consideration by the NICS Board any approved recommendations will be issued to all participants for information and the sponsor will develop a forward work plan for the approved recommendations.

Subject to the approval of the recommendations there may be an opportunity to group several together for a future work package, but for the purposes of this report they have been kept separate to highlight the key points participants identified as requiring attention to bring about change.

Appendices

Appendix A

Participant List Innovation Lab

Name	Organisation
Rodney Allen	Director, Northern Ireland Audit Office
Clark Bailie	Chief Executive, NI Housing Executive
Frank Bryan	Chair, Belfast Metropolitan College
Alison Caldwell	Treasury Officer of Accounts, Accountability and Financial Management Division, DOF
Maura Campbell	Senior Sponsor, Department of Justice
Alistair Carson	Senior Sponsor, Department of Agriculture, Environment and Rural Affairs
David Cartmill	Chief Executives' Forum
Fergus Devitt	Senior Sponsor, Department for Communities
Moira Doherty	Senior Sponsor, Department for Infrastructure
Kieran Donnelly	Comptroller and Auditor General, Northern Ireland Audit Office
Katrina Godfrey	Deputy Secretary, Programme for Government and NICS of the Future, The Executive Office
Evelyn Hoy	Chief Executive, Commissioner for Older People for NI
Roisin Marshall	Chief Executive, NI Council for Integrated Education
Mairead McCafferty	Chief Executive, NI Commissioner for Children and Young People
Frances McCandless	Chief Executive, Charity Commission for NI
Joanna McConway	Operational Sponsor, Department for Communities
Gerry McGinn	Chair, Strategic Investment Board
Liam McIvor	Chief Executive, Business Services Organisation
Colm McKenna	Chair, SE HSC Trust / NI Food Advisory Committee
Deborah McNeilly	Senior Sponsor, Department of Health
John Millar	Operational Sponsor, Department of Health
Saima Mirza	Senior Policy Advisor, Public Bodies Reform Team, Cabinet Office
Heather Moorhead	Chairs' Forum
Donal Moran	Operational Sponsor, The Executive Office

Appendix A

Participant List Innovation Lab

Name	Organisation
Keith Morrison	Chief Executive, NI Health and Safety Executive
Sharon O'Connor	Chair, Education Authority
Vilma Patterson	Chair, Probation Board NI
Rob Powell	Chief Executive of the Office of Legal Ombudsman, Ministry of Justice
Paul Rutherford	Operational Sponsor, Department for the Economy
Julie Sewell	Grade 7, Accountability and Financial Management Division, Department of Finance
John Terrington	Operational Sponsor, Department of Education
Julie Thompson	Deputy Secretary, Public Spending Directorate, Department of Finance
Alison Wedge	Head of Division, ALB Division, Ministry of Justice

Appendix B

Schedule for Arm's Length Bodies Lab

How can the relationship between Departments and ALBs be developed to ensure the effective delivery of public services and improved outcomes?

Day 1

- Sue Barclay – Innovation Lab - Introduction to Lab and scene setting
- Irene Hewitt – Independent Facilitator - Introductions
- David Sterling – Head of the Northern Ireland Civil Service
- Kieran Donnelly – Comptroller and Auditor General – NIAO

BREAK

- Saima Mirza – Senior Policy Advisor, Cabinet Office, Public Bodies Reform Team
- Katrina Godfrey – Deputy Secretary, The Executive Office – PfG and NICS of the Future
- Distillation of thoughts and Speed Dating exercise

BREAK

- Empathy Mapping – looking at the relationship from other perspectives
- Fishbowl exercise - discussions and condensing of thoughts from morning sessions
- Identification of themes from insights
- Development of key questions and challenges relating to themes associated with the challenge question.

Identify main areas that we will concentrate on

includes BREAK

- Round table discussion on challenges
- Round up and close Q and A

Appendix B

Schedule for Arm's Length Bodies Lab

Day 2

- Reflection on Day 1
- UK Departments and ALBs
 - Alison Wedge – Head of Division – ALB Division Ministry of Justice
 - Rob Powell – MOJ Chief Executive of the Office of the Legal Ombudsman

BREAK

- Questions / challenges for consideration – the how can we?
- Rapid idea generation
- Idea selection

BREAK

- Idea development

BREAK

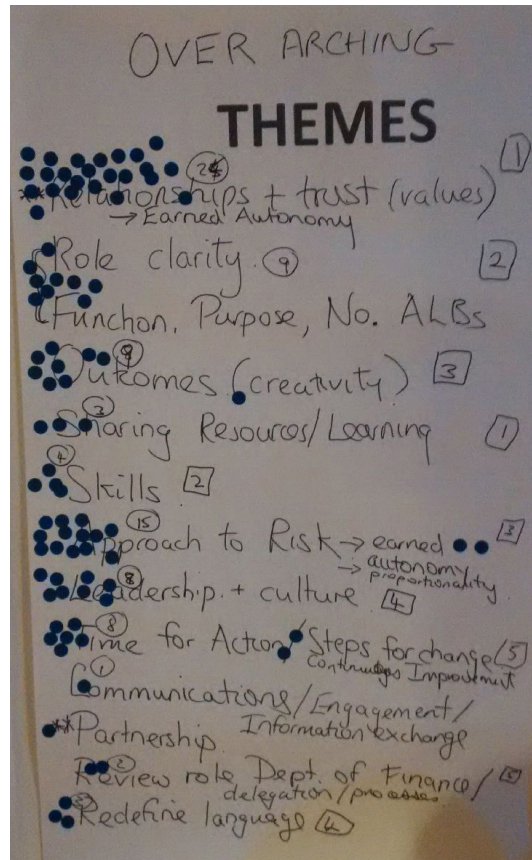
- Development of recommendations and prioritisation
- Wrap up, next steps and close

Appendix C

Themes identified by participants

1. Relationships, trust and values
2. Role, clarity
3. Function, purpose and number of ALBs
4. Outcomes
5. Sharing resources and learning
6. Skills
7. Approach to risk
8. Leadership and culture
9. Next steps – Time for action
10. Communications / Engagement / information exchange
11. Partnership
12. Review the role of DoF
13. Redefining language

Themes number 2 and 3 were merged for the purposes of considering and identifying questions relating to these areas. Similarly, partnership was subsumed into theme number 1. Theme numbers 10 and 12 (communications / engagement and information exchange and the review of DoF's role) were not considered as separate themes as they would be covered by all the other relevant themes.



Appendix D

Full list of questions generated on themes

Relationships, trust and values

How can we...

- Build trust?
- Encourage two way accountability?
- Determine what 'earned autonomy' looks like?
- Use the MSFM to guide good practice?
- Achieve a shared understanding?
- Work effectively as a partnership?
- Develop shared values?

Clarity, function, purpose and number of ALB's

How can we...

- Ensure greater shared understanding of individual roles?
- Develop better understanding of the capacity of the functions and share it?
- Align the functions of Department and ALBs to deliver the desired PfG outcomes?
- Identify what is the best organisational / operational model to deliver PfG outcomes?
- Benefit from real and virtual centralisation / co-ordination of sponsorship functions?

Outcomes

How can we...

- Get to a set of agreed outcomes?
- Get alignment?
- Move towards outcomes and away from process measurement?
- Align strategic and business planning processes towards outcomes?
- Align budgets with outcomes?
- Bring together the right key players to define outcomes? (policy symposium?)
- Place citizens / customers at the centre?

Sharing resources and learning

How can we...

- Share good practice?
- Make resources accessible?
- Get ALBs access to Departmental expertise?
- Learn from each other?
- Achieve better two way communication?
- Learn about the Department / ALB?

Skills

How can we...

- Identify, build and improve the required skills to develop and maintain effective relationships?
- Ensure the Departments make better use of the knowledge and experience within the ALB and vice versa (board and executive staff)?

Appendix D

Risk

How can we...

- Streamline the approval process?
- Change delegations?
- Be less risk averse (and move away from tick boxes)?
- Improve the understanding of Board Members (especially representational boards and the clarity of role)?
- Strip out the 'fake assurances' and too many sets of eyes adding nothing?
- Get it right first time?
- How can DoF change practices?

Leadership and culture

How can we...

- Develop new behaviours?
- Define good leadership?
- Support existing leaders/ role models?
- Deal with poor leaders?
- Change culture/define what we are aiming for?
- Make a step change in culture?
- Establish a vision for leadership and culture?
- Define the skills needed and reward / incentivise?
- Embed good career development / experience?
- Be clear about what we are trying to achieve, and the freedoms / framework we are using to deliver – specific actions?

Redefining language

- What words best describe the relationship we want?

Next steps – Time for action

- What is the output from this exercise other than a report to the NICS Board?
- How do we engage the political process?
- How will feedback be provided?
- Who will drive deliver recommendation?
- How do we get ownership at senior level?
- How will the recommendations be taken forward across organisations?
- What commitment to follow through actions is expected from those in the room?
- Will the conclusions reached be widely communicated?

Review the role of DoF

How do / does...

- Sponsor Departments earn autonomy from DoF?
- We define 'earned autonomy' and what does it look like in reality?
- Proportionality factor in to relationships with other Departments and oversight?
- DoF ensure best value / VFM with regards to approval / oversight processes and the provision of shared services?

Other questions in this section included...

- Who should champion a new code and provide leadership for change?
- Do we need to review the 'length of arms' in relationships?

Appendix E

High Level Summary of Recommendations from the Innovation Lab 29th / 30th January 2018

How can the relationship between Departments and ALBs be developed to ensure the effective delivery of public services and improved outcomes?

Recommendations:

- Adopt the Cabinet Office Code of Good Practice with NI revisions if necessary.
- Develop a shared understanding and openness of dialogue to enable policy development.
- Consideration of a language that fits with a collaborative and partnership approach.
- Establish a Forum for Shared Leadership in The Executive Office with members from ALBs and Departments.
- Take forward a high level review of ALBs their purpose, functions and number of ALBs within the context of Programme for Government.
- Review and streamline ALB support services where appropriate to include consideration of shared and sharing services.
- Develop guidance on what 'Earned Autonomy' looks like.

- Consider the role of Tailored Reviews and how they can be rolled out (to include guidance).
- Develop integrated and inclusive strategic planning processes that focus on outcomes.
- Define and agree roles in the context of value and risk sharing.
- Utilise a 360 degree approach to develop honest, trusting and supportive relationships between ALBs and sponsor departments.
- Develop shadowing, secondment and training opportunities at senior level for ALBs and Departments.
- Work on shared projects between Departments and ALBs potentially through a policy symposium.
- Consider a talent pool for Board appointments, with the intention of ensuring good governance skills.
- Encourage / influence Assembly Committees and Minister Briefs to focus / report on outcomes.
- Review and simplify the Business Case Approval process.

Notes

Notes

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