

The Labour Relations Agency's Response to the Executive's 28 October 2016 Consultation on the Draft Programme for Government Framework

Introduction

The Labour Relations Agency (the Agency) is an executive Non-Departmental Public Body sponsored by the Department for the Economy (DfE). The Agency has a statutory duty to promote the improvement of industrial relations in Northern Ireland. In fulfilling this objective the Agency promotes best employment practice and the early resolution of workplace disputes as a preferred alternative to formal and very costly litigation.

The Agency delivers on its statutory remit through the provision of a wide range of bespoke dispute prevention and early resolution services to employees and employers that are highly valued by our customers and stakeholders. Research has highlighted the following as key outcomes of an effective employment relations system:

- Industrial competitiveness;
- A strong employee voice;
- Cohesive labour market characterised by job security; and
- Strong commitment to social justice where diversity in the workplace is recognised and valued

The Agency responded to the initial consultation on the draft Programme for Government (PfG) and welcomes the opportunity to respond to the Executive's latest consultation on the draft PfG. This response is similar to the Agency's earlier submission in that it is supportive of what the Executive is seeking to achieve through this new and innovative approach to delivering public services focusing on the wellbeing of citizens and the wider economy.

That said, the Agency has a number of proposals that could assist in ensuring that the implementation of the PfG is both inclusive and effective in ensuring that there is consistency in the way individual ALBs orientate their operational plans and governance arrangements.

The Agency's Response

The Agency is content that the current framework of outcomes, indicators and measures is fit for purpose. The Agency is also encouraged by the Executive's commitment to use the PfG outcomes as a framework for the delivery of public services and to embed equality of opportunity and good relations in all aspects of the PfG. These two critical themes are central to the Agency's own public service commitment to provide objective, non-partisan and confidential dispute prevention/resolution services to employees and employers. The Agency also welcomes the importance attributed to partnership in the development and implementation of the PfG. The Agency currently facilitates the Northern Ireland Employment Relations Roundtable which has representation from all of the main trade union bodies and employer organisations. Two departments (Economy and Communities) have already agreed to meet with the Roundtable to present initial thinking on key policy areas.

The Agency already has very direct experience of operating in an outcome-orientated business environment. This is reflected in our Corporate and Annual Business Plans. In 2012 the Agency commissioned a SROI (Social Return on Investment) study of the Agency's frontline services funded by our former sponsor Department, the Department for Employment and Learning. The study identified the following as the main benefits that flow out of the services that the Agency delivers to its customers:

- Resolving disputes quickly and efficiently saves time and money to all parties;
- Preventing disputes from arising in the first place contributes to greater well-being in the workplace and higher productivity;
- Enabling more equal access to good quality professional information generates fairer outcomes for employees and employers.

The study illustrated that there were substantial economic, social and health benefit outcomes from the services delivered by the Agency and these findings are consistent with the draft Programme for Government.

The work of the Agency is quite unique in that it impacts on every workplace across the public, private, community and voluntary sectors. The Agency's core business is about capacity building through the development of good employment/industrial relations which increases the productivity of individual workplaces allowing enterprises to concentrate their energies on their core business; and when disputes do arise to assist in helping parties to an early resolution.

The Agency is of the view that public sector bodies have a broader social responsibility to contribute to the achievement of all of the PfG outcomes. However, to inform its own corporate planning processes the Agency has conducted an initial mapping exercise and has identified the following PfG outcomes as being the most relevant;

- we prosper through a strong, competitive, regionally balanced economy;
- we have a more equal society;
- we enjoy long, healthy, active lives;
- we have more people working in jobs;
- we are a shared society that respects diversity;
- we give our children and young people the best start in life
- we have high quality public services;
- we have created a place where people want to live and work, to visit and invest.

In framing this response, the Agency is minded of the need to address the operational challenges of moving from a traditional Department-led delivery model to the outcomes-based approach promulgated in this draft PfG.

The Agency is in the last year of its corporate plan and is seeking direction on how a new five year corporate plan should be framed to ensure that the work of the Agency is properly aligned to the PfG and at the same time delivers on its statutory duty. There is also the need to understand the nature of the governance arrangements that Arms-Length Bodies will be required to comply with in delivering on their PfG commitments.

The Agency has had helpful discussions with the SRO in DfE about including the Agency in the narrative of its delivery plans and has also had very positive meetings with lead officials in the Executive Office to better understand how the Agency should respond to the PfG. The Agency has found it difficult to secure meetings with other SROs to explore how the Agency could be included in individual delivery plans. **The Agency would encourage the Executive Office to consider working with a number of Pathfinder ALBs to develop a template for corporate plans. The Agency would be happy to assist.**

A second potential development area relates to the corporate governance requirements that will apply to ALBs. It is our understanding that the Department of Finance will be in the lead on any governance matters. **Again the Agency would encourage the Department of Finance to work with a number of ALBs on the development of a governance model that provides the necessary assurance in terms of PfG delivery and which meets all accountability standards.**

In conclusion, the Agency is generally content with the PfG outcomes, indicators and measures as set out the draft Programme for Government Framework but would encourage further engagement with ALBs on the logistics around corporate planning and corporate governance.