

**Department of Finance  
Memorandum on the Thirty Seventh  
Report from the  
Public Accounts Committee  
Mandate 2011-2016**

**Invest to Save Funding in Northern Ireland**

**Presented to the Northern Ireland Assembly  
by the Minister of Finance**

**9 June 2016**



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# **Glossary of Abbreviations**

**DFP**            Department of Finance and Personnel

**DoF**            Department of Finance

## Thirty-Seventh Report

### Department of Finance

#### Invest to Save Funding in Northern Ireland

Since the Public Accounts Committee published their report on “Invest to Save Funding in Northern Ireland”, restructuring of Northern Ireland departments has occurred. The functions of the Department of Finance and Personnel (DFP) are now undertaken by the Department of Finance (DoF).

##### *PAC Recommendation 1*

**It is clear that many projects funded by the Invest to Save schemes did not generate quantified savings and were not truly additional in nature. The Committee recommends that, where ring-fenced monies are made available in schemes of this nature, clear selection criteria are established, SMART objectives are established and a detailed assessment of costs and benefits is carried out.**

DoF accepts this recommendation.

Lessons have been learned from the Invest to Save schemes and the Change Fund introduced in 2015-16 provided clearer guidance including detailed selection criteria, defined objectives and prescriptive project evaluation. In any future ring-fenced schemes where savings are required to be generated, DoF will ensure that clear selection criteria and SMART objectives are established and a clear assessment is carried out.

##### *PAC Recommendation 2*

**No clear targets were set for the individual projects, or for the schemes as a whole. Savings were not monitored or reported on by departments or centrally to the Assembly. The Committee recommends that there must be clearer accountability for central initiatives of this nature. There needs to be a focus on measuring achievements more clearly, and mechanisms must be in place to regularly report back on and validate outcomes and savings achieved.**

DoF accepts this recommendation.

DoF agrees that there must be clear accountability for central initiatives and that there should be a focus on measuring and reporting achievements. The 2015-16 Change Fund, managed by DFP (now DoF) introduced detailed evaluation procedures including interim and ex-post assessments. For future central initiatives of an invest-to-save nature DoF will ensure that selection criteria includes information to measure progress, and will put in place mechanisms to report outcomes appropriately.

##### *PAC Recommendation 3*

**Change initiatives of this nature should not be introduced hastily, or without sufficient planning. The Committee recommends that future schemes are designed in consultation with those likely to be delivering projects and provide sufficient lead-in time to ensure high quality proposals can be developed and funded.**

DoF accepts this recommendation in principle.

DoF agrees change initiatives should not be introduced hastily, and that they should be properly planned where possible to ensure high quality proposals can be developed.

However, whilst DoF will endeavour to design future schemes in line with the principles of this recommendation, the timing and nature of future schemes is ultimately a matter for the Executive and is likely to align with the Budget timetable, which has a number of external factors beyond the control of DoF.

*PAC Recommendation 4*

**The Invest to Save schemes represented an ideal vehicle to make a real difference and add value to service delivery as well as generating savings. This was an opportunity lost. The Committee recommends that ring-fenced funds of this nature have a clearer focus and are used to encourage and promote well managed risk-taking, innovation and joint-working with a goal of ultimately improving outcomes for citizens. Funding of this nature should not simply be used to off-set pressures in mainstream budgets.**

DoF accepts this recommendation.

It has been acknowledged that the Invest to Save scheme projects had individual merit, however DoF accept that there was a lack of clarity around the specifics of some projects.

As outlined in the response to Recommendation 1, DoF has learned lessons from the Invest to Save schemes and has already applied those lessons to the Change Fund which had a clear focus to deliver cross-cutting, innovative projects that improved the delivery of services to the citizen.

However, as regards designing any future schemes it will be a matter for the Executive to decide on the focus and specifics of those schemes.

*PAC Recommendation 5*

**For central initiatives of this nature, it is unacceptable that there is no central monitoring, reporting and evaluation. The Committee recommends that, while individual accounting officers remain accountable for their own department's spending, the Department of Finance and Personnel must exercise a proportionate but robust role in setting objectives, monitoring progress, reporting to the Assembly, evaluating outcomes and disseminating lessons to be learnt.**

DoF accepts this recommendation.

The 2015-16 Change Fund set out a central monitoring and evaluation role for DFP (now DoF).

Where future central initiatives are taken forward by DoF, DoF will recommend to the Executive that the role of DoF will include setting objectives, monitoring progress, reporting to the Assembly, evaluating outcomes and disseminating lessons to be learnt. Final decisions however on the role of DoF will be a matter for the Executive.



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