

10x Performance Management Framework – Summary of Consultation Responses

Department for the Economy

October 2022

Background

This document provides a summary of responses to the Department for the Economy's consultation on the 10x Performance Management Framework.

The purpose of consultation was to seek views on two parts of the Framework:

- 10x Objectives
- 10x Tier 2 Metrics.

In May 2021 the Department published a 10x Vision outlining its vision for the future of the NI economy. This was published during the ongoing response to Covid-19 and was intended to provide a long term vision of the economy to guide work on planning for economic recovery following the end of restrictions.

Work to translate this Vision into more granular policy detail has been ongoing within the Department, with some details due to redeployment of staff to respond to economic disruption from health restrictions. This has included significant analytical work.

On 12 October the Minister launched a short consultation on the 10x Performance Management Framework. This represents a changed approach from what the Department has previously done in a number of ways: it provides a framework for work across the Department, it was developed with international scale of ambition; and consulting represented one step towards greater transparency.

Consultation closed on 26 October. Due to the short consultation period, the Minister also launched an expression of interest form to ensure that those who wish to be involved in the policy process can be involved at every stage rather than just at consultation.

The Consultation Process

The Consultation was launched on 12 October. A link to the consultation was distributed to stakeholders and to the media.

The consultation ran for a period of 2 weeks and ended on 26 October. In total there were 43 responses to the consultation. There were 39 responses to the consultation questions were received (34 through the online survey, 5 by email). Four responses were received which did not use the consultation response form or survey.

One public engagement event was held virtually on 20 October.

The consultation page on the Department's website had 1,019 unique views.

Figures for downloads of documents associated with the consultation are as follows:

- Consultation document - 567
- 10x metrics document - 305

- Response template - 162
- Privacy Notice - 55

The Department for the Economy is grateful to those who took the time to respond to the consultation.

Summary of responses and comments

Twelve questions were asked as part of the consultation. Seven questions provided tick box responses, and the remaining questions were free text responses where respondents could provide comments.

Question 1: Do you agree with the overall objectives for the Department

- a) Our objective is for Northern Ireland to have a high performing economy driven by innovation underpinned by high levels of collaboration across business, academia, government and civil society. To do this we will increase total R&D expenditure by 55% by 2030 from a baseline of £1,167m in 2020.

77% Agree; 13% Disagree; 5% Don't know; 5% No response

- b) Our objective is to create opportunities for economic growth which are distributed across society to benefit everyone. To do this we will increase Northern Ireland Household Disposable Income above the SAE average while maintaining NI as one of the top performing SAEs in relation to the Gini-coefficient (a measure of income equality).

74% Agree; 5% Disagree; 13% Don't know; 8% No response

- c) Achieving 80% electricity consumption from renewable sources by 2030 so that households and businesses have access to essential and affordable energy.

87% Agree; 5% Disagree; 5% Don't know; 3% No response

Respondents were also asked for any comments on these objectives.

There were a range of comments on this question:

- Several were concerned that a focus on R&D may not necessarily lead to commercial innovation and one response indicated that high quality jobs would be preferable metrics to R&D investment;
- Several responses highlighted the needs of those who face barriers in participating in the economy. These included concern for those on low incomes and the importance of affordable childcare. Two responses highlighted that it was necessary to tackle existing inequalities in working to achieve these objectives.
- Several felt that while the principles were good, the objectives themselves are over-ambitious given the current economic climate. One response indicated

that there was a need for greater clarity on how the Department would deliver these objectives.

- Two responses highlighted the increase in public investment required to deliver the R&D objective and the role of different parts of government in delivering this.
- Respondents who agreed with the objectives also raised a number of other issues which they felt should be considered by the Department: FE lecturers' pay, the skills pipeline through the education system, and the impact of energy prices on businesses.
- One response focused on links with health challenges and opportunities. Firstly the need for work across Departments to reduce reliance on fossil fuels, and in particular address the public health challenge of air pollution. Secondly, the need to recognise the role of charities in funding life and health sciences R&D in NI.
- One respondent who disagreed with the objectives indicated that they agreed overall but felt that success for 10x should be measured differently and incorporate the fundamental change outlined in the 10x Vision.
- One response indicated the need to prioritise a 'just transition' in implementing sustainability objectives.
- One response encouraged the Department to use gender budgeting tools in its implementation.
- One response highlighted the need to increase knowledge and skills of consumers and suppliers on renewable energy.

Question 3: The Department has set out the following as contributing objectives for innovation, for each of these do you agree or disagree that these are reasonable objectives given the overall objective for innovation?

a) 450 additional R&D performing businesses in NI by 2030 [sub-regional monitoring of data]

62% Agree; 10% Disagree; 18% Don't know; 10% No Response

b) 55% of NI businesses surveyed in Innovation Survey to be innovation active firms by 2030 [sub-regional monitoring of data]

56% Agree; 13% Disagree; 21% Don't know; 10% No response

c) 10% of NI businesses to be holders of an Innovation Accreditation by 2030 [sub-regional monitoring of data]

44% Agree; 23% Disagree; 23% Don't know; 10% No response

d) Increasing the proportion of individuals leaving Northern Ireland higher education institutions with first degrees and post-graduate qualifications in narrow STEM subjects Baseline: 24% in 2019/20 Target: 27% by 2029/30

51% Agree; 21% Disagree; 15% Don't know; 13% No Response

Respondents were also asked if they had any further comments to make on the proposed contributing objectives for innovation.

A range of comments were made around these contributing objectives:

- Innovation Accreditation: there were two groups of responses which focused on the innovation accreditation. Several respondents believed that the Innovation Accreditation was well placed to drive innovation. Several other respondents did not consider the innovation accreditation would adequately measure innovative activity in the economy.
- STEM skills: several respondents believed that the Department should not focus on degree-level narrow STEM skills and rather should cover the broader education system including promoting STEM in early years settings, the importance of traditional trades and postgraduate qualifications. For some this related to a desire to increase diversity of those studying STEM and particularly those from lower income backgrounds, for others it related to a view on the skills levels that businesses are seeking to recruit. Two respondents believed that the STEM objective was too low and did not reflect the overall level of ambition. One response indicated that there should be incentives to study STEM subjects to boost uptake.
- Four responses indicated that the objectives were not sufficiently ambitious.
- Several responses highlighted other measures the Department should consider, including patent generation, productivity, high quality jobs and exports.
- Two responses touched on the need to ensure NI retains and attracts people.
- One respondent who disagreed with the objectives indicated that there was a need for education on what innovation is, as businesses are under-reporting innovation activity.
- One response highlighted that cuts to charitable funding have had a direct impact on medical research and the loss of medical researchers.
- One response noted that these objectives would benefit those already in the workforce and also noted the need for the Department to encourage innovation in sectors where men are not the majority of the workforce such as the care sector or public sector.
- One response highlighted the need to better align the work of core funders to achieve these objectives and highlighted initiatives which may help to achieve these objectives.
- One response indicated that there was an overall lack of clarity in these objectives and the definitions for each.
- One response highlighted affordable childcare as an essential enabler of innovation.
- One response indicated that employers will need to invest in upskilling their workforces to drive innovation
- One response indicated the need to focus on successful R&D rather than R&D investment in itself.

Question 5 The Department set out the following as contributing objectives for inclusion, for each of these do you agree or disagree that these are reasonable objectives given the overall objective for inclusion?

a) Close the employment gap between:

- Males and females (9 p.p.)
- Individuals with and without a disability (44 p.p.)
- Least vs most deprived (22 p.p.)

87% Agree; 5% Disagree; 5% Don't know; 3% No Response

b) Increase the proportion of the working age population with qualifications at level 3 and above from 57.2% (2020) to 70-75% by 2030

79% Agree; 5% Disagree; 13% Don't know; 3% No Response

Respondents were also asked if they had any further comments to make on the contributing objectives for inclusion

A range of comments were made on this

- Gender: there were distinct sets of comments on gender from those respondents who provided comments. Those who were supportive of closing the employment gap between men and women, raised the issue of childcare and social care as an important factor in this gap and that women from disadvantaged backgrounds face particularly high barriers. Two responses also highlighted that this and other objectives highlighted structural issues which need to be addresses to achieve the positive outcomes outlined in 10x and that the gender pay gap should also be addressed. Two respondents believed that the employment gap between men and women was a matter of personal choice or not something that the Department should seek to address.
- Level 3 qualifications: three respondents commented on the objective related to level 3 qualifications. Two respondents indicated that level 3 qualifications in STEM or economically relevant areas should be prioritised rather than level 3 qualifications in general. One indicated that this target would not be met without further investment in FE. One indicated that the need to consider older employees and ensure that flexible assessment methods were used which recognised experience. One response indicated that there was a need to retain parity of esteem between degrees and apprenticeships and address the apprenticeship levy.
- Several responses proposed other groups which should be considered in terms of addressing employment gaps. These included ethnic minorities,

those in rural areas, those with low incomes, those with dependants, age of dependants and lone parent households.

- Several responses highlighted the need for this work to be linked in with the work of other departments and highlighted that there would be factors outside the control of the Department;
- Several respondents felt that 'close the employment gap' was too vague.
- One response suggested reframing this strand as a skilled and inclusive workforce and focusing on the workforce rather than inclusion in itself.
- One response highlighted the importance of linking inclusion and innovation strands in terms of employment of disadvantaged groups.
- One response highlighted the role of the tourism sector in providing jobs that are spread across NI in terms of inclusion.

Question 7 Noting that more specific targets are likely to emerge through work arising from the Climate Change Act, do you agree with maintaining space in sustainable objectives for objectives arising from this work?

87% Agree; 3% Disagree; 10% Don't know; 0% No Response

Question 8 Do you agree with the objective of doubling the size of NI's low carbon and renewable energy economy to more than £2bn turnover?

79% Agree; 5% Disagree; 15% Don't know; 0% No Response

Respondents were also asked if they had any further comments to make on the proposed contributing objectives for sustainability

The major themes in these comments were:

- Three respondents indicated that sustainability should be central to all of the Department's work. Another indicated that there were more pressing issues for the Department to focus on such as inclusion.
- Several respondents believed that we should actively seek out these opportunities in the low carbon/renewable sector. One respondent believed that growing the size of low carbon sector was not important. One respondent who support this objective highlighted that work on upskilling would be necessary to achieve this and the need for Government support to be provided for this and the cost of retrofitting existing buildings. Three responses highlighted the need for effective work between departments to drive this.
- The cost of energy to business at the moment was raised in several responses as a significant challenge.

- Two respondents indicated that the care sector should be prioritised as a low carbon sector that would deliver greater economic impact than investment in less sustainable sectors such as construction.
- Two respondents indicated that offshore wind should be prioritised to achieve sustainability objectives.
- There were a range of other issues mentioned in responses. These issues included the need for a just transition, the benefits of reducing air pollution, the need for standards in sustainability targets, the impact of planning decisions, the need for government support and the need to use a wide definition of sustainability.

Question 10: The Department has set out that technology, sector and cluster policy will be developed within the framework of inclusion, innovation and environmental sustainability. Do you agree/disagree that our policy in this area should aim to produce outcomes against the following metrics?

- a) Will represent a greater share of overall employment and GVA of our economy
74% Agree; 8% Disagree; 8% Don't know; 10% No Response
- b) Drive innovation in our economy (R&D investing companies)
82% Agree; 3% Disagree; 10% Don't know; 5% No Response
- c) Increase our global competitiveness through exports and investment
79% Agree; 0% Disagree; 15% Don't know; 5% No Response
- d) Become more inclusive and address current patterns of employment which contribute towards inequality in our society (people with disabilities, women, people from deprived backgrounds backgrounds)
85% Agree; 3% Disagree; 8% Don't know; 5% No Response
- e) Become the most sustainable in our economy both in ability to withstand economic shocks and in terms of environmental sustainability
79% Agree; 8% Disagree; 5% Don't know; 8% No Response

Wider 10x Metrics

At the same time as published 10x objectives the Department published a 10x Vision Baseline Report which sets out a variety of metrics that will be monitored as part of the 10x performance management framework.

As part of this consultation, we asked for feedback on Underpinning Tier 2 Metrics:

Question 11 Do you consider that these are the right metrics to monitor as we take forward 10X?

51% Agree; 13% Disagree; 28% Don't know; 8% No Response

Respondents were also asked if they had any other views on other important metrics that we had not included in the Baseline Report which should be.

A wide range of metrics were identified by respondents in response to this question:

- Regional variance
- STEM uptake in schools
- Increase in corporation tax, income tax and national insurance
- UN Sustainable Development Goals
- More specific metrics on Level 4 and 5 qualifications
- Export growth
- Gender pay gap
- All data disaggregated by Section 75 group and additionally age of dependant children and being a lone parent
- Increase in average wage between minimum wage and NI Private Sector Median
- Balance between public and private sector jobs
- Growth of immigrating experienced talent
- Productivity
- Recognition of qualifications achieved through work
- Broader metrics needed on sustainability

A number of other comments were made which touched on the metrics work in general:

- Concern at the number of metrics on innovation and that this could create confusion
- Average salary and productivity should have a higher focus than other Tier 2 metrics
- That current measures will not help drive outcomes outside of Belfast
- That productivity has not been adequately considered.
- That the Department should consider how data can be captured and whether reporting requirements will be too onerous on business
- That it will be important that the Department supports potential for food and drink exports
- That closing the employment gap is not specific enough
- That the consultation period was too short
- Need for more financial support for self-employed entrepreneurs
- Need for cross-sector funding to be provided to achieve 10x objectives.
- Greater links need to be drawn between measures used for different strands of work

- Importance of drawing comparisons with Scotland and Wales who have similar limitations in fiscal governance
- The importance of charities as funders of medical research in NI
- The need to give adequate recognition to FE in the Tier 2 metrics

Other Responses

Four responses were received which did not use the consultation response form:

- One highlighted the work of Baroness May Blood on inclusion as being relevant to this work.
- One indicated concern about the inclusion objectives, in particular the focus on employment gap between men and women and the use of the Gini coefficient;
- One response from a membership organisation, indicated support in principle for the objectives but they were unable to comment in detail due to lack of time to consult members.
- One response indicated that clarity on what we need to achieve is vital that this was missing from the 10x Vision when published, and = stressed that there were significant weaknesses in the 10x Performance Management Framework, particularly on the treatment of productivity.