



Northern Ireland
Assembly

Public Accounts Committee

Report on Capacity and Capability in the Northern Ireland Civil Service

Together with the Minutes of Proceedings of the Committee relating
to the Report and the Minutes of Evidence

Ordered by the Public Accounts Committee to be printed on 29 April
2021

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PUBLIC ACCOUNTS COMMITTEE

Membership and Powers

The Public Accounts Committee is a Standing Committee established in accordance with Standing Orders under Section 60(3) of the Northern Ireland Act 1998. It is the statutory function of the Public Accounts Committee to consider the accounts, and reports on accounts laid before the Assembly.

The Public Accounts Committee is appointed under Assembly Standing Order No. 56 of the Standing Orders for the Northern Ireland Assembly. It has the power to send for persons, papers and records and to report from time to time. Neither the Chairperson nor Deputy Chairperson of the Committee shall be a member of the same political party as the Minister of Finance and Personnel or of any junior minister appointed to the Department of Finance and Personnel.

The Committee has 9 members including a Chairperson and Deputy Chairperson and a quorum of 5.

The membership of the Committee since 20 January 2020 has been as follows:

Mr William Humphrey (Chairperson)

Mr Roy Beggs (Deputy Chairperson)

Mr Cathal Boylan

Ms Órlaithí Flynn

Mr Harry Harvey¹

Mr David Hilditch

Mr Maolíosa McHugh

Mr Andrew Muir²

Mr Matthew O'Toole³

¹ With effect from 17 February 2020 Mr Harry Harvey replaced Mr Gary Middleton

² With effect from 31 March 2020 Mr Andrew Muir replaced Mr Trevor Lunn

³ With effect from 19 May 2020 Mr Matthew O'Toole replaced Mr John Dallat

List of Abbreviations used in the Report

| | |
|---------------|---------------------------------|
| the Committee | Public Accounts Committee (PAC) |
| C&AG | Comptroller and Auditor General |
| DOF | Department of Finance |
| HOCS | Head of the Civil Service |
| NICS | Northern Ireland Civil Service |
| SIB | Strategic Investment Board |
| VES | Voluntary Exit Scheme |

Executive Summary

1. The Public Accounts Committee ('the Committee') met on 3 December 2020, 4 February 2021 and 4 March 2021 to consider the report by the Comptroller and Auditor General (C&AG) on "Capacity and Capability in the Northern Ireland Civil Service".
2. The main witnesses were:
 - a. Ms Sue Gray, Accounting Officer, Department of Finance;
 - b. Ms Jill Minne, Strategic HR Director and Head of NICSHR, Department of Finance;
 - c. Ms Michelle Woods, Director Analytics and Workforce Planning, NICSHR, Department of Finance;
 - d. Ms Anne Breen, Director Learning and Development, NICSHR, Department of Finance;
 - e. Ms Deirdre Toner, Chairperson of the Civil Service Commissioners for Northern Ireland;
 - f. Mr Ian Watmore, First Civil Service Commissioner;
 - g. Mr Kieran Donnelly, Comptroller and Auditor General; and
 - h. Mr Stuart Stevenson, Treasury Officer of Accounts, Department of Finance.
3. In the Committee's view, the report by the C&AG on "Capacity and Capability in the Northern Ireland Civil Service" (NICS) is damning and stark.
4. The Committee recognises the challenges faced by the NICS in recent years but it does not understand how a well-established organisation of approximately 22,000 staff could not get right fundamental issues such as workforce planning, recruitment and performance management.
5. The Committee is appalled by the number of adverse findings highlighted in the C&AG's report. These include:
 - only four of the nine NICS departments having a formal workforce plan in place;
 - staff vacancies that totalled 1,420;

- temporary promotions which increased by 192 per cent in a four year period;
 - an end-to-end recruitment process which takes an unacceptable length of time;
 - less than 1 per cent of permanent staff are aged between 16 and 24 years and 45 per cent are aged 50 years or older, with 80 per cent of Senior Civil Servants being aged 50 years or older;
 - 19 staff assessed as ‘unsatisfactory’ equating to 0.1 per cent of 19,900 staff who received a performance rating;
 - sickness absence rates that are almost double that of other UK jurisdictions; and
 - an overrun in the HR Connect and Agency Staff Framework contracts of approximately £69 million.
6. From the extensive evidence the Committee heard, it is abundantly clear that the existing human resource management arrangement is not fit for purpose. In the Committee’s opinion, this suggests a concerning level of indifference in some quarters, epitomised by a general lack of strong leadership and accountability.
7. The Committee is deeply concerned about the lack of planning and foresight by the NICS which transcends the C&AG’s report. There has been insufficient workforce planning, succession planning, planning to address vacancies, planning for efficient and effective recruitment and more. The NICS has inadequate numbers in post, lacks skills and experience in key functional areas, has an overdependence on the use of temporary measures to fill vacancies, and allocates staff to grades rather than to roles.
8. The Committee recommends the development of rigorous succession planning, not just at the top and business-critical roles but at all levels. A targeted recruitment strategy should aim to ‘open up’ the NICS and attract younger people and diverse talent into the NICS, notwithstanding the need for retraining and further upskilling of existing talent.
9. The NICS needs a radical overhaul. The Committee agrees with the observation given in evidence that the NICS can be seen as “hermetically sealed”. It needs opened up to become an attractive proposition for talented people from outside.

10. The NICS needs to make a significant and sustained investment in its people, crucial for the delivery of public services. The NICS must be open and committed to addressing the myriad of procedural, structural and cultural changes required to make it a successful, highly functioning organisation. Without this there will be an inferior citizen experience, inefficiencies and poor value for money.

11. The Committee is encouraged by the action taken so far to develop commercial capability in response to recommendation 7 in our joint report on the Management of the NI Direct Strategic Partner Project - helping to deliver Digital Transformation and The LandWeb Project: An Update, published on 21 January 2021.

12. This is however only a very recent positive indicator in a relatively discrete area. The real work to be done cannot be underestimated. It is urgent, requires significant change management and needs driven by strong, sustained leadership at the centre of government.

13. The Committee puts on record its deep appreciation for the exceptional work done by many civil servants across government in response to the covid-19 pandemic over the past fourteen months.

Recommendations

Recommendations 1 and 2

14. Radical transformation of the NICS and addressing the array of cultural, structural and operational changes required to make it a successful organisation will only be possible with strong governance and accountability arrangements at the top of the NICS along with extremely strong leadership and focus within the Senior Civil Service.
15. The gap between where the NICS is and where it needs to be is so wide that the radical transformation needed will not happen without strong and decisive leadership. This needs driven from the very top of the NICS along with focus and commitment throughout the Senior Civil Service, and absolute clarity on roles and responsibilities to ensure rapid change is delivered.

The Committee recommends that the HOCS must have a key leadership role in driving change and transformation in the capacity and capability of the NICS. HOCS should also ensure absolute clarity in defining the roles and responsibilities of others to deliver the change and transformation.

The Committee recommends that the governance structure of the NICS Board is revised and strengthened. It should have independent, non-executive representation to provide a fresh, robust challenge and supportive function to the NICS reform and transformation agenda.

Recommendation 3

16. The Committee is frustrated by the lack of clarity around the roles and responsibilities of the key stakeholders in the NICS delivery model including NICS HR, HR Connect and line management. The Committee is concerned that line management feel restricted or disempowered when it comes to managing staff and questions why this is the case. It is crystal clear to the Committee that dis-empowerment of line managers needs urgently addressed.

17. The Committee considers that NICS HR is not operating at a sufficiently strategic level and questions whether, as currently constituted, it has the capacity and capability in itself to deliver the transformation required.

PAC recommends a review of the operating model for HR to ensure it is in a position to deliver the necessary transformation and cultural change needed and to consider other models and good practice that has been successful. The NICS needs to provide strategic HR at the centre of government and ensure it has the capacity and capability to deliver wide transformation.

Recommendation 4

18. The Committee is alarmed by the obvious lack of maturity in the current workforce planning processes in the NICS. Fundamental planning processes should have been operational within the NICS many years ago.

The Committee recommends urgency be applied to establishing effective workforce planning. NICS' Senior Leadership must take responsibility for driving the delivery of a NICS-wide workforce plan, which identifies both headcount and skills.

Recommendation 5

19. The Committee is surprised by the significant rise in vacancy rates. It is shocked by the extent and length of temporary promotions in the NICS alongside an alarming rise in the use of agency staff and the associated increased costs.

The Committee recommends that the NICS' approach to operational vacancy management be significantly improved. A sustained effort must be made by the NICS to reduce reliance on temporary staffing measures.

Recommendation 6

20. The Committee believes the existing NICS recruitment and selection procedures are not fit for purpose. The Committee struggles to understand how the end-to-end process can be so lengthy.

21. The Committee is troubled by the continued use of large scale general service recruitments. The Committee fails to see how such a process can adequately match the specific skills and experience of a candidate with the particular needs and requirements of available posts. The process does not guarantee the placement of the right people in the right posts at the right time.
22. The Committee considers it essential that recruitment procedures should include assessments of public sector values in determining suitability for employment in NICS. This is fundamental to building the esprit de corps in shared values for public good.

The Committee recommends a fundamental revision of recruitment and selection procedures in the NICS, with greater strategic oversight and an increased focus on the efficiency of the end-to-end process with target timescales set and monitored by the NICS and departmental boards. The NICS should have job specific recruitment and selection and should explore the scope to assess public sector values in its procedures.

Recommendation 7

23. The Committee is astounded that only four of the nine departments have undertaken any form of skills audit. The NICS is not in a position to know what skills gaps exist and what is needed to meet future operational requirements. This situation needs to be addressed as a matter of urgency.
24. The Committee considers a lack of functional skills is clearly a contributory factor behind the increasing reliance of the NICS on specialist staff deployed by the Strategic Investment Board (SIB).

The Committee recommends the NICS grows and develops its own key functional skills within a wider skills model, similar to that of the GB Civil Service.

Recommendation 8

The Committee is shocked to learn that less than 1 per cent of the NICS workforce are aged between 16-24 and 45 per cent of NICS staff are aged 50 and over, with 80 per cent of Senior Civil Servants being aged 50 years or older.

25. The Committee shares concerns with the C&AG that significant numbers of staff could retire in the next ten years which could leave the capacity and capability of the NICS extremely eroded.

The Committee recommends the development of rigorous succession planning, not just at the top and business-critical roles but at all levels. A targeted recruitment strategy should aim to 'open up' the NICS and attract younger people and diverse talent into the NICS, notwithstanding the need for retraining and further upskilling of existing talent.

Recommendation 9

26. The Committee believes the NICS two box performance system does not incentivise staff to perform better or tackle poor performance. The Committee is astounded by the statistic that only 19 out of 19,900 staff who received a performance rating (i.e. 0.1 per cent) were assessed as 'unsatisfactory'.
27. The Committee is concerned about how staff are being managed remotely and to what extent the archaic NICS systems are equipped to deal with the situation caused by the pandemic.

The Committee recommends a radical overhaul of performance management to appropriately manage under performance, and incentivise staff to improve and develop. The NICS should consider enhancing accountability by introducing a time allocation system alongside its flexible working. In addition, a home-working policy, reflective of modern-day expectations, should be put in place immediately.

Recommendation 10

28. The Committee is extremely disappointed with the unfavourable sick absence statistics within the NICS when compared to other UK jurisdictions although it notes an extraordinary drop of 31 per cent in sick absence during the first nine months of the pandemic.

The Committee recommends that the NICS explore the reasons why there has been such a drop in sick absence and identify what lessons can be learned for use in absence management strategies to help improve not only staff well-being but also to sustain the levels of capacity and capability in the NICS workforce.

Recommendation 11

29. The Committee is concerned there may be legislative constraints under which the Commissioners for Northern Ireland (NI) operate compared to the greater strategic flexibility which appears to operate within GB. The agreement in place between the Commissioners for GB and the Cabinet Office facilitates a more 'front footed approach' with involvement not only in recruitment and selection but also in talent management and other initiatives. The Commissioners for NI recognise there is room to expand their strategic role and responsibilities.

The Committee recommends the Commissioners for NI explore with the NICS how they can best support the delivery of change and transformation in recruitment and selection processes and other related areas. The Committee believes this could be achieved through a Memorandum of Understanding although a fundamental change to the legislative framework may be required. The Committee also recommends that appointment of NI Commissioners by the NI Executive should be explored. NI Commissioners should also continue to collaborate with those in other jurisdictions.

Recommendation 12

30. The Committee notes the extensive recommendations made by the C&AG in his report. We have not sought to replicate each of those, but we agree with them and it is important therefore that all recommendations are addressed. This

includes matters such as ensuring all Senior Civil Servants have capacity and capability related objectives in their appraisals and putting in place strategies for talent management and learning and development.

The Committee recommends that all of the recommendations in the C&AG's report dated 18 November 2020 are addressed and implemented.

Background and Introduction

31. A highly functioning NICS is crucial to the effective delivery of public services in Northern Ireland. At March 2019, over 22,000 people were employed by the nine NICS ministerial departments (and their executive agencies) to administer services, projects and programmes linked to the strategic priorities outlined in the 2016-2021 draft Programme for Government.
32. Around two-thirds of NICS staff are categorised as general service, which means they can work in a wide range of roles including operational delivery, policy, and project/ programme management.
33. Although staff are the primary asset of the NICS, in recent years budgetary pressures have required the NICS to undertake a programme of workforce rationalisation, delivered through a Voluntary Exit Scheme (VES) and a restructuring of NICS departments. Consequently there has been a 15 per cent reduction in the workforce.
34. Under these circumstances the NICS has been expected to deliver business as usual but it has also had to respond to the other challenges associated with the suspension of the Northern Ireland Assembly, preparing Northern Ireland for exiting the EU and more recently, reacting to the COVID-19 global health pandemic.
35. This Committee believes these challenges have served to highlight longstanding weaknesses in the capacity and capability of the NICS workforce. There has been an ongoing failure by NICS to have the right number of people in post with the requisite skills, knowledge and expertise at the right time. This was recently demonstrated by the 2020 report on the Non-Domestic Renewable Heat Initiative (RHI) scheme, where serious weaknesses in its design and governance exposed deeper underlying concerns around the capacity and capability of the NICS to deliver complex programmes of this nature.
36. Due to a range of cultural, structural and operational issues the NICS has not driven the transformation wanted and needed. The Committee has concerns that the NICS is risk averse but sees this report as providing the opportunity for

renewed impetus to enable the NICS to grow and evolve into a modern, highly effective organisation and to become an employer of choice. The NICS needs to invest more to develop its own people but also to open itself up and truly attract the best of talent from elsewhere.

Leadership skills and standards need to be enhanced and developed to enable greater capability to move the NICS forward

37. Notwithstanding the challenges recently faced by the NICS, the lack of progress is of significant frustration to the Committee and is simply indefensible. The NICS now more than ever needs to be open and committed to addressing the myriad of cultural, structural and operational changes required to make it a successful organisation. The gap between where the NICS is and where it needs to be is so wide that the radical transformation needed will not happen without strong and decisive leadership. This needs driven from the very top of the NICS along with focus and commitment throughout the Senior Civil Service, and absolute clarity on roles and responsibilities to ensure rapid change is delivered.

38. The Committee reiterates the recommendation in its Report on Major Capital Projects: “In line with arrangements in Scotland and Wales, the HOCS in Northern Ireland should have personal responsibility for the propriety and regularity of all government finance and the economic, efficient and effective use of related resources. It is not acceptable that in Northern Ireland, the HOCS sits outside the formal chain of public accountability. The Committee therefore strongly recommended that the role of the Northern Ireland HOCS is revised and strengthened to mirror the role in Scotland and Wales.”

39. **The Committee recommends that the HOCS must have a key leadership role in driving change and transformation in the capacity and capability of the NICS. HOCS should also ensure absolute clarity in defining the roles and responsibilities of others to deliver the change and transformation.**

40. **The Committee recommends that the governance structure of the NICS Board is revised and strengthened. It should have independent, non-executive representation to provide a fresh, robust challenge and supportive function to the NICS reform and transformation agenda.**

The HR operating model in the NICS needs to be reviewed with roles and responsibilities clarified

41. The Committee is deeply concerned by the current ineffectiveness of the HR transformation programme. The purpose of a centralised delivery model for the HR function was to achieve consistent and transparent governance arrangements to help optimise HR resource utilisation, but this has proved to be problematic for the NICS. The Committee is frustrated by the lack of clarity around the roles and responsibilities of the key stakeholders in the NICS delivery model including NICS HR, HR Connect and line management. It is concerned that line managers feel restricted or disempowered when it comes to managing staff and questions why this is the case. Do existing procedural or cultural barriers stand in the way? The Committee does not comprehend why line managers are not dealing directly with issues such as managing attendance, performance management and disciplinary matters as they are best placed to do so, with suitable professional advice available when necessary. It is crystal clear to the Committee, from the evidence received, that disempowerment of line managers needs urgently addressed.
42. The Committee recognises that since the establishment of NICS HR in 2017, the landscape in terms of customer and operational demands, and workforce capacity and capability required to address these has changed significantly.
43. However, the Committee considers that NICS HR, a key enabling function, is not operating at a sufficiently strategic level and questions whether, as currently constituted, it has the capacity and capability in itself to deliver the transformation required.
44. **The Committee recommends a review of the operating model for HR to ensure it is in a position to deliver the necessary transformation and cultural change needed and to consider other models and good practice that has been successful. The NICS needs to provide strategic HR at the centre of government and ensure it has the capacity and capability to deliver wide transformation.**

Steps must be taken to urgently improve strategic workforce planning across the NICS

45. The Committee is deeply concerned about the absence of proper workforce planning in the NICS. It is not acceptable that only four out of nine NICS departments had formal workforce plans in place prior to 2019-20, one of which is DoF, the Department with responsibility for ensuring the most appropriate and effective use of public resources within the NICS.
46. The Committee notes the introduction of a consistent workforce planning template for all departments, but this only considers headcount and not skills. DoF officials advised that the workforce planning returns recently received from departments appear to be 'wish lists' rather than realistic, affordable estimates of staff requirements. The Committee is alarmed by the obvious lack of maturity in the current processes.
47. **The Committee recommends urgency be applied to establishing effective workforce planning. NICS' Senior Leadership must take responsibility for driving the delivery of a NICS-wide workforce plan, which identifies both headcount and skills.**

The NICS must reduce the current level of vacancies and use of temporary staffing solutions to a more sustainable level

48. The Committee questions how departments can plan and manage their increasing staff vacancies effectively, in the absence of well-established workforce planning processes. It is unsurprising that vacancy rates have been rising significantly.
49. In managing reduced capacity, the NICS has used a series of temporary staffing measures to deliver services. The Committee is shocked by the 192 per cent increase in the number of temporary promotions in a four year period with a third of these lasting longer than 12 months, some even in excess of 4 years. This is simply unacceptable and must be addressed as a matter of urgency.

50. There has also been an alarming rise in agency staffing costs of 155 per cent over the two years to March 2019, coupled with an over-spend on the current agency worker framework of £48 million (46 per cent). The agency workers framework was set up in 2016 to: 'fill short term vacancies required for urgent business needs that cannot be met in any other way'. It is therefore unacceptable that 70 per cent of the agency staff were covering permanent positions. Again, this must be addressed as a matter of urgency.
51. The Committee is deeply concerned that some departments appear not to declare a vacancy until a desired individual appears on a successful candidate appointment list. This behaviour is inappropriate, dysfunctional and not reflective of collegiate or collaborative working. It is symptomatic of a lack of strategic HR.
52. **The Committee recommends that the NICS' approach to operational vacancy management be significantly improved. A sustained effort must be made by the NICS to reduce reliance on temporary staffing measures.**

NICS recruitment processes need to be less cumbersome and protracted and must ensure the right people are selected for the right posts

53. The Committee believes the existing NICS recruitment and selection procedures are clearly not fit for purpose.
54. The majority of NICS departments state that the time taken to recruit and place both internal and external staff in post is not satisfactory. The Committee struggles to understand how the end-to-end process can be so lengthy. It is also concerned that the NICS could lose out on good external staff because they get tired waiting on a placement and accept a post elsewhere, or worse still, that cumbersome processes prevent them from applying in the first instance. This clearly inhibits any perception of being an employer of choice and dilutes the NICS brand.

55. Specialist, professional and technical posts and the majority of Senior Civil Service posts are recruited to a specific role but for most NICS posts recruitment is on a generic basis to grades. The Committee is troubled by the continued use of large scale general service recruitments. The process does not guarantee the placement of the right people in the right posts at the right time.
56. The Committee concurs with the findings of the RHI inquiry which suggests “the need to incorporate an assessment of the skills required to fulfil the specific role in question rather than matching a person to a role according to their grade or level of pay. Such an approach is essential and would lead towards more job-specific recruitment and selection.” Furthermore the Committee considers it essential that recruitment procedures should include assessments of public sector values in determining suitability for employment in NICS. This is fundamental to building the esprit de corps in shared values for public good.
- 57. The Committee recommends a fundamental revision of recruitment and selection procedures in the NICS, with greater strategic oversight and an increased focus on the efficiency of the end-to-end process with target timescales set and monitored by the NICS and departmental boards. The NICS should have job specific recruitment and selection and should explore the scope to assess public sector values in its procedures.**

The skills and capability of the NICS workforce needs to be expanded and developed to encompass key functional areas such as contract and project management

58. The Committee is astounded that only four of the nine departments have undertaken any form of skills audit to date providing them with some knowledge of their workforce skill sets and identifying potential skill gaps. A central database of skills and experience does not therefore exist. The NICS is not in a position to know what skills gaps exist and what is needed to meet future operational requirements.
59. It is generally recognised that gaps exist in certain functional areas, for instance, the dearth of contract management and commercial skills is obvious from the

number of contract extensions and overspends experienced across the NICS. The Committee welcomes DoF's assurance that the Department is tapping into the expertise available from the Cabinet Office and has appointed its own commercial director to negotiate with external suppliers. In this regard, the Committee welcomes the Department's Commercial Capability plan which was published in March 2021.

60. A skills model that meets NICS needs is now crucial. The Committee understands that over the last decade, the GB Civil Service has progressively applied a greater focus on widening and enhancing its workforce skills base, not only professional and technical skills but it formally identified 11 functional skills. It is the Committee's view that this wider skills model is key to the successful delivery of public services in NI. This will require an extraordinary amount of collaborative work to be done now.

61. The Committee considers a lack of functional skills is clearly a contributory factor behind the reliance of the NICS on specialist staff deployed by the Strategic Investment Board (SIB). The upskilling of NICS staff would mean only using the SIB for major investment programmes and projects for skills which the NICS workforce cannot sustain on a permanent basis.

62. The Committee recommends the NICS grows and develops its own key functional skills within a wider skills model, similar to that of the GB Civil Service.

There is a need for greater focus on the age imbalance and other areas of diversity in the NICS

63. The Committee is shocked by the composition of the NICS workforce, noting less than 1 per cent of permanent staff are aged between 16 and 24 years and 45 per cent aged 50 years or older, with 80 per cent of Senior Civil Servants aged 50 years or older, which in terms of succession planning is of particular concern. The NICS has not afforded this area sufficient attention from either a strategic or long-term perspective.

64. The Committee is aware that a large numbers of retirements could occur in the next ten years, however, robust plans have not been drawn up to address these

potential departures, which could leave the capacity and capability of the NICS extremely eroded.

65. The Committee welcomes recent large scale external recruitment exercises at junior and middle management grades along with various talent initiatives, including apprenticeships and a commitment to introduce a new NICS Management Trainee Scheme. These actions will help to redress the current age imbalance but this is only the starting point; there is still more to be done to enrich the diversity and inclusivity of the NICS. It needs opened up to become an attractive proposition for talented people from outside.

66. **The Committee recommends the development of rigorous succession planning, not just at the top and business-critical roles but at all levels. A targeted recruitment strategy should aim to ‘open up’ the NICS and attract younger people and diverse talent into the NICS, notwithstanding the need for retraining and further upskilling of existing talent.**

The performance management approach in the NICS must be overhauled

67. The Committee believes the NICS’s two box performance system (‘satisfactory’ or ‘unsatisfactory’) does not incentivise staff to perform better or tackle poor performance. It is a blunt instrument and not fit for managing a modern workforce.

68. The Committee is astounded by the statistic that only 19 staff were assessed as ‘unsatisfactory’, equating to 0.1 per cent of those 19,900 who received a performance rating. The lack of assessments for over 1,000 staff with no justifiable reason also concerns the Committee.

69. Due to the pandemic large numbers of staff are working from home but the Committee was amazed to learn that a home-working policy was not in place. The Committee is therefore concerned about how staff are being managed remotely and to what extent the archaic NICS systems are equipped to deal with this situation.

70. The Committee recommends a radical overhaul of performance management to appropriately manage under performance, and incentivise staff to improve and develop. The NICS should consider enhancing accountability by introducing a time allocation system alongside its flexible working. In addition, a home-working policy, reflective of modern-day expectations, should be put in place immediately.

There needs to be a much greater focus on talent management and learning and development in the NICS

71. The Committee notes a range of talent management programmes introduced recently, but is disappointed to learn that the NICS has not yet developed a formal stand-alone talent management strategy. The Committee considers there is further scope to introduce other talent initiatives aimed at strengthening standards across the NICS. In addition, the Committee is frustrated by the NICS' apparent inability to nurture and attract sufficient talent and market itself as an employer of choice. The Committee welcomes the commitment to introduce a new NICS Management Trainee Scheme, however the Committee is disappointed there is no clear timeline for this, with NICS advising it is subject to availability of resources and business cases. This needs to be addressed urgently.

72. It is the Committee's view that the NICS has significantly underinvested in the learning and developing of NICS staff over a sustained period. This includes investing in leadership skills across the NICS. DoF officials advised the Committee that the NICS People Strategy 2018-21 is providing an integrated strategic direction on learning and development in a number of priority areas such as developing new skills in the NICS and building career paths, breadth of experience and depth of knowledge. The Committee recognises the importance of these areas but questions whether the People Strategy alone is sufficient to deliver business and job-related learning and development needs.

The culture around sickness absence in the NICS needs to change

73. The NICS has a significantly higher average number of working days lost due to sickness than other UK civil services.

74. The Committee believes a lack of ownership by line managers pervades the NICS approach to sick absence. The Committee wants to know whether it is poor morale or some form of 'malaise' and what line managers are doing to engage with staff to bring about improvement. However, the Committee notes there was an extraordinary drop of 31 per cent in sick absence during the first nine months of the pandemic.
75. **The Committee recommends that the NICS explore the reasons why there has been such a drop in sick absence and identify what lessons can be learned for use in absence management strategies to help improve not only staff well-being but also to sustain the levels of capacity and capability in the NICS workforce.**

The role and responsibilities of Civil Service Commissioners for NI need to be refreshed

76. The Chair of the Civil Service Commissioners for NI highlighted to the Committee that their primary responsibility is to ensure appointments to the NICS are made on merit on the basis of fair and open competition. This responsibility is set out in the Civil Service Commissioners (NI) Order 1999 and the Recruitment Code on the interpretation and application of this principle, including any circumstance under which exceptions to that principle may be exercised. The Commissioners for NI recognise there is room to expand their strategic role and responsibilities. The Committee considers that the Commissioners should exercise their role more strategically.
77. The Committee is concerned there may be constraints under which the Commissioners for NI operate compared to the greater strategic flexibility which appears to operate within GB. The GB Commissioner informed the Committee of an agreement in place with the Cabinet Office which facilitates a more 'front footed approach'. For example, the GB Commissioner sits on the Senior Leadership Talent Management Group, responsible for growing the talent pipeline in the GB Civil Service through various schemes and training programmes. The Committee noted the role GB Commissioners have played in developing other initiatives.

78. The Committee was surprised to note the Commissioners for NI are appointed not by devolved Ministers, but by the Secretary of State for NI.

79. **The Committee recommends the Commissioners for NI explore with the NICS how they can best support the delivery of change and transformation in recruitment and selection processes and other related areas. The Committee believes this could be achieved through a Memorandum of Understanding although a fundamental change to the legislative framework may be required. The Committee also recommends that appointment of NI Commissioners by the NI Executive should be explored. NI Commissioners should also continue to collaborate with those in other jurisdictions.**

The C&AG's Report dated 18 November 2020

80. The Committee notes the extensive recommendations made by the C&AG in his report. We have not sought to replicate each of those but we agree with them and it is important therefore that all recommendations are addressed. This includes matters such as ensuring all Senior Civil Servants have capacity and capability related objectives in their appraisals and putting in place strategies for talent management and learning and development.

81. **The Committee recommends that all of the recommendations in the C&AG's report dated 18 November 2020 are addressed and implemented.**

Witnesses must provide open and direct responses at evidence sessions

82. After the first PAC hearing on 3 December 2020, the Committee was left with the impression that witnesses were reticent and less than fully transparent when giving their responses in open session, and at times seemed to be in denial about the strength of evidence in the C&AG's report. This necessitated a second session at which more substantive discussions took place.

List of Appendices

Minutes of Proceedings can be viewed [here](#)

Minutes of Evidence can be viewed [here](#)

Correspondence can be viewed [here](#)

Other Documents relating to the report can be viewed [here](#)

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