



NICVA Briefing Paper on Draft Priorities and Budget 2006-08

Under devolution, the Northern Ireland Executive produced a document called the Programme for Government which set out the Executive's priorities for governing Northern Ireland over a rolling three-year period. This was accompanied by a budget. The Programme for Government and Budget were put out for consultation in the autumn and finalised in December ready for the coming financial year. Under Direct Rule, Northern Ireland Office Ministers have produced slightly shorter statements of their priorities and plans along with budgets. The fourth such document produced under Direct Rule is now being consulted upon, *Draft Priorities and Budget 2006-08*.

What is the consultation about?

The consultation is asking for views on the proposed priorities for Northern Ireland in the coming two years and the budgets that accompany them. The consultation period closes on 5 December 2005. A final document will then be published in December. This consultation is important because it sets down what is going to be done by government departments, both individually and on a cross-cutting basis, for the immediate future and what funding they will have to do it. It sets the tone for governing Northern Ireland and prioritises what are the most important outcomes.

This year is slightly different in that the document only looks ahead for two years, not the usual three. This is because there will now be a UK Comprehensive Spending Review next year to look ahead from 2008. As 2005 is not a Spending Review year, no additional resources have been made available, aside from those announced by the Chancellor, Gordon Brown, in the budget in March (£22.6 m for next year and 28.7m for the year after).

Headline announcements

The aspects of the priorities and budget that have had most attention focused on them to date have been:

- A rise in the rates of 19% in the next year
- An additional £25m in each of the next two years for children and young people
- £35m over two years for tackling unemployment, economic inactivity and skills and science development
- £15m over two years plus £35m capital funding for renewable energy
- An additional £50m for health over and above what was already planned – to include additional funds for suicide prevention and help with smoking cessation
- £20m more than originally planned for education and a promise to tackle the problems of over capacity and duplication in the system

Crucially, given that the total budget figure is not being adjusted, much of this spending is premised on savings being found by departments. There is a lot of emphasis on inefficiency and waste in the system. Departments have been asked to find savings of three and four per cent on 'lower priority activities' so that money can be redirected to education and health. As with last year's drive to find 2.5% efficiency savings (which is on top of the three and four per cent), this will inevitably spell cuts in funding for voluntary and community organisations, many of whom are providing the frontline services supposedly being boosted. There is no indication in most of the departmental plans of what activities will be 'lower priority', although DOE does mention that grants to councils will be reduced and DSD states that expenditure affecting NI Housing Executive and aspects of urban regeneration will be 'reprioritised.'

There is also mention of the fact that water charges have been deferred by a year and thus the expected income next year (around an additional £50m) will not be available for spending, plus the fact that £300m is still being spent from the general public services pot on water services.

Draft Priorities and Budget sets out priorities, a section on the vision for Northern Ireland containing some context for the social, economic and environmental issues, a set of priority outcomes with associated targets and eleven sets of departmental public service agreements with targets and budgets. For the second year the overall tone is very much focused on efficiency savings in line with the UK reform agenda which is aiming to shift resources towards frontline services or 'top priority public services' as this document calls them.

What are the priorities?

As with last year's document, this one is rather confusing with a list of strategic priorities, government priorities (not the same) and priority outcomes grouped under key themes, which are not the same as either list of priorities.

Strategic priorities are listed as:

- Economic growth
- Public sector reform
- High quality public services
- A society based on partnership, equality, inclusion and mutual respect.

These may be intended to be read as UK government strategic priorities rather than Northern Ireland government priorities, but this is unclear. After a section in which the Secretary of State sets out a vision for Northern Ireland grouped under the headings of the economy, society and community, and public expenditure and public service delivery, the government's priorities for Northern Ireland are given as:

- Health
- Education
- Economic competitiveness
- Investment in skills
- Infrastructure Investment
- Energy infrastructure

- Children's and young people's services
- Review of Public Administration

The 'key themes' that then follow are:

- health and personal social services
- investment in education and skills
- building equality and community cohesion
- infrastructure development
- efficiency and reform programme

and under these are grouped the following priority outcomes:

- provision of more effective and efficient health and personal social services
- high quality education system
- a better qualified and skilled workforce
- competitive business
- reduced poverty and disadvantaged communities
- regenerated urban neighbourhoods and strong communities
- equality, inclusion and good relations
- improved infrastructure (Investment Strategy)
- to enable the progress of a modern, sustainable and safe transport system
- to develop and sustain the NICS as an organisation which serves both the institutions of government and the people of Northern Ireland through the provision of high quality, cost effective services.

Under these are grouped targets taken from the individual departmental Public Service Agreements.

The key themes from two years ago (Tackling sectarianism, community division and disadvantage; Equality, rights and victims; Improving service delivery; and Reinvestment and reform) stated better what NICVA would like to see in such a document, in articulating issues of sectarianism, division, disadvantage, equality, rights and victims. Replacing this with 'building equality and community cohesion', which was also a key theme last year, diminishes its impact and omits crucial cross-cutting issues which need to run through such a high level set of policies and actions. Once again this year, human rights are almost entirely absent from the document.

NICVA has called in past Priorities and Budget consultation processes for fewer, easy to understand, high level targets which are not about processes (we will publish a strategy, we will devise an action plan) but are outcome focused, ie spell out what changes will happen and by when.

This year, like last year, key themes are divided into priority outcomes which will be the responsibility of various departments. This represents an attempt at the kind of joined-up government that NICVA and others have been calling for. For example, priority outcomes of the key theme 'building equality and community cohesion' are: reduced poverty and disadvantaged communities; regenerated urban neighbourhoods and strong communities; and equality, inclusion and good relations. These then have targets attached to them, taken from the individual departments' Public Service Agreements. However, overall the picture

is very confusing. It is not clear how targets flow from outcomes that flow from priorities, since the different sets of each do not seem to match up.

NICVA has stated in the past that we think it is very important for this annual document to set out a high level vision for Northern Ireland, identify the key policy drivers, identify any major obstacles and take stock of policies already implemented that are making a change (or not) — ie where do we want to go, how do we intend to get there, what might be stopping us and what have we already tried that we can now learn from? Attempts need to be made to clarify the rationale for the whole document and its place in the succession of former documents. We will eventually need an answer to the question ‘are we getting anywhere?’ In this context it is important to seek to develop some kind of consistency in targets and benchmarks so that progress can be identified.

NICVA has also suggested in the past the production of some kind of summary document setting out the vision and the key high-level targets. People living in Northern Ireland are really interested in knowing the key ten things government is proposing to do here. This would make an impact on those who have neither the time nor the inclination to tackle the full document.

Public Service Agreements

The key themes are followed by Public Service Agreements (PSAs), one for each Department, flowing from one, two or three key objectives for the department which remain largely unchanged from last year. They are set out in table form with budgets, ‘planned outcomes for the citizen’, ‘key service channels’ which indicate which part of the department will have main responsibility, and targets.

Again this year departmental objectives in the individual PSAs are not explicitly linked to the ‘key priorities’ other than when departmental targets appear alongside priority outcomes early in the document. This means that because departmental remits are so broad the PSAs inevitably revert to the kind of chopped-up government that does not always easily read back to the overall joined-up priorities/themes.

Targets

Overall there are 97 targets (with 36 sub-targets) for 11 departments. It had appeared, with 85 targets last year, that an attempt at simplification was being made, compared with the previous year’s 129 targets and 186 the year before. Obviously, the work of departments is enormously complex and cannot be easily encapsulated in a few targets, but its very complexity means that if it is to be made comprehensible to those being consulted, targets must be clear, outcome focused and as strategic as possible.

Many of this year’s targets are exactly the same as last year. In some ways this is unsurprising as last year’s targets were for 2005-2008 and this year’s are for 2006-2008, so they have the same end point. However, we are a year further on and in some instances no attempt has been made to revise targets based on an extra year’s new information. For example, one of the education targets is:

- By 2008, 60 per cent of year 14 pupils achieve 3+ A levels at grades A to C (or equivalent) compared to 58% in 2003-04.

It is difficult to judge whether or not targets are ambitious, but from last year's Priorities document we know that in 2002-03 the rate was 56%. This means that in one year there has been an increase of 2% to 58%. At this rate (which admittedly might not continue) the 60% target will be achieved three years early. Yet it has not been revised in this year's document.

In previous years NICVA has strongly advocated the need for targets which focus on outcomes — actual changes in people's lives — rather than processes which departments will engage in. Targets have very gradually been moving towards an outcome focus in each of the years since the first draft Programme for Government in 2000. However, there is still some way to go and there has been no real improvement since last year. This year's targets include some very focused outcomes such as:

- By 2008, 83% of year 12 pupils in secondary schools will obtain 5 or more GCSEs at grades A to G (or equivalent) compared to 81% in 2003-04.
- To increase the percentage of working age people qualified at Level 2 or above from 63% in summer 2003 to 68% in spring 2007.
- By 2011, reduce the proportion of adult smokers to 22% or less, with a reduction in prevalence among manual groups to 27% or less.

Other targets are vague and are more 'what we will do' rather than what the outcome will be:

- Achieve more sustainable patterns of development as outlined in the Regional Development Strategy
- By 2008, make significant progress towards modernizing welfare services by delivering major government Welfare Reform priorities, modernising and improving the efficiency of internal systems and making services more accessible, joined up and integrated.
- To work with Ministers, Departments and others to secure good government, well-informed decisions, excellence in policy and legislation making and high quality services responsive to customer needs.

What's new?

There are three new funding packages as mentioned above: children and young people (£25 million per year for two years); skills and science (£15m in 06-07 and £20m in 07-08); and environment and energy (£5m and £10m). As these appear to be planned to finance mainstream government programmes, it is not clear how much the voluntary and community sector will be able to access this additional money in the way that the Children's Fund could be accessed. Priority outcomes for three funding packages are to be

included in final document as they have not been worked out in time for the consultation. This effectively means that they will not be consulted upon.

There is a new emphasis on sustainable development throughout the document, in anticipation of the new strategy due out later this year. Almost every department sets out some information on how it is contributing to this agenda. In health there is new emphasis on suicide prevention and on smoking cessation plus a new waiting time target. DCAL mentions further rationalisation and modernisation of libraries and continued investment in arts infrastructure. Education promises additional resources to implement the SEND (Special Educational Needs and Disability) Order and action on addressing over capacity and duplication. DEL has a new and welcome focus on tackling economic inactivity but a worrying intention to offer vocational courses to 'disadvantaged' young people which smacks of a two tier system since vocational training is presumably also relevant for other young people and disadvantaged young people might well be capable of taking advantage of academic educational opportunities if the system were not often failing them.

DSD places emphasis on the role of the voluntary and community sector but the stress is very much on delivering services. Volunteering and active citizenship are to be supported to strengthen communities, while there is no recognition post-Taskforce that the sector at large does this. DSD also mentions working with councils to provide support to the sector through Community Support Planning.

Consultation events

OFMDF M will be holding a series of consultation events across Northern Ireland during the consultation period. They will run from 9.00 am – 1.00 pm as follows:

4 November, Radisson Roe Hotel, Limavady
8 November, Silver Birch Hotel, Omagh
16 November, Killyhevlin Hotel, Enniskillen
22 November, Armagh City Hotel, Armagh
1 December, Wellington Park Hotel, Belfast

Copies of the Priorities and Budget and information on consultation events can be obtained by telephoning 028 9127 7688 or downloaded from www.pfgbudgetni.gov.uk.

NICVA will be submitting a response to the consultation by 5 December 2005. If you would like to contribute to the NICVA response, please contact Frances McCandless on 9087 7777 or email frances.mccandless@nicva.org by 28 November 2004.