

**SHAPING THE FUTURE OF PUBLIC SERVICES IN NORTHERN IRELAND**

**TUESDAY 3 OCTOBER 2006**

**THE WATERFRONT HALL**

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**Opening address- David Hanson MP: Implementing the Review of Public Administration – Putting resources into front line services.**

Good morning ladies and gentlemen.

Thank you for the opportunity to speak to you this morning about the RPA. A subject that is of great importance in the governance of Northern Ireland. The fact that so many people are here today clearly shows how important the reform of public services actually is.

The conference theme is Shaping the Future of Public Services, and I want to give you an outline of what the government wants to see happen. I will cover big issues, such as the Review of Public Administration, that have the potential to radically change the way we deliver services to citizens. I will also outline the changes taking place in the civil service departments to improve the things they do on a day to day basis that will be of vital importance in the future. Today is the opportunity to examine them all.

The work we are doing now is laying the foundations on which we can transform Northern Ireland into the world class place it deserves to be, with a modern world class economy that can compete on the global stage.

But first, I want to talk about the one reform that has the potential to have the greatest impact on everything else you will hear about today. I am talking about the reform of political accountability in Northern Ireland that could come about through the restoration of devolution.

Make no mistake, this is a crucial time for Northern Ireland. There is just under two months in which to restore devolution. We have 108 Members of

the Legislative Assembly, elected by the people of Northern Ireland, who should and could be taking the decisions that I and my ministerial colleagues are currently taking. Decisions that impact on the lives of every man, woman and child in Northern Ireland.

At the moment local politicians have a mandate but don't discharge their responsibilities. Direct rule Ministers have no mandate but have to discharge responsibilities, day in day out on Health, Education, Rates, Agriculture, Transport, and yes on public sector reform.

I want to see MLAs accept their obligations to the electorate by November 24<sup>th</sup> and the Assembly does not re-start, the best opportunity for Northern Ireland to progress – politically and economically – will have been lost. And it will have been lost for a very long time.

As Minister with responsibility for political development I am optimistic that MLAs will rise to the challenge by the deadline but there are consequences if they do not – and the real advantages and opportunities if they do.

No one Minister, however hard-working and dedicated, can hope to be as accessible and focussed over a wide range of issues as a Minister with only one department. This has been the experience of Scotland and Wales and was an early benefit of the Assembly before it went into suspension.

A devolved Northern Ireland would allow you to take your concerns and demands direct to an MLA who in turn had direct access to a relevant Minister. Both the Minister and the MLA would be accountable to you.

Stable, inclusive devolved government will improve the image of Northern Ireland abroad, increasing investor confidence and boosting the economy.

An inclusive Executive will be best placed to develop a consensus on contentious issues, which all too often hold Northern Ireland back.

Decisions this Government has taken in NI were made in good faith for the benefit of everyone. Some of you may not agree: the business community is not happy about industrial derating; some householders are disappointed with the reform of domestic rating and indeed about the introduction of water charges. A new Assembly can revisit these issues. In the case of rates I have specifically included a legislative lever in the legislation to allow the Assembly to review the capping issue.

As a government we believe it is right to end academic selection. But if the Assembly is restored by November 24<sup>th</sup>, the Order specifically allows for the decision to be taken instead by devolved ministers.

Some people have concerns about the strategic review of education that will report in early November. But if devolution were restored local Ministers would be taking the decisions on that.

There is unhappiness over the moratorium on new building in the countryside – this Government wanted to protect Northern Ireland’s beautiful landscape. But that decision could be reviewed by a devolved Assembly.

Things have changed dramatically in recent years and the people will need to be given good reasons as to why the people they elected will not take up their full responsibilities. If the people of NI want to see power put back where it belongs – with the people of Northern Ireland and their elected representatives – you have just under two months to persuade the politicians elected by the people to get back to work.

Now, moving to the main business of the day.

I believe in the public sector and its power for good, but we cannot get away from the fact that, in Northern Ireland, the public sector is disproportionately large compared to the private sector. While government works hard to encourage and support the growth of the private sector, this is a situation that is unsustainable in the long term.

The Review of Public Administration represents the biggest reform of local government for around 30 years. The aim is simply to cut back on excessive bureaucracy and bring services closer to the people.

The full implementation of the RPA will see significant cash savings and the key point here is that all savings stay in Northern Ireland for reinvestment in front line services. Services that citizens want and deserve. We are determined that savings achieved from cutting back on bureaucracy will be recycled to the classrooms and operating theatres.

The RPA touches on all sectors of the public service, including local government and also how we provide health and education services to our citizens.

At the local government level, much work is underway to achieve the planned reduction from 26 to 7 councils from April 2009. We have appointed a Boundaries Commissioner to look at the exact boundaries of the new councils, and he will publish his draft recommendation next month.

A local government Taskforce was established to help drive RPA implementation. The Taskforce comprises three main elements; a political panel to give a voice to elected representatives, a working group and nine sub groups, which have examined and reported on key issues.

From April 2009, councils will have responsibility for a wide range of new and innovative functions and a strong power to influence many more. This will enable them to respond flexibly to local needs and make a real difference to people's lives.

Key functions, such as planning, local roads, urban and rural regeneration and some housing services will transfer. Councils will lead a new community planning process that involves a wide range of agencies providing local services. A new power of well-being will allow the council to take any action,

not already the responsibility of another agency, linked with the community plan that will improve the well-being of the local community or local area.

As a former council leader, I would have welcomed the opportunity to take responsibility for key services such as these.

In Health, major structural streamlining is underway. Through the new organisational arrangements we will reduce bureaucracy, deliver more effective, responsive and integrated services that will bring real decision making to local communities. We have already appointed the Chief Executive Designate of the new health and Social Services Authority and have appointed the Chairs and Chief Executives of the 5 new Health and Social Services Trusts. These will replace 18 of the current 19 Trusts.

The Trusts are already operating in shadow form, and we are in the process of appointing senior management teams and planning for them to become fully operational by next April.

But we don't need to wait until the RPA kicks in to improve services for patients. Take waiting lists. Four years ago, people needing a hip replacement could be waiting for as long as 7 years, and people who needed cardiac surgery could be waiting 5 years.

Over 60,000 were waiting for an inpatient or day case procedure and 15,000 of those were waiting over 12 months, over 10,000 over 18 months.

But that was then. Today, virtually no patient is waiting longer than 12 months for any treatment. Latest statistics reveal that 98.8% of inpatients and 94.5% of outpatients were seen within 12 months.

In education, we are also taking action to help deliver value for money. The reorganisation of existing education services will provide a more unified approach to the delivery of education services. This will ensure that every

pupil, parent, teacher and school will have access to the same range of services as every other school in Northern Ireland.

This also involves fundamental change to the Department of Education. In future there will be clear separation between policy formulation and operational delivery. The Department of Education will focus more effectively on strategy, policy development and importantly, the translation of policy into improved outcomes at the front line.

An Education and Skills Authority will be established to support the operational delivery of education across Northern Ireland and across all sectors of education. The ESA will have responsibility for the functions currently performed by the five Education and Library Boards, the Council for the Curriculum Examinations and Assessment, and the Regional Training Unit.

Libraries provide an important service across Northern Ireland and a new regional Library Authority will develop the service beyond purely educational needs, providing a valuable resource for the wider community, recognising that the library has cultural, recreational and community roles. The Authority will share its central services with other bodies, and so keep administrative costs to a minimum.

Another key area of reform centres on Non-Departmental Public Bodies. Here, through merging some bodies and transferring functions to central or local government the number will be reduced from more than 80 to around 50. There will be a new focus on clear accountability so citizens are assured their interests are being best served.

There will be those who will ask how can we implement these major changes to the public sector and leave 11 civil service departments intact?

The RPA will see some key functions transfer from departments to the new organisations. As a result, a number of departments will almost certainly be

unsustainable in their current form. A detailed review will be necessary to determine the optimum number and structure of departments, to ensure we achieve a result that provides efficient and effective services to the public.

In the meantime, however, the civil service is undertaking a major programme of reform to ensure it is fit for purpose. These reforms will streamline how functions are carried out and will deliver real savings to improve front line services.

Reforms, such as the development of shared service centres for HR and personnel functions, for processing financial transactions and for staff training. These new centres will achieve real savings by concentrating expertise and cutting back on processes replicated in several locations.

This initiative could also be an opportunity for some of the new bodies set up through the RPA to make use of the shared service centres and maximise the savings accruing to the public.

But, through all the reforms I have mentioned, there is one key element that is key to success. That is how staff who work in public services are kept informed and involved.

The RPA and civil service reforms have the potential to impact on 180,000 public servants. That is over 10% of the total population of Northern Ireland. For some, the reforms may have major career implications. For many it will mean working for a new organisation and having to learn new skills. It may be a time when staff are apprehensive about change and the fear of the unknown.

Chief Executives, Chair Persons, Directors, Permanent Secretaries and line managers all need to show their commitment to delivering the total reform programme and how they communicate with staff is key to this.

You all have an important leadership role to ensure the delivery of effective communications. At a time of change, there is no substitute to speaking directly to staff. When briefing staff, we need to be open and honest. Where change is imminent, we need to provide accurate and up to date information. Where this is not available, we need to say so.

In addition to this, I am committed to keeping the key external stakeholders, such as elected representatives and the business community up to date on all the reforms. I have just completed a range of meetings with business leaders and there is great interest in what is happening in the public sector. They need to be reassured that, as essential contributors to our economy, we are using their money wisely in delivering public services to the best of our abilities.

To conclude, the overall aim of our reform programme is to put Northern Ireland onto a more sustainable economic platform that will help us to deliver quality, responsive services worthy of the citizens we serve.

There are many challenges ahead and I have no doubt that as we work through the process the end benefits will become more and more apparent.

I hope you all benefit from today's conference and return to your organisations with a stronger commitment to delivering reform and achieving success.

Thank you for your attention.