

**STATEMENT BY SECRETARY OF STATE ON PROGRESS AND PRIORITIES
24 JUNE 2003**

Foreword by the Secretary of State

Last December when I launched the "Priorities and Plans" document I made clear the Government's determination to secure and consolidate long-term peace, stability and normality for Northern Ireland, creating the climate that will allow full implementation of all aspects of the Agreement. I also made a commitment that, until the institutions could be restored, we would work to deliver high quality public services, building on the progress made by the Executive.

Since suspension the Government has worked to ensure good governance for Northern Ireland and that continues to be our objective. We have built on the priorities of the Executive, focusing on its commitment to upgrade Northern Ireland's physical infrastructure and to reform and modernise public services, particularly those that impact most significantly on the public.

This document contains a summary of the progress made in moving forward the Executive's priorities and sets out the important areas of work that we will be progressing in the coming months. The Government remains committed to developing the Executive's agenda so that it can resume its operation as seamlessly as possible.

In the meantime, we will work, in partnership with others, to deliver effective, fair and open government for the people of Northern Ireland, pursuing the priority areas summarised in this document and building on the progress already made.

Rt Hon Paul Murphy

Secretary of State for Northern Ireland

Introduction

1. This document summarises the important areas of work that Government will be progressing in the coming months.
2. The Government's top priority is to secure and consolidate long-term peace, stability and normality for Northern Ireland. The Government will continue to work to build the trust and confidence necessary to restore all the institutions of the Agreement, including the Assembly and an inclusive Executive. The Government firmly believes that the people of Northern Ireland deserve locally accountable politicians taking decisions to meet local needs. The Joint Declaration, published in May, makes clear that this objective is shared with the Irish Government.
3. Last December, the Government published "Building on Progress", its priorities and spending plans for 2003/04 and the following two years. It did so in the expectation that devolution would be restored quickly and that the Executive could take forward the work programme it set out last autumn in its draft Programme for Government. Despite efforts on all sides, however, it has not yet proved possible to restore the institutions. In the interests of providing good government for all the people of Northern Ireland, the Government sets out in this document a summary of the progress already made in moving forward the Executive's priorities, and the policy priorities for the months ahead.
4. The objective is to ensure good governance for Northern Ireland, as far as possible continuity of purpose with the Executive's objectives and to take forward the reform and modernisation they proposed without delay. The Government also wants to see continued delivery on the broad equality agenda. None of this implies any judgement about how long Direct Rule will continue for. The Government wants to see the end to the suspension of the Assembly as quickly as possible.
5. The draft Programme for Government published last September set out a challenging and comprehensive work programme for the year ahead, a programme that reflected and responded to the particular economic, social and environmental challenges facing Northern Ireland. That programme had, at its core, a commitment to take action to upgrade Northern Ireland's physical infrastructure and to reform and improve how public

services are delivered here. It also set out a detailed agenda for action across the priority areas identified by the Executive.

6. **The Executive's priorities were:**

- Growing as a Community
- Working for a Healthier People
- Investing in Education and Skills
- Securing a Competitive Economy
- Developing Relations - on a North/South, East/West and International basis.

7. The Government decided in December to continue with these priorities as the basis for work in the coming year. They remain relevant to the challenges which Northern Ireland faces. Since October 2002, the Government has advanced a significant range of policies and initiatives in support of the approach in the Executive's draft Programme for Government. That overall objective will remain central to its work in the coming months, alongside efforts to continue the implementation of all aspects of the Agreement and those parts of the Joint Declaration which are not conditional on acts of completion.

8. A report on progress in implementing the commitments made in the 2002/03 Programme for Government is currently being prepared and will be made public when complete. This continues with a practice initiated last year by the Executive. The suspension of devolution affected a small number of those targets, requiring the objectives to be met in other ways. The legislative programme planned for the Assembly had to be considered by Parliament. In all, Parliament passed 19 Orders in Council dealing with legislation which would normally be the subject of Assembly scrutiny. These covered important areas including housing, energy, environmental protection and planning.

9. This brief document does not attempt to summarise all of the work since October, nor does it provide comprehensive plans for the coming months. Instead it highlights the following important themes and provides a clear indication of the approach to be taken in the areas that matter most to the people of Northern Ireland.

These are:

- (i) Reinvestment and reform
- (ii) Improving service delivery
- (iii) Tackling sectarianism, community division and disadvantage
- (iv) Equality, rights and victims.

REINVESTMENT AND REFORM

10. The central plank of the Executive's draft Programme for Government last September was reinvestment and reform. The Reinvestment and Reform Initiative (RRI), launched in May 2002, was developed jointly by the Prime Minister, Tony Blair and Chancellor of the Exchequer, Gordon Brown and the then First Minister, David Trimble, and Deputy First Minister, Mark Durkan.
11. Northern Ireland's infrastructure has lagged behind comparable regions and it is widely accepted that this needs to be reversed quickly to improve competitiveness and service delivery. The Reinvestment and Reform Initiative provides a real opportunity to address long-standing problems in the major public services of health, education, roads, water and sewerage, building on the start made last year by the Executive.

Reinvestment

12. On 19 February 2003, the Government announced the initial tranche of projects to be supported by the Strategic Investment Programme, a programme made possible through the Reinvestment and Reform Initiative. Over the five years to 2007/08 it is anticipated there will be new investment available, over and above the normal pattern of expenditure from departmental budgets, of around £2 billion. This marks a step change in the pace of investment and builds on the start made by the Executive in its £200m programme of investment for the period 2002/04.
13. Further investment will be needed if Northern Ireland is to build the world class infrastructure it needs and this will have to be financed locally. There has already been much public discussion about the need for increases in the amount raised through local revenue and charges here and on the need for reform.

14. With this in mind, the Government will take forward the work begun by the Executive to review and modernise the rates system. Good progress has been made following an extensive consultation process last year. Decisions have been taken on the rating of vacant non-domestic property and industrial property. There needs to be further debate on how much revenue needs to be generated locally to pay for improvements in services. At present the average household rates bill in Northern Ireland is only 36% of the rates and water bills faced by the average counterpart in Scotland.
15. Water and sewerage services are key priorities for investment and will require around £3 billion over the next 20 years. In order to provide this investment without diverting resources away from other services such as health and education, the Government has committed itself to water and sewerage services becoming self-financing as soon as possible through the introduction of direct water and sewerage charges for households. The level of charges will be kept to a minimum by efforts to reduce costs in the delivery of water and sewerage services by increasing the efficiency of the Water Service. The consequences of not moving to a self-financing basis would have major adverse implications for key public services.
16. The levels of revenue to be raised through rates and water charges have yet to be decided. The Government hopes that, in due course, the Executive will be able to take these decisions. In the meantime, the Government will continue to take the necessary preparatory steps to enable these elements to be carried forward speedily. Specifically the consultation on the future of the Water Service and the basis for charges has just concluded and views are being assessed.

Reform

17. The Reinvestment and Reform Initiative is not simply about investment in infrastructure. It is also about delivering better services and delivering the investment in a better way. The creation of the Strategic Investment Board concentrates skills and expertise in the delivery of the investment elements of the approach and will ensure that the strategic infrastructure is planned and delivered in a way that makes the most of all the means and resources available. It will enable local needs to be taken into account and innovative approaches to financing and managing the programme to be adopted.

18. The Strategic Investment Board will also assist in the wider delivery of reform by using the expertise to the benefit of major capital projects across government, and ensuring good practice is promoted and mistakes or inefficiencies avoided.
19. There will also be a particular focus on reforms that deliver real improvements to key public services. The publication of reform plans earlier this year marked a first step in this direction. Those plans (which can be accessed via the internet at www.psrni.gov.uk) set out details of action that will be taken to deliver improvements across a wide range of services, ranging from standards in health and social care to tackling literacy and numeracy in adults. They also contain specific targets that will allow progress to be monitored and reported. Over the coming months, work will continue to deliver the outcomes contained in the reform plans and to pursue other opportunities to modernise and improve public services in Northern Ireland. In taking forward this work, the Government will work to create public services that are focused on delivering the outcomes that citizens need and expect. This wider approach to reforming and improving public services is dealt with in greater detail in the following section.

Former Security Sites

20. Another important element of the Reinvestment and Reform Initiative is the transfer of former security sites, without charge, to the devolved administration for the purposes of assisting social and economic development. This process began under devolution, has continued in the period since suspension of the Assembly, and is a major step in the normalisation of Northern Ireland society.
21. These sites will be used to fuel a programme of social and economic renewal in areas most affected by violence and disadvantage. The Government has already outlined its hope that further sites will become available and it will be for the Executive to address on a strategic basis how such sites can be used to promote economic and social regeneration for the whole community. There are tremendous opportunities here for sites and assets, which have up to now been associated with security activities, to be transformed into symbols and engines of peaceful economic and social regeneration.

Review of Public Administration

22. The Review of Public Administration was launched by the Executive in June 2002. The aim of the review is to consider how public services at all levels across Northern Ireland can best be organised and delivered in a devolved context. The review is complementary to the broad range of initiatives encompassed by the reform process.
23. Work to gather evidence and draw on experiences from elsewhere has been carried out over the past year and the Review Team has already begun to publish findings from its research. Further analysis of this evidence will continue over the coming months. The Government recognises the need to engage local politicians, other stakeholders and the public in the review process. The Review Team will publish a paper in the autumn that will form the basis for discussions with politicians and stakeholders. The paper, and the consultation and discussions, will cover key issues emerging from the team's findings to date, and will set out at a high level a number of different models of government which could be used as a framework for the development of a future system of public administration.
24. The Government remains committed to final decisions being taken by the Executive in view of the devolved context within which the Review is operating.

REFORMING AND IMPROVING SERVICE DELIVERY

25. There must remain a strong focus on reforming and improving public services for the people, following through on the Executive's reform agenda. Over the last months, good progress has been made in taking forward the programme of policy initiatives and reviews proposed by the Executive across the key public services. However, there remains much to be done to tackle the problems that exist and to carry through the reforms and modernisation necessary to improve service delivery. This section addresses a range of the most important priorities.

Health

26. Investment in health and social services has increased significantly over the past few years. While much of this investment has been needed to meet cost increases and

short-term problems, it also reflects the need to deliver real improvements in overall health care and health outcomes over the longer term.

27. In driving forward the previous work of the Executive, the Government, on 24 February 2003, set out plans for modernising the provision of acute hospital services here. Total investment over the next 10 years is estimated at £1.2 billion. The plans include a new, purpose-built hospital for the south west of Northern Ireland and specific elective surgery centres to provide high quality treatment and care to meet the needs of people here. The Government has also moved forward proposals to set minimum standards of treatment to drive up standards in both health and social services and to improve how care is delivered in the community.
28. Actions taken by the Executive to tackle waiting lists have been continued by the Government and have begun to take effect. Waiting lists fell in December 2002 for the first time in three years and have continued to fall in the second successive quarter to the end of March 2003. Over the year the inpatient waiting list total has decreased by 5.8% and now stands at 55,577. Reducing the length of time people wait for hospital treatment remains a priority and the Government is committed to taking further action to reduce waiting times and address the factors that contribute to people waiting too long for treatment.
29. Finally, there is a need to examine carefully the structures in place in health to make sure that these are as effective as they can be, to strip out any unnecessary layers of bureaucracy and to make sure that front-line services benefit from additional public spending on health. Further action will be required on this and the Department is drawing up proposals for consultation later in the year.

Transport

30. Investment in Northern Ireland's economic infrastructure is being accelerated under the Strategic Investment Programme which includes specific road improvement measures. The Government has made clear its commitment to delivering, over the coming months, further improvements in the quality of the road network here to facilitate the movement of people and goods and improve road safety.

31. In addition there is a need to improve levels and usage of public transport which has suffered from violence, community polarisation and under-investment. The Strategic Investment Programme will provide for new buses and improved railway infrastructure and detailed assessment of a potential rapid transit pilot in the Belfast area will be carried forward. The results of the public consultation on 'New Start for Public Transport' are being addressed, with a view to introducing systematic and strategic reforms of how public transport is delivered. A new centre of expertise on the economic regulation of public transport is also being established. These developments will result in a more modern public transport system better able to respond to the changing economic and social context and to support the Government's commitment to sustainable development.

Education

32. The Government shares the Executive's commitment to invest in education and skills. Over the past few months, good progress has been made in moving forward the Executive-initiated reform of the school curriculum and in implementing measures to raise standards of literacy and numeracy among the community.
33. In respect of post primary education arrangements, Jane Kennedy has explained that the Government intends to end the present transfer test as soon as practicable. Decisions on the arrangements to apply in future will be taken in light of the advice of the Working Group on Post Primary Education which is due to report at the end of October 2003. The Government will bring forward a strategy for the future direction of further education and continue with its significant investment in further and higher education.

Planning and the environment

34. The Executive identified a need to modernise Northern Ireland's planning procedures. New planning legislation brought forward earlier this year has strengthened the process of enforcing planning decisions and introduced important new protections for the built environment and for trees. It gave the Department of the Environment new powers to manage and protect Northern Ireland's most important habitats. Legislation on pollution control and air quality has helped reduce significantly the backlog of EU environmental directives waiting to be made law here.

35. Work will also continue to streamline planning processes, to conserve and improve Northern Ireland's natural and built environment and to achieve the right balance between economic growth, protection of the quality of life and the environment. The Government will work in close partnership with local government to ensure the effective implementation of our policies on both planning and environmental protection.
36. The Government will continue to give a high priority to improving road safety through a range of initiatives on education and enforcement.

Business

37. In a challenging economic context, it is important to continue the work put in train by the Executive to enhance business competitiveness and promote economic development. Invest NI had an encouraging first year, in spite of uncertain economic conditions. In a difficult international market for foreign direct investment, Northern Ireland secured 11% of the total inward investment projects to the United Kingdom and Republic of Ireland. The Government is determined to secure continuing economic growth for Northern Ireland and to encourage entrepreneurial approaches to offset the continued decline in some traditional industries. Progress has already been made with the launch of a new regional innovation strategy.
38. The Government has also made progress on energy and telecommunications. The Energy Order established the new NI Authority for Energy Regulation and made provision for the licensing of the Moyle Interconnector. It also facilitated the extension of the gas industry. We are currently developing an energy strategy for the next 10 years which will contain options to reduce energy costs, in particular electricity and outline cooperation with the Department of Communications, Marine and Natural Resources in developing an all-island energy market. We have also been working with both the public and private sectors to ensure that Northern Ireland can benefit from the opportunities emerging from broadband communications.
39. The Government is working closely with the insurance industry and business to try to identify ways of mitigating the adverse impact of the current market difficulties which are adversely affecting Northern Ireland business (particularly SMEs). In the area of tourism we have set up the Tourism Strategy Forum in order to ensure the huge potential of

tourism is fully exploited in a sustainable way. Work is also progressing on the preparation of a strategy for tourism for the next five years.

Agriculture

40. Over the course of the last number of months, the Government has worked closely with counterparts in London, Edinburgh and Cardiff in establishing an agreed UK negotiating position for the mid-term review of the Common Agricultural Policy. The outcome of the mid-term review has the potential to reshape radically future requirements on agriculture.
41. The Government is developing a Northern Ireland Animal Health and Welfare Strategy, set in the context of an all Island Strategy and with strong links with what is happening elsewhere in the United Kingdom. In 2002, Government carried out a formal evaluation of its control policies on Bovine Tuberculosis and Brucellosis. It announced the first phase of measures in revised control programmes for these diseases which should lead to the eventual eradication of Brucellosis and the effective long-term control of TB.
42. A public consultation has also been launched on a New Entrants Scheme, designed to support those with the imagination and determination to build a future within the agriculture industry. As part of its modernisation programme, since April, the Department of Agriculture and Rural Development has been operating under a new structure to bring greater focus and transparency to policy development and to service delivery.

Delivering government services

43. The Government recognises the importance of providing co-ordinated public services tailored to the needs of those who use them. The major programme to reform and modernise the welfare system has already shown improvements. Work is also well advanced to introduce State Pension Credit from October 2003 which will provide more help for pensioners on low and modest incomes and ensure that people are rewarded, not penalised, for their savings.
44. The Government has allocated £153 million over the next three years, under the 'Supporting People' policy, to help vulnerable people to lead an independent lifestyle in a recognised standard of accommodation. The new arrangements will involve the housing,

health and social services and voluntary sectors working closely together to make housing support services more responsive. In sport, work continues on the programme of improving health and safety at major sports grounds and to roll out a Programme of Sport in the Community. A number of initiatives in the Arts will provide, for example: support to individual artists; launch a challenge fund for District Councils; establish the cultural desk in Washington; and launch creative youth partnerships programmes in the autumn.

45. Work in interface areas including North Belfast and on initiatives such as joining up services for jobseekers who receive benefits, has demonstrated the importance of providing co-ordinated public services tailored to the needs of those who use them.
46. Alongside the remit of the Review of Public Administration to consider how to improve the delivery of services, work to improve access to government services will be taken forward. This will involve making better use of technology and expanding electronic-government services, as well as harnessing the potential of local libraries as information hubs. The Executive initiated work to secure at least 25% of key public services were available electronically by the end of December 2002. At that date, a 56% success rate had been achieved. Projects currently underway include the setting up of the OnlineNI web portal which provides one means of accessing all government websites.
47. It is also important to look at how public services are organised and delivered and at how the expertise and experience of the business and voluntary sectors might be harnessed to best effect. The Government particularly values the growing partnership with the voluntary and community sectors. This is reflected in the Compact with the sector and in Government's 'Partners for Change' Strategy. The work of the Economic Development Forum, where a shared vision of economic success and the role of the various partners has been agreed, shows what can be achieved through such partnerships. The work to develop the Social Economy Network also has the potential to provide good practice in the process of building partnerships.

Legislation

48. Over the next few months we will be bringing forward legislation on a wide range of issues. This will include measures to enable the rating of vacant property and the phasing out of the derating of industrial property; a scheme to assist new entrants to

farming; some deregulation of the Betting, Gaming and Lotteries field; and, not least, legislation on Special Educational Needs and Disability. We also hope to publish for consultation policy proposals on a number of further areas including companies legislation.

TACKLING SECTARIANISM, COMMUNITY DIVISION AND DISADVANTAGE

49. The Government's determination to secure the restoration of all of the Agreement's institutions is matched by its desire to ensure that the society in which those institutions will operate is cohesive and peaceful and that communities have the skills and confidence to work together and with one another. The Government's December document 'Building on Progress- Priorities and Plans for 2003 – 2006' stressed its commitments to tackling the deep, communal and social divisions within Northern Ireland and a number of important strategic and local initiatives are being taken forward in this area.
50. The publication of "A Shared Future" in January 2003 initiated a major consultation exercise on the review of community relations policy. Government is keen to have an inclusive and extensive consultation on this important policy. The date for submissions has been extended to the end of September 2003 in light of representations received. Following the consultation a new cross-departmental strategy will be developed.
51. The issue of environmental improvement, including tackling the manifestations of sectarianism, has been a key focus for the Community Action Group set up by the Government last November. This difficult issue requires a measured, bottom up approach with the participation of local communities. Drawing on this experience, the Government will commission a focused piece of action research to identify best practice on removing manifestations of sectarianism including options for further action.
52. Government recognises that central to tackling community division is the need to develop strong and vibrant local communities and that resources and effort should be targeted at people, groups and areas in greatest need. The Government's policy framework for tackling poverty and social exclusion in Northern Ireland, New Targeting Social Need, has been independently evaluated in recent months and refinements in the policy aimed at making it more effective will now be considered.

53. The North Belfast Community Action Unit, which was established by the former Executive, is working with communities and statutory bodies to address the particular community, social and economic problems in that area. It will provide an opportunity to develop good practice in partnership working between statutory agencies and local communities in meeting the needs of disadvantaged areas.
54. Partnership working is also central to the Neighbourhood Renewal Strategy for Northern Ireland, which was published on the 24th June 2003 and provides a framework for regenerating the most disadvantaged neighbourhoods for the next 7 to 10 years. This Strategy adopts a holistic approach to tackling disadvantage in the 50 most disadvantaged wards. It will provide a framework and a direction for co-ordinated action by all departments, working in partnership with local communities, to implement agreed actions to tackle poverty and social disadvantage. Key objectives will be to improve public services, build capacity and leadership within communities, address sectarian division and conflict between communities and improve the physical environment and economically regenerate neighbourhoods.
55. The Government, through the work of the Community Action Group, has also advanced specific initiatives to build capacity and leadership in disadvantaged and divided communities. A programme of measures amounting to £7.4 million, including the Local Community Fund, will support such work in communities throughout Northern Ireland. There will be a particular focus on environmental improvement, youth intervention, and encouraging more active participation by women in delivering local community services.
56. The Government recognises that efforts to tackle unemployment and differential experiences of unemployment are essential to tackling poverty and enhancing social inclusion. A number of initiatives in this area, which were put in place by the Executive, will be taken forward. Progress is being made and this must continue. The Government is committed to funding research in this area and to considering what further measurement techniques including indicators and targets may be necessary to track progress.
57. The Report of the Taskforce on Employability and Long term Unemployment was published in December 2002 and work to implement its recommendations and action

plan is under way. A range of Targeted Initiatives aimed at improving employability and increasing employment particularly among the long-term unemployed, is being piloted in the worst affected areas of Belfast, Londonderry and Strabane.

58. The Government has prioritised implementation of the work of the West Belfast Taskforces and good progress has been made. This includes the ongoing preparation of integrated development strategies for these areas drawing on the work of the Taskforces. To support this and other important needs, particularly in the North West, an Integrated Development Fund of some £50m over the next two years has been established to assist with the implementation of integrated development plans involving departments, District Councils, local strategy partnerships and others working together.
59. The Government has also intervened where other problems have been identified, for example, the Taskforce for South Down, has been set up with a remit to examine the implications of successive European Union Fishing Council decisions on the local fishing industry and affected communities. In Education, a strategic multi-agency approach to supporting schools in interface areas is under development, and in sport, a community initiative in 40 disadvantaged areas will shortly be launched.

EQUALITY, RIGHTS AND VICTIMS

60. The Government is fully committed to driving forward the equality and rights agenda, which underpinned the work of the former Executive. It will work to ensure that equality considerations are fully mainstreamed into policy development and that there is effective operation of the statutory duties under Section 75 of the Northern Ireland Act 1998.
61. Specifically it will ensure that the right legislative framework to promote equality of opportunity is in place. It is pursuing legislative change through the implementation of EU Directives and continuing work on developing a Single Equality Bill. This work will ensure that people in Northern Ireland have at least the same standard of protection from discrimination as those in the rest of the United Kingdom and that equality legislation is harmonised as far as practicable. The Government also attaches a high priority to the work of the Equality Commission for Northern Ireland and will continue to keep its powers and resources under review. During the coming months, the Government will take

forward the development of strategies to tackle race and gender inequalities in association with the recently established Race Forum and other key stakeholders.

62. Building on the work of the Executive, legislation to appoint a Commissioner for Children and Young People was made in February 2003 and arising from this a new Commissioner for Children and Young People will be appointed in the very near future. A priority in the coming months will be to establish the Office of the Commissioner and to drive forward work on the development of a strategy for children and young people in consultation with the NGO Forum which has been established to assist with this.
63. Victims' issues will continue to be a priority. The first phase of victims' policy concentrated on improving services to meet a range of socio-economic needs and underpinning the development of victims' organisations. Whilst that work must continue, victims' policy must now begin to address the less tangible but deeply felt needs of victims in areas such as truth, justice and reconciliation. The Government will consult victims, reconciliation experts and the political parties in taking forward the development of victims' policy.
64. The Government is also committed to discharging its commitments under the Agreement in respect of the Irish language, including supporting Irish language film and television production and encouraging support to be made available for an Ulster-Scots academy.

CONCLUSION

65. This summary highlights a number of important areas which will be taken forward in the coming months, building on the policy directions and initiatives taken by the Executive. It does not attempt to represent a comprehensive survey of public policy. Its focus is deliberately restricted largely to the coming few months, reflecting that the Government's top priority remains the early restoration of devolution and all of the institutions established by the Agreement.