

# **The Review of Public Administration in Northern Ireland**

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## Foreword

This paper is the fourth in a series of policy papers by the Institute of Governance, Public Policy and Social Research.

The Institute was set up to serve two equally important purposes – to enhance the quality of research in QUB and to make a significant contribution to the policy community in Northern Ireland. We do so by being both interdisciplinary and cross-sectoral and by working in partnership with others.

We hope that this paper will be a useful contribution to the very important review of public administration in Northern Ireland.

Elizabeth Meehan  
Director, Institute of Governance, Public Policy and Social Research.

## **Executive Summary**

This paper deals with some of the key issues in the review of public administration in Northern Ireland.

The paper underlines the importance of the review to the region's competitiveness and its ability to tackle its problems more successfully. It acknowledges the influence that community divisions may have on the outcome of the review.

It argues that the division of services between regional and local made over 30 years ago by the Macrory Review Body remains broadly valid today.

The paper suggests that continuing with a number of single purpose organisations for the regional services would be sensible and that this should be examined on a service by service basis. This approach will, however, place a significant onus on the devolved institutions to ensure integrated and joined up approaches to policy making and service delivery and an improved focus on "the needs of place".

Turning to local government, the paper supports a strong local dimension, but with fewer than the present 26 district councils. These councils might be given a new role in relation to development control and in the delivery of some services. They would have the lead role in providing civic leadership and creating the long term vision for their areas, Councils might also be given a power of general competence.

The paper explores the issue of the performance of the public sector and suggests early action to address the challenge of improving public sector performance. Finally, the paper suggests a vision for public administration in Northern Ireland.

## Introduction

In February 2002, the First Minister and Deputy First Minister announced the intention to review public administration in Northern Ireland following a commitment to initiate such a review in the Executive's Programme for Government.

The review was launched in June following a debate in the Assembly. A review team was established and a panel of experts appointed. An extensive round of meetings has been conducted with key stakeholders and a programme of research has commenced.

The original timetable had envisaged -

- ?? publication of a consultation paper before Xmas 2002,
- ?? an interim report in the spring of 2003, and
- ?? a final report before the end of 2003.

The Assembly and Executive were suspended on 14 October, but on 6 November, the Secretary of State said that the review would continue. He said that he recognised the importance of the review and acknowledged that decisions on its outcome would be a matter for a devolved government.

Commenting on the progress made to date, the Secretary of State said –

“I do not want to lose the momentum and interest which has been built up since the review was launched. The review team has been carrying out a significant amount of work and I am aware that they have received widespread support for their work.

I have, therefore, asked the review team to continue with its work and research and to continue its current consultations as appropriate. This will ensure that the necessary preparatory work is carried out, so that when devolution is restored, the Executive will be able to progress the review.

I would want to consult with the political parties early in the New Year before deciding on the next phase of the review”.

This paper is intended as a contribution to the review and the views expressed in the paper are those of the author.

The paper focuses on four issues –

1. why the review is important;
2. the regional services;
3. local government; and
4. the performance of the public sector.

The paper concludes with a possible vision for the public sector in Northern Ireland.

## Why the Review is important

The review of public administration provides a once in a generation opportunity to take a fundamental look at how public services are provided in Northern Ireland.

It is appropriate to start by making a few fairly obvious points. First, it is important to be clear what the review covers. An appendix to the terms of reference includes an indicative list of bodies that might fall within the review's remit; this list consists of the 11 Northern Ireland Departments, including next steps agencies within each Department, and the public bodies in each Department's areas of responsibility. (Although the appendix makes clear that the list should not be taken as definitive, there are nevertheless a couple of odd omissions since the list excludes two of the largest agencies- the social security and child support agencies.) The existence of the 11 Departments themselves and the division of responsibilities between them are outside the scope of the review. The Northern Ireland Office, the Police Service of Northern Ireland, the Prison Service, the Court Service and other UK departments operating in Northern Ireland like the Inland Revenue, the Passport Office and the Customs and Excise are also outside the review.

A second obvious point is that a strong, effective and efficient system of public administration could give Northern Ireland a competitive advantage in a highly competitive world. It could also help to accelerate action in tackling Northern Ireland's social, economic and community problems. Conversely, a weak, ineffective, parochial and poorly managed system of public administration would make the region less competitive and hamper the work to tackle its problems.

Third, it seems to be widely accepted that the present arrangements require significant change. For a region of 1.7 million people-

- ?? the arrangements seem too elaborate and complex;
- ?? they are too fragmented with too many "functional silos"  
i.e. single purpose bodies; and
- ?? there is an inadequate "focus on place".

In particular, there seem to be too many elected representatives-

- ?? 3 MEPs,
- ?? 18 MPs
- ?? 108 Assembly Members (of whom over 50% are also councillors) and
- ?? 582 Councillors.

There are-

- ?? 11 departments in the Northern Ireland Administration;
- ?? 26 District Councils;
- ?? a 60 member Civic Forum;
- ?? 150 or so Quangos and partnerships (to be confirmed by the review's scoping study); and
- ?? some 3000 public appointments of different kinds.

In addition, there are the North- South Ministerial Council, six North- South Implementation Bodies, the British -Irish Council and the British- Irish Intergovernmental Conference.

It is easy to understand the remark that, far from having joined up government, Northern Ireland suffers from "chopped up government"!

However, it is necessary to look at the other side of the coin. The present arrangements have delivered many significant results in very demanding conditions over the last three decades of violence, community conflict and political divisions. Not only have a wide range of public services continued to be delivered across a divided community, but real progress has been achieved, for example, on housing and urban regeneration and in strengthening the economy. Architects of any new arrangements need to be aware of the danger of damaging what has been working for the sake of an untested alternative. Any reorganisation is disruptive and damaging to staff morale and it can be argued that what Northern Ireland requires is certainty and continuity, not least because of the questions over the future of devolution.

Moreover, it will be important to be conscious of some of the legacy from direct rule that may colour criticisms of the present arrangements. Quangos and public servants often attracted criticism from locally elected representatives and the public for implementing, under the control of direct rule ministers, policies which had been devised in Westminster and Whitehall and which had little or no political or public support in Northern Ireland. This has tended to produce an antipathy towards "non elected Quangos" and "unaccountable bureaucrats".

There needs, as part of the review, to be a discussion about the roles of elected representatives, public appointees to Quangos and officials.

In the case of elected representatives, is their role on the one hand to manage the detailed delivery of services, or on the other hand to determine the policy, allocate the money, and hold to account those responsible for delivery? There has been in some quarters increasing pressure for elected representatives to have a greater involvement in actual delivery, for example, for councillors to have a larger proportion of the places on quangos - even though this will add further to the already heavy pressures on their time. (One council officer has recently calculated that his 26 councillors have to serve on nearly 80 other bodies.)

A related issue is whether Assembly Members can serve also as MPs and MEPs without serious conflicts between the different roles, let alone having the time to handle all the responsibilities properly.

In the case of those non elected people appointed to public bodies, there continues to be a case for appointing individuals who are politically independent and can bring specific experience and expertise to the task in hand. Although a greater openness to public appointments has been introduced, there is still criticism about how such appointments are made, even after devolution passed the Ministerial role to local politicians.

In the case of officials, their traditional roles are likely to remain, namely, providing the best advice they can to help decide policy and strategy and then delivering effectively, efficiently and economically the decisions taken. Much remains, however, to be done to improve the performance of the public sector and the paper returns to this theme later.

As far as the customers and the general public are concerned, it is worth recalling a newspaper editorial from 1970 on local government services quoted in the Macrory Report –

“what matters most to most people about these things is that they are done efficiently, economically and responsively and broadly in line with expectations. Provided they can buttonhole someone who is in a position to do something about the things which from time to time offend them, they are only too happy to leave the conduct of affairs to others”.

While this may still remain a valid comment, it does not remove the obligation on public bodies to improve accountability, in particular the way they explain what they are seeking to do and providing adequate opportunities for interested members of the public to question those in charge.

Finally in this section, it is also worth reflecting on the contention that the present arrangements are too elaborate with too many elected people. A counter argument is that in a deeply divided society, it may be necessary to have more complex arrangements than the normal considerations of economy, effectiveness and efficiency would dictate. As an example, the creation of 11 Departments under devolution was part of the political deal that was deemed to be necessary, rather than the outcome of careful consideration of how best to deliver the services for which the devolved administration would be responsible.

As in other aspects of life in Northern Ireland, there are costs arising from the deep community divisions. Part of these costs may have to be the existence of more elaborate arrangements for the planning and delivery of public services than would otherwise be necessary.

That is why the importance of the review goes beyond what quangos might be culled or how many local authorities might be removed in the interests of recovering some of the costs arising from the Good Friday Agreement structures.

## Regional Services

This section deals with the services that are currently the responsibility of the 11 Departments and how they might be managed in future.

The present division of responsibility between regional and local services still rests heavily on the analysis of the Macrory Review Body published in 1970. It has resulted in the case of the regional services in –

- ?? services like electricity and gas moving into the private sector; services like tourism, housing, public transport and fire services being provided by Quangos;
- ?? direct delivery of other services by Departments- sometime by agencies within Departments - eg planning , roads, water and motor taxation; and
- ?? the use of sub-regional or area structures to run aspects of education and health.

Over three decades later, that division between regional and local services continues to be broadly valid for a region of 1.7 million people. In such a region, a 2 tier structure seems to make most sense. It would be difficult to justify a 3 tier structure with –

- The Northern Ireland Executive
- Sub regional or Area Boards
- District councils.

It has, of course, been argued that, if the devolution tier fails, a 2 tier structure of 6 to 8 area boards and 26 or so district councils might be the alternative.

A conclusion in favour of a 2 tier regional and local approach does not mean over-centralisation. There would continue to be an operational need in many regional services for divisional, area or local offices. And there would remain an argument for elected representatives and other interests to have a significant input to decision making below the regional level. Whether this required formal legal entities like Area Boards could be explored on a service by service basis.

Devolution removes the so-called “Macrory gap” in terms of democratic control and accountability over the regional services. The review offers an opportunity to explore how the regional services should be managed in this new context.

The Executive decided that the structures set up under the Good Friday Agreement should be excluded from the scope of the review since these structures were devised through political negotiations and, by implication, any changes should follow from inter-party agreement.

However, it is important to recognise that, even without any changes in the devolved structures, the review could have implications for the existing 11 Departments. For example, a function provided by a Department might be privatised, handed over to a public body or a not for profit body, or delegated to local government. Or a function currently provided by a public body or district councils could be transferred to a Department.

Given the suspension of the Assembly and the Executive, it would be sensible - in terms of good governance - to take account of the experience to date of devolution. Is an 11 Department Executive – perhaps 12, if law and order functions are devolved- the most appropriate structure? Has the division of functions – for example, for planning and development or for education and training- between Departments helped or hindered good government and more integrated policy making and delivery of services? Has the creation of new Departments enabled relatively neglected areas of government to be given more appropriate political attention? Have too many issues been drawn into the centre? Is the decision making process under the devolved structures too convoluted and subject to too many checks and balances?

It would also be useful to seek the frank views of Ministers and Assembly Members about how the arrangements have worked- leaving to one side their political views on the Good Friday Agreement and its implementation. There seems, for example, to have been some initial frustration about the capacity of civil servants, used to implementing policies devised in London, to expand quickly enough their policy analysis capability in the new context provided by devolution.

It is also only fair to add that complex constitutional arrangements, even in a relatively stable political environment, need time to bed down and build up their own conventions for dealing with problems. In the case of Northern Ireland, building such conventions has, however, been made more difficult because of the continuing political uncertainty and the semi-detached position on the Executive of two Ministers.

If it is assumed that there will be no fundamental changes in what will be regarded as the regional services, there are two key issues to be decided in considering the future management of these services.

The first is whether to continue with a series of single function delivery bodies- whether these are public bodies or agencies within Departments or some other delivery mechanism- providing the regional services.

The alternative would, as outlined earlier, be, say, 6 to 8 multi-functional bodies dealing with, say, planning, roads, health, education, and housing as well as the existing district council functions. This approach might help to ensure closer democratic accountability, easier cross border linkages with the county councils in the ROI, and better co-ordination in the delivery of some services at local level. It could also provide Belfast and Derry Councils with much broader roles. However, this approach would involve breaking up a number of existing organisations with little certainty that the results would be positive. The outcome is more likely to be continuation of most of the single function structures.

The second key issue is then how best to manage the regional services. The recent practice has been to look at this question on a service by service basis- for example, consultation processes are currently under-way about the future arrangements in respect of the health and social services, the reinvestment and reform initiative and public transport; the options being explored for the future arrangements for the provision of water and sewerage services include the Scottish public corporation model or the Welsh not for profit model.

This service by service approach should allow the development of arrangements that best meet the business needs of each function. The analysis should, in each case, take account of the business need to work closely with other services, including helping to determine whether business needs required the use of similar administrative boundaries.

If this approach is continued, the outcome in terms of the delivery of the regional services is likely to mean a mixture of public bodies, agencies within Departments, greater use of partnerships with the private sector and out sourcing, and possibly use of the voluntary /community sector and not for profit companies.

This outcome would place an even more significant onus on the Executive to ensure the necessary joined up approach to the development of strategies and the delivery of services. In this context, the Executive's Programme for Government and Programme funds are very important tools. The use of ministerial sub committees would be a step forward. Also important will be ensuring integrated approaches to cross-cutting issues like tackling social exclusion, addressing community divisions, improving health and implementing the regional development and transportation strategies.

In the next section, the question of a better focus on place will be examined.

To sum up this section, there remains validity in the Macrory assessment of what services are best managed on a regional basis. It is also likely that, under devolution, the regional services will continue to be provided by largely single purpose organisations, including Departments and their agencies, public bodies with further use of the private sector, partnerships and social ownership models.

## Local Government

The future of local government is one of the most difficult parts of the review. There are a number of options ranging from

1. no local government at all - the basic argument would be that, if Northern Ireland has a 108 member assembly for a population of 1.7 million, it does not need a local government tier; to
2. local government as an alternative to devolution - the contention would be that devolution is too high risk an approach; it would be better to divide the region into 6 or 8 local authorities and let the politicians learn to trust each other through administering local services.

However, it has been assumed for the purpose of this paper that devolution will return, with or without some changes in the arrangements, and that the question to be addressed is what should be the role of local government given the existence of a strong regional government system.

A lot of the debate about the future of local government has in the past been coloured by views about the failings of local authorities, particularly in their pre Macrory form. On one side of the political divide, there has appeared to be a desire to give more powers to local councils, though what powers and who should pay is not always clear. On the other side, attitudes are still influenced by memories of past abuses by some local authorities. More recently, the debate has been moving to a higher level and in this section some suggestions are made.

First, in a small region with a regional assembly and executive, the local government tier should be genuinely local, rather than sub-regional. The local government structure should be based on readily identifiable areas with which most people can feel or sense a real connection. The concept of the market town and its natural hinterland makes a lot of sense as a main building block. This suggests that the appropriate number of councils might be closer to the present 26 than a return to the old county and county borough structure; perhaps in the region of 15 to 20 councils.

Second, the arrangements for Belfast pose a special set of difficulties. A local authority covering the whole built up area around the present Belfast City Council area would be strongly resisted by adjoining areas like Lisburn, North Down, Castlereagh and Newtownabbey. Moreover, a Belfast Urban Area or Metropolitan Area Council could become a serious rival to the regional administration. On the other hand, there can be little doubt that there needs to be a well co-ordinated and integrated approach to the planning, transportation and many other issues facing the wider geographical area around the city. If a Greater Belfast Council is ruled out, the need would remain for some sort of standing conference representing the councils around the city.

Third, in an earlier part of this paper, it was argued that there was unlikely to be a major transfer of functions from regional to local government. Councillors will continue to complain about the performance of a number of the organisations providing the regional services and will, on occasions, claim that the council could manage them better. However, the heart of their criticisms is usually about the level of resources available to the services in their areas and their main role in relation to

many of the regional services is likely to be as an advocate or lobbyist for their areas.

The delegation to councils of the responsibility for minor aspects of the regional services- such as street lighting, traffic calming or minor road maintenance- has sometimes been advocated as a way of strengthening local government. However, it would be unlikely to add much to local democracy and accountability and could add to the cost of providing the services. An exception may be in relation to situations where more than one public body is carrying out similar or related work in the same general location where it might be sensible for the council to take a lead role; examples could be in managing town centres or grass cutting.

There is one possible exception to the general argument that it may not make sense to delegate to councils any of the major functions currently provided by the regional authorities. That exception could be the responsibility for development control resting at present on the Planning Service of the Department of the Environment which handles over 20000 planning applications per year.

It might be possible to devise arrangements, incorporating suitable safeguards, to delegate this responsibility to the new local councils. These arrangements might include the following-

1. development control would be delegated to a council or grouping of councils where this was requested on a cross party basis;
2. the councils to whom this role was delegated would have to exercise their role within the regional planning strategy and policies determined by the Executive and the Assembly;
3. the professional planning staff would continue to be employed and managed as a single professional resource by the Executive; and
4. the planners would be able to refer to the Department any proposed decision by the council that they believed to be contrary to the regional planning strategy and policies or to be seriously flawed eg to be based on party political or sectarian considerations.

If these arrangements operated satisfactorily, a further step could be to delegate to councils the authority to prepare Area Plans.

The earlier analysis argued that there was likely to be a continuation of a number of single purpose organisations. This situation would continue a serious weakness in the present form of public administration, namely the difficulty of securing the necessary consideration of the total needs of a place or what is sometimes referred to as "the focus on place". Who is at present thinking about, and deciding, the future of places like Belfast, Ballymoney or Belleek? The answer is no-one. There is an unspoken assumption that, somehow, the combined, and often poorly co-ordinated, efforts of all the public and other bodies involved in providing services will deliver the desired future-whatever that may be.

In recent years, there have been attempts in a number of council areas to prepare long term vision statements, including the work of vision partnership boards in Belfast, Craigavon, Derry/Londonderry and Armagh that involved representation from all the political parties, the business community, the voluntary/community sectors and the trade unions. The 26 local strategic partnerships established under

the European Union's Peace II programme are being encouraged to think strategically and long term. Belfast City Council has recently indicated its intention to develop a "master plan" for the city.

Local authorities are best placed to provide civic leadership in this whole area, to take the lead in creating a long term vision or community plan, and to give a lead in the action required to realise the vision. They would exercise this vital role in partnership with the other relevant parts of the public sector and with the social partners, providing inspiration and facilitation and bringing the different players together for the general good of their areas

If councils develop this wider role and provided there was cross party support, it could be reinforced by giving them a new "power of general competence". At present, councils can only spend money in exercising their statutory power to provide specific services like local economic development or recreational facilities. A power of general competence would give them discretion to do anything that they believed to be necessary to the social, economic and environmental well being of their area.

There will, of course, be those who may believe that such a wide power could lead to excessive expenditure by councils, but the control would be the electorate to whom the councillors have to answer every 4 years.

Finally, a central factor in shaping a new role for local government will be how it will be funded. The advances in terms of local decision making and accountability could be limited if Councils existed largely to spend money handed out by Stormont.

To sum up in terms of local government, the review could lead to –

- ?? about 15 to 20 local authorities,
- ?? with some added responsibilities for delivery of executive services,
- ?? perhaps powers in relation to development control and later preparation of area plans,
- ?? a new role in civic leadership, and
- ?? a new power of general competence.

## Improving the performance of the public sector

In earlier sections, it has been argued that an effective system of public administration could be one of Northern Ireland's competitive strengths and yet political considerations and the deep community divisions may demand a more elaborate system than would be justified in normal circumstances.

Both arguments underline the importance of improving the performance of the public sector. If, as seems likely, there are significant increases over the next decade in local taxation and charges, public interest in that performance will be greatly increased. Discussion about public sector performance tends to be distorted by criticisms of public bodies that should, in many instances, be directed at the political decisions that led to the bodies acting in the way they did or by past failings in specific areas exposed by the Northern Ireland Audit Office and the Public Accounts Committee.

Standing back from the issue, it is, in fact, hard to demonstrate whether the public sector in Northern Ireland is more or less efficient than the organisations providing similar services in Great Britain. It is often difficult to compare like with like.

It is sometimes contended that the private sector in Northern Ireland is too big; a counter contention might, of course, be that the private sector is too small. In any case, the comparisons between Northern Ireland and the rest of the UK are distorted by the fact that the figures for the Northern Ireland public sector include a large number of people employed in water and public transport whereas the equivalent people are mainly in the private sector in the rest of the UK.

As indicated earlier, some of the costs of administering public services in Northern Ireland are due to the need to meet the additional needs arising from a divided community. Some can also be shown to be a consequence of inadequate expenditure in the past on both capital and maintenance expenditure which has resulted in higher than necessary running costs.

Where valid comparisons can be made, the public sector in Northern Ireland can appear to be performing well- for example the Housing Executive's management costs are amongst the lowest for a housing body in the UK. Northern Ireland public bodies have also performed well in achieving Charter Marks and in assessments under the European Quality Model.

Nevertheless, it is reasonable to contend that much more can, and should, be done to-

- ?? improve policy analysis and strategic thinking;
- ?? provide staff with more and better basic and job specific training; and
- ?? improve significantly how the public sector manages its employees.

This does not imply that these things are not happening. They are; several bodies are doing excellent work and others are exemplars in how they address these matters.

The problem is that the picture is uneven. Training and development are too often the casualties when things get tough. It is probably safe to predict that the challenges of change in the public sector will grow rather than reduce. In the past, the approach to such challenges has been too fragmented. Frequently, the latest Whitehall initiative from the financial management initiative in the early 1980s to modernising government today has been adopted without sufficient modification to meet local circumstances and has been applied with varying degrees of enthusiasm and understanding. Even where a separate local approach has been attempted, it has in the past struggled to flourish in the face of other demands on time, people and money.

Whatever the final political decisions on the outcome of the review of public administration, there will be a clear need to secure a more successful, locally owned and sustained approach to improving the performance of the public sector in Northern Ireland. While greater use of new technology and one stop shops are important, a much more comprehensive and convincing change agenda is required. This should include encouraging the use of new approaches to service delivery, such as use of not for profit vehicles and the voluntary and community sector, and new ways of involving citizens in deciding policy and priorities. The Executive's commitment to the Reinvestment and Reform initiative is a significant step, but more flesh needs to be put on the Reform element that is vital to the success of the review of public administration.

The search for such an approach could, and should, be started now in parallel with the next stages of the Review.

## Conclusion

This paper has sought to address some of the key issues that should influence the review of public administration in Northern Ireland. It has not attempted to examine all aspects of the Review. However, it is hoped that these thoughts will make a useful and positive contribution to the Review and will stimulate further thinking by all those concerned with the Review and its implications for the better governance of Northern Ireland.

The Review needs to result in a powerful new vision for the future of public administration in Northern Ireland with -

- ?? a strong, effective tier of regional government, displaying an imaginative and integrated approach to strategic and policy thinking, and delivering the regional services by the means that make most business sense and ensure sensible co-ordination at the point of delivery to the customers;
- ?? an equally strong and effective local government system that provides clear civic leadership and a genuine focus on the long term needs of their areas;
- ?? elected representatives, public appointees and officials working with the social partners to meet the needs of the whole community; and
- ?? highly professional public services, setting the standard for others to follow, pursuing excellence in every area of activity, encouraging participation, empowering, innovative and decisive, and accountable.

## **The Author**

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Mr. Spence was a member of the Northern Ireland Civil Service from 1964 to 2001 and was a Permanent Secretary from 1994 to 2001. He has had long involvement in public administration matters.