

**REVIEW OF PUBLIC ADMINISTRATION
QUANGOS ANNOUNCEMENT 21 MARCH 2006
SPEECH BY THE SECRETARY OF STATE**

Check against delivery

INTRODUCTION

Welcome ladies and gentlemen.

I am delighted to be here today to make a further and final announcement on the Review of Public Administration that will help to secure better government for Northern Ireland for a generation to come.

I am particularly delighted to welcome some of the young people who recently participated in the Youth Parliament that was organised by the junior Chamber of Commerce in Belfast, which hopefully will inspire some to become the politicians and leaders of tomorrow. Our legacy to them should be a world-class public sector serving a world-class Northern Ireland.

BACKGROUND

In November, I announced significant changes to the system of local government and the administration of the Education sector and Health and Social Services. I also said that I would be taking time to consider the future of the remaining public bodies.

Today I am announcing the outcome of the final decisions we have reached on the range of Executive Agencies and other public bodies currently operating in Northern Ireland.

The current arrangements were developed over the past 35 years to deliver services and deal with problems as they arose. The approach was that, when a new service was needed, a new body was created. This was done because it was felt that, in certain circumstances, there was much to be gained by having arrangements operating

at arms length from government, or that expertise was needed that could not be accessed within government.

The result was the current plethora of organisations, most of which have a very narrow remit. While this has enabled organisations to focus on specific problems and services, it has resulted in fragmentation of service delivery and been expensive in terms of overheads. As we all know, narrow administrative silos are not a good way of responding effectively to people's needs. A more joined-up approach is required and that will be helped by reducing the number of bodies involved in delivering public services.

The changes I am announcing today are no reflection on the staff in the organisations that are affected. Everyone in these organisations has done sterling work over the past number of years, but there is a need and desire for change. I am grateful for the dedication of staff across the

public sector and am confident that they will continue to work diligently to ensure the smooth transfer to the new arrangements. For my part I will ensure that those implementing these decisions work with the unions and the newly established Public Service Commission to ensure that staff affected by the changes are treated in a fair and coherent manner across all the areas involved.

Equality, social need, good relations, human rights and rural considerations have been key threads woven into both the development of the reforms and the way in which the review was conducted. The local administration arrangements will provide a “lightning rod” for *A Shared Future* and ensure that good relations actions are earthed in the needs of local communities. And I intend that each Department and organisation meets its statutory duties in relation to equality and good relations throughout implementation.

A requirement for collaborative working will be built in from the outset through the arrangements for community planning which will place a duty on all organisations to plan and work together at the local level.

While better service delivery is the main objective of the RPA, it will also lead to savings since each of the present discrete organisations has its own Chief Executive, Board and, in most cases, its own corporate services department. The changes announced in November and today will achieve, through reduced administration and bureaucracy, savings in excess of £200m a year, and demonstrate the Government's commitment to cutting waste and strengthening front-line services in Northern Ireland.

THE DECISIONS

Today I am announcing a reduction in the number of public bodies and agencies not covered by the November

announcement from 81 to 53. In addition to the major organisations in Local Government, Health and Social Services, and Education there is a wide range of other bodies that fulfil a variety of roles in the overall system of public administration. These include 15 Executive Agencies, 39 Executive and 16 Advisory public bodies or QUANGOS, and 11 Tribunals.

When taken together with the reductions resulting from my November announcement, the total number of public bodies in Northern Ireland will be reduced from 154 to 75 - 51%.

New Bodies

Where there are a number of bodies carrying out related functions we propose to merge these into one new organisation, streamlining the delivery of those functions and saving on expensive overheads.

There will be a new **Land and Property Agency** that will incorporate the Valuation and Lands, Rate Collection, Land Registers and Ordnance Survey Agencies.

Similarly, in the area of the environmental and heritage, key functions are currently spread across the Environment and Heritage Service, and the Rivers Agency, supported by four advisory bodies: the Council for Nature Conservation and the Countryside, the Historic Buildings Council, the Historic Monuments Council and the Drainage Council. On 28 February 2006 we launched an independent review of environmental governance which we expect to result in the creation of an independent agency to deliver a comprehensive range of environmental functions.

I am also announcing the establishment of a **new regional Library Authority** that will have responsibility for all libraries across Northern Ireland. It will have the

capacity to develop the service beyond purely educational needs, providing a valuable resource for the wider community and recognising that the library has cultural, recreational and community roles.

Mergers into Existing Organisations

Other bodies will merge into existing organisations reducing overheads and facilitating better joined-up working.

The Northern Ireland Events Company will become part of the Northern Ireland Tourist Board; the Pig Production Development Committee will become part of the Livestock & Meat Commission, and five existing Health bodies, namely, Health Estates, Central Services Agency, the Mental Health Commission, Practice and Education Council for Nursing and Midwifery, and the Medical and Dental Training Agency, will be merged into the new Health and Social Services Structures.

Driver and Vehicle Licensing will merge with the Driver and Vehicle Testing Agency, and the Construction Industry Training Board will amalgamate with the relevant sector skills council.

Functions Transferring to Central or Local Government

Other functions will be transferred to either central or local government not only streamlining these functions but also clarifying lines of accountability.

The functions of the Fisheries Conservancy Board, the Public Records Office and the civil service's internal consultancy service will transfer to their parent central government departments.

The functions of the Disability Living Allowance Advisory Board will transfer to the equivalent GB body, whose remit will be extended.

The Northern Ireland Fishery Harbour Authority, Local Government Staff Commission, in 2009, and the Fire Authority for Northern Ireland will transfer to local government.

The delivery of rural development functions will also transfer to local government while the remaining policy development functions of the Rural Development Council will transfer to central government.

Once the new councils are established consideration will be given to transferring ILEX to the council in the North West.

Bodies to be Abolished

A further number of bodies will cease to exist. These are: the Northern Ireland Housing Council, the Agriculture Wages Board and Enterprise Ulster.

Additional Functions for Local Government

Finally, local government will receive additional functions, and the accompanying funding, from some of the bodies that will remain. Some of the funding currently administered by the Arts Council and the Sports Council will become the responsibility of local government, as will some of the functions of the Northern Ireland Tourist Board and Invest Northern Ireland.

We believe that housing is essentially a local issue and for that reason we will consider the transfer of housing to local government at a future date, once the new councils are in place, fully operational and bedded in. In the meantime, however, while the Northern Ireland Housing

Executive will remain, some of its non-core functions will transfer to local government when the new councils are established in 2009.

Tribunals

To secure greater independence and more streamlined administration for tribunals in Northern Ireland, responsibility for the administration of those tribunals currently sponsored by Northern Ireland departments will transfer to the Northern Ireland Court Service as part of a new Courts and Tribunals Service.

Appointments on merit

I am also announcing changes to way in which public bodies will operate to clarify accountability. For the future, all Board members will be appointed under the guidelines laid down by the Commissioner for Public Appointments. All bodies are accountable to their sponsoring Minister and through that Minister to the Assembly or Parliament.

Board members must be chosen solely on the basis of the skills and expertise necessary to do the job. All appointments are to be made on merit and no one should be appointed to any position solely because they hold a particular position in another organisation.

STRONG LOCAL GOVERNMENT

The functions that I have announced today that will transfer to local government, along with the additional functions I announced in November, will double the expenditure controlled by local government – a considerable strengthening of local government.

However, the strength of local government is not only measured in terms of budget, but also influence. In setting up large, powerful councils that are at the centre of their communities, and giving them the power of well-being and an obligation to develop community plans, I am

ensuring that councils have real power to make a difference to people's lives, invigorating local democracy.

THE CHALLENGE AHEAD

There are great challenges ahead for everyone, for staff in the organisations affected, leaders who have to make the changes happen without loss of service, and not least local politicians.

I have announced a framework that has the potential to deliver much for the people of Northern Ireland, but the potential will only be realised if our politicians rise to the challenge.

In England one of the biggest challenges is addressing what my colleague David Milliband recently referred to as the power gap: the gap between politicians and the people at neighbourhood level. That is where people need to be

engaged. That is where we have the potential to make a real difference.

We are ahead of the game here. We have developed a system that makes sense from a service delivery point of view and ultimately from a consumer perspective. Of course politicians are concerned that such a system might be remote from people, that there might be a loss of local identity. But that is the challenge for politicians, to ensure that this doesn't happen. They need to think of ways of engaging with their electorate other than through traditional bureaucratic structures. They need to be innovative and creative. Perhaps the young people here today will have some ideas about how this might be achieved.

Councillor Numbers

In recognising this major challenge for elected representatives and following representation from the

Northern Ireland Local Government Association and others, I have reconsidered my decision to reduce the overall number of councillors to 50 per council, giving a total of 350. Instead, the Order I will be putting before Parliament to direct the Local Government Boundary Commissioner, who will make the recommendation on the final number of wards for each council, will be on the basis of approximately 60 councillors per council, thus increasing overall councillor numbers to around 420.

CONCLUSION

We are moving ahead quickly to implement all these changes. There is no turning back. I hope that everyone will play their part, and in doing so help us to help the public sector in Northern Ireland to achieve its full potential and take its place on the world stage.