

CHECK AGAINST DELIVERY

**STATEMENT BY THE SECRETARY OF
STATE FOR NORTHERN IRELAND ON
THE OUTCOME OF THE REVIEW OF
PUBLIC ADMINISTRATION**

22 NOVEMBER 2005

Ladies and Gentlemen, good morning.

This is an important and defining day for public administration in Northern Ireland as we bring to a conclusion the Review of Public Administration and outline the shape of the public sector for a generation or more to come.

I want to set out this morning the key decisions arising from the review and later today Jeff Rooker, Angela Smith and Shaun Woodward will set out in more detail what these changes mean for local government, education, and for health and social services.

Standing here I am very conscious that the review was started by the Assembly and Executive over three years ago and I want to say immediately that it would have been my wish that locally elected politicians, who started this process, were here making this announcement today. But, throughout the Review, we have been told there is an urgent need for change, and we must now take decisions.

Equally, it is my wish that we can return with all speed to devolution, that local politicians can accept the challenge of these

reforms and drive through the implementation that is so much needed to make Northern Ireland a world-class contender today.

The Review of Public Administration is fundamental to the reform of public services in Northern Ireland. By any standards this has been a thorough review. It has been underpinned by a significant body of research, two wide-ranging consultations and has been supported by a Panel of Independent Experts appointed by the Executive. It is a review which has been open and transparent in every way.

But it did not take a body of research to recognise why this review was necessary. For a place the size of Northern Ireland, 5,400 square miles with a population of 1.7million people, we are both over-governed and over-administered.

We have 3 MEPs, 18 Westminster MPs, 108 MLAs and 582 Councillors at the governance level matched during Devolution with an Assembly and an Executive, 11 Departments, 26 Councils, 33 Health bodies, 5 Education and Library Boards and a further 90 or so other executive agencies and public bodies - the so-called Quangos.

Public expenditure per head is nearly one third higher than in the UK overall. But public spending is not matched in many areas by the levels of performance such spending should achieve.

At the same time Northern Ireland is prospering in other areas. Manufacturing exports have more than doubled in 10 years, unemployment is down and the economy is growing faster than other regions of the UK.

This economic performance must be matched by a vibrant public sector, with a greater focus on outcomes, operating at no greater size than it needs to be. At present we are wasting resources on the structures of administration rather than putting the time, energy and money where it is needed most – into front-line services.

We know from the consultations on the RPA that the biggest frustration comes from the number of organisations delivering services and from a lack of joined-up Government. People are also confused by the plethora of overlapping administrative boundaries and a lack of any real engagement across organisations to plan strategically and deliver coherent outcomes.

CORE PRINCIPLES

In considering the body of evidence before us we have adopted four guiding principles:

- firstly, subsidiarity, or the need to balance the efficiency of regional service delivery against local democracy and local responsiveness;
- secondly, equality and good relations - in terms of service delivery, diversity and employment, in the governance of organisations, including Councils, and embracing the principles set out in A Shared Future, the framework for Good Relations;
- thirdly, common boundaries. Experience elsewhere demonstrates that people can understand public services better when they are delivered on common boundaries. But more importantly common boundaries make it much easier for organisations to deliver real joined-up services; and
- finally, strong local government. This came out strongly from the review consultations. People saw local government as the centre piece in service delivery and local democracy.

These principles have guided our considerations and lead directly to the decisions we are announcing today.

EQUALITY AND GOOD RELATIONS

Before announcing detailed decisions, I want to reinforce the second of these principles – equality and good relations. All of the decisions I will announce have been underpinned by detailed consideration of the implications for equality, social need, good relations and rural communities. An integrated equality assessment analysis has been published today. There are clear expectations that my decisions will lead to improved accessibility to public services — particularly for those most vulnerable in our society — improvements in the diversity of people who participate in public life, and fair treatment for staff. These issues will continue to be a central part of the detailed decisions taken within organisations, sectors and across the public sector as a whole during the implementation process. We want to see the implementation of these decisions contributing to the promotion of sharing over separation – of a Shared Future in Northern Ireland.

TWO-TIER MODEL

In a place the size of Northern Ireland I can understand those who believe that we are too small to sustain several tiers of government but we know from the consultation on the review that there is a wide acceptance of a two-tier model of public administration – a regional tier and a local tier.

Within that model, at a regional level, the primary focus of Ministers and their Departments will be to formulate policy; strategically plan services; set and monitor the standards of service; and ensure Ministerial direction.

In essence that is a vision of a smaller core Civil Service letting go the reins of service delivery, passing them instead to Local Government and other organisations in the public, community and voluntary and private sectors. Services will be delivered regionally only when there are over-riding efficiency or equality considerations.

At the local level Councils will be at the centre of service delivery and civic life. They will be key to planning and delivery of services and to engagement with communities.

LOCAL GOVERNMENT

In every democracy in the world, local government is in that position at the heart of the community. Historically in Northern Ireland there has been a fundamental lack of trust in Local Government and a belief that it cannot fairly and equitably deliver services free from political bias.

This mindset and a strong centralising tendency influenced the Macrory Review in the early 1970s which brought about the current structure of Local Government and public administration. Councils have a limited range of responsibilities and most public administration has been handled by appointed boards and their Quangos. At present, Local Government is responsible for less than 5% of public expenditure, whereas the Quangos, including those in Health and Education, spend over 75%.

But I do not criticise either Local Government or Quangos. They have both served the citizens of Northern Ireland well over the past 35 years. They made a vital contribution to holding civic life together and delivering public services during the most difficult years of the Troubles. Councils, in particular, continued to operate

when the surrounding political environment could not have been more difficult.

The Peace Process has, however, moved on and it is clear from the responses to the RPA consultation that people want to see a shift back to more local democratic control. As I said, the Quangos have done a good job and gone to great lengths to be accountable. But, in reality, people who believe they are not getting the services they deserve, much prefer to take their complaint to their elected representative whom they believe should be directly accountable for service delivery. It is less than satisfactory when the elected representative has to take the issue up with a public body which naturally has to deal with many such issues from across Northern Ireland and is often unable to give the personal responses the individual citizen would like.

The responses to the consultation clearly reflect a view that the current arrangements are out of balance in favour of service delivery by Quangos.

The decisions I will outline today begin a process to correct that imbalance, and to bring back to Local Government the major

functions such as planning, local roads, physical regeneration and local economic development. It is right that, as far as possible, services and functions which affect only the people in an area should come under the control of representatives elected by the citizens who live there. Those representatives should have all the levers of power necessary to implement their vision for their area. Where economies of scale make transfer of functions to the local level impractical, elected representatives must have meaningful input into the local delivery of regional services.

I also want to see our local politicians rise to the challenge that strong local government brings, setting aside party politics and embracing people politics – putting the citizen front and centre of every decision.

NUMBER OF COUNCILS

There has been much speculation and debate about the size and shape of Local Government, concentrating unhelpfully, but understandably, around the number of Councils rather than the functions it will perform.

What I am abundantly clear about is that, if we are really serious about developing strong local government, then it must operate at an increased size and scale, and deliver services across a significant breadth of important functions which can really make a difference to people's lives.

I have considered the evidence of the research commissioned as part of the Review and the analysis of the further consultation.

This has looked at the scale of councils needed for modern service delivery. It has considered equality and social need, and the relative wealth base of different configurations of Councils. It has taken into account existing policies such as the Regional Development Strategy and how geography – mountains, rivers and roads – divide the country. The Review Team considered where people lived and worked. All this pointed to seven Councils as the optimum for service delivery and I have decided that this should be the model for the future.

All of the research was published and the proposal to reduce to seven Councils was discussed widely both before and during the consultation. It was supported by the majority of those who

responded to the consultation. The notable exceptions were the political parties, Councils and Local Government organisations who, for the most part, opted for 15 Councils as their solution. However, these groups did not offer any evidence as to why this configuration would produce the best outcome for the citizen. Their arguments centred on a claim that a configuration of seven councils would bring about a loss of local identity, and that people would have to travel miles to visit their Council offices, or that there would be a dislocation of representation between the elected and electorate.

The issue of local identity was the subject of comprehensive research commissioned by the Review Team, and the findings are compelling. The conclusion was that people do not identify with their Council areas. They identify much more locally – with either town or neighbourhood. That sense of identity will not change irrespective of Council boundaries. Indeed, people thought that stronger local government could enhance local identity.

The onus is for elected representatives to embrace the sense of local identity that the electorate share and, through partnership and dialogue with the statutory, voluntary and community sectors

and the private sector, to embrace the views of local communities and to develop and deliver a coherent vision for the Council as a whole.

The impact of technology must be fully developed. There is no reason why council business should be transacted only at council offices or civic centres. In this “on demand” age, anyone in their city, town or village should be able to walk off their high street into any council office, or indeed any public office, and conduct their business, with help if necessary, right across the spectrum of public services. This one stop approach must become the way forward for all public organisations.

Equally, Councils and other service providers must continue to develop and co-ordinate their on-line services. Citizens will not tolerate a situation where more and more of their business with the private sector will be available 24/7 if the public sector still insists on a 9 to 5 paper-based service.

But as technology advances, some groups will still want and need face-to-face contact and support. Unlike the private sector, we in the public sector cannot choose our customers. Councils and

others in the public service must make their services available and accessible to all.

The third area of concern on the seven-Council model expressed by the parties and Council was about the possible dislocation between elector and the electorate. I do not accept this, Councillors will still be elected locally. They will still live locally and will still be as accessible to local people either by telephone or when accosted in the high street.

My hope is that, over the next 10 years, you will see a sea change in politics in Northern Ireland, and the people will vote not just for the party of choice but for the candidate who has a proven track record in making things happen and who is a greater advocate for the people rather than their party.

The political voice is not the only voice in Northern Ireland and in coming to my decisions about the number of Councils I was equally persuaded that the advocates for seven Councils outnumbered the advocates for 15 Councils by more than 3 to 1. Almost the only advocates for 15 councils were the political parties, either at party level or from council responses.

I would urge politicians to think carefully about their reaction to my decision; reflect on its opportunities and catch the mood of the people.

COMMUNITY PLANNING

Jeff Rooker will be announcing the detail of the functions which will transfer to local government. But clearly many services will have to continue to be delivered by other organisations operating on a regional basis. As councillors know only too well, the public do not recognise such distinctions and, under the new arrangements, I want Councils to have the central role in delivering joined-up services.

That will be achieved through a new system of community planning with a statutory duty on Councils to develop and co-ordinate the delivery of a plan to address the requirement of their communities. These plans will be built on the principles of sustainable development as set out in the emerging Northern Ireland Sustainable Development Strategy. Other public service organisations will be directed in legislation to co-operate fully with Councils in this planning.

The greatest strength of community planning will be in partnership working. In drawing up their plans, Councils will be expected to consult widely within their communities, in particular drawing on the views of the community and voluntary sectors.

There is a tremendous power in joint working. Done well, it accomplishes far more than any one organisation can achieve. Community planning based on sustainable development principles will therefore be a key ingredient of strengthening local government.

Complementary with community planning will go a power of well-being, giving Councils the statutory cover to work innovatively for the good of their communities and fill in the gaps between public sector organisations.

Community planning works best when the service providers work to common organisational boundaries. Other parts of the UK look with envy at the opportunity the RPA brings to achieve common boundaries between service providers. The analysis of the

consultation clearly shows that where this can be achieved, it should be.

In coming to the decision in favour of seven Councils, achieving common boundaries between Local Government and other service providers has been a primary consideration.

SUSTAINABLE DEVELOPMENT AND A SHARED FUTURE

Under the proposals I am announcing, Local Government will be a significant part of government in Northern Ireland. It is vital that Councils work together with central government to deliver overarching government policies. In this context the principles set out in 'A Shared Future' – The Framework for Good Relations and the emerging Northern Ireland Sustainable Development Strategy are central to my vision of stronger local government. I see Local Government having a critical role in the development of a shared, tolerant and inclusive society which embraces diversity.

We want to see Local Government taking a lead role in delivering sustainable development at the local level. Stronger Local Government will be at the heart of building more sustainable communities — communities that have improved economic and

social well-being and a better quality environment. And through community planning the opportunity exists to promote “good relations”, address poverty and environmental issues and develop normal civic society.

CHECKS AND BALANCES

Whichever configuration of councils had been chosen it is clear that all political parties need the confidence to make these arrangements work. With the new larger Councils delivering a wider range of functions, it would be wrong if the majority party were able to dominate. All parties and many others who responded to the consultation said there must be a statutory system of checks and balances to protect minorities. Many have said that there should be no transfer of additional responsibilities to Councils until such safeguards are in place. In making my announcement today, I can say that I totally accept this. But there are differences between the parties on how this should be achieved and one of the first tasks in implementation will be to work with the political parties to develop an agreed set of confidence measures.

The Review Team has today published research on models of governance to begin this debate in earnest. When agreement is reached and a system of governance has been agreed, which has the confidence of the parties, this will be placed in statute to allow Councils to get on with their day-to-day business free from these concerns.

COUNCILLORS

I also know that many Councillors listening to this statement today will want to think carefully about the new arrangements and their personal position within them. I want to pay tribute to those Councillors who have served many years in Local Government through the most difficult of times. With seven Councils, everyone recognises that we will need fewer councillors but also that the new responsibilities of Local Government will mean that the job of a councillor will be much more demanding.

COUNCILLOR NUMBERS, REMUNERATION AND SEVERANCE

I have looked carefully at the number of councillors which will be needed under the new arrangements. I have considered the need for appropriate representation, taking account of the role of the

Assembly and the MLAs. I also want to ensure that the number of councillors is sufficiently small to ensure efficient working and decision-making. Weighing these factors, I have reached the view that there should be a maximum of 50 councillors per council.

In recognition of the added responsibilities of councillors in the future, I am making a commitment to a more appropriate level of remuneration. In reaching a decision on the detailed arrangements and exact figures, I will wish to take account of the Working Group on Councillors' Terms and Conditions established by Jeff Rooker, which is due to report in the New Year.

I also wish to announce my commitment to a severance scheme to recognise long-serving councillors who opt not to stand at the next Local Government elections. I believe this is fully justified both in terms of the service they have given and also by the fact that the number of seats available in the future is being reduced because of government decisions.

DUAL MANDATE

Finally, on Local Government, I want to turn to the issue of what is known as the dual mandate.

At present 69 of the 108 MLAs are sitting Councillors. With the clear demarcation of responsibilities between the regional level and local government, there is an obvious tension between the roles. In particular, the Assembly will have a role in overseeing the performance of Local Government. It will wish to consider whether a system of performance assessment like that in England is appropriate. The Assembly may also have a role in aspects of Local Government financing. I believe, in these circumstances, there is an unacceptable conflict of interest if the same people are sitting in both the Assembly and Councils.

Jeff Rooker has discussed this with the major political parties and they are agreed that, following the resumption of Devolution - and not before - the issue of the dual mandate should be quickly addressed in legislation so that the representative role of MLA and Local Government councillor cannot in future be held at the same time.

I have begun with changes to Local Government today because the reform of Local Government is fundamental to the way

services will be delivered in future, as well as providing the lead in community planning.

Most important, a footprint is set by the boundaries of Local Government which will also provide the footprint for all other public services to achieve the prize of common boundaries, so necessary in my view to give real effect to community planning.

However, I am also very aware that there are serious issues to be addressed in health and education, and I want to turn to these now.

HEALTH

My overriding concern in reforming health structures is the improved delivery of services for patients. We need services which promote health and well-being in communities while at the same time supporting people who are ill or who need care. Services which are driven by, planned for, and responsive to, the needs of patients.

Shaun Woodward has already initiated a series of important reforms in the management of the health and social services.

Reforms which do not depend on organisational change but which will be supported by the changes which I am announcing today.

Obviously a key aim will be to reduce waiting times for treatment and care in hospitals and communities, as well as for specialist drugs and medicines. Improvements have been made, and continue to be made, but it is unacceptable that we have 47,000 people on waiting lists, and we must ensure that this problem is addressed.

We need to go further than tackling waiting times. Patients and their families must have the confidence of knowing that they will receive the highest standard of care, wherever they live and no matter what their particular needs.

And we need a service which is proactive in preventing illness or intervening early to reduce its impact. Over the next twenty years we can expect a growth in long-term illnesses such as diabetes, some cancers or chronic chest conditions. To some extent this is a sign of the success of our health and care system. As more people grow to older ages, they can expect to suffer from more age-

related conditions. To some extent this is also the result of changes to lifestyle.

The best way to tackle these conditions is by working with people and communities, providing them with the understanding and skills to promote their health and well-being, manage their conditions, stay well, stay independent, and stay out of hospital. That means services which are designed in partnership with patients and front-line professionals, and which are delivered in communities to communities. It also means using resources efficiently, reducing bureaucracy and making more effective use of the prescription drugs budget.

Reformed structures may not, of themselves, deliver these performance improvements, but the right structures will ensure that performance is managed by placing the patient and service user firmly at the centre of everything we do. Streamlined structures will let us direct resources to where they are needed most, promote flatter, more effective management structures and reduce bureaucracy.

We will empower doctors, nurses, social workers and other professionals to make the necessary improvements to services by devolving decision-making so that it is as near to communities as possible. These people, working with communities, influencing and controlling how resources are deployed, will create more focussed delivery, integrating care across the hospital and community settings.

So how will we create these changes?

We plan to announce the establishment of a strong statutorily separate Strategic Health and Social Services Authority which will have a responsibility for ensuring strong, system-wide performance management and the effective allocation of valuable health and social services resources. The new Authority will replace the existing four Health and Social Services Boards, which will be abolished. A number of the functions of the Department of Health, Social Services and Public Safety will also transfer to this Authority, and as a result the Department will be significantly reduced in size.

Hospital and community-based services are currently delivered through 18 Health and Personal Social Services Trusts in Northern Ireland, and we plan to reduce this to five. In addition to the obvious efficiency savings which this will bring, the new less fragmented delivery model will promote a more effective and coherent service model that crosses professional boundaries and which works effectively across hospital and community services.

The Ambulance Trust will continue to exist as a separate organisation.

The five support service agencies that currently work with the Trusts will be reduced to three and will be expected to work together to reduce their management costs.

To achieve the devolved decision-making which I have described, there will be seven Local Commissioning Groups, operating as local offices of the Strategic Health and Social Services Authority but including representation by GPs, nurses, pharmacists, social workers and a broad range of professionals and community stakeholders. These Groups will share common boundaries with

the new Councils and will participate fully in the community planning process which I have described already.

The Local Commissioning Groups would do the bulk of the resource allocation straightaway, with a view to the system evolving to full primary care-led commissioning over three to five years.

This will bring decision-making closer to communities but we will also seek to empower communities, so that they can promote their own health and well-being and be full participants in the prioritisation, design and management of services. In support of this, I plan to replace the existing four Health and Social Services Councils with a single Patient and Client Council.

Taken together, these proposals represent a significant streamlining of the administrative arrangements for Health and Personal Social Services and a decentralisation of power. More importantly, they provide for much better performance management and for structures which are patient-led and patient-driven.

Shaun Woodward will, on foot of these announcements, be taking these reforms forward as a matter of urgency, aiming to complete the Trust reorganisation by April 2007 and the implementation of the Regional Health Authority by April 2008.

EDUCATION

Education provides the cornerstone for the future prosperity of the Northern Ireland economy and is the key platform upon which to build long-term peace based on mutual respect.

My decisions on the future administration of education will provide more coherent and consistent support for those delivering education services at the front line; provide new avenues to enable the diverse stakeholders to inform policy; and ensure that those formerly at the margins of influence are given an effective voice in shaping priorities.

The hub of future administration for education will be built upon a new Education Authority which will bring together all the direct support functions currently undertaken by the Education and Library Boards and the range of other organisations funded by Government. This body will also incorporate curriculum and

teacher support functions. I have decided against setting up a second body. The authority will act as a single employing authority for all teachers and other staff in grant-aided schools. It will also have responsibility for the controlled schools estate. I should add that this will not result in any favourable treatment for controlled schools. Measures will be put in place to ensure that all schools are treated on a fair and equitable basis.

The fundamental role of the Education Authority is to serve those at the frontline. The role of Boards of Governors will continue much as at present and, although, inevitably, there will be changes in some aspects of a school's relationship with the authority, the distinctive ethos of the school and its autonomy will be preserved under the new arrangements. The school principal, teacher or youth worker will see the benefit of greater flexibility offered by a single authority, without facing unnecessary encroachment in day to day decision-making.

The principles of cohesion and consistency will also apply to the provision of advice by the education sector to the Department on education issues. A new Education Advisory Forum will be set up to provide a single point of contact between the Department and

sectoral interests. The Forum, which will be established under forthcoming legislation, will provide advice to the Department and will meet with the Minister on a regular basis.

I have given careful consideration to the position of youth services and have concluded that these should remain under the control of the Department of Education. However, the administration of youth services must change, providing a stronger voice for young people and greater sensitivity to local needs. The functions of the Youth Council for Northern Ireland will transfer to the education authority.

The Department of Education will undergo significant change to enable it to focus better on policy development and on the translation of policy into improved outcomes at the front line. As such, the Department will be transferring functions to the Education Authority.

The Department's future relationships with the education sector will be focused on clear accountability mechanisms and on improving standards, with performance and quality indicators

established from the outset. Funding allocation will be linked closely to policy priorities and performance improvement.

Finally on education, I have asked Angela Smith to look at how the new Education Authority could also take a strategic role on our wider skills agenda – enabling us to provide a genuinely joined up approach, specifically to the education of 14-19 year-olds.

LIBRARIES

I am giving further consideration as to whether we should establish a regional Libraries Authority or combine this function into the new Education Authority.

These three sectors, local government, health and education, account for the bulk of expenditure by public bodies in Northern Ireland. As a result of these decisions I have announced today the total number of public bodies in health and social services, education and local government will be reduced from 67 to 20. This is a very significant reduction shifting the emphasis from administration to front-line services.

QUANGOS

Beyond these, the Review was asked to look at the remaining Quangos and the executive agencies within Departments. Within this group, most attention in the consultation responses focused on the 34 executive Quangos. Between them, this group spends almost £1bn per year, of which the Housing Executive accounts for about half of the total. A variety of views was expressed in the consultation on the future of these bodies, but many questioned whether we really need so many executive public bodies.

Now that I have taken decisions on Local Government, I want to take a little more time to consider the future of these bodies. I will make a further announcement on these before the end of March 2006, when I have had time to consider all of the evidence. I can, however, say that I expect this announcement to include the transfer of further functions to Local Government.

Separate work is also under way to consider the future of the 11 Tribunals in Northern Ireland, taking account of the recent reform of Tribunals in England and Wales. I expect to receive a report on this in the New Year.

IMPLEMENTATION

I am under no illusions about the size and scale of this radical reform programme. Equally I am under no illusions about its necessity. We must press ahead with these reforms at all speed. That has been and remains a central message in both consultations of this review.

I want to move quickly across a number of areas. In Local Government I want to appoint a Local Government Boundary Commissioner as quickly as possible to determine the boundaries of the seven new councils. Jeff Rooker will be announcing the configuration of existing councils that we will expect the Boundary Commissioner to use as the starting point for the boundary review. The Commissioner will review the boundaries of this configuration and I have no doubt the boundaries of Belfast will change to reflect population movement since the last review and to avoid the splitting of communities.

Final implementation within Local Government will not take place until new Local Government elections are held, probably in 2009. However, since we will be giving the Boundary Commissioner the

starting point, Councils will know which groups of the existing Councils will merge, although the boundaries of the new large Councils will be subject to the review. I will therefore expect Councils to begin planning now for these changes and to begin planning joint working within the groups of Councils which will be coming together.

In health and social services, I have asked Shaun Woodward to press ahead with the amalgamation of the present 18 Health and Social Services Trusts to a new configuration of five set out in the Review consultation document and to plan for the creation of a Strategic Health and Social Services Authority, to replace the existing Board, by April 2008.

New legislation will be required to provide guidance to the Boundary Commissioner and to establish the new local government arrangements. Similarly in Education there is a large legislative agenda but I expect the move to the new structure I have outlined to be completed by April 2008.

In the light of this announcement, all existing organisations and Councils will have a clear picture of the changes envisaged for

them. Given this, they will wish to consider all areas of capital expenditure to ensure that this will be fully justified by the future arrangements and not prove to be an unnecessary burden on tax and rate-payers.

The RPA has never been a cost-cutting exercise. The Terms of Reference set by the Executive made it clear that the objective is to provide better, more accountable services to citizens. Nonetheless, I do expect the streamlining of structures to result in significant savings. These cannot be quantified precisely at this stage but the necessarily tentative estimates I have received indicate savings of up to £200m per annum as possible. Whatever the figure turns out to be, the important point is that the money released stays in Northern Ireland and is available for reallocation to front-line services.

CHANGE MANAGEMENT

Given this redistribution of jobs, it is understandable that, for many people working in local government, health and social services, and in education, my announcements this morning will cause concern. I can promise them that every effort will be made to address their concerns and I will require each sector to have in

place, at the earliest possible date, a communications strategy which will inform staff of changes and their impact well in advance of them occurring.

Let me give certain assurances to everyone who will be affected by these changes. Anyone transferring will do so in accordance with the principles of good employment practice set out in Cabinet Office guidance issued in January 2000. These principles will protect your terms and conditions of service, including your occupational pension, and redundancy and severance terms. Every possible effort will be made to avoid redundancies and there will be detailed consultation with relevant Trade Unions.

I pay tribute to the way you have delivered public services through the past difficult years and I know I can count on you to continue to provide dedicated services to the public.

PUBLIC SECTOR COMMISSION

There have been concerns, particularly by the Trade Unions, that sectoral change programmes will not be taken forward together and may lead to unjustified variations in how change is delivered. To allay these fears, I propose to establish an independent

advisory public sector commission to ensure the smooth transfer of staff to new organisations and to advise government on guiding principles which would apply to all sectors.

I have asked Jeff Rooker to assume Ministerial responsibility for the implementation process. I have also asked Nigel Hamilton, the Head of the Civil Service, to personally lead the oversight of the change process.

DEPARTMENTS

Although the Terms of Reference for the Review of Public Administration, drawn up by the former Northern Ireland Executive, precluded consideration of the number and configuration of Northern Ireland Departments, it is important for me to highlight that the outcome of this Review will have significant implications for Departments. I recognise that there is always a balance to be struck between political accountability on the one hand and efficiency, value for money and effective delivery on the other. Implementation of the proposals that I have outlined today will have a significant impact on Departmental structures and responsibilities, and so I intend to include this issue in my further discussions with all the political parties in Northern Ireland.

CONCLUSION

This morning I have begun to set out a vision of change for public administration in Northern Ireland that will represent the greatest single challenge to the public sector here for over 30 years.

Few parts of the public sector will remain untouched by these reforms, nor am I under any illusion as to the scale of the task that lies ahead.

But if you believe, as I do, that Northern Ireland can truly be a world-class contender, then the reforms I have outlined this morning must take place. It will take strong visionary leadership in each sector, as well as by politicians, to make these vital reforms a reality.

In three years' time, when these reforms have been implemented, our 15-year-olds will be eligible to vote, leaving school, many to go on to further and higher education, or to find jobs and to take their place in society.

Our success in meeting the reforms I have outlined this morning will be their legacy. These reforms will result in structures where we can be confident of strong, stable local democracy.

A health service fit for purpose, delivering high-quality services with greater patient choice.

An education system which recognises and respects the diversity of society in Northern Ireland, but which is geared around providing the very best education and opportunity for our young people, a Northern Ireland where they will be proud to stay and seek their future or to return with new skills for the benefit of this society.

That is the challenge of a world-class Northern Ireland. That is the challenge of these reforms. And that is the challenge of these decisions which I commend to you this morning.