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Assembly**

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## **REVIEW OF PUBLIC ADMINISTRATION**

The [Programme for Government](#), which was endorsed by the Northern Ireland Assembly on 10 December 2001, contains a commitment to reform public administration. On the 12<sup>th</sup> February 2002, the First Minister and Deputy First Minister initiated a consultation exercise with the Assembly about the terms of reference for the review, which is to be launched in spring 2002. On 25<sup>th</sup> February 2002, the Northern Ireland Assembly debated a take note motion, which proposed that 'this Assembly notes the proposed terms of reference for the review of public administration'. The precise arrangements for the conduct of the review, which it has been indicated will include a strong independent element, have yet to be finalised. This paper provides information relating to the forthcoming review and current structure of public administration in Northern Ireland

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## SUMMARY OF KEY POINTS

The [Programme for Government](#), which was endorsed by the Northern Ireland Assembly on 10 December 2001, contains a commitment to reform public administration. In support of this priority, the Programme for Government indicates that the Executive will launch a comprehensive review of public administration (RPA) by spring 2002. The precise arrangements for the conduct of the review, which, the Executive has indicated will include a strong independent element, have yet to be finalised.

The review will include the structure, accountability and responsibilities of local government, Non-Departmental Public Bodies, and Next Steps Agencies. The Review is likely to have implications for the functions exercised by the Executive, but the institutions established by the Agreement and the division of functions between the 10 Departments will not be part of the Review's remit. Ongoing reviews, such as the senior Civil Service review, the office accommodation review and the rating policy review would not be incorporated into or subsumed by the RPA.

The current structure of public administration in Northern Ireland has been significantly shaped by three key elements: the Macrory Report; the growth of quangos and next steps agencies; and devolution.

The Northern Ireland Housing Executive which looks after public authority housing; the five Education and Library Boards; and the four Health and Social Services Boards are some of Northern Ireland's most notable quangos. Whilst the existence of such bodies was envisaged by Macrory, over recent decades in NI, as in other parts of the UK, there has been significant growth in the numbers of quangos delivering services locally.

Presently, the combined annual expenditure of the 26 District Councils in Northern Ireland is only in the region of £341 million, compared with a total annual Northern Ireland public expenditure of approximately £11 billion. The ELBs, HSSBs and NIHE, for comparison, had a combined annual expenditure in 2000/1 of over £3.4 billion.

The proliferation of quangos, public private partnerships and networks were part of significant changes in the 'physical landscape of the public sector' which occurred in the United Kingdom following the election of the Thatcher-led Conservative party in 1979. The changes were fuelled by the New Right Agenda and the NPM (New Public Management). However, it has been noted that quangos are not directly accountable to citizens and are seen as secretive and unresponsive to the communities they serve.

It has been suggested that if it is accepted that local government should exist at all, the public administration review should revolve around issues of function, form and finance. Determining what local government should do in turn shapes the structural form it should take, and the financial system that should exist to sustain its activities.

Since the last re-organisation of local government, there have been significant technological developments, which have the potential for significant impact across all areas of public administration. It has been argued, for example, that ICT has the potential to have a transforming effect on our democratic and political institutions, including local government.

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## 1. INTRODUCTION

This paper, prepared by Library and Research Services, provides information relating to the forthcoming review of public administration.

The [Programme for Government](#), which was endorsed by the Northern Ireland Assembly on 10 December 2001, contains a commitment to reform public administration. In the Working Together chapter, the Programme for Government states that:

*The Executive remains committed to improving the efficiency and effectiveness of and accountability for, the administration and delivery of public services in Northern Ireland. We recognise the need for different structures under devolution, taking account of new relationships between local and regional government, as well as the full range of other bodies that function within the wider public sector. We are committed to a comprehensive and strategic review of all aspects of the public sector.*

In support of this priority, the Programme for Government indicates that the Executive will launch a comprehensive review of public administration by spring 2002.

On the 12 February 2002, the First Minister and deputy First Minister ('FM/DFM') initiated a consultation exercise with the Assembly about the terms of reference for the forthcoming Review of Public Administration. Launching the initiative, the FM/DFM said:

*The Review of Public Administration is a major undertaking to which the Executive will devote a lot of time and effort to ensure proposals come forward which are coherent and designed to improve the service delivered to the citizen.*

*Among the important issues, which will be addressed by the Review, include the structure, accountability and responsibilities of local government Non-Departmental Public Bodies and Next Steps Agencies. **The Review is likely to have implications for the functions exercised by the Executive, but the institutions established by the Agreement and the division of functions between the 11 Departments will not be part of the Review's remit.***

The precise arrangements for the conduct of the review, which FM/DFM have indicated will include a strong independent element, have yet to be finalised.<sup>1</sup> The target date for the launch of the Review is Spring 2002. In response to a Member's question,<sup>1</sup> the FM/DFM stated that *'the Review of Public Administration will be a very complex task and will need to be tackled in stages. The first stage is likely to last between 12 and 18 months'*.

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<sup>1</sup> A dedicated website which is located at <http://www.rpani.gov.uk/index.htm> contains details on the proposed characteristics of public administration in Northern Ireland and suggested parameters for those conducting the review.

On 25 February 2002, the Assembly debated a take note motion on the Review of Public Administration. The Assembly resolved that it *'notes the proposed terms of reference for the review of public administration'*. During the debate, amongst other things, the deputy First Minister underlined that:

1. The review would not include the 10 government departments, which were established as a result of 'the political agreement of 18 December 1998'.
2. The review would be an Executive led review, rather than an independent review. The Executive, however, had identified two types of experts that it would like to appoint as advisers. One group would be composed of high-level experts (*'heavy hitters in the public administration field'*) who would act as key mentors and monitors of the process and will help to quality assure it. The second group of experts would be composed of people with particular sectoral expertise, based on their professional experience, their academic insight or their background. In addition, the Deputy First Minister indicated that *'the core team would comprise not only civil servants but also people drawn from a range of professions across the public sector — indeed, the team does not have to be confined to the public sector'*.
3. Other ongoing reviews, such as the senior civil service review, the office accommodation review and the rating policy review would not be incorporated into or subsumed by the RPA. In relation to these reviews, and others such as the Hayes report on acute hospitals and Burns post-primary education review, it would not be the case that 'nothing can be agreed until everything is agreed'.<sup>2</sup>

## **2. SHAPING THE CURRENT STRUCTURE**

The current structure of public administration in Northern Ireland has been significantly shaped by three key elements:

- the Macrory Report;
- the growth of quangos and next steps agencies; and
- devolution.

### **THE MACRORY REPORT**

A Review Body, led by Patrick Macrory, was appointed in December 1969. Its terms of reference included reviewing existing proposals for reform of local government, and recommending what functions should be exercised at which level of government. The Government had already decided to set up an independent 'central housing authority', the NIHE.<sup>3</sup>

The Macrory Report<sup>4</sup> recommendations included:

- that the UK or NI government should exercise certain central functions,<sup>5</sup> which it classed as 'regional', including for example: education and libraries, healthcare, planning, roads, and housing;<sup>6</sup>

- that a single tier of elected District Councils – not more than 26 – should administer *‘small area or local services which can be efficiently administered in small units’*,<sup>7</sup> those councils to have a power to spend a proportion of their income *‘for the benefit of their areas and inhabitants ... on any purpose not otherwise authorised by statute’*;<sup>8</sup>
- that regional boards, acting as agents of relevant departments, should provide education, health and social services, such boards to be coterminous and to number four or less.<sup>9</sup>

The Macrory report was used as a blueprint and *‘accepted as a basis for the reorganisation of local administration and a new structure of local government.’*<sup>10</sup> Several pieces of key legislation established new structures and relationships. Key amongst them were the District Councils, the Education and Library Boards (ELBs), the Health & Social Services Boards (HSSBs).

Although the Northern Ireland Parliament and the regional executive envisaged by Macrory did not survive, the District Council system has. There have been eight council elections since the 1973 reorganisation, with the most recent in 2001. Local government has during that period been the only arena in which directly elected local politicians have been accountable for local decisions.

### **QUANGOS**

The Northern Ireland Housing Executive which looks after public authority housing; the five education and library boards; and the four health and social services boards are some of Northern Ireland’s most notable quangos. Whilst the existence of such bodies was envisaged by Macrory, over recent decades in Northern Ireland, as in other parts of the UK, there has been significant growth in the numbers of quangos delivering services locally.

The proliferation of quangos, public private partnerships and networks were part of significant changes in the *‘physical landscape of the public sector’* which occurred in the United Kingdom following the election of the Thatcher-led Conservative party in 1979.<sup>11</sup> The changes were *‘fuelled by the New Right Agenda and the NPM (New Public Management)’*<sup>12</sup> and Plummer notes of quangos that:

*The growth in their number has been driven by government perceptions of the inadequacies of local authority provision and by a belief that the importation of private sector practices would sharply improve performance. Local control being replaced by central appointment combined with stricter rules on performance indicators and audit.*<sup>13</sup>

However, quangos performed a particular function during Direct Rule. Morison notes that during that period:

*the idea of depoliticising government [was] pursued by removing issues that might have a political or constitutional character from the hands of regionally-based political processes ... The result is that quangos have been given a whole range of jobs which elsewhere would be carried out through the political process ... the quango remains a potentially more democratic mechanism than a straightforward election in an unevenly divided and polarised society.*<sup>14</sup>

### **NEXT STEPS/EXECUTIVE AGENCIES**

Significant change to the structure of government across the UK followed publication in 1988 of an Efficiency Unit report entitled *Improving Management in Government: the Next Steps*.<sup>15</sup> In response to the findings of the report, the Thatcher government introduced executive/next steps agencies, which were to be largely responsible for operational matters within ministerially imposed policy objectives, budgets and performance targets. Under the Major government the agentisation of the civil service accelerated. The stated position of the current Labour government is that it is committed to keeping the number of public bodies to a minimum. The government has stated that there are now fewer in the UK than at any time in the past 20 years.<sup>16</sup>

Whilst it was at first thought that the Next Steps initiative would not apply to Northern Ireland,<sup>17</sup> by April 1991 three agencies (Training and Employment Services; Social Security Operations; and Central Rating Agency) had been established. In 2002, Next Steps agencies are described by the Public Sector Improvement Unit in OFMDFM as *'the main delivery arm of the Northern Ireland Executive'*.<sup>18</sup>

### **DEVOLUTION, AND THE 10 DEPARTMENTS**

The Belfast Agreement made provision as to which functions should be exercised by the Assembly on devolution.<sup>19</sup> The Northern Ireland Act 1998 ('the Act') defined those functions, but did not define which departments they should fall into, nor even how many departments there should be – subject to a maximum of ten.<sup>20</sup> The Act provides that the number of Ministerial offices and *'the functions to be exercisable by the holder of each such office'* is to be determined by the First and deputy First Minister acting jointly.

The First and deputy First Ministers (Designate) did not make that determination until six months after the first Assembly elections. The draft terms of reference for the RPA refer to this agreement as *'the political agreement of 18 December 1998'*, and it yielded six nationalist and six unionist ministers (including the First and deputy First Ministers). This overtly political rather than practical arrangement may be a key element to understanding the Executive's reluctance to include the 10 departments in the RPA.<sup>21</sup> The First and Deputy First Ministers do not appear to be prevented from making a new determination at any time, subject to approval by the Assembly. It is also interesting to note that the determination relates only to the departments and not to OFMDFM itself.

Furthermore, the Belfast Agreement provides that:

*Each institution may, at any time, review any problems that may arise in its operation and, where no other institution is affected, take remedial action in consultation as necessary with the relevant Government or Governments. It will be for each institution to determine its own procedures for review.*<sup>22</sup>

It is worth noting too that the Belfast Agreement itself may fall for review this year.<sup>23</sup> Although the parties to that review may not include the Executive, it could be argued that the RPA should take cognisance of any possibility of a review of departmental functions.

### 3. CURRENT STRUCTURES

The following sections of this paper provide a description of the key elements of the current structure of public administration in Northern Ireland. A description of the 10 government departments is not included, as it is not intended that their functions will be reviewed as part of the RPA.

#### LOCAL GOVERNMENT

Northern Ireland has been served by 26 district councils, based around the main population centres, since 1 October 1973. This system was established under the Local Government Act (NI) 1972, enacted by the Northern Ireland Parliament following the Macrory Report.<sup>24</sup>

Birrell and Hayes<sup>25</sup> categorise the functions of District Councils into three broad headings:

- direct, for example
  - refuse collection, disposal and street cleaning,
  - parks and leisure facilities
  - regulation, such as building control or licensing
- representative, through requirements that certain bodies have numbers of district council nominees on their boards, for example on Health and Social Services Councils; and
- consultative, through requirements that councils be consulted on the operation of certain regional services, for example planning.

To benefit from efficiencies of scale in the provision of certain services, the District Councils cooperate in groups. For example, building control services are provided by only six councils, five of which provide services to a networked group of other councils.<sup>26</sup> Similar cooperation exists in relation to environmental health services, and several councils have established partnerships to promote tourism.<sup>27</sup>

Cooperation extends beyond Northern Ireland and it has been noted that '*cross border co-operation between local authorities has increased substantially in the last fifteen years*'.<sup>28</sup> However, '*cross border co-operation within the overall activities of local government North and South plays a limited role, but is at its most developed and most significant along the Border Corridor*'.<sup>29</sup>

Five services account for 60% of total council expenditure across all councils:

- refuse collection and disposal;
- leisure and community services;
- street cleaning;
- recreation grounds; and
- parks and open spaces.<sup>30</sup>

Total council expenditure is, however, only a small proportion of total NI public expenditure. Local councils are responsible only for the limited range of services described above. The 'big spend' functions – such as health and social services, education, and housing – are, as already noted, outwith their direct control. These functions are instead provided by quangos, which are discussed below. The RPA may conclude that these functions should be exercised by local government, as for example some of them are elsewhere in the UK.<sup>31</sup>



Presently, the District Councils' combined annual expenditure is only in the region of £341 million,<sup>32</sup> compared with a total annual Northern Ireland public expenditure of approximately £11 billion.<sup>33</sup> The ELBs, HSSBs and NIHE, for comparison, had a combined annual expenditure in 2000/1 of over £3.4 billion.<sup>34</sup>

Legislation enacted in 1992<sup>35</sup> provided District Councils with the power to set funds aside to promote economic development: now five pence in the pound from its rates (amounting to £9 million across all councils in 1995/96<sup>36</sup>). This power has been complemented by a funding measure available from EU structural funds, which encourages local economic development through local, district council-led strategic approach.<sup>37</sup>

The Department of the Environment ('the DoE') is responsible for overall policy and legislation concerning local government functions, structure and finance. The DoE has the power to direct a District Council, which is failing any of its functions, and the Department can empower officials to carry out these functions,<sup>38</sup> or appoint a Commissioner to ensure a District Council's normal functions are being carried out.<sup>39</sup>

District Councils are funded in three main ways - the district rate, the general grant and fees income. The district rate is struck by each council each year. The general grant is supplied by central government to assist the councils. Fees income is derived from services provided by the council, e.g. licences. Councils may also receive income from specific grants and sources of funding, such as European funds or the National Lottery funds. Capital expenditure may be funded by borrowing, subject to approval of the DoE.<sup>40</sup>

The RPA may increase the functions of local government, perhaps by removing them from quangos. The potential also exists, however, for the RPA to extract some of the remaining functions from local government and locate them within departments. In this context, it is worth highlighting that the Executive has indicated that any new system of public administration should fulfil a number of characteristics, including subsidiarity.<sup>41</sup>

The principle of subsidiarity has been described<sup>42</sup> as a general principle of political philosophy, which states that all governmental tasks should be carried out at a level as close to citizens affected as is consistent with equity and with efficiency in the pursuit of common good.

Reflecting this principle, The Council of Europe Charter of Local Self-Government,<sup>43</sup> to which the UK is a signatory, considers that public responsibilities should preferably be exercised by the authorities closest to the citizens, the higher level being considered only when the co-ordination or discharge of duties is impossible or less efficient at the level immediately below.

### **HEALTH AND SOCIAL SERVICES BOARDS**

The four Health and Social Services Boards<sup>44</sup> were established in 1973.<sup>45</sup> The Boards function as agents of the Department for Health, Social Services and Public Safety ('the DHSSPS').

Their function is to identify the health and social care needs of people living within their areas, and to commission services to meet those needs. Typically, the HSSBs commission contracts for care services with:

- Health and Social Services Trusts;
- the Northern Ireland Ambulance Service;
- voluntary organisations; and
- private sector organisations.

It is these organisations, which directly provide care services to people, and employ most of the staff in the Northern Ireland health and social services sector. The Health and Social Services Trusts are the main service suppliers. There are 18 area based trusts providing hospital, community or both types of service. In addition, the Northern Ireland Ambulance Service Trust provides ambulance services across all HSSB areas.

Each HSSB is composed of executive and non-executive directors. Executive Directors are senior full-time professional officers of the boards. Non-executive Directors are appointed by the Minister for Health, Social Services and Public Safety.<sup>46</sup>

The work of each HSSB is overseen by a Health and Social Services Council. Although independent, these Councils are funded by the DHSSPS through the HSSBs, and the Minister appoints their members.

The Expenditure of the four Boards for 2000/1 was approximately £1,684 million.<sup>47</sup> During that year, the total expenditure for the DHSSPS was approximately £2,130 million.<sup>48</sup>

The Hayes report of the Acute Hospitals Review Group (June 2001) has proposed changes to the current structure, arguing in favour of one strategic health and social services planning authority, and three integrated health and social care providers (Northern, Southern and Belfast). It places an emphasis on 'Managed Care Networks', a kind of partnership approach to care provision.<sup>49</sup>

In October 2001, Bairbre de Brún, the Minister for Health and Social Services and Public Safety announced<sup>50</sup> plans for new primary care arrangements in Northern Ireland. The new arrangements envisaged the establishment of Local Health and Social Care Groups, which would involve general practitioners and other primary care professionals working in teams in local communities. The new groups would be expected to cover population ranges of between 50,000 and 150,000. They will work closely with Health and Social Services Boards, Trusts and local communities in assessing needs at local level, as well as developing plans for improving health and well-being and the delivery of local health and social services. They would also be involved in decisions about the commissioning of health and social services, a role that is expected to develop to a stage where the groups would hold budgets for commissioning services.

When announcing their establishment, the Minister noted that the new Local Health and Social Care Groups would be sufficiently flexible to accommodate any changes that may eventually emerge from the Acute Hospitals Review (the Hayes Review), or indeed any wider review of public administration.<sup>51</sup>

## **EDUCATION AND LIBRARY BOARDS**

Five Education and Library Boards ('ELBs')<sup>52</sup> were established in 1973.<sup>53</sup> Each ELB has statutory responsibility for primary and secondary education within its area, and for providing youth and library services. The ELBs are also involved in the provision of pre-school services. Their duties include:

- ensuring that there are sufficient schools of all kinds to meet the needs of their area;
- providing finance for the schools under their management;
- securing educational support for children with special educational needs; and
- providing training for all persons involved in education in each ELB area.

The ELBs have between 32 and 35 members. Two thirds (65%) of their members must consist of '*District Councillors, representatives of the main Protestant Churches and Trustees of the Roman Catholic Church*',<sup>54</sup>

The expenditure of the five ELBs for 2000/2001 was approximately £1,173 million.<sup>55</sup> During that year the total expenditure for the department was £1,243.5 million.<sup>56</sup>

In addition to the ELBs, there are four other public bodies with administrative and management responsibilities for the Northern Ireland education system:

- the Council for Catholic Maintained Schools;
- the Northern Ireland Council for the Curriculum, Examinations and Assessment;
- the Staff Commission for the Education and Library Boards; and
- the Youth Council for Northern Ireland.

In June 1996, the then Education Minister, Michael Ancram, announced proposals to reduce the number of ELBs from five to three. However, the proposed reforms were halted by the Prime Minister, John Major, in early 1997, in the light of widespread opposition from Northern Ireland political parties, the educational sector and the public.

There are two current consultations will have an impact on the role of the Education and Library Boards, and on the wider system of educational administration. The consultation on a common funding formula for grant-aided schools will have a significant effect.<sup>57</sup> However, it is the consultation on *Education for the 21st Century – Post Primary Review Body* – i.e., the Burns review – that is likely to be the more important.<sup>58</sup>

The post-primary consultation is based on three main proposals, which include the creation of local collaborative networks of schools in a system of 20 'Collegiates', i.e. networks of schools sharing responsibility for certain functions which are currently the responsibility of the Education and Library Boards. The Report notes that these recommendations would ultimately: '*require an adjustment in some of the administrative or operational roles of the education and library boards*'.<sup>59</sup>

## **THE NORTHERN IRELAND HOUSING EXECUTIVE**

The Northern Ireland Housing Executive ('the NIHE') is the comprehensive regional housing authority for Northern Ireland. It was established by the Housing Executive Act (Northern Ireland) 1971.

Housing responsibilities had previously been held by 65 separate authorities. The Cameron Commission of Inquiry had reported in 1969<sup>60</sup> that one cause of the current continuing political conflict and street disturbances was '*a rising sense of injustice and grievance amongst large sections of the Catholic population in respect of the inadequacy of housing provision by certain local authorities*'.<sup>61</sup> Following the Cameron report, and discussions between the Northern Ireland and British governments, the Northern Ireland government announced the decision to create a single housing authority.<sup>62</sup> It was recognized that, given this decision, there was a need to reassess the shape and size of the existing local councils, and social services, health and education functions: this recognition led to the establishment of the Macrory review body.<sup>63</sup>

The 1971 Act also established the Northern Ireland Housing Council, comprising one member from each District Council,<sup>64</sup> with consultative and research functions only.

The NIHE's key purpose is to:

*assess housing needs; ensure that housing programmes are targeted at those individuals and areas in greatest need and are delivered in accordance with the principles of "Best Value"; develop strategies to influence the wider housing market and work with others to foster urban and rural renewal.*<sup>65</sup>

Prior to devolution, the Department of the Environment was responsible both for overall direction and control of the NIHE, and for similar responsibilities in relation to local government. However, on devolution, the responsibilities were split: the Department for Social Development ('the DSD') is now responsible for the NIHE, while the Department of the Environment ('the DoE') is responsible for overall policy and legislation concerning local government functions.

The NIHE also has a statutory duty to advise and consult District Councils regarding housing programmes, and the Northern Ireland Housing Council about housing matters generally.<sup>66</sup>

Responsibility for general policy, management and operation of the Executive is vested in a 10-person Board. Board members are appointed by the Minister for Social Development. It is interesting to note that there is a statutory requirement that at least one member be a woman.<sup>67</sup> Three members are appointed on the nomination of the Northern Ireland Housing Council.<sup>68</sup>

The NIHE delivers its customer services through a network of local offices.<sup>69</sup>

The NIHE's expenditure for 2000/1 was over £773 million. With the exception of rental income from its properties and some other operating income (totaling approximately £259 million), this expenditure entirely funded from the DSD.<sup>70</sup>

Housing needs in Northern Ireland are also served by Housing Associations. Housing Associations are non-profit bodies, which provide, manage, or maintain housing accommodation.<sup>71</sup> They were first given statutory status in 1976.<sup>72</sup> Generally, they

provide rented accommodation in addition to that which is provided or managed by the NIHE. Many Housing Associations specialise in accommodation for special needs group,<sup>73</sup> which may not be provided for through general housing provision. Housing Associations are the main developers of new social housing for rent in Northern Ireland.<sup>74</sup>

Although private bodies, housing associations are funded and regulated by DSD. DSD has stated that for 2001/02, £73 million in resources will be available to Housing Associations, and that *'an additional £35m from private finance will supplement the social housing new build programme carried out by Housing Associations and the Co-ownership Housing Association'*.<sup>75</sup>

## **QUANGOS**

The ELBs, HSSBs and NIHE are all quangos, or public bodies. It has been estimated that quangos administer as much as half the Northern Ireland budget.<sup>76</sup>

However, it is difficult to be precise as there is no agreement as to which bodies are in fact quangos. Greenwood observes that *'there is no consensus among politicians, the media or academics about what constitutes a quango. Not surprisingly therefore, there is disagreement about how many quangos exist.'*<sup>77</sup>

The latest Cabinet Office annual report on public bodies provides four categories of public bodies, and lists 78 for the devolved administration and 8 for the Northern Ireland Office. However, OFMDFM identifies five categories: it does not define the extra category, nor explain why it uses a different standard to that employed by the Cabinet Office. Its latest annual report on public appointments suggests that, if we also include bodies, which are not public bodies, but to which public appointments are made, there are 118 quangos in Northern Ireland.<sup>78</sup> Greenwood suggests that *'given the political imperative to keep the quango state as low as possible, successive [UK] governments have opted for a narrow definition of what they call non-departmental public bodies ... a broad definition is preferred by others.'*<sup>79</sup>

It is important to note that the proposed terms of reference refer only to non-departmental public bodies, and that many other quangos may therefore not be included.

The quangos listed in the latest Cabinet Office report break down unevenly between departments: see Table 1.

**Table 1: Northern Ireland Departments, other bodies, and their quangos**

Department	Number of quangos
Agriculture and Rural Development	6
Culture Arts and Leisure	5
Education	9
Employment and Learning	10
Enterprise Trade and Investment	6
Environment	6
Finance and Personnel	2
Health, Social Services and Public Safety	22
Regional Development	2
Social Development	6
Office of the First and Deputy First Minister	4
Northern Ireland Office	8

Source: Cabinet Office [Public Bodies 2001](#)

As noted above, it has been suggested that the growth in the number of public bodies or quangos within the UK has been driven by government perceptions of the inadequacies of local authority provision and by a belief that the importation of private sector practices would sharply improve performance. Democratic control being replaced by central appointment combined with stricter rules on performance indicators and audit.

Two key concerns emerging from the growth in the number of quangos were highlighted in the House of Commons Public Administration Select Committee's Sixth Report for the 1998/99 session.<sup>80</sup> In this report the Committee noted that:

*The main bodies of central and local government are directly accountable to the people through elections and through Parliament. Quangos, despite the amount that they do, and the importance of what they do, are not. Their accountability lies instead to those (who may be Ministers or other organisations) who established them.*

*As well as unelected and unaccountable (and partly because they are), quangos are seen as secretive and unresponsive to the communities they serve.<sup>81</sup>*

The Committee concluded in its report, however, that, as it seemed clear to it that quangos were here to stay, '*...the problems surrounding them – the lack of effective accountability, and the fact that they encourage the fragmentation of public services*' needed to be addressed.<sup>82</sup>

The committee also noted that attempts by government to make quangos more open, accountable and effective, such as those proposed in '*Quangos: opening the doors*',<sup>83</sup> were viewed by those outside government as unambitious, piecemeal and *ad hoc*.<sup>84</sup>

In January 2001, following devolution, the Scottish Executive launched a co-ordinated, and on the face of it ambitious, review of public bodies.<sup>85</sup> One of the objectives of the review was:

*to devise a set of principles that takes account of the fundamental changes brought about by devolution, and to use these principles to test whether existing public bodies should be abolished and to test any future proposals for new public bodies.*

Commenting on the review, Angus McKay, the Minister for Finance and Local Government in a parliamentary statement added that:

*Unelected public bodies should only remain in existence if it can be proved that the functions they are performing are necessary in post-devolution Scotland, and that they cannot be carried out as or more effectively and accountably by other means.<sup>86</sup>*

In June 2001 the abolition of 52 quangos, almost a third of all Scotland's public bodies, was announced. At the same time, the Scottish Executive indicated that it would scrutinise another third with intent to abolish them, with the remaining third being 'radically reformed'.

### **NEXT STEPS AGENCIES/EXECUTIVE AGENCIES**

Many of the executive functions for which Ministers are responsible are carried out by executive/next steps agencies. These bodies were set up to improve the standards of government services. They are free standing bodies within departments, which are allowed to concentrate their attention on specific activities. It has been argued that the creation of agencies has, across a wide variety of functions, led to better use of resources, much better quality and a greater focus on meeting the requirements of customers. They are the main delivery arm of the Northern Ireland Executive and the services they deliver have an impact on virtually all sections of society.

The 21 Agencies of the Executive are listed below, broken down by Department. Their websites can be accessed by clicking on the appropriate name.

Agriculture and Rural Development	<a href="#">Environment and Heritage Service</a>
	<a href="#">Rivers Agency</a>
Culture Arts and Leisure	<a href="#">Ordnance Survey of Northern Ireland</a>
	<a href="#">Public Record Office of Northern Ireland</a>
Enterprise Trade and Investment	<a href="#">Industrial Research and Technology Unit</a>
Environment	<a href="#">Construction Service</a>
	<a href="#">Driver and Vehicle Licensing Northern Ireland (DVLNI)</a>
	<a href="#">Driver and Vehicle Testing Agency (DVTA)</a>
	<a href="#">Environment and Heritage Service</a>
	<a href="#">Land Registers of Northern Ireland</a>
	<a href="#">Planning Service</a>
Finance and Personnel	<a href="#">Valuation and Lands Agency</a>
	<a href="#">Rate Collection Agency</a>
	<a href="#">Government Purchasing Agency</a>
	<a href="#">Business Development Service (BDS)</a>
	<a href="#">Northern Ireland Statistics and Research Agency</a>
Health, Social Services and Public Safety	<a href="#">Health Estates Agency</a>
Department for Regional Development	<a href="#">Roads Service</a>
	<a href="#">Water Service</a>
Social Development	<a href="#">Northern Ireland Child Support Agency</a>
	<a href="#">Social Security Agency (Northern Ireland)</a>

Central to the logic behind the creation of next steps agencies is the separation of policy making and administration. However, it has been argued that this distinction has been recognised by most commentators to be bankrupt.<sup>87</sup>

The lack of a clear distinction between policy making and administration has implications for accountability. As Greenwood<sup>88</sup> points out, *'while ministers remain accountable to Parliament for policy, if agencies have a policy role then ministerial accountability is partially eroded'*. A minister can claim failures are operational and effectively deny responsibility.

The Next Steps initiative typified an approach to public administration, which has been labelled New Public Management. Each agency has its own framework document and annual targets and is required to produce a business plan each year setting out how it intends to meet those targets and an Annual Report showing performance against those targets. It has been suggested that 'proponents of the new public management tended to denigrate what they described as *'traditional systems of accountability'* in favour of an emphasis on *'the achievement of "value for money", "quality" improvements to services and the adoption of micro-management techniques and processes derived from private sector practice'*.<sup>89</sup>

#### 4. CONCLUSION

Even before devolution, it was observed that, in the UK context, Northern Ireland *'suffers from political over-representation'* with proportionately more local councils than either England or Wales. Writing in October 2001, Paul Carmichael of the University of Ulster suggested<sup>90</sup> that, once it was accepted that local government should exist at all, the debate should then revolve around issues of function, form and finance:

*Determining what local government should do in turn shapes the structural form it should take and the financial system that should exist to sustain its activities.*

Carmichael suggests that, with the exception of planning, there is little enthusiasm in local government to (re)-acquire responsibility for direct provision of additional services. Rather, he argues *'the principle desire within local government appears not to (re) gain overall control but to progress beyond just a consultative role in shaping the determination of policy by those in authority'*.

If this perception is correct, then the RPA might be expected to address the question, which was addressed in the Scottish context by the Commission on Local Government and the Scottish Parliament,<sup>91</sup> of:

*how to build the most effective relations between local government and the Assembly and the Executive so that collectively they can best serve the needs of citizens.*

Whilst a number a number of clear problems exist in relation to quangos, there is not universal acceptance to the idea that quangos are inherently anti-democratic. It has been argued that quangos have resulted in 'democratic gain' rather than a 'democratic deficit'. From this standpoint, accountability has been strengthened by making services more responsive to consumers through market type accountability rather than a 'distinct and diffuse voice over make-up of services to be provided'.<sup>92</sup>



The current review, therefore, is likely to address the issue of whether the traditional form of direct accountability is most meaningful or whether accountability can emerge through, for example, contractual relationships, performance indicators and the likes. The answers to these questions will have implications not only for quangos but also for next steps agencies.

Whilst it is clear that the RPA will address the issue of structure of local government, it is not clear whether or not it will address the internal management of local government. Should it extend to the latter, the RPA might include a review of the management of business and working practices in local councils in the context of the ten characteristics of public administration, which form part of the RPA terms of reference.

Those quangos, which survive the RPA, may be required to work in partnership with local authorities. The terms of reference ask *'What is best practice in terms of existing co-operation and partnership between different levels of administration and between different organisations, e.g. between councils?'*<sup>93</sup>

The reference to partnerships is notable, as it has been suggested that these are *'at the heart of local governance'*.<sup>94</sup> Ideally partnerships are designed to provide joined up service delivery but success in achieving this requires overcoming problems of co-ordination. However, commenting on the significant development of partnership arrangements in Northern Ireland, and warning of the limitations to the partnership approach, Greer<sup>95</sup> notes that:

*the rapid, diverse and ad hoc development of partnership arrangements in Northern Ireland has created a complex and confusing picture, at times furthering the problems of environmental complexity, ineffectiveness and lack of co-ordination ... the very problems which partnerships were created to resolve.*

However, despite the limitations, Greer<sup>96</sup> also recognises the potential for partnerships *'to be a central feature in governance arrangements'*. His research providing evidence of *'a possible co-ordinating, strategic role for local government...'* which through partnership, might *'...establish a common vision from which stakeholders can become involved in governance activity and develop a more effective approach to local development'*.

In this context, local government might situate itself *'truly at the centre of public service locally ... developing a clear sense of direction for their communities and building partnerships to ensure the best for local authorities'*.<sup>97</sup>

In relation to cross-border partnerships, recently published research has urged the governments in Belfast and Dublin to consider giving local councils a specific responsibility in this area. The report suggests that *'mainstreaming cross-border co-operation would mean either an allocation of normal council expenditure, a developmental budget or a system whereby councils could bid for resources for cross border work'*.<sup>98</sup>

Since the last re-organisation of local government, there have been significant technological developments, which have the potential for significant impact across all areas of public administration. These developments are recognised in the proposed terms of reference, in which the question of what scope there is for modernising government through the use of IT and advances in telecommunications is posed.

It has been argued that e-government should extend beyond integrated electronic service delivery to a '*reformulation of the very notion of Governance*'.<sup>99</sup> In this context, it has been suggested that, whilst there is much government can learn from the private sector, it should be recognised that:

*The citizen's relationship with government is different to that between a customer and a business, in significant ways. The citizen shares in the ownership of government, through taxation and the franchise, and is thus a stakeholder in what governments do. In this respect, e-Government must have the potential to have a transforming effect on our democratic and political institutions.*<sup>100</sup>

Consideration of the possible impact on local government of e-government provides an illustration of what such transformation might involve:

*Whether it is call centres or internet services, authorities are being asked not to duplicate effort and not to be territorial over either the location or the management control of the service delivery. The implication is that the requirements of e-government render the current political structure of local government redundant since, if it no longer makes sense to manage or deliver services along current boundary lines, then why should it make sense to leave current structures and mechanisms of political accountability untouched?*<sup>101</sup>

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<sup>1</sup> AQW 1178/01 11/12/01

<sup>2</sup> NIA Deb 25 February 2002, Mr Mark Durkan, deputy First Minister, at <http://www.niassembly.gov.uk/record/020225.htm#7>

<sup>3</sup> See term of reference 3 of Review Body on Local Government in Northern Ireland 1970 Report Belfast: HMSO Cm 546, and see below for further information on the housing function

<sup>4</sup> Review Body on Local Government in Northern Ireland 1970 Report (Macrory Report) Belfast: HMSO Cm 546

<sup>5</sup> Macrory Report para 81

<sup>6</sup> Macrory Report para 74

<sup>7</sup> Macrory Report paras 70, 79-81, 115-116

<sup>8</sup> Macrory Report paras 121

<sup>9</sup> Macrory Report para 87

<sup>10</sup> Birrell, D, and Hayes, A 1999 The Local Government System in Northern Ireland Dublin: IPA page 23

<sup>11</sup> Greenwood, J; Pyper, R and Wilson, D (2002) New public administration in Britain London: Routledge, at page 18

<sup>12</sup> New public administration in Britain London: Routledge, at page 18

<sup>13</sup> Plummer, J (1994) The governance gap: quangos and accountability Joseph Rowntree Foundation Report/Pamphlet

<sup>14</sup> Morison, J 1996 Waiting for the big fix in Reconstituting Politics Democratic Dialogue Report No. 3 p 17

<sup>15</sup> Improving Management in Government: The Next Steps A Report to the Prime Minister (Ibbs Report) HMSO 1988

- <sup>16</sup> HC Deb 16 November 2001 Column 1077 Mr. Christopher Leslie, at <http://www.parliament.the-stationery-office.co.uk/pa/cm200102/cmhansrd/cm011116/debtext/11116-01.htm>
- <sup>17</sup> Loughlin, J 1991 Administering Policy in Northern Ireland Ulster Papers in Public Policy and Management no. 11
- <sup>18</sup> <http://www.psiuni.gov.uk/agencies.htm>
- <sup>19</sup> The Agreement reached in the multi-party negotiations in Belfast on 10th April 1998, Strand One, paras 3 and 14
- <sup>20</sup> Northern Ireland Act 1998 s 17. The Secretary of State may by order increase that maximum: s 17 (4).
- <sup>21</sup> The determination was, as required by Northern Ireland Act 1998 s17 (5), approved by the Assembly on 16 February 1999. Ministers were not appointed until 29 November 1999
- <sup>22</sup> Belfast Agreement Part 11 Validation, Implementation and Review, para 5
- <sup>23</sup> Belfast Agreement Part 11 Validation, Implementation and Review, para 8 states that *'the two Governments and the parties in the Assembly will convene a conference 4 years after the agreement comes into effect, to review and report on its operation.'*
- <sup>24</sup> It is interesting to note that the Local Government Boundaries Commissioner, Dr. Maurice Hayes, concluded in 1990 that no variation was needed to the structure of the twenty-six councils.
- <sup>25</sup> The Local Government System in Northern Ireland
- <sup>26</sup> Belfast City Council is not part of this system
- <sup>27</sup> The Local Government System in Northern Ireland pages 29 and 36
- <sup>28</sup> Birrell, D and Hayes, A (2001) Cross-border co-operation in local government: models of development, management and reconciliation Armagh: Centre for Cross Border Studies at page 7
- <sup>29</sup> Cross-border co-operation in local government: models of development, management and reconciliation page 69
- <sup>30</sup> The Local Government System in Northern Ireland page 27
- <sup>31</sup> Cabinet Office 2002 Public Bodies 2001 TSO: London pages 128-9 note, p 145 note to NIHE
- <sup>32</sup> Murphy, E, McBride, G, and Thompson, P 2002 Unpublished research prepared by NI Assembly Research and Library Services. The figure excludes Antrim, Ballymoney and Limavady, as information was unavailable.
- <sup>33</sup> Barry, R 2002 Unpublished research prepared by NI Assembly Research and Library Services
- <sup>34</sup> Public Bodies 2001 page 145
- <sup>35</sup> The Local Government (Miscellaneous Provisions) NI Order 1992
- <sup>36</sup> Scott, R, and Hoyer, K 1996 Local Councils' Economic Development Activities, in McLaughlin, E, and Quirk, P (eds) Policy Aspects of Employment in Northern Ireland Belfast: SACHR
- <sup>37</sup> The Local Economic Development Measure, under the Single Programme Document for Northern Ireland Structural Funds: see The Local Government System in Northern Ireland page 48
- <sup>38</sup> Local Government Act (NI) 1972
- <sup>39</sup> Local Government (Temporary Provisions) NI Order 1986
- <sup>40</sup> See The Local Government System in Northern Ireland chapter 4
- <sup>41</sup> <http://www.rpani.gov.uk/tor.htm>
- <sup>42</sup> Harvard Law School – 2001 Jean Monnet Program Working Papers – available at [http://www.jeanmonnetprogram.org/papers/01/012501-02.html#P26\\_4803](http://www.jeanmonnetprogram.org/papers/01/012501-02.html#P26_4803)
- <sup>43</sup> Available at <http://conventions.coe.int/Treaty/en/Treaties/Html/122.htm>
- <sup>44</sup> The Northern, Western, Southern and Eastern Boards, of which the Eastern is the largest. 660,000 people live within the Eastern Board Area, and its annual expenditure is around £700 million: see EHSSB 2002 Annual Report 2000/2001 The Chairman's Introduction
- <sup>45</sup> Under authority given by Articles 16 and 17 of the Health and Personal Social Services (Northern Ireland) Order 1972
- <sup>46</sup> Health and Personal Social Services (Northern Ireland) Order 1972
- <sup>47</sup> Public Bodies 2001
- <sup>48</sup> Northern Ireland Executive Budget Public Expenditure Plans: 2001/02 to 2003/04 page 10
- <sup>49</sup> Acute Hospitals Review Group 2001 Report Belfast: TSO Chapter 8

- <sup>50</sup> <http://www.nics.gov.uk/press/hss/011016c-hss.htm>
- <sup>51</sup> DHSSPS Press Release Minister announces the way forward for primary care 16 October 2001, at <http://www.ni-executive.gov.uk/press/hss/011016c-hss.htm>
- <sup>52</sup> The Belfast, North-Eastern, South-Eastern, Southern and Western Boards
- <sup>53</sup> Under the Education and Library (NI) Order 1972
- <sup>54</sup> Central Appointments Unit 2001 Public Appointments Annual Report 1999/2000 Belfast: TSO Volume 2
- <sup>55</sup> Public Bodies 2001
- <sup>56</sup> Northern Ireland Executive Budget Public Expenditure Plans: 2001/02 to 2003/04 page 10
- <sup>57</sup> See [http://www.deni.gov.uk/schools/finance/d\\_funding\\_formula.htm](http://www.deni.gov.uk/schools/finance/d_funding_formula.htm) for details. The date for responding to this consultation has passed, and the Department of Education is considering those responses.
- <sup>58</sup> See [http://www.deni.gov.uk/review\\_body/index.htm](http://www.deni.gov.uk/review_body/index.htm) for further detail
- <sup>59</sup> Education for the 21st Century - Post Primary Review Body 2001 Part II - Partnership & Progress: Education For The 21st Century para 10.35, and Chapter 10 generally
- <sup>60</sup> Disturbances in Northern Ireland: report of the Commission appointed by the governor of Northern Ireland 1969 Belfast: HMSO
- <sup>61</sup> The Local Government System in Northern Ireland page 20
- <sup>62</sup> The Local Government System in Northern Ireland page 21
- <sup>63</sup> The Local Government System in Northern Ireland page 21
- <sup>64</sup> Housing Executive Act (Northern Ireland) 1971 Schedule 2
- <sup>65</sup> NIHE 2002 Organisational Purpose and Core Values at [http://www.nihe.gov.uk/about\\_us/mission\\_values.asp](http://www.nihe.gov.uk/about_us/mission_values.asp)
- <sup>66</sup> Housing Executive Act (Northern Ireland) 1971 section 2. See also Northern Ireland Information Service Press release Housing in Northern Ireland a success story says Minister 3 February 1998 at <http://www2.nio.gov.uk/980203b-doe.htm>
- <sup>67</sup> Housing Executive Act (Northern Ireland) 1971 Schedule 1
- <sup>68</sup> Housing Executive Act (Northern Ireland) 1971 Schedule 1
- <sup>69</sup> NIHE 2001 Housing Executive Equality Scheme Belfast: TSO pages 3-5
- <sup>70</sup> NIHE 2002 Annual Report Belfast: TSO page 84. This amount includes over £328m in housing benefit distributed by the NIHE
- <sup>71</sup> For a full definition see Housing (Northern Ireland) Order 1992
- <sup>72</sup> Housing Order (NI) 1976
- <sup>73</sup> For example the Presbyterian Housing Association, which builds only for elderly people, regardless of religion
- <sup>74</sup> DSD 2002 Registered Housing Associations at <http://www.dsdni.gov.uk/housing/housingassociations.html> and <http://www.dsdni.gov.uk/housing/ha.html>
- <sup>75</sup> <http://www.dsdni.gov.uk/housing/index.html>
- <sup>76</sup> Government: Local issues provide forum for agreement by Murray Brown ft.com at <http://specials.ft.com/ln/ftsurveys/country/sc23346.htm>
- <sup>77</sup> New public administration in Britain page 153
- <sup>78</sup> CAU 2001 Annual Report on Public Appointments 1999/2000 Belfast: TSO
- <sup>79</sup> New public administration in Britain page 154
- <sup>80</sup> Public Administration Select Committee's Sixth Report 1998/99, at <http://www.publications.parliament.uk/pa/cm199899/cmselect/cmpubadm/cmpubadm.htm>
- <sup>81</sup> Public Administration Select Committee's Sixth Report 1998/99 at paras 2 and 3
- <sup>82</sup> <http://www.parliament.the-stationery-office.co.uk/pa/cm199899/cmselect/cmpubadm/209/20913.htm>
- <sup>83</sup> <http://www.cabinet-office.gov.uk/central/1998/pb/open/index.htm>
- <sup>84</sup> <http://www.parliament.the-stationery-office.co.uk/pa/cm199899/cmselect/cmpubadm/209/20906.htm>
- <sup>85</sup> <http://www.scotland.gov.uk/consultations/government/rpb-00.asp>
- <sup>86</sup> Scottish Parliament Official Report 21 June 2001 Col 1832 at [http://www.scottish.parliament.uk/official\\_report/session-01/sor0621-02.htm](http://www.scottish.parliament.uk/official_report/session-01/sor0621-02.htm) - Col1832
- <sup>87</sup> New public administration in Britain page 35

- <sup>88</sup> New public administration in Britain page 37
- <sup>89</sup> New public administration in Britain page 245
- <sup>90</sup> Carmichael, P, Belfast Telegraph 15 October 2001
- <sup>91</sup> <http://www.scotland.gov.uk/library/documents-w10/clg-00.htm>
- <sup>92</sup> Hansard Society; Ridley, F.F. and Wilson, D (eds.) 1995 The quango debate Oxford: OUP page 6
- <sup>93</sup> <http://www.rpani.gov.uk/tor.htm>
- <sup>94</sup> New public administration in Britain page 135
- <sup>95</sup> Greer, J (2001) Partnership governance in Northern Ireland: improving performance Aldershot: Ashgate page 3
- <sup>96</sup> Partnership governance in Northern Ireland: improving performance page 249
- <sup>97</sup> DETR (1998) Modern local government: in touch with the people London: HMSO Cm 4014 para 8.7
- <sup>98</sup> Cross-border co-operation in local government: models of development, management and reconciliation page 74
- <sup>99</sup> Steadman Jones, D, and Crowe, B (2001) Transformation not Automation, the e-government challenge Demos, London, page 17
- <sup>100</sup> Transformation not Automation pages 17-18
- <sup>101</sup> Kearns, I (2001) The Parliamentary Monitor – IT Briefing – May 2001 page 8