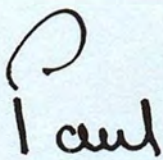


From: PAUL SWEENEY
12 January 1999

To: Mr D Ferguson
Mr D Lavery
Mr B Gamble
Ms M Quinn
Mr D Campbell
Dr G Gudgin
Mr D Kerr
Mr C Larkin
Mr H Logue

PROGRAMME FOR GOVERNMENT

1. Please find attached a briefing paper on the preparation of a programme for government.
2. This paper will assist the brainstorming session on the preparation of a programme for government scheduled for **10.00 am on Wednesday, 13 January 1999 in Room 152, Parliament Buildings.**



Paul Sweeney

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“PROGRAMME FOR GOVERNMENT”: Brainstorming session –
10.00 am, Wednesday, 13 January 1999

1. **INTRODUCTION**

- 1.1 The purpose of this paper is to provide background briefing for the brainstorming session on the preparation of a programme for government scheduled for 10.00 am on Wednesday, 13 January 1999 in Room 152. The paper reviews the available reading material, the current policy context and concludes with a series of suggested steps that could be taken to focus on the preparation of a programme for government.
- 1.2 By way of illustration, a programme for government agreed by the Fine Gael, Labour Party and Democratic Left coalition government in the Republic of Ireland in 1994 is attached. Given the diverse historical background to these parties and their conflicting social policies it was something of a surprise to commentators at the time that such an agreement was brokered.

2. **BACKGROUND**

- 2.1 Messrs Lavery and Larkin wrote to Mr Ferguson on 21 October 1998 requesting an outline of a possible programme for government and a commentary outlining each of the 6 Existing Departments the main issues to be addressed and a range of options for policies and programmes.
- 2.2 On 20 November 1998 Mr Ferguson issued a set of papers which included:

- a tentative outline of a programme for government based largely on a framework prepared by Mr Ronnie Spence;
- the latest position on the Comprehensive Spending Review; and
- the returns from the 6 Departments outlining the main policy issues which a new Executive may have to confront over the first 3 years of its existence.

2.3 It was agreed that the above material should be explored with each individual Department head early in January 1999. The aim thereafter would be to draw up an initial draft programme with a view to at least a preliminary discussion at political level with the Parties early in the New Year.

2.4 At the support team/special advisers meeting on 5 January it was agreed to have a brainstorming session on the preparation of a programme for government in advance of meeting with the Permanent Secretaries. Hence the meeting scheduled for 13 January 1999.

3. **BACKGROUND MATERIAL**

3.1 In addition to the papers referred to above the following material provides useful background reading material:

3.1.1 The manifestos issued by each of the 4 main political parties in advance of the Assembly elections in June 1998.

3.1.2 The outcome of the Comprehensive Spending Review (CSR) announced in December 1998. The "Northern Ireland

Expenditure Plans and Priorities” will be published in March. This is normally a 300-page document detailing expenditure by Departments with associated activity indicators. This is a joint publication between DFP and Treasury. Discussions are taking place as to the scope for this publication to reflect current political developments in Northern Ireland viz the new Departmental structures etc. It should be noted that in announcing the outcome of the CSR, Mr Paul Murphy MP stated “We have had extensive and unprecedented consultations with Assembly members, local politicians, district councils, representatives of trade unions, the business community and the voluntary sector on the Spending Review.” One could argue that this level of community consultation provides a credible basis for the following possible line to take on the part of the Executive, “Given the level of community input to the formulation of the CSR our intentions in the short-term are to work largely within this framework, whilst at the same time proactively reviewing public expenditure priorities and policies to assess how they should be redefined/reordered to more effectively address the district social and economic challenges of the community and exploit the economic opportunities of the region.”.

3.1.3 The ongoing negotiations (partly involving the Irish Government) on the EU Structural Funds post-1999. The ‘architectural’ options being advocated include an enhanced transitional status (from Objective 1) or a discrete special programme arising from the Cardiff Conclusions. Submissions from throughout the NI Community on post-1999 arrangements have been received by DFP. The intention is to formulate an outline

Structural Funds Plan for Northern Ireland, to be cleared by Shadow Ministers and leading to a possible conference to provide an opportunity for local interests to input (February 1999). Thereafter a draft Plan will be prepared for wide consultation (April-July 1999) with a view to submitting the final Plan to Brussels in September 1999. Obviously the deliberations on the Structural Funds post-1999 and the formulation of a programme for government are closely interrelated. Indeed, Northern Ireland's potential to maximise support from Brussels will be contingent on the formulation of a dynamic coherent integrated plan for the social and economic development of the region. **Annex A** provides an outline of one possible framework for Northern Ireland's Structural Funds plan post-1999, as drafted by DFP officials.

3.1.4 Departmental briefs (First Day Briefings) are currently being compiled/refined for the incoming Executive. For the purposes of consistency Departmental briefs follow a broadly similar format (as is the case with Directorate and Agency briefs), namely:

- Structure of the Department
- Vision, Mission, Aims and Objectives (Strategic Plan)
- Key Policy Areas or Key Issues
- Resources
- Financial Resources Allocated over Departmental Objectives

- Related Non-Departmental Public Bodies

[Note that a Departmental brief will be prepared for the Office of the First and Deputy First Ministers]

3.1.5 The Transitional Programme for Assembly Members has generated a compendium of useful background briefing on government departments and NDPBs.

3.1.6 A series of concordats are being compiled outlining the relationship between NI Departments and Whitehall Departments post devolution. Whilst considerable powers will be transferred Westminster overrides will still come into play (eg parity on social security).

3.1.7 Note the recent publication by Democratic Dialogue “Hard Choices: Policy autonomy and priority-setting in public expenditure”.

4. **ONGOING POLICY PROCESSES**

4.1 A number of ongoing and imminent policy processes will inform the preparation of a programme for government.

4.2 There has been all party support for the undertaking of a **“Comprehensive Review of Public Administration in Northern Ireland”**. Implicit within the costs of establishing new departments is an assumption that savings will be achieved by the rationalisation of QUANGOs and the existing administrative arrangements for health, social services and education. A draft Terms of Reference for this review will shortly be issued to

special advisers for comment. Obviously there should be a close working relationship and cross-fertilisation of views between those undertaking the "Comprehensive Review of Public Administration" and those most directly involved in formulating the programme for government.

4.3 The Department of the Environment's draft **Regional Strategic Framework** was published in December 1998. It is currently subject to an examination in public. However, it will largely be a matter for the Assembly to take this forward, given that the Assembly will be required to set planning policy for the whole of Northern Ireland and to provide policy guidance for the preparation of local area plans. Strategic regional planning will be a core policy area for the Assembly requiring co-ordinated and sustainable intervention in a wide range of policy areas related to the built and natural environment, the economy and local communities. The Assembly will have to balance competing claims for its attention as it meets the challenge of setting the broad strategic planning policy direction and encouraging the public and private sectors to actually implement the strategy at the local level.

4.4 The Department of Economic Development will shortly publish the first draft of its **Economic Development Strategy**. Of all the benchmarks by which the Assembly will be judged none will be as critical as the challenge of raising the level of economic well-being across the whole community. The Assembly has a unique opportunity to formulate and drive forward a more integrated and dynamic approach to economic policy-making and implementation. This will entail a bold response to the fundamental weaknesses in the local economy; striving to become a knowledge-based economy; the creation of a skilled

workforce; maximising indigenous and inward industrial growth and competitiveness; and reforming the institutional infrastructure that will spearhead the regional economic development strategy. In this regard it is interesting to note the proposal by the CBI that a Regional Development Agency (RDA) should be established to manage the creation and delivery of the economic development strategy which would include a detailed business plan and identify the people and organisations which need to take responsibility for action within the co-ordinating role of the RDA. The CBI proposals quote from a study by Dunford and Hudson for the Northern Ireland Economic Council in 1996 "Part of the problem in regions such as Northern Ireland is that they remain to a degree locked into institutional structures that facilitated an earlier phase of economic development, but which now constitute a barrier to moving onto a new development trajectory."

4.5 The Department of Health and Social Services have advanced two major policy papers: "**Putting it Right**" seeks to make a major contribution to the improvement of hospital services in Northern Ireland and "**Fit for the Future**" seeks to determine the future structure of Health and Personal Social Services in Northern Ireland. It will be a matter for the Assembly and the Executive to provide political direction on these policy documents, in which the health brief is likely to be the hottest political potato.

4.6 A common feature of the policy processes highlighted above has been the high level of community input to the various consultation exercises. For example, the formulation of the DED's Strategy for Economic Development is being advised by a number of business-led review teams and the NI Growth

Challenge. In seeking to agree on a programme for government the Executive/Assembly should seek to acknowledge and build upon this culture of community input into the social and economic planning process. The more people directly involved in formulating a programme for government the more likelihood of the programme will truly reflect the priorities of the region.

5. **FORMULATING A PROGRAMME FOR GOVERNMENT**

5.1 Paragraph 20 of Strand One of the Agreement states “The Executive Committee will seek to agree each year, and review as necessary, a programme incorporating an agreed budget linked to policies and programmes, subject to approval by the Assembly, after scrutiny in Assembly Committees, on a cross-community basis.”

5.2 Section 64 of the Northern Ireland Act 1998 states “The Minister of Finance and Personnel shall, before the beginning of each financial year, lay before the Assembly a draft budget, that is to say, a programme of expenditure proposals for that year which has been agreed by the Executive Committee in accordance with paragraph 20 of Strand One of the Belfast Agreement.

5.3 Paragraph 24 of Strand One of the Agreement states, “Ministers will have full executive authority in their respective areas of responsibility, within any broad programme agreed by the Executive Committee and endorsed by the Assembly as a whole.”

5.4 In seeking to formulate a programme for government one enters uncharted waters:

- The Executive itself will be an involuntary coalition with internal political tensions that could degenerate into continual attrition between and within unionist and nationalist blocs.
- The Assembly Committees will play a key role in the new culture of policy-making, by reviewing policy options and holding the Executive to account.
- Assembly members have up to now been in a “permanent opposition” mode. They have not had to confront the hard decisions associated with priority-setting and resource allocation. The primary motivation of Assembly members will be to seek advantage for their particular constituencies rather than advancing the interests of the region as a whole.
- The community is imbued with a culture of dependency (“blame them”) and inevitably there will be unrealistic expectations about the degree to which the Assembly can solve the region’s economic and social challenges.
- The Comprehensive Spending Review injects an additional £1.4 million into the NI block over the next 3 years. However, it would be imprudent to assume that the NI block is likely to increase thereafter. Devolution within the UK has reopened debates about the Barnett Formula viz Scotland’s and Northern Ireland’s relatively favourable public expenditure treatment. Peace challenges the Northern Ireland community to become more enterprising and self-reliant. The Chancellor’s special package (£314 million); the next round of the EU Structural Funds;

and the support of the international community through bodies such as the International Fund for Ireland provide a welcome springboard for this transition period, however, we have to work on the assumption that the days of projecting Northern Ireland as a “special case” are drawing to a close – which in itself will be an empowering process for the community. After the current CSR period public expenditure negotiations for Northern Ireland will take place in a cold climate. The quality of public-policy decisions therefore becomes even more important as do considerations about priority-setting and value for money. (In compiling a programme for government consideration will have to be given to the scope for raising additional resources eg the option of tax varying powers for the Assembly, changes to the regional rate, charging for services, regional income taxes etc.)

- The new Ministers and officials will be on a steep learning curve. Their instincts will be to explore the possibility of constructive change and innovative departures in policy-making. However, there is every likelihood that Ministers will be swamped with the immediacy of delivering programmes and services and locked into a continual battle with Executive colleagues on departmental resources within the constraints of the existing NI block.
- The Assembly will have to establish an annual procedure for dealing with the budgetary process. It will be constrained initially by inherited programme spending levels (Comprehensive Spending Review) but it may wish to alter current priorities by directing expenditure from one part of the budget to another. In the short term the scope

for change will be small, however, there will be significant opportunities to alter the distribution of expenditure across programmes as changes from year-to-year can cumulatively produce results over time.

- The Executive will be the engine room that rises above the immediate pressures of service delivery and the continual scarcity of resources to focus instead on long-term policies and strategies. The essence of a programme for government is to take decisions in the best long-term interests of the community.

6. **STEPS TO BE TAKEN**

- 6.1 Like the 'Starship Enterprise' the Executive is tasked to go where man has not gone before – to formulate and implement an agreed comprehensive manifesto for the future of Northern Ireland; a joint venture between unionists and nationalists based on economic dynamism and social justice with the pursuit of one dependent on the other. The formulation of the programme for government in itself will have a unifying impact on the Executive. The question arises as to how this might be achieved. How such an elaborative process of collaboration and consensus building can be brokered within a fairly fragile body politic. Who provides the leadership? Who provides the facilitation? What strategic imperatives should inform policy choices? What might be the regional strategic goals and how should these goals be ranked in order of priority? What mechanisms should be developed for transferring resources between policy priorities. What mechanisms should be put in place for assessing the opportunity costs of particular public expenditure decisions?

Outlined below are a series of steps that could be taken to facilitate the formulation of a programme for government.

- 6.2 A steering group should be established comprised of the support team and special advisers in the Office of the First and Deputy First Ministers perhaps augmented by officials within DFP. The Group will act as a project management team for the formulation of a programme for government. As a preliminary steps a series of meetings will be held with Permanent Secretaries to help to determine the work programme and processes of the steering group.
- 6.3 Consideration should be given to establishing in the near future the Economic Policy Unit as outlined in the 18 December 1998 statement by the First and Deputy First Ministers as a key resource to the formulation of a programme for Government (**Annex B**). In the short-term the work of the Unit could be augmented by a consultancy budget specifically related to the formulation of a programme for government. (For example, the Forum for Peace and Reconciliation commissioned a team of consultants, led by KPMG Management Consulting, to prepare a report on "The Social and Economic Consequences of Peace and Economic Reconstruction") Bodies such as the Northern Ireland Economic Council could be engaged to ensure that the First and Deputy First Ministers benefit from the best possible national and international advice on how a regional economy such as Northern Ireland might compete in the global market. The establishment of the Economic Policy Unit provides an excellent opportunity for achieving greater transparency in the budget process, whereby well-researched information about policy and programme performances and expenditure options will be available to the Executive, the Assembly (and Committees) and

the community as a whole. This will be an important aspect of building “responsibility sharing” throughout the community.

- 6.4 The commissioning of the “Comprehensive Review of Public Administration in Northern Ireland” should be agreed within the Assembly and commenced as soon as possible. By reviewing the entire machinery of government it should be possible to achieve potential savings from delayering and establishing more effective institutional arrangements for achieving the strategic policy goals of the new administration.
- 6.5 The First and Deputy First Ministers should consult with Assembly Parties and thereafter the Committee Advising the Presiding Officer (CAPO) to schedule Assembly debates on the major policy processes current in train ie the draft Regional Strategic Framework (DOE); the imminent draft Economic Development Regional Strategy (DED); the “Putting it Right” and “Fit for the Future” (DHSS). Consideration should be given to establishing ad hoc Assembly Committees tasked to consider the above policy processes in detail as a means of facilitating the debate on same within the Assembly and contributing to the formulation of a programme for government.
- 6.6 The First and Deputy First Minister should adopt a hands-on approach to the formulation of the Structural Funds plan to be submitted to Brussels in September 1999.
- 6.7 As a means of capturing the public’s imagination and building confidence throughout the community the First and Deputy First Ministers could produce a joint outline programme for government (based on Mr Ronnie Spence’s outline framework). Alternatively an attempt could be made to broker an outline

programme for government involving the parties that will comprise the Executive. Clearly the political feasibility of this will have to be reviewed. Such a document could focus on the 'vision thing', setting out a series of guiding principles and regional goals, eg:

- Accepting our interdependence by choosing to work together to shape our chosen future.
- Healing community divisions and celebrating cultural diversities
- Developing a dynamic regional economy
- Encouraging a culture of enterprise and self-reliance throughout the community
- Maximising equality of opportunity by targeting individuals and areas in greatest need
- Promoting health and social well being throughout the region.

By way of anchoring the wider community into the process of formulating a programme for government this document could be issued for public consultation with the various sectoral groups, Civic Forum, etc, encouraged to make submissions. This might involve a series of conferences/seminars profiling the leadership role of the First and Deputy First Ministers.

6.8 For illustrative purposes only I attach an edited version of the policy agreement for a "Government of Renewal" as published by

the Fine Gael, Labour Party, Democratic Left coalition government in December 1994 (**Annex C**). Special advisers/ programme managers played a key role in brokering this impressive and reforming programme for government between parties whose origins and development are markedly different and whose policies diverge at numerous points. The original document is itself 38 pages in length and when published was widely disseminated. At the heart of the document is the “Strategy for Renewal” which is presented as the blue-print for the first of seven objectives which the new government set for itself (note the 7 objectives outlined in the beginning of the attached extract).

7. **CONCLUSION**

- 7.1 This paper has sought to provide relevant background and to begin to focus on the steps that might now be taken to begin the preparation of a programme for government for the new Administration.
- 7.2 As an outcome for the 13 January meeting of Support Team/ Special Advisers, it should be possible to reach broad agreement as to what the core tasks are, and thereafter to agree a work programme and critical path for the preparation of a programme for government.