

Mission Unpopular Not Mission Impossible II

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Appears in Belfast Telegraph Business Month published 2nd September 2013

In many ways, it is DFP of all the government departments that has the most potential to influence the economy given its key role in deciding how much public expenditure is spent and where these resources are allocated. Furthermore, the terms and conditions of public sector employment can significantly influence the performance of the public sector and its attractiveness as a place to work relative to the private sector.

It is encouraging that the new Minister has already placed significant emphasis on the positive role that the public sector can play in driving the economy forward, but it is important that he utilises all aspects of his brief to achieve this, as the *'Personnel Minister'* as well as the *'Finance Minister'*.

The Minister has set the challenge for Northern Ireland's public sector to be the most innovative in the world. To meet this challenge the Minister is right to stress *'the relentless pursuit of one aim – reform'*. This includes reforming our attitudes and ambitions. If NI is to be successful in this regard, it has to be more proactive in reform than its counterparts in Great Britain, Ireland and Europe. This requires a focus on structures, processes and people that are best in class too.

At a recent CBI breakfast, the Minister posed the question *'Why shouldn't we aim for public service excellence delivered by excellent public servants?'* The skills and experience within our public bodies need to reflect this key role. Excellence requires the investment in and development of specialists. We would not expect GP's to perform cardio-thoracic surgery. Similarly, specialists, as opposed to generalists, within the public service are essential to achieve best in class.

We need to devise and implement world-leading economic strategies. We need international-class experts in planning, procurement, public sector delivery, economic strategy, policy development that could hold their own in the best equivalent organisations in Europe. This is something that lies within our control. Being porous to external influences and attracting international experience to key positions is something our public sector and our economy at large need to do.

Over the years we have successfully levered in financial resources from the US, Brussels and Westminster. Perhaps we should fix our attention on levering in human as well as, or rather than, financial resources. Experts in public sector and economic reform from Washington, London or Brussels could add a lot of value. Radical reform requires an infusion of radical reformers.

Delivering reform requires the electorate to have an understanding of the public finances. To achieve this, the new Minister should continue his predecessor's frank *'telling it as it is'* style and indeed formalise this. A lack of appreciation of public finances in any economy fuels unrealistic expectations of what can be afforded and how far revenues can be stretched. This strategy would require greater transparency over revenues, subsidies, public expenditure and benefits take-up.

Throwing sunlight on what and where money is spent is the most effective way to highlight waste and inefficiency and change behaviours. Effective communication with the electorate will enhance understanding and pave the way for unpopular but necessary policy decisions. NI cannot afford to ring-fence inefficiency. That's why a renewed focus on public sector productivity and a re-defining of *'value for money'* are required in a more hostile era of fiscal restraint.

A *State of the Nation* public information address by the DFP Minister highlighting our annual fiscal deficit would be worthwhile. Headline per capita expenditure and revenue comparisons with other UK regions would

also be included in the annual rates bills. How much public expenditure is spent on frontline services as opposed to back office functions? Does there need to be a rebalancing of resources between the two?

In recent years, Northern Ireland has been bombarded with the narrative of austerity without anywhere near as much of the reality as elsewhere. There has been some relief that these prophecies of fiscal doom and gloom have not materialised. For example, Northern Ireland has been spared the swingeing cuts that Departments in Great Britain have experienced. Perhaps, however, in some respects, this was not an ideal outcome, as the urgency and need for reform has been deferred, but not eliminated.

Traditionally, the view has been that maximising the size of the block grant is in the best economic interests of NI. However, while NI enjoyed an expenditure boom throughout most of the last decade, it didn't narrow the prosperity gap with the UK. Northern Ireland does not suffer from a lack of public expenditure to deliver world class public services. The challenge is the delivery. To this aim, benchmarking public sector processes & performance against the world's best is required.

If Northern Ireland's public sector is to meet the Minister's vision of becoming the most innovative in the world, this attitude must percolate through its institutions, people and processes. Innovation thrives from competition. If there is no competition for resources or between people and institutions, there is unlikely to be enough innovation. The public sector must be opened up to greater competition not only between the public and private sector but within the public sector.

The new Minister has made an impressive start and although he has a hard act to follow, he has in many respects been a breath of fresh air. He has set out a clear vision. Delivering it may at times be Mission Unpopular, but it is not Mission Impossible.

Richard Ramsey
23 August 2013

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