



REFLECTION: SHARED SERVICES IN AN ENVIRONMENT OF UNPRECEDENTED CHANGE-IMPACTS ON LOCAL GOVERNMENT



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Both local government systems on the island of Ireland are subject to considerable restructuring, with the associated change management seeing local public service playing a leadership role not previously acknowledged or accepted by other parts of both public services. A key aspect of this new leadership role is the capacity of both systems to demonstrate that they have the aptitude and capability to take-on such leadership roles and to be transparent and accountable to their own communities and stakeholders. The platform which shared service provision can make to enabling local government (successfully) have such leadership is well demonstrated across the Organisation for Economic Co-operation and Development (OECD) with much of the direction from output driven performance now being replaced by a more qualitative analysis of performance. This places an emphasis on achieving policy outcomes relevant to the local citizen and taxpayer. Such thinking is allowing for innovative forms of service delivery through shared institutional delivery models, drawing upon experience within and across public services but also drawing upon the capacity of multi-agency committees and the private sector to be co-producers of public services under the leadership of local government.

Acknowledging the experience of border communities in delivering shared service initiatives, this paper considers the potential of having a similar platform to progress development in both local government systems, particularly given the recent reforms of local government in both jurisdictions on the island of Ireland. Examples of shared services initiatives from the Irish border region

provide both local and national policy-makers with potential templates on which to expand co-production and, thus further sustain reform efforts in Ireland and Northern Ireland.

Introduction

Public service change is an on-going feature of public management in both Ireland and Northern Ireland, reflecting a continuing trend in reform effort in jurisdictions across the OECD. In an era of public expenditure retrenchment the need for efficient and effective service delivery, which is accountable and measurable, seems to be a clarion call from Ireland to Australia. Central to such change is the consideration of service delivery based upon the sharing of services across public bodies. It makes sense, it would seem to the casual observer, not to mention hard pressed political leaders, that unifying services which are universal in nature should provide opportunities for efficiencies and cost saving whilst sustaining service delivery to both local and national populations. The question, of course, is whether this is actually based upon real evidence and critically, given the centrality of democracy to public services, whether such moves underpin or undermine elected governance at local, regional and national levels, and whether transparency in our public services can be sustained under processes that seek to enhance effectiveness.

This paper considers these aspects of public service change. The case for a re-configuration of local services specifically in the case of the island of Ireland is examined and whether this might be seen as sustaining a transparent local democracy as manifest – at least in the thinking on local government reform in the two local government systems on the island.

Local Government Reform in Northern Ireland

Over the past two years, local government in Northern Ireland has delivered a local government re-configuration

programme after almost a decade of discussion, delay, and finally political agreement of sorts on a renewed local public administration. Some 26 out-going District

Councils have been abolished/merged or extended (in the case of Belfast City Council), and replaced by an 11 council configuration as outlined in Table 1.

Table 1: The New Council Structure of Northern Ireland

<ul style="list-style-type: none"> • Antrim and Newtownabbey District • Armagh, Banbridge and Craigavon District • Belfast District • Causeway Coast and Glens District • Derry City and Strabane District • Lisburn and Castlereagh District 	<ul style="list-style-type: none"> • Fermanagh and Omagh District • Lisburn and Castlereagh District • Mid and East Antrim District • Mid-Ulster District • Newry, Mourne and Down District • North Down and Ards District
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The Councils, as a central feature of the implementation of the Review of Public Administration (RPA) in Northern Ireland, will have, over time, a wider range of responsibilities. This will bring them into a central role in local planning, notably community planning, as is the case in Scotland, while also having the opportunity to create platforms for local public service. Additional powers of scrutiny are envisaged, with the objective of enhancing the role of local elected members. This is underpinned by the decision to put in place greater executive supervision; with the scrutiny committees, for example, being supported by an independent scrutiny officer within each council and having the power to examine the affairs of their council.

Notwithstanding the largely successful transition to the new configuration of councils, it remains the case that local government in Northern Ireland is still largely constrained by having a relatively restricted range of functions and responsibilities. The capacity of local government is, therefore, influenced by the need to develop the role of the Northern Ireland Assembly. This might be a constraint on the potential of local government to be a genuine leader of socio-economic progress at one level but the recent history of the local government system in Northern Ireland does provide some cause for optimism. The capacity to look to the needs of the local community, and to set aside long-term disagreements over identity, is a hallmark of the system. There is much to learn from this capacity within councils to set aside long-standing differences in order to focus on the needs of their local communities.

Local Government Reform in Ireland

As in Northern Ireland, the local government system in Ireland has also been the focus for change. Outside of the major cities, municipal government has been subsumed under the existing county authorities, thus dealing with a long-standing need to address the inadequacy of unequal delivery of municipal services as well as unequal local representation in towns. The question might legitimately be posed as to whether such an approach fits easily with the need for enhanced democracy? Equally, the on-going consideration of service efficiencies has seen a continuing effort to create shared service platforms across many local services. This is being supervised by a local government-led shared services initiative within the Local Government Management Agency (LGMA)¹, albeit the initial impetus came from the need to deliver immediate efficiencies as part of the general retrenchment of public service expenditure in Ireland due to the collapse of the Irish economy. A Performance Management Office (PMO) was established following publication of the Report of the Local Government Efficiency Group, under the chairmanship of Dr. Pat McLaughlin, in July 2010. This Office is now embedded into the LGMA.

The overall reform process in Ireland is clearly set out in the *Action Plan for Effective Local Government- Putting People First (PPF)*, issued in October 2012. In this far-reaching policy statement, the Irish government set out, arguably for the first time in the history of the State, an understanding of the role and purpose of local government within the wider public service. It also set



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out the criteria for the migration of new services to local government; most notably, economic development and a strengthened form of community planning. At the same time that this was occurring, re-configuration of water and water treatment services, once a core function of local government, into a national and controversial utility, Irish Water, was taking place. Such a move, some have argued, is counter to the arguments for sustaining vibrant local government in Ireland.

Whatever about the arguments surrounding the loss of water services from local government to a national utility, following adoption of the *Local Government Reform Act, 2014* Ireland now has a much streamlined structure with 3 City Councils, 2 City and County Councils and 27 County Councils. Municipal districts, the replacement platform of the town councils, within the county structures are not corporate entities but serve as a local feature of the relevant county or city and county council. Currently further proposals for re-configuration will address the relationship between Galway City Council and Galway County Council as well as between Cork City Council and Cork County Council. In the event of proposals to merge these councils the possible configuration of local government in Ireland would see a drop in councils from 114 to 28 councils with a fall of over 1500 elected members to a possible 900.

Common features of reform

In broad terms, both jurisdictions are seeing reforms that, in principle, seek to re-position the two local government systems so that the individual local authority is positioned to take on the public service leadership role at local level. In doing so, they would become the principal platform for public service reconfiguration generally, providing the space in which public service innovation and transition can be facilitated. This allows for, and requires, public service reconfiguration, and a significant change in culture and attitudes within local administration. Local government will have to become more transparent though their policy responsibilities. Such perspectives are underpinned by a considerable shift in thinking, from having a concentration of services within local boundaries to creating organisations with a focus on the needs of citizens.

Therefore, a service restructuring will be required in both jurisdictions that moves the local, political and managerial perspective from retaining focus on the long-standing service organisation to one that, whilst respecting local political accountability and priorities, transitions to a citizen-centred service configuration, which can be organised on the grounds of effectiveness and efficiency. Such bodies, therefore, might be more regionally configured or, indeed, might be delivered contractually by arms length public bodies or, in the extreme, by contracting-out of responsibilities to other parts of the public service or to the private sector. Alternatively, this provides local government with the opportunity to become a shared services platform for other public services.

In the case of Ireland, the current focus in service re-configuration rests within the framework created by the LGMA through the shared services initiative. In Northern Ireland, the Authorities operate within an already highly centralised regime across most citizen-targeted services. The focus, therefore, may well be on releasing local authorities so that they can indeed have greater local freedom to determine 'level' and 'range' of service provision within their budgetary context.

How this relates to current thinking in local government internationally is worth reflecting upon.

Current international developments

There is no doubt, as acknowledged earlier, that local government systems across the globe have had to, in common with their Irish counterparts in both jurisdictions, address the outcome of the global financial crisis. Local government systems generally have tackled the need to address financial austerity through:

- Efficiency driven/investment led platforms;
- Shared service platforms, public and private;
- Silo disruption;
- De-layering decision making; and
- Sustainable Growth making.

Therefore, in many respects there are broad common themes confronting local government systems. What is different in some respects, from the reforms in Ireland



and Northern Ireland, however, is that on mainland Europe there seems to be a different political approach and dynamic to sustaining local government. While both jurisdictions on the island of Ireland seem content to reduce the number of local authorities, the emphasis on the Mainland tends to focus more on enabling local government to create diverse platforms to sustain and grow local economies. It is argued that this provides more scope for the use of alternative public service delivery options, such as joint service platforms under the direct leadership and initiative of local government through:

- Public-private joint ventures;
- Community-based service platforms;
- Third sector/social economy platforms;
- Public sector shared services (Thematic/national/regional); and
- Public sector shared services (geographic/regional/local).

The central role of local government in other European jurisdictions is to drive public service change in a manner relevant to the local socio-economic conditions, rather than the application of a universal approach – such as envisaged in the case of the two jurisdictions on the island of Ireland. This is providing scope for shared profit initiatives with the private sector, as well as opening new opportunities for efficiencies where services remain within the framework of the public sector but clearly within a local government context. As an example, water and waste water remains a feature of local government but equally, the opportunity exists whereby such services, among others, can be provided in a regional context but within a local government ownership environment and, thus, with appropriate local electoral accountability.

Doing more with less - qualitative and quantitative assessment

One of the on-going themes in public service reforms since the 1980's has been that of trying to demonstrate service efficiency and effectiveness in services which, in many instances, do not lend themselves to normal quantification appraisal. Attempting to measure the rolling-back of high levels of disadvantage, social integration and even the evaluation of person-

based services using largely private sector forms of measurement is clearly a major challenge. Successive reforms, particularly under New Public Management, sought to apply output-based assessment methodologies, but even these have had limited use given that much of what the public service provides is qualitative in nature and potential impact.

Recent thinking in public service performance now recognises that applying output-based quantitative assessment to public service provision is only partially useful when it comes to determining whether a public authority is both efficient and effective. The challenge is not so much about measuring simple data sets that indicate volumes of output; rather it is about determining what policy outcomes are being achieved. Is the policy, in other words, actually delivering what it was intended to deliver?

The over-riding thinking is to enhance service delivery while clearly demonstrating a commitment to quality and effective business delivery. This is not as strange as it might seem as, increasingly, governments are discovering the reality that much of their services are about meeting competing needs of citizens, and that placing service planning and the policies that underpin such planning at the heart of public service design is a perfectly rational and effective way to manage the public finances! Performance platforms, including those from best-case examples in Australia and mainland Europe, focus on:

- Governance and management;
- Service access;
- Responding to individual need;
- Safety, well-being and rights;
- Feedback, complaints and appeals; and
- Human resources.

Much of the thinking associated with understanding and evaluating performance seems to have come through the experience of governments trying to refocus services for people with disabilities, other disadvantaged communities and services, which have a long-term, multi-generational application. What is also evident is that there is clear political leadership underpinning the



process along with a rigorous re-configuration of service delivery. Both the RPA and PPF reflect this thinking. More recently, the Irish Government has restated its commitment to broader public service reform. Translating this, however, has proven difficult given that implementation of performance measurement and evaluation is by its nature, given the qualitative impact of public services, long-term. Nonetheless, the introduction of the scrutiny role in local government in Northern Ireland, alongside that of the Audit Committee/National Oversight and Audit Commission in Ireland may provide the necessary framework in which performance can be appraised.

However, there may be a difficulty in applying performance evaluation when it comes to shared services. Determining where accountability applies necessarily has to be factored into such services, particularly for those providing the resources, i.e. the citizen or the tax-payer.

There is now a necessity for service level agreements between public bodies, operating with a shared service environment, in order to provide a transparent environment where the citizen/tax-payer can understand the benefits of such platforms. Such agreements are applied across all aspects of the public services in both jurisdictions, but often with overly general performance criteria. This makes it difficult to understand where accountability rests, particularly if the services are thematically structured rather than spatially - or in line with local political organisation. In both jurisdictions, there is a need to be more specific if shared services are to be seen to demonstrate real efficiencies whilst meeting the needs for transparency and local political accountability.

Co-production-an alternative way to deliver public services and define shared services?

The on-going effort to move away from traditional centralised public service models is now a recognised feature of public service reform across the OECD. There is a clear political ideology underpinning the move towards allowing communities take responsibility for local services, even in the United Kingdom under a Conservative Government now wishing to hold the centre ground of politics.

The thinking underpinning the reform agenda is creating, across the OECD, diverse platforms for a more localised approach to strategic planning and service delivery where partnership between the public sector and the private sector is clearly a driver in the design of local policies. A key principal is that of facilitating co-production of public services. In other words, the public service remains at the heart of the policy process but, increasingly, is using local communities or others to take ownership of some services within a democratically accountable framework. Alternatively, the private sector, in partnership with local government, is becoming a provider within the policy direction of either national or local government.

At face value, it might seem that this is something that has been around for many years and, to some extent, it has. It is a model of service delivery, which has been built on the lessons from on-going service reform since the advent of New Public Management; one lesson being that the further you remove service planning from the citizen, the more probable that it will become inefficient and ineffective. Electors voting for people who are responsible for things like local education, housing and social services are more likely to be critical when it comes to the levels of tax falling upon them. Equally, they are likely to be less tolerant of decisions taken which are regarded to be creating unnecessary barriers to community or economic development. Placing the voice of a community at the heart of decision-making is central to policy development but, equally, allowing the local voice to facilitate the level and type of services provided could possibly create the sort of flexibility in service design that best meets local expectations. In essence, this requires communities at a local level working under the patronage of the democratic process to deliver services through both public and private delivery vehicles. The key characteristics of public service co-production have been highlighted as:

- Recognising that local people are an asset to their community and not a burden;
- Building on people's existing capabilities to underpin growth in their community;
- Promoting mutuality and reciprocity between



community and the local/national democratic process;

- Developing peer support networks across the public service and the private sector and within communities;
- Breaking down barriers between professionals and recipients; and
- Facilitating through the public authority rather than delivering services directly where possible.

Of course, such thinking cannot happen in the absence of democratically accountable structures, which facilitate the enhanced voice of the community whilst also providing for more transparent accountability in service design. So what exactly does co-production mean? In many cases, co-production of public services across the OECD is a central feature of the change process. In many cases, such production is based upon a shared service model, albeit one that is spatially driven rather than thematic - as is the case in both jurisdictions on the island of Ireland. The lessons from international perspectives and experiences for the two jurisdictions suggests that there is much for both national and local policy-makers to learn from what is occurring over the other side of the Irish Sea but also on the European mainland.

Shared Service Initiatives in Ireland and Northern Ireland

As acknowledged earlier, there are examples of mainly thematic-based shared service initiatives found in Ireland. At local level, there is plenty of evidence of long-standing arrangements across local government in both jurisdictions where services have been configured on a cross-boundary basis. In the case of Northern Ireland, considerable development of shared services would have been a feature of the pre-RPA public service regime, but these would have had limited local government input and were, effectively, Northern Ireland-wide initiatives to address the impact of the then existing political environment following the implementation of, for example, the MacRory Reportⁱⁱ. In the case of Ireland, successive governments since independence have created state-sponsored bodies to deliver a range of services from electricity to health, reflecting the

centralisation ideologies of successive governments and the highly siloed public service framework. At local government level, there was also much evidence of individual shared services initiatives in specific services such as fire fighting in Dublin, the creation of the Local Government Computer Services Board, the unified Tipperary Library Service among others. Nonetheless, it is really only with the advent of the RPA in Northern Ireland and the Programme for Government in Ireland that a unified policy perspective informing the development of co-produced services and shared services commenced. Under the reform efforts in both jurisdictions however, unlike in other OECD countries, such efforts have primarily been driven by a national policy framework rather than having local government take the lead (as is the case across the OECD), reflecting arguably the level of centralisation in both jurisdictions. Nonetheless, both systems seem to have acknowledged the merit of shared service configuration but it is too early to determine whether the orientation of shared service initiatives towards thematic-based delivery - rather than spatial or territorial determined shared platforms - is actually appropriate to the environment in both jurisdictions.

Potential for cross-border initiatives - building on existing experience

The current reform programmes bring with them the opportunity to explore the potential for greater cross-border initiatives through both local government systems. Doing so would build upon the already well-established experiences associated with EU supported programmes such as INTERREG and PEACE. Indeed, it would be fair to acknowledge the work of cross-border bodies with a clear, shared service remit; most notably the Local Authority-led Partnerships such as East Border Region Ltd. (EBR) and the Irish Central Border Area Network (ICBAN). Such bodies have been to the forefront in delivering shared services on a cross-border basis through a range of EU-supported programmes, including tourism, SME growth, transport projects to name but a few. More interestingly, from a local government perspective is that the partnerships have continued through the leadership of nominated local elected representatives rather than being the creatures of either



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the local executives in both jurisdictions and/or their national colleagues in Belfast and Dublin. As such, these types of bodies complement the type of shared service structures now a common feature of cross-border local engagement across Europe. Their geographic focus along with their integrated development programmes provides a useful model to the thematic-based nationally driven models addressed earlier.

In addition, with the transition to community planning across the island comes the opportunity to begin to address arm's length public service delivery within a cross-border institutional setting, again something that is a common feature of public service delivery across borders and other regions in the OECD. The capacity to explore opportunities for service co-production in meeting citizen-centred needs in areas such as primary health care, public safety as well as economic development, would seem to complement the thinking, in both reform programmes, as regards the local public service leadership role now seen as central to a vibrant and transparent local democracy.

Conclusion

A key challenge arises, however, in allowing both systems the freedom to undertake such initiatives without the need for constant direction from central authorities. While this is something that is intended by both reform programmes, it is 'easier said than done' given that both local government systems have developed within highly restrictive policy environments. Therefore, to achieve this goal, their organisational cultures will need considerable re-configuration. Nonetheless, given the capacity that comes with continued EU support, the existing experience in the border authorities for cross-border engagement and a more enlightened national perspective - even expectation - both local government systems could become a platform for genuine means of co-production and shared service provision, not just on a thematic basis but also, and critically, on a spatial basis. This, in turn, supported by a re-orientated island-wide policy framework in spatial planning for an island of potentially 8-10 million people by 2050, provides the institutions of both jurisdictions with exciting yet challenging times on which to build transparent

public services at a local level whilst also allowing for a considerable expansion of local responsibilities as is the case generally throughout the OECD.

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Endnotes

- i The Local Government Management Agency (LGMA) is a state agency of the Department of Environment, Community and Local Government (DoECLG) established in 2012 to provide a range of services to the Local Government Sector. The Agency was created through the merger of the Local Government Computer Services Board, Local Government Management Services Board and An Comhairle Leabharlanna. The LGMA provides a range of services within the context of its statutory remit; in support of co-ordinated and cost effective delivery of Local Government services and policy (see www.lgma.ie for further information).
- ii The MacRory Report is the final publication coming out of the Review Body on Local Government in Northern Ireland 1970 – as chaired by Patrick A. Macrory, Esq. – and presented to the Governor of Northern Ireland in June 1970. For further information see <http://cain.ulst.ac.uk/hms0/macrory.htm>



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