

# Project for the assessment of State central and regional administration (VIRSU)

The structure of government agencies within the State central and regional administration was assessed by the Ministry of Finance under the VIRSU project between 11 April 2014 and 28 February 2015. The project was conducted as groundwork for the preparation of the next Government Programme.

The aim is

- to harmonise public administration structures so that agencies become easier to steer and their operations become more efficient,
- to ensure the availability of services across Finland, even when financial resources are meagre.

## Background

The agency structure of the central administration has earlier been reformed in different ways within different administrative branches, resulting in incoherence. Regional administration underwent a major reform at the beginning of 2010, when the operations of six authorities were consolidated into two agencies, the Regional State Administrative Agencies (AVI) and the Centres for Economic Development, Transport and the Environment (ELY Centres).

The VIRSU project examined the development of the agency structure as a whole. The project stemmed from the Government's Structural Policy Programme and the central government reorganisation project (KEHU).

## Reform of the agency structure of the state administration

The following principles will be observed in the reform of the agency structure:

- structurally well-defined agencies
- principally nationwide authority
- emphasis on customer perspective
- digitalisation of services
- structural agility
- customer service cooperation between government agencies

The aim is to merge small agencies. These are particularly numerous in the administrative branches of the Ministry of Justice and the Ministry of Education and Culture. The goal is to generally create entities with nationwide authority, having multiple offices across Finland if needed. In terms of regional administration in particular, efforts will be made to create combined agencies encompassing several administrative branches. Agencies will be turned into accounting units in order to clarify operational and financial responsibilities.

## Regional administration structure models

In the area of regional administration, the VIRSU project examined Regional State Administrative Agencies (AVI), Centres for Economic Development, Transport and the Environment (ELY Centres), Local Register Offices and Employment and Economic Development Offices (TE Offices). Different structural alternatives have been examined and subjected to an extensive impact assessment:

- A. AVIs and Local Register Offices combined into 3–5 agencies (new AVIs), and ELY Centres and TE Offices combined into 3–9 agencies (new ELYs).
- B. AVIs, ELY Centres and TE Offices combined into 3–5 agencies (new state regional administration).
- C. AVIs and Local Register Offices combined into a single agency (new AVI), and ELY Centres and TE Offices combined into a single agency (new ELY). These agencies would have nationwide authority.
- D. Models B and C would involve transferring regional development tasks to regional councils.

This assessment will be further complemented during the spring with an assessment of variations of models B and C and by further specifications to the impact assessment of model D. Correspondingly, the Ministry of Finance conducted a further analysis, completed on 13 April 2015. Regional administrative work will take place in regional offices, regardless of the form of the organisation.

## Benefits for customers

- Matters will be handled more swiftly. For example, customers will be issued with permits faster and permit decisions will be based on harmonious grounds across Finland.
- Monitoring will become more efficient and its focus can be shifted from subsequent control to anticipatory action.
- Several services will be available from a single authority, making it unnecessary for the customer to contact several authorities.

## Follow-up

Follow-up work will be outlined in the Government Programme and action plan. The reform of central and regional administration will require a shared implementation project. The Ministry of Finance will coordinate the development of administrative structures and operations to ensure the creation of a coherent whole.

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