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Final report of the regional government, health and social services reform

Experiences of the preparatory work, lessons and conclusions

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| Abstract | <p>The aim of the regional government, health and social services reform that started in 2015 was to provide people with services on a more equal basis than before, level out differences in health and wellbeing and curb cost increases. The reform sought to reinforce basic services and utilise digital services better than before. The reform also aimed at bridging a large part of the sustainability gap in general government finances. The Government's aim was to save EUR 10 billion, of which approximately EUR 3 billion was meant to be covered through the reform in healthcare and social services by 2029.</p> <p>The large reform involved sizeable legislative drafting work and preliminary national and regional preparation for the implementation.</p> <p>The implementation work for the reform was carried out in the ministries, agencies and institutions in different administrative branches, regional projects and service centres. The preparatory work for the regional government, health and social services reform was implemented in cross-ministry and intersectoral cooperation and close interaction with people engaged in the preparation in the counties.</p> <p>The scale of the regional government, health and social services reform, its social significance and engagement in people's everyday services made the reform an exceptional project for the Government. The objectives of the reform were ambitious and the size of the reform was unprecedented in Finnish administrative history.</p> <p>Preparations for the regional government, health and social services reform continued until 8 March 2019. At the time, Prime Minister Juha Sipilä's Government resigned and preparations concerning the regional government, health and social services reform could no longer be continued.</p> | | |
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| Tiivistelmä <p>Vuonna 2015 käynnistyneen maakunta- ja sote-uudistuksen tavoitteena oli tarjota ihmisille nykyistä yhdenvertaisempia palveluja, vähentää hyvinvointi- ja terveyseroja sekä hillitä kustannusten kasvua. Uudistuksella pyrittiin vahvistamaan peruspalveluja ja hyödyntämään digitaalisia palveluja entistä paremmin. Uudistuksen tavoitteena oli lisäksi kuroa umpeen iso osa julkisen talouden kestävyysvajeesta. Hallituksen 10 miljardin euron säästötavoitteesta noin 3 miljardia euroa oli tarkoitus saada sosiaali- ja terveydenhuollon uudistuksista vuoteen 2029 mennessä.</p> <p>Laajaa uudistuskokonaisuuteen liittyi mittava lainvalmistelutyö sekä toimeenpanon ennakkollinen valtakunnallinen ja alueellinen valmistelu.</p> <p>Uudistuksen toimeenpanotyötä toteutettiin ministeriöissä ja eri hallinnonalojen virastoissa- ja laitoksissa, maakunnittaisissa projekteissa sekä palvelukeskuksissa. Maakunta- ja sote-uudistuksen valmistelutyö toteutettiin ministeriörajat ylittävällä poikkihallinnollista yhteistyöllä sekä rakennettiin tiivis vuorovaikutussuhde maakuntien valmistelijoiden kanssa.</p> <p>Maakunta- ja sote-uudistuksen laajuus, yhteiskunnallinen merkittävyys ja kiinnittyminen kansalaisten arjen palveluihin tekivät uudistuksesta poikkeuksellisen hallituksen hankkeen. Uudistuksen tavoitteet olivat kunnianhimoiset ja uudistuksen mittaluokka suomalaisessa hallintohistoriassa ennennäkemättömän suuri.</p> <p>Maakunta- ja sote-uudistuksen valmistelua jatkettiin 8.3.2019 asti. Tuolloin pääministeri Juha Sipilä hallitus erosi, eikä maakunta- ja sote-uudistuksen jatkovalmisteluun ollut enää edellytyksiä.</p> | | |
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| <p>Čoahkkáigeassu</p> <p>Jagi 2015 johttáhuuvon eanangodde- ja sode-ođastusa ulbmilin lei fállat olbmuide dáláža ovtaveardásaččat bálvalusaid, unnidit buresbirgema ja dearvvašvuođa erohusaid sihke caggat goluid šaddama. Ođastusain viggojuvvoje nannet vuođđobálvalusat ja atnit ávkki digitála bálvalusain ovddeža buorebut. Ođastusa ulbmilin lei dasa lassin duohpat stuora oasi almmolaš ekonomii ja ceavzilvuohtaváillis. Ráđđehusa 10 miljárdda euro seastinulbmilis sullii 3 miljárdda euro lei ulbmil oážžut sosiála- ja dearvvašvuohtafuolahusa ođastusain jahkái 2029 rádjái.</p> <p>Viiddes ođasnuhttinollesvuhtii laktásii stuora láhkaválmmaštallanbargu sihke ollašuhttima váldegottálaš ja guvllolaš válmmaštallan ovddalgihitii.</p> <p>Ođastusa ollašuhttinbargu čađahuvvui ministeriijain ja sierra hálddahušsuorggi virgedoaimmahagain ja lágádusain, eanangottálaš prošeavttain sihke bálvalanguovddážiin. Eanangodde- ja sode-ođastusa válmmaštallanbargu ollašuhttojuvvui ministeriijarájiid rasttildeaddji doreshálddahušlaš ovttasbarguin sihke huksejuvvui deahtta vuorrováikkuhusgorri eanangottiid válmmaštalliiguin.</p> <p>Eanangodde- ja sode-ođastusa viidodat, servodatlaš mávssolašvuohta ja gittaneapmi riikkavuložiid árgga bálvalusaide dahke ođastusas spiehkastatlaš ráđđehusa fidnu. Ođastusa ulbmilat ledje gudneággirat ja ođđastusa mihttoluohkká suomelaš hálddahušhistorjjás ovdal oaidnemeahttun stuoris.</p> <p>Eanangodde- ja sode-ođastusa válmmaštallan jotkojuvvui 8.3.2019 rádjái. Dalle oaiveministtar Juha Sipilä ráđđehus earránii, eaige eanangodde- ja sode-ođastusa joatkaválmmaštallamii lean šat eavttut.</p> | | |
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Introduction

At the time when Prime Minister Juha Sipilä's Government started its term in the spring of 2015, there was clear demand for economic and structural policy reforms. The reforms carried out by previous governments had either been first steps to move things forward, or the reforms had failed to materialise due to constitutional and other such issues.

Over several government terms, reforms had been premised on the problems faced by smaller municipalities in dealing with their statutory duties. These problems had been addressed by a number of governments by means such as obliging municipalities to cooperate or merge with each other. Further pressure to implement structural reforms was created by the trends in divergent municipal development, the ageing population, urbanisation, and increasing costs of health and social services.

The most significant item of municipal expenditure consists of healthcare and social welfare costs. At the same time, in their role as organisers of healthcare and social welfare services, municipalities spend this money on ensuring that people's constitutional rights are realised. Each municipality should guarantee its population access to health and social services on an equal footing throughout the country. This set of challenges and problems was also tackled by Prime Minister Sipilä's Government, primarily focusing on health and social services, followed by governance.

The regional government, health and social services reform was launched in 2015 in order to provide people with services on a more equal basis than before, level out differences in health and wellbeing and curb cost increases. The reform sought to reinforce basic services and make better use of digital services, while also bridging a large part of the sustainability gap in general government finances. The Government's aim was to save EUR 10 billion, about EUR 3 billion of which was meant to be covered by reforming the healthcare and social welfare sector by 2029.

The reform would also have resulted in the creation of a third level of administration, i.e. counties. The autonomous counties would have been formed on the basis of the current regional division. Moving forward, a total of 18 counties would have organised all health and social services within their respective areas. The counties would also have taken over other duties from Centres for Economic Development, Transport and the Environment (ELY Centres), Employment and Economic Development Offices (TE Offices), Regional State Administrative Agencies (AVI Agencies), Regional Councils and other joint municipal authorities, as well as from individual municipalities.

Alongside legislative drafting, the process of preparing the reform also involved sizeable preparations for its implementation at national and regional levels. All told, approximately more than 1,000 people participated in the preparatory work. The objective of implementation was both to support the transition into the state envisioned in new legislation and to develop operations in cooperation with various parties.

This final report of the regional government, health and social services reform provides a description of reform preparations from 2015 to 2019, especially from the national perspective. This report only describes the substantial preparatory efforts carried out by regional reform organisations through certain preparatory themes in Chapter 5. Each region will draft its own final report, which will provide more in-depth insights into regional efforts to implement the regional government, health and social services reform.

1 Launching the preparatory work for the regional government, health and social services reform

This chapter describes the premises and first preparatory steps of the regional government, health and social services reform set out in Prime Minister Juha Sipilä's Government Programme.

1.1 From the Government Programme to launching the preparatory work

Prime Minister Juha Sipilä's Government Programme was submitted to Parliament as a government statement on 29 May 2015. According to the Government Programme, the objective of reforming health and social services is to narrow health disparities and manage costs. The reform was to be implemented through complete horizontal and vertical integration of services and by strengthening the financial capacity of service organisers. The plan was to prepare a solution for organising health and social services based on autonomous areas larger than a municipality.

As for reforming regional administration, the Government Programme stated that a separate decision would be made on the coordination of regional state administration and regional government, with a view to simplifying the organisation of public regional administration. The primary solution was to centralise functions in autonomous regions clearly defined in terms of duties and functions.

The phasing for the reform outlined in the Government Programme is shown in the figure below.

Progress of the health and social services solution in steps

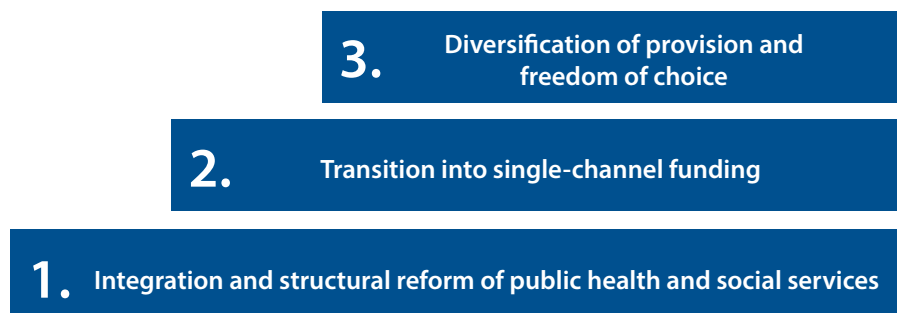


Figure 1: Prime Minister Juha Sipilä's Government Programme, phasing of the health and social services reform over the 2015–2019 government term.

1.1.1 Working group of rapporteurs, summer 2015

In July 2015, the Ministry of Social Affairs and Health and the Ministry of Finance appointed a working group of rapporteurs to draw up proposals for the ministerial working group on reforms on the policy outlines that would make it possible to move efficiently forward with the health and social services reform, establishment of the autonomous regions and the regional government reform within the specified schedule. The working group was chaired by Tuomas Pöysti, Auditor General of the National Audit Office of Finland. Its final report was published in August 2015.

In their report, the rapporteurs noted that the autonomous regions responsible for organising healthcare and social welfare services should have a sufficient population base, infrastructure and financial capacity. It would be reasonable to apply the same regional division to the duties of regional government as broadly as possible. Provisions on the administration, decision-making processes and financial arrangements of the autonomous regions should be laid down in a separate Act, which would enable new duties to be assigned to them.

As potential funding solutions for autonomous regions, the rapporteurs recommended looking into both central government funding and the regions' own right to levy taxes. The funding solution should be decided after the investigation. The reform would involve sizable human resources (HR), asset and information management arrangements. It would therefore be advisable to start preparing these in the early stages of the reform preparations.

In order to launch, coordinate and implement the reform, the rapporteurs considered it necessary to set up a joint ministerial reform project. Its first phase would focus on preparing the health and social services reform. A joint ministerial project manager should be appointed for the project.

In the rapporteurs' opinion, the autonomous regions should be multiplex from the start, so as to assign them duties beyond health and social services. In their view, it would be advisable to initially transfer the statutory duties of the Regional Councils to the autonomous regions, irrespective of the actual regional government reform referred to in the Government Programme, and ahead of its implementation. They considered it very important that the health and social services reform would be swiftly implemented. It would therefore be advisable to prepare and implement the transfer of duties to autonomous regions so as not to slow down the implementation of the health and social services reform.

1.1.2 Government policy outlines, autumn 2015

The Government adopted policy outlines for reforming health and social services and regional government in phases during the autumn of 2015 and the spring of 2016. The policy outlines altered the premises and phasing of the reform set out in the Government Programme to a significant extent.

In October 2015, the Government adopted a policy outlining that, in the future, municipalities could no longer bear any significant responsibility for financing health and social services. Funding for future autonomous regions would be primarily prepared on the basis of the central government's funding responsibility. At the same time, a model partially based on the autonomous regions' own right to levy taxes would also be assessed as an alternative solution.

The Government laid out its policies concerning the health and social services reform and autonomous regions and the premises of regional division in further detail in November 2015. Its intention was to establish a total of 18 autonomous regions in Finland. Of these, 15 regions would organise health and social services within their respective areas. The other three autonomous regions would organise their health and social services with support from another autonomous region as specified in new legislation.

The Government's policy outlines altered the previous phasing of the reform. As part of the reform, new legislation was to be enacted on freedom of choice, which would have enabled clients to choose between public, private or third-sector service providers. It was noted that the preparatory work relating to freedom of choice would begin immediately in November 2015.

The Government also outlined that the autonomous regions would be multiplex. In other words, in addition to health and social services, they were to be responsible for the following functions: rescue services; the duties of the Regional Councils; the regional development duties of the Centres for Economic Development, Transport and the Environment (ELY Centres); and possibly environmental healthcare.

In November 2015, the Institute for the Languages of Finland submitted a statement to the Ministry of Social Affairs and Health on the names of the future autonomous regions. As the common Finnish name for the regions, the Institute recommended 'maakunta' ('county'). Consequently, the prospective autonomous regions were known as 'counties' as of late 2015.

1.1.3 Minister Tarasti's report and policy outlines concerning the duties of the autonomous regions, spring 2016

The Government's policy outlines of November 2015 also guided the preparatory work for the regional government reform. For the purposes of specifying the Government policy outlines, further defining the duties to be transferred to the autonomous regions and making preliminary preparations for implementing the transfers, the Ministry of Finance brought in Minister Lauri Tarasti as a rapporteur in November 2015.

The rapporteur's report was published in January 2016. Based on the assignment, the report contained a proposal for the Government's policy for the coordination of county government and regional state administration, including a proposal for the principles of legislation on the duties of the autonomous regions for the purpose of drafting a law on autonomous regions. In addition, the report put forward a proposal on the decision-making and regional structures of the new counties and the duties to be transferred to the counties, while also outlining some details of the method and timetable for transferring the duties and the premises of the model for organising the duties remaining with the central government.

Following negotiations and preparations carried out by the ministerial working group on reforms, the Government agreed on further policy outlines to specify the health and social services reform in April 2016. At the same time, the Government agreed on the duties to be transferred to county government based on Tarasti's report.

1.1.4 Launching the initial preparatory work for reform implementation, spring 2016

Preparations for implementing the reform were launched following adoption of the substantive policy outlines in the spring of 2016. Preparations for implementation were launched in a frontloaded manner while the legislative drafting process was still underway. With regard to health and social services, implementation preparations had already been launched in the autumn of 2015 by appointing a director of change management for the health and social services reform and providing various parties with instructions for preparing for the reform.

Launching reform implementation was discussed by the Government's ministerial working group on reforms in the spring of 2016. The working group's decisions formed the basis for launching the initial preparatory phase of the reform. The objective of the initial preparatory phase was to create the preconditions for transferring duties and assets to the new counties and to launch their operations. The phase would have ended with the entry into force of county legislation, legal establishment of counties, and startup of the provisional preparatory bodies specified in Act implementing the Organisation Act and the Counties Act (the 'Implementation Act').

In May 2015, the Ministry of Finance and the Ministry of Social Affairs and Health sent a letter to various parties, recommending that all future counties should aim to get the initial reform preparations up and running by the end of June 2016. Responsibility for launching initial preparations at the regional level was assigned to the Regional Councils. The letter contained several recommendations for organising regional preparations, including one for appointing a director of change management for regional preparations.

The plan was for the new counties to start operations in January 2019. The ministerial working group on reforms especially justified the decision to launch implementation preparations prior to the relevant legislation's entry into force by the need to ensure operational continuity during a transformation.

In practical terms, preparations for reform implementation were also launched at the national level in May 2016 on the basis of these policy outlines supported by the ministerial working group on reforms. Details agreed in the spring included the decision to hire a director of change management for the Ministry of Finance to support launching county operations in general terms. It was further agreed that the Ministry of Finance, the Ministry of Social Affairs and Health and the Ministry of Economic Affairs and Employment would work together with other ministries to prepare a change support programme to support regional reform efforts.

The director of change management for the regional government reform was appointed in July 2016.

Implementation preparations are described in more detail starting from [Chapter 4](#) of this report.

1.2 Government policy outlines on the regional government, health and social services reform, 2015–2019

The Government's policy outlines on the regional government, health and social services reform changed several times during its term of office. These policy revisions had an impact on the progress of the legislative drafting processes, as well as on the planning of national and regional implementation. The press releases from 2015–2019 concerning the Government's policy outlines on the regional government, health and social services reform are listed below:

["Government appoints ministerial working groups for Government Programme's strategic objectives as well as ministers responsible for key projects"](#) (Government Communications Department, Press Release 366/2015, 23 June 2015)

["Government outlined reform of social welfare and health care funding"](#) (Government Communications Department, Press Release, 20 October 2015)

["Agreement on healthcare and social welfare reform"](#) (Government Communications Department, Press Release 589/2015, 7 November 2015)

["Government decision on next steps in reform package on healthcare, social welfare and autonomous regions"](#) (Government Communications Department, Press Release 591/2015, 9 November 2015)

["Government outlined healthcare, social welfare and regional government reform package"](#) (Government Communications Department, Press Release 137/2016, 6 April 2016)

["The Government published draft bills on health, social services and regional government reform"](#) (Government Communications Department, Ministry of Social Affairs and Health, Press Release 298/2016, 29 June 2016)

["The Government wants a customer-oriented freedom of choice model"](#) (Government Communications Department, Ministry of Social Affairs and Health, Press Release 300/2016, 29 June 2016)

["Conditions for a special solution in health and social services in the capital region do not exist"](#) (Government Communications Department, Ministry of Finance, Ministry of Social Affairs and Health, Press Release 413/2016, 1 October 2016)

["Government publishes policies for customers' freedom of choice"](#) (Government Communications Department, Ministry of Finance, Ministry of Social Affairs and Health, Ministry of the Interior, Press Release 571/2016, 21 December 2016)

["Health, social services and regional government reform to enter into force on 1 January 2020, county elections in October 2018"](#) (Government Communications Department, Press Release 331/2017, 5 July 2017)

["Regional government, health and social services reform of Sipilä's government will be dismantled orderly – the work done so far can be utilised later"](#) (Ministry of Finance, Ministry of Social Affairs and Health, Press Release 8 March 2019)

1.2.1 Conclusions

During the autumn of 2015 and the spring of 2016, the preparatory work for the regional government, health and social services reform was characterised by the Government's changing policy outlines concerning the reform. The policy outlines that had altered the phasing and specified the content set out in the Government Programme had a significant impact on the progress of reform and implementation preparations throughout the government term.

A key conclusion is that the erratic and unpredictable political process of drafting policy outlines significantly hampered legislative drafting processes relating to the reform and the manageability of the reform package. The policy outlines also led to a situation where the scope of the reform was constantly snowballing while preparations were already underway. As a result, the interdependencies and the reform package as a whole became significantly less manageable. In retrospect, it is fair to conclude that, should the reform have adhered to the original phasing in keeping with the Government Programme, it might have been possible to implement it during the government term.

Preparations for reform implementation were launched in a frontloaded manner in the spring of 2016. The initial preparations started on the basis of the policy outlines adopted at the time continued up until the Government resigned in March 2019. Moving forward, it is recommended that such an extensive implementation process should only be launched after the relevant legislation has entered into force. In any future reforms, however, it is justified to plan the implementation process side by side with the legislative drafting process, in order to identify the issues likely to emerge while implementing the legislation during the legislative drafting phase. Coordination of legislation and implementation can draw on the experiences gained from preparing the regional government, health and social services reform.

When launching preparations for any future reform, it is necessary to reserve enough time to organise the reform as a whole. In 2015, the reform was launched swiftly in the working groups involved in legislative drafting, but there were deficiencies in organising the package. Among other things, communication of information between the groups was not successful in all respects, while there was a lack of plans that would genuinely punctuate and steer the work and the blind spots between the working groups had not been sufficiently identified. The deficiencies in organisation were partially caused by the erratic political process of drafting policy outlines and the haste that characterised reform preparations.

Moving forward, it would be advisable to strengthen the operating conditions of any possible joint government project manager with an adequate auxiliary staff function in order to ensure more effective communications and progress. The members of auxiliary staff should be responsible for tasks such as project management of the reform package, internal and external communications, maintenance of plans relating to preparations and management of operational implementation, as well as joint ministerial risk management, which should also involve the political leadership of the reform. Organisation efforts should also recognise the demand for a range of competencies relating to preparations, such as legislative drafting, project and communications competencies.

As a general rule, any future reforms should avoid organising along sectoral boundaries, unless it is absolutely necessary to ensure the ministries' internal communications. More attention should also be dedicated to defining the roles and responsibilities of those in charge of the reform, such as project managers, coordinators and directors of change management. Moving forward, more attention should be paid to defining the relationships between ministerial line organisations and project organisations when launching preparations.

Conclusions relating to organisation are discussed in more detail in Chapter 6.

2 Drafting legislation for the regional government, health and social services reform

This chapter describes the legislative drafting and parliamentary consideration processes relating to the Sipilä Government's regional government, health and social services reform, as well as conclusions following the description of each government proposal.

2.1 Government Proposal No. 15/2017 on establishing counties and organising health and social services

The process of drafting the first legislative proposal for the regional government, health and social services reform (Government Proposal No. 15/2017) was largely organised on the basis of the work carried out by public officials in the summer of 2015. The work was organised according to themes. The composition of almost all working groups was adjusted so as to ensure equal representation from the Ministry of Finance and the Ministry of Social Affairs and Health. Other representatives included experts from the Association of Finnish Local and Regional Authorities, the Ministry of Justice and the National Institute for Health and Welfare, while experts from other ministries also became involved as the scope of the regional government reform expanded. The Ministry of Finance appointed public officials from several departments as working group members. The secretaries chosen for the working groups had extensive experience in drafting legislation.

The Government Proposal mostly consisted of bills falling within the competence of the Ministry of Finance (in total, the proposal comprised 34 bills). The most important bill from the branch of the Ministry of Social Affairs and Health concerned organising health and social services. The process of drafting the Government Proposal was hampered by

the extremely tight schedule and the large number of issues to be resolved. While it was possible to draw on previous legislative drafting projects to some extent, most of the new legislation needed to be put together on a completely new basis. This was characteristic of provisions on financial regulation and asset arrangements, for example.

The working group responsible for drafting the Bill for the Counties Act was able to draw effectively on the experiences gained from the comprehensive reform of the Local Government Act (410/2015) carried out during the previous electoral term and formulate the new legislation based on this Act. The Bill for the Counties Act is indeed largely aligned with the provisions of the Local Government Act. Based on the policy outline adopted in the autumn of 2015, however, it was not considered desirable to merge the two laws into one in the same way as the Swedish Local Government Act. The intention was to develop regional self-government that would differ from local self-government.

As for the process of drafting the Act on Organising Health and Social Services (the 'Organisation Act'), it was only possible to draw on similar laws drafted during the previous electoral term to a small extent. Based on the decision to appoint the project group in September 2015, one of its tasks was to prepare matters relating to organising health and social services, regional division, service organisers' duties, making decisions on organising services, and the legal principles of service provision. For this purpose, the project group appointed an organisation and implementation group to compile and draft a legislative package concerning the Organisation Act and the Implementation Act. The Organisation Act brought together provisions relating to organising services, some of which used to be scattered in different laws. It was therefore proposed that the Organisation Act should include provisions on aspects such as promotion of health and wellbeing, service organisers' obligations relating to organising services, provision of services, as well as national steering of the future organisers, i.e. counties.

The Implementation Act for implementing the reform brought together provisions concerning the establishment of counties, transitional government, staff, asset arrangements, tax implications, county service centres, repeal of existing laws, and certain aspects relating to reform implementation. The provisions were mostly drafted by the working groups responsible for the Counties Act and asset arrangements. However, some of the matters being drafted fell somewhere in between the tasks of the working groups, or they were distributed over several working groups, leaving the coordination of provisions partially inadequate.

The working group responsible for studying asset arrangements started by preparing parameters to form the basis for its work and moved on to draft different options for asset arrangements. The policy outlines on asset arrangements were based on the premises that the arrangements would ensure the transfer of assets required for operational

continuity; treat municipalities equitably; not jeopardise the fulfilment of the principle of securing adequate financial resources for municipalities; and not lead to any increase in total tax ratio. Furthermore, one of the key objectives of the working group's work was to promote the target of curbing the growth of costs by three billion euros through asset arrangements.

2.1.1 Linkages between government proposals

Government Proposal No. 15/2017 on establishing counties and organising health and social services was drafted such that it had no direct legal linkage to the subsequent proposal for legislation on freedom of choice. In public debate, however, the proposal was linked to freedom-of-choice legislation to the effect that they formed a single whole. Indeed, as the Act on the Financing of the Counties applied to all proposals, including the funding of growth services and the Phase II legislative package on the regional government reform, all of the proposals relating to the reform formed an integrated whole. The Constitutional Law Committee also considered the proposals to form an integrated whole (e.g. Constitutional Law Committee Statement No. 65/2018). The Government itself also considered that its proposal on establishing counties and organising their governance, finances and financing formed a political package together with the legislative proposal for the Act on Freedom of Choice, although the proposals were separate in terms of their provisions.

2.1.2 Parliamentary consideration

The Government Proposal was presented to Parliament by a public official from the Ministry of Social Affairs and Health with the permission of the other ministries. Parliament submitted the proposal to eight parliamentary committees. The Social Affairs and Health Committee was designated as the reporting committee, although the substance of the proposal fell mostly within the remit of the Administration Committee. All of the statement committees submitted their statements on the proposal, with the most extensive one issued by the Administration Committee (Administration Committee Statement No. 3/2018, 178 pages). The Constitutional Law Committee reviewed the proposal on two occasions (Statements No. 26/2017 and No. 65/2018). The reporting committee first discussed the proposal and consulted experts during the spring and summer of 2017, again during the spring and summer of 2018, and while discussing the amendments required by the Constitutional Law Committee during the 2018 autumn session and in the spring of 2019. The Ministry of Finance and the Ministry of Social Affairs and Health published a summary of the Constitutional Law Committee's statements.

While the proposal was being considered by Parliament, the Government submitted three supplementary proposals, two for the Act on the Financing of the Counties (Government Proposals No. 57/2017 and No. 15/2018) and one concerning the budgetary position of

the Åland Islands (Government Proposal No. 71/2017). In addition, several changes were made to the proposal on the basis of the ministries' replies. While most of the changes were technical, some were outlined by the Government (incl. elimination of Hetli Oy, the counties' service centre for finance and human resources management), which could also have been submitted, schedule permitting, as another supplementary proposal. During parliamentary consideration of the Bill for the Counties Act, amendments were proposed to the duties of a county, provisions on the right to stand as a candidate in elections, and the power to reconsider a matter, among other things. The amendments proposed to the Implementation Act were largely due to the deferral of the reform's entry into force, but some were also proposed on the basis of the Constitutional Law Committee's statement, including amendments to provisions on assets. The Government Proposal lapsed once Prime Minister Juha Sipilä's Government resigned.

2.1.3 Conclusions

The parties involved in preparations concerning the establishment, structures and governance of counties and the transfer of health and social services duties managed to cross ministerial boundaries and engage in cross-sectoral preparatory work. The preparatory work was based on each party's solid expertise, with due consideration for other parties' expertise. However, the legislative drafting process and the parliamentary consideration stage ran into challenges, which can also be used as a basis for drawing the following lessons in view of any future reform preparations:

1. Sufficient time should be provided for the legislative drafting process, which should comply with good drafting practice as set out in legislative drafting instructions.
2. With regard to phenomenon-based legislative drafting projects, efforts should be made to ensure that matters do not fall between the mandates of the preparatory working groups and that there is sufficient time to coordinate policy outlines.
3. Prior to adopting policy outlines, adequate initial preparations must be made for the legislative drafting process, including relevant scenario analyses and impact assessments.
4. It would be advisable to increase consultations with experts in constitutional law during the legislative drafting phase of the process so as to make it possible to give due consideration for any provisions that may involve problems.
5. The reform should be broken down into phases so as to avoid creating an excessive package.
6. The enactment procedure must allow for the fact that counties must be established before it is possible to consider any legislation governing their duties or other relevant legislation.

7. Existing laws governing competent authorities and supervision cannot be repealed unless these are simultaneously replaced with corresponding basic provisions concerning a new governance structure.
8. The regulatory framework for the financing of counties must correspond to the provisions regulating their duties so as to ensure that there is adequate time to consider the bills governing the duties during the same electoral term.
9. Should the financial flexibility of municipalities be limited in excess of the duties transferred away from them, the transfer must be analysed on the basis of the principle of adequate financial resources.

2.2 Legislation on Phase II of the regional government reform, Government Proposal No. 14/2018

In April 2016, the Ministry of Finance appointed a project group with the primary task of preparing the regional government and regional stateadministration reforms based on Prime Minister Sipilä's Government Programme and the Government's policy outlines. The project group had the following subordinate preparatory working groups:

- a preparatory working group responsible for coordinating and steering the preparations for transferring and reforming the duties to be transferred to counties within various administrative branches, including a subordinate legislative drafting group tasked with coordinating the process of drafting substantive legislation governing the duties to be transferred;
- a preparatory working group focusing on the steering and financing system and the financial arrangements required for the reform, responsible for drawing up a proposal for a steering and financing system of counties, among other things;
- a preparatory working group responsible for matters relating to staff due to transfer from central government to counties and other central government authorities and to safeguarding their position and occupational wellbeing during the transition, among other things;
- a preparatory working group on regional digitalisation, responsible for preparing matters concerning information management, shared information systems and ICT services, among other things;
- a preparatory working group on organising preparedness and contingency planning duties, tasked with drawing up proposals for organising the regional coordination of implementing the Security Strategy for Society and contingency planning for disruptions and emergencies, among other things;

- a preparatory working group on the regional state authority, responsible for preparing the reform of Regional State Administrative Agencies and drafting legislative proposals concerning the National Licensing and Supervisory Authority; the group's name was changed in February 2017 to the preparatory working group on the National Licensing and Supervisory Authority.

All of the above-mentioned working groups were cross-sectoral, typically consisting of representatives from the relevant ministries and other key stakeholders, such as the Regional Councils, hospital districts, the National Supervisory Authority for Welfare and Health (Valvira), Regional State Administrative Agencies (AVI Agencies), Centres for Economic Development, Transport and the Environment (ELY Centres), the Association of Finnish Local and Regional Authorities, and government bargaining agents.

The proposals drafted by preparatory working groups were discussed by the project group and, where necessary, by the ministerial working group on reforms. The proposals were included as part of the draft government proposal that was being prepared. The draft for the Government Proposal to Parliament for legislation concerning the implementation of the regional government reform and the reorganisation of government licensing, steering and supervision duties was on a consultation round from April to June 2017. Opinions were requested from a total of 707 parties, which submitted total of 253 opinions. The 253 submitted opinions were compiled into a separate summary of opinions. After being further clarified on the basis of feedback gleaned from the opinions, the proposals made by preparatory working groups were discussed by the project group and approved by the ministerial working group on reforms.

Government Proposal No. 14/2018 for legislation concerning the implementation of the regional government reform and the reorganisation of government licensing, steering and supervision duties (the 'Phase II proposal') was submitted to Parliament in March 2018. The proposal was connected to Government Proposal No. 15/2017, submitted to Parliament in early March 2017, for legislation concerning the establishment of counties and the reform of the organisation of health and social services as well as submission of the notification referred to in Articles 12 and 13 of the European Charter of Local Self-Government. The purpose of the proposal was to implement the transfer of duties other than those relating to health and social services, rescue services and regional development and growth services, as referred to in the provisions governing duties (section 6) of the Counties Act proposed in the above-mentioned Government Proposal, from the central government and municipalities to counties.

The Government Proposal contained amendment proposals to more than 200 laws. Furthermore, the proposal also provided for a new Act on the National Licensing and Supervisory Authority and an Act on the State Department of Åland.

2.2.1 Parliamentary consideration

Parliament submitted the proposal to the Administration Committee for reporting and to the Constitutional Law Committee, the Social Affairs and Health Committee, the Employment and Equality Committee, the Environment Committee, the Agriculture and Forestry Committee, and the Education and Culture Committee for statements.

The Administration Committee was provided with statements on the proposal by the Employment and Equality Committee (No. 2/2018), the Education and Culture Committee (No. 4/2018), the Agriculture and Forestry Committee (No. 6/2018), the Environment Committee (No. 24/2018), and the Social Affairs and Health Committee (No. 13/2018).

In response to the statements issued to the Administration Committee on the Government Proposal, the Ministry of Finance submitted three replies to the Committee, including appendices. The replies were prepared in cooperation with the Ministry of the Interior, the Ministry of Education and Culture, the Ministry of Economic Affairs and Employment, the Ministry of Transport and Communications, the Ministry of Agriculture and Forestry, the Ministry of Social Affairs and Health, and the Ministry of the Environment. The Ministry of Justice also participated in drafting the replies with regard to legislation falling within its own competence.

The Constitutional Law Committee consulted experts and considered the proposal on three occasions (April 2018, June 2018 and March 2019), but did not have time to submit its statement on the proposal to the Administration Committee before the end of Parliament's electoral term. The essential expert feedback submitted to the Constitutional Law Committee concerned the legal status, duties, organisation and steering of the National Licensing and Supervisory Authority, as well as safeguarding public interest and legality of certain environmental duties. The proposal lapsed because its consideration was not concluded in time before the end of Parliament's electoral term.

2.2.2 Conclusions

The key challenges and risks of drafting the Phase II proposal (Government Proposal No. 14/2018) were, above all, related to the scope and management of the regional government, health and social services reform package, as well as leading, steering and scheduling the process. The scope and cross-sectoral reach of the Phase II proposal itself, complete with the special legal issues involved, were also significant in this respect. Moreover, the challenges and risks were manifested as problems of coordinating the different parts of the reform package. The challenges of drafting were especially amplified by very strict political steering and the quite frequently evolving policy outlines that this involved. On the other hand, cooperation between ministries during the proposal's drafting phase was very smooth and constructive, which was due to the fact that the actual substantive

decisions had mostly been made or were being made either by the political leadership or by other preparatory working groups. However, the lapse of the proposal while it was still being considered by Parliament resulted in failure to obtain the positions of Parliament and its committees on some of the legal and other issues identified as being problematic during its drafting process.

2.3 Act on the Financing of the Counties, Government Proposals No. 15/2017, No. 57/2017 and No. 15/2018

The process of drafting the Act on the Financing of the Counties (the 'Financing Act') was launched in October 2015 by the preparatory working group on the financial and resource steering of counties, which was responsible for preparing proposals for models and impact assessments for collecting and allocating financial resources for the purposes of health and social services, rescue services and environmental healthcare. Based on the chosen model, the group was also expected to prepare a proposal for a financial steering model, the provisions required to allocate resources to autonomous regions, as well as the amendments required to the tax system, tax legislation and the system of central government transfers to local government. In practical terms, this meant that the group drafted the Bill for the Act on the Financing of the Counties included in Government Proposal No. 15/2017, which contained provisions on the principles of the composition of central government funding and the funding to be transferred to the counties; the imputed allocation of cost-based funding for health and social services; and the management, granting and payment of central government funding. With regard to other duties assigned to the counties, the proposal included a provision on demographic capitation-based funding, which was to be used to allocate imputed cost-based funding for the purposes of rescue services and environmental healthcare. However, it was decided to defer the preparatory work for the compensation model for the value-added tax costs of the counties and to present it to Parliament at a later date as an amendment proposal, in order to wait for progress in the freedom-of-choice model, because the regulatory solution required further assessment of issues relating not only to procurement neutrality, but also to competition neutrality linked to freedom of choice.

Preparations for financing the steering and other duties of the counties were launched by a separate group in April 2016. This preparatory working group on steering and financing county government was responsible for drawing up a proposal for a steering and financing system of counties and drafts for the legislative amendments required to implement the system, among other things. The group was also tasked with assessing and drawing up proposals for the transfers of appropriations and changes to items in the Budget entailed by the reform.

2.3.1 Linkages between drafting the Financing Act and other preparatory work

In practical terms, the proposal concerning the financing of counties was drafted by two financing groups working in parallel but at different paces. At the same time, the regulatory framework for county financing also had close links to several other preparatory working groups, primarily relating to freedom of choice in health and social services and simplification of multisource financing. The separate preparatory working groups responsible for financing were merged into a single preparatory working group on steering and financing county government in March 2017. While also taking better account of the substantive link between financing and other ongoing preparations, the new group's assignment covered tasks such as preparing assessments and proposals for the counties' funding responsibilities based on statutes and legislative amendments to be drafted elsewhere, their impacts on the Act on the Financing of the Counties and on the financial resources of the counties as a whole, as well as drafting amendment proposals to the Financing Act. The group was further expected to prepare taxation and municipal financing matters relating to the health, social services and regional government reform, unless there were other arrangements for such preparations. The assignment aimed to ensure, on the one hand, that all of the aspects relevant to regulating the counties' financial resources would actually be covered by the preparatory working group on steering and financing county government and, on the other, that none of the issues relating to financing would eventually fall between the mandates of the preparatory working groups as a result of their different assignments.

One of the initially established groups drafted a coherent Bill for the Act on the Financing of the Counties to be submitted to Parliament, which included provisions on cost-based funding of health and social services and rescue services. The intention was to submit the Bill for consideration by Parliament at the same time as the other bills included in Government Proposal No. 15/2017. At the same time, however, the preparatory working group focusing on the financing of the counties' other duties was already drafting amendments to the Bill for the Act on the Financing of the Counties, even before the first Bill was submitted to Parliament. Eventually, the drafting process became somewhat impractical. While this was partially due to the decision to start drafting the Phase II legislative package in parallel to the health and social services reform, it was also affected by the fact that submission of the first Bill to Parliament was repeatedly delayed from the planned schedule.

2.3.2 Parliamentary consideration

In January 2017, it was decided that the provisions on financing the other duties of the counties – i.e. the amendments to the Bill for the Financing Act – would be submitted to Parliament for consideration even before Parliament would have passed the original Bill included in Government Proposal No. 15/2017. This was especially justified by the fact that it would allow Parliament to consider the duties and financial resources to be transferred to the counties as a whole while deciding on the funding model. At the same time, it was recognised that submission of what was understood to be an extensive supplementary government proposal would not only lead to criticism concerning both the legislative drafting process and the ability to manage the package as a whole, but also to a very tight schedule required to draft the supplementary proposal in the first place.

The first supplementary proposal to the Financing Act (Government Proposal No. 57/2017) was submitted to Parliament in May 2017. At this point, the first Bill had been considered by Parliament for about two months. Among other things, the supplementary proposal added further provisions to the Financing Act on allocating imputed funding based on the counties' other duties and amended provisions concerning the composition of central government transfers to account for the nature of these other duties, while also amending the package of funding to be transferred to align with the transitional provisions on the central government transfer system in order to ensure a cost-neutral relationship between central and local government. The numerous amendments made it difficult for outsiders to grasp the regulatory framework of the Financing Act as a whole, as the rationales were scattered over different proposals and as the section numbering and references changed.

In June 2017, the Constitutional Law Committee submitted its statements on the Bill for the Financing Act and the supplementary proposal as part of its Statement No. 26/2017. Based on the language on financing in its statement, the Constitutional Law Committee was considered to have approved the proposed funding model, although the Committee indicated that it had concentrated on the most relevant constitutional issues in the Bills and that it could not be deemed to have taken any stands on the relationship between the Bills and the Constitution that would be significant in terms of any future applications of the legislation, other than those expressly arising from its statement.

While the Bill for the Financing Act and its supplementary proposal were making progress in Parliament, the various legislative projects of the ministries resulted in amendment and supplementation needs that had implications for its content. Following the statement issued by the Constitutional Law Committee, it was assessed how to prepare and present to Parliament the necessary further amendments to the Bill for the Financing Act and the related supplementary proposal that were recognised to arise from the various, as yet unlegislated funding responsibilities of the counties, the decision made as part of the government spending limits discussions to put a temporary freeze on the county

index, and the dissolution of multisource financing, among other things. As the process of redrafting the freedom-of-choice model was starting, it was decided to present the compensation mechanism for value-added tax costs as another supplementary government proposal simultaneously with the new freedom-of-choice proposal, because enactment of the compensation mechanism had previously been expressly put on hold to wait for a freedom-of-choice solution, while the other amendments were to be presented in parallel to the overhaul of legislation governing client charges and dissolution of multisource financing. At this point, the assumption was that the schedule would allow the latter to be introduced as a new Government Proposal for the Act amending the Act on the Financing of the Counties.

In the end, the second supplementary proposal to supplement the Bill for the Act on the Financing of the Counties with regard to compensation for value-added tax costs (Government Proposal No. 15/2018) was submitted in March 2018 in parallel to the freedom-of-choice proposal. This amendment also contributed to the fragmentation of the Bill for the Financing Act and its rationale, changing the section numbering and references.

The fact that the consideration of the Bill for the Financing Act was linked to the new proposal for the Act on Freedom of Choice presented in March 2018 and that the Bill for the Financing Act was not amended in connection with drafting the new Act on Freedom of Choice was presumably one of the factors in the overall analysis of the Constitutional Law Committee that caused the proposed provisions of the Financing Act on the development, review and so-called flexibility elements of central government funding to be treated as issues of enactment procedure in its Statement No. 15/2018. Based on the Constitutional Law Committee's statement, significant amendments were proposed to the Bill for the Financing Act to strengthen both the total level of central government funding and individual counties' financial resources as part of the ministries' replies in June 2018, so as to allow the Bill to be considered in keeping with the enactment procedure for ordinary acts.

In addition to the fact that the Bill for the Financing Act was made up of three government proposals, it was amended by five ministries' replies. The reply submitted to the Administration Committee in December 2017 mostly proposed amendments to dates concerning entry into force and the transitional period due to schedule changes. The reply submitted to the Social Affairs and Health Committee in May 2018 included amendments previously submitted to the Administration Committee and some technical revisions. Another reply submitted to the Social Affairs and Health Committee in June 2018 proposed the above-mentioned amendments to the substance of the Bill for the Financing Act on the basis of Constitutional Law Committee Statement No. 15/2018. Yet another reply submitted to the same committee in September 2018 put forward further

amendments to dates concerning entry into force and the transitional period due to schedule changes. The last substantive amendment proposals, arising from Constitutional Law Committee Statement No. 65/2018, were submitted by a reply in February 2019.

2.3.3 Conclusions

The process of drafting the Bill for the Act on the Financing of the Counties as a whole and its subsequent manageability and explicitness suffered considerably from the fact that the legislative drafting project was initially divided between a number of preparatory working groups. Moreover, discussions of and contributions to certain substantive issues were excluded from the agenda of the preparatory working groups responsible for financing for too long. As a theme, financing impacted several groups' preparatory work – and vice versa – and, in the end, it was not possible to gather it as planned under the preparatory working groups set up to focus on financing. The asynchronous progress made in the preparations also played a role. At different phases, various preparatory programmes raised issues relating to financing, which impacted on the Bill for the Financing Act. The manageability and explicitness of the Bill for the Financing Act were essentially affected by the fact that the legislative drafting process was divided into multiple parts and phases; that there were extensive linkages between financing and the packages prepared at different phases; that the Bill was presented to Parliament in several phases; and that amendments were proposed to the Bill through several replies. All these factors had a significant bearing on its consideration in Parliament.

2.4 Transfer of funding to the counties and the Act on Central Government Transfers to Local Government for Basic Public Services (1704/2009)

The duties to be reassigned to the counties would have accounted for an average of 57% of municipal operating expenditure. In other words, this would have resulted in a radical change in the operational finances of municipalities. In practical terms, such costs would have consisted almost completely of healthcare and social welfare expenditure. However, municipal variations in the costs corresponding to the duties to be transferred would have been considerable, ranging between the minimum of about 43% and the maximum of almost 80% of municipal operating finances.

With the transfer of responsibility for organising health and social services and other duties, the counties were due to take on net expenditure to the tune of EUR 18 billion. In addition to expenditure, it was also necessary to transfer a corresponding amount of revenue from municipalities to counties. The transfer of financial resources was one of the most crucial – and thorniest – issues to resolve during the period from 2015 to 2016, because its implementation would have entailed interfering in both municipal tax revenue and central government transfers to local government. Being the most fundamental part of the preparatory work, the computations were carried out by public officials at the Ministry of Finance, while the preparatory working groups responsible for financing and government transfers shared the role of a discussion platform.

The transfer of financial resources was premised on matching the costs and revenue to be transferred from municipalities to counties; equal treatment of taxpayers; fulfilment of the principle of adequate financial resources in terms of the remaining municipal duties; and the ambition to prevent the total tax ratio from rising. Several different options for implementation were assessed during the preparatory process. The key problems to resolve comprised the major differences between municipalities in the actual per capita healthcare and social welfare expenditure and revenue based on different municipal income tax rates.

The option that best met the parameters and objectives set for the reform in terms of total tax ratio increases and equal treatment of taxpayers was an equal percentage point reduction in municipal income tax. Municipal tax revenue was to be reduced in proportion to the duties to be transferred to the counties by lowering both the local government share of corporate tax revenue and the municipal income tax rates. Furthermore, about EUR 5.9 billion in central government transfers to local government for basic public services were to be reallocated to the counties, leaving about EUR 3 billion within the central government transfer system.

The plan was to mitigate the resulting problems for the central government transfer system and local government finances by changing the criteria for central government transfers and the way in which the central government transfers are equalised on the basis of tax revenue, while also balancing out the impacts of the reform between municipalities and restricting the impacts for a sufficiently long period of time. The changes to the criteria and tax revenue-based equalisation of central government transfers resulting from the transfer of duties were to be restricted by means of a permanent allocation criterion to be included in the central government transfer system. The allocation criterion would offset the municipality-specific imbalance between the revenue and expenditure transferred to the counties and the effects of changes in local government tax revenue on the equalisation of central government transfers on the basis of tax revenue. This was to be supplemented by equalising the central government transfer system for a certain

transition period. The transition-period equalisation would have ensured that each municipality would be able to retain its pre-reform financial equilibrium at 2018 levels in the year in which the reform was to enter into force. In subsequent years, the per-capita impact of the reform calculated in euro terms would be restricted to no more than EUR +/- 100 per resident over a period of five years.

The preparatory work was significantly hampered by a lack of up-to-date expenditure and revenue data. The expenditure, revenue and financial equilibrium of municipalities were eventually estimated at 2016 levels. This was accomplished by chaining the 2014 municipality-specific actual data on net expenditure forward using the forecast data on the overall local government finances from the spring 2016 Local Government Finances Programme and by distributing the 2015 actual and 2016 forecast change in local government operating margins among the municipalities in proportion to the change in their imputed expenditure. In addition, the intention was to ensure that central government transfers were fairly computed by revising the calculations after the reform was implemented on the basis of the average of the actual data.

In the spring of 2016, the ministerial working group on reforms appointed a separate working group to prepare a draft proposal for the central government transfer system. The working group was made up of two representatives from each of the Government parties. The practical preparatory work was carried out by the Ministry of Finance Department for Local Government and Regional Administration. The Government adopted the proposal of the working group on central government transfers in its entirety, with the exception of an amendment made to the tax revenue-based equalisation of central government transfers.

2.4.1 Conclusions

The preparatory work would have been considerably easier if more up-to-date statistical data had been available. In similar future projects, the situation will be facilitated by automatic reporting of local government financial data.

Analysing the different options for transfer of financial resources and changes in local government tax revenue and central government transfers to local government in the Government parties' working group turned out to be effective. The working group's discussions helped to clarify the situation and supported the preparatory work, while also increasing the decision-makers' understanding of and expertise in this subject matter.

2.5 Freedom-of-choice legislation, Government Proposals No. 47/2018 and No. 16/2018

In its Government Programme, Prime Minister Sipilä's Government noted that the health and social services reform would involve expanding freedom of choice and simplifying multisource financing. The Government outlined some general principles for freedom of choice in November 2015 and specified these further in April and June 2016. The Government's policy outlines stated that, moving forward, clients' freedom of choice would become the general rule at the primary level and would, where appropriate, be used in specialised health and social services. Clients would be able to choose between public, private or third-sector providers. The purpose of freedom of choice was to create more robust services, especially at the primary level, and ensure swifter access to care and services. The specified policy outlines defined a multi-provider model as the prerequisite for freedom of choice.

2.5.1 Drafting the freedom-of-choice model and Government Proposal No. 47/2017

At the first phase of preparing the freedom-of-choice model as part of the health and social services reform, the Ministry of Social Affairs and Health appointed a working group of rapporteurs to draw up its own proposal for the ways in which the freedom-of-choice model and multisource financing could be implemented. The working group was chaired by Professor Mats Brommels. The rapporteurs submitted their interim report to Juha Rehula, Minister of Family Affairs and Social Services, in March 2016 and published their final report in May 2016.

Following negotiations held by the ministerial working group on reforms, the Government agreed on the further drafting of freedom-of-choice legislation in June 2016. The Government policy outlines stated that four different freedom-of-choice means were under consideration: health and social services centres providing a broad range of primary services; care teams or health and social services clinics providing a narrower range of services; services vouchers; and personal budgeting.

Legislation on freedom of choice was drafted in 2016 and 2017 in the preparatory working group on freedom of choice and multisource financing, operating under the project group on the health and social services reform. The ministerial working group on reforms steered and outlined the drafting process. The draft version of the Government Proposal for the Act on Clients' Freedom of Choice in Health and Social Services (the 'Act on Freedom of Choice') was circulated for opinions requested from a wide range of public authorities, stakeholders and other parties. The online survey was also open to any other interested parties. A total of 603 opinions were submitted within the specified time and these were then compiled into a summary.

The draft government proposal was also submitted for evaluation by the Finnish Council of Regulatory Impact Analysis, which issued its statement on the draft. Based on this feedback, the draft proposal was amended and revised as required. Furthermore, the draft proposal was considered by the Advisory Committee on Local Government Finances and Administration and negotiated with the Sámi Parliament in accordance with section 9 of the Act on the Sámi Parliament (974/1995). The draft proposal was also reviewed by the Unit of Legislative Inspection at the Ministry of Justice Law Drafting Department.

2.5.2 Parliamentary consideration of Government Proposal No. 47/2017

As part of the regional government, health and social services reform, the Government submitted Government Proposal No. 47/2017 for the Act on Clients' Freedom of Choice in Health and Social Services and an Act amending section 2 of the Act on the National Audit Office of Finland to Parliament in May 2017. In addition to the Social Affairs and Health Committee functioning as the reporting committee, the proposal was considered by Parliament's Constitutional Law Committee, Finance Committee, Audit Committee, Administration Committee, Commerce Committee, Environment Committee, and Employment and Equality Committee. In its Statement No. 26/2017, Parliament's Constitutional Law Committee noted that the Bill for the Act on Freedom of Choice could only be passed in keeping with the enactment procedure for ordinary acts if the Committee's constitutional comments were to be duly taken into account. The Constitutional Law Committee's comments were especially related to the timetable for the reform's entry into force and the corporatisation obligation in health and social services proposed for counties, as well as the prohibition for counties to provide such services on their own.

2.5.3 Drafting Government Proposal No. 16/2018

In July 2017, the Government decided that, in order to implement the amendments required in Constitutional Law Committee Statement No. 26/2017, a new government proposal would be drafted for submission to Parliament by early 2018. In the same month, the Ministry of Social Affairs and Health appointed a group of public officials for a period from 17 July 2017 to 31 March 2018 to draft a new government proposal for legislation on clients' freedom of choice in health and social services, which would replace Government Proposal No. 47/2017 to Parliament. The group met 24 times.

The process of drafting the new government proposal was based on Government Proposal No. 47/2017, which was revised with the amendments required in Constitutional Law Committee Statement No. 26/2017 and the other changes that were identified as necessary. The draft proposal was discussed on several occasions by the Government's ministerial working group on reforms, which outlined the progress and contents of the process at different phases.

The new draft version of the Government Proposal for the Act on Clients' Freedom of Choice in Health and Social Services was circulated for opinions requested from a wide range of public authorities, stakeholders and other parties in November 2017. The online survey was also open to any other interested parties. A total of 705 opinions were submitted within the specified time and these were then compiled into a summary.

The process of drafting the new government proposal also involved consultation with the group of experts in health care and social services appointed by the Ministry of Social Affairs and Health in January 2016 to support the preparation and implementation of the health and social services reform. The expert group, which operated up until March 2019, was tasked with contributing its diverse expertise to the process of preparing the health and social services reform and steering its implementation. Furthermore, the process included separate consultations with constitutional law experts, as well as with the steering group on services voucher experiments, the Social Insurance Institution of Finland on issues relating to information systems, and health and social services sector organisations on personal budgeting, among others.

The draft government proposal was also submitted for evaluation by the Finnish Council of Regulatory Impact Analysis, which issued its statement on the draft. Based on this feedback, the draft proposal was amended and revised as required. Furthermore, the draft proposal was considered by the Advisory Committee on Local Government Finances and Administration and negotiated with the Sámi Parliament in accordance with section 9 of the Act on the Sámi Parliament. The draft proposal was also reviewed by the Unit of Legislative Inspection at the Ministry of Justice Law Drafting Department.

2.5.4 Parliamentary consideration of Government Proposal No. 16/2018

The Government submitted its new Government Proposal No. 16/2018 for the Act on Clients' Freedom of Choice in Health and Social Services and for certain related acts to Parliament in March 2018, while also withdrawing Government Proposal No. 47/2018. In addition to the Social Affairs and Health Committee functioning as the reporting committee, the proposal was considered by Parliament's Constitutional Law Committee, Finance Committee, Audit Committee, Administration Committee, Commerce Committee, Legal Affairs Committee, and Employment and Equality Committee.

In its Statement No. 15/2018, Parliament's Constitutional Law Committee noted that the Bill for the Act on Freedom of Choice could only be passed in keeping with the enactment procedure for ordinary acts if the Committee's constitutional comments were to be duly taken into account. Over the course of the spring and summer of 2018, the Ministry of Social Affairs and Health furnished the Social Affairs and Health Committee with several replies, on the basis of which the Committee drew up its draft report in November 2018.

The draft report was submitted for review by the Constitutional Law Committee, which issued another statement (No. 65/2018) on the report, noting that the Bill for the Act on Freedom of Choice could only be passed in keeping with the enactment procedure for ordinary acts if the Committee's constitutional comments were to be duly taken into account. The Government Proposal was subsequently reconsidered by the Social Affairs and Health Committee, which was again provided with replies by the Ministry of Social Affairs and Health. The Government Proposal lapsed in March 2019 as the Government submitted its request for resignation.

2.5.5 Impact assessment of the Act on Freedom of Choice

As the Government Proposal was being drafted, the impacts of the Act on Freedom of Choice were assessed from several different perspectives, applying the [Guidelines for Impact Assessment in Legislative Drafting](#); in other words, the assessment analysed the relevant effects of the project. The reform was assessed to have a direct impact on clients of health and social services, service provision, businesses and competition, as well as on the finances of the central government and the planned counties, among other things. Moreover, the reform would also have produced a wide variety of organisational and administrative effects.

In keeping with the Impact Assessment Guidelines, the impact assessment described the situations and impact areas which could not be assessed precisely (e.g. numerically) for reasons such as absence of statistics or studies, or other uncertainties. In uncertain situations, however, the aim was to describe the causal chains involved.

The impact assessment drew on a wide variety of research, although no system comparable to the reform exists anywhere else. In order to assess the impacts of the reform, various research papers and studies were also commissioned from Aalto University, the National Institute for Health and Welfare, the European Observatory on Health Systems and Policies hosted by the World Health Organisation (WHO), etc. Additional studies were carried out within the framework of the government's analysis, assessment and research activities. For further information on the research papers and studies, please visit the [website of the Prime Minister's Office](#). The assessment process also drew on a wide variety of statistics and other data.

The impact assessments were drawn up by experts from several organisations (such as the Finnish Competition and Consumer Authority, the Association of Finnish Local and Regional Authorities and the National Institute for Health and Welfare) and ministries (incl. the Ministry of Social Affairs and Health, the Ministry of Finance and the Ministry of Economic Affairs and Employment).

2.5.6 Conclusions

With regard to the process of drafting the Act on Freedom of Choice, future legislative drafting projects may be able to make use of the Constitutional Law Committee statements and some aspects of the rationale and proposed provisions of the lapsed Government Proposal. The challenges and risks of the legislative drafting process were especially related to the tight drafting schedule; the large scale of the regional government, health and social services reform project; issues of constitutional interpretation; and considerable political steering. Moving forward, systemic reforms similar to the health and social services reform will require adequate resources and time for the legislative drafting process; diligent impact assessments; substantive expertise complemented with expertise in fundamental rights and data protection to provide strong support for the drafting process; as well as assessment under EU law. Future impact assessments must also draw on the wide variety of expertise available in different organisations. Likewise, use of research will remain necessary in the future as well. More effective efforts must be made in the future to communicate the effects of the reform.

2.6 Act on Service Providers, Government Proposal No. 52/2017

The respective programmes of the Governments of Prime Ministers Jyrki Katainen and Alexander Stubb stated that legislation pertaining to private health and social services would be unified and clarified. The Government Decision of 29 November 2013 on Implementing the Structural Policy Programme further stated that inspections of private service providers' premises and equipment would be reassigned from municipalities to the Regional State Administrative Agencies. In September 2014, the Ministry of Social Affairs and Health appointed a working group on legislation on private health and social services (MSAH 091:00/2014) to analyse the options and draw up its own proposal for development of legislation.

The working group continued to prepare the reform during the term of Prime Minister Sipilä's Government. The Government Programme of Prime Minister Sipilä's Government outlined, among other things, that the Government would reduce local government expenditure by EUR 1 billion (Annex 3) by cutting statutory duties and the obligations guiding their implementation, on at least the following principles: by easing regulations that guide operating practices, for example by revising laws, decrees and various recommendations; by reducing control and inspection obligations; and by increasing matters falling within the scope of the notification procedure. Its Annex further noted that a move would be made towards cost recovery in official licensing and supervision activities. Acts in which the Government suggested that a move towards cost recovery could be

made also included the Act on Private Social Services (922/2011) and the Private Health Care Act (152/1990). Prime Minister Sipilä's Government Programme further stated that details of the freedom-of-choice model would be studied as part of the health and social services reform.

In November 2015, the Sipilä Government adopted a policy outlining that the structure of health and social services was to be essentially overhauled as a result of the health, social services and regional government reform and freedom-of-choice legislation.

In April 2016, the working group on legislation on private health and social services submitted its final report formulated as a government proposal. Since the working group's preparatory work was intrinsically linked to the advance approval of service providers to be laid down as part of freedom-of-choice legislation, the Ministry of Social Affairs and Health extended its mandate up until the end of May 2016. The working group was to use its extension to analyse, in particular, the kinds of changes that the implementation of freedom of choice would entail in its previously drafted proposal that was submitted to Juha Rehula, Minister of Family Affairs and Social Services, in April 2016. Among other things, the working group was to examine the criteria for advance approval to a provider register required to access the freedom-of-choice model, which body should be responsible for advance approval, and the effects on organising appropriate supervision. For the purpose of drafting legislation concerning provision of health and social services, the Government outlined that public service providers would also be included in the same nationwide, public register and under the same proactive supervision as private service providers. The process of drafting the Act on Service Providers was continued by public officials at the Ministry.

2.6.1 Parliamentary consideration

The Government submitted Government Proposal No. 52/2017 for the Act on the Provision of Health and Social Services (the 'Act on Service Providers') to Parliament in May 2017. The proposed Act was intended to lay down provisions on the operating conditions, registration and supervision of health and social services providers. The key changes on the current situation involved the proposed registration procedure to replace the current licence administration; the requirements concerning the reliability of providers; and the extension of the Act's scope of application to also cover public service providers.

Parliament submitted the matter to the Social Affairs and Health Committee, which was to be provided with a statement by the Constitutional Law Committee. The Constitutional Law Committee submitted its statements in June 2017 (No. 26/2017) and February 2019 (No. 65/2018). In its Statement No. 26/2017, the Constitutional Law Committee noted, among other things, that the most fundamental change in principle introduced by the

Act on Service Providers involved the fact that the regulatory framework governing the operating conditions and registration of public and private service providers was to be harmonised. The Committee also linked the review of the Act on Service Providers to the context of the freedom-of-choice legislation that was being considered by Parliament. The Committee considered it evident that the regulation included in the Bill for the Act on Service Providers had a structural linkage to the Bill for the Act on Freedom of Choice. In its second statement (No. 65/2018), the Constitutional Law Committee raised concerns about issues regarding the Act on Service Providers, such as registration of unincorporated county enterprises and, in particular, removal from the register and cancellation of registration. The Committee further required that the provisions on the supervisory authority be specified in material respects.

2.6.2 Conclusions

The purpose of the key provisions put forward in the Government Proposal was to improve the operating and supervisory conditions of service providers and they were independent of the service structures in essential respects. The proposed provisions aimed to dismantle unwarranted administrative burdens and to help public authorities to target their supervisory measures based on risks, improving their effectiveness. Based on the drafting process and parliamentary consideration, it is fair to conclude that it would be possible, necessary and appropriate to implement the key provisions of the Proposal. With regard to the material produced while drafting the Bill for the Act on Service Providers, future legislative drafting projects may be able to make use of the statements of the Constitutional Law Committee and the opinions of the experts consulted during parliamentary consideration and, to some extent, the rationale and proposed provisions of the lapsed Government Proposal as well.

2.7 Legislation governing growth services

The legislative package of the growth services reform consisted of the following government proposals:

- Government Proposal No. 35/2018 for the Act on Regional Development and Growth Services and for certain related acts;
- Government Proposal No. 93/2018 for Acts on Public Recruitment and Knowledge-Based Services, the Financing of Regional Development and Growth Services, Private Employment Services and amending sections 1 and 2 of the Act on the General Requirements for Granting Support for Economic Activity;

- Government Proposal No. 96/2018 for the Act on the Promotion of Immigrant Integration;
- Government Proposal No. 266/2018 for Acts on the Growth Services Authority, the Processing of Customer Information in Growth Services and amending section 37 of the Act on Background Checks.

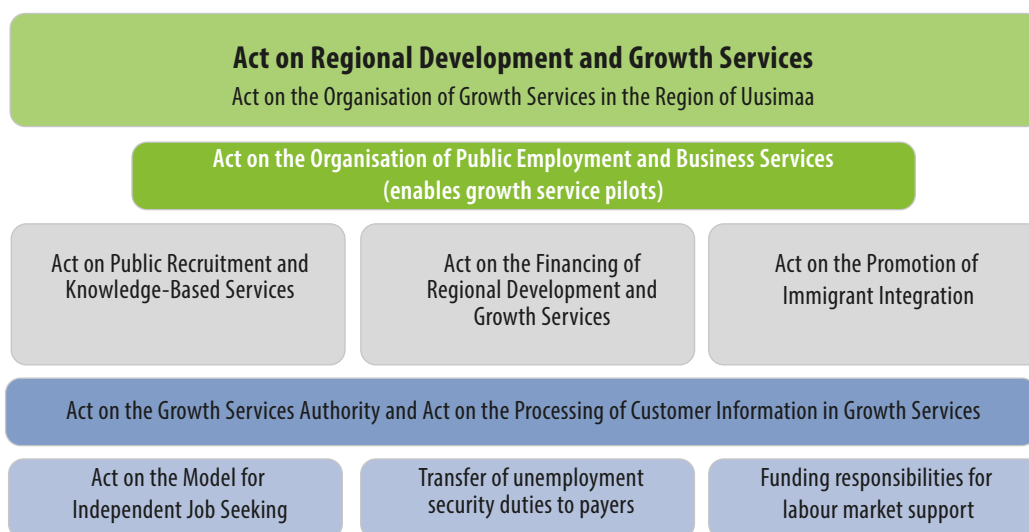


Figure 2: The legislative package on growth services.

By virtue of the acts included in the legislative package, the duties carried out by the Centres for Economic Development, Transport and the Environment (ELY Centres) and Employment and Economic Development Offices (TE Offices) falling within the competence of the Ministry of Economic Affairs and Employment would have been reassigned to counties, with the exception of the duties due to be transferred to the National Licensing and Supervisory Authority under the provisions of Government Proposal No. 14/2018 to Parliament for legislation on implementing the regional government reform and reorganising government licensing, steering and supervision duties. Duties other than those carried out by the ELY Centres under the Ministry of Economic Affairs and Employment were to be transferred to the counties and to the National Licensing and Supervisory Authority. The ELY Centres and TE Offices were to be discontinued. The Bills concerning the transfer of other duties and discontinuation of the ELY Centres and TE Offices were included in Government Proposal No. 14/2018 (the 'Phase II proposal').

Government Proposal No. 35/2018 on regional development and growth services included a Bill for the Act on Regional Development and Growth Services, which was similar to the

Organisation Act. The Bill specified the duties and roles of the parties involved in regional development in a new operating environment, but it did not put forward any significant amendments to the provisions concerning regional development currently in force. The regulatory regional development and funding duties of the Regional Councils would have been transferred to counties. Conversely, the transfer of employment and economic development services from ELY Centres and TE Offices to counties also involved efforts to modernise practices, to create a competitive multi-provider model, and to increase clients' freedom of choice. According to the Act on Regional Development and Growth Services, each county would have been free to decide on the structure for providing its growth services, including the extent to which the services would have been organised as its own provision. However, the Act aimed to encourage counties to make use of businesses and third-sector organisations operating on the market to an increasing extent and in more extensive service packages or their parts. In the event of market gaps, individual municipalities and their in-house entities could have functioned as providers of regional growth services, offering an alternative to a county's own service provision.

Government Proposal No. 35/2018 included a bill concerning a separate solution for the capital region, according to which the cities of Helsinki, Espoo, Vantaa and Kauniainen would have had an opportunity to agree to establish a joint municipal authority by a specified deadline and assume responsibility for organising growth services within the entire County of Uusimaa. Other county government duties would have fallen within the organising responsibility of the prospective County of Uusimaa. The idea was to draw on the expertise of the municipalities in the capital region and their economic contributions to vitality services, which are similar to central government growth services. The objective of the Bill was to accommodate the special challenges of the capital region's operating environment, including its population and the large numbers of businesses and immigrants, which are in a league of their own in Finland. The special solution was premised on the view that its successful implementation and the capital region's positive development would constitute critical success factors for the entire country and its national economy.

Further provisions on the contents and service processes of growth services were to be laid down in Government Proposals No. 93/2018 concerning the Act on Public Recruitment and Knowledge-Based Services and the Act on the Financing of Regional Development and Growth Services and No. 96/2018 for the Act on the Promotion of Immigrant Integration.

Government Proposal No. 266/2018 covered the Growth Services Authority and the processing of customer information in growth services. The Growth Services Authority was to be established to support the organisation and provision of national and regional growth services on the basis of the Development and Administrative Centre for the ELY

Centres and TE Offices (KEHA Centre) and the Customer Service Centre of the employment and economic development administration. The Bill concerning the processing of customer information would have updated processing practices to meet the needs of the growth services reform and the EU General Data Protection Regulation (GDPR).

2.7.1 Parliamentary consideration of growth services

Government Proposal No. 35/2018

The government submitted Government Proposal No. 35/2018 for the Act on Regional Development and Growth Services and for certain related acts in April 2018. The proposal was submitted to the Administration Committee, which was to be provided with statements by the Constitutional Law Committee, the Transport and Communications Committee, the Agriculture and Forestry Committee, the Commerce Committee, and the Employment and Equality Committee. Three of the committees managed to submit their statements on the proposal to the Administration Committee (Transport and Communications Committee, Agriculture and Forestry Committee, Commerce Committee). The Constitutional Law Committee and the Employment and Equality Committee failed to conclude their expert consultations and to provide their statements. In total, the Committees consulted with 203 experts on the proposal.

The constitutional law experts consulted by the Constitutional Law Committee pointed out that it was not possible to assess the assignment of growth services duties to parties other than public authorities in May 2018, when the bills for the so-called substantive acts on growth services (Government Proposals No. 93/2018 and No. 96/2018) were yet to be submitted to Parliament. Government Proposal No. 35/2018 included a Bill for the Act on Regional Development and Growth Services, which was similar to the Organisation Act. As the Bill left the more detailed contents and scope of growth services unclear, it was not possible to assess the assignment of duties to businesses operating on the market outside the machinery of government within the framework of section 124 of the Constitution. The Administration Committee's consideration of Government Proposal No. 35/2018 came to a halt in the summer of 2018 in the absence of the Constitutional Law Committee's statement as the Constitutional Law Committee was waiting for submission of bills for substantive acts on growth services in order to review the legislative package.

Government Proposal No. 93/2018

The government submitted Government Proposal No. 93/2018 for Acts on Public Recruitment and Knowledge-Based Services, the Financing of Regional Development and Growth Services, Private Employment Services and amending sections 1 and 2 of the Act on the General Requirements for Granting Support for Economic Activity in June 2018. The proposal

was submitted to the Employment and Equality Committee, which was to be provided with statements by the Constitutional Law Committee, the Administration Committee, and the Commerce Committee. The Commerce Committee managed to submit its statement on the proposal, whereas the other committees failed to conclude its consideration.

The Commerce Committee regarded the proposed regulatory framework as a logical and appropriate way to achieve the specified objectives and was in favour of adoption of the Government Proposal. The Commerce Committee considered it likely that separation of organisation and provision duties, incorporation of counties' own provision under competitive market conditions and utilisation of external service providers would increase competition, which would be conducive to providing more effective services and curbing the growth of costs. In its statement, the Commerce Committee also paid attention to the challenges of the proposal, which it associated with the heterogeneous needs due to regional population and business structures, information system challenges relating to cooperation between different parties, differentiation of business services, and issues relating to competitive tendering.

Government Proposal No. 96/2018

The government submitted Government Proposal for the Act on the Promotion of Immigrant Integration to Parliament in July 2018. The proposal was submitted to the Administration Committee, which was to be provided with statements by the Education and Culture Committee, the Social Affairs and Health Committee, and the Employment and Equality Committee. The Education and Culture Committee and the Employment and Equality Committee managed to submit their statements on the matter.

According to the Education and Culture Committee's statement, the Bill for the Act on the Promotion of Immigrant Integration came across as a technical change to be implemented by the parties operating in the field. The Committee noted that the reform would have made it possible to engage in more in-depth deliberations on aspects such as modernising integration training, which is key to successful integration. The Education and Culture Committee's statement included proposals relating to the content of integration, which are not as such relevant to the transfer of duties from the central government to counties.

The Employment and Equality Committee made submissions on aspects such as the multi-provider model for growth services (the views of the Constitutional Law Committee on assigning public administrative functions to parties outside the machinery of government must also be taken into account in this Bill); on the responsibilities of different parties (counties, municipalities) with respect to integration; and on the special solution for Uusimaa (included in Government Proposal No. 35/2018) as a factor confusing the division of responsibilities between the parties involved.

The Social Affairs and Health Committee did not have time to consult with experts or submit a statement on the matter.

Government Proposal No. 266/2018

The government submitted Government Proposal for Acts on the Growth Services Authority, the Processing of Customer Information in Growth Services and amending section 37 of the Act on Background Checks in November 2018. The proposal was submitted to the Administration Committee, which was to be provided with statements by the Constitutional Law Committee and the Employment and Equality Committee. The Employment and Equality Committee managed to consult with experts, but did not have time to submit its statement to the Administration Committee. The Constitutional Law Committee did not have time to start expert consultations.

3 Legislation on rescue services

The process of drafting legislation concerning rescue services concentrated on the following two projects:

Act on Organising Rescue Services, Government Proposal No. 16/2017;

Act amending the Rescue Act, Government Proposals No. 18/2018, No. 138/2018 and No. 240/2018.

3.1 Government Proposal No. 16/2017

The process of drafting the Act on Organising Rescue Services started at the beginning of 2016. The Act was to be applied to the organisation, development, steering and supervision of rescue services as of the beginning of 2019. The process was carried out as a separate legislative drafting project, but it was tied to Government Proposal No. 15/2017 on establishing counties and organising health and social services to such an extent that it was proposed that provisions on its entry into force be enacted separately by an Act implementing the Counties Act, the Act on Organising Health and Social Services and the Act on Organising Rescue Services (the 'Implementation Act').

It was considered crucial to organise rescue services on the basis of a regional division and service model consistent with the reform of the health and social services structure, because this would have enabled rescue services to continue performing prehospital emergency medical care and first response duties in the future as well.

3.1.1 Parliamentary consideration

Parliament submitted the proposal to the Administration Committee for reporting and to the Constitutional Law Committee and the Social Affairs and Health Committee for statements.

The Administration Committee was provided with statements on the proposal by the Constitutional Law Committee (No. 27/2017) and the Social Affairs and Health Committee (No. 12/2018).

The proposal lapsed because its consideration was not concluded in time before the end of Parliament's electoral term.

3.2 Government Proposals No. 18/2018 and No. 240/2018

The proposal provided for amendments to the Rescue Act (379/2011), the Act on the Emergency Services College (607/2006), the Act on the Fire Protection Fund (306/2003), and to certain other acts. Most of the amendments arose from legislation on establishing the counties, implementing the regional government reform and reorganising government licensing, steering and supervision duties. The proposed Acts were due to enter into force on 1 January 2020.

According to the original proposal, the provisions proposed to the Rescue Act on combating oil spills and chemical spills from vessels, training requirements for part-time personnel and members of contract fire brigades, civil defence and building civil defence shelters were already intended to enter into force on 1 January 2019. Likewise, the Acts amending the Maritime Search and Rescue Act (1145/2001), Act on Environmental Protection in Maritime Transport (1672/2009) and the Act on the Emergency Services College were intended to enter into force on 1 January 2019. These proposals and their timetables were not linked to the regional government reform.

Due to the provisions relating to the regional government reform that were included in the original proposal, the original proposal was to be adopted after adoption of legislation on establishing the counties, implementing the regional government reform and reorganising government licensing, steering and supervision duties.

On 27 June 2018, Prime Minister Juha Sipilä made a Prime Minister's announcement to Parliament about deferral of entry into force of the regional government, health and social services reform to the effect that the counties would start operations as of the beginning of 2021. According to the estimated schedule, legislation on establishing the

counties, implementing the regional government reform and reorganising government licensing, steering and supervision duties would be adopted towards the end of 2018. In other words, the original proposal could only be adopted very close to the date when the above-mentioned provisions were planned to enter into force.

Consequently, a new Government Proposal No. 138/2018 was submitted to Parliament in the summer of 2018 to supplement Government Proposal No. 18/2018 for Acts amending and temporarily amending the Rescue Act and for certain other acts.

The supplementary proposal provided for deletion of language concerning the regional government reform included in the original proposal. The aim was to submit a separate government proposal by the spring of 2019 in order to accommodate the needs of the regional government reform.

Government Proposal No. 240/2018 for Acts amending and temporarily amending the Rescue Act and for certain other acts was submitted to Parliament towards the end of 2018.

3.2.1 Parliamentary consideration

Parliament submitted the proposals to the Administration Committee for reporting.

The proposals lapsed because their consideration was not concluded in time before the end of Parliament's electoral term.

3.2.2 Conclusions

Legislative drafting should start with setting a reasonable and fixed schedule and objectives that are demonstrably achievable by decisions concerning the legislative proposals. The objectives, proposals and impact assessments should be aligned. The drafting process should comply with good drafting practice.

Drafting is carried out in keeping with policy outlines based on impact assessments. Legislative projects seeking significant impact should pay special attention to impact assessments and cooperation with stakeholders throughout the drafting process. With regard to legislation aiming to make use of the market, the drafting process should draw efficiently on the parties operating on the market for the purposes of describing the operating environment and assessing the impacts of legislative proposals. Policy outlines should be adopted in due time and with awareness of the effects of different policy options.

Legislative projects should be sensible and manageable in terms of scope. An extensive legislative project aiming to coordinate a significant regulatory framework within a single administrative branch or cross-sectoral legislation (such as growth services and health and social services) should be divided into phases. This should be done so as to avoid any interdependence between legislative proposals that a situation where one is delayed, rejected or lapsed would lead to an impasse (legal impossibility) with regard to the other. A sensible scope will also make the legislative project easier to understand and increase the chances of the proposals succeeding in parliamentary consideration.

Pilot projects and any government proposals required for these should be scheduled so as to ensure that the experiences gained from the pilot projects can be genuinely utilised when drafting legislation for subsequent adoption.

The preparatory work to implement legislation being drafted and the resources spent on the work should be targeted such that the preparations are timely and aligned with the phase of consideration of the legislative proposals.

4 National preparations for implementation

This chapter describes the preparatory work carried out to implement the regional government, health and social services reform and the outcomes of this work. The implementation phase of the regional government, health and social services reform started in the spring of 2016 while the relevant county legislation was still being drafted. The objective of the implementation phase was to create the preconditions for the new counties to launch operations.

The preparatory work for implementing the regional government, health and social services reform was carried out within cross-sectoral transformation programmes and supplementary sectoral preparatory projects, working groups, service centres, and joint networks of regions, ministries and stakeholders.

4.1 Objectives guiding the implementation of the regional government, health and social services reform

The ministries and regions were jointly responsible for achieving the objectives of the reform. The regions were provided with change support in order to ensure that:

1. the change required for the reform would progress and be implemented in the regions within the planned schedule;
2. the effectiveness of the service system would be verified at the time when the responsibility for organising services was due to be transferred;
3. client-oriented and integrated freedom of choice would be implemented in counties;

4. counties would be steered towards creating safe prospects for and an enthusiastic development approach among staff;
5. it would be possible to put national guidelines and recommendations to use in counties; and
6. national information tools and management by knowledge would be put to use in counties in keeping with the relevant national action programme.

In order to achieve the objectives, the focus was on successful change management, clear responsibilities, impact assessments, and verification of cost trends and service continuity throughout the reform. National implementation preparations also paid attention to the transition points identified, such as the points when the transitional government and county councils were due to start operations.

4.2 Regional change support

The Ministry of Social Affairs and Health started change support activities for the health and social services reform even before the broader, multi-sectoral preparations involving eight ministries were launched, when the national director of change management for the health and social services reform started her work in April 2016. In August 2016, the Ministry of Finance hired a director of change management for the regional government reform. Up until the end of 2016, implementation preparations focused on dialogue with regions, which was conducted by means such as a regional roadshow made by Minister Juha Rehula and the Director of Change Management for the health and social services reform. Activities also included engaging a wide variety of stakeholders and planning change management coaching courses.

In 2017, change support for the health and social services reform was integrated as part of the joint regional change support programme, which consisted of general change support for establishing counties and launching their operations and of the Change Management Academy.

Support for regional implementation covered coordinating networks and other interactive preparations, managing reform risks, providing support for regional preparatory organisations, and planning and organising various change support measures. These included providing advice and guidance for regions; preparing recommendations, models and templates and disseminating good practices; consultancy, training and communications; and maintaining situation awareness.

To support regional preparations, a roadmap was produced for the reform website (alueuudistus.fi), laying out the phased progression of the regional government, health and social services reform. The roadmap included concrete support measures available for reform preparations, which were geared towards helping those involved in regional reform preparations by providing information on timetables for preparations, legal obligations, and opportunities offered by change support. The roadmap themes were assigned to preparatory working groups (five roadmap groups), which were specifically established to produce and collect preparatory material relating to their respective themes and to link these to the roadmap. The roadmap groups were discontinued when thematic networks were set up and the preparatory material that they had produced was linked to the situation centre's Tiimeri workspace.

The progress of regional reform efforts was monitored by meeting with senior regional officials and political leadership at various events organised to provide updates on the progress of preparations and discuss successes and problem areas. Progress was also monitored by means of surveys. The progress of regional preparations was systematically monitored within the project entitled 'implementation of the health, social services and regional government reform (SMUUTO)' run by the Prime Minister's Office within the framework of the government's analysis, assessment and research activities.

4.3 Regional change support themes

4.3.1 Regional roadshows

Over the period from 2016 to 2018, a total of five regional roadshows were organised as part of the change support programme for the regional government, health and social services reform. The purpose of the roadshows was to provide information on the reform timetable and progress made in legislative drafting, while also supporting regional implementation preparations by resolving critical issues together with regions. The events consisted of keynote speeches, Q&A sessions and workshops. Event invitations were extended to regional public officials, elected officials and stakeholders from different sectors who were actively involved in preparations for reform implementation. Roadshow participants included experts from key ministries involved in preparing the transformation.

The regional roadshows increased interaction and trust between central government and regional parties. They promoted cooperation between different administrative branches and lowered sectoral barriers. Regional visits were also part of the monitoring of the reform preparations.

Regional roadshow by Minister Rehula, autumn 2016

The regional roadshow with Juha Rehula, Minister of Family Affairs and Social Services, Tuomas Pöysti, Under-Secretary of State, and Sinikka Salo, Director of Change Management for the health and social services reform, was organised in the autumn of 2016. Its theme was to present the legislative package relating to the reform and the progress of the reform.

Regional roadshow by Minister Mattila, spring 2017

Pirkko Mattila, Minister of Social Affairs and Health, toured the regions in early 2017 with Sinikka Salo, Director of Change Management for the health and social services reform, and Pauli Harju, Director of Change Management for the regional government reform, to discuss the health, social services and regional government reform.

Regional roadshow for promotion of health and wellbeing, autumn 2017

Organised in the autumn of 2017, the regional roadshow for promotion of health and wellbeing involved discussions with regional parties on promoting health and wellbeing and on how to advance the inclusion of different population groups in the future through cross-sectoral cooperation.

Regional roadshow by Ministers, autumn 2017

Anu Vehviläinen, Minister of Local Government and Public Reforms, and Annika Saarikko, Minister of Family Affairs and Social Services, visited all of Finland's regions during the autumn of 2017. The purpose of the ministerial roadshow was to provide information on the reform timetable, progress made in legislative drafting, and the next steps of regional preliminary preparations for implementation.

Home County roadshow, spring 2018

A group of preparatory staff for the regional government, health and social services reform visited all of Finland's regions during the spring of 2018. The roadshow was led by Päivi Nerg, Permanent Under-Secretary and Project Manager of the reform. The purpose of the Home County roadshow was to provide the regions with as concrete support as possible for their preparations for implementing the reform, based on each region's specific needs.

The change support programme for the regional government, health and social services reform also organised virtual regional roadshows, with a key objective of maintaining situation awareness of the status of regional preparations. Organised on four occasions, the roadshows covered regional discussions on the status and development needs of regional preparations, based on questions provided in advance. The questions concerned areas such as administrative preparations, organising services as a whole, inclusion, cooperation between counties, and the general status of preparations by county. The virtual roadshows produced compilations of progress made in regional preparations.

4.3.2 Health and social services coordinators

As of the beginning of 2018, each region was granted a discretionary government transfer for the purpose of hiring one regional health and social services (HSS) coordinator for the period from 2018 to 2019. Each HSS coordinator participated in drawing up their future county's service strategy and service pledge, while also working with the people in charge of preparing the health and social services reform and those responsible for the Government's key projects to compile client-oriented and integrated service packages, steer health and social services, create a monitoring and evaluation mechanism and operating practices, and start up the counties' collaborative areas for healthcare and social welfare.

While health and social services coordinators played a key role in many regions, this varied by region. The criteria for discretionary government transfers accepted a large number of duties relating to organising services. Better nationwide consistency would have called for more limited and consistent guidance.

4.3.3 Support for counties as service organisers

To support the preparations and implementation of the regional government, health and social services reform, the members of the national preparatory working group collaborated to draw up a handbook for county organisers. The aim was to clarify the functions and duties relating to organising services as a whole, while also providing support for preparing the duties falling within counties' responsibility for organising services and for identifying the tools required to implement the duties. Regional progress in preparing the multiplex service function was supported by a network of county organisers as of spring 2018. For this purpose, a national specification was developed for the responsibilities and steering methods for organising services, while also preparing a coaching programme in cooperation with the Change Management Academy. In addition to preparing the handbook for county organisers, other contributions to the information, operating models and digital tools required for organising services included study projects on management by knowledge in health and social services, a data model for organisers of health and social services and digital services for organising services, which were implemented in the spring of 2018.

There were very considerable regional variations in the understanding of a multiplex county's responsibility for organising services and the duties involved. Organising services effectively and to a high quality standard would have required extensive strategic competencies and tools. In addition to competence in organising services, managing the organiser's duties would also call for adequate understanding of service provision. The handbook for county organisers provided a helpful tool for organising counties' duties and governance, and all of the regions produced a plan or handbook for organising services to suit their own operating environment.

4.3.4 A client-oriented and integrated service system

Service integration was a key means of bringing about client-oriented and timely services in the health and social services reform. In the autumn of 2018, the Ministry of Social Affairs and Health launched a service integration network, which is still operational today. The National Institute for Health and Welfare (THL), in turn, coordinated a development network of service packages and chains. Counties' service packages and chains were developed in cooperation between different parties on the [Innovillage](#) web service. The Sipilä Government's key projects promoted integration of services and produced material for functional changes to services. Representatives of regions felt that the nationwide networking model and shared development platform was a useful form of cooperation.

4.3.5 Preparing HR management duties

Preparations relating to counties' human resources (HR) management duties were carried out by Local Government Employers KT with support from a network of people in charge of regional HR preparations. Regional development efforts of management of staff wellbeing covered the 'County 18' project, with a package entitled 'How are you?' that included a wellbeing at work survey, a digital tool to make use of its results, as well as services provided in support of the transformation.

Support for management of staff competence was provided by a project entitled 'Towards the health and social services reform with competence'. The project created a roadmap covering the effects of the reform on competence renewal, strengthened national coordination in development of education and training in health and social services, and promoted dialogue and networking between the service and education systems. The government's analysis assessment and research project entitled Optimised education and competence reform for professionals in health and social services also produced information on the competence needs and development needs for education and training due to the health and social services reform.

The organisation of research, development and innovation (RDI) activities in future counties and their collaborative areas for healthcare and social welfare was promoted by collecting views, suggestions and feedback on organising RDI collaboration from regional parties and by organising co-creation workshops in the collaborative areas in order to identify and disseminate good practices.

The information, materials, networks and operating models created over the period from 2017 to 2019 as part of the preparatory work focusing on management of staff wellbeing and competence as well as research, development, innovation and education (RDI&E) activities within counties can be put to use when renewing healthcare and social welfare staff and management, as well as the service system. All regions drafted strategy-driven

HR policies and operating models with a view to making use of these in operations and staff support measures already taken within the organisations due to transfer some of their staff. It was recognised, however, that it would not be possible to fully ensure staff involvement and competence development until they would be transferring to the counties at the phase when the relevant legislation was to be implemented.

4.3.6 Gender equality

Support provided for implementing gender equality as part of the regional government, health and social services reform increased awareness of its significant role in reform preparations and implementation. The aim was to ensure that equality would be included in each county's future strategic documents. A network of gender equality liaisons was compiled for the regions. Guidelines on equality and non-discrimination were included in the roadmap and handbook for county organisers on the alueuudistus.fi website, while also producing a brochure on the topic. Implementation preparations were supported by means of pilot and research projects. It is possible to make use of the outputs of the completed projects independent of the regional organisation model.

4.3.7 Cooperation with NGOs

The change support programme helped regions to build a new model for cooperation with municipalities and non-governmental organisations (NGOs). The change support programme produced national guidelines and organised joint events. The [NGO 2.0](#) project, funded by the Funding Centre for Social Welfare and Health Organisations (STEA), helped to reinforce cooperation between NGOs operating in the health and social services sector and local and regional governments and to promote people's equal opportunities to participate and function in today's information society. The operating opportunities and conditions for NGOs and other third-sector parties within the new health and social services system was assessed as a separate study project.

The counties represented a new structure for coordinating regional and national cooperation between NGOs. An NGO cooperation network was created in all prospective counties. The work carried out by NGOs was seen as part of county operations and NGOs were involved in preparing county structures. Regional NGO cooperation networks and NGO agents promoted regional preparations focusing on creating and planning operating models for residents' participation and influence, as well as drawing up inclusion programmes.

4.3.8 Interfaces between municipal and county-level duties

As a new administrative level prepared as part of the regional government, health and social services reform, the counties would have significantly changed the configuration of public administration. In order to guarantee that the new configuration would work effectively, the effectiveness of cooperation between municipalities and counties and the interfaces between different duties would have played a decisive role in achieving the objectives of the reform as a whole.

A preliminary study on the interfaces between the duties of municipalities and future counties was launched with a view to structuring and developing the work carried out at these interfaces. The preliminary study aimed to boost effective coordination of interface work and to create a joint structure for further work at the national level. Another aim was to promote integrated and seamless service chains, which would have been based on the service needs of clients and residents.

As the conclusions and improvement recommendations put forward in the preliminary study report were drawn up so as to be as independent of structures as possible, some of its lessons can also be used when planning existing and potential future structures and duties.

4.3.9 Partnership preparations

There were plans to put out an invitation to tender for a long-term partnership contract in support of implementing the regional government, health and social services reform. The idea was to arrange a competitive tendering procedure to select one provider to partner up with the situation centre, ministries and counties in order to implement the reform and to help them build multiplex counties, develop the contents of services assigned to counties, and achieve the objectives and impacts set for the reform. The partnership could have included preparation of studies, proposals for measures and follow-up reports, implementation of international operating models, change management coaching, co-creation, and practical implementation of reforms in all of the above-mentioned areas.

Prepared as of spring 2018, the partnership procurement process progressed all the way to negotiations with tenderers. The process ended with the failure of the regional government, health and social services reform.

4.3.10 Conclusions

The most significant factor behind the success of regional change support was dialogue between ministries and regions, which promoted trust in regional preparatory organisations. The regional roadshows, preparatory work jointly carried out by several working

groups and close lines of communication were among the essential operating methods that contributed to the regional and national preparations.

Regional preparations were carried out by the preparatory organisations in a self-directed manner. Regions with existing joint municipal authorities for healthcare and social welfare services or healthcare districts had a head start in the preparatory work. Correspondingly, those regions that took a long time to reach a mutual understanding started out at a disadvantage. This gap shrank over the course of the preparations. In national terms, a specific challenge was to collect real-time status data from regions and determine how to put it to use in project management and progress evaluation.

Efforts were made to provide regions with extensive information on national preparations and, correspondingly, to bring challenges encountered in regional preparations to the attention of the ministers in charge of the reform, the project management group and the ministries' preparatory staff. The project manager, the directors of change management and the ministries' public officials also made wide-ranging tours to present reform preparations and implementation to various stakeholders.

While change support was primarily coordinated by the situation centre, many of its aspects fell within the remits of ministerial line organisations. As a general rule, cooperation between the situation centre and the line organisations worked well, but there were some areas where roles and responsibilities were unclear. The organisational configuration and division of work between different groups and parties was not necessarily clear to outsiders.

4.4 Change Management Academy

The key objective of the Change Management Academy was to strengthen the capabilities of regional directors of change management and other key people involved in preparations to implement strategic, systemic changes. In support of the transformation, the Change Management Academy offered coaching, expert support, peer stories, dissemination of best practices, and a discussion forum.

Over the period from 2017 to 2019, the Change Management Academy implemented three broader coaching programmes. The first programme, organised between autumn 2017 and spring 2018, focused on the key competencies in management of a county corporation. The coaching programme was arranged as five two-day training modules. Its themes covered strategy work and change management, innovative procurement, management by knowledge, etc.

The second programme, organised during the autumn of 2018, concentrated on the key strategic issues of the counties' new role as organisers. The programme was arranged as a package of four workshops. Its themes included a county's key strategic choices and management models, service strategy, effectiveness, market and steering mechanisms, etc.

The third coaching programme aimed to strengthen the business competencies of key regional preparatory staff. Its purpose was to strengthen business competencies among county leadership in areas that play an increasingly significant role when operating in new ecosystems built on various models of cooperation between private and public parties. The training programme was implemented as a co-creation project in cooperation with the following five university organisations specialised in management training: Aalto University Executive Education Ltd (Aalto EE); Aducate – Centre for Training and Development, University of Eastern Finland; Martti Ahtisaari Institute of Global Business and Economics, University of Oulu; Lifelong Learning Services, University of Tampere; and TSE exe – Turku School of Economics Executive Education and Development, University of Turku. The training programme consisted of seven modules, with the first and last ones organised by the Change Management Academy. Each of the modules 2–6 were implemented by one of the universities within the parameters of a certain framework. The themes covered on the training programme included strategy work and corporation management, customer experience and building competitiveness, effectiveness, management systems and performance management, and renewal and people management.

In addition to the above-mentioned coaching packages, the Change Management Academy organised workshops and seminars at the request of the regions and participated in some of the national projects. These included a systemic thinking workshop and facilitating workshops relating to the ministries' futures reviews and simulated county negotiations.

Over the period from 2017 to 2019, the Change Management Academy implemented a total of 40 coaching courses, with 27 organised in cooperation with universities. The total number of course days was 71, which had a total of 1,936 participants, 813 of whom participated in person. On average, the Change Management Academy's coaching courses were attended by people from 14 regions. Regions participated in an average of eight of the 11 courses intended for all regions.

Through its operations, the Change Management Academy was able to achieve the kind of effectiveness that will have a permanent impact regardless of the lapse of the reform that was being prepared. The themes covered in the coaching courses, such as the new types of cooperation models between private and public parties, innovative procurement and cost-effectiveness of services, involve competencies with broad, model-independent

significance in future operational development. The Change Management Academy also succeeded in its objective of providing coaching of high academic standard, tailored to meet the needs of regional directors of change management. Among other things, this is reflected in feedback received from participants in the new business competence programme developed in cooperation with five universities: the participants gave the training programme an average score of 5.1 on a scale from 1 to 6, while the average score for how likely they were to recommend the programme to colleagues stood at 8.9 on a scale from 1 to 10.

The workshops and coaching courses organised by the Change Management Academy also provided the regional directors of change management and other key preparatory staff with an important peer development platform and discussion forum. The fact that the Change Management Academy managed to attract the best experts in the country from universities, private-sector organisations, ministries and agencies to speak at its events goes to show that the Academy became an attractive brand during its operations.

4.4.1 Conclusions

The experiences gained during this reform from integrating a unit promoting competence and development as an integral part of the situation centre model created to support reform preparations and implementation are encouraging. This operating model supports tailoring the contents of coaching courses and workshops and integrating these in a relevant manner as an integral part of reform preparations and implementation. Based on feedback from participants, some felt that the Change Management Academy's first few coaching courses were quite generic in terms of content. As its operations developed, the Academy managed to tailor and focus the contents of its coaching courses and workshops more effectively in support of critical, strategic issues relevant to regional directors of change management and other key preparatory staff.

During the Change Management Academy's operations, it also became clear that coaching activities require extensive, diverse and smoothly operating cooperation networks in order to achieve significant impact. The Academy drew on its cooperation networks both when choosing coaches for its individual workshops and when planning and implementing the business competence programme developed in cooperation with universities. The co-creation project carried out in cooperation with universities enabled efficient and high-quality scaling of its impact. Should an operating model similar to the Change Management Academy be also utilised in support of preparing and implementing any future reforms, it would be advisable to make considerable investments in building and drawing on a cooperation network right from the start.

4.5 Transformation programmes

Most of the government's measures to implement the regional government, health and social services reform consisted of cross-sectoral transformation programmes and ministry-specific preparatory work. The cross-sectoral transformation programmes comprised various measures, which were organised into several projects or packages with specific objectives. Their progress towards the objectives was tracked by their management or steering groups and by the project management group for the regional government, health and social services reform.

The government transformation programmes and the preparatory work carried out within the programmes had also been linked as part of the project management model created to support the management and monitoring of the reform. The monitoring tool used in the project management model was a project portfolio tool, with expert support from Gofore Ltd. The tool was updated by recording programme measures, risks and monthly progress. The process owners of the transformation programmes also met on a monthly basis to discuss the progress of the programmes.

4.5.1 Digital transformation programme

The Ministry of Finance coordinated the digital transformation programme of the regional government, health and social services reform in cooperation with the Ministry of Social Affairs and Health and other relevant ministries. The task areas included in the digital transformation programme were divided into those implemented at the national level and those assigned to the planned counties.

Task areas of the digital transformation programme

The digital transformation programme was responsible for developing digital services concerning the planned counties at the national level and for managing the joint ICT development project portfolio. This included steering national digital services and joint ICT development; developing and managing the national enterprise architecture; steering and ensuring interoperability; and steering digital service provision at the national level. The management group for the digital transformation programme met once a month to deal with key issues to be outlined, project launches, progress made in joint services and digital service centres, programme-level risks, situation awareness of the project portfolio, etc.

Preparations relating to digitalisation were carried out by the Ministry of Finance with regard to the regional government reform and by the Ministry of Social Affairs and Health with regard to the health and social services reform. Other ministries were responsible for preparations for digitalisation projects falling within their respective

remits. Ministerial preparations were coordinated within the digital transformation programme, which formed situation awareness of the ICT preparations as a whole for the project management and the situation centre. The digital transformation programme was connected to support networks for regional ICT implementation, to regional ICT preparations and to the most relevant national preparatory programmes. The cooperation networks for ICT preparations included the architecture network coordinated by the Ministry of Finance and the network of preparatory staff for digital transformation, co-ordinated by the Ministry of Finance, the Ministry of Social Affairs and Health and the Association of Finnish Local and Regional Authorities. The continuation of regional network cooperation after the regional government, health and social services reform is being considered as part of preparations for implementing the Act on Information Management in Public Administration (the 'Information Management Act').

The preparatory and implementation tasks assigned to counties received financial support from an appropriation allocated in the Budget. Funding for the projects implemented at the national level was gathered under a specific budget item in the Ministry of Finance's main title and its use was outlined in the ministries' joint budget allocation table. The Project Office of the digital transformation programme drafted proposals for both the funding of portfolio projects implemented nationally and the granting of discretionary government transfers intended for the counties' ICT implementations.

The digital transformation programme maintained situation awareness of both regional and national ICT projects, totalling about 200 projects being monitored. The projects were set up in the government's joint project portfolio tool, to which the project managers submitted monthly progress reports. Financial data on the projects was collected four times per year. In addition, the regions reported the discretionary government transfers that they had received using specific funding reports. The progress of national and regional projects was reported to the digital transformation programme's management group and the project management group. The reports were also discussed in networks and at other preparatory meetings.

In addition to the project portfolio monitoring maintained throughout the digital transformation programme, regional ICT situation awareness reports were drafted during autumn 2018 and early spring 2019 for the purposes of the government's joint steering of the counties and simulations of the negotiations between the central government and counties in accordance with section 13 of the Draft Bill for the Counties Act. The ICT situation awareness data included the Digital Economy and Society Index (DESI), drawn up in cooperation with Statistics Finland and adjusted to the regional level, and the regional ICT situation awareness data collected from regional preparatory staff and from the organisations providing ICT services for the regions. A document describing the steering

of regional digitalisation and the ICT situation awareness process and contents was completed in March 2019.

The digital transformation programme's risk management efforts included identifying and assessing risks; determining and scheduling measures aiming to mitigate risks and assigning responsibilities for the measures; and discussing risk management in the programme management group.

The digital transformation programme supported regional preparations by producing guidelines, models and recommendations for use by regional preparatory staff. The guidelines were prioritised and drafted in cooperation with regional preparatory staff. The programme's outputs included digital transformation guidelines for counties and guidelines for ICT contracts and purchases, a document on the basics of regional digitalisation, and a report on the evaluation of counties' ICT investments. Furthermore, the programme also worked with Gartner, a renowned international research and consultancy company, to study the international experiences gained from digitalisation promoted by means of shared services and centralised service centres. To some extent, the studies can also be put to use in future national measures to promote digitalisation and in evaluations of ICT investments.

Projects implemented within the digital transformation programme

In April 2017, the Ministry of Finance launched a county reference and enterprise architecture project as part of the digital transformation programme. The project aimed to form a common understanding of the target state of counties' services, their implementation processes and cross-organisational process interfaces in support of the regional government reform. The project was implemented as two sub-projects (reference architecture and enterprise architecture). The reference architecture project produced key descriptions of architecture principles and business and information architectures in keeping with Public Administration Recommendation JHS 179 with regard to counties' services and support services and key information used by counties. It also developed a reference architecture management model and examples of cross-sectoral client service pathways, etc. The enterprise architecture project was launched in February 2018. The purpose of this sub-project was to describe the counties' common architecture components, to supplement the reference architecture, and to support counties in their own architecture development. As part of the descriptions of the common architecture components, the sub-project produced 13 descriptions of ecosystems providing services, information or platforms to counties. The descriptions were submitted to parties coordinating the ecosystem for maintenance. Other descriptions of common components, such as a service architecture, customer relationship management and information system services, were still at the draft

phase when the sub-project was discontinued in March 2019. Version 1.5 of the reference architecture was approved and published in February 2019.

The digital transformation programme included a preliminary planning project concerning digital services required for organising county services. Its preparations started in March 2017 and its preliminary study was concluded in June 2018. The planning project aimed to establish which of the current ICT solutions could be utilised by counties to discharge their duties relating to organising services and what new ICT solutions it would be justified to develop in a centralised manner. The preliminary planning project was co-coordinated by the regions of Helsinki-Uusimaa and Central Finland. The preliminary planning project worked in close cooperation with the preliminary study project on management by knowledge in healthcare and social welfare regions. The joint final report of these four preliminary study projects was completed in June 2018. The report explored the duties relating to organising services, identifying and assessing the counties' common digital areas for improvement and describing the usability of existing solutions in their organising duties. The results of the preliminary study project were put to use in Vimana Oy's management tools projects and the management-by-knowledge theme of the Ministry of Social Affairs and Health. The most important area for county cooperation identified in the preliminary study project was management by knowledge. During the autumn of 2018 and early 2019, a report was produced on cost-benefit analysis for management by knowledge in counties. The report can be put to use when creating national digital solutions for management by knowledge in healthcare and social welfare regions.

In late 2017, the Ministry of Social Affairs and Health launched a project package as part of the digital transformation programme of the regional government, health and social services reform, with a view to implementing minimum solutions for piloting freedom of choice and to preparing the transfer of farm relief services to the proposed counties. Responsibility for implementing the projects rested with the National Institute for Health and Welfare (THL), the Social Insurance Institution of Finland (Kela), the National Supervisory Authority for Welfare and Health (Valvira), the Population Register Centre (PRC) and Vimana Oy.

The freedom-of-choice project developed national information management services under section 77 of the Bill for the Act on Freedom of Choice, with the exception of the information service referred to in subsection 2, paragraph 2, which was to be developed by the Population Register Centre as part of the Suomi.fi service package. The project budget amounted to EUR 18.1 million. The project developed: 1) a service for use by providers of health and social services falling within the scope of freedom of choice to register to counties as health and social services (HSS) centres or oral health services providers ('direct choice'); 2) a service for use by clients to choose an HSS centre or

oral health unit ('direct choice'); 3) a service enabling calculation and payment of fixed compensations ('capitation') for providers of direct-choice services; 4) specifications of a service for use by freedom-of-choice providers to transmit to counties the monitoring data on service implementation required to administer client charges and provider compensations; 5) interfaces and reporting functionalities for the data included in the developed information management services; and 6) functional processes for general freedom-of-choice advice and support as well as a chatbot based on artificial intelligence (AI). Some of the developed functions can be deployed within the existing legislative framework. By way of example, the service enabling clients' freedom of choice could be used for the choice of health centre under the existing Health Care Act (1326/2010), while the developed chatbot could be applied to advice provided as part of the Kanta Services (National Archive for Health Information). Deploying these functions would require allocation of adequate resources.

The Soutu project implemented the necessary changes to Kanta Services required by legislation governing counties, organising services, freedom of choice and client data, while also drawing up specifications for the necessary changes to be made to client and patient record systems in place in the healthcare and social welfare sector. The project was included as part of the digital transformation programme at the beginning of 2018. Its total costs amounted to EUR 3.4 million. The project's work packages were: 1) preparing document transfers to new controllers; 2) archiving and using documentation on behalf of counties; 3) a service enabling client choice on My Kanta Pages; 4) access control; 5) preliminary study on joint documents and registers used in health and social services; 6) certification and joint testing; 7) Kanta Client Accounts and deployment support; and 8) Kanta architecture and technical updates. The preparations and development work carried out in the project can also be exploited in the future.

The Soteri project aimed to build a register of service providers in accordance with the new Act on Service Providers (Government Proposal No. 52/2017) and in support of freedom-of-choice legislation, including related interfaces, such that the data collected in the register would serve clients' freedom of choice in service transactions (Suomi.fi -> My Kanta Pages); organisation and provision of services and related payments, licensing and supervision; development of services by means of knowledge management; and the information needs of stakeholders (THL, Kela, PRC). Preparations relating to merging organisational registers have already been carried out for a long time before the Soteri project. In the view of the Ministry of Social Affairs and Health, the need for centralised management of information held by health and social services organisations exists regardless of the reform proposed by the Sipilä Government. Consistent and centrally accessible information on the organisations providing health and social services and on the services that they provide is essential from the perspectives of supervision and development of services offered to citizens, for example.

The project focusing on harnessing the Suomi.fi service to support freedom of choice developed an information service for freedom of choice in keeping with section 77, subsection 2, paragraph 2 of the Act on Freedom of Choice proposed by the Sipilä Government. The information service was intended to collect information on all freedom-of-choice providers and to implement an online service to help clients compare service providers. It is as yet unclear whether it is possible to make use of the developed service independent of the reform proposed by the Sipilä Government. One option to consider is to implement the comparison functionality to help clients choose among the existing health centres. This would require allocating resources for further development.

The project on harmonising national service classifications prepared a national classification solution for health and social services. The classification would have been needed to produce nationally harmonised monitoring data on the use of services. While it is as yet unclear whether the classification can be utilised in the future, the project produced plenty of information on national development needs in the healthcare and social welfare sector.

The project on the enterprise architecture of digital health and social services specified client-oriented objectives for digital health and social services. As proposed by the Sipilä Government, freedom of choice would have made citizens more active agents in relation to public health and social services. At the same time, several digital channels have been developed for people to contact service organisers or providers. Reform preparations identified the risk that the digital services would fail to form a clearly integrated whole from the client's perspective. The project produced architecture descriptions for both public services and freedom of choice. Of these, the specifications relating to public services can be directly put to use in overall architecture development work and they have been adopted as a basis for its further development.

The transfer of farm relief services to the prospective counties was part of the regional government, health and social services reform proposed by the Sipilä Government. This would also have required developing information management solutions relating to farm relief services for use by counties. In the current situation, responsibility for farm relief services and related information management rests with the Farmers' Social Insurance Institution Mela. At the same time, farm relief services were affected by EU-driven legislative amendments, which had and will continue to have effects on information management as well. In order to manage these change needs, it was decided to launch a preliminary study project, which was implemented by Vimana Oy. Based on the preliminary study, it was decided to start developing a completely new farm relief system to meet the needs of the prospective counties. However, there was not enough time to launch the project before the reform preparations were discontinued. There is a need to make changes to the information management system of farm relief services irrespective

of the structural reform proposed by the Sipilä Government. On the one hand, the current system administered by Mela is about to reach the end of its life cycle and, on the other, the functionalities laid down in the new EU regulatory framework will have to be implemented in any case. The preliminary study carried out in connection of the reform can be put to use when implementing these changes.

In order to develop management by knowledge, study projects were carried out in the spring of 2018 in cooperation with regions and key public authorities involved in producing information on health and social services. The project working on a data model for organisers of health and social services laid the groundwork for county organisers' information needs. It also identified the new information system solutions required for organising both health and social services and other county sectors. Based on this list, Vimana and SoteDigi started their own preparatory work relating to these organising duties. The reform objectives would also have required developing the production of information by the national public authorities in charge of health and social services (THL, Kela and Valvira). A separate study was carried out on a new architecture framework for these authorities. The project package continued in the autumn of 2018 as preparatory work for the action programme for management by knowledge, steering and supervision in health and social services (TOIVO programme). The aim was to bring together the scattered preparations relating to the package. The programme was to be divided into development of knowledge management required by counties for organising services and modernisation of the information production practices of national public authorities. The programme's planning phase was carried out by the end of March 2019 in cooperation between the Ministry of Social Affairs and Health, SoteDigi, THL, Kela and Valvira. A significant part of the planning work can be utilised independent of structures.

Funding for the digital transformation programme and ICT funding for counties

Funding for digital transformation was allocated to projects to be implemented at the national level for use by various parties (ministries, agencies, service centres and Kela) and to the Regional Councils for tasks to be prepared and implemented at the regional level. The central government committed to funding the mandatory ICT changes to be made in the regions due to the regional government reform. Funding for measures to be prepared at the regional level was granted on the basis of the regional ICT transformation plans. The funding could not be used for any activities overlapping with those of national parties. The budget for discretionary government transfers relating to regional ICT activities amounted to EUR 15 million in 2017 and EUR 100 million in 2018. Out of the 2018 budget, a total of EUR 83 million has been paid out to regions. The regions have used the grants to describe the current status, plan the transformation required for the reform and prepare its implementation.

In 2018, a total of EUR 16.5 million was allocated to projects run by ministries and agencies to develop national information systems. The appropriation has been used to implement changes to Kanta Services and to develop freedom-of-choice information management services and the Suomi.fi Finnish Service Catalogue, make changes to registers and service classifications, and describe the architecture. Vimana Oy's development work on shared services and information system solutions for counties has been funded by capitalising the company with EUR 10.65 million in 2018 and with a transfer of shares worth EUR 15 million in early 2019. Funding for SoteDigi Oy's development work was carried out by capitalising the company with EUR 90 million in 2017.

Conclusions

The projects included in the digital transformation programme aimed to prepare the necessary ICT capacities required for counties to start operations and their key services, as well as the necessary changes, piloting requirements and integrations for national information systems. For this reason, ICT preparations were carried out in a frontloaded manner while already proceeding to implementation in some respects. From the perspective of ICT preparations, the reform timetable was tight, considering the huge workload involved. Consequently, it was necessary to focus heavily on organising the work packages into projects and defining responsibilities at the very outset of the programme. In addition, the newly established digital service centres also provided considerable contributions to preparing several ICT packages and assessing the needs of the counties.

The digital transformation programme was a cross-sectoral programme. There is demand for cooperation between various administrative branches at the programme level. Cooperation at the digital transformation programme Project Office provided resources for creating comprehensive situation awareness, contributed to project coordination and strengthened the programme's financial planning. The decision of the digital transformation programme to divide the work packages into projects right from the start and monitor these using the project portfolio tool turned out to be an effective solution. ICT steering was included as part of the negotiations planned between counties and the central government. Including ICT preparations as an integral part of other preparations will also be essential for any future reforms. While ICT is often used to pursue substantial cost benefits, these cannot necessarily be gained directly from ICT, but instead, primarily through streamlining other services and processes by means of ICT.

Regional and national parties cooperated in many different ways during the digital transformation programme. It is impossible to overstate the importance of measures encouraging cooperation between regions, on the one hand, and between national and regional parties, on the other, from the perspectives of building effective services, minimising overlapping solutions and achieving cost benefits.

Implementing a digital transformation requires financial resources. In practical terms, the reform had an annual financial framework, which is why it became important to plan the use of funding for digital transformation and anticipate its needs. The specific budget funding for digital transformation included in the reform's centralised financing item worked as an effective tool for bringing together the development projects and managing and steering the whole.

The preparatory materials from the digital transformation programme's project packages will be stored so as to also make these available for future reference, where possible. However, since many of the projects were tied to the structural model of the Sipilä Government's reform, future opportunities for making use of their work will depend on the new Government's policies and the desired direction of reform. Nevertheless, the preparatory phase of the regional government, health and social services reform involved collecting and analysing the kind of information and preparing the types of concrete ICT transformation plans and models that can be utilised in the future independent of structures. Furthermore, it is possible to maintain the cooperation models and the centralised structures created during the reform in support of development and implementation, etc.

The final report of the digital transformation programme provides more detailed descriptions of the work packages included in national and regional ICT preparations, their objectives and the outputs completed by March 2019. The final report of the digital transformation programme was completed in April 2019. In addition, the regions will report the results and actual costs of their projects in their own final reports. Descriptions of the projects coordinated by Vimana Oy and SoteDigi Oy are included in Section 4.6.2 below.

4.5.2 Regional Government Information Programme

The Regional Government Information Programme was launched in November 2017 with a view to laying the foundations for management by knowledge in public administration with regard to counties and for information management used to support it. A further objective was to produce a consistent knowledge base, which could be readily made available for use by counties as required in order to organise their services and would support effective and cost-efficient steering and management. The programme's measures were geared towards ensuring that the projects coordinated under the programme would achieve the objectives set by the Government for both digitalisation and the regional government, health and social services reform from the perspective of information management.

The Regional Government Information Programme produced a study on the use of the information required for providing, organising and steering the services assigned to counties from the client perspective. The study explored the roles, duties, services and funding of different registration and statistical authorities from the perspective of services assigned to counties.

The programme compiled the indicators used for steering the counties, drawing on information from different ministries and other projects (Sote-KUVA and MAKUVAKU) relating to the subject. The indicators were prepared for use in maintaining counties' situation awareness and in the negotiation process between the central government and counties. Likewise, the programme defined joint financial management specifications and data models for accounts, services, budgets, generation of financial statements data, and financial reporting.

The programme drafted migration guidelines for transferring datasets to counties. However, the guidelines were not finalised with regard to the datasets due for transfer as a result of winding down the reform. The datasets to be transferred were identified and these were then compiled into summaries. The programme also drafted a preliminary records management plan and model for counties. In addition, it prepared a recommendation for archiving measures to be carried out as part of winding down the regional government reform.

The programme produced an information architecture for knowledge management, reaching a consensus on the information required for (county) management, operational steering and implementation, and on the principles of its use. The programme managed to define some themes for county pilots relating to knowledge management in cooperation with regions, while also planning the deployment of counties' regional development and financial situation awareness tools within central government.

The programme identified future areas for improvement, such as development needs in financial management, spatial data, the information management model under the Information Management Act, and data models relating to various management situations.

A management group was appointed to steer the programme. For the purposes of steering and communications, a Project Office and a Project Office network were set up for the programme and opened up for regions to join as well. The programme's coordination function involved following and participating in various projects run by other national transformation programmes and sectoral implementation projects and, correspondingly, people from other transformation programmes and sectoral implementation projects contributed to the programme's implementation.

Conclusions

Based on the experiences gained from the Regional Government Information Programme, it is fair to conclude that horizontal development of knowledge management across several administrative levels calls for substantial resources. Likewise, engaging parties within different branches and levels of administration requires fulltime communications to ensure that the parties are sufficiently capable of forming a meaningful overview of the objectives and the required measures.

There is a continued need for joint operating models, such as data utilisation processes and data specifications, including records management plans and data models, irrespective of the administrative structures in place at any given time.

While drafting the migration guidelines for datasets to be transferred to counties, it was noted that legislation governing the ownership, storage responsibility and controllership of the patient and social welfare client records held by municipal bodies should be specified as part of the next possible organisational reform of healthcare and social welfare services.

It is advisable to make a shift from fragmented registers to a comprehensive approach to information resources across public administration. This shift could rather be part of a change in practices and reassignment of responsibilities than of administrative reorganisation.

The key conclusion is that there is a substantial need for up-to-date, interoperable and correct information. As deficiencies in comprehensive and up-to-date information were encountered at different preparatory phases of the reform, creating the necessary information turned out to form part of the reform. For future reference, it is necessary to create a joint operating model for public administration, which different parties can use to share information with each other for various management purposes.

Further information on the Regional Government Information Programme's outputs and sub-projects was to be compiled in its final report. The report is due in June and, once completed, it will be made available on the website of the Ministry of Finance and in the government's Project Window.

4.5.3 Development programme for county-level contingency planning

One of the cross-sectoral transformation programmes included in implementing the regional government reform was the development programme for county-level contingency planning. The Ministry of the Interior was responsible for coordinating the development programme. By its decision, a cross-sectoral steering group was appointed for the programme on 30 June 2018 to steer its implementation in line with its objectives (strategic steering).

The development programme was geared towards supporting county corporations with contingency planning for disruptions and emergencies, with the related coordination of preparedness in different corporate sectors, and with adequate competencies among key personnel. The programme also helped coordinate the steering of implementation of sectoral preparedness in counties in cooperation with different ministries. The programme included packages of measures by which the government and central government administration provided support for and contributed to ensuring that regional preparations would incorporate a broad view on the considerations of preparedness and comprehensive security. The programme made use of existing structures, functions and development programmes as flexibly and comprehensively as possible.

Programme themes, implementation and results

The programme's project package comprised the following three themes: information and competence, operating models, and technical capacities. More detailed contents and original key objectives of each theme are described in the project plan. The following list provides examples of the measures implemented in the programme:

- Various seminars and other training events were organised for national parties and several regions under the coordination of the Ministry of the Interior. Other preparedness training sessions/workshops on subjects such as crisis communications were carried out according to a specific plan.
- Efforts were made to develop functional capacities and create joint operating models, such as development of crisis communications (separate sub-project implemented by the Uusimaa 2019 and eKarelia projects).
- Joint operating models were prepared for crisis management with a view to creating a common management style for counties.
- A template was drafted for the preparedness section of corporate guidelines to provide a consistent model for coordination of preparedness within county corporations and regulations concerning shared preparedness (as part of the recommendation for corporate guidelines drawn up by the Association of Finnish Local and Regional Authorities).
- Plans were made to utilise the municipal KUJA concept (preparedness and continuity management) in the development programme's implementation.
- A project was launched within the framework of the government's analysis, assessment and research activities, with a view to creating a consistent operating model for assessing and monitoring the operational security environment.

This transformation programme for preparedness explored the possibility of extending the ERVA browser for use by counties, to be implemented by the Ministry of Social Affairs and Health and the Northern Ostrobothnia Hospital District. The aim was to create a

consistent, secure contingency planning platform, which county corporations could have used to their contingency plans as a whole. There were plans to use the internal security portal (TUOVI) in open networking and communications relating to contingency planning.

The programme also involved preliminary discussions with Suomen Virveverkko Oy on the prospective deployment of the VIRVE public authority network's services in counties and the necessity of launching a project for updating the relevant regional government communications guidelines at a later stage.

Conclusions

As a whole, the transformation programme especially managed to build closer collaboration relating to regional preparedness at different levels. Its preparations contributed to creating cooperation networks, some of which are continuing operations in different forms. The operating models and contents created as part of the programme can be put to use in future work. The coordination structures and practices developed are being used with existing parties as part of the coordination of the Ministry of the Interior, while the experiences gained can probably be put to use in future legislative projects.

4.5.4 RDI&E transformation programme

In mid-2018, the Ministry of Education and Culture launched a transformation programme for research, development, innovation and education (RDI&E) in cooperation with the Ministry of Social Affairs and Health, the Ministry of Finance and the Ministry of Economic Affairs and Employment. As the duties of the multiplex counties in the area of research, development, innovation and education would have spanned the administrative branches of almost all ministries, the RDI&E transformation programme formed a cross-sectoral whole.

Responsibility for the transformation programme as a whole rested with its management group, which was made up of representatives from the relevant ministries, regions and parties involved in health and social services, as well as from universities and other higher education institutions, research institutes and businesses. For the purposes of preparing the management group's work and carrying out operational work, the programme had a working committee, which consisted of the transformation programme coordinator and representatives from the Ministry of Education and Culture, the Ministry of Social Affairs and Health, the Ministry of Finance, and the Ministry of Economic Affairs and Employment.

The purpose of the transformation programme was to provide regions with support for their RDI&E preparations and implementation; to function as a coordination platform for preparations carried out by public officials at sectoral ministries; to assess and disseminate cooperation models within the regional government, health and social services reform

project; to draw up proposals concerning the RDI&E programme in support of the reform's legislative drafting process; to draw up guidelines in support of implementation and produce materials for the handbook for county organisers and other such purposes; and to develop monitoring of county financing with regard to the RDI&E programme. The transformation programme comprised the following four packages: research and innovation system; RDI funding; innovation environments; and education.

The RDI&E transformation programme started operations when it was granted funding by the Ministry of Finance in August 2018. Its management group was able to meet twice after its appointment before the reform preparations started to wind down. The management group members also met unofficially during the preparatory phase. At their first meeting, they identified hopes and objectives for the programme and decided that the programme would concentrate on the innovation system package until such time as it would be confirmed that the regional government, health and social services reform would be implemented in a specific form. The package was considered to be independent of the final form in which the reform would be implemented. At their second meeting, the group discussed the need for research support for major societal transformations and the practical models and solutions to provide it.

Based on the management group's decision, the transformation programme launched a study on innovation environments, with a view to exploring how innovation environments emerge, what factors have an effect on their success, and how innovation environments in the health and social services sector differ from those of other sectors. The study report was due to be concluded in June 2019 and its key results will be described in the final report of the RDI&E transformation programme.

The education package was launched in the summer of 2017 as a project entitled 'towards the health and social services reform through competence' in cooperation between the Ministry of Education and Culture and the Ministry of Social Affairs and Health. The purpose of the project was to prepare proposals for how the reform of the health and social services system could be supported through competence development. The competence needs identified in the project play an important role in terms of reforming health and social services irrespective of the administrative structure created for service delivery. The project ended at the end of the electoral term in the spring of 2019. The transformation programme aimed to promote the implementation of recommendations, identify interfaces between programme packages, and outline policies for any potential further measures as required.

Conclusions

When it was launched in the autumn of 2018, the transformation programme decided to focus on one of its packages, i.e. innovation environments, until such time as there would be sufficient clarity about the implementation of the regional government, health and social services reform. Consequently, this late-starting transformation programme was able to take the risks involved in reform implementation into account from the outset and to concentrate on functions that were considered to be useful for research and innovation policy in any case.

The information produced in the study report zeroing in on the success factors of innovation environments, due out in June 2019, can be put to use in future development work on innovation environments in both specific sectors and regions. Once it is completed, the report will be added to the Ministry of Finance website in the section dedicated to the final reports of the regional government, health and social services reform.

The competence needs identified in the 'towards the health and social services reform through competence' project are justifiable irrespective of the administrative structure of healthcare and social welfare services. In the future, it will be increasingly important for the education system to be capable of responding flexibly to the competence needs of the health and social services system and of rejuvenating the world of work. This entails closer dialogue and cooperation between higher education institutions, education providers and health and social services at both regional and national levels.

Dialogue and cooperation across administrative branches and between different regions and parties will also continue to be necessary in the future in order to increase the effectiveness and coherence of RDI policy.

4.5.5 Transformation programme for regional development

The transformation programme for regional development consisted of preparations for regional development negotiations between the central government and the new counties, as well as for the regional development situation awareness processes. The preparatory work was carried out by a working group appointed by the Ministry of Economic Affairs and Employment, with representatives from different ministries and regions.

The purpose of regional development negotiations was to strengthen cross-sectoral interaction and cooperation between the central government and the new counties. The idea was that the annual negotiations would be based on a situation awareness report jointly drawn up by the counties and the central government, providing an overview of the situation in each county. The situation awareness processes and regional development negotiations were tested during the autumn and winter of 2017/2018.

In the autumn of 2018, the situation awareness processes and regional development negotiations were included as part of the joint government steering process, while agreeing to experiment with organising the negotiations as part of the negotiation sessions on county government activities and finances in the spring of 2019. In conceptual terms, combining regional development negotiations and the negotiations between different administrative branches and the central government worked well in support of strengthening the cross-sectoral and phenomenon-based central government approach towards the multiplex counties.

The situation awareness concept and indicators for regional development were produced as part of a project entitled 'Bringing growth and competitiveness to regions through knowledge (KAKITA)', which was completed in January 2018 within the framework of the government's analysis, assessment and research activities. Situation awareness consists of both statistical monitoring and qualitative expert analysis of each region's situation. The quantitative situation awareness process comprises a total of about 40 key indicators covering the following themes: population, public/municipal finances, employment, business activities, regional economy, competence, health and wellbeing, housing, transport, and environmentally sustainable development. Furthermore, the project identified supplementary indicators that the regions could make use of in their own qualitative situation awareness processes. The Ministry of Economic Affairs and Employment was responsible for compiling the quantitative situation awareness report, which was available for both regions and ministries to use in their qualitative situation awareness processes in the autumn of 2017. The qualitative situation awareness report prepared by each region included dynamics analyses in terms of population, regional economy, competence and renewal, health and wellbeing, and living environment. Each situation awareness report also included a summary of the key priorities in the regional development programme and growth zones crossing administrative boundaries. The

ministries' assessments and comments on each region's situation were compiled on the basis of the regions' quantitative and qualitative reports.

The agenda for the negotiations with each region was formulated through dialogue between ministries and regions around topical and central themes arising from the situation awareness report and those otherwise relevant to the region. Most regions' agendas included themes relating to supply of skilled labour, accessibility, reducing inequalities and promoting wellbeing among the population, or developing spearhead sectors.

In addition to the Regional Councils and Centres for Economic Development, Transport and the Environment (ELY Centres), other negotiation participants included a varying range of elected regional officials and representatives of higher education institutions, central urban municipalities, the Employment and Economic Development Offices (TE Offices), etc. From the central government, the negotiations were attended by representatives of various ministries and agencies.

The project conducted a survey to collect feedback on the situation awareness processes and the implementation of the negotiations. After the round of negotiations was completed, all participants were invited to attend a workshop arranged in April 2018 to share experiences and develop the process. As a general rule, both the situation awareness processes and the negotiations received fairly positive feedback, albeit plenty of areas for improvement were also identified. The most widely discussed issues were the value added of the regional development programme and how regional development negotiations and their conclusions were connected to other processes between central and regional government. For the future, respondents hoped to see more county-oriented and phenomenon-based negotiations and synchronicity with topical preparations (the Government Programme, the Government's regional development decision, regional development programmes, ministerial negotiations). In terms of situation awareness, it was considered important to digitalise the processes and avoid overlaps.

For the purpose of digitalising the regional development situation awareness processes, it was decided to set up a project to cover the regions' situation awareness as a whole. Its preparations started in the autumn of 2018 as part of the Regional Government Information Programme. The plan was to launch the project with a proof of concept for situation awareness in regional development. The project plan was completed in February 2019, but there was no time to launch the project.

Conclusions

The transformation programme built closer cooperation in regional development within the government and created a framework for interaction between the government and the future counties. Although the situation awareness process and regional development negotiations were planned to be implemented as part of the regional government reform, it is possible to put the accumulated experiences to use when reforming regional development legislation and practices, irrespective of the regional government reform. There is still a need for a shared knowledge base and interaction between regions, other parties involved in regional development and the central government.

4.6 Networks for implementing the regional government, health and social services reform

The networks for implementing the regional government, health and social services reform functioned as joint preparatory platforms for regions, ministries and stakeholders for the purposes of producing information and models for regional preparations and enabling regions to share practices with each other. The thematic networks also produced information and materials for consideration by the project steering group and the meeting of the directors of change management.

Most of the networks started operations in the spring of 2018 when the plans for implementing the regional government, health and social services reform were being revised. Some had already been operating for a longer period of time under the leadership of the Association of Finnish Local and Regional Authorities or Local Government Employers KT, or as one of the national roadmap groups. The networks were based on voluntary participation and were open to all regions. The networks were assigned process owners from ministries, regions, the ELY Centres, the Association of Finnish Local and Regional Authorities and Local Government Employers KT.

Networking represented a new kind of informal cooperation between regions, ministries and stakeholders. The networks helped create effective cooperation channels for preparing different themes. Each network drafted guidelines, models and handbooks based on their own needs, while also sharing information and good practices concerning topical issues relevant to the preparations.

The networks worked towards specific objectives and reported the measures supporting the achievement of these objectives to the situation centre for the regional government, health and social services reform. Information on the progress made by the networks was obtained through monitoring, which also made it possible to bring situation awareness

of reform progress into sharper focus. In order to create situation awareness by region, the networks also carried out surveys. Each network's process owner was involved in the operations of the situation centre. The situation centre coordinated the networks' activities and worked with the Change Management Academy to support their work by means such as training courses.

The regional directors of change management had their own network, known as the 'meeting of the directors of change management', which discussed key issues relevant to regional preparations. The positions adopted by the meetings of the directors of change management were submitted to the project steering group for consideration.

4.6.1 Conclusions

Networking represented a new kind of cooperation between regions, ministries and stakeholders, stemming from the needs and objectives of the regions. The networks helped create effective cooperation channels for regions, ministries and stakeholders to prepare different themes. Based on regional surveys and other communications, it became clear that networking was considered a useful way of working. Some of the networks will continue operations in the form of cooperation between ministries, municipalities, hospital districts and stakeholders, for example, regardless of the failure of the regional government, health and social services reform.

The table below describes the networks involved in the regional government, health and social services reform, with their key results and process owners.

| Network and its key results | Process owners |
|---|--|
| <p>County Forum</p> <p>The first County Forum was organised in June 2018, after which forums have been arranged once a month on themes concerning the self-governing nature of counties and the interfaces between municipalities and counties. The 2018 County Forums were attended by more than 800 regional preparatory staff members and experts from municipalities.</p> | Johanna Viita, Association of Finnish Local and Regional Authorities (AFLRA) |
| <p>Finance network</p> <p>The network drafted test budget guidelines and conducted financial risk reviews in cooperation between the Ministry of Finance (MOF) and regions. The themes covered a large part of the preparatory work for county government finances.</p> | Miia Kiviluoto, MOF; Henrik Rainio, AFLRA |
| <p>Administration network</p> <p>The network prepared a model for a county's administrative regulations (incl. consideration for the regulatory framework governing different duties and related concepts) and a model for the rules of procedure of a provisional preparatory body. Its meetings also discussed other issues relating to the transitional government. The network shared information and good practices concerning topical issues relevant to the preparatory work for county administration.</p> | Eeva Mäenpää, MOF; Juha Myllymäki, AFLRA |

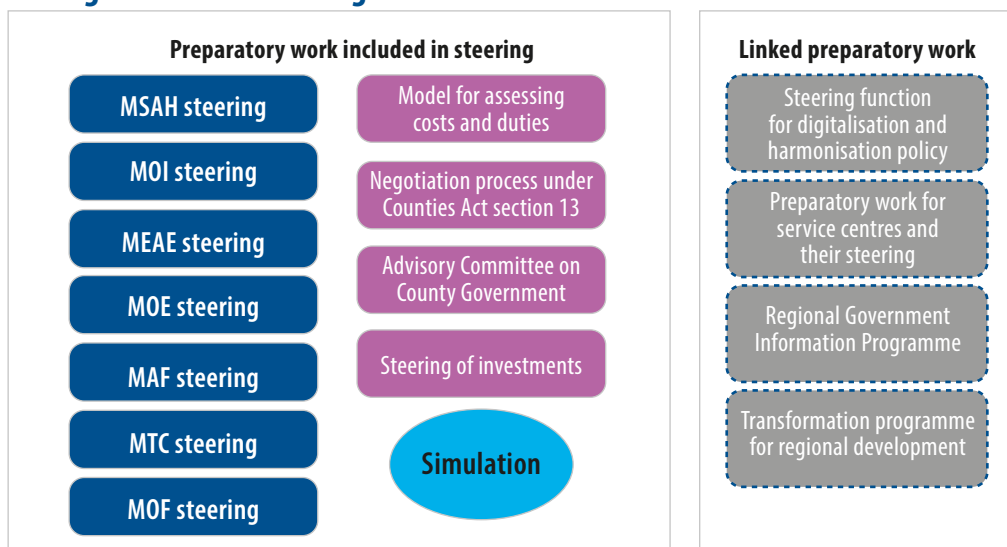
| Network and its key results | Process owners |
|--|---|
| <p>Network of people in charge of HR preparations</p> <p>Working under the ‘preparing for staff transfers’ theme, the network developed a process model concerning the cooperation procedure and transfer of business for use by municipalities and joint municipal authorities with regard to staff to be transferred from municipalities and the municipal sector. The network also discussed and shared experiences of organising support services for financial and HR management, as well as HR systems and good practices relating to their deployment. Under a theme entitled ‘developing counties’ employer image and HR procedures’, the network considered the core of strategic HR management, the organiser/provider model, and modernisation of the HR function. The discussions were conducted from a forward-looking perspective, contemplating new kinds of solutions. In addition, the participants discussed change and performance management.</p> | <p>Henrika Nybondas-Kangas, Local Government Employers KT; Kirsi Korppi, KT</p> |
| <p>Network of county organisers</p> <p>The network cooperated with regional preparatory staff to develop substantive understanding of the responsibility for organising services and discharging the statutory duties involved. Its key outputs included a breakdown of the organiser’s duties, the roles of different parties as part of an organisation responsible for organising services, and the means available to the organiser to steer the provision of the services falling within its responsibility.</p> <p>The network’s key results included improved understanding of the responsibility for organising services; connecting the effectiveness approach as part of the organising responsibility; viewing the organiser’s steering instruments in relation to different ways of delivering services; and breaking down the difference between the organiser-based service model and the purchaser/provider model.</p> | <p>Kari Hakari, MOF; Pasi Pohjola, MSAH</p> |
| <p>Service integration network</p> <p>The network promoted the integration of services, monitored the progress of national study projects and regional preparations, and shared experiences, examples and good practices. The work will continue based on the current legislation under the coordination of the Ministry of Social Affairs and Health (MSAH).</p> | <p>Taina Mäntyranta, Vuokko Lehtimäki, MSAH</p> |
| <p>Democracy and participation network</p> <p>The network worked on the counties’ inclusion plans; supported and monitored the progress made in regional preparations for participation and democracy; developed a user-responsive planning tool for counties; and disseminated examples and good practices. Its discussion themes included county elections, preventing inequality of participation, minorities and open administration.</p> | <p>Suvi Savolainen, MOF; Päivi Kurikka, AFLRA</p> |
| <p>Assets, contracts and procurement network</p> <p>The network was divided into two task forces. The contracts task force drafted a document concerning the principles of management by contract and a contract management guideline. The procurement task force started to prepare strategic procurement policies, including a roadmap and a chart of powers, which will be developed further within a network of hospital districts and municipalities.</p> <p>The network also discussed data protection issues and keeping of registers, as well as county steering measures from the perspective of contract management.</p> | <p>Mervi Kuittinen, MOF; Leena Hoppu-Mäenpää, AFLRA; Katariina Huikko, AFLRA</p> |
| <p>Digitalisation network</p> <p>The digitalisation network worked on project concepts at preliminary planning or planning stages, discussed developments and problem areas identified as part of national and regional preparations, presented situation awareness reports, and outlined opportunities for cross-regional cooperation. The continuation of network cooperation is being considered as part of preparations for implementing the Information Management Act.</p> | <p>Vesa Lipponen, Sanna Vähänen, MOF; Karri Vainio, AFLRA; Markku Heinänenaho, MSAH; Pilvi Rantanen, MSAH</p> |

| Network and its key results | Process owners |
|---|---|
| <p>Communications network</p> <p>The communications network provided support for planning communications for counties and a forum for coordinating the national and regional work on communications. Its participants discussed themes such as communications with citizens and staff, organising the communications function of a county, building a county brand and online service, and linguistic questions relating to communications with residents.</p> <p>The network efficiently shared both experiences and feelings (collegial support) as well as good practices between counties. The network's face-to-face meetings also served as training events, increasing participants' competencies. This way of working became established practice and its benefits were commonly recognised.</p> | <p>Eeva Mäntymäki, Kainuu; Thomas Sund, MOF; Riikka Nurmi, MSAH</p> |
| <p>Network of bilingual counties</p> <p>The network identified the information needs of bilingual counties and the County of Lapland, while also studying the Language Minority Committees, i.e. statutory bodies with influence on minority language issues, as well as language rights and the protection of these under the new legislative framework. The network produced a handbook for the Language Minority Committee and compiled a comprehensive knowledge base on language rights in healthcare and social welfare services and the ways in which these could be protected through the possibilities provided by future legislation.</p> | <p>Corinna Tammenmaa, Johanna Hautakorpi, Ministry of Justice (MOJ)</p> |
| <p>Growth services network</p> <p>The network dealt with the regional government reform at two levels: 1. services reform; and 2. regional government reform. With regard to the services reform, the network studied the progress of the legislative project, formed a common understanding of the alliance model, launched pilot projects, benchmarked preparations in different regions, and monitored how the knowledge management and ICT packages were shaping out.</p> <p>As for the regional government reform, the network especially focused on the creation of the functions for organising and providing services, the test budget, the formation of a county corporation, and forming an understanding of a multiplex county.</p> <p>The network provided peer support in the hectic preparatory work and it also created a good relationship with the preparatory process at the Ministry of Economic Affairs and Employment (MEAE). The growth services network will continue its operations.</p> | <p>Anne Jortikka, ELY Centre/Regional Council of Satakunta</p> |
| <p>Architecture network</p> <p>The architecture network presented and reviewed the descriptions and other outputs of the regional reference architecture and enterprise architecture projects, ecosystem architectures, and project architectures at the service centres, while also going through the regions' own architectures and good practices.</p> <p>The continuation of regional architecture cooperation is being considered as part of preparations for implementing the Information Management Act.</p> | <p>Päivi Virtanen and Sanna Vähänen, MOF</p> |
| <p>Information packs on health and social services</p> <p>The information packs on health and social services provided regions with a nationally consistent service classification and specifications for commercialising health and social services (over 200 products). The idea was to combine internal and external reporting, such that decision-makers at different levels would make use of the same source data as data views at different levels of detail.</p> <p>The network collected feedback and experiences concerning the information pack classifications and specifications, while also deploying and supporting the introduction of the packs in the regions. The work on the information packs will continue in cooperation with municipalities and joint municipal authorities.</p> | <p>Anssi Vartiainen, MSAH</p> |

4.7 Joint government steering programme

In August 2018, the project management group for the regional government, health and social services reform decided to set up a government-level, network-type cooperation team. The way in which the cooperation team was organised was based on the unofficial preparatory work carried out in autumn 2017 and spring 2018 on simulating the steering of county government finances, which included a round of negotiations between each ministry and the regional provisional preparatory bodies. In the feedback gleaned from the simulation exercise, both the regions and the ministries pointed out the fact that inter-ministerial cooperation vis-à-vis the regions did not work at the desired level, which is why they identified a need for close cooperation and dialogue across sectoral boundaries.

Joint government steering



Abbreviations:

MAF = Ministry of Agriculture and Forestry, MEAE = Ministry of Economic Affairs and Employment, MOE = Ministry of the Environment, MOF = Ministry of Finance, MOI = Ministry of the Interior, MSAH = Ministry of Social Affairs and Health, MTC = Ministry of Transport and Communications

Figure 3: Preparatory programmes relating to joint government steering.

Based on the management group's decision, a cooperation team was established and, during the period from autumn 2018 to early 2019, it spent one working day per week promoting cooperation. Public officials from eight ministries were involved in the team's work, while team meeting days also included contributions on various themes from other experts and support for development from regional directors of change management.

The team aimed to create a new kind of framework for the steering of counties based on partnership and interaction. It worked towards building an overall framework for joint government steering and creating procedures and practices for a new kind of partnership with counties. The team was also responsible for dealing with coordinated arrangements for joint negotiation sessions on county government activities and finances and for coordinating sectoral negotiations with counties. Furthermore, its tasks included coordinating the build-up of a shared and sufficient knowledge base for the regional situation awareness reports used as a basis for negotiations.

The team dealt with joint steering from the perspectives of several themes, including negotiation sessions on county government activities and finances, joint government issues, shared knowledge base, joint regional situation awareness reports, and a phenomenon-based/thematic approach to steering and budgeting. The necessary measures under section 13 of the Counties Act to curb the growth of costs in the counties emerged as a key factor unifying the ministries, as the ministries were required to cooperate in order to identify these measures.

The cooperation team continued its work up until March 2019. In early 2019, the team prepared cross-sectoral, phenomenon-based regional situation awareness reports for the practice round of negotiations on county government activities and finances scheduled for late spring 2019. The situation awareness reports consisted of an overall regional situation awareness analysis and analyses focused on specific phenomena by region. The situation awareness reports were intended to provide a basis for efficient and effective negotiations dealing with each region's situation both in terms of regional development and from the perspectives of curbing their costs and developing their operations.

4.7.1 Conclusions

The cooperation team's work was a learning process, which only just focused on creating the premises for the negotiation procedure with counties. Indeed, the process itself was instructive, as the government managed to make progress in many aspects of its cooperation. During its work, the team reconciled the objectives and activities between ministries, making it possible to deal consistently with the regions. In this respect, the cooperation team's work laid good groundwork for similar future projects.

4.8 Service centres

As part of the regional government, health and social services reform, national service centres were established for the purposes of county ownership and steering functions. The idea was to gather the support services required for organising and providing services into these service centres. The purpose of the service centres was to create savings, harmonise practices, and offer expertise for use by all counties.

4.8.1 Counties' Service Centre for Facilities and Real Estate Management Maakuntien tilakeskus Oy

Government Proposal No. 15/2017 intended for the counties to transfer the buildings, properties and long-term tenancy and land leases coming under their ownership into the ownership and management of a national service centre for facilities and real estate management. At the same time, this company would have taken over any debts and other liabilities relating to the buildings and properties. The ownership of the service centre would have been distributed among the counties in proportion to their populations. The central government would have owned one share in the service centre, which would have given it the right to prevent any amendments to the Articles of Association without its consent, stronger rights to decide on the share capital and the maximum amounts of debt financing, and the right to nominate a member to the Board of Directors.

The service centre would have delivered facilities and real estate management services for county organisations operating under non-competitive market conditions. The service centre would not have held any powers independent of the counties to make decisions on issues relating to service networks or facilities falling within the counties' strategic decision-making authority; instead, it would have operated on the basis of commissions from the counties. One of the factors underlying the designed operating model was the counties' funding model, which would have denied counties the right to take out any long-term loans to make investments. The counties' investment needs relating to facilities would have been dealt with by the service centre and the borrowing required for long-term investments would have been recorded in counties' operating expenditure as rental costs.

Besides the reasons relating to the counties' funding model, another rationale for establishing the service centre was to create an efficient, professional operating model, which would have contributed to achieving the objective of bridging the sustainability gap set for the reform as a whole. The service centre and individual counties would have signed leases as referred to in the Act on Commercial Leases (482/1995). The aim was to make counties' facilities costs fully reviewable, transparent and comparable.

Preparatory work

The task of drafting the legislative proposals concerning the Service Centre for Facility and Estate Management was divided between the working group on asset arrangements and public officials outside the working group. In order to keep to the schedule set for implementation, the government granted Senate Properties permission on 19 January 2017 to establish a fully owned subsidiary, which was named Maakuntien tilakeskus Oy. The company was only intended to be fully owned by Senate Properties for the period of its setup phase, after which it would have transferred into the ownership of the counties. The company's Board of Directors was made up of individuals appointed by the central government and regional preparatory organisations.

In November 2016, a steering group on the Counties' Service Centre for Facilities and Real Estate Management was set up to oversee the startup of the company's operations. The steering group operated under the steering group on the national county service centres. The steering group on the Counties' Service Centre for Facilities and Real Estate Management was replaced with the cooperation group on ownership steering of counties' service centre companies in April 2018. A preparatory working group focusing on the ownership policy objectives and principles for all county service centre companies was appointed in November 2018.

The company immediately set out to launch studies on the assets and liabilities due to be transferred to the company. Based on the studies, the company's non-current assets would have amounted to about EUR 5 billion at the beginning of its operations, while the figures for its equity and liabilities stood at about EUR 0.9 billion and about EUR 4 billion, respectively. This would have equated to an equity ratio of about 17%. The question of financing the company's future investments remained yet to be definitively resolved. Preparations for launching its operations were based on the assumption that investment financing would have primarily been built on financing raised from the market, which would have been supplemented with partial government guarantees.

Conclusions

During the preparatory process, it was possible to compile a knowledge base on healthcare and social welfare facilities owned by municipalities and joint municipal authorities, which had not existed before in an aggregated form. The preparations were also conducive to sparking a new kind of debate on the management and ownership of these facilities and the value of the stock of properties.

When the working group on asset arrangements started its work, no overview was available on the assets used by healthcare, social welfare and rescue services. In this context, Nordic Healthcare Group (NHG) conducted a study on the property risks of municipalities in the health and social services reform. The study project aimed to assess the risk to municipalities arising from the property arrangements planned as part of the health and social services reform and its distribution between municipalities. The study data consisted of building data from the Population Register Centre (PRC), cadastral data collected from four regions, public health and welfare performance statistics (SotkaNet) from the National Institute for Health and Welfare (THL), and municipal statistics from Statistics Finland.

After the working group on asset arrangements had finished its work, the Ministry of Finance and the Ministry of Social Affairs and Health jointly commissioned a study from Nordic Healthcare Group on the total costs arising from health and social services properties. The final report was completed in November 2017. The aim was to find out the kinds of internal rentals systems that are currently in place in hospital districts and the extent to which these cover the total costs of specialised medical care facilities. Furthermore, the study produced an estimate of the effects of harmonising rent determination criteria on the facilities costs of hospital districts. Based on these efforts, the most common arrangement in place in hospital districts is cost-based internal rent, which includes capital and maintenance costs. The most significant differences between districts' internal rentals systems were found in historical depreciation methods applied to old stocks of properties, accounting for interest costs arising from external investment financing, and inclusion of the required return in rents. As a result, the transition into a centralised property management model and a harmonised rental model would have had varying effects on different counties.

As part of the preparatory process, Maakuntien tilakeskus Oy collected a comprehensive knowledge base on the facilities for healthcare, social welfare and rescue services owned by municipalities and joint municipal authorities, as well as on their sizes, condition, values, maintenance costs, and any planned or ongoing construction investments of joint municipal authorities. It is worth noting that this data collection effort had to be based on voluntary submissions because there was no regulatory framework binding on municipalities. Consequently, the knowledge base collected by the Service Centre is not exhaustive with regard to municipal facilities, but it is the most comprehensive collection of information currently available on facilities owned by municipalities and joint municipal authorities, despite its deficiencies. Regardless of the reform being cancelled, it is important to ensure that the collected knowledge base will be maintained and made available to public authorities for future reference.

4.8.2 Vimana Oy

Vimana Oy is a special assignment company wholly owned by the central government. Responsibility for its ownership steering rests with the Ministry of Finance. On 8 June 2017, the government authorised the Development and Administrative Centre for the ELY Centres and TE Offices (KEHA Centre) to set up an ICT service centre company to cater to the future counties. The government discussed the tasks of the ICT service centre company in June 2017 and delegated its ownership steering to the Ministry of Finance as of January 2018.

The role of the company is to develop solutions, processes and services in support of digitalising county services in order to improve effectiveness and productivity and to harmonise and integrate operating processes. It is also responsible for providing and maintaining services relating to information management, development and integration, information systems and information technology (IT), as well as other specialist services enabling the purchasing and maintenance of various services, such as shared information systems and related services, and the organisation, delivery and development of digital services.

Vimana Oy's operations were geared towards promoting digitalisation of county services, functional and quality improvements, as well as cost-efficiency in organisation and provision of ICT services at the national level. The intention was to harmonise practices throughout the country, increase ICT interoperability and offer expertise for use by all counties. Provisions on the company's tasks were to be laid down in Government Proposal No. 15/2017 concerning the regional government, health and social services reform and in a Government Decree. The intention was to transfer 90% of the company's shares free of charge to the prospective counties in proportion to their populations by 1 January 2021, while leaving 10% of the shares to the central government.

The company has been capitalised with EUR 25.9 million. About EUR 20.5 million of the capital remained as at early 2019.

Some of the services prepared by Vimana Oy have been independent of structures. The company's expertise can therefore be put to use as part of promoting integration and interoperability of national services.

Launched projects and outputs

Over the period from 2017 to 2019, the company launched a number of projects to prepare shared services and information systems services. For the purposes of delivering the services, the company recruited staff and purchased services from commercial operators. As at April 2019, the company employs a total of 36 people, with 33 on permanent contracts. The projects were prepared in cooperation with experts from regions, ministries and agencies. The table below provides a brief description of the projects launched by the company:

| Project name | Project description | Project status |
|--|---|---|
| Duties to be transferred from the central government | A planning project to implement the information systems and services to be used for discharging the duties to be transferred from the ELY Centres and TE Offices to counties. The project produced a preliminary plan and its final report has been completed. | Closed |
| Access and interfaces to central government systems | The project aimed to ensure that the shared government systems would be available for counties to deploy via Vimana's switching core with regard to the duties to be transferred from the central government to counties. The project's key outputs would have included test reports on 173 systems within its scope and an information system portfolio in accordance with Public Administration Recommendation JHS 179, as well as readiness to deploy the systems. A final report has been produced on the project. The project was discontinued as the reform lapsed. | Implementation stage |
| Supervision application for rescue services | The project aimed to produce a system for performing supervisory activities in rescue services, with a view to replacing the existing systems with a shared and modern system during 2021 and 2022. The project was commissioned by the Ministry of the Interior and the rescue departments. Its implementation was yet to be launched. The project was discontinued as the reform lapsed. | Preliminary planning stage |
| Identity and access management | The primary objective of the project was to create a centralised user identity and access management (IAM) service for counties and, in the long term, to enable users within the scope of the service to access centralised and county services with a single identity. The IAM service maintains the access rights of centralised systems (centralised and shared county systems) as agreed. The project was discontinued as the reform lapsed. | Planning stage |
| Switching core for information networks | Focusing on information networks and IT arrangements and a pilot/switching core for counties' data communications, the project aimed to implement an internal data communications network connecting all of the parties involved in the health, social services and regional government reform. Its starting point was to implement a modern data communications switching core with due consideration for data protection, accessibility and preparedness. The switching core service was a crucial data communications concept for all shared internal services used in the reform. In its initial stage, the switching core services would have comprised access and interfaces to central government systems. A final report has been produced on the project. The project was discontinued as the reform lapsed. | Planning stage |
| Digital communications environment | The VIVA digital communications and working environment services are used by the service centre to provide counties with shared and concentrated office, communications and teamwork tools as a device-independent cloud service. The service includes email, calendar, meeting and conferencing tools, office applications and tools, a team workspace, document management and video-sharing support. The service was put to pilot-type production use in eleven (11) regions/regional preparatory groups. The project was discontinued as the reform lapsed. | Implementation stage, in pilot production |
| Case management | The project aimed to provide a case management service for counties in need of such a system. The case management service was designed to cover all the relevant functions that counties would have required to discharge their duties. The service procurement process was launched in October 2018, but as the situation changed in March 2019, the process was discontinued before selecting a service provider. The project intended to create a production version of the case management service during Q2–Q3/2019 and use it as a basis for developing 16 separate deployment projects during Q4/2019–2021. The project was discontinued as the reform lapsed. | Planning stage |

| Project name | Project description | Project status |
|------------------------------------|---|----------------------------|
| Support service for eGovernment | The purpose of the eGovernment support service was to promote digitalisation of county operations and customer services and integration of their information systems with national eGovernment services by facilitating the deployment of the Suomi.fi online services, certification and Population Information System services of the Population Register Centre (PRC) and user support in keeping with the architecture. Vimana represented its client organisations in dealings with the PRC and system suppliers, creating a shared service model for the deployments, support services and development of services and extension of their use cases. The key outputs included the Suomi.fi Messages service deployment project progressing to the testing stage with nine health and social services client organisations. The intention was to connect seven information systems to the Messages service by the end of August 2019 and expand its use into new organisations. Suomi.fi | Planning stage, testing |
| Service desk | The project aimed to develop a centralised service desk for all users of Vimana services for purposes such as making inquiries, reporting issues and placing orders, operating at the agreed service level. This is a one-off project and the function set up as a result can be scaled up for use by an expanding client base. The service desk had started operations on the existing small production scale. | Planning stage |
| Electronic services | The project aimed to study and implement the deployment of the SPAv2 e-service platform owned by the KEHA Centre as Vimana's service. E-services would have been required in Vimana for purposes such as enabling e-services as part of the rescue services supervision application (accident prevention application), dealing with certain duties to be transferred from the central government, and for use by the farm relief system. The project was yet to be launched. | Preliminary planning stage |
| Electronic archiving | The purpose of the electronic archiving service was to provide counties with a solution for long-term storage of electronic materials. It would also have been necessary to expand the service by importing materials relating to the duties to be transferred to counties, which had already been produced by ELY Centres, TE Offices, hospital districts, municipalities and Regional Councils. An example is the repository of maps held by the Transport and Infrastructure division of the ELY Centres. The project was yet to be launched. | Preliminary planning stage |
| Capacity services | Capacity services consisted of physical data centre, software, operating system and computing power generation resources, which were to be enhanced by improving their quality and operating efficiency by means of virtualisation solutions (data centre, server, operating system and application virtualisation). The project was discontinued as the reform lapsed. | Planning stage |
| Integration platform service | The project was yet to be launched. | Preliminary planning stage |
| Data conversion service | The project remained at an idea/concept stage. | Idea stage |
| Farm relief decision-making system | The project identified responsibilities relating to an ICT system for farm relief services and for its development/maintenance within the National Licensing and Supervisory Authority and counties. The current system is maintained by the Farmers' Social Insurance Institution Mela. The project produced a preliminary study and, based on its findings, started to develop a completely new farm relief system to meet the needs of the prospective counties. The project was discontinued as the reform lapsed. | Planning stage |

The company was provided with a customer advisory committee, which has convened every one to two months. The customer advisory committee consists of representatives from all 18 counties and the Ministry of Finance.

Conclusions

As a result of the reform being terminated, no counties will be established and the company will remain wholly owned by the central government. Furthermore, the regulatory framework drafted for the company's tasks and services will not be implemented. The company does not currently provide services for municipalities or joint municipal authorities. In the current situation, the company can make its expertise and planning work available as an in-house entity to central government bodies and possibly to the Social Insurance Institution of Finland (Kela).

As some of the services prepared by Vimana Oy have been independent of structures, they can be put to use in national development efforts. It is possible to make use of the expertise gained by the company as part of promoting integration and interoperability of national services, i.e. in support of national development work and deployments of the enterprise architecture, information systems and services.

During the reform, Vimana Oy developed information and communications technology (ICT) services, which are used by SoteDigi Oy. At present, the company provides SoteDigi with the following services: technical support and purchasing services, as well as information management platform and integration solutions.

Vimana Oy's expertise is used in development and deployments of shared national eGovernment support services. At present, the company's staff members have been assigned to State Security Networks Group Finland (Erillisverkot Oy), Business Finland and the Population Register Centre. The company is also currently negotiating on the use of its experts with Government ICT Centre Valtori, the KEHA Centre and the Ministry of the Environment, while gauging the level of interest in its expert services among other central government bodies.

National integration and interoperability are required in several laws adopted by Parliament. The Act on Shared Support Services for eGovernment (571/2016), also known as the 'KaPA Act' for its connection to the National Service Architecture (KaPA), and Ministry of Finance Decree No. 607/2016 governing the provision of certain shared support services for eGovernment, which entered into force in July 2016, lay down provisions on shared eGovernment support services, the requirements specified for these, the duties relating to their provision and the processing of personal and other data as part of their provision. The Act also provides for the right and obligation to use shared eGovernment support services and for the conditions for their use.

Furthermore, national integration and interoperability are also required in the Act on Government Security Network Activities (10/2015), governing the use of Finland's public authority network and its services across national and municipal boundaries,

in the cross-sectoral Act on the Provision of Shared Government Information and Communications Technology Services (1226/2013), as well as in the Act on Information Management Governance in Public Administration (634/2011), which will be repealed by the new Act on Information Management in Public Administration (Government Proposal No. 284/2018), also known as the 'Information Management Act', upon its entry into force on 1 January 2020.

A shared ICT infrastructure, interoperable and integrated IT systems, as well as interfaces compatible with an overall architecture, are prerequisites for future digitalisation. This is established in several studies, the latest example being a report entitled 'Digihumaus 2019' ('Digital whirlwind 2019') by the Population Register Centre. As part of the reform preparations, it was also estimated that streamlining of regional data centres holds an annual potential for efficiencies to the tune of EUR 150 million (Gartner final report of 31 May 2018).

The central government is lacking a body with an existing interface and expertise to integrate and commercialise national electronic services for deployment by municipalities and joint municipal authorities. This generally hinders the commercialisation and deployment of services. Nor is there currently any distinct body for planning and implementing the shared public sector enterprise architecture in the regions, which is why it remains uncertain whether it is possible to continue the reference and architecture development work that got off to a promising start during the reform. Moreover, the central government does not have any body to plan and provide public administration with cloud-based solutions and architecture offering a more cost-efficient alternative to physical data centres. Some of these competencies have already been acquired by Vimana Oy, which was intended to manage the county enterprise architecture, integrate county-level and central government systems and arrange efficient ICT infrastructure, such as cloud services.

Following Vimana Oy's Annual General Meeting held on 25 April 2019, its state owner issued new rules of procedure to set the guidelines for the company until such time as Finland's new Government adopts policy outlines on its mission and necessity. The company will continue to improve the quality, availability, interoperability, information security and steering of public services in keeping with legislation that requires national integration and interoperability, while also promoting the efficiency and productivity of public administration.

In the years to come, it will be imperative to contemplate the ways in which information policy and national digital services can be spread across sectoral and administrative boundaries while also securing support for integration of national digital services. Failure to integrate municipal and regional solutions into national services and achieve

the interoperability of information resources would mean that it will not be possible to make the transition into efficient and flexible service structures or make use of artificial intelligence.

Although the situation has changed, the need for digitalisation has not disappeared. The company's mission can be developed so as to support the integration and interoperability of national services as well as the deployment of shared e-services in the regions, possibly also including Kela's shared services. It is possible to develop the company into a centre of expertise responsible for bringing together both national and regional parties and services.

4.8.3 SoteDigi Oy

SoteDigi Oy is a special assignment company wholly owned by the central government. Responsibility for its ownership steering rests with the Ministry of Finance, while the Ministry of Social Affairs and Health is in charge of substantive steering. In June 2017, the Cabinet Committee on Economic Policy took a stand in favour of establishing and financing the company and the government discussed the tasks of the company. The government authorised the State Business Development Company Vake Oy to set up SoteDigi Oy and provide capital for the company in August 2017.

The company's legal basis was to be introduced as part of the Sipilä Government's Proposal No. 15/2018 for the Act on Organising Health and Social Services. It was proposed that a new section be inserted into the Act to provide for a national development centre responsible for digital health and social services and their interoperability. According to subsection 1 of the section, the development centre would be a limited liability company jointly owned by the counties and the central government (the SoteDigi company). The intention was to transfer 66.6% of the development centre's shares free of charge to the prospective counties in proportion to their populations by 1 January 2021, while leaving 33.4% of the shares to the central government. As a result of Prime Minister Juha Sipilä's Government tendering its resignation, it was not possible to adopt the Act.

The company was provided with a customer advisory committee, which consisted of representatives from all 18 counties and the Ministry of Social Affairs and Health. The company was capitalised with EUR 90 million. About EUR 86.6 million of the capital remained as at early 2019.

SoteDigi Oy plays a useful role in terms of developing digitalisation in health and social services, because it provides a framework for development cooperation between public enablers of health and social services. This development cooperation makes it possible

to balance out the resources required from municipalities and to ensure that the outputs match the needs and will be deployed. The fact that no such party has existed before has resulted in different parties developing and purchasing their own digital solutions, which have not been disseminated nationally.

SoteDigi Oy brings all health and social services enablers together to engage in development cooperation, providing an effective platform for national steering of information management in support of the steering duties of the Ministry of Social Affairs and Health. SoteDigi Oy also offers an alternative to development of shared national information management solutions, so as to avoid centralising all national development efforts under the Social Insurance Institution of Finland. This would also reduce the cybersecurity risks involved by distributing responsibilities among a number of parties. Furthermore, distributing national development efforts makes it possible to ensure that the opportunities of companies to offer ICT services will not shrink.

The cost benefits generated by the company are based on coordinated development of service integration, e-services and management by knowledge. The benefits will initially be manifested in the reduced ICT costs in health and social services of development projects funded from the Budget. During previous government terms, development efforts were driven by municipalities and supported through discretionary government transfers. By centralising projects into a company with specialist expertise in coordination of development activities and dissemination of outputs, it is possible to reduce their costs and increase the performance of development activities.

However, most of the benefits can be achieved through operational development of municipalities and joint municipal authorities, making use of new digital services and tools in the operational sectors described below:

Clients who had used electronic health and social services in 2014 reported that they had saved an average of 1.37 physical visits per year through the services. A total of 12% of all residents had used e-services, which is a relatively low rate, considering Finnish people's digital abilities. Even in this situation, the imputed savings amount to about 700,000 annual visits to a doctor or a nurse. Consequently, the Omaolo service developed by SoteDigi Oy contributes to savings by offering a digital service channel for primary healthcare. The service is already in place in different parts of the country and its regional and functional coverage is being expanded on a continuous basis.

Furthermore, there is a broad consensus in the healthcare and social welfare sector that achieving more efficient services and their more effective targeting to meet people's needs calls for up-to-date and commensurate information on the services and their costs. Without a coordinating and supportive service centre such as SoteDigi Oy, it is difficult

to develop a harmonised data model for organising services so as to meet the needs of the parties responsible for organising services and the requirements set by the National Institute for Health and Welfare. Based on the studies carried out as part of preparing the TOIVO programme and Vimana's MaTi project on knowledge management solutions for counties, it seems that developing the technological solutions required for knowledge management on a completely regional basis is very expensive when compared with building more centralised solutions. The differences between the two scenarios have been estimated to amount to as much as dozens of millions of euros.

Knowledge management is also an important means of promoting service integration. A significant proportion (up to 80%) of resources are used to treat residents with multiple service needs. These residents would benefit more from coordinated services. The prerequisites and significance of knowledge management are also highlighted in Government Proposal No. 159/2017 on the secondary use of health and social care data, already adopted by Parliament.

For reasons discussed above, the mission assigned to SoteDigi Oy upon its establishment was development of national digital solutions to improve the cost-effectiveness of healthcare and social welfare services. The priorities specified for development included: 1) interoperability of information systems; 2) e-services for residents; and 3) management by knowledge.

Launched projects and outputs

Over the period from 2017 to 2019, the company has launched a number of projects placed under the priorities described above. At the same time, the company has recruited the talents required for the projects. Furthermore, two existing services (Omaolo and Medical Helpline 116 117) have been reassigned to the company. As at 8 March 2019, the company had 30 employees + 1 trainee. Four of these were recruited on fixed-term employment contracts. The table below provides a brief description of the projects launched by the company:

| Project name | Project description | Project status |
|--|--|--|
| Omaolo service | The digital Omaolo service platform supports self-care and self-management of treatment and it is already available to 2.5 million residents. Helsinki is one of the places where clients can access the service to perform electronic symptom assessments, receive self-care instructions, or request professional feedback based on the information that they provide. This helps to reduce the number of medical appointments, freeing up resources for those clients who need them most. The service is classified as a 'medical device', which requires fulfilling the roles and resources in keeping with a quality system. | Service currently provided, with 2.5 million users |
| Medical Helpline 116 117 | The Medical Helpline 116 117 service is a telephone number for residents to call in non-life-threatening health and social emergencies. The service aims to improve the quality of services provided for residents, reduce the number of emergency room visits and the number of responses in prehospital emergency medical services. A further objective is to direct calls not relevant to the emergency response centre to the right place. The telephone number used for the service is still nominally held by the Ministry of Social Affairs and Health (for technical reasons). The intention is to reassign the number to the company by June 2019. The Medical Helpline is already available to 50% of Finns and it is widely used. | Service currently provided, reaching 50% of Finns |
| Virta project | The Virta ('Flow') project develops the knowledge base required for organising health and social services and ICT solutions for its management in cooperation with regional parties. The project is part of the national action programme for management by knowledge, steering and supervision in health and social services (TOIVO programme), aiming to implement the Government Proposal on the secondary use of health and social care data, already adopted by Parliament. | Specification stage |
| National information system for collecting client feedback | At present, no nationally comparable information is available on client satisfaction with healthcare and social welfare services. The project will implement: 1) an operating model to determine the questions to be asked from clients in cooperation between national and regional parties; and 2) an information system building on the Kanta architecture, enabling client satisfaction surveys to be conducted automatically, based on genuine visits to healthcare or social welfare services. The project is being carried out in close cooperation with the National Institute for Health and Welfare (THL), which will draw on nationally consistent information on client satisfaction in order to discharge its national assessment duties. The information will also be made available for use by health and social services providers and clients in an open data format. | Specification stage |
| Client counselling and guidance | The purpose of the project is to help clients find the right type of health or social service in adequate time. Many regions are currently running their own, separate counselling and guidance projects. SoteDigi has brought regions together to plan a national solution. The planning work has been carried out in cooperation with five hospital districts and joint municipal authorities, which have also been tapped as pilot regions for implementing the first AI pilot scheduled for the turn of 2019/2020. The planning and specification efforts will continue. | Planning stage |
| Centres of expertise | SoteDigi has been building a centre of expertise concept for areas with societal significance in cooperation with universities and other higher education institutions. The first cooperation activities have been launched with the Jyväskylä University of Applied Sciences concerning cybersecurity and with the University of Tampere with regard to patient safety in the Omaolo service. Exploration of centre of expertise cooperation will continue with assessment of cooperation models. | Preliminary study stage |
| Launching an interoperability forum | SoteDigi will set up an interoperability forum to support national integration of health and social services. At present, standardisation and interoperability of health and social services data are promoted under the leadership of a number of different parties. The key objective of the interoperability forum organised by SoteDigi is to support integration of health and social services data by increasing cooperation in the area between public health and social services officials, parties involved in primary healthcare and specialised medical care, standardisation bodies, higher education institutions and research teams, as well as ICT operators, by engaging the stakeholders in specifying interoperability. | Preliminary study stage |

Conclusions

The underlying need behind SoteDigi's establishment is independent of structures and will remain unchanged following the lapse of the reform. However, the termination of the reform preparations will affect the company's position.

As a result of the lapse of the reform, no counties will be established and the company will remain wholly owned by the central government. Instead of counties, the company's services will be used by the existing municipalities and joint municipal authorities. However, since these will not own or control the company, the company will not constitute an in-house entity of a contracting entity as referred to in the Act on Public Procurement and Concession Contracts (1397/2016, the 'Public Procurement Act') from their perspective. Consequently, any procurements between the company, municipalities and joint municipal authorities are governed by the Public Procurement Act, which means that, as contracting entities, municipalities and joint municipal authorities should make specific procurement decisions to use the company's services. In the current situation, the company can make its expertise and planning work available as an in-house entity to central government bodies.

Nevertheless, the Act on a limited liability company called Hansel Oy (1096/2008) allows for an operating model where SoteDigi Oy may put service development and maintenance contracts out to tender via Hansel Oy while municipalities and joint municipal authorities may join these procurement arrangements. This is how suppliers developing and maintaining centralised services may sign contracts directly with SoteDigi Oy, avoiding the need for direct procurements between municipalities and SoteDigi Oy.

Following SoteDigi Oy's Annual General Meeting held on 26 April 2019, its state owner issued new rules of procedure to set the guidelines for the company until such time as Finland's new Government adopts policy outlines on its mission and necessity.

The company is responsible for two services with national significance, which are already being used and accessible to millions of Finns (see Omaolo service and Medical Helpline 116 117 above). It is crucial to secure the uninterrupted continuity of these services irrespective of the reform.

Furthermore, no such party as SoteDigi Oy has previously existed in the field of health and social services information management. In addition to the services mentioned above, another one of the company's key outputs is the cooperation structure arising from its role for developing information management in health and social services. This cooperation structure makes it possible to bring regional development efforts together, identify cooperation interfaces and support development activities by means of best practices and competencies.

4.8.4 Finance and HR management service centre Hetli Oy

Government Proposal No. 15/2017 for the Counties Act provided for national service centres for counties, one of which would have been Hetli Oy, the service centre for finance and human resources management.

According to section 121 of the proposed Counties Act, the duties of the service centre for finance and human resources management were to:

1. provide financial management, payment transaction and accounting services, and other services directly related to these;
2. provide expert and support services for HR management and payroll administration, and other services directly related to these.

The preparatory work was premised on the idea that a national service centre would provide future counties with financial and human resources management services, unless they had incorporated such services with regard to the duties to be transferred. The service centre would have provided services both on its own and through subsidiary or holding companies (consortium companies) to counties, county-controlled entities and county subsidiaries operating in non-competitive market environments.

Preparatory work for Hetli Oy

In June 2017, the government decided to authorise the Development and Administrative Centre for the ELY Centres and TE Offices (KEHA Centre) to set up a wholly state-owned service centre company for finance and human resources management, named Hetli Oy, and to subscribe for all of the shares in the newly established company on behalf of the central government. The ownership steering of the newly established state-owned company was assigned to the Ministry of Economic Affairs and Employment, with the intention to transfer its ownership to counties in January 2020 in keeping with the provisions of the Implementation Act.

Hetli Oy's CEO assumed her duties in November 2017. At its largest, the company's staff consisted of four people. The company had a five-member Board of Directors and a customer advisory committee.

The preparations for the service centre were steered by the project group, the steering group and the joint management group for preparing counties' national service centres. In addition, a cooperation group relating to preparations for financial and HR management started operations in June 2017, with each region appointing its own representative in charge of preparations.

Hetli Oy was set up with a view to increasing the efficiency and productivity of financial and HR management duties, harmonising practices, and ensuring a uniform and correct level of service quality across the counties. The service centre would also have functioned as a joint developer of county services and service processes and as the administrator of the system environment in cooperation with ICT service centre Vimana Oy.

In view of the above-mentioned objectives, an assessment for the need to establish Hetli Oy was drafted by public officials at the Ministry of Finance and the Ministry of Economic Affairs and Employment at the turn of 2017/2018. The assessment was launched due to the decisions made in the regions on providers of financial and HR management services during the preceding autumn. The study was authorised by the management group of public officials for the regional government, health and social services reform in December 2017.

Based on the assessment, no immediate need for Hetli Oy was identified. The assessors proposed that Hetli Oy be orderly abandoned in early 2018. Consequently, it was proposed that the provisions governing Hetli be deleted by a ministry's reply from Government Proposal No. 15/2017 that was being considered by Parliament. Furthermore, it was proposed that measures be taken to discontinue the company's operations.

Following consideration by the ministerial working group on reforms, the measures to wind down the company and delete the proposals concerning its regulatory framework were launched in January 2018.

Conclusions

It is not possible to draw any significant conclusions from the operations of the service centre for finance and human resources management (Hetli Oy) due to the fact that it was decided to be discontinued only about six months after its startup.

The unofficial decisions made by regions during 2017 on the providers of financial and HR management services changed the demand for a national operator such as Hetli Oy. In the context of assessing the need for the company's operations, it became clear that, in some respects, the regions' own decisions contributed to moving towards the above-mentioned objectives, i.e. increased efficiency and productivity and ensured consistent practices in an individual region or in the regions forming part of the company's client base. However, the assessment noted that the structure being created would not have been optimal in terms of efficiency and productivity, nor from the perspective of nationwide consistency. Compared with the current state, however, the development could be considered to represent desirable steps in the right direction.

The counties' test budget preparations launched after the discontinuation of Hetli Oy demanded plenty of new kinds of cooperation and information production. The test budget process was carried out in cooperation between the Ministry of Finance and the regional finance network. Should Hetli Oy have continued operations, the company's expertise could have been useful when drawing up guidelines and coordinating the preparatory work.

4.9 Project to implement the National Licensing and Supervisory Authority (Luova)

The project aiming to implement the National Licensing and Supervisory Authority (Luova) was launched in February 2017 as part of the regional government, health and social services reform. At the beginning of the implementation project, Luova was due to start operations on 1 January 2019. Luova was expected to work towards safeguarding fundamental rights and public interest and to deal with licensing, steering and supervision duties relating to healthcare and social welfare, education and culture, the environment, and occupational health and safety. The new authority would take over duties from Regional State Administrative Agencies (AVI Agencies), Centres for Economic Development, Transport and the Environment (ELY Centres), the Development and Administrative Centre for the ELY Centres and TE Offices (KEHA Centre), the National Supervisory Authority for Welfare and Health (Valvira), and the Farmers' Social Insurance Institution Mela. The intention was to create a completely new kind of central government licensing, steering and supervisory authority, which would operate close to clients in the regions with a nationally consistent and client-oriented approach, making full use of the opportunities provided by its multi-sectoral organisation and digitalisation.

Legislation concerning the National Licensing and Supervisory Authority was drafted by a cross-sectoral preparatory working group on the National Licensing and Supervisory Authority (the 'Luova group'), which was part of the project organisation in charge of the regional government, health and social services reform. The Luova group also functioned as the implementation project's steering group. The Government Proposal for legislation concerning the implementation of the regional government reform and the reorganisation of government licensing, steering and supervision duties was submitted to Parliament on 8 March 2018. At this point, the Luova group started to function exclusively as the strategic steering group of the implementation project. Following a review of its composition on 1 December 2017, several changes were made to the preparatory organisation operating under its supervision.

During the implementation project, Luova's starting date was deferred on two occasions by policy outlines issued by the ministerial working group on reforms, being eventually scheduled for 1 January 2021.

Luova preparations were mostly carried out by public officials in the preparatory working groups set up for the project within the framework of the agencies involved. The project was allocated a total of about 21 person-years by the relevant agencies and about 5.6 person-years by ministries. In addition, separate funding for project implementation was assigned to budget item 28.40.03, Support measures for regional and local government (3-yr. carryover appropriation), for the 2017–2019 period; about EUR 920,000 of this funding was eventually spent.

Implementation preparations were steered by project plans (from 19 January 2018 and 10 October 2018). The preparatory working groups worked efficiently, achieving their objectives on schedule as planned. The project organised several events for clients and stakeholders, virtual 'coffee meetings' for staff members and workshops enabling people to work together.

Preparations continued as planned until 8 March 2019. At the time, Prime Minister Juha Sipilä tendered his Government's resignation and preparations concerning the regional government, health and social services reform could no longer be continued. The subsequent work focused on finishing the preparatory work, documenting the work already carried out and winding down the reform in an orderly manner.

4.9.1 Conclusions

Project participants worked hard to develop new, nationwide processes and shared customer service and operating models for Luova. Furthermore, they prepared aspects such as the new authority's internal organisation and its strategic performance management to be jointly carried out by ministries, while also laying the foundation for its cooperation with stakeholders. As the agencies involved in the transformation built closer cooperation, a shared organisational culture began to take shape. The project created plenty of outputs that can be put to use in potential future agency reforms or in substantive development of existing agencies.

4.10 Preparatory work at ministerial level

In their own preparations for the regional government, health and social services reform, ministries worked on and outlined policies for significant sectoral themes relevant to the future counties.

Each ministry operated within its own competence, dealing with the matters being prepared in keeping with the policies in place in its line organisation. In addition to the line organisation, any themes significant in terms of the regional government, health and social services reform were also reported to the project management group and further on to the political reform leadership.

Ministerial implementation themes were further divided into sub-themes, which were assigned specific objectives. Their progress was tracked on a monthly basis by the situation centre for the regional government, health and social services reform. Monthly monitoring efforts also involved identification of any risks to the progress of the preparatory work.

4.10.1 Ministry of Finance

The ministerial preparatory work carried out at the Ministry of Finance included the following preparatory themes:

- the Ministry's county steering duties and related preparations;
- financial calculations;
- activities of regional government coordinators;
- preparations for assessing the adequacy of counties' financial resources;
- drawing up test budgets and financial risk reviews;
- ministerial preparations for county steering duties.

The Ministry's county steering duties and related preparations

The Ministry of Finance started to prepare for assuming the duties of steering the future counties in the spring of 2017. The Ministry's preparations were especially focused on specifying the steering duties to be assigned to the Ministry under the Counties Act and the related preparatory work. Following an unofficial preparatory phase, the Ministry set up a joint cooperation group on county finances for its departments in September 2017. The cooperation group included participants from the Economics Department (chair), the Department for Local Government and Regional Administration, and the Budget Department, while the Ministry's other departments were also involved in preparations as required.

The role of the cooperation group was to promote the flow of information within the Ministry of Finance in terms of the counties' resource steering and related duties as well as monitoring county finances. The group was also expected to ensure the efficient division of work carried out in the Ministry concerning the steering and monitoring of county finances and to develop processes, guidelines and templates for county steering purposes.

Over the period from 2017 to 2019, the group convened a total of nine times, while it also organised a workshop on modelling a business architecture for county steering. At its meetings, the group discussed topical issues of the preparatory work for county steering, such as drafting the Act on the Financing of the Counties, preparing joint government steering of the counties, forecasts for county finances, preparing the General Government Fiscal Plan with regard to county finances, and drafting the test budgets. The group continued specifying the business architecture for steering up until early 2019. The group's operations contributed to information sharing between the Ministry's departments and supported consistent steering process planning. Its work can be considered highly useful in both of these areas and, moving forward, it is also recommended to make use of the same type of intra-ministerial cooperation in similar processes.

For the purposes of assuming its county steering duties, the Ministry of Finance also recruited new people for its different departments.

Financial calculations

The estimates relating to the financing of the counties were prepared in cooperation between the Ministry of Social Affairs and Health, the Ministry of Finance and other relevant ministries. Up until 2017, the main responsibility for financial calculations rested with the Ministry of Social Affairs and Health. The Ministry of Finance was mostly involved in specifying the costs to be transferred to counties and calculating county financing for purposes other than health and social services. Responsibility for compiling the financial calculations was reassigned to the Ministry of Finance in late 2017.

These calculations included estimates of costs to be transferred from municipalities to counties, changes in municipal revenue (central government transfers and tax revenue) and expenses, and counties' financial calculations. The calculations were updated several times a year: the estimate of costs to be transferred was updated at the beginning of each year based on budget data collected from municipalities and joint municipal authorities and in late spring based on data such as population statistics. The data included in the population statistics had a bearing on a number of criteria for allocating financial resources to counties. Furthermore, minor updates accounted for updates to other statistics that had an effect on the allocation criteria. The calculations were published on the alueuudistus.fi website and were also presented on a number of different occasions.

In addition to the counties' financial calculations, estimates were also made for a longer term (10 years) concerning the counties' adjustment requirements. Adjustment requirements were estimated using the difference between the financial and baseline scenarios by county. These calculations were based on estimates of growth pressure on health and social services expenditure by county, arising from the ageing population, which were made using the social welfare expenditure analysis model. The model was used to calculate estimates of social welfare expenditure trends based on information on the current status of social security, the population forecast and other assumptions concerning future development trends.

Activities of regional government coordinators and experiences from the system

In the autumn of 2017, the Ministry of Finance Department for Local Government and Regional Administration introduced a system of regional government coordinators, where the Department appointed two regional government coordinators for each of the 18 future counties. They were assigned to monitor regional preparations, look into the state of organising services within their respective counties and analyse the level of expenditure spent on services in proportion to service demand. The regional government coordinators acted as rapporteurs in the simulations of negotiations under section 13 of the Counties Act, organised in spring 2018.

During the round of simulations, the extensive regional government coordinator system was found to be unclear and fragmented, as the role was largely shaped according to each coordinator's own areas of interest and use of time. As a result, it was decided to clarify the system by streamlining the activities. As of autumn 2018, the duties were centralised to five public officials, each responsible for monitoring the counties within one collaborative area for healthcare and social welfare. This also linked their work closely to the administrative branch of the Ministry of Social Affairs and Health, which already had a similar mechanism in place. The regional government coordinators were also in charge of the government-level situation awareness preparations for their respective areas during the subsequent winter of 2018/2019. Experiences from the streamlined regional government coordinator system were promising: the system made it possible to focus genuinely on the issues of the counties within each collaborative area and to create relationships with various regional parties and other ministries' regional coordinators.

Preparations for assessing the adequacy of financial resources

In March 2018, the Ministry of Finance appointed a working group to prepare a process and indicators to assess the adequacy of central government transfers to counties. The working group was made up of representatives from different Ministry of Finance departments and the Ministry of Social Affairs and Health, as well as experts representing the regional change management functions, the National Institute for Health and Welfare (THL) and the National Supervisory Authority for Welfare and Health (Valvira). The working group concluded its work in March 2019 after the regional government reform preparations were terminated.

First and foremost, the working group assessed the usability of the indicators developed as part of the health, social services and regional government reform and other available tools and data when determining the adequacy of the financial resources allocated to counties in accordance with the Act on the Financing of the Counties. The working group also drafted initial proposals on potential indicators to use for assessing the adequacy of financial resources. During its work, the working group discovered that the preparatory work on indicators carried out by different parties was uncoordinated in relation to the data required by the ministries in their own steering duties, among other things.

The working group was also expected to look into how to guarantee adequate health and social services based on the Constitutional Law Committee's praxis, case law and judicial oversight practice, while also determining the limit below which the availability of services would be jeopardised. Its initial conclusion was that, based on the above-mentioned references, it is not possible to determine universally applicable criteria for assessing county financing.

The working group also drafted process diagrams on the duties and timetables of different parties. On the process diagrams, the need to raise the level of financing was examined as part of preparations for the General Government Fiscal Plan and the Budget and the preceding assessment and steering of counties by the central government. The need to raise the level of financing was also analysed in a situation where it would have been necessary to assess in the middle of a fiscal year whether the level of financial resources received by a county was jeopardising its ability to guarantee adequate health and social services. Due to the failure of the reform, the work remained unfinished with regard to describing the ministries' internal processes and the necessary cooperation, among other things.

Counties' test budgets and financial risk reviews

Drafting test budgets during the autumn and winter of 2018/2019 was the last stage of the county steering simulations. The test budgets were drawn up to practise the counties' budgetary process as if the laws governing counties had entered into force. Their purpose was to serve regions and central government in regional government reform preparations and help them prepare for drafting the actual county budgets. The key objectives of drafting test budgets focused on increasing knowledge of the adequacy of financial resources, the effects of organisational solutions on finances and operational adjustment requirements.

Furthermore, the test budgets were expected to provide detailed information on the adequacy of universal, i.e. non-earmarked, appropriations, the effects of collaboration between counties on financing, the significance of the counties' other revenue to their finances, their readiness to start operations, and the distribution of financial resources between different duties within the counties. The test budget process also involved identifying transformation costs relating to establishing the counties by means of risk reviews. The aim was to identify both fixed and non-recurrent transformation costs relating to the reform.

The test budget process was carried out from start to finish in cooperation between the Ministry of Finance and the network of regional preparatory staff focusing on finances. In practical terms, this cooperation was organised such that the guidelines for drafting a test budget were further specified together with the network members, based on questions and comments. This procedure was found to be good and also useful for future reference in major administrative reform projects.

Test budgets were drafted in 17 future counties; the only one to fail to participate in the drafting process was Päijät-Häme. While all of the participating counties drafted at least parts of the 2021 test budget, most failed to cover planning years 2022 and 2023. Most counties' test budgets showed a significant inadequacy of financial resources. This was due to reasons such as genuinely inadequate funding, incomplete drafting efforts, or the level of accuracy used in drafting the test budget and the resulting error margins in calculations. The test budgets were also expected to reveal counties' adjustment requirements, but these were only presented by some of the counties. Due to the varying level of response accuracy, it was not possible to draw any further conclusions from the test budgets regarding the adequacy of counties' financial resources or adjustment measures and their criticality in terms of safeguarding county services.

Nevertheless, the risk reviews raised three significant factors of uncertainty common to all of the future counties in terms of financial equilibrium:

1. Development of client-oriented service chains and management by knowledge call for major changes to current ICT structures, as well as a new kind of resource investment in data analytics.
2. Harmonisation of pay levels was also anticipated to involve substantial costs. Pay levels may vary between people doing the same type of work for different employers, but individual workplaces must ensure pay equality in keeping with international agreements and national legislation. As a general rule, this means that organisational mergers will lead to increasing personnel costs. It is also difficult to assess the effects of pay harmonisation due to its contractual nature, which would have allowed organisations to schedule the process and plan the model for harmonisation on their own terms within a window of a few years of the reform's completion.
3. Counties found the management of facilities costs problematic as a result of the establishment of the Counties' Service Centre for Facilities and Real Estate Management, Maakuntien tilakeskus Oy. The plan was to lay down provisions on the basis for rent determination by decree, while analysis of the current state of rents revealed that the rent determination model would have resulted in significant increases in counties' facilities costs. However, it was not possible to estimate the real cost increases because of considerable variations in the methods of calculating the facilities costs of current municipal services and allocating costs to different services, which meant that it was not possible to compile comparable baseline data.

The above-mentioned deficiencies in responses, the unpredictability of the timing of risks being realised and the shortcomings of baseline data did not allow the risks to be assessed in real euro terms.

Regions found the test budget process burdensome, albeit fruitful. The process demanded plenty of new kinds of cooperation and information production when compared with the prior situation. The process provided sought-after additional information, helped to identify weaknesses in regional and central government budgetary processes, and highlighted the areas requiring further information.

4.10.2 Ministry of Social Affairs and Health

Implementation and related preparations carried out at the Ministry of Social Affairs and Health were largely linked to inter-ministerial cooperation in areas such as simulation of county finances, joint government steering and work relating to the interfaces between

different branches and levels of administration. The Ministry also had some clearly sectoral implementation duties, the most important of which included:

- preparing the steering and negotiation process in keeping with the Draft Bill for the Organisation Act;
- developing a knowledge base for health and social services;
- freedom of choice and related pilot projects;
- interactive guidance and negotiations in keeping with the Organisation Act.

Preparing the steering and negotiation process in keeping with the Draft Bill for the Organisation Act

As part of the interactive guidance in keeping with the Organisation Act, the Ministry of Social Affairs and Health organised two rounds of practice negotiations with each future county, the first in the spring and the second in the autumn of 2018. The negotiations covered the objectives of reforming healthcare and social welfare services, the division of work in service provision, and collaboration with other counties. Among other things, the negotiations also involved assessing developments in the availability and quality of county services and regional development needs; changes in the operating environment and service demand; funding required for statutory duties and increasing productivity; the necessary measures to be carried out in the county in order to manage costs and any other possible measures. In addition to items derived from the Draft Bill for the Organisation Act, the following two key themes were also selected as subjects of negotiation: service integration and digitalisation/ICT. Each of the negotiations was recorded in minutes signed by both parties.

For the purposes of the negotiations, the Ministry of Social Affairs and Health compiled a background memorandum on each future county, including a brief summary of the county's key topics of discussion. The knowledge base prepared for use in the negotiations drew on the KUVA performance measurement framework, i.e. cost-effectiveness indicator data on the population's wellbeing and assessment of service demand, as well as on the quality, effectiveness, costs and efficiency of services. Another source of data consisted of expert assessments drawn up and published by the National Institute for Health and Welfare (THL) on the status of healthcare and social welfare services in each region.

Practising the steering and assessment process provided a chance to engage in a new kind of genuine interactive dialogue to deal with questions relating to organising health and social services and the practice was considered useful from the perspectives of both the future counties and the ministries involved. The practice negotiations have made it possible to strengthen interaction and joint discussions. Regions have been

able to make use of the data collected for the negotiations as part of their own regional preparatory work. During the process, quite a number of regions collected and analysed comprehensive data on service demand and healthcare and social welfare services at different levels for the first time.

Freedom-of-choice pilots

The purpose of the Act on Freedom of Choice was to increase clients' autonomy while also improving the availability, quality and cost-effectiveness of services. The plan was to set up pilot projects to experiment with expanding freedom of choice in different parts of Finland. A sum of EUR 200 million was allocated to implementing the freedom-of-choice pilot projects. A call for pilot projects was organised in early 2018, with the intention of making decisions on discretionary government transfers as soon as the Act on Freedom of Choice would enter into force. All regions submitted their project applications and made plans to apply the new freedom-of-choice model with regard to the packages included in their pilot projects. The pilots would have experimented with the choice of a health and social services centre and an oral health unit and with the use of services vouchers and personal budgets.

For piloting purposes, regional and national parties planned service packages, contractual and compensation models for service providers and their assessment and monitoring practices in accordance with the Act on Freedom of Choice. Regions also developed a service process relating to the use of services vouchers and personal budgets, including drawing up client care plans, determining the value of a services voucher and calculating a personal budget. A key priority would have been to pilot the ways of increasing the role of clients in making decisions on services and building the content of services to meet client needs.

Although it was not possible to carry out any pilot projects, the preparatory work involved and the general discussions about freedom of choice did contribute to drawing more attention to the choices available to clients, service integration, ensuring clients' involvement, the effectiveness of different compensation principles, making use of the market, as well as quality and cost-effectiveness. In addition to future health and social services reform preparations, these lessons can also be put to use within the existing legislative framework, because similar elements of freedom of choice can also be implemented by means of services vouchers.

Document templates for steering service provision

In March 2017, the health and social services reform project group set up preparatory working groups to focus on guidelines and model templates for compensations and contracts between counties and providers of direct-choice health and social services. In May, the preparatory working groups were assigned an additional task of drafting guidelines for

the use of services vouchers and personal budgets. The working groups were made up of experts from various ministries, the Social Insurance Institution of Finland (Kela) and the National Institute for Health and Welfare (THL), as well as members of regional preparatory staff.

The groups were tasked with providing guidelines and national support measures for regions to use in development of efficient contractual and resource steering. There was also a specific expert group working on oral health care compensations.

The working groups organised consultations and workshops, which also involved service providers, among other participants. In addition, there were plans to organise workshops relating to provider compensations in support of regional implementation in March 2019, but the reform failed before there was time to do so.

The key outputs of the contracts working group included document templates (administrative decisions, contracts and service descriptions), which can be edited for future use as document templates in keeping with the Act on Service Vouchers for Social Welfare and Health Care (569/2009; the 'Service Vouchers Act'). The documents were originally published on the alueuudistus.fi website in July 2018.

The key outputs of the working group focusing on compensations included draft guidelines relating to organising health and social services centres and services vouchers, especially concerning provider compensations. Both of the above-mentioned types of guidelines were open to comments in the autumn and winter of 2018/2019. The Ministry of Social Affairs and Health also started drafting guidelines describing the process of implementing personal budgets.

Despite their contextual nature, the above-mentioned guidelines can be used as a basis in the event of any future plans to promote similar registration-based modes of service provision, such as services vouchers. In particular, the guidelines concerning the compensations planned for providers of direct-choice health and social services centres include additional information on various compensation practices in place within the healthcare and social welfare sector and on the incentive effects involved.

Knowledge base for steering health and social services and its expansion

As part of the preparatory work carried out for the healthcare and social welfare reform package over the period from 2015 to 2019, a new operating model for national management by knowledge was developed as an interaction tool for cooperation between the Ministry and the parties responsible for organising health and social services. The new operating model makes it possible to assess the situation in different regions regularly

in cooperation with the regions. It is also possible to provide a basis for assessments and joint discussions by forming a joint situation awareness report drawing on commonly agreed monitoring indicators.

The working group on the KUVA performance measurement framework prepared a set of indicators suitable for an overall review of the performance of the service system, i.e. its cost-effectiveness. In the spring and autumn of 2018, the National Institute for Health and Welfare (THL) tested the assessment function assigned to it under the Act on Organising Health and Social Services (Government Proposal No. 15/2017). The THL produced regional reports for use in the assessment rounds, which made use of the material prepared for the KUVA indicators as their knowledge base. Its Data Window service also made it possible to compare differences between municipalities. Making use of the THL's assessment reports and Data Window, the Ministry of Social Affairs and Health prepared for practice negotiations with each future county by generating a situation awareness report from the knowledge base, so as to identify key regional issues to raise in the negotiations. The regions also prepared for the practice negotiations by drawing on the knowledge base available in the Data Window service.

In their discussions, the Ministry of Social Affairs and Health and regional representatives have noted that it would be important to retain an operating model where representatives from the central government and each region jointly review the regional situation based on a joint situation awareness report. Continued maintenance of the KUVA indicators and their further development have already been secured by administrative means. The confirmed list of indicators is also available on the Ministry's website. The working group has published its report, including its justification for indicators and proposals for the verification of the knowledge base. The reference data based on the indicators is regularly updated with the latest data and it is available in the THL Data Window. In April 2019, its regional division was changed to allow comparison of hospital districts, including municipal data. The THL has published assessment reports on both of the two practice rounds and a situation awareness report compiling data on the whole country, which are all available on the THL website. During the preparatory process, national understanding of the situations in different regions and their key challenges was bolstered by means of the THL assessment reports and data produced by KUVA indicators. Improved awareness of the overall situation will also benefit future cooperation and service structure development. The THL is prepared to continue maintaining regional situation awareness making use of the assessment process developed in the practice rounds, which will ensure that the most latest analyses will also be available for use in the future.

National Institute for Health and Welfare (THL): [Assessment of the health and social services reform](#)

Interface work as part of promoting health and wellbeing

The National Institute for Health and Welfare (THL) supported work relating to promoting health and wellbeing by bringing people together to form a preparatory network for promoting health and wellbeing. The network participants met three to four times a year. Parties involved in promoting health and wellbeing also created other networks to resolve certain issues relating to the preparations. The THL produced information in support of these preparations.

Regional roadshows were organised in the autumn of 2016 and 2017 in support of the preparatory work for health and wellbeing promotion. The regional roadshows also strengthened the role of the preparatory work for health and wellbeing promotion as part of regional preparations. The roadshows produced plenty of regional information as well as a stronger message to support the idea that regional health and wellbeing promotion work should also become a consideration when making funding decisions.

Progress in the preparatory work for health and wellbeing promotion was especially made in regions where promotion work had already been based on municipal cooperation in joint municipal authorities for health and social services, for example, and in regions that allocated adequate resources for this purpose. In many regions, key projects had also been integrated as part of preparations for health and wellbeing promotion, providing support for substantive preparatory work. An essential factor in the progress of health and wellbeing promotion was engagement of the leadership of regional preparations in the work.

The key outputs raised by preparatory staff included development of structures (regional and local) and closer cooperation; organisation and closer cooperation in the NGO sector; creation of a shared vision and strategic intent; development of management by knowledge (wellbeing reports shaping out as a tool for regional cooperation, introduction of preliminary assessment practices); and new concepts emerging as part of health and wellbeing promotion as a whole (such as cultural wellbeing).

Regional efforts to promote health and wellbeing will make progress despite the reform being terminated. The key is to move the theme forward and support regional development and coordination of health and wellbeing promotion work on the regions' own terms. Based on the status of their preparatory work, the regions can be divided into three categories:

- 1) An agreement has already been reached on the continuation of preparations/ implementation and the work is making progress in any event.
- 2) There are ongoing efforts to find a body to assume responsibility for coordinating regional cooperation; to some extent, these regions also have a strategic intent to make use of the work already performed.

3) Regional cooperation in health and wellbeing promotion is yet to be positioned and there is no shared vision.

4.10.3 Ministry of the Interior

The Ministry of the Interior prepared the following three packages, all of which were based on the Act on Organising Rescue Services:

- outlining strategic policies and transferring duties;
- data and information management in rescue services;
- service standard decisions and finances.

Outlining strategic policies and transferring duties

Under the Act on Organising Rescue Services, the duties assigned to rescue services would have included specialised capabilities required for international rescue operations or chemical, biological, radiological, nuclear and explosive (CBRNE) incidents, maritime incident response group (MIRG) operations, marine oil-spill response, or regional and national situation awareness arrangements. The intention was to outline strategic policies for rescue services for the following government term and the work was scheduled to start in September 2018. These packages were tied to the progress of the Bill for the Act on Organising Rescue Services and the regional government, health and social services reform as a whole. The preparatory work continued on schedule up until the point when the Government tendered its resignation.

Data and information management in rescue services

In August 2018, rescue services launched a project for planning a supervision application, electronic services, and a statistics, analysis and reporting system. The project focused on drafting the material for purchasing an information system, which would have formed a basis for arranging a competitive tendering process. The work was carried out in close cooperation with ICT service centre company Vimana. This project, which was also on schedule, was likewise terminated following the Government's resignation because, on the one hand, the funding allocated to preparations could no longer be used for this purpose and, on the other, funding for subsequent years had not been confirmed.

Service standard decisions and finances

The working group on service standard decisions was responsible for preparing a proposal for the content and outline of a service standard decision. It was also tasked with specifying indicators for the service standard so as to make these available for use in assessment of county rescue services and determining the necessary level of funding. While the work progressed as planned, this package was also discontinued due to the termination of regional government, health and social services reform preparations, as the work was based on the powers that were to be laid down in the Act on Organising Rescue Services.

All of the above-mentioned packages are still necessary in rescue services. It is necessary to build up certain capabilities, in particular in view of disruptions and emergencies, because there is no point for individual rescue service regions to build such capabilities exclusively for their own region. Any future information systems should be compatible in order to ensure that regional service provision is consistent and to enable comparisons between the regions. Furthermore, the comparability and supervision of the service standard are very important in terms of assessing the achievement of equal opportunities and from the perspective of comparing service standards.

All of the three packages will also be relevant in the future from the perspectives of enhancing cost-efficiency and developing the service system. In addition to the above-mentioned points, the rescue services reform project was part of the regional government, health and social services reform. When the project was being launched, it was decided that it would not be directly dependent on the administrative system of rescue services. This turned out to be the right decision. The 15 working groups for the rescue services reform project made proposals that can be implemented in any event, irrespective of the administrative system in place.

4.10.4 Ministry of Economic Affairs and Employment

The Ministry of Economic Affairs and Employment prepared the growth services reform in connection with the regional government reform. Growth services refer to national and regional services within the Ministry's administrative branch that are geared towards promoting sustainable economic growth, conditions for entrepreneurship and business activities, functioning of the labour market, and integration of immigrants. The growth services reform proposed that the above-mentioned services organised by the Centres for Economic Development, Transport and the Environment (ELY Centres) and the Employment and Economic Development Offices (TE Offices) be reassigned to autonomous counties as so-called regional growth services. A special solution was proposed for the prospective County of Uusimaa, by which regional growth services were to be transferred to a joint municipal authority formed by the cities in the Helsinki capital region.

At the same time, the intention was to modernise practices, increase client orientation and strengthen the effectiveness of services. The aim was to make it faster for jobseekers to find employment and easier for employers to find skilled employees. The reform was expected to create opportunities for setting up new businesses with potential for growth and profitability in Finland and better conditions for businesses to modernise and become international. The regulatory framework was intended to accommodate the constitutional requirement of equality while also leaving the county government the kind of latitude in implementation that is characteristic of self-governance.

The growth services reform did not cover the statutory and optional functions of municipalities. The reform neither increased municipal functions, nor proposed that any of the duties be transferred to counties. The counties were expected to coordinate their growth services with equivalent services organised by the municipalities within their region by means such as alliance-type procurement cooperation.

The key idea in the change of practices was to build a competitive multi-provider model. The aim was to improve the effectiveness of services by increasing competition between service providers and transparency in public service provision. In addition to making wider use of external service providers, other elements conducive to increasing competition would have included clients' freedom of choice, the obligation to separate counties' duties to organise services from service provision, and the accounting separation requirement concerning counties' own growth services provision.

In order to integrate services, the growth services reform largely pursued solutions similar to those made in the health and social services reform. As both growth services and health and social services were to be transferred to the same organiser, i.e. a county, the county services tailored to meet client needs were expected to advance and function as integrated packages of various growth services and combined with health and social services.

The reform also pursued service innovation. The similar policies and provisions outlined for organising and providing both health and social services and growth services were hoped to create innovative service provision and new markets for parties such as businesses that would provide public services within these functions.

At the same time, the aim was to also connect regional development closely to growth services and other duties assigned to counties. Responsibility for regional development at the regional level would have rested with counties. The relevant legislative proposal provided for a specific procedure, i.e. regional development negotiations, which were geared towards strengthening cross-sectoral interaction and cooperation between the central government and the new counties. The idea was that the annual negotiations

would be based on a situation awareness report jointly drawn up by the counties and the central government, providing an overview of the situation in each county. The situation awareness process and regional development negotiations were tested during the autumn of 2017 and the spring of 2018.

Based on feedback gleaned from the experiments, the procedure built closer government-level cooperation in regional development and created a framework for interaction between the government and the future counties. Although the situation awareness process and regional development negotiations were planned to be implemented as part of the regional government reform, it is possible to put the accumulated experiences to use when reforming regional development legislation and practices, irrespective of the regional government reform. There is still a need for a shared knowledge base and interaction between regions, other parties involved in regional development and the central government.

Preparatory work for implementing the growth services reform

In the spring of 2018, regions made plans for 22 growth services pilots. The aim was to enable the future counties to draw on the experiences gained through growth services and health and social services pilots when building their own services. Fifteen of the growth services pilots focused on services intended for individual clients, where their target group consisted of people in a disadvantaged labour-market position. Issues of labour supply to businesses also played a prominent role in the pilots. The pilots also experimented with and created frameworks for integrating growth services and municipal vitality functions by means such as the alliance model. The experiences gained from growth services pilots can be utilised on the basis of existing legislation and a large number of the planned pilots can be launched during 2019.

The primary means used in the reform to build better services included making use of digitalisation and the service market in service provision.

Excellent care was taken to ensure the service abilities of ELY Centres and TE Offices throughout the reform preparations. Their services functioned well. Satisfaction among clients and stakeholders constantly remained at a high level and even improved during the reform period. The deferral of the reform and its eventual failure especially affected preparations for growth services pilots and the motivation of the public officials involved in the preparatory work.

Cooperation between ministries has increased. Excellent experiences were gained from the situation centre. Readiness to integrate services across administrative branches has increased in the areas covered by the regional government, health and social services reform and, in particular, at the interface between growth services and health and social services. ELY Centres and TE Offices are cooperating more efficiently with regional parties, municipalities within their respective regions and the health and social services sector.

Market dialogue has increased. The service providers currently used by ELY Centres and TE Offices are increasingly ready to provide new kinds of services. The market has woken up and become organised. Among other things, providers of growth services have established their own registered association.

ELY Centres and TE Offices have developed their competitive tendering functions. There is a growing need for a shared knowledge base and interaction between regions, other parties involved in regional development and the central government. The opportunities to make use of digitalisation in service provision have increased.

4.10.5 Ministry of Agriculture and Forestry

As part of the health, social services and regional government reform, duties within the food and natural resources sector were to be transferred from the regional state administration and municipalities to the new counties. These would have constituted the third largest county function, amounting to almost 2,000 person-years. The duties to be transferred fell within the areas of agriculture and food production, rural development, environmental healthcare, water management, and fisheries. This food and natural resources sector plays a significant role both in terms of the regional economy and at the national level. Key aspects in several of the duties in the sector include security of supply, preparedness and risk management, and climate change adaptation.

Government Proposal No. 14/2018 included more than 70 legislative amendments and a couple of completely new laws concerning the food and natural resources sector. While most of the amendments were technical in nature, some also included substantive changes. The failure of the reform also resulted in the lapse of two long-prepared legislative reforms, i.e. the Act on the Welfare of Animals (Government Proposal No. 154/2018) and the Food Act (Government Proposal No. 262/2018). The intention is to continue to draft these laws during the following government term.

The Ministry of Agriculture and Forestry organised two regional roadshows as part of its preparations. The first roadshow was organised in 2017 with a view to providing regional preparatory organisations with information on the duties within the food and natural resources sector, the expectations placed on these and the prerequisites for dealing with

the duties in counties. The second roadshow in 2018 was a simulation round organised for the food and natural resources sector prior to simulating the negotiations under section 13 of the Counties Act. The Ministry also played an active role in the reform's national working groups and the government cooperation team.

The preparatory work at the Ministry of Agriculture and Forestry for the regional government reform was carried out by public officials in good cooperation with other ministries, the Finnish Food Safety Authority Evira, the Finnish Agency for Rural Affairs (Mavi), the State Treasury, the Regional State Administrative Agencies (AVI Agencies), the ELY Centres, and municipalities. Preparations were also carried out within ministerial preparatory programmes, eight of which fell within the competence of the Ministry of Agriculture and Forestry as follows:

| Ministerial themes | Current status |
|--|---|
| Preparing the Finnish Food Authority | The project ended on 31 December 2018 and the Finnish Food Authority started operations on 1 January 2019. The establishment of the Finnish Food Authority was not directly linked to regional government reform preparations, but its preparations were nevertheless reported as part of the transformation programmes in order to ensure the flow of information. |
| Preparing practices and processes for interaction between the Ministry's administrative branch and the counties | Networking and growing awareness of other sectors' duties create good conditions for further development of government-level collaboration moving forward. |
| Training, guidance and accreditation process planning relating to payment agency duties | The projects were merged on 1 January 2019. Information on the MANCP process and the paying agency theme is available for various local and regional government parties on the Finnish Food Authority's 'Pikantti' extranet. The Finnish Food Authority has set up an internal working group to reform the MANCP process and the steering/interaction process between the Finnish Food Authority and counties. |
| Preparing the multi-annual national control plans (MANCP) for the food safety chain and training, guidance and reporting relating to the process | |
| Preparatory work for collaboration between counties in fisheries and water management duties by river basin | The final report of a study on county collaboration in fisheries and water management duties, commissioned by the Directors of the Regional Councils and the Directors-General of the ELY Centres, makes a good case for the need to deal with water management duties by river basin and can, to some extent, be put to use in organising the duties of the ELY Centres. |
| Developing information services and systems to support counties with their duties in the food and natural resources sector | The project to produce and share water management information has progressed as planned. With regard to the information sharing theme, the test version of a new online service at vesi.fi has been launched. The information production theme has been launched and a project manager has been chosen. Since the project decided to wait before starting county integration work, it has not done any unnecessary work. County integration of information systems within the food and natural resources sector was prepared as part of Vimana's project focusing on central government systems. The first pilot of integrating systems into Vimana's switching core had been scheduled for April 2019. Since there was no time to start implementations, hardly any unnecessary work was done. The necessary integrations into the systems of the ELY Centres and other bodies will be promoted, as far as possible, with other sources of funding, which will help prepare for a potential next step. |

| Ministerial themes | Current status |
|---|--|
| Preparing the transfer of water law permits, contracts and water structure assets relating to water resources management projects | Information on the ELY Centres' water structure assets, permits under water law and related contracts under civil law was compiled and verified. A process was launched to store water structure contracting documents in an electronic format. These projects are necessary and will also cater to discharging the duties moving forward. Maakuntien tilakeskus Oy commissioned an analysis of the book values of water structures, which may also be potentially used by ELY Centres (Maakuntien vesitalousluvat ja Maakuntien tilakeskus Oy:n vesirakenneomaisuus [Counties' water permits and Maakuntien tilakeskus Oy's water structure assets, in Finnish]). |
| Strengthening communications | The project was removed from the transformation programmes on 31 December 2018, but it continued operations up until the failure of the regional government reform. The communications working group appointed by the Ministry convened several times and drew up a plan for regional government communications for the Ministry's administrative branch, among other things. The group produced contents for the Omamaakunta.fi website and for the Ministry of Finance's joint Twitter templates, among others. |

The preparatory work was characterised by its ambition to identify and meet the needs of the regions and their respective residents through cross-sectoral cooperation across different administrative branches. One of the objectives of the extensive service design project was to develop client-oriented services for rural development, agriculture and food production, environmental healthcare, and fisheries and water management. In March 2017, the Ministry of Agriculture and Forestry also appointed a working group to deal with different options for regional government reform practices within its Food Department.

The need for centralised information services and digitalisation became highlighted during the preparatory process. Information management and management by knowledge are of the utmost importance in terms of both clients using services and the operations of public authorities. With regard to natural resources duties, it was found necessary to strengthen centralised information services and the prerequisites for water body management. While close cooperation with other ministries increased mutual understanding of sectoral duties, it was occasionally difficult for others involved in the preparatory work to recognise the mandatory conditions derived from EU law that place certain restrictions on aspects such as organisational structures.

It would have been crucial for the Ministry of Agriculture and Forestry to have been involved in preparations for the first phase of the regional government, health and social services reform ('Phase I') to ensure that more accurate information on the substance of the legislative drafting work carried out during the first phase would have been available in subsequent preparations.

4.10.6 Ministry of Transport and Communications

According to the policy outline adopted by the Government in April 2016, responsibility for organising most of the duties of the Centres for Economic Development, Transport and the Environment (ELY Centres) would be reassigned to counties and the centres would be discontinued. With regard to transport, the policy outline stated that the duties of the counties would include regional planning and organisation of public transport and duties relating to discretionary government transfers for public transport and private roads. The duties assigned to municipalities and their cooperation bodies under the Public Transport Act (869/2009) would not be reorganised in this context.

In keeping with the Government's policy outlines, the Ministry of Transport and Communications drafted the following proposals for the Draft Bill for the Counties Act on the transfer of transport duties to counties, including language for both specific sections and the rationale:

- The mandatory duties of counties inserted into section 6, subsection 1, paragraph 14, mostly included ELY Centre duties, such as the effectiveness of the transport system, road safety, regional road maintenance, road and traffic conditions, cooperation in land use planning, and generation of data on the operating environment for use in national transport system planning, while paragraph 15 covered duties relating to discretionary government transfers for private roads and mobility management.
- The optional duties of counties inserted into section 6, subsection 2, paragraph 1, included the regional development and organisation of transport services, as well as the planning and organisation of public passenger transport services and duties relating to discretionary government transfers for these services (excluding the operations of the competent municipal and regional authorities). In the autumn of 2017, rail transport was also included in the competences of counties. The planning and organisation of transport services in the archipelago were inserted into subsection 2, paragraph 2, of the same section.

In the autumn of 2016, an especially prominent topic of debate in the preparatory work concerned what the concept of regional road management meant and whether the ownership of transport infrastructure would remain with the central government or whether it would be partially transferred to counties. The Ministry presented strong arguments for retaining the ownership of transport infrastructure with the central government to ensure the consistency of the transport network and its maintenance. As this conclusion prevailed in the end, it was confirmed that the ownership of the transport network and the relevant responsibilities and funding would remain with the central government.

The Ministry also participated in drafting the Bill for the Act on the Financing of the Counties and the related supplementary proposal (Government Proposal No. 57/2017) with regard to transport issues. Language on the division of transport funding into specific and universal funding was included in the rationale. The intention was that most of the funding allocated to transport would be specific funding (road management, flight purchases, archipelago transport services, as well as discretionary government transfers to private road owners for cable ferry and ferry vessel sites). Universal funding was intended to cover the development, organisation and purchases of public passenger transport services, mobility management, and discretionary government transfers for aerodromes and private roads.

The transfers of staff and duties concerning archipelago transport services were included in Government Proposal No. 14/2018 on Phase II of the regional government reform. In other respects, the transfers of duties, assets and staff relating to transport were initially included in a separate government proposal (No. 45/2018) and, following the change made in the summer of 2018 to the implementation schedule of the regional government reform, submitted as another specific proposal (No. 289/2018). This proposal provided for the implementation of almost all changes relevant to the transport sector, with a view to enabling the realisation of the regional government reform.

The objective of the regional government reform within the administrative branch of the Ministry of Transport and Communications was to take care in all of its solutions that the integrity of the transport network would be preserved and that its funding, ownership and steering would remain within the Ministry's competence. A further objective was to ensure that the duties reassigned to counties would continue to be discharged in compliance with relevant legislation and with due consideration for client needs in the future as well.

Within the Ministry's administrative branch, the planned reform mainly concerned the transport duties of the Centres for Economic Development, Transport and the Environment and the staff members dealing with these duties. In parallel to the regional government reform preparations, the Ministry was also implementing an agency reform within its administrative branch, which had linkages to the duties and staff due to be transferred as part of the regional government reform. Below is an itemised list of the planned and actual transfers in terms of person-years in fulltime equivalents (FTEs).

ELY Centre transport duties would mainly have been transferred to counties (325 FTEs). Additionally, national transport duties (about 100 FTEs) would have been reassigned to the Ministry's administrative branch/traffic control company in January 2021. Transport operator permits (25 FTEs) were transferred to the Finnish Transport Safety Agency (Trafi) when the Act on Transport Services (320/2017) entered into force in July 2018.

The Ministry initially had an ad-hoc working group to support implementation, which was formalised in the autumn of 2017. In late 2017, the Ministry also appointed a coordination group to prepare and coordinate the implementation of the regional government reform within its administrative branch. Furthermore, the preparatory work drew on the monthly meetings of the ELY Centre Directors of Transport and Infrastructure, which provided opportunities to exchange views and learn about preparations at the regional level. The key themes addressed by the Ministry and its administrative branch were as follows:

- preparations concerning interaction and cooperation between the Ministry's administrative branch and the counties;
- transport system planning;
- drafting road management contracts;
- support for counties with other transport duties and preparedness planning;
- participation by the Ministry's experts in various working groups set up to prepare the regional government reform.

A specific challenge for implementation was the delay of the reform timetable, which was reflected as uncertainty in ELY Centre Transport and Infrastructure staff and, to some extent, in the establishment of road management areas. This caused concerns about whether the number of staff members due to transfer to counties would be sufficient during the startup phase of operations.

Conclusions

A very positive aspect of the reform was the fact that the counties would have been given a chance to plan and organise archipelago, road and rail transport services, flight purchases and funding for aerodrome operations. These powers would have brought the functions and decision-making processes closer to county residents. Counties would have been able to influence the development of transport services and the role of these in their own transport system plans.

With regard to road management, the competence, ownership and funding would have remained with the central government. Road management contract arrangements would have required close cooperation between counties, especially when establishing the up to nine road management areas that were being planned. However, these contract arrangements would have required additional resources from the central government (Road Infrastructure Agency) and the counties, because the regional government reform would have decentralised road management duties. The number of staff members due to transfer to transport duties would not necessarily have even been sufficient to cover the counties' own transport duties.

As a result of a lack of confidence within the sector in the ability of future county decision-makers to allocate financial resources for areas such as flight purchases or ferry vessel sites on private roads, it was decided that the appropriations initially planned as universal funding would be implemented as specific funding instead. This, in turn, would have created a confused funding system for the transport sector.

In terms of nationally functional road management with regional presence, the most sensible solution would be to merge the road management duties of ELY Centres' Transport and Infrastructure divisions into the Road Infrastructure Agency. Compared with the existing structure, this solution would be better in terms of meeting the requirements of the operating environment and the expectations of customers, ensuring the consistency of road management from the perspective of customers and service providers, and strengthening competencies and adequate staffing levels. It would also lead to more efficient use of road management appropriations. The strengths identified in the current ELY Centre model could be retained by means of regional presence and networking.

4.10.7 Ministry of the Environment

At the Ministry of the Environment, early preparations for the regional government, health and social services reform were based on the policy outline adopted by the Government in April 2016, which included the following policies for environmental duties:

The environmental administration's permits, environmental control and nature conservation were to be reassigned from the Centres for Economic Development, Transport and the Environment (ELY Centres) and Regional State Administrative Agencies (AVI Agencies) as central government duties and merged into a restructured nationwide regional state authority, whereas their water and marine protection duties would be transferred to the counties. As a result, the counties would be responsible for duties specifically assigned to them by law in the following sectors: regional land use planning, steering of construction, management of cultural heritage, use and management of water resources, and management of water and marine areas. The counties' duties would also include producing and disseminating environmental information, raising environmental awareness, and looking after the implementation of works relating to the environment, water supply systems and water courses.

Moving forward, each of the three levels of administration – municipalities, counties and central government – would have been responsible for the environmental duties suited to its own role: municipalities with duties promoting local participation and vitality, as well as small-scale environmental permits; counties with all regional development and promotion duties and services; and the central government with licensing and supervision

duties requiring judicial discretion and oversight of legality and public interest. The central government's duties were to be centralised into the National Licensing and Supervisory Authority (Luova), which was to be established for this purpose. The counties would have taken over environmental duties from both Regional Councils and ELY Centres.

In December 2016 and again in 2017, the ministerial working group on reforms changed the policy outlines concerning the division of duties with regard to the oversight of public interest and the organisation of duties relating to promotion of nature conservation. The deferral of the reform's entry into force and schedule changes created challenges for preparing and implementing the reform. While the counties and Luova were initially scheduled to start operations in 2019, the Government's most recent policy outline aimed for these to start up in 2021.

Based on the Government's policy outlines, the Ministry of the Environment drafted the following proposals for the Draft Bill for the Counties Act on the transfer of environmental duties to counties, including both specific sections and the rationale:

Counties' environmental duties would include regional planning and county land use planning; promoting municipal land use planning and construction; promoting biodiversity protection and managing cultural heritage sites; protecting water and marine resources; organising and implementing management of water and marine areas and maritime spatial planning; producing environmental information; and raising environmental awareness. Furthermore, each county would also be responsible for any duties relating to building supervision and organisation of environmental services assigned to the county by an agreement signed with all municipalities within its own region, provided the municipalities allocate funding for those duties.

In addition to legislative drafting work, the Ministry's experts participated in government-level preparations through various working groups set up to prepare the regional government reform and the National Licensing and Supervisory Authority (Luova). Among other things, the work involved drawing up descriptions of all of the counties' environmental duties and services and their customers, while also preparing various service descriptions of specific services. More resources were allocated to ICT systems development and interfaces between municipalities, counties and the central government were analysed. Preparations for the new Luova authority were carried out in cooperation with other steering bodies, while also looking into staff transfers and allocation of appropriations. Resources were also allocated to various joint government communications about the reform.

The ministerial transformation programme run by the Ministry of the Environment as part of the reform consisted of a legislative project on the one-stop shop service model,

project packages concerning Luova's and counties' environmental duties, production of environmental information in counties, etc. In its project packages, the Ministry worked together with the entire environmental administration to develop the practices, procedures and new types of cooperation models required for the new administrative structure and for discharging the relevant duties. Many development projects were targeted with a view to making their outputs useful in a flexible manner, irrespective of the final outcome of the regional government, health and social services reform.

The regional government reform was linked to a number of structural reforms within the mandate of the Ministry of the Environment geared towards improving on the current structure by creating significant added value for regional residents, the environment, interested parties as well as businesses. The aim was for a single national authority to assume responsibility for dealing with all key environmental permits, i.e. both ex-ante and ex-post control, in lieu of four AVI Agencies and thirteen ELY Centres. The reform is still necessary and would significantly boost the efficient processing and control of environmental permits.

Counties' environmental duties were to be integrated as part of their other duties, creating added value by merging environmental competencies as part of the other duties of multiplex counties. The objective in terms of environmental duties was to create an operating model where municipalities, counties and the central government would have worked together to ensure good environmental status.

The Ministry of the Environment organised the preparatory work around two teams, one focusing on reform coordination and the other on legislation. Almost 40 members of the Ministry's staff participated in the preparations at various stages and for varying periods of time, while its entire staff were also closely updated through internal communications. The Ministry's public officials participated in regional roadshows together with their counterparts from other ministries. The Ministry organised a number of negotiations and workshops within the regions to promote practical reform preparations. Written materials were produced to determine and develop the counties' duties. Projects to develop steering processes focused on preparing for changes in powers and duties by means such as drafting operating models.

Reform preparations for the entire environmental administration were carried out by its own coordination working group. The coordination working group was led by the Ministry of the Environment's Permanent Secretary and its members were appointed from the Ministry, the ELY Centres and the AVI Agencies. One of the members was a staff representative. Environmental administration staff were also provided with information on the reform's progress by organising several video-conferencing events. Reform progress

was also regularly discussed as part of duty-specific negotiations and at the meetings of environmental directors of the ELY Centres and the AVI Agencies.

4.10.8 Ministry of Education and Culture

The Ministry of Education and Culture drew up its sector's transformation programme, which brought together its key changes, contents and implementation measures within the regional government, health and social services reform. The primary themes in reform preparations included regional development and growth services; the research, development, innovation and education (RDI&E) transformation programme; promotion of culture; foresighting; physical activity counselling; youth workshop activities; student welfare services; the National Licensing and Supervisory Authority (Luova); and interfaces with the transformation programme for child and family services (LAPE). Reform preparations were carried out by the Ministry's public officials without any specific funding; only the RDI&E transformation programme received funding allocated to the regional government, health and social services reform preparations from the Ministry of Finance's budget item 28.70.05.

The Ministry of Education and Culture participated in drafting the Phase I and II legislative packages of the regional government reform. According to section 6 of the Counties Act, the key themes in this process relevant to the Ministry's own sector included regional development and growth services; promotion of culture (creative economy), foresighting, physical activity counselling, and Luova preparations. The multi-sectoral legislative drafting process supported the reform objectives and especially strengthened joint government-level work.

The Ministry carried out sectoral implementation preparations by participating in the reform's management and steering groups and in the government's transformation programmes. In addition to preparing the transformation programme in the Ministry's own sector, its experts were also involved in preparing the Regional Government Information Programme and the transformation programmes for regional development and for the National Licensing and Supervisory Authority. The preparatory work for the RDI&E transformation programme was carried out under its leadership. Alongside the above-mentioned programmes, the Ministry was also involved in developing the joint government steering programme. The results of this work were also presented in a column.

The Ministry of Education and Culture participated in reform communications at the government level while also enhancing effective and reliable communications processes within its own organisation. The Ministry communicated up-to-date information making diverse use of its existing channels, including its website and social media channels, presentation materials, as well as press releases and news items.

In February 2018, the Ministry launched a project entitled 'regional government reform and new cooperative structures to promote education and wellbeing (HYVINSIVI)', which was implemented within the framework of the government's analysis, assessment and research activities. The project was carried out by a consortium made up of MDI Public Ltd. and Spatia – Centre for Regional Research of the University of Eastern Finland. The HYVINSIVI project focused on the cooperation structures and functions created as part of the regional government reform in the field of education and culture. The project produced concrete cooperation models for areas such as student welfare services, physical and cultural activities, as well as the One-Stop Guidance Centers promoting young people's wellbeing. The project's results suggested that a common strategic course, cooperation and trust between service providers were the prerequisites for ensuring clients' easy access to services at the interfaces of educational and cultural services and health and social services within the future county structure. Effective services call for good leadership and service providers' capacity for change, bringing down boundaries between professionals representing different fields, a new type of division of work, as well as shared information systems. Providing good services at the interfaces requires leaders to commit to the cooperation model and to promoting services through cooperation. Political decision-makers and public officials need to have a common understanding of service integration. It was further noted that administrative structures are needed in support of joint development and of taking measures from words to action. In order to achieve smoother cooperation, information must flow more effectively between professionals from different fields, while training is also required. The key is to learn to operate in networks and draw on the expertise of professionals from different fields. A multidisciplinary operating environment challenges traditional ways of working. Cooperation involves people from different educational backgrounds, who are used to different organisational cultures. A shared service desk, for example, increases interaction between parties. In some cases, service integration and new operating models may secure services that are jeopardised for economic reasons.

In March 2017, the Ministry of Education and Culture set up a cooperation group on civilised municipalities to anticipate reform impacts, identify challenges for development, and make proposals on developing cooperation between municipalities and counties as well as on developing the status and participation of children and young people. Following the termination of the regional government, health and social services reform, the measures will be developed further as part of other national preparations.

The transformation programme created in support of the Ministry's preparatory work provided the reform process with a good collective platform and a tool for steering and preparing the reform. In parallel to the reform, the Ministry was also working on a quality management process within the Common Assessment Framework (CAF), and it was possible to create effective synergies between these preparatory processes. As of January

2017, the Ministry's joint regional affairs group (the 'AINO group') prepared the regional matters involved in the regional government, health and social services reform assigned to the Ministry's leadership and requiring its positions. The AINO group became a key platform for the Ministry's reform preparations. The reform placed emphasis on a multi-sectoral approach, which was not only needed at the government level but also within the Ministry, between its departments. As the AINO group has representatives from all of the Ministry's departments, the Ministry had a good framework for carrying out its preparatory work. The group's multi-sectoral approach played a crucial role, especially in terms of drafting the Phase I and II legislative packages. The AINO group drafted all of the Ministry's statements concerning the regional government, health and social services reform in a coordinated manner. The group also prepared the Ministry's transformation programme as part of the reform.

It will also be advisable to continue to promote cooperation structures, resources and operating models when implementing similar future government programme objectives at the government level. In the future, it will also be necessary to pay more attention to management by knowledge and information production relating to the contents of similar reforms and to develop effective processes and structures for this purpose while also allocating adequate resources to the operations.

4.11 Communications

The regional government, health and social services reform was a historically significant transformation project and its preparations had a bearing on a wide variety of stakeholders. Since the reform would have had a significant impact on Finnish society, public administration and services, the openness of the preparatory work was important from the start. Openness, in turn, called for well-designed multi-channel communications, fluent flows of information and interaction between all parties.

In addition to administration, the reform themes were, first and foremost, related to people's basic services, such as healthcare and social welfare and employment services. It was therefore necessary to communicate effectively about the reform to different target groups, while also tailoring contents for citizens. The main target groups for communications included the experts involved in reform preparations, decision-makers, the media and citizens, as well as the employees who were due to transfer to work for the counties.

4.11.1 Principles and objectives of communications

The guiding principles for communications within the regional government, health and social services reform included openness, reliability, intelligibility, equitability, speed, interaction and service orientation.

The reform communications aimed to:

- provide a wealth of information about the reform’s objectives, rationale and impact;
- ensure that regional parties and other stakeholders have the necessary and up-to-date information about the progress of preparations;
- communicate the necessary information about changes to the staff about to transfer to the counties;
- support interactive preparatory work, sharing of good practices and staff involvement;
- ensure that people have the necessary information about how the change will impact on their services.

4.11.2 Organising national communications

National communications about the regional government, health and social services reform were carried out systematically in close cooperation between the ministries’ top public officials and political decision-makers. Close and confidential cooperation with top leadership was the prerequisite for successful communications.

The ministries prepared communications in line with their respective responsibilities. Up until the summer of 2017, the reform was led by the Ministry of Social Affairs and Health. The most significant changes and, consequently, communications focused on health and social services legislation. As implementation and regional preparations progressed, the Ministry of Finance was appointed to assume responsibility for coordinating implementation and related communications as of the summer of 2017. At that point, separate communications groups were merged while also creating the first joint communications plan. Efforts were made to build closer and more effective ministerial preparations as well as cooperation in communications between health and social services and regional government preparations.

In addition to the Ministry of Finance and the Ministry of Social Affairs and Health, the Ministry of Economic Affairs and Employment, the Ministry of the Interior, the Ministry of the Environment, the Ministry of Agriculture and Forestry, the Ministry of Transport and Communications, and the Ministry of Education and Culture were responsible for communications within their respective areas of responsibility. Other parties

communicating about the reform included county service centres and several central government bodies.

In order to coordinate reform communications, a joint communications strategy was drawn up in the winter of 2017/2018. The strategy was divided into two sub-strategies: a communications strategy for the regional government reform and a communications strategy for the health and social services reform. The reform also had its own visual image and some common basic messages.

4.11.3 Networking with regions

Reform communications were planned and implemented in several networks. The key was to coordinate the communications measures of the ministries, regions and other organisations and to exchange information and ideas about good practices.

National communications about the regional government, health and social services reform were led through a national communications group as of autumn 2017. A regional communications network, in turn, provided a discussion forum and support for planning regional communications. Inter-ministerial cooperation was coordinated through an editorial board.

During the reform period, cooperation structures were created for planning and coordinating national and regional communications and for developing professional expertise. The joint networks also discussed themes such as communications with citizens and staff, organising a county's communications function, building a county brand, and linguistic questions relating to communications with residents. Important projects in terms of regional work included the Makufi project developing county website services and a project conceptualising county online services and creating contents for online communications. Networks also cooperated to draw up several recommendations relating to county communications.

4.11.4 Communications channels

As of 2015, the main channel for national communications was the alueuudistus.fi website, which was especially intended for experts and parties involved in reform preparations. The website published all contents concerning reform preparations, such as press releases, columns, meeting minutes and other background materials. In addition, the ministries also communicated through their own channels. In the spring of 2018, another website was opened at omamaakunta.fi for the purposes of communicating with citizens. The website also published an information package for decision-makers on the roles and

responsibilities of counties. The primary channels for regional communications included the websites of regional reform organisations.

Communications made active use of social media (Twitter, Facebook, YouTube) and visualisation of information. Reform newsletters were published regularly every two weeks. In addition, plenty of media events and various stakeholder events were also organised both nationally and regionally. Project leaders gave a number of interviews to the media while communications professionals were actively available to reporters. The Ministry of Finance also published video material on a regular basis via the MaakuntaTV ('CountyTV') series of online videos.

4.11.5 Conclusions

The regional government, health and social services reform was a very extensive project involving a wealth of information produced for various communications channels. It is likely that no previous government project has included as copious, diverse and wide-ranging communications efforts as the Sipilä Government's regional government, health and social services reform.

The separation of the health and social services and the regional government preparations in the early stages of the project was reflected in the planning and implementation of communications. The scale and impact of the reform were so extensive that it was difficult to outline as an integrated communications theme. To some extent, reform communications were divided into two distinct communications operations for the health and social services reform and for the regional government reform. As leadership responsibilities were clarified and cooperation became closer by the autumn of 2017, communications were planned together, which clarified the big picture and facilitated the flow of information between different parties.

The changes made to policies and timetables over the government term posed challenges for communications. The changes of the reform's course made it more difficult to clarify the objectives and the big picture and to plan communications. The complexity of the reform was also discussed in public. In its early stages, the project failed to reserve adequate resources for communications and their coordination. In the ministries, reasonable financial and staff resources were only allocated to communications after the midpoint of the government term. In the regions, the average level of communications resources remained low throughout the project.

One of the best achievements in terms of communications was effective network cooperation between communications professionals in different forums. An exceptionally wide range of national and regional public sector professionals were brought together

during the reform period. The networks created in the process and the work that they carried out can also be put to use in developing communications about public services within the existing structures. Should similar extensive projects be implemented in the future, the recommendation is to start investing in network cooperation in the early stages and to ensure that different organisations can participate in planning communications.

The scale of the regional government, health and social services reform, its social significance and engagement in people's everyday services made it an exceptional project for the Government. The ministries were operating in a new area when planning and implementing communications with citizens for such a sizeable project. In the future, any similar projects must pay special attention from the early stages to ensuring that they focus on the clarity of communications and contents intended for citizens and place the leadership of communications in the same organisation as project management from the outset.

4.12 Regional government, health and social services reform projects within the framework of the government's analysis, assessment and research activities

As part of implementing the 2017 Government plan for analysis, assessment and research (TEAS), a research programme was launched to support the preparatory work for the regional government, health and social services reform.

By nature, TEAS projects are cross-sectoral and relatively extensive packages lasting about one to two years. Their results are used in support of decision-making processes, either for reviewing existing policy actions or for anticipating future needs. Information needs are typically horizontal and cannot be funded by other means (such as through Government key projects). Annual spending on TEAS projects amounts to around EUR 9–10 million. The projects are guided by steering groups made up of representatives of different ministries.

From the perspective of regional government, health and social services reform preparations, the most extensive project package consisted of the following three sub-projects: A) implementation of the health, social services and regional government reform (SMUUTO); B) cooperation structures, operating models and steering methods in regional, health and social services (SOMAYRTTI); and C) steering models in counties (MOHJU). The sub-projects were carried out by a consortium led by MDI consultancy for regional development, which also included Frisky & Anjoy Oy and NHG Consulting Ltd.

Sub-project A aimed to update situation awareness of reform implementation on a continuous basis and to produce immediately usable information for preparing reform implementation both within the regions and nationally. By nature, the sub-project was developmental research. During the sub-project, the research team participated in reform preparations by compiling and updating situation awareness of regional preparations. The project's interim report was published in November 2017. The report focused on the first phase of the initial reform preparations up until the end of June 2017. In their report, the researchers also put forward conclusions and proposals for improvement in order to sharpen up reform implementation and further preparations. The project's final report was published in April 2019. The report summarised the experiences and views of the experts involved in the preparatory work concerning the preparations and progress made in the regional government, health and social services reform. Furthermore, the researchers put forward some conclusions and lessons to consider when planning and preparing future reforms.

The objective of sub-project B was to form an overview of regional and municipal preparations relating to the multi-provider model and interface cooperation. On the one hand, the sub-project assessed the current status and, on the other, it was developmental research aiming to identify universally applicable practices for interface cooperation based on certain client groups. At the same time, its aim was to produce practically oriented and immediately usable material for reform preparations. Its report was published in April 2018. The report dealt with cooperation structures in services intended for immigrants, long-term unemployed people and those with long-term illness.

The objective was to identify various prerequisites, barriers, opportunities and threats relating to the multi-provider model and interface cooperation. Furthermore, the researchers put forward some conclusions and views to support successful service integration and development of cooperation between different parties.

Sub-project C aimed to establish how to build a county's steering model in order to allow the service organiser to steer service provision as well as possible towards its own objectives. Its report was published in April 2018. The report described practical experiences of different steering models based on literature and expert interviews and surveys, while also assessing how these would support the achievement of the objectives of the health, social services and regional government reform from a service organiser's perspective. The report was divided into two parts, the first analysing the models for steering service provision and the second focusing on the property and ICT investment needs and different options for steering property investments.

In addition, several significant and extensive analysis, assessment and research projects were launched in support of regional government, health and social services reform preparations. These projects are listed in the table below.

| Project title | Allocated funding | Responsible official |
|---|-------------------------------|--|
| Structures for promoting social wellbeing as part of regional government, health and social services reform | EUR 200,000 1/2019–10/2020 | Eveliina Pöyhönen, Ministry of Social Affairs and Health (MSAH) |
| Identifying people with multiple service needs: what works, under what circumstances and with what client group? | EUR 298,565 2/2019–8/2020 | Taina Mäntyranta, MSAH |
| Promoting social wellbeing and its structures in the regional government, health and social services reform (SOWELLUS) | EUR 200,000 3/2019–10/2020 | Eveliina Pöyhönen, MSAH |
| Assessing the impact of multi-sectoral cooperation in young people's employment-promotion services (MONET) | EUR 150,000 1/2019–1/2020 | Janne Savolainen, Ministry of Economic Affairs and Employment (MEAE) |
| Child-centred budgeting | EUR 150,000 1/2019–3/2020 | Maria-Kaisa Aula, MSAH |
| MATTI – a monitoring, assessment and foresight model in support of regional preparedness and safety planning | EUR 149,999 3/2019–3/2020 | Hanna-Miina Sihvonen, Ministry of the Interior (MOI) |
| Harmonising long-term elderly services in counties (IKÄPIHA) | EUR 129,981 2/2019–12/2019 | Tero Tyni, Ministry of Finance (MOF) |
| Effectiveness in steering health and social services and growth services (VASKO) | EUR 169,922 2/2019–12/2019 | Kari Hakari, MOF |
| Development of appeals systems in local and regional government | EUR 98,100 9/2018–5/2019 | Eeva Mäenpää, MOF |
| Ensuring freedom of choice and value for clients in health and social services (VARVO) | EUR 189,733 2/2018–6/2019 | Vuokko Lehtimäki, MSAH |
| Organisational structures in the counties from the viewpoint of supporting RDI activities in health and social services | EUR 248,985 2/2018–8/2019 | Saara Leppinen, MSAH |
| Future knowledge management in counties | EUR 249,848 3/2018–5/2019 | Päivi Hämäläinen, MSAH |

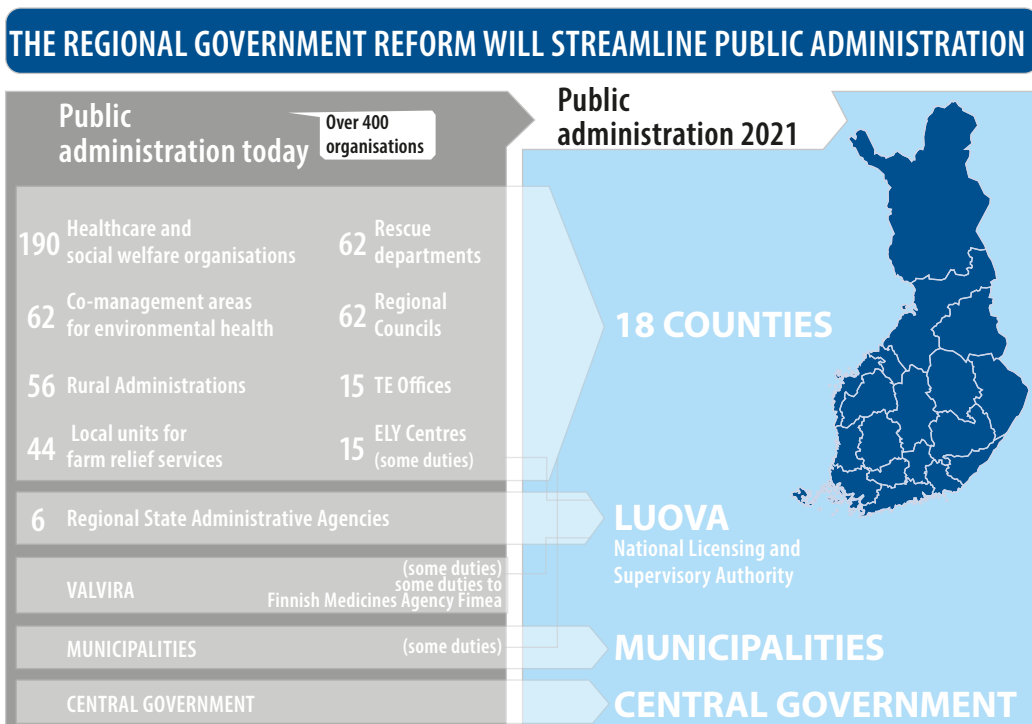
| Closed projects |
|---|
| Implementation of the health, social services and regional government reform (SMUUTO) (closed 4/2019) |
| Enabling the operation of cooperatives and non-profit organisations in health and social services (closed 2/2019) |
| Procedures for strategic choices in research and innovation activities (closed 1/2019) |
| Meal services for the elderly in a changing operating environment (closed 12/2018) |
| HYVINSIVI – Regional government reform and new cooperative structures to promote education and wellbeing (closed 9/2018) |
| Regional land use planning in the context of the regional government reform (AAMU) (closed 6/2018) |
| Optimised education and competence reform for professionals in health and social services (closed 5/2018) |
| The allocation, effects and fairness of client charges (closed 4/2018) |
| Cooperation structures, operating models and steering methods in regional, health and social services (SOMAYRTTI) (closed 4/2018) |
| Services promoting the health/wellbeing of children and young people provided in cooperation between healthcare, social welfare and educational services in different countries (closed 4/2018) |
| Steering models in counties (MOHJU) (closed 4/2018) |
| Organising housing arrangements and services for elderly people and special groups in the county model (closed 3/2018) |
| MindsTogether (closed 2/2018) |
| Adolescent depression, critical paths, and integrated implementation of evidence-based intervention to primary level (closed 2/2018) |
| Variations in the legal obligations of municipalities after the implementation of the health, social services and regional government reform (closed 1/2018) |
| Rehabilitative operating models in services for the elderly (closed 8/2017) |
| Redistribution of work – professionals and automation (closed 8/2017) |
| Client contacts with public services in Finland and five reference countries (closed 6/2017) |
| Alternative solutions available to the health and social services reform (closed 5/2017) |
| Pre-evaluation of personnel implications (closed 5/2017) |
| Effective supervision as part of the health and social services reform (closed 12/2016) |
| You learn by doing – promoting adoption of digital innovations in health and social services by culture of experimentation (KOHISE) (closed 12/2016) |
| Future scenarios as a basis for planning and decision-making in health and social services (MUUTOS) (closed 12/2016) |
| A national performance measurement framework for new health and social services (closed 12/2016) |
| Effects of integrating health and social services and client record systems (closed 12/2016) |
| Support for the health and social services reform: New health and social services (closed 12/2016) |
| Effectiveness, regional system, client orientation and cost-efficiency in the regional government reform (VAAKA) (closed 12/2016) |

Further information on the closed projects is available in Finnish at the website of the [Government's analysis, assessment and research activities](#).

5 Regional preparations for implementation

This chapter presents the preparatory work carried out in the regions to implement the regional government, health and social services reform. Regional preparations for the forthcoming reform involved preparatory work by almost 750 experts at the regional level. The preparatory work was carried out in view of the entry into force of new legislation and the startup of the new counties in January 2021. At the time of the reform’s failure, the counties were mostly ready to start up within the planned schedule.

Figure 4: Objectives of the regional government reform for public administration structures.



The regional preparations constituted a sizeable package of measures, including building a new administrative and functional implementation model. Among other things, the preparatory process covered putting together the organising and funding responsibilities and service packages to build 18 sets of machinery for county government. The primary goal was to prepare the measures by which the counties would, as of 1 January 2021, assume responsibility for:

- healthcare and social welfare;
- rescue services;
- environmental healthcare;
- duties relating to the food and natural resources sector;
- regional development and business promotion duties;
- county land use planning;
- promoting county identity and culture; and
- other regional services assigned to counties by law.



Figure 5: Division of duties in public administration as planned in the regional government, health and social services reform.

The scale and diversity of regional preparations are most clearly reflected in the final reports and preparatory documents drawn up by the regions. The preparatory work is described to varying extents on the websites of different Regional Councils.

The implementation themes described in this chapter are limited to the presentation of the results and conclusions from the request for information on the preparations sent to the regions at the end of March 2019. The areas covered in the request were grouped under the following five themes in keeping with the objectives set for the reform:

1. the role of multiplex counties in delivering effective public administration;
2. the service needs of residents as the basis for development;
3. residents and clients as active agents;
4. versatile service provision and competent staff; and
5. regional management of the reform process.

5.1 The role of multiplex counties in delivering effective public administration

5.1.1 Counties as organisers

One of the key structural issues in the regional government, health and social services reform was the separation of service organisers and providers. As a result, county government as an organiser and unincorporated county enterprises as providers could have optimised their organisations with regard to county operations. This would have made it possible to create both strong organisers and competitive providers at the same time.

An 'organiser' referred to a public authority and function included as part of a county corporation but separate from service provision. A 'provider', in turn, would have been responsible for dealing with the statutory duties and citizens' rights assigned to a county by law and for the use and allocation of the financial resources designated for the county's duties. The organiser's role was to manage: relationships with residents and clients; services (contents, quality, availability and accessibility, service pathways, client charges); providers (determining criteria and compensations for providers and approval, steering and supervision of providers); and finances.

The regions prepared the county organiser's political leadership models in many different ways. The Tampere Region (Pirkanmaa), for example, viewed the organiser's strength expressly in terms of the power of an elected county council, building the structures and operating model based on its preparatory standing committees so as to support this power. Conversely, the model being prepared in most regions for the purpose of making

decisions relating to the county's duties as an organiser was based on the example of municipalities, with county committees operating under the county executive. In addition to these two extremes, some regions devised hybrid models combining different institutional mechanisms.

In terms of the system's functionality, it was considered important that the organiser could steer provision in line with the specified strategic objectives. The role of a strong organiser was to ensure that the provision of services for county residents would be genuinely based on needs, irrespective of the market situation and the existing mode of service provision. In their preparations, however, regions did not base the steering of counties' own service provision on the internal management-by-contract approach familiar from municipal purchaser/provider models. While their plans included several different steering instruments, they assigned special importance to continuous dialogue and co-creation between the organiser and the provider. Several regions also aimed to build their steering model towards a value-based approach.

Some regions showed a clear desire to see the organiser as a coordinator of various county cooperation networks and their collaborative efforts – i.e. as a kind of builder of a county ecosystem. These regions were already engaged in active dialogue with the markets and other parties during the initial preparatory phase. By way of example, Central Finland was planning an 'ecosystem agreement', identifying key ecosystem parties, launching cooperation as planned to create mutual trust and cooperation practices between the parties, and developing cooperation structures.

Regions drafted handbooks for county organisers, organising plans and other documents describing counties as organisers. They also prepared a wide variety of tools to support organisers, including co-creation models, service pathway and service chain diagrams, preliminary impact assessment models, effectiveness indicators and models for implementing service coordination. The Helsinki-Uusimaa region, for example, tested the capability and preparedness of the organising function by simulating various challenging steering cases, such as the negotiation procedure between an organiser and an unincorporated county enterprise.

The method of separating the organiser and the provider and the significance assigned to this separation varied by region. Some of the regions emphasised the significance of separation, whereas others wanted to minimise the difference. Nevertheless, they all shared the view that one of the prerequisites for the reform's success was a sufficiently strong and competent organiser with the necessary management-by-knowledge and other such tools at its disposal.

5.1.2 County management by knowledge

The work started and the development plans produced in the development projects for counties' knowledge management and management by knowledge can, at least in part, be continued in the existing municipalities and joint municipal authorities. There is a need for further improvement in boosting the analytical capacities (availability and usability of information, and tools for making use of it) relating to forecasting future service use. A key point identified with regard to the quality of information is the need to generate consistent data, starting from a service transaction and its recording in a structured format.

Management from the perspective of a client's service pathway is seen as a key area for improvement in management by knowledge at the operational level. Bringing about a client-oriented and personalised management approach requires a large amount of linked data on the client's situation, the services being offered and the client's progress on their service pathway.

In terms of developing knowledge management, it is desirable for the parties providing, organising and steering services to have real-time access to the necessary information. The information should be easy to visualise, modify and reclassify interactively according to its intended purpose. Specialists should be able to receive information from their counterparts through 'consultation' without having to resort to methods such as referrals to send people from one specialist's office to the next.

Knowledge management calls for cooperation between different parties. It is crucial to ensure that different parties share information as a network. Information shared as part of the steering of providers, for example, plays a role as a basis for indicators and compensation models used in contracts. Parties should continuously provide each other with real-time information on jointly managed operations.

The contents of data specifications and the maintenance of specifications and common data models, such as steering indicators, require national consistency to guarantee smooth access to data in different use cases. Since knowledge management involves a number of different information systems and resources, this requires special attention in situations where a client's service chain includes several providers with different information systems.

There is evident demand for development of ICT services and platforms relating to knowledge management. Service needs can be seen in the areas of facilitating data integrations (such as data pools) and generating data products (such as wellbeing reports and business intelligence applications). It is also necessary to develop analytics and forecasting tools and models. Furthermore, central government organisations also need to improve data usability.

Management by knowledge and its development require both local and national efforts to build up information management, utilisation and analytics skills.

5.1.3 Trans-county cooperation

The future counties were expected to form five collaborative areas for healthcare and social welfare. In practical terms, preparations were launched and organised in preparatory working groups in all prospective collaborative areas. One of the first concrete measures was drafting cooperation agreements. These would have been concrete agreements that would have moved trans-county cooperation forward while also contributing to national objectives for healthcare and social welfare.

The first drafts of cooperation agreements had already been prepared, but the failure of the reform put an end to the process. Moving forward, it is possible that collaboration may, first and foremost, focus on determining the matters that can still be jointly agreed and the opportunities that cooperation will offer (such as efficient services, improved performance, new initiatives and co-creation). While traditional cooperation will also continue within the well-established specific catchment areas for specialised medical care as before, some of the areas have also shown interest in broader cooperation.

Key tasks for collaborative areas in healthcare and social welfare can be found in fields such as healthcare and social welfare duties requiring trans-regional centralisation, RDI&E cooperation with universities and other higher education institutions, joint ICT projects, preparedness, as well as organising services requiring specialist expertise (such as centres of expertise and support, demanding rehabilitation, and prehospital emergency medical services). The current regions have also cooperated in areas such as peer development of plans and descriptions relating to reform preparations and concrete collaborative preparations with regard to growth services, organising health and social services, NGO operating models, etc.

With the exception of health and social services, preparations for trans-county cooperation were mostly left to the efforts of individual regions. The preparatory process was hindered by the absence of legislation. While there were plenty of discussions and preparations for new forms of cooperation, definitive policies or decisions were eventually made in relatively few regions. There were also very considerable regional variations in the progress of preparations. This was due to several reasons. In some regions, cooperation preparations were affected by the fact that the boundaries of existing authorities did not coincide with regional boundaries. By way of example, the domain of the ELY Centre for South Ostrobothnia covers the regions of Ostrobothnia, South Ostrobothnia and Central Ostrobothnia, while the ELY Centre for Ostrobothnia operates in both Ostrobothnia and

Central Ostrobothnia. In other regions, different views on the direction of cooperation made it more difficult to launch cooperation with adjacent regions.

A few regions had also prepared trans-county duties other than health and social services to be primarily carried out in cooperation with their collaborative area. At the same time, however, some of the regions stated unequivocally that the collaborative areas for ELY Centre functions could not be the same as those for health and social services. There were also some services where regions wanted to deal independently with a specific duty that had previously been based on cooperation. Almost all of the regions took this position with regard to the Structural Funds, for example. As part of the regional preparations, some of the national duties would also have been decentralised to counties as a result of the regional state administration reform.

Although preparations for trans-county cooperation in regional government services remained at the level of discussions in many respects, some regions did create models and agreement templates for cooperation. By way of example, such a model was created for a road management cooperation between the Tampere Region (Pirkanmaa) and Kanta-Häme.

5.2 The service needs of residents as the basis for development

5.2.1 Shift in focus: from corrective to proactive measures

The regions mainly prepared for and moved towards the shift in focus from corrective to proactive measures through plans for restructuring service provision and for developing and modernising the functions relating to service provision.

Their plans and proposals for solutions were diverse and partially divergent, although there were also certain recurring themes. The key reason for the differences can be attributed to the diversity of regions and their varying service needs. The uniting factors mostly included the matters promoted through the Government's key projects. Furthermore, health and wellbeing promotion played a prominent role in proactive services in a few regions.

The key results concerning the service structure were primarily related to what kinds of locally accessible services would be offered. Plans for the priorities relevant to different areas within a region were created by means of segmenting client groups and studying service demand in different areas. Meeting elderly people's service needs, for example, was considered to require stronger efforts to introduce elderly services as part of the

provision of health and social services centres or in their close vicinity. At the same time, however, the locations and provision of unincorporated county enterprise units were examined with regard to the needs of different areas, concentrating or strengthening services based on what the population within each unit's area would most require.

In terms of service contents, major influences included the development measures carried out in two of the Government's key projects, i.e. the transformation programme for child and family services (LAPE) and the reform of home care for older people and enhancing informal care for all age groups (I&O). Several regions had developed plans to introduce an early intervention model for children's and young people's services. Likewise, the work carried out within the I&O key project to promote less intensive services provided at home was also reflected in the plans of several regions.

A number of regions had prepared an operating model for service coordination as one of the means to shift the focus. Effective service coordination aimed to improve early intervention in clients' problems or refer clients to the right services at an earlier stage.

Some regions had drawn up plans to develop primary-level services (health and social services centres, social services). A couple of regions had also participated in a programme run by Sitra, the Finnish Innovation Fund, to develop the competitiveness of health centres. In many places, the impossibility of carrying out measures in a municipality-based system became a specific challenge for service development. In other words, it would not have been possible to start implementing the necessary and appropriate measures until counties had become responsible for organising services.

5.2.2 Integrating services into packages adjusted to meet residents' needs

Integrating services to create timely and effective service packages was considered an important strategic choice, which is why it was one of the key areas for improvement in regional preparations.

Regions described and modelled service chains and packages with a view to harmonising and standardising practices. In many cases, the preparatory work was carried out with a phenomenon-based approach, enabling integration of health and social services. At the same time, regions were developing service coordination and client assistance practices, which would have made it possible to put an individual client's services together so as to meet their personal needs. Different regions were at very different stages in their preparatory work. Some focused their preparations on integrating health and social services. Others were able to move further and integrate health and social services with ELY Centre, TE Office, environmental healthcare and rescue services.

As a general rule, it was possible to make direct use of the development work carried out as part of the Government's key projects – the transformation programme for child and family services (LAPE), the reform of home care for older people and enhancing informal care for all age groups (I&O) and the career opportunities for people with partial work ability (OTE) – in service integration with some adjustments to each region's circumstances. ICT development needs were also identified. All regions appointed representatives to national development networks – the service integration network and the development network of service packages and service chains – and appreciated the discussions and exchanges of experiences within these. They also hoped to see the networks continue operations after the failure of the reform.

Service integration is the kind of work that can also continue within the current structures to some extent, making it possible to promote timely and effective services. However, this calls for a shared vision and agreement between municipalities within the same region. An organiser with a broad population base would be capable of developing services for different client groups on a more systematic and equitable basis. National cooperation and steering is required to avoid overlapping work that would lead in different directions. The Ministry of Social Affairs and Health and the National Institute for Health and Welfare are continuing to coordinate the networks.

5.2.3 Service access and availability

In practical terms, each region carried out preparatory work and produced draft versions concerning accessibility or the service network and its criteria, principles and objectives. Service pledge preparations were also integrally linked to this work. A wide variety of solutions were pursued to safeguard both physical and electronic access to services. Some regions also aimed to take the circumstances and perspectives of municipalities into account in the strategic planning of services.

Regions made diverse use of spatial data when outlining their physical service networks, with a view to identifying an optimised structure for their own area. They also aimed to accommodate the needs of other parties, such as the Social Insurance Institution of Finland (Kela), when locating services, in order to create the most effective system possible.

Each region developed digital services to improve services and operational efficiency. In order to promote the development and deployment of e-services, (national/regional) policies were drawn up on digital services while also assigning responsibilities and increasing resources for this purpose. Another objective was to ensure that the balance between organisers and providers, on the one hand, and counties and the central government, on the other, would be maintained with regard to the division of work into practical provision and development of services.

Voluntary joint municipal authorities stood out as distinct types of areas that were also capable of putting these plans into practice much more efficiently than other areas, which focused on preparation and planning.

5.2.4 Change in operating and working practices

Regional preparations involved the development of operating and working practices, new tools and changes to the division of work at the following three levels:

1. Separating the organisation and provision of services would have brought about a completely new kind of division of work and operating practice. In this model, political decision-makers would have steered provision by means of setting strategies and objectives and determining ground rules for the system in other respects. The preparatory work was not completed.
2. New working practices and new types of cooperation were created for development work. The contents of vitality and wellbeing were drafted with the county as a whole in mind, rather than each organisation optimising these from their own perspective. Working practices and planning work focused on making use of digitalisation, a culture of experimentation and thinking outside the box, as well as cost-efficiency. Involvement and dialogue of clients and all parties were strengthened: "Involvement is an attitude." The new approach to development work was expected to remain in place.
3. Regions put to use new service practices developed in the Government's key projects and as part of regional preparations. Most of these were related to service integration or the use of digital services. Further areas for improvement included:
 - a regional growth services pilot to secure the supply of skilled labour;
 - rural services operating in keeping with Lean teachings;
 - promoting easy access to services and developing counselling and guidance services as a whole;
 - deploying consistent methods (such as the Resourceful Family and other motivational operating models) or tools (indicators, digital services);
 - drawing up a consistent quality manual for elderly people's housing service units operating within a specific county.

A number of regions were able to prepare changes to operating and working practices consistently within their entire area for the first time. There is a risk that the developed and deployed operating models will become fragmented into specific municipal solutions and focused on optimising a single organisation's own operations.

5.2.5 Interfaces between counties and municipalities

The regions' reports highlight regional differences in the stage of interface work and the importance of key projects, such as the LAPE project, in this work. While regions managed to form networks for different parties and plans for interface development and structures, implementation was largely limited to activities guided by the key projects.

Regional differences in interfaces were reflected in the ability to identify interfaces, create network-based operating models and establish the operating models in place at the interfaces as permanent practice. At the lowest level, regions identified few interfaces and were only at the early stages of building cooperation between parties. Most of the regions managed to make progress in their interface work to reach a stage where networks had been created for the parties working at the interfaces by means such as leadership workshops and changes to management styles. Some of the regions identified quite a wide range of interfaces, including cultural wellbeing, vitality and growth services, but lacked practical measures and well-established structures. Some strong and well-established interface parties could also be found. In most cases, regions had identified the role of the third sector and engaged it in building the services.

Where regions had a strong regional vision of the model underpinning the services, they were capable of integrating interface work as a natural part of the regional government, health and social services reform. By way of example, Central Finland outlined and described its operations as a 'regional ecosystem', where networking and interfaces were seen to play a crucial role in terms of creating a strong county. The approach of placing clients front and centre was also associated with identifying and developing interfaces in the reports.

Development projects played a major role in all regions in terms of the development of interfaces. The LAPE key project, the family centre model, the NGO 2.0 project and wellbeing reports helped regions to identify and create interface structures. The LAPE project, in particular, is highlighted in regional reports as a project that made it possible to develop interface work and the operating models involved.

5.3 Residents and clients as active agents

5.3.1 Participation of residents and clients in county operations at different levels

Almost all regions had started to draft an inclusion plan or programme, which must be considered a key success factor in terms of preparations relating to democracy and participation. These documents determined the principles and key methods of participation. Most regions had especially focused their plans on interaction channels, client processes and special groups. The plans were characterised by a partnership approach and cooperation with various stakeholders. A couple of regions had described perspectives of inclusion in exemplary breadth, extending these from the client perspective to also cover elements of representative and direct participation and involvement in information.

All of the regions carried out their inclusion preparations in cooperation with the local NGO sector, while some had set up advisory bodies for NGO affairs or partnership round tables to provide structural support. Many had created links between inclusion preparations and measures aiming to promote health and wellbeing.

Most regions had either already set up or were planning to establish participatory bodies, i.e. councils for young, disabled and elderly people. Some of the regions had already had such bodies in place for a while, based on varying compositions and practices. Interactive participation structures had also been created or planned in order to promote multiculturalism, physical activity, or opportunities for children or students to exercise influence.

The inclusion preparations carried out by regions so far included plenty of preparatory work for client involvement. This can be partly attributed to the fact that the reform involved a lot of preparatory and development work focusing on client orientation, especially with regard to health and social services. Regional inclusion preparations also involved a large number of health and social services developers.

There was less time to focus preparations on the traditional democracy dimension, the resident perspective, or development of the processes and methods of representative democracy. This perspective would have emerged everywhere, if the reform legislation had been adopted and the county elections organised. Interaction with county councillors and their training from different perspectives would have been an important task in 2019 and 2020.

Nevertheless, the regions did work on the structures of representative democracy as part of their preparations for county government and decision-making processes. Conversely, the planning of interaction processes between decision-makers and citizens did not yet play a prominent role at this stage.

5.3.2 Prerequisites and operating models for implementing freedom of choice in counties

Freedom of choice was promoted by means of services voucher experiments and by preparing for the piloting exercise proposed in the Draft Bill for the Act on Freedom of Choice. The services voucher experiments (2017–2019) tested the elements of freedom of choice in ten regions within the existing legislative framework.

Services vouchers were used for primary-level health and social services, oral health services and personal budgets. All regions submitted their pilot project applications and made plans to apply the new freedom-of-choice model with regard to the packages included in their pilot projects. The freedom-of-choice pilots would have experimented with the choice of health and social services centre and oral health unit and with the use of services vouchers and personal budgets. There were also pilots of the most seamless service pathway possible in growth services.

Furthermore, some of the regions also made a lot of progress in drafting the documents in accordance with the Draft Bill for the Act on Freedom of Choice (administrative decisions, service descriptions, compensation models). In principle, operating models based on these can also be put to use in the current situation. It was possible to test some of the ICT systems required for freedom of choice during the experiments, but some challenges were still found in their functionality.

Some of the regions participated in Sitra's 'Tomorrow's Health Centre' coaching programme promoting the competitiveness of public health centres, which focused on strengthening the quality of services, positive client experience and competitiveness, etc. Means of creating added value for clients were also sought through service design. It is still considered necessary to move forward with the areas for improvement started as part of the reform.

While carrying out the experiments and preparing for the pilots, regions introduced new services vouchers and learned to use these more extensively. The experiments provided experiences from geographically challenging areas, while also helping to attract new service providers to smaller locations. Preparing joint operating models increased cooperation between the public, private and third sectors and between different public bodies. The Soteuttamo networking programme's events, organised in cooperation with Sitra and business representatives, were seen as a useful means of strengthening market dialogue and competence in businesses.

5.4 Versatile service provision and competent staff

5.4.1 Opportunities and barriers for versatile service structures in counties

As a key opportunity provided by the reform, the regions saw that a single organiser would have gathered all services in a single package, making it easier to coordinate clients' service needs than before. The key idea in the change of practices was to build a competitive multi-provider model. The aim was to improve the effectiveness of services by increasing competition between service providers and transparency in public service provision. The identified challenges included providers' competence, market management, creation of cooperation models and the need for a change in culture.

There were some regional differences in emphasis in terms of market approach. Some regions highlighted the role of the market from the perspective of a versatile service structure, whereas others focused more on developing their own service provision. This was naturally influenced by the baseline situation for making use of the market, but the regional strategic intent also played a role.

The role of NGOs as regional operators was considered important across the board, although it was still somewhat unclear. By way of example, Kymenlaakso outlined in its preparations that the primary role of a county organiser vis-à-vis NGOs was to ensure their viability. Universal funding would have allowed the organiser to freely decide on the allocation of the money and to purchase services from NGOs as service providers using the normal procurement procedure. In other words, NGOs could have operated as non-profit organisations or as service providers, or in both roles, as long as these two were separated. However, some of the NGOs found it complicated to divide their operations into non-profit activities and service provision. On the whole, NGOs were widely engaged in regional preparations.

Strategic procurement played an increasingly significant role in many regions' preparations. The ability of future counties to purchase services required by clients and to agree on extensive packages with partners became more pronounced. The preparatory work also promoted the opportunity for innovative procurement and the role of performance-based procurement. The goal in North Ostrobothnia, for example, was for the county to become a prominent public procurer of goods and services and a reliable and attractive partner. The county's procurements would create demanding packages and its procurement unit would become a strong strategic player. Some regions also studied the opportunities provided by various procurement partnership models (such as alliances).

The similar policies and provisions outlined for organising and providing both health and social services and growth services were hoped to create innovative service provision and new markets for parties such as businesses that would provide public services within

these functions. Several regions already conducted analyses of the markets for health and social services and growth services at the initial preparation phase in order to establish the market situation, develop the markets and assess the competitiveness of their own service provision.

There was general consensus about the fact that a versatile and effective service structure would require a strong enough organiser capable of identifying the kinds of processes and service innovations that would look at client needs as a whole.

5.4.2 HR policies in multiplex counties

There were considerable regional variations in the progress of drafting human resources policies. The regions where some staff members already worked for a joint municipal authority for health and social services were naturally ahead in this respect. By way of example, HR policies had already been in place for years in South Karelia, where about 93% of staff members were estimated to be employed by a joint municipal authority for health and social services. In other regions, the process of drafting HR policies was complicated by the fact that the 'transferring' organisations (municipalities, joint municipal authorities, ELY Centres, etc. due to transfer some of their staff to counties) were still responsible for staff at the initial preparation phase, while regional preparatory staff did not have precise information on details such as the staff due to be transferred.

Several regions drafted their HR strategies, programmes or policies as part of their county strategies. Policies were being drawn up paying special attention to staff transfers and the transition point when the counties were to start up. HR policy priorities included HR management, competence development, wellbeing at work and maintenance of work capacity, development of the staff's performance and capacity for renewal, staff productivity, and promotion of good workplace relations and trust between the employer and staff.

Change management coaching was underway in several regions while some already had completed plans to organise it. Coaching courses were initially intended mainly for managers. In many regions, change management coaching was carried out using sources of funding outside the discretionary government transfers for reform implementation, including projects funded by the Local Government Pensions Institution (Keva) and the European Social Fund (ESF). Coaching activities also produced various tools, such as a change management toolbox for South Ostrobothnia.

Staff communications played an increasingly significant role in all regions. Staff members' diverse and multi-channel participation was identified as one of the critical success factors across the board. However, there were variations in its implementation methods. The main

channels for staff communications included websites, newsletters, video clips intended for staff, social media channels and various staff events. Several regions also organised municipal roadshows that staff members working for transferring organisations were able to attend. Despite all these efforts, staff communications were bound to remain inadequate, at least in the largest regions. Responsibility for communicating information to the transferring organisations was left to their leaders and supervisors and it was not necessarily possible to ensure that information reached people in the correct form.

In addition to communications, staff participation in reform preparations was also considered important. Besides broad-based participation through representatives and trade unions, staff members were able to participate in preparations in many different ways. Furthermore, various cooperation and collaboration groups were set up for regional preparations. Staff views were also gauged through a number of surveys and interviews.

5.5 Regional management of the reform process

Several regions started their preparatory work as voluntary health and social services reform preparations and later extended it to cover regional government reform preparations. The challenges involved in preparing for multiplex counties were mostly related to the different organisational cultures in the existing bodies and to the nature of their duties. The opportunities, in turn, were primarily related to implementing management by knowledge and the county strategy, as exemplified by the interfaces between health and social services and growth services and a more comprehensive approach to promoting health and social services, culture, health and wellbeing than currently.

Regional directors of change management identified the inadequate powers of reform organisations as a significant barrier to implementation. This made it more difficult to obtain information and may have prevented contracts and procurements from covering the future county as a whole. Progress was hindered by the restrictive and ambiguous parameters of national funding and the preparatory staff's uncertainty about details such as the roles of service centres, especially in terms of ICT. Coordinating health and social services and regional government duties in the sector-independent preparatory themes was considered difficult, especially in terms of public procurement, ICT functions and multi-sectoral service coordination. Delays in the process created uncertainties among future staff and increased resistance to change. This also prevented or hindered normal development work in existing organisations.

Political support for reform preparations was guaranteed by groups made up of regional political decision-makers. The regional boards and assemblies played a strong role. In

several regions, politicians also sat on unofficial provisional preparatory bodies. The transformation process was managed by each region's reform organisation, made up of two to three directors of change management and preparatory staff focusing on the substance and ICT.

In order to promote HR policy and the reform process, several regions concentrated on the themes of change management, work capacity management and competence development. Preliminary information on public-service employment relationships and staff was collected as a basis for determining the principles of HR-related preparatory work. HR policy and management should support operational performance, including effectiveness, performance capacity, reform success and service quality. Moving forward, it is necessary to focus especially on proactive strategic planning and competence development.

Both residents and staff members were engaged in reform preparations. Attracting wide participation, inclusion forums looked at various means of inclusion from the perspectives of both residents' engagement and participation in democratic life. Client panels and experts by experience were also involved. Two regions worked on rural impact assessments. Associations and other NGOs were seen as important partners. The identified stakeholders included businesses, business development companies, higher education institutions and other schools, as well as public authorities.

In reform communications, regions experimented with various ways of disseminating information and interacting with different stakeholders. Alongside traditional communications (the web, email, newsletters, meetings, seminars), they tested their own current affairs videos, news digests, WhatsApp messaging, regional roadshows, digital platforms and social media tools. Communications were directed at residents, NGOs and staff. The transparent and experimental communications gathered praise from various stakeholders.

The reform's standstill during the government term resulted in a lack of confidence among regional preparatory staff in decision-making at the national level. The need for reform has not gone away. It is also possible to make use of the outputs and experiences of the reform process in future.

5.5.1 Conclusions

The request for information sent to the regions elicited information on the most significant preparatory themes, good practices already identified during the preparatory phase and lessons for further preparations. One of the prerequisites for the reform's success was considered to be a sufficiently strong and competent organiser with the necessary management-by-knowledge and other such tools at its disposal. There was general consensus about the fact that a versatile and effective service structure would require a strong organiser capable of building processes and service innovations based on client needs.

According to the regions' experiences, the contents of data specifications and the maintenance of data specifications and common data models require national consistency to guarantee smooth access to data in different use cases. Since knowledge management involves a number of different information systems and resources, this requires special attention in situations where a client's service chain includes several providers with different information systems.

With the exception of health and social services, preparations for trans-county cooperation were mostly left to the efforts of individual regions. The preparatory process was hindered by the absence of legislation. While there were plenty of discussions and preparations for new forms of cooperation, definitive policies or decisions were eventually made in relatively few regions. In terms of service contents, major influences included the development measures carried out in the Government's LAPE and I&O key projects. Several regions developed plans to introduce an early intervention model for children's and young people's services. Likewise, the I&O key project's work to promote less intensive services provided at home was also reflected in the plans of several regions.

A number of regions were able to prepare changes to operating and working practices consistently within their entire area for the first time.

Almost all regions had started to draft an inclusion plan or programme, which must be considered a key success factor in terms of preparations relating to democracy and participation. These determined the principles and key methods of participation. Most regions had especially focused their plans on interaction channels, client processes and special groups. The plans were characterised by a partnership approach and cooperation with various stakeholders. Staff communications played an increasingly significant role in all regions. Staff members' diverse and multi-channel participation was identified as one of the critical success factors across the board.

Regional directors of change management identified the inadequate powers of reform organisations as a significant barrier to implementation of many of the themes being prepared. This made it more difficult to obtain information, for example. Progress in the preparatory work was hindered by the restrictive and ambiguous parameters of national funding and the preparatory staff's uncertainty about details such as the roles of service centres. Coordinating health and social services and regional government duties in the sector-independent preparatory themes was considered difficult, especially in terms of public procurement, ICT functions and multi-sectoral service coordination. Delays in the process created uncertainties among future staff and increased resistance to change. This also prevented or hindered normal development work in existing organisations.

6 Organising the reform

Chapter six presents the organisational and management model for national implementation of the regional government, health and social services reform and the situation centre model for coordinating preparatory work. The chapter also describes the launch and organisation of regional preparations as well as conclusions.

6.1 National level

The government's preparatory work for reform implementation was guided by the framework plan for implementing the regional government, health and social services reform. The framework plan set out specific policies and priorities for reform implementation and its management system. The first framework plan for implementation was adopted by the project management group in May 2017. The plan was updated on three occasions.

6.1.1 Project management

The project was managed by Tuomas Pöysti as of October 2015. For the first two years, Pöysti was based at the Ministry of Social Affairs and Health and then moved on to the Ministry of Finance. The Project Manager was responsible for managing the establishment of autonomous regions as part of the health and social services reform and Ministry of Finance preparations for the regional government reform. His duties also included ensuring that the relevant minister was presented with details of coordinating the legislative drafting process and other reform preparations. Tuomas Pöysti functioned as Project Manager up until the end of 2017, when he moved on to become Chancellor of Justice.

Permanent Under-Secretary Päivi Nerg took over as Project Manager in January 2018. The Project Manager was responsible for strategic management of implementation, including management and coordination of reform preparations by public officials and its

implementation. The Project Manager was also expected to present and report matters to the ministerial working group on reforms and to the Cabinet Committee on Economic Policy. In practical terms, the Project Manager's duties involved plenty of coordination between the Government and Parliament, as the legislative drafting process continued through to the end of the reform project.

6.1.2 Reform management model from 2015 to 2017

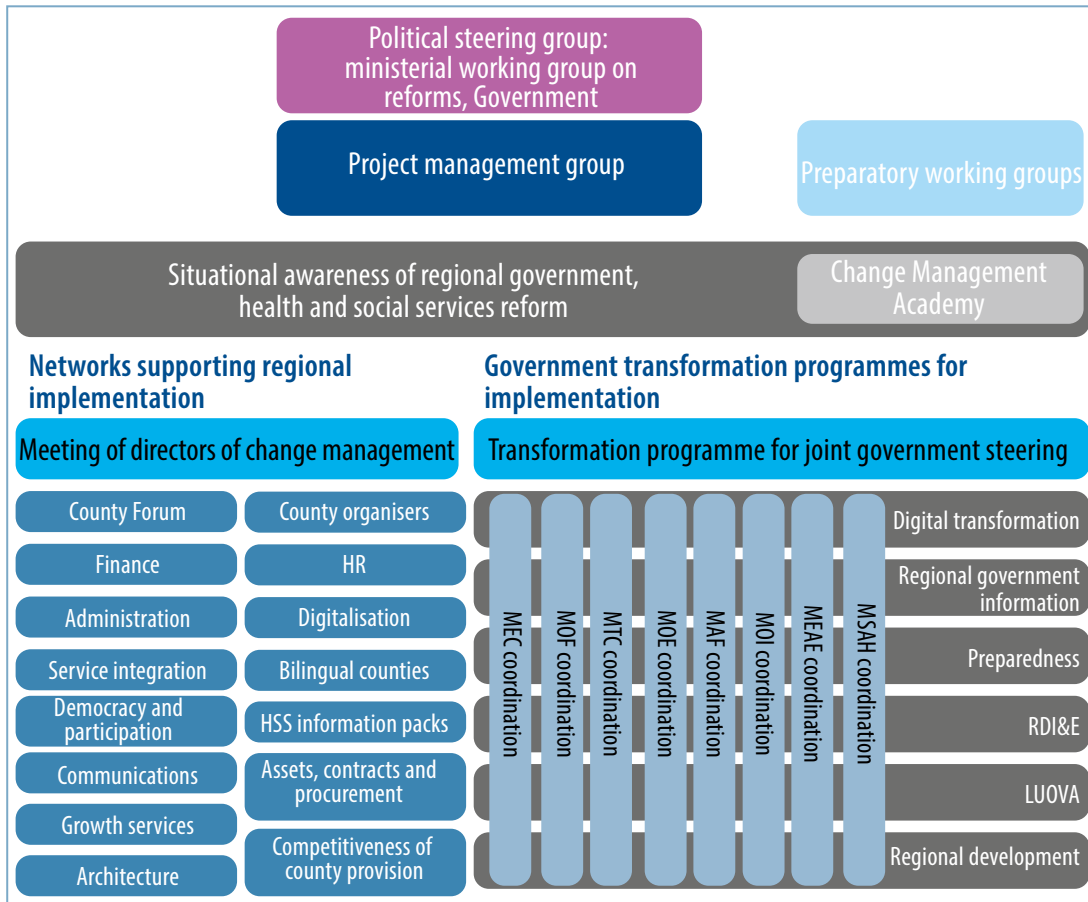
In April 2016, the Government adopted policy outlines for the health, social services and regional government reform, launching the concrete legislative drafting process and implementation preparations.

At the early stages of reform preparations, there were two separate project groups on the health and social services reform and the regional government reform, which were responsible for carrying out reform preparations and implementation, drafting proposals for the Government's legislative proposals, and determining the interrelationships between legislative proposals. The project groups had subordinate working groups responsible for preparatory work on different themes of the health, social services and regional government reform, such as regional divisions, the Organisation Act and the Implementation Act, the Counties Act and financial provisions. Within the ministries, reform implementation was initially prepared by the separate preparatory working groups on the regional government reform and on the health and social services reform. In the autumn of 2017, these preparatory organisations were merged into a new project management group for the regional government, health and social services reform.

6.1.3 Reform management model from 2018 onwards

The reform management model and organisation were gradually updated in the autumn of 2017 and in early 2018. The focus of the reform shifted from the legislative drafting phase to implementation, which called for updating the government-level organisational structure. The organisational model for implementation and the division of powers and responsibilities were clarified while strengthening the role of regional reform organisations. All of the ministries involved in reform implementation were more closely engaged in the joint government implementation efforts, the project management group's work and the situation centre's operations. The implementation organisation was based on the framework plan for implementation prepared in the autumn of 2017.

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Abbreviations

HSS = health and social services, MAF = Ministry of Agriculture and Forestry, MEAE = Ministry of Economic Affairs and Employment, MEC = Ministry of Education and Culture, MOE = Ministry of the Environment, MOF = Ministry of Finance, MOI = Ministry of the Interior, MSAH = Ministry of Social Affairs and Health, MTC = Ministry of Transport and Communications

Figure 6: Organising the implementation of the regional government, health and social services reform in 2018–2019.

Organisation of the implementation of the regional government, health and social services reform was divided into strategic and operational levels. Strategic decisions were made by the ministerial working group on reforms and by the Project Manager and project management group for the regional government, health and social services reform. The role of the project management group was to lead the public officials’ preparatory work, ensure the project’s progress and resource allocation and achievement of its objectives, and to coordinate the work in the relevant ministries. The project management group was chaired by the Project Manager and it consisted of representatives from all of the ministries involved in implementing the reform. The project management group oversaw the operational implementation preparations as a whole.

The operational level of implementation consisted of networks supporting regional preparations, ministries’ cross-sectoral transformation programmes and supplementary

preparations carried out within different ministries. The operational level was coordinated by the situation centre for the regional government, health and social services reform, which was responsible for ensuring that matters prepared as part of the networks, transformation programmes and supplementary ministerial preparations would be forwarded for decision by the project management group. The situation centre's broad-based preparatory team (the 'strategic situation centre') ensured that information flowed between different ministries and that matters from different administrative branches would be forwarded for decision by the management group.

The preparatory work for implementing the regional government, health and social services reform was carried out by preparatory staff from regions, ministries, central government agencies and municipalities. During the period from 2018 to 2019, regional implementation efforts employed about 750 preparatory staff, while ministries had assigned more than 100 public officials to the government's joint situation centre responsible for reform coordination. Additionally, about 100 experts worked at the counties' shared service centres. While the number of experts involved in various working groups was not estimated separately, they probably amounted to several thousand, counting all those involved in regional preparations throughout Finland.

6.1.4 Conclusions

Experiences of the management system were mostly positive. The separation of strategic and operational management and expanding the role of management can be considered justifiable in reform of this scale. Furthermore, strengthening the role of operational management was found to have increased coordination of different ministerial measures. However, coordination improved gradually during the process, rather than overnight. The organisation of the transformation programmes can also be considered partially successful. The programmes introduced clearer reporting and management structures to the previously project-based preparatory process. The programmes were organised following the example of the digital transformation programme and its organisation.

However, the organisation was not completely devoid of problems. Examples of problems in the organisational model included:

- The flow of information between strategic and operational management was inadequate. Despite the management group's efforts, day-to-day management had problems with the flow of information from the project's strategic management to the operational level. These were mostly due to the unfinished legislative drafting process and its links to national implementation preparations or regional preparations. The ministerial line organisations were best informed of the progress of

legislative drafting, but the same information was not available to the project management responsible for implementation. In practical terms, this was reflected in the fact that overall situation awareness of the reform was scattered across the organisational structure.

- The division of work between ministerial line organisations and project organisations was unclear. Implementation preparations were hindered by the fact that the relationship between ministerial line organisations and project-like implementation preparations was not fully functional, which was partly due to the parallel legislative drafting process.
- Coordination between transformation programmes was inadequate. While organising the implementation preparations into transformation programmes improved the internal cohesion of their preparatory work, the boundaries were partly relocated in between the programmes, leading to inadequate flows of information between them. To some extent, boundaries were also created due to a lack of coordination structures and shortcomings in common policy outlines.

Experiences of different parties of the management of reform preparations are described in further detail in a report produced as part of the government's analysis, assessment and research activities ("Maakunta- ja sote-uudistuksen valmistelun tuki" [Support for the preparation of the regional government, health and social services reform, in Finnish]).

6.2 Working groups

A total of 37 working groups were set up for the purpose of preparing the regional government, health and social services reform. The working groups were made up of ministerial public officials and various partners (THL, Kela, NGOs, AVI Agencies, Valvira, the Association of Finnish Local and Regional Authorities, etc.), except for the parliamentary monitoring group on the health and social services reform, which had representatives from all parliamentary parties. The working groups and various steering and management groups also included regional representatives appointed so as to ensure that the different groups included representatives from all of the 18 future counties.

The role of the working groups was to ensure reform implementation at the national level. Each group was assigned objectives and a timetable within which it was expected to complete its preparatory work. Some of the groups also had sub-working groups.

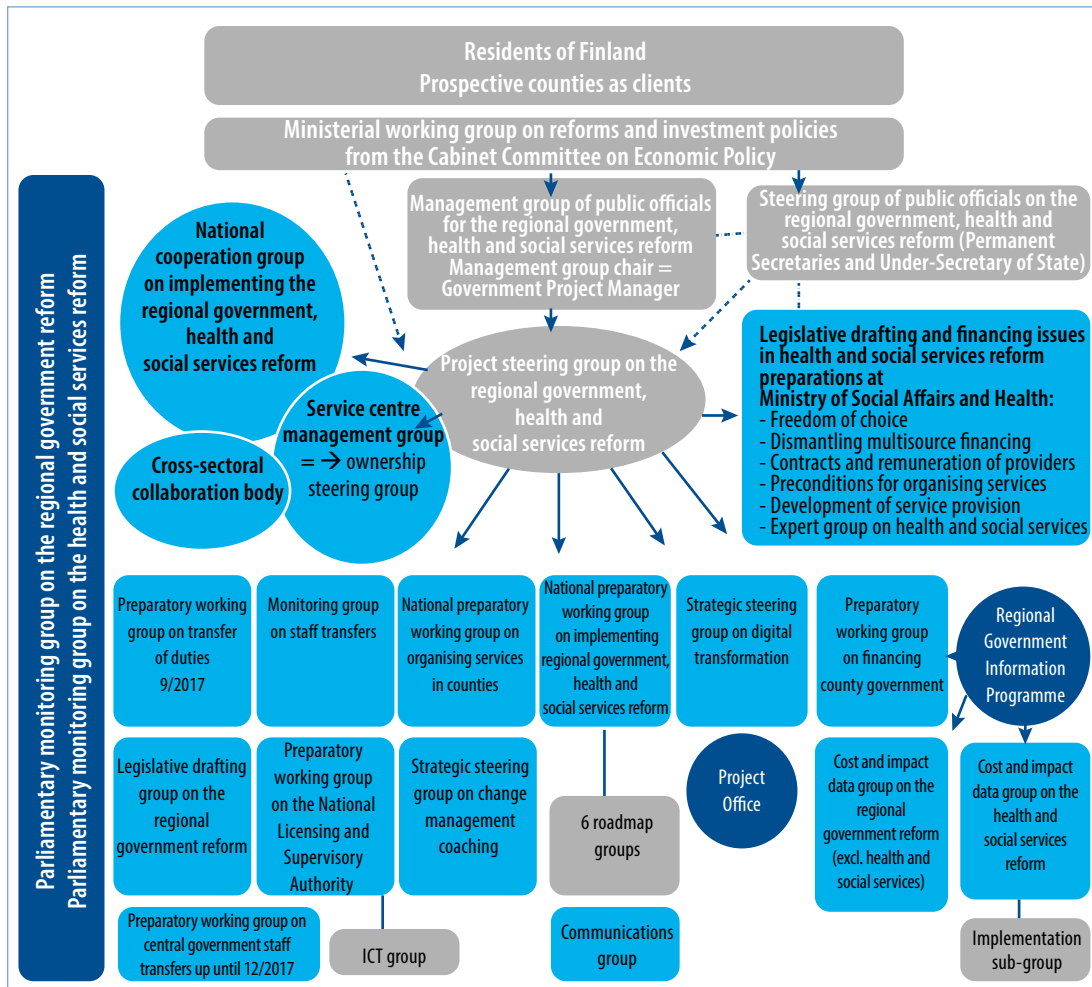


Figure 7: Organisation of the regional government, health and social services reform in 2016–2017.

6.3 The reform situation centre and its operations

The situation centre model was launched in the autumn of 2017. The situation centre was a workspace and virtual centre for joint government preparations which was made available to representatives from all ministries involved in the reform, central government regional administration, service centres, the Change Management Academy, as well as from the Association of Finnish Local and Regional Authorities and Local Government Employers KT. The role of the situation centre was to coordinate transformation programme preparations, provide support for networks, plan the use of reform resources, and develop its own operations.

The situation centre prioritised and coordinated measures that supported the transformation process from the perspectives of the objectives of reform implementation and regional preparations.

Another key task of the situation centre was to keep situation awareness of the reform as real-time as possible and make it available for use by project leadership and regions. Responsibility for developing and organising the situation centre's operations was assigned to the directors of change management for the regional government reform and the health and social services reform.

As a workspace, the situation centre was a permanent workplace for about a dozen public officials assigned by the Ministry of Finance and the Ministry of Social Affairs and Health to work on the reform fulltime, as well as for four employees from the Change Management Academy. In addition, about another hundred ministerial and service centre experts had access to the situation centre. The workspace was used more actively in the early stages, but once the situation centre moved to smaller premises, its users shrank to the staff permanently assigned to the centre. The situation centre communicated about the reform's progress at its weekly coffee meetings, organised the Project Manager's Skype briefings and maintained the Tiimeri workspace for those involved in reform preparations.

6.3.1 Conclusions

As a general rule, the situation centre was a successful solution as an operating model. However, it still has some room for improvement. When planning similar models, it is necessary to pay attention to aspects such as management, powers, technical solutions and working methods that allow for both fixed and ad-hoc meetings.

Furthermore, the situation centre mostly existed to prepare the implementation of the regional government, health and social services reform. Should future preparatory work for reforms and government programmes be organised on the basis of the situation centre model, it would be advisable to ensure that legislative drafting is also sufficiently included in joint coordination and preparations.

It should also be noted that, as an operating model, a situation centre will not work on its own; instead, it requires constant commitment to the operating model from the parties assigned to the centre, open discussions about the contents, opportunities to exert influence and collection of information not otherwise available for joint preparations.

6.4 Management and organisation of regional preparations

Regional preparations were managed in many different ways in different regions, while there were also regional variations in the types of preparatory organisations. In the early stages, the reform was mostly prepared in cooperation with municipalities and joint municipal authorities. Starting from the autumn of 2016, the reform was primarily organised under the Regional Councils. This was also due to the decision to channel central government funding for the reform through the Regional Councils.

As a general rule, regional preparations were managed such that the regions appointed a management group of public officials, with representation from the 'transferring' organisations. In almost all of the regions, this management group would have become the provisional preparatory body once the relevant legislation had entered into force. In addition to the management group of public officials, all regions had appointed a political steering or management group. In most cases, the role of the political steering or management group was assumed by the Board of the Regional Council, supplemented with members of political parties not currently represented on the Board, for example. As a general rule, however, the Regional Councils and their directors did not function as operational managers of the reform organisations, although they had been given the administrative management role.

The level of commitment to reform preparations among the transferring organisations (municipalities, joint municipal authorities, ELY Centres, etc.) varied very considerably by region at the initial preparation phase. This resulted in differences in the progress of regional preparations. The situation centre monitored the progress of regional preparations on a regular basis. A situation awareness report of the preparatory work by region was published on two occasions.

In most cases, regional preparatory work for the transformation was managed by directors of change management. Most regions had two directors of change management, one responsible for health and social services and the other for the regional government reform. The role of the regional directors of change management was strengthened at the point when national preparations were reorganised in early 2018. At the time, their dedicated network, i.e. the meeting of the directors of change management, was given a stronger role in organising implementation, among other things. The meeting of the directors of change management discussed key issues relevant to regional preparations under the leadership of the government's directors of change management for the regional government reform and the health and social services reform. Where necessary, the positions adopted by the meetings of the directors of change management were submitted to the project steering group for consideration and for specification of policy outlines.

6.4.1 Conclusions

There were major regional differences in initial preparations. To some extent, regional preparations were left too much at the free discretion of the regions and to depend on the willingness of the transferring organisations to participate in the preparatory work.

The role of the regional preparatory organisations in reform implementation became stronger when the meeting of the directors of change management was included as part of regional change support. At the same time, cooperation between the government's preparatory work and regional preparations improved, increasing mutual trust. The meetings of the directors of change management were attended by the Project Manager, in particular, but also by other responsible ministers as required.

7 Funding of reform preparations

This chapter on the funding of reform preparations describes the allocation of financial resources reserved for preparations to regional preparations, ICT preparations and service centres.

7.1 Use of the budget item for support and steering of regional government, health and social services reform preparations and implementation

In keeping with the decision made by the Government in its 2016 budget session, funding for the health, social services and regional government reform was gathered under one budget item as of 2017. The minutes of the government budget session outlined the matter as follows:

“The Government hereby decides, starting from the 2017 Budget, to bring the funding for digitalisation and change in practices within the health, social services and regional government reform together under a single budget item as a transformation programme to support the reforms. According to the Government’s decisions, the funding under the item will be available to the health and social services reform and the regional government reform such that the Ministry of Finance and the Ministry of Social Affairs and Health will each be involved in deciding on the more specific use of the resources.”

The proposal for a new item to be inserted into the Ministry of Finance’s main title was included in the amendment to the budget proposal submitted by the Government for 2017. The total appropriations provided under item 28.70.05 amounted to EUR 53,300,000 in 2017 and to EUR 198,970,000 in 2018. In the 2019 Budget, this appropriation amounts to EUR 211,015,000.

While the details of the criteria for the use of appropriations changed slightly every year, their intended uses remained mostly unchanged. The 2019 Budget determined that the appropriation could be used:

“1) to cover expenses arising from preparations for the regional government reform and the health and social services reform, from the steering of the preparatory work and training, as well as from development and experimental projects relating to preparations and implementation;

2) to cover discretionary government transfers for the purpose of establishing the provisional preparatory bodies for counties, as well as for regional operations and for implementation required by the reform;

3) to prepare for the establishment and operations of counties’ national service centres, as well as to arrange and develop shared services;

4) to cover transfers to municipalities, joint municipal authorities and service centres for the costs of reform preparations, as well as to pay equity to service centres; and

5) to pay compensation to the Social Insurance Institution of Finland for implementing the information system changes required for the reform. The appropriation may also be used to hire staff.”

The actual use of budget item 28.70.05 as at April 2019 is shown below.

| Budget estimate | Item 28.70.05 | Spent | Spent | Spent | Spent |
|-----------------|---------------|------------|-------------|------------|-------------|
| | Appropriation | 2017 | 2018 | 4/2019* | Total |
| EUR | | | | | |
| 2017 | 53,300,000 | 37,358,400 | 4,869,500 | 1,763,000 | 43,990,900 |
| 2018 | 198,970,000 | | 144,432,500 | 1,465,000 | 145,897,500 |
| 2019 | 211,015,000 | | | 8,215,000 | 8,215,000 |
| | 463,285,000 | 37,358,400 | 149,302,000 | 11,443,000 | 198,103,400 |

Table 1: Use of the budget item for the regional government, health and social services reform in 2017–2019.

*According to an estimate made in April, further costs incurred during 2019 will amount to another EUR 10–15 million. The amount of transfers paid to the Regional Councils that may potentially be recovered is yet to be estimated.

About EUR 68 million of the appropriation under item 28.70.05 spent by the end of April 2019 had been paid to the Regional Councils for general initial preparations. About EUR 96 million had been allocated to the Regional Councils to support regional ICT transformation. The Ministry of Finance and the Ministry of Social Affairs and Health spent about EUR 4.5

million on change support for and general steering and coordination of the reform. These ministries also spent about another EUR 4.8 million on coordination, steering and other preparations relating to ICT. The actual costs incurred by the end of April 2019 amounted to about EUR 1.8 million for the Regional Government Information Programme, expansion of the knowledge base in health and social services and management by knowledge in regional growth services and to about EUR 8.3 million for other national ICT projects. The amount spent from the above-mentioned budget item on the counties' service centres was about EUR 12 million (preparation costs and Vimana's capitalisation). The actual costs of change management coaching amounted to around one million euros.

Since further costs will arise from currently effective contracts and measures relating to terminating the reform, the April 2019 figures are not yet final. Furthermore, the unused portion of the transfers paid to regions will be recovered, but its amount cannot as yet be estimated. The allocation of funding for initial county preparations and ICT preparations is described in more detail below.

7.2 Transfers for initial county preparations

Over the period from 2017 to 2019, the Ministry of Finance granted Regional Councils transfers under the Act on Discretionary Government Transfers (688/2001) for the purpose of covering the costs arising from general initial preparations for the future counties. The amounts granted by seven different decisions for general initial county preparations amounted to about EUR 68.3 million in total.

Discretionary government transfers were granted on application for pre-approved and specified preparation costs relating to the establishment of a county. Each decision provided each region with an equal amount as a basic grant component, in addition to which the total grant was based on the numbers of municipalities and residents within the region (first three decisions) or its population (last four decisions).

The condition for granting the transfer was that the Regional Councils would commit to implementing the measures as laid out in their applications. In their applications, the Regional Councils were expected to itemise the estimated initial preparation costs into wages and salaries, purchases of services, travel and accommodation costs, rents of facilities, or other expenses (including materials, supplies and goods).

The Regional Councils' self-financing proportion of the preparation costs was gradually reduced from 30% to zero. The last two discretionary government transfer decisions did not require any self-financing proportion from the Regional Councils for the use of the grants.

The discretionary government transfer decisions specified that the grants be used during the reform's initial preparation phase. The Regional Councils were required to use the grants by the time when their provisional preparatory bodies were to be established and, where required, within no more than two months after their establishment for costs arising from initial preparations, unless otherwise decided by the relevant provisional preparatory body. On 20 March 2019, following the lapse of the reform, the Ministry of Finance issued instructions under section 37 of the Act on Discretionary Government Transfers on the use of the transfers. According to the instructions, the funding granted for initial county preparations could be used for the period of time required to appropriately terminate the measures in keeping with its purpose as specified in the transfer decision, but no later than 31 December 2019.

When reporting on the use of the initial preparation transfers, each recipient is required to demonstrate, in accordance with section 13 of the Act on Discretionary Government Transfers, that the transfer was used for a purpose in keeping with the discretionary government transfer decision. Any possible transfer or its portion that may have been left unused or paid in excess must be repaid in accordance with section 20 of the Act on Discretionary Government Transfers.

7.3 Regional ICT grants, funding for national ICT projects and capitalisation of service centres

Funding for digital transformation as part of the regional government, health and social services reform was gathered under the Ministry of Finance's main title item 28.70.05. Funding for digital transformation was allocated to various parties (ministries, agencies, companies and Kela) for projects to be implemented at the national level and to the Regional Councils for tasks to be prepared and implemented at the regional level. The budget item was also used to cover the capitalisation of Vimana Oy, the costs of national steering, support and architecture preparations relating to digital transformation as well as the labour costs of the digital transformation programme.

The use of the funding for projects relating to the planned counties to be implemented at the national level was outlined in the ministries' joint budget allocation table for the appropriation item. Funding for measures to be prepared at the regional level was granted in the form of discretionary government transfers on the basis of the regional ICT transformation plans.

The funding granted in the Budgets and supplementary budgets for preparing and implementing ICT transformation amounted to EUR 17 million in 2017, EUR 132.3 million in 2018, and EUR 98.15 million in 2019. In addition, the 2018 supplementary budget granted another EUR 15 million for implementing ICT transformation and consolidating information systems in view of the establishment of counties.

Of the 2017 appropriation, the ministries' allocation scheme distributed EUR 15 million to regional ICT transformation preparations and EUR 2 million to national steering, support and architecture.

Of the 2018 appropriation, the ministries' budget allocation table distributed EUR 100 million to regional ICT transformation preparations, EUR 19.35 million to national project planning and EUR 10.65 million to capitalisation in order to establish Vimana Oy. An additional EUR 2.3 million was allocated to national ICT transformation steering, support and architecture (Ministry of Finance + Ministry of Social Affairs and Health). Municipalities received EUR 2.5 million for information management transformation measures, while another EUR 1 million was granted to preparations for the counties' service centre for finance and human resources management.

The unused portion of the appropriation allocated to digital transformation was estimated at about EUR 40 million. Of the funding granted in the 2017 and 2018 Budgets, an estimated total of about EUR 25 million was left unused, while the unused portion of the funding granted in the 2018 supplementary budget was estimated at EUR 15 million. Recoveries and repayments may still change the portion of appropriation left unused. The key reason for this was the slow-down in the allocation of resources to and progress of preparations and implementation in both regional and national ICT preparation projects as the reform timetable was deferred.

None of the funding granted for digital transformation in the 2019 Budget (EUR 98.15 million) was used and the budget allocation table was not implemented.

7.3.1 Funding for national ICT projects

The national projects run by ministries received a total of EUR 16.46 million from the 2018 budget appropriation. Such projects were carried out in the administrative branches of the Ministry of Social Affairs and Health, the Ministry of Finance and the Ministry of Economic Affairs and Employment. The final data on the use of this funding will be specified as the ministries report on its use during 2019. Any unused funds will have to be repaid.

The funding granted for national ICT steering, support and architecture development spent by the Ministry of Finance in 2017, 2018 and early 2019 amounted to a total of about EUR 1.6 million.

7.3.2 Support for regional ICT transformation

In 2017, about EUR 15 million was granted to support regional ICT transformation in the form of discretionary government transfers. The actual use amounted to EUR 12.22 million. In addition, any unused or excess amounts will be recovered.

In 2018, the total amount of grants was EUR 83 million. In addition, a specific funding decision was made in 2019 to grant EUR 1.35 million to the Helsinki-Uusimaa region from the 2018 appropriation. The use of funding will remain below the total amount granted in 2018, because preparations clearly slowed down towards the end of the year. The final data on the use of 2018 funding for regional ICT transformation preparations will be available no later than early 2020.

The central government committed to funding the mandatory ICT changes to be made in the regions due to the regional government reform. The funding could not be used for any activities overlapping with those of national parties. In 2017, a total of about EUR 15 million was allocated to the Regional Councils, which were responsible for the preparations. The funding was provided in two instalments. The first instalment ('ICT I') was intended for initiating current status assessments, while the second instalment ('ICT II') covered the planning and preparation of the requisite transformation. The 2018 funding ('ICT III') was intended for implementing the transformation. The funding decisions and their phasing were influenced by the planned schedule for launching the transitional government (the provisional preparatory bodies) and the deferral of the planned startup of the counties by a year in both 2017 and 2018.

The ICT I funding was intended for assessing the regional baseline situation (systems, provision structures, contracts and costs) and securing resources for the initial preparation phase. The criteria for funding included a fixed component and a proportion calculated on the basis of each region's population and number of municipalities. The self-financing proportion was 10% of funding.

The ICT II funding was geared towards developing regional plans for implementing ICT programmes. Regional preparations resulted in standard regional plans, which were assessed by a multi-sectoral assessment team with representation from the Ministry of Finance, the Ministry of Social Affairs and Health, the Ministry of Economic Affairs and Employment, the Ministry of the Interior, the Ministry of Agriculture and Forestry, and the service centre companies. The assessment team prepared proposals on actual funding

needs, which were also considered by the Project Office and management group for the digital transformation programme. The self-financing proportion was 10% of funding.

The regions applied for ICT III funding with their standard plans. Funding needs were assessed by the multi-sectoral assessment team and considered by the Project Office and management group for the digital transformation programme. The process also included a clarifying discussion with each region concerning its application. The funding decision issued on 1 June 2018 estimated the need for funding at EUR 83 million, including the proportion granted in the initial phase. The same applications were also used as a basis for granting further funding on 25 September 2018. The Helsinki-Uusimaa Regional Council and the Council of Tampere Region (Pirkanmaa) submitted their applications early and were granted funding on 4 April 2018. On 8 January 2019, Helsinki-Uusimaa was also granted another EUR 1.35 million from the 2018 appropriation to cover the mandatory costs of its own staff.

The self-financing proportion was initially 10%, which was then lowered to 5% and, in the end, retroactively abolished completely, since the Regional Councils' own funding base was not sufficient to match such large grants and the timetable for reform preparations changed as well. The grants were paid out in full once the decisions were made because the Regional Councils did not have the cash reserves to deal with purchases in advance of payments.

The terms and conditions for using the grants were specified in the transfer decisions. Reporting on the use of the grants was based on the instructions provided and on the Act on Discretionary Government Transfers. The regions reported on the use of the ICT grants as their preparations progressed and, in practical terms, the use of the 2017 grants (ICT I and II) has already been reported and the unused amounts have been recovered.

According to section 13 of the Act on Discretionary Government Transfers, each recipient is required to demonstrate that the discretionary government transfer was used for the purpose in keeping with the discretionary government transfer decision. Any possible transfer or its portion that may have been left unused or paid in excess must be repaid in accordance with section 20 of the Act on Discretionary Government Transfers.

7.3.3 Capitalisation of the service centres

Vimana Oy and SoteDigi Oy were capitalised by government decisions during the period from 2017 to 2019.

On 8 June 2017, the government authorised the Development and Administrative Centre for the ELY Centres and TE Offices (KEHA Centre) to set up a new, wholly state-owned

service centre company for information and communications technology (ICT) services, named Vimana Oy, under the KEHA Centre's full ownership and to subscribe for all of the shares in the newly established company on behalf of the central government at a price of EUR 2,500. It decided that the initial capital relating to the establishment of the company (EUR 2,500) would be paid from the 2017 budget item 32.01.02 (Operating expenditure of the Centres for Economic Development, Transport and the Environment), while its operations at the setup phase would be covered from budget item 28.70.05 (Support and steering of regional government, health and social services reform preparations and implementation). At the startup phase, responsibility for the company's ownership steering was delegated to the Ministry of Economic Affairs and Employment.

On 26 October 2017, the government authorised the KEHA Centre to make a payment of EUR 250,000 to subscribe for Vimana Oy's share capital. The payment covered the company's operating costs for the rest of 2017. On 19 December 2017, the government decided to transfer Vimana's ownership steering from the Ministry of Economic Affairs and Employment to the Ministry of Finance as of 1 January 2018.

The government authorised the Ministry of Finance to capitalise Vimana Oy during 2018 with a total of EUR 10.65 million. The capital was provided in two instalments. The government authorised the Ministry of Finance to increase the shareholders' equity of Vimana Oy by EUR 6 million by its decision of 4 January 2018 and by another EUR 4.65 million by its decision of 25 October 2018. Both payments were made from the 2018 budget item 28.70.05 (Support and steering of regional government, health and social services reform preparations and implementation).

In the General Government Fiscal Plan (GGFP) for 2019–2022, adopted on 13 April 2018, the Government outlined policies for funding the counties' ICT service centre Vimana Oy for 2019. As part of the 2019–2022 GGFP decisions, the Government outlined that, in order to implement the digitalisation and ICT services required by counties, provisions would be made to capitalise the counties' ICT service centre Vimana Oy by transferring to the company central government shareholdings valued at about EUR 30 million. According to this policy outline, the capital investment would allow the company to continue to provide the regional provisional preparatory bodies and the subsequent county government with planning, purchasing and development functions of counties' shared ICT and integration services during 2019. The shares transferred to Vimana Oy would be among those that Parliament has previously authorised for transfer.

On that basis, the government decided on 31 January 2019 to capitalise Vimana Oy with no more than EUR 30 million. The company received shares worth about EUR 15 million. Provisions were also made to transfer the remainder of the capital authorised in

the decision, i.e. no more than another EUR 15 million, should the funding needs of its business operations so require, but this capital transfer has not been carried out.

On 28 August 2017, the government authorised the State Business Development Company Vake Oy to set up a limited liability company named SoteDigi Oy, sign the company's memorandum of association and other documents relating to its establishment, to subscribe for all of the shares in the limited liability company to be set up at a total price of EUR 90 million and pay for any other costs arising from its establishment, and to transfer all of the shares in the limited liability company to be set up to the Finnish Government such that the control of the company's shares and its ownership steering would be transferred to the Ministry of Finance. As a result, SoteDigi Oy was established and registered in the Trade Register on 3 October 2017.

Vake Oy transferred the company's shares to the Prime Minister's Office, which transferred these onwards to the Ministry of Finance. The control of the company's shares and its ownership steering were assigned to the Ministry of Finance as of 1 November 2017.

8 Termination of the reform

Chapter eight describes the administrative measures taken to terminate the reform and instructions issued to the Regional Councils and service centres.

8.1 Instructions for measures to terminate the reform

Due to Prime Minister Juha Sipilä's Government tendering its resignation on 8 March 2019, the Parliamentary Speaker's Council noted that Parliament was no longer capable of considering the regional government, health and social services reform and that the reform would lapse as a whole. Consequently, the reform efforts were refocused on terminating the initial county preparations and the regional ICT preparations, documenting the work carried out, reporting the grants used, and on other measures to wind down any preparatory work directly concerning the reform in an orderly manner.

On 20 March 2019, by virtue of section 37 of the Act on Discretionary Government Transfers (688/2001), and with due consideration for the obligation to implement the legal principle of administration concerning protection of legitimate expectations under section 6 of the Administrative Procedure Act (434/2003), the Ministry of Finance issued instructions for the use of the discretionary government transfers granted for initial county preparations and regional ICT preparations. The Ministry issued the instructions in its capacity as a state aid authority and the document also included the guidelines issued by the Office of the Chancellor of Justice on 15 March 2019 for the use of the discretionary government transfers.

On 22 March 2019, the Ministry of Social Affairs and Health, acting in its capacity as another state aid authority, issued its instructions to the Regional Councils for the use of the transfers granted to hire health and social services coordinators. The Ministry also submitted a letter to freedom-of-choice pilot applicants on 28 March 2019. Furthermore, on 29 March 2019, the Ministry of Finance issued its instructions for reporting on the use

of grants for regional ICT preparations and a recommendation on archiving the datasets created as part of regional government and health and social services reform preparations.

The instructions confirmed that the transfers granted for initial preparations for counties and regional ICT preparations and for hiring health and social services coordinators could be used for the period of time required to appropriately terminate the measures in keeping with their purposes as specified in the transfer decisions, but no later than 31 December 2019. Eligible costs are based on agreements and obligations undergoing termination or cancellation measures initiated immediately after the instructions were issued, as well as those that could not be terminated or cancelled on reasonable terms.

The Regional Councils were instructed to report on the use of discretionary government transfers specifically for each decision, in keeping with the deadlines and procedures mentioned in the instructions, and to repay any transfer or its portion that may have been left unused or paid in excess to the granting authority.

The instructions were presented to representatives of the Regional Councils on 20 March 2019. They were also discussed in March and April 2019 at the meetings of the directors of change management for the health and social services reform, the Regional Councils' directors of administration, and the directors of change management for regional preparations and for the health and social services reform. To support the instructions, the government issued three press releases. A new section on terminating the reform was also added to the Alueuudistus.fi website, which published the above-mentioned instructions and frequently asked questions to increase awareness and understanding of the appropriate measures to be taken in order to wind down the reform in an orderly manner.

On 26 March 2019, the Ministry of Finance issued instructions to ministries for the use of budget item 28.70.05. The instructions confirmed that the appropriation under the budget item could no longer be used for any further financial commitments and, instead, the funding could only be used for operations in keeping with the decisions on the item and for winding down the operations in an orderly manner. The instructions were applicable to both the 2019 appropriation and any unused appropriations granted for previous years. Any appropriations left unused were to be repaid and reported to the Ministry of Finance no later than on 30 November 2019.

On 28 March 2019, the Ministry of Finance issued rules of procedure to Senate Properties, the owner of Counties' Service Centre for Facilities and Real Estate Management, Maakuntien tilakeskus Oy, stating that the service centre's original mission and goal as an owner of properties and facilities used by counties and a provider of related services would not be achieved. The knowledge base collected by the company on the facilities of municipalities and joint municipal authorities was to be stored and maintained within

the parameters allowed by law and other regulations. In other respects, the company's agreements and commitments were to be terminated and no new agreements or commitments should be confirmed, other than those arising from the maintenance of data or readiness.

The Ministry of Finance and the Ministry of Social Affairs and Health worked together to produce various scenarios for the options to make use of the preparatory work carried out by Vimana Oy and SoteDigi Oy. They estimated that the structure-independent development efforts carried out as part of the preparatory work could be used to promote the integration and interoperability required for national digitalisation. It was confirmed that specific instructions for the companies' operations would be issued in May 2019 as part of state ownership steering.

As part of the appropriate termination measures, the reform's transformation programmes reported on key project outputs, preparatory processes and costs.

The final meeting of the digital transformation programme included in the regional government, health and social services reform was held on 27 March 2019. The joint ministerial Project Office of the digital transformation programme was wound down during March. The digital transformation programme will produce a final report, dealing with its role in the regional government, health and social services reform, its structure and management, processes and practices, costs and results from the perspectives of both national and regional transformation projects.

9 Monitoring and assessment of preparations

Chapter nine describes the forms and methods of monitoring and assessing the progress made in the preparatory work carried out to implement the reform.

9.1 Monitoring of the preparatory process as a whole

The project management group closely monitored the preparatory work for implementing the regional government, health and social services reform and its progress. The joint management group for the regional government, health and social services reform was set up in September 2017, with representation from all of the eight ministries involved in the reform, i.e. the Ministry of Finance, the Ministry of Social Affairs and Health, the Ministry of the Environment, the Ministry of Economic Affairs and Employment, the Ministry of the Interior, the Ministry of Agriculture and Forestry, the Ministry of Transport and Communications, and the Ministry of Education and Culture. The group was chaired by Project Manager Päivi Nerg, Permanent Under-Secretary for Governance Policy from the Ministry of Finance. The role of the management group was to:

- lead the government-level preparatory work carried out by public officials for the regional government, health and social services reform;
- steer the operations of the situation centre set up to implement the reform;
- consider and coordinate the General Government Fiscal Plan and budget proposals relevant to reform implementation;
- consider the detailed budget allocation table for the resources reserved for reform implementation and the plans for significant investments to be made from the reform's operating budget;

- submit proposals on updating implementation plans to the ministers responsible for the reform and the ministerial working group on reforms and, where necessary, to the Cabinet Committee on Economic Policy;
- report to the ministers responsible for the reform and the ministerial working group on reforms on the progress of implementation and its performance, especially on achievement of reform objectives.

The project management group for the regional government, health and social services reform convened a total of 37 times over the period from September 2017 to March 2019. Its meetings were prepared in government-level cooperation by the situation centre's strategic team. Every meeting involved consideration of any themes requiring decisions and a review of progress made in preparations (including the legislative drafting process and committee readings, progress of regional preparations and change support measures). The progress reviews helped to assess the progress made in preparations, the risk factors involved and the completion of measures so as to ensure that the counties would be ready to start up as planned on 1 January 2021.

9.1.1 Assessment of reform implementation

In order to support the preparatory work for regional government, health and social services reform and to monitor its progress, a project entitled 'implementation of the health, social services and regional government reform (SMUUTO)' was carried out by MDI Public Ltd., Nordic Healthcare Group and Frisky & Anjoy within the framework of the government's analysis, assessment and research activities during the period from February 2017 to April 2019.

Maakunta- ja sote-uudistuksen valmistelun tuki (Support for the preparation of the regional government, health and social services reform, in Finnish) report of the government's analysis, assessment and research activities, 10 April 2019.

The study aimed to produce an overview of the regional preparations for the health, social services and regional government reform planned during the term of Juha Sipilä's Government, including the national measures to support these efforts. The purpose of the project was to monitor and describe the progress made in regional preparations and to assess the effectiveness and awareness of national preparations. The project's interim reports and separate surveys focused on creating regional situation awareness.

The project's final report concentrated on the following four themes:

1. reform objectives and change management;
2. systemic reform from the perspective of legislative drafting;
3. reform organisation and preparatory work; and
4. participation, interaction and communications.

The research project provided the project management group with assessment information in support of the preparatory work throughout its operating period. The research paid attention to the assessment of managing the regional preparations, the preparatory process and implementation. Change management was also analysed at the national level. In addition to change management, attention was also paid to cooperation, interaction and communications between regional parties and central government in preparing and carrying through the planned reform.

The project's final report was completed in March 2019. The conclusions of the extensive and thorough report could not be put to use due to the Government's decision to resign and the resulting failure of the reform.

9.1.2 Monitoring the progress of transformation programmes

The monitoring and assessment of the ministerial transformation programmes were carried out by means of a project portfolio tool. The tool enabled the systematic monitoring of programme and project objectives, as well as real-time progress monitoring, cost monitoring and risk reviews. The tool also made it possible to create simultaneous situation awareness reports on the transformation programmes using the management's monitoring tool. The project portfolio reporting functionality was linked as part of the reform's Tiimeri workspace. This made the view available to all of the workspace users (regional parties and those involved in situation centre operations).

The progress of national and regional projects was reported within project-specific management groups, which developed summaries that were also presented to the project management group on a monthly basis. The reports were also discussed in networks and at other preparatory meetings (see Figure 8).

| Project name | Agency/ institution | Status | Phase | Progress | Schedule | Cost | Quality | Scope | Staff | Risk | Benefit |
|----------------------------|------------------------|---------|-------------------------|----------|----------|------|---------|-------|-------|------|---------|
| MDM 1 Lapland | MSAH Ministry | Ongoing | Planning Implementation | 🟢 | 🟢 | 🟢 | 🟢 | 🟢 | 🟡 | 🟡 | |
| MDM 2 North Ostrobothnia | MSAH Ministry | Ongoing | Planning Implementation | 🟢 | 🟡 | 🟢 | 🟢 | 🟡 | 🟡 | 🟡 | |
| MDM 3 Kainuu | MSAH Ministry | Ongoing | Planning Implementation | 🟢 | 🟢 | 🟢 | 🟢 | 🟢 | 🟢 | 🟢 | 🟢 |
| MDM 4 North Savo | MSAH Ministry | Ongoing | Planning Implementation | 🟢 | 🟡 | 🟢 | 🟡 | 🟡 | 🔴 | 🟡 | 🟢 |
| MDM 5 North Karelia | MSAH Ministry | Ongoing | Planning Implementation | 🟢 | 🟢 | | 🟢 | 🟢 | 🟡 | 🟡 | 🟢 |
| MDM 6 Central Ostrobothnia | MSAH Ministry | Ongoing | Planning Implementation | 🟢 | 🟢 | 🟢 | 🟡 | 🟡 | 🔴 | 🔴 | 🟢 |
| MDM 7 Ostrobothnia | MSAH Ministry | Ongoing | Planning Implementation | 🟢 | 🟡 | 🟢 | 🟢 | 🟡 | 🟡 | 🟡 | 🟢 |
| MDM 8 Central Finland | MSAH Ministry | Ongoing | Planning Implementation | 🟢 | 🟢 | 🟡 | 🟡 | 🟡 | 🟡 | 🟡 | |
| MDM 9 South Karelia | MSAH Ministry | Ongoing | Planning Implementation | 🟢 | 🟡 | 🟡 | 🟡 | 🟡 | 🟡 | 🟡 | |
| MDM 10 South Ostrobothnia | MSAH Ministry | Ongoing | Planning Implementation | 🟢 | 🟡 | 🟢 | 🟢 | 🟢 | 🟡 | 🟢 | 🟢 |
| MDM 11 Pirkanmaa | MSAH Ministry | Ongoing | Planning Implementation | 🟢 | 🟢 | 🟢 | 🟢 | 🟢 | 🔴 | 🟡 | 🟢 |
| MDM 12 Satakunta | MSAH Ministry | Ongoing | Planning Implementation | 🟢 | 🟢 | 🟢 | 🟢 | 🟢 | 🔴 | 🟡 | 🟢 |
| MDM 13 South Savo | MSAH Ministry | Ongoing | Planning Implementation | 🟢 | 🟢 | 🟢 | 🟢 | 🟢 | 🟢 | 🟢 | 🟢 |
| MDM 14 Kanta-Häme | MSAH Ministry | Ongoing | Planning Implementation | 🟢 | 🟢 | 🟢 | 🟢 | 🟢 | 🟡 | 🟡 | |
| MDM 15 Päijät-Häme | MSAH Ministry | Ongoing | Planning Implementation | 🟢 | 🟢 | 🟢 | 🟢 | 🟢 | 🟢 | 🟢 | 🟢 |
| MDM 16 Kymenlaakso | MSAH Ministry | Ongoing | Planning Implementation | 🟢 | 🟢 | 🟢 | 🟢 | 🟢 | 🟡 | 🟡 | 🟢 |
| MDM 17 Southwest Finland | MSAH Ministry | Ongoing | Planning Implementation | 🟢 | 🟡 | 🟡 | 🟡 | 🟡 | 🔴 | 🔴 | |
| MDM 18 Uusimaa | MSAH Ministry | Ongoing | Planning Implementation | 🟢 | 🟢 | 🟡 | 🟢 | 🟢 | 🟡 | 🟡 | 🟢 |

Figure 8: Monitoring the progress of regional ICT projects in February 2019.

By way of example, the digital transformation programme's projects (within the administrative branches of the Ministry of Finance and the Ministry of Social Affairs and Health) were grouped under the following six project portfolios: duties to be transferred from the central government; architecture; basic ICT solutions; management and steering solutions; health and social services migration and new duties; and SoteDigi Oy's projects (Figure 9). The project portfolios and their projects were set up in the government's joint project portfolio tool, to which the project managers submitted monthly progress reports. Financial data on the projects was collected four times per year. The above-mentioned project portfolios covered projects run by several different national bodies (incl. Vimana Oy, SoteDigi Oy, the National Institute for Health and Welfare, the Population Register Centre).

The monitoring points of regional transformation projects were also added to the project portfolio tool and the regional project managers likewise reported on their progress on a monthly basis. In addition, the regions reported the discretionary government transfers that they had received using specific funding reports. Besides its own projects, the digital transformation programme also used the project portfolio to monitor the progress and dependencies of ICT transformation projects within other administrative branches relevant to the regional government, health and social services reform.

The progress of national and regional projects was reported to the digital transformation programme's management group and the project management group. The reports were also discussed in networks and at other preparatory meetings.

9.1.3 Monitoring the progress of networks

The networks for implementing the regional government, health and social services reform functioned as joint preparatory platforms for regions, ministries and stakeholders, producing models and information on key themes for regional preparations.

The networks were based on voluntary participation and were open to all regions. Nevertheless, they worked towards specific objectives and reported the measures supporting the achievement of these objectives to the situation centre for the regional government, health and social services reform about every two months from April 2018 to March 2019. The reports submitted by the networks were distilled into summaries on their progress, which were presented to the project management group. Information on the progress made by the networks was obtained through monitoring, which also made it possible to bring situation awareness of reform progress into sharper focus. In order to create situation awareness by region, the networks also carried out surveys.

9.1.4 Monitoring the progress of ministerial preparatory work

The preparatory work carried out by individual ministries was described using an Excel-based tool. To some extent, the tool was similar to the project portfolio tool used in the transformation programmes. The process owners of the transformation programmes and ministerial preparations convened every month in 2018 and every two months in 2019 to present the progress, risks and conclusions of their projects. After each meeting, they developed summary materials, which were submitted to the management group.

Sectoral assessment was carried out by each ministry. The Ministry of Economic Affairs and Employment, for example, assessed and monitored the progress of the planned growth services reform and its risk factors on a regular basis.

| Owner | Severity | Likelihood | Trend |
|---|----------|------------|-------|
| Not enough competence is available in all of the duties to cover all counties. | 25 | 100 | → |
| Changes to information systems cannot be completed on schedule; client data does not flow between the service organiser and provider. | 100 | 75 | → |
| Different growth services reform components do not progress according to the planned schedule. | 75 | 75 | → |
| Unlearning old operating models. | 75 | 75 | → |
| Increasing insecurity and sinking motivation among staff; the quality of client service sinks. | 70 | 75 | → |
| The new system is no more client-oriented than the current one. | 50 | 75 | → |
| The organiser/provider model fails to materialise. | 100 | 60 | → |
| The new system fails to encourage counties to discharge their growth services duties effectively. | 75 | 60 | → |
| Team play between central, regional and local government levels is faltering. | 75 | 60 | → |
| Each county operates in its own way, complicating cooperation and making counties unable to support each other. | 75 | 50 | → |
| Communications about the transformation and its opportunities fail to get the gang engaged. | 60 | 50 | → |
| The growth services reform diverges from the regional government reform. | 50 | 50 | → |
| Public officials fail to outline policies. | 90 | 40 | → |
| KEHA Centre staff are stretched to the limit. | 75 | 25 | → |
| There is a break in the continuity of Structural Funds activities (information system risk analysed separately) | 25 | 25 | → |

Figure 9: An example of identifying risks as part of the assessment of the regional government, health and social services reform by the Ministry of Economic Affairs and Employment.

9.1.5 Conclusions

The monitoring and assessment of regional government, health and social services reform preparations were carried out in many different ways, but in a fragmented manner. The reform's preparatory work was not organised into projects, making it almost impossible to monitor its progress at national and regional levels.

The SMUUTO study commissioned to support reform implementation produced high-quality and almost real-time information on the status of regional preparations. The project's final report was completed at a critical juncture in the reform's progress. As a result, its conclusions and proposals for improvement were consigned to the pages of the finished final report.

The progress of the reform was assessed at every management group meeting. Legislative drafting work was carried out by line organisations or in inter-ministerial cooperation, where the package required inputs from several ministries. The dependencies of the comprehensive legislative project were identified and the risks involved were discussed by the management group. Nevertheless, individual ministries remained responsible for the drafting work.

The transformation programmes and ministerial preparatory work were organised into projects. The tools in place (the project portfolio and Excel tools) described the progress and used traffic lights to provide quick status updates on what situations required attention and how to respond. The ministries (process owners) were responsible for implementation. The management group had real-time status information on transformation programmes and the ministerial preparatory work described above, but it was not possible to develop the themes jointly to meet the needs of the reform. In particular, the ministerial preparatory work still came across to some extent as sectoral development work. The tool made it possible to share information and the practice brought all ministries together. The model should also be applied in this respect in extensive future project packages.

10 Conclusions

This chapter presents the key conclusions from the regional government, health and social services reform. Conclusions concerning each specific theme are mostly included at the end of each passage.

The scale of the regional government, health and social services reform, its social significance and engagement in people's everyday services made it an exceptional project for the Government. The objectives of the reform were very ambitious and the size of the reform was unprecedented in the history of Finnish administration.

The regional government, health and social services reform was premised on a number of generally accepted arguments for the reform, such as providing public services on an equal basis, slowing down the growth in health and wellbeing disparities and curbing the growth of costs.

The reform was also intended to create a third level of administration, i.e. counties. The autonomous counties would have been formed on the basis of the current regional division. Moving forward, a total of 18 counties would have organised all health and social services within their respective areas. The counties would also have taken over other duties from Centres for Economic Development, Transport and the Environment (ELY Centres), Employment and Economic Development Offices (TE Offices), Regional State Administrative Agencies (AVI Agencies), Regional Councils and other joint municipal authorities, as well as from individual municipalities.

The preparatory work was divided into three broad themes: legislative drafting, implementation and regional preparations.

The reform involved drafting a massive legislative package, measuring over 4,000 pages. This work was carried out by means of expert cooperation, where legislative drafters from eight ministries were involved in drafting different legislative packages.

The implementation theme comprised support for implementation, over 40 working groups, six transformation programmes, eight ministries' preparatory programmes, the joint government steering programme, 15 preparatory networks and the situation centre concept involving over 100 experts. Furthermore, the staff working in all of the organisations relevant to the reform were probably involved in its preparations in one way or another.

The objective of implementation was both to support the transition into the state envisioned in new legislation and to develop operations in cooperation with various parties.

Regional preparations involved about 750 experts hired by regional reform organisations. They prepared regional plans based on which the 18 new counties would have been ready to provide services for their residents as of 1 January 2021. In addition, thousands of experts from different fields participated in the work carried out by various regional preparatory and other working groups.

The parties involved in the legislative drafting process managed to cross ministerial boundaries and draw on expertise from different specialist fields. In this respect, the project was exceptional and will also offer lessons for any future cross-sectoral projects to learn from. Although the Constitutional Law Committee did identify problems in some provisions, the new administrative structure was nevertheless mostly approved by Parliament. Despite the tight schedules, the Government's legislative proposals and the ministries' replies required by Parliament were submitted within the specified timetable.

The situation centre set up for the regional government, health and social services reform was a new kind of cross-sectoral way of operating, which was geared towards bringing together different ministries, regional preparatory staff and representatives of stakeholders. The situation centre coordinated change support networks and cross-sectoral transformation programmes, among other things. The situation centre's implementation support staff kept in close contact with regional parties involved in reform preparations. National support measures for regional preparations included regular meetings of directors of change support, the MaakuntaTV ('CountyTV') series of online videos, Skype newflashes, preparatory materials at alueuudistus.fi, an online collaborative workspace, communications support, regional roadshows, virtual discussions, and County Forums. Plenty of promising experience was gained for cooperation between ministries, regional and inter-regional parties, and stakeholders. The government managed to make progress in many aspects of its cooperation during the regional government, health and social services reform. During its work, the ministries reconciled their objectives and activities, making it possible to operate more consistently than before.

The preparatory work for implementing the regional government, health and social services reform was, as an exception, launched before the relevant laws were adopted. This solution drew criticism during the reform and, in particular, after the legislative proposals failed. The early start to implementation and funding allowed regions to prepare their own models to implement administration and services in keeping with the new administrative structure. In other words, implementation was launched at the right time and it was commensurate with the sizeable reform. The deferral of the reform timetables on two occasions resulted in stagnation of preparations in some of the regions. Grounds for the early start to implementation could also be found in the need to develop extensive and compatible ICT systems, which were expected to be up and running when the counties were to start operations.

The national digital transformation programme was responsible for developing digital services as part of the regional government, health and social services reform. Cooperation at the digital transformation programme's cross-sectoral Project Office provided resources for creating national and regional situation awareness of the progress of preparations. Regional and national parties cooperated in many different ways during the digital transformation programme. It is impossible to overstate the importance of measures encouraging cooperation between regions, on the one hand, and between national and regional parties, on the other, from the perspectives of building effective services, minimising overlapping solutions and achieving cost benefits.

Many other preparatory themes also increased cooperation, laying good groundwork for similar future projects. In the project to implement the National Licensing and Supervisory Authority (Luova), participants worked hard to develop new, nationwide processes and shared customer service and operating models. The aim was for a single national authority to assume responsibility for dealing with all key environmental permits, i.e. both ex-ante and ex-post control, in lieu of four AVI Agencies and thirteen ELY Centres. The Luova project created plenty of outputs that can be put to use in potential future agency reforms or in substantive development of existing agencies.

Although it was not possible to carry out the planned freedom-of-choice and growth services pilots within the new legislative framework, their preparations were not devoid of significance. With regard to the freedom-of-choice pilots, for example, the general discussions about freedom of choice did contribute to drawing more attention to the choices available to clients, service integration, ensuring clients' involvement, the effectiveness of different compensation principles, making use of the market, as well as quality and cost-effectiveness. In addition to future reform preparations, these lessons can also be put to use within the existing legislative framework, because similar elements of freedom of choice can also be implemented by means of services vouchers. Correspondingly, the majority of growth services pilots can be launched in accordance

with existing legislation. The pilots will also make it possible to implement some of the practices envisioned in the growth services reform in future, such as alliance-type cooperation with municipalities.

The regional government, health and social services reform created a framework for contemplating services from the perspective of a multiplex county. The preparatory work was carried out in cooperation between regions and within individual collaborative areas for healthcare and social welfare. Cooperation between health and social services became closer, as health and social services were to be integrated to meet client needs more effectively. There would also have been obvious synergies between health and social services and rescue services for providing prehospital emergency medical services. The multiplex counties would have made a natural fit as the bodies coordinating the safety and security work carried out by different parties within their respective regions and discharging the duties of coordinating regional preparedness. Envisioned as a body responsible for safeguarding fundamental rights and public interest, the National Licensing and Supervisory Authority (Luova) would have dealt with multi-sectoral licensing, steering and supervision duties relating to healthcare and social welfare, education and culture, the environment, and occupational health and safety.

The Government's legislative proposals created the framework for regional preparations. The preparatory work was based on the administrative and functional aspects of establishing a county. It was premised on the idea that, moving forward, the counties would assume responsibility for the services assigned to them, for regional development and for operational implementation of organising services.

Preparations progressed at varying paces in different regions. Some focused their preparations on integrating health and social services. Others were able to move further and integrate health and social services with other services while also building closer cooperation between health and social services and ELY Centre, TE Office, environmental healthcare and rescue services. In terms of preparing service contents, major influences included the development measures carried out in two of the Government's key projects, i.e. the transformation programme for child and family services (LAPE) and the reform of home care for older people and enhancing informal care for all age groups (I&O). A number of regions were able to prepare changes to operating and working practices consistently within their entire area for the first time.

During the preparations, participants created guidelines for the future models for county and service strategies, the prospective management system and for implementing each county's shared services. The preparatory work was guided by a national framework created with due consideration for the relevant government proposals, which was outlined in a handbook for organising services. The handbook framed the duties that regions were expected to prepare.

However, there were also challenges in carrying out the regional preparations. Regional directors of change management identified the inadequate powers of reform organisations as a significant barrier to implementation. This made it more difficult to obtain information, for example. Progress was hindered by the restrictive and ambiguous parameters of national funding, as well as by the preparatory staff's uncertainty about details such as the roles of service centres, especially in terms of ICT. The reform's standstill during the government term resulted in a lack of confidence among regional preparatory staff in decision-making at the national level.

The lessons from regional preparatory work can be put to use. The extensive preparatory themes have been documented in the regions' own final reports (available on the websites of the Regional Councils) and the materials will also be stored in the archives of the Regional Councils.

When launching any possible new reforms, the key is to create clear, jointly understood objectives shared among the various parties, to guide the preparatory work. Their achievement may require parliamentary preparations. Conversely, the means of reform should not be fixed or coupled together at its early stages; instead, they should be determined on the basis of scenario analyses and impact assessments as the reform progresses.

The attempt to carry through a major administrative reform within a single government term led to unrealistic timetables and to their postponement on two occasions during the reform. The unpredictable political process of drafting policy outlines and the deferral of timetables significantly hampered legislative drafting processes relating to the reform, the implementation of the reform and the overall manageability of the reform package. According to key experts involved in the preparations, a single government term would have been enough to carry the process through if the reform had been phased as originally proposed in the Government Programme and if the means used to support the objectives to carry the reform through had been easier to implement in legislative terms.

When launching preparations for any future reform, it is necessary to reserve enough time to organise the reform as a whole. The regional government, health and social services reform was launched swiftly in the working groups involved in legislative drafting, but there were deficiencies in organising the package. Among other things, communication of information between the groups was not successful in all respects, while there was a lack of plans to steer the preparatory work and the potential blind spots between the working groups had not been sufficiently identified. Moving forward, it would be advisable to strengthen the operating conditions of any possible joint government project manager with an adequate auxiliary staff function in order to bring the reform package's

project management, internal and external communications, operational implementation management and joint risk management into optimal alignment with its objectives.

The separation of the health and social services and the regional government preparations in the early stages of the reform was reflected in the planning and implementation of communications. The scale and impact of the reform were so extensive that it was difficult to outline as an integrated communications theme. Any similar projects must pay special attention from the outset to ensuring that they reserve adequate resources for communications, focus on the clarity of communications and contents intended for citizens and place the leadership of communications in the same organisation as project management.

The regional government, health and social services reform was also unprecedented in its scale in terms of the legislative drafting work involved. The process of drafting the government proposals was hampered by the extremely tight schedule and the large number of issues to be resolved. Even though it was possible to draw on previous legislative drafting projects to some extent, most of the new legislation needed to be put together on a completely new basis. In many cases, the government proposals to be drafted were very extensive packages. More concise legislative projects would have been clearer and more understandable and would probably have stood better chances of succeeding in parliamentary consideration.

Prior to adopting policy outlines, an adequate initial preparatory period should have been reserved in the legislative drafting process in order to conduct scenario analyses and impact assessments. Moving forward, systemic reforms such as the health and social services reform will require adequate resources and time for the legislative drafting process; diligent impact assessments; substantive expertise complemented with expertise in fundamental rights and data protection to provide strong support for the drafting process; as well as assessment under EU law. As a result of the urgent legislative drafting process of the regional government, health and social services reform, some matters fell between the mandates of the preparatory working groups and there was frequently not enough time to coordinate policy outlines.

Moving forward, it would be advisable to increase consultations with experts in constitutional law early enough during the legislative drafting phase for any problematic provisions to come to light. It would also be necessary to assess the risks involved in the legislative drafting process more effectively in future, in order to prevent the reform from failing due to scheduling or legal issues. All the relevant parties should be involved from the outset. On the whole, it is necessary to bear in mind that the legislative drafting process should comply with good drafting practice as set out in legislative drafting instructions.

In future, it will be imperative to contemplate the ways in which national digital services can be spread across sectoral and administrative boundaries while also securing integration of national digital services. Failure to integrate local and regional solutions into national services and achieve the interoperability of information resources would mean that the transition into efficient and flexible service structures and AI utilisation will not succeed. The regional government, health and social services reform created huge amounts of information in support of organising and providing various services. There is a continued need for joint operating models, such as data utilisation processes, data specifications and data models, irrespective of the administrative structures in place.

Should similar extensive projects be implemented in the future, the recommendation is to start investing in official as well as more informal forms of cooperation in the early stages and to ensure that different organisations can participate in planning the project. Practising the steering and assessment process of the Ministry of Social Affairs and Health provided a chance to engage in a new kind of genuine interactive dialogue to deal with questions relating to organising health and social services and the practice was considered useful from the perspectives of both the future counties and the ministries involved. During the process, quite a number of regions collected and analysed comprehensive data on service demand and healthcare and social welfare services at different levels for the first time.

Preparations call for a wide variety of ways of working to ensure that a plurality of voices are heard in the process. By way of example, networking in implementation preparations represented a new kind of cooperation between regions, ministries and stakeholders. Moving forward, it will be advisable to develop such forms of working early enough to support the legislative drafting process.

Extensive reforms relating to service structures or administration require ministries to present themselves as a united government towards the field. The steering relationship between the central government and regions will need to be developed towards interaction based on partnership.

The regional government, health and social services reform never gained full approval from the public and existing organisations. The reform constantly faced strong counterforces, which affected its progress. There were many reasons for this, but a key one among these was a lack of trust and commitment from different parties. Strengthening trust and partnership and showing respect for the work of existing organisations relevant to the reform are crucial prerequisites for implementing sustainable reform.

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APPENDIX 1: Appointed working groups

| Group name | Register number/ Project Window | Date of appointment |
|--|------------------------------------|---------------------|
| Rapporteur project on the healthcare and social welfare reform and the regional government reform | STM050:00/2015 | 2 July 2015 |
| Steering group of public officials for and project group on the health, social services and regional government reform | STM068:00/2015 | 10 September 2015 |
| Parliamentary monitoring group on the health and social services reform | STM067:00/2015 | 24 September 2015 |
| Cost and impact data working group (ISO-KUVA) & cost and impact data action group (KUVA-TPA) | STM067:00/2018 | 16 November 2015 |
| Working group of rapporteurs to study clients' freedom of choice and multisource financing | STM121:00/2015 | 17 December 2015 |
| Parliamentary monitoring group on the regional government reform | VM132:00/2015 | 21 December 2015 |
| Expert group to support the preparations and implementation of the health and social services reform | STM068:01/2015 | 13 January 2016 |
| Working group on assessing the adequacy of central government funding for counties | VM182:00/2017 | 26 February 2016 |
| Preparatory working group on counties' information management and shared information systems and digitalisation | VM037:04/2016 | 22 April 2016 |
| Preparatory working group on the steering and financing system and the financial arrangements required for the reform | VM037:02/2016 | 22 April 2016 |
| Preparatory working group on coordinating and steering the preparations for transferring sectoral duties to counties | VM037:01/2016 | 22 April 2016 |
| Project group on the regional government reform | VM037:00/2016 | 22 April 2016 |
| Preparatory working group on the National Licensing and Supervisory Authority | VM037:06/2016 | 22 April 2016 |
| Preparatory working group on safeguarding the position and occupational wellbeing of staff due to transfer from central government during the transition | VM037:03/2016 | 22 April 2016 |
| Preparatory working group on organising preparedness and contingency planning duties | VM037:05/2016 | 22 April 2016 |
| Human resources policy group for the health, social services and regional government reform | VM037:07/2016 | 8 June 2016 |
| Cross-sectoral collaboration body for the regional government reform | VM037:11/2016 | 13 June 2016 |
| Legislative drafting group for the regional government, health and social services reform | VM037:01/2016 | 22 June 2016 |
| Studying the duties and structures of institutions within the administrative branch of the Ministry of Social Affairs and Health to achieve the objectives of the health, social services and regional government reform | STM058:00/2016 | 2 September 2016 |
| Working group on financing digitalisation and change in practices in the health, social services and regional government reform | VM089:00/2016 | 14 September 2016 |
| Management group for preparing counties' national service centres | VM093:00/2016 | 30 November 2016 |
| Customer advisory committee for the Government Shared Services Centre for Finance and HR | VM038:00/2016 | 6 February 2017 |
| Preparatory working group on steering and financing county government | VM140:00/2017 | 1 March 2017 |
| Calculation group under the preparatory working group on steering and financing county government | VM140:00/2017 | 29 March 2017 |
| Working group on counties' reference architecture | VM040:00/2017 | 27 April 2017 |

| Group name | Register number/ Project Window | Date of appointment |
|---|--|---------------------|
| Strategic steering group on change management coaching in the health, social services and regional government reform | VM037:00/2016 | 17 May 2017 |
| Strategic steering group on digital transformation and implementation in the health, social services and regional government reform; Appendix: Project Office management group and Project Office | VM/884/00.01.00.01/2017, STM068:00/2015 | 30 May 2017 |
| Preparatory working group on organising the financing of pension security for staff due to transfer from central government to counties | VM067:00/2017 | 1 June 2017 |
| Steering group on freedom-of-choice pilot projects | STM079:00/2017 | 3 July 2017 |
| Preparatory working group on the Act on Clients' Freedom of Choice in Health and Social Services | STM076:00/2017 | 14 July 2017 |
| Preparatory working group on organising county government | VM055:00/2017 | 29 August 2017 |
| Preparatory working group on democracy and participation | VM056:00/2017 | 29 August 2017 |
| Preparatory working group on staff transfers | VM057:00/2017 | 29 August 2017 |
| Preparatory working group on planning county finances | VM058:00/2017 | 29 August 2017 |
| Preparatory working group on asset and contract transfers | VM059:00/2017 | 29 August 2017 |
| Preparatory working group on county services | VM060:00/2017 | 29 August 2017 |
| Steering group of public officials | VM103:00/2017 | 21 September 2017 |
| Management group of public officials | VM105:00/2017 | 21 September 2017 |
| Cooperation group on county finances | VM113:00/2017 | 21 September 2017 |
| National preparatory working group on organising services in counties | VM149:00/2017 | 26 September 2017 |
| National preparatory working group on implementing regional government, health and social services reform | VM123:00/2017 | 10 October 2017 |
| National communications group for the regional government, health and social services reform | VM116:00/2017 | 10 October 2017 |
| Programme to coordinate management by knowledge in counties and development of information management to support it | VM129:00/2017 | 23 November 2017 |
| Regional Government Information Programme | VM129:00/2017 | 23 November 2017 |
| Steering group for the research project on the impact of the regional government, health and social services reform on health and social services staff from the perspective of gender equality | STM011:00/2018 | 17 January 2018 |
| Project to implement the National Licensing and Supervisory Authority | VM189:00/2017 | 1 February 2018 |
| Contract of assignment: Brax Tuija, Non-profit organisations as operators in the health and social services system | STM/572/2018 | 20 February 2018 |
| Cooperation group on ownership steering of counties' service centre companies | VM006:00/2018 | 3 April 2018 |
| Management group for the digital transformation programme in the regional government, health and social services reform | VM054:00/2018 | 26 April 2018 |
| Status of special care districts in the health and social services reform | STM103:00/2018 | 27 April 2018 |
| Working group to establish the ICT service centre Vimana | VM120:00/2017 | 13 June 2018 |
| Management group and preparatory working groups for specific preparations for the health and social services reform | STM091:00/2017 | 25 September 2018 |
| Preparatory working group on the ownership policy objectives and principles of county service centre companies | VM184:00/2018 | 28 November 2018 |


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