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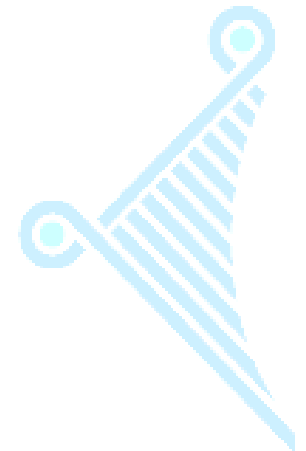
Public Service Reform in Ireland

Institute of International and European Affairs
Thursday 15th May 2014

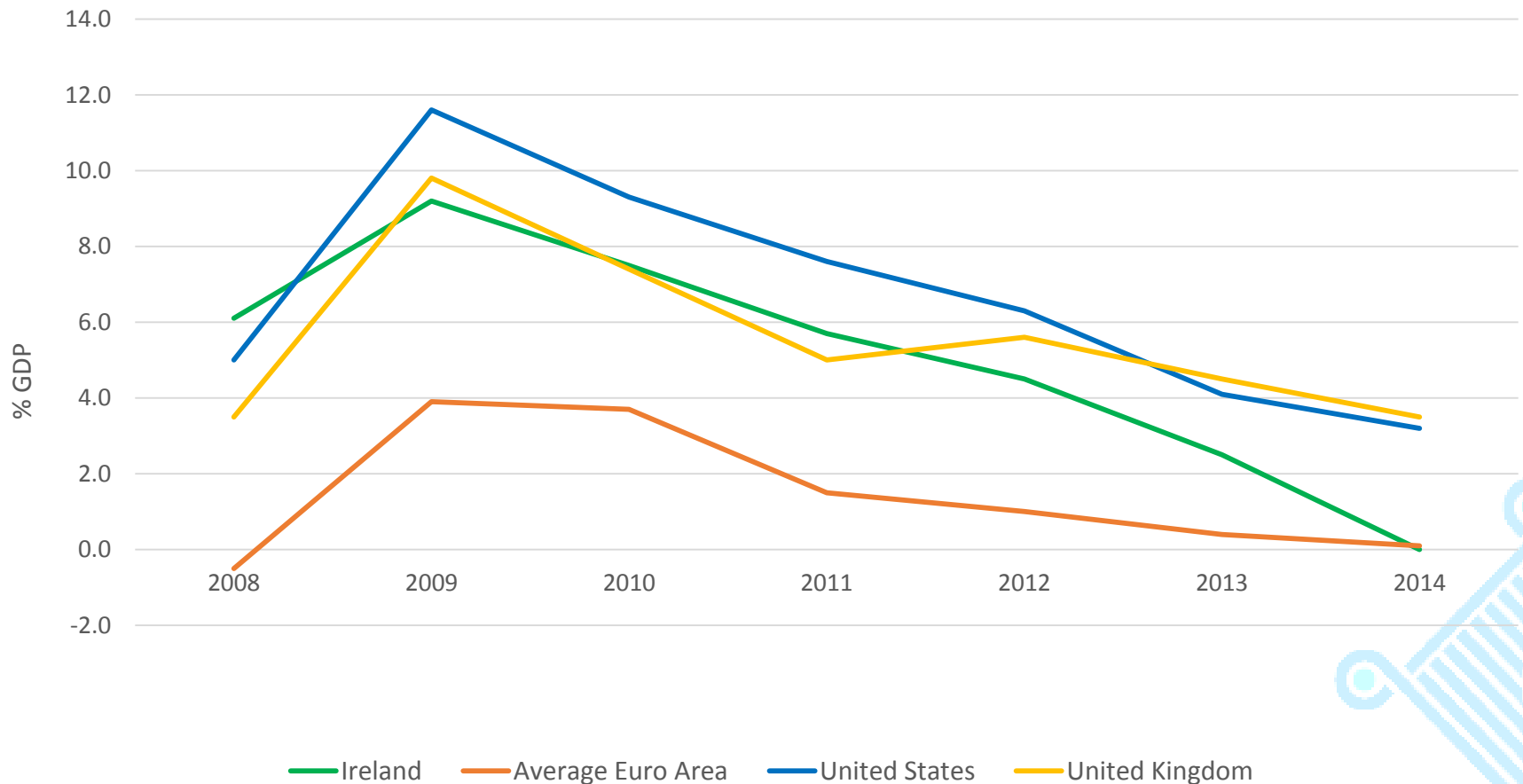
Mr. Robert Watt
Secretary General
Department of Public Expenditure and Reform

Introduction

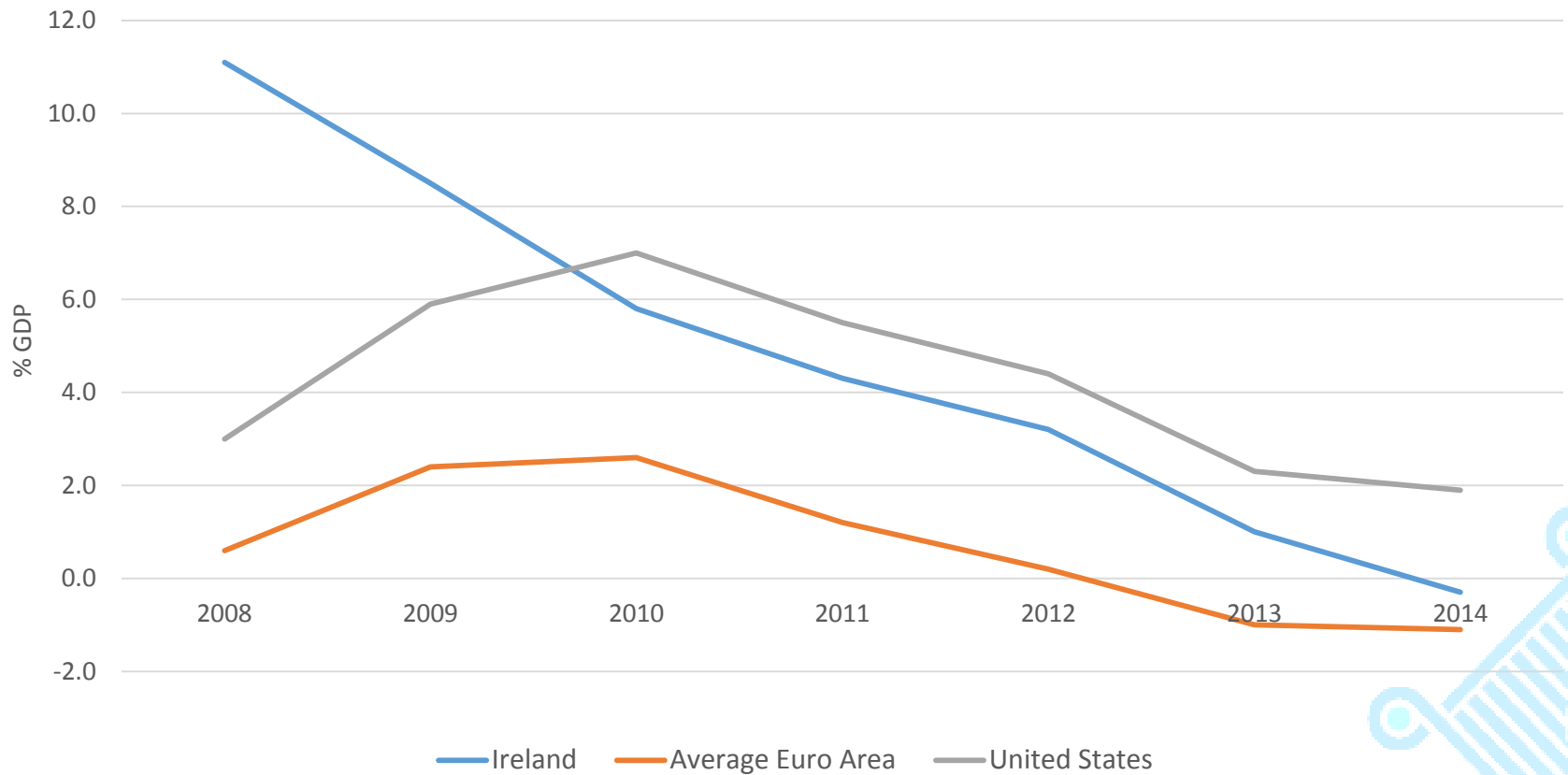
- Context for Public Service reform
- Progress made
- What next?



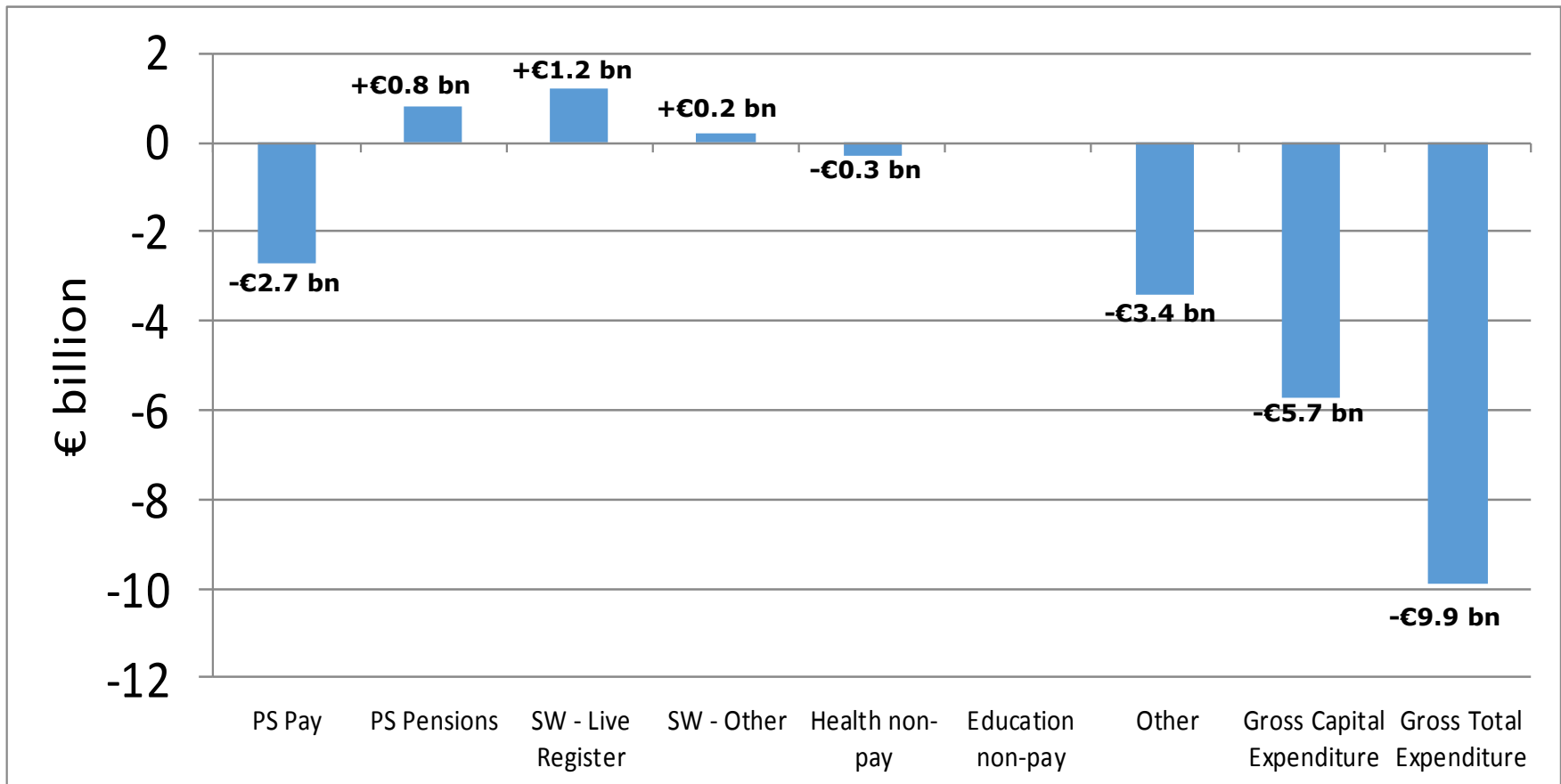
Measuring Consolidation – Trends in Primary GG Balance 2008-2014



Measuring Consolidation – Trends in Cyclically Adjusted Primary GG Balance 2008-2014



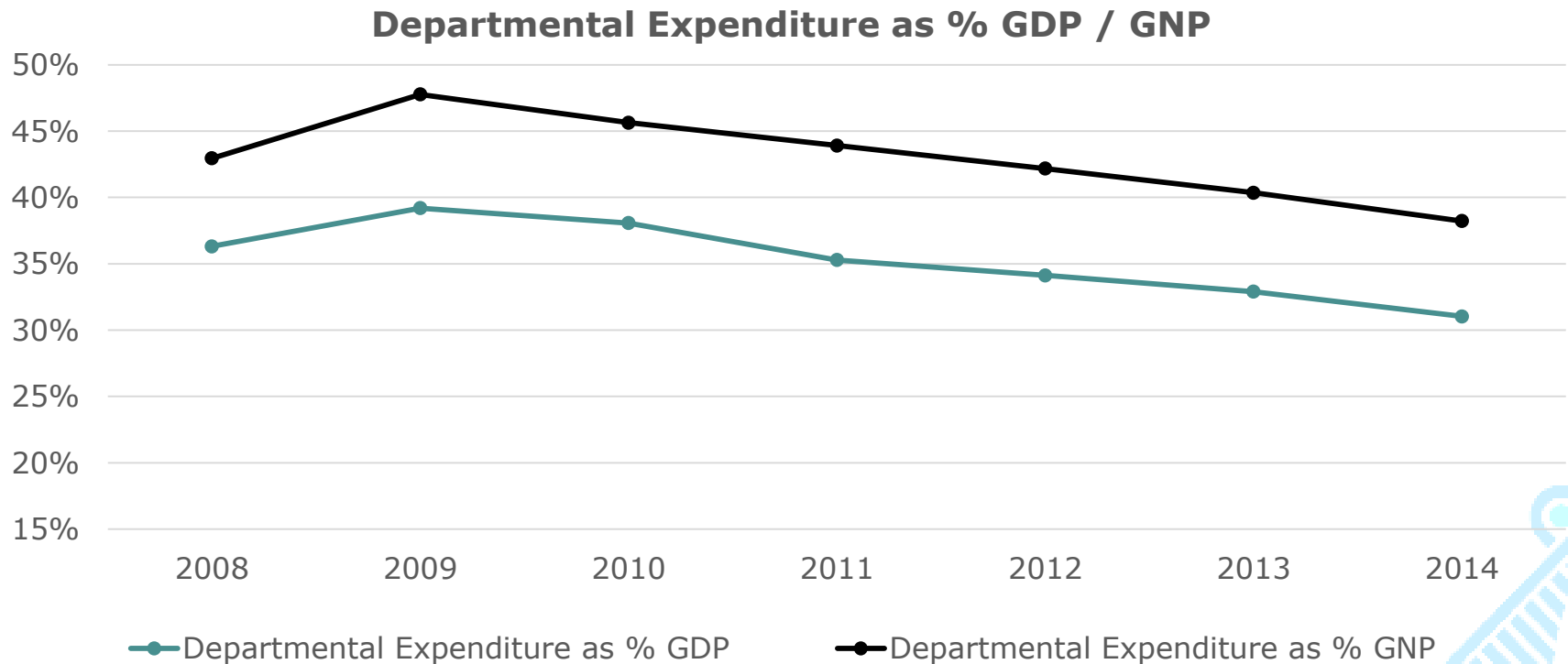
Expenditure Reductions 2008 to 2014



Expenditure Reductions 2008 to 2014

- The Exchequer Voted spend in 2014 will be €53 bn in 2006/2007
- 16% less than 2008 in cash terms and the same as
- Significant expenditure reductions while largely protecting core SW rates and key frontline services (especially Health & Education)
- Minimal reductions in non-pay Health and Education
- Capital, pay and “other” programmes account for the expenditure reductions allocations

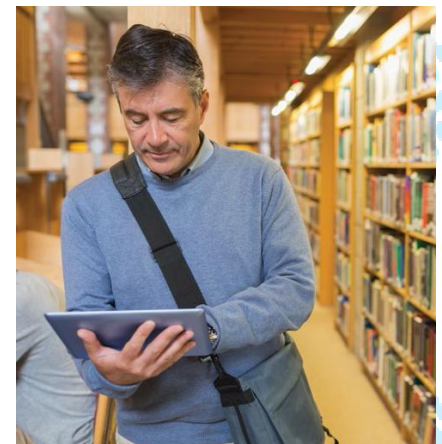
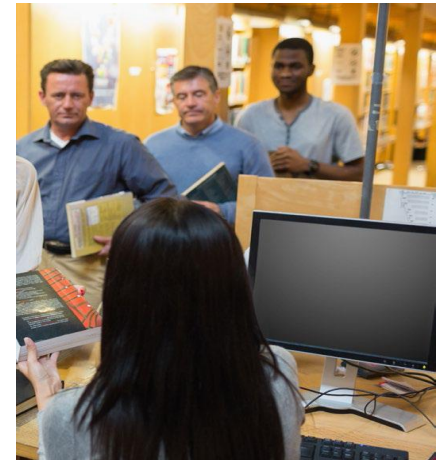
Expenditure Reductions 2008 to 2014



- Since 2009 peak, there has been 10 percentage point reduction in Departmental Expenditure as % GNP and a 8 percentage point reduction in Departmental Expenditure as % GDP

Increased Demand on Services

- Progress on reform should be viewed in the context of increasing demands for services due to demographic and economic factors.
- Since 2008/ 2009:
 - 200,000 increase in numbers receiving unemployment related payments;
 - Extra 62,247 (6.2%) full-time students in Education;
 - Medical Card Holders have increased by 506,000 (27%);
 - the number of people of pensionable age has increased by 65,500 or 13.5%;

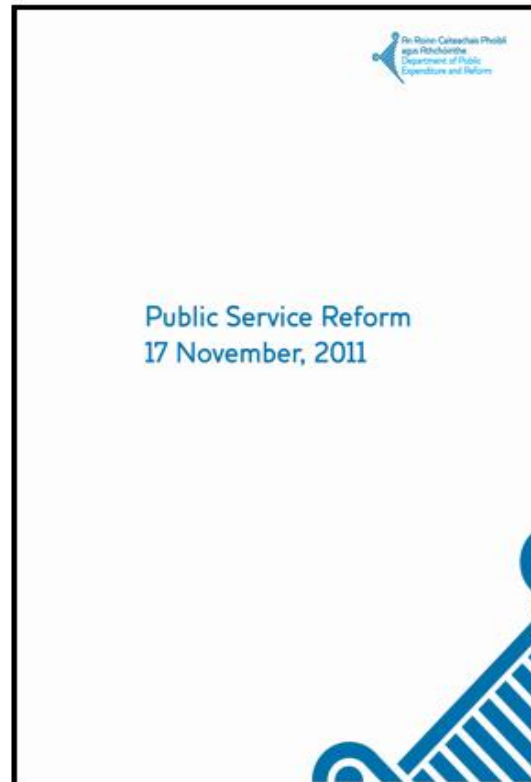


Driving Reform – 3 Primary Strands

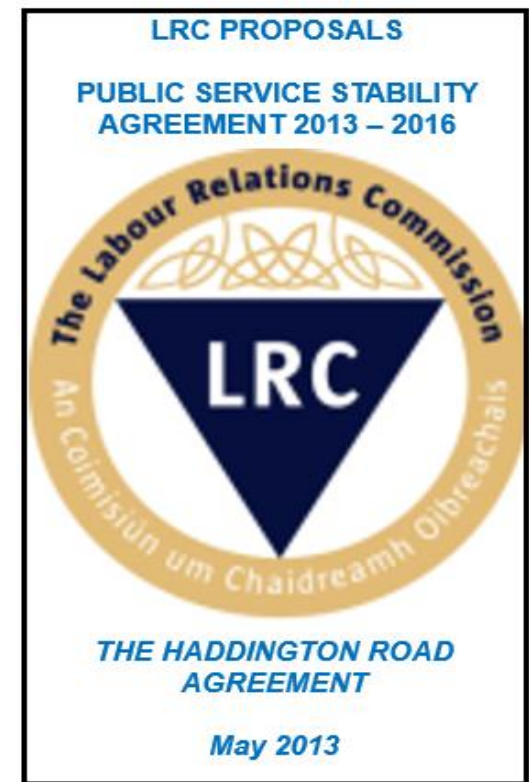
Political/Administrative



Strategic

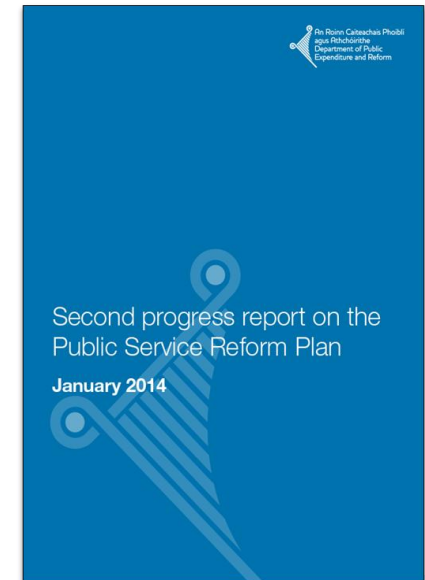


Operational



Significant Achievements to Date

- ✓ Lower spending and strengthened controls
- ✓ Haddington Road Agreement
- ✓ Deployment of Shared Services
- ✓ Outsourcing of non core work
- ✓ Procurement consolidation
- ✓ Property action plan agreed
- ✓ Better use of ICT and online services
- ✓ Over 500,000 Public Service Cards issued
- ✓ “Cross Government” appointments



Ireland Stat Government performance
measurement

**Oifig um Sholáthar Rialtais
Office of Government Procurement**

Productivity Improvements – Examples

- Haddington Road Agreement: 15 million extra hours to be worked across sectors
 - Reductions in overtime rates and volume, cost of premia payments, agency workers and costs of increments
 - Revised work practices and roster arrangements
 - Radical workplace reforms in each sector
- 65.5 public servants per 1,000 people in 2012 (72.7 in 2008)
- Student:Staff ratio up from 14.3 to 18.5 in third level Education
- 13.4% fewer patients on trolleys in 2013 than 2012
- Extended opening hours (e.g. Intreo, Passport Office)



Stability and Exit from the Troika Programme



New Reform Plan – Focus on Better Outcomes



1. Strategic & cross cutting
2. Sector specific (Civil Service, Health, Education, Local Government & Justice)
3. Operational efficiencies
4. Openness & accountability
5. Leadership & renewal



5 Key Commitments for the Next Phase of Reform

1. Innovation in service delivery
2. Digital government
3. Further Cost Reduction
 - Haddington Road Agreement
 - Shared services
 - Procurement consolidation
4. Openness and Accountability
5. Civil Service Renewal



(1) Innovation in Service Delivery

More services are provided externally:

- Local Property Tax
- Driving Licences
- Third level grants

Projects underway:

- Labour Market Activation – JobPath
- Integrated employment and support (Intreo)
- National Household Survey Call Centre
- HSA Finance Function
- Debt Management

New approaches:

- Examination of partnerships with private enterprise, voluntary organisations and community groups
- Moving from block grants to release of funds on delivery of specified outcomes
- Commissioning for defined outcomes and building capacity
- Social Impact Investing



(2) Digital Government

Need to embrace consumer technology

Build on progress made:

- Over 500,000 Public Service Cards issued
- National Data Infrastructure: PPSN, unique personal identifier, postal codes
- ROS.ie, PAYE Anytime, Fixyourstreet.ie, Localgov.ie, Intreo.ie, Agfood.ie
- Social media – An Garda Síochána, Defence Forces, Bord Bia
- Office of the Chief Information Officer, CIO Council, Data Sharing Clearing House

Key commitments:

- Customer focus – top transactional services and public service cards
- Data sharing
- Open data
- Efficiency – cloud computing strategy

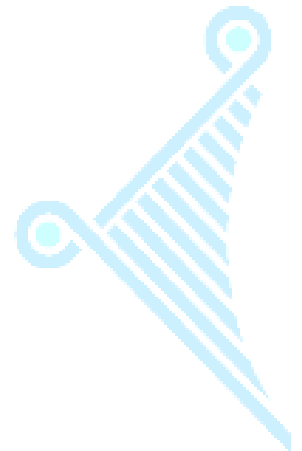


(3) Further Cost Reduction – Haddington Road

Reform Dividend – saving to invest

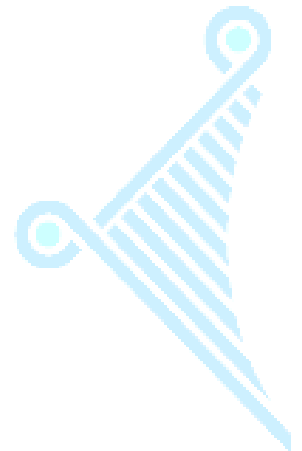
Haddington Road Agreement - €1BN savings

- 15 million additional working hours annually across all sectors of the Public Service.
- Sector-specific measures under the Agreement:
 - overtime rates and non-core payments amended in relevant sectors;
 - 500,000 additional policing hours annually.
 - extended supervision and substitution duties for teachers will save €118M annually.
 - qualification period for the teachers' contract of indefinite duration reduced from 4 to 3 years
 - proposals to reduce non-consultant hospital doctors shifts.
 - transfer of water services from the local authorities to Irish Water.



(3) Further Cost Reduction – Shared Services

- Shared services are being implemented
- For example:
 - PeoplePoint (Civil Service HR and Pensions shared service) now serving 19 organisations and 24,000 customers.
 - Reduction in number of Civil Service payroll centres from 18 to 3.
 - Finance function consolidation to reduce processing centres from 20 to 3.
 - Laois County Council leading the rollout of a payroll and superannuation shared service for Local Government sector.
 - Sectoral plans in place for four main sectors.

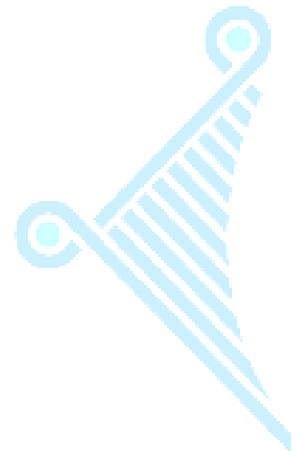


(3) Further Cost Reduction – Procurement Consolidation

- The Office of Government Procurement has targeted €500 million savings target from public procurement
 - Consolidation and specialisation
 - Category councils
 - Sourcing waves
 - Skills – recruitment, investment, training
 - OGP will help to strengthen the SME sector



Oifig um Sholáthar Rialtais
Office of Government Procurement



(4) Openness and Accountability

- Introduction of lobbying regulation
- Enactment of FOI legislation
- Legislation on Protected Disclosures
- Participation in Open Government Partnership
- Strengthening the ethical framework for office holders and public servants
- Strengthening Civil Service accountability and performance – consultation process

The
Dáil Reform
Programme

will bring civil society interest groups and experts into the legislative process at an early stage



(5) Civil Service Renewal

Building on progress:

- Increased productivity (longer working hours)
- Standardised annual leave and sick leave arrangements
- Leadership (Senior Public Service)
- Redeployment and mobility

Issues being addressed

- Grades and spans of control
- Recruitment and mobility
- Training and Development
- Strengthening cross departmental leading and working- integrated approach
- Unified civil service
- Building organisational capacity and capability
- Accountability and reform

