

IMPLEMENTATION

BODY

Public Service Agreement

Third Progress Report

July 2013

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Chairman's foreword

On behalf of the Implementation Body, I am pleased to submit our third annual progress report under the *Public Service Agreement*.

On this occasion, we have a shorter than usual reporting period – nine months – as we seek to bring our reporting into line with the more commonly used calendar and financial year.

The Body concluded that progress continued to be made during 2012 across the public service under the Agreement against the backdrop of the on-going difficult fiscal environment. The Body concluded that staff continued to co-operate with the reforms and changes proposed by managements and Government.

In last year's Report we highlighted the increased productivity achieved under the Agreement. This continued during 2012 as staff numbers reduced further. In our third Report, we have presented a series of Case Studies to illustrate the diverse range of change and reforms being delivered under the Agreement.

It is not the role of the Agreement itself, or indeed of the Body, to decide on targets for such matters as staff reductions or the nature and scope of public service reform. Such decisions are for Government and public sector managements. The role and value of the Agreement is that it is enabling such decisions to be implemented in an environment of industrial peace and with the continued co-operation of staff across the public service.

I would like, on behalf of my colleagues and on my own behalf, to once again thank the Chairs and members of the Sector Groups for their ongoing work in driving the reform agenda in each of the sectors. I would also like to thank the small group of staff in our Secretariat who have continued to provide an outstanding support and backup service to the Body and to me personally.

Finally I would like to thank all of my colleagues on the Body for their time, effort and commitment throughout the year.

A handwritten signature in black ink, appearing to read 'J. Fitz', with a large, sweeping flourish extending from the end of the signature.

Chair

July 2013

SUMMARY

Overall assessment and conclusions

- The Agreement continued to support the delivery of reform and the implementation of changed work practices across the sectors of the public service and ample evidence of this is provided in section 3 of this Report
- The Body notes that the Agreement is in its final stage of its implementation under the existing framework. A review of the original sectoral proposals under the Agreement shows that the overwhelming majority of commitments around cost extraction, reform and changed work practices have now been substantially delivered
- Given that Action Plans have been revised on a number of occasions since the Agreement commenced, it is clear to the Body that a more substantial agenda of reform has been implemented in each sector beyond that originally envisaged at the time the Agreement was negotiated. The Body is of the view that it is important to acknowledge the co-operation shown by the parties to date in delivering these agendas and also the role played by the Department of Public Expenditure and Reform

Pay and non-pay savings

- The gross Exchequer pay bill reduced from a peak of €17.5bn in 2009 to €14.4bn (net of the Pension Related Deduction) in 2012, a reduction of almost 17.7%
- Paybill savings totalling €161m during the 9 month review period (April–December 2012) were achieved. This equates to €214m on an annual basis. This brings the total pay savings, since the commencement of the Agreement, to almost €1 billion
- Significant non-pay or efficiency savings were also achieved. For the review period, non-pay savings of approximately €169m have been reported to the Body, bringing the total non-pay savings reported, since the commencement of the Agreement, to approximately €847m
- Total pay and non-pay savings since the commencement of the Agreement and documented in the Implementation Body's three annual reports amounted to €1.8 billion

Numbers Reduction

- Total staff numbers in the public service have been reduced by over 29,500 whole-time equivalent posts or by 9.2% since their peak in 2008, from 320,000 to 290,500
- During the review period, staff numbers were reduced by 1,500, bringing the total cumulative reduction in staff numbers since the commencement of the Agreement to over 18,700
- The pace of the reduction in staff numbers during the current review period understandably slowed significantly. This was expected given that the previous review period reflected the full impact of the departure of 8,000 staff from the public service at the end of the “grace period” for retirements (end February 2012) and the fact that the review period in question covers a shorter time period of 9 months

Key reforms by Sector

Health

- In the health sector, service managers and staff continued to implement and co-operate with redeployment in order to ensure that services continue to be delivered despite further reductions in overall staffing numbers. 2,400 staff were redeployed or reassigned across the full range of health services
- Roster changes continued to be implemented in specific service locations in the health sector in order to increase efficiencies and maintain services. Notably, agreement was reached with hospital consultant representative bodies in November 2012 for significant changes to work practices and rosters that will support the implementation of new clinical programmes and other key clinical priorities
- Significant reconfiguration of services continued during the year in mental health and childcare services as well as services for the elderly. A key reconfiguration was the re-orientation of mental health services from institutional care to more independent living arrangements in local communities
- The implementation and continued operation of the health sector’s Single National Procurement Operating Model remains a key enabler in achieving cost reduction, increasing efficiencies and the adoption of streamlined, standardised

procurement processes reflecting best practice models and to avoid duplication of effort

Education

- Teachers, Lecturers and Special Needs Assistants across the education sector are working additional hours which were made possible by the Agreement. The additional hours have helped to deliver significant benefits for education services, students and parents
- The number of posts of responsibility in primary and post-primary schools was reduced by a further 1,077, bringing the total reduction to 7,077 such posts
- Redeployment procedures for primary and second level teachers continued to be implemented successfully. This resulted in the elimination of 463 surplus primary and 62 surplus secondary teacher posts in advance of the 2012/2013 school year
- Arising from the implementation of a redeployment scheme facilitated by the Agreement, Chief Executive Officer Designates have been assigned (August 2012) to 15 of the 16 new Education and Training Boards
- Arrangements have now been put in place to centralise and aggregate procurement across the Vocational Education Committee (VEC) sector. In addition, during the review period, the Shannon Consortium Procurement Network expanded from four member organisations (University of Limerick, Limerick Institute of Technology, Mary Immaculate College, Institute of Technology Tralee) to include a further eight Institutes of Technology

Prisons

- The Agreement continued to facilitate major reforms and transformation of the Prison Service. Joint Task Review Reports in seven prison sites were completed and their recommendations implemented
- A new management structure was successfully introduced, which has resulted in a reduction of 18.5% in numbers at senior and middle management grades across the Prison Service resulting in annual payroll savings of €2m per annum
- Administrative staff from elsewhere in the public service were redeployed to prison offices, freeing up prison officers for frontline work

- The Prison Service continued to participate in a programme with the Gardaí and the Courts Service to foster greater inter-agency co-operation and efficiencies within the overall the criminal justice sector

An Garda Síochána

- The new garda roster was introduced on 30 April 2012 as planned, the first such roster change in 40 years. The roster more efficiently matches the supply of Garda personnel to peak demand for services, particularly at weekends
- A Working Time Agreement, which underpins the roster, was agreed by all four Garda Staff Associations and Garda Management in September 2012
- An Garda Síochána continued with a number of initiatives for further modernisation and development of the organisation and improvements in service delivery. These include the closure of 39 Garda Stations and the restructuring of some Garda Districts under the Garda Response to a Changing Environment (GRACE) programme

Defence

- A complete reorganisation of the Permanent Defence Force was implemented over a 17 week timeframe which involved reducing the number of Army Brigades from 3 to 2
- 3,507 serving military personnel were redeployed across the organisation to different posts within the organisation; this includes 1,613 under the reorganisation and 515 as a result of Barracks closures

Local Government

- Further progress was made on the sector's agency rationalisation programme for example, the Local Government Management Agency was established in August 2012 with the completion of the merger of the Local Government Computer Services Board and Local Government Management Services Board; and the merging of Regeneration Agencies in Limerick into Local Authorities was completed in July 2012
- An implementation plan for the alignment of functions in the Community Division of the Department of Environment, Community and Local Government with local authorities was finalised in 2012
- Implementation structures with independent oversight have been put in place to oversee local authority amalgamations, in Tipperary, Limerick and Waterford

- Procurement has been identified as a key area in the local authority reform programme given the opportunity for immediate savings. Significant savings of approximately €20m were achieved by local authorities
- A dedicated Programme Management Office (PMO) was established to drive the Shared Services and other Reform Programmes in local authorities. The PMO has now been staffed and resourced through the secondment of experienced staff from a number of local authorities, with a range of appropriate skills
- There have been further developments in ICT, online services and other eGovernment strategies in the local authorities

Civil Service and State Agencies

- Significant progress was made in rationalising state agencies including streamlining the 5 existing employment rights Agencies into 2 and the establishment of Quality and Qualifications Ireland (QQI) in November 2012, replacing or merging 3 existing agencies - the National Qualifications Authority of Ireland (NQAI), Further Education and Training Awards Council (FETAC) and Higher Education and Training Awards Council (HETAC)
- Departments, Offices and Agencies continued to reduce office requirements where possible. For example, Teagasc completed the closure of 42 public offices to the public as scheduled, with 16 regional offices now established
- The shared services agenda continues to be driven by the Department of Public Expenditure and Reform, with considerable progress achieved
- The OPW National Procurement Service (NPS) is continuing to achieve greater efficiencies and value for money in the procurement of common goods and services for the public service

1 Introduction

This is the Third Annual Progress Report of the Implementation Body which oversees implementation of the *Public Service Agreement*.

In accordance with Paragraph 1.16 of the Agreement, the Implementation Body carries out a review each year of the sustainable pay bill savings achieved under the Agreement. The Body also assesses the level of administrative efficiency (or ‘non-pay’) savings that have been achieved. Furthermore, the Body reviews progress on the implementation of the Action Plans that have been put in place to drive workplace change and reform in each sector of the public service which have been designed to enable them to maintain services with significantly fewer staff and reduced budgets.

This third Report examines the sustainable savings and progress achieved during the nine month period April to December 2012. The Body’s two earlier reports outlined progress achieved during the first two years of the Agreement – April 2010 to April 2012. Appendix 1 contains a high level summary of the key achievements reported for the first 2 years. The full reports are available on the Body’s website, www.implementationbody.gov.ie. This year the Body decided to align its reporting with the financial year rather than the 12 months (April–March) as with previous reports.

The Body comprises representatives of Public Service Management and the Public Services Committee of ICTU and an independent Chair. Information on the Body and its work can be found on the Body’s website.

2 Reducing public service costs

2.1 Staff number reductions

During the review period, staff numbers continued to be reduced. The numbers employed were reduced by 1,500, bringing the total cumulative reduction in staff numbers to date under the Agreement to over 18,700. The number reductions by sector under the Agreement to date and during the period under review are set out in tables 1 and 2 respectively.

Total staff numbers in the public service have been reduced by over 29,500 whole-time equivalent posts (Table 1), since their peak in 2008, from 320,000 to 290,500¹. This represents a 9.2% reduction. This reduction in staff numbers demonstrates the continued progress being made under this Agreement towards the Government’s current target of 282,500 by the end of 2014.

¹ All figures provided on staff numbers are in whole-time equivalent terms.

The Body noted that the pace of the reduction in staff numbers during the current review period, compared to the previous period slowed significantly. This was not unexpected given that the previous review reflected the departure of 8,000 staff at the end of the “grace period” in February 2012. In addition the review period covers a shorter time period of 9 months rather than a 12 month period as heretofore.

The Body noted that there were some instances of small increases in staff numbers:

- as a result of some limited recruitment, Civil Service staff numbers increased by 136 during the review period. The Body understands that this was largely driven by the recruitment by a small number of Departments which were significantly below their approved or authorised staffing levels; and
- the engagement of almost 200 temporary staff for specific periods of time in the Department of Social Protection to facilitate the roll out of the Public Services Card and to administer the back to school clothing and footwear allowance scheme.

The Body notes that even with this level of recruitment, the civil service sector remained significantly below its approved 2012 levels.

Staff numbers in the Defence Forces increased by approximately 600 personnel to maintain the Permanent Defence Force strength of 9,500 as agreed by the Government.

Table 1
Overall reduction in Public Service Numbers since Q4 2008

	2008	2012	Reduction	% Reduction
	End Qtr4	End Qtr4	2008-2012	
Civil Service	38,909	35,896	-3,013	-5.3%
Defence Sector	11,265	9,979	-1,286	-11.4%
Education Sector	95,024	90,702	-4,322	-4.5%
Health Sector	111,025	101,506	-9,519	-8.6%
Justice Sector	15,692	13,352	-2,340	-14.9%
Local Authorities	35,008	28,306	-6,702	-19.1%
Non-Commercial	13,060	10,686	-2,374	-18.2%
State Agencies				
Total	319,983	290,427	-29,556	-9.2%

Notes

- i. Figures provided by the Department of Public Expenditure & Reform
- ii. The above figures do not include Oireachtas staff, which numbered 434 in Q4 2012, and who are paid from the Central Fund
- iii. Over the period, some staff redeployed from the Health Sector (1,000) and the wider State Sector (700) into the Civil Service, which serves to understate the net fall in Civil Service numbers and overstates the fall in the corresponding sectors that redeployed staff out.

2.2 Pay bill savings in year three of the Agreement

As noted by the Body in its last report, the impact of the measures implemented to date to reduce the public service pay bill (i.e. pay reductions, the Pension Related Deduction, the reduction in staff numbers and other measures facilitated by the Agreement) has been significant and has resulted in a reduction in the gross Exchequer voted pay bill from a peak of €17.5bn in 2009 to €14.4bn (net of the Pension Related Deduction) in 2012, a reduction of €3.1bn or almost 17.7%.

For the nine-month period under review, the total pay bill savings achieved through reductions in staff numbers and other pay related savings is in the order of €63.3m or an annualised saving of €84.3m. Details are set out in Table 2.

In addition, the Body noted in its second Annual Progress Report that some 8,000 staff retired from the public service in January and February 2012. In the calculation of pay bill savings for its Second Annual Progress Report published in June 2012, the Body took the prudent approach of providing for a certain level of recruitment over the remainder of 2012 on foot of these retirements and based its savings calculations accordingly – the Body was careful to ensure that its calculation was robust and based on sustainable reductions in staffing levels. However, during 2012 the full extent of the recruitment provided for by the Body did not transpire.

Therefore, €130m (or €97.5m on a nine-month basis), being the estimate provided to the Body by the Department of Public Expenditure and Reform of the expected cost of recruitment in 2012 that was not in fact required, can now be classified as a sustainable pay bill saving in this review period. This brings the total sustainable pay bill savings for the reporting period to approximately €161m.

Table 2**Number Reductions and Sustainable Pay Roll Savings in the Nine-Month Period April 2012 to December 2012**

	2012 End Qtr 1	2012 End Qtr 4	Numbers Reduction	Payroll Savings by sector (9 month)	Payroll Savings by sector (Per Annum)
					€m
Civil Service ³	35,763	35,896	133	5.9	7.8
NCSA	10,772	10,686	-86	-3.8	-5.0
Sub-total	46,535	46,582	47	2.1	2.8
Health Sector	102,811	101,506	-1,305	-56.8	-75.7
Defence Sector	9,553	9,979	426	18.5	24.7
Justice Sector	13,622	13,352	-270	-11.8	-15.7
Education Sector	90,830	90,702	-128	-5.6	-7.4
Sub-total	263,351	262,121	-1,230	-53.1	-71.3
Local Authorities ⁴	28,576	28,306	-270	-9.8	-13
Total Numbers Reduction	291,927	290,427	-1,500		
Total Payroll Savings in 2012				63.3	84.3
Provision for 2012 recruitment in 2nd Report which did not transpire				97.5	130
Total Net Estimated Sustainable Pay Roll Savings for the Review period				160.8	214.3

Notes

1. Figures supplied by Department of Public Expenditure and Reform
2. Payroll Savings are calculated on average annualised savings per employee arising from the reduction in numbers during the review period of 1,500 (employee number reductions arise at different times during the year). It includes savings due to numbers reductions and other reductions in the cost of the public service pay bill. (e.g. in overtime, allowances etc).
3. The above figures do not include Oireachtas staff, which numbered 434 in Q4 2012, and who are paid from the Central Fund
4. Local Authority staff costs are not included in the Exchequer Pay Bill and are funded separately but are included in the figures presented in this Report and in Table 2

2.3 Projected pay bill savings to 2015 and additional pensions costs

From 2009 onwards measures were introduced to reduce the level of the annual pay bill, aimed at bringing the expenditure from a peak in 2009 of €17.5bn (gross) to €13.7bn (net of the Pension Related Deduction) in 2015, creating an annual saving of €3.8bn (see Table 3 below).

Table 3: Exchequer Pay Bill costs 2009 to 2015²

	2009	2010	2011	2012	2013	2014	2015	2009-2015 reduction net of PRD
	€m	€m	€m	€m	€m	€m	€m	
Exchequer Pay Bill – Gross	17,514	15,935	15,645	15,375	15,069	14,700	14,600	
Pension Related Deduction (PRD)	837	945	950	930	910	910	910	
Exchequer Pay Bill Net of PRD	16,677	14,990	14,695	14,445	14,159	13,790	13,690	3,825

Note: Figures provided by the Department of Public Expenditure and Reform

The Exchequer pension bill is expected to increase by €0.5bn over the period 2009 to 2015 from €2.6 to €3.1bn (see Table 4 below).

Table 4: Exchequer Pension Bill costs 2009 to 2015

	2009	2010	2011	2012	2013	2014	2015	2009-2015
	€m	€m	€m	€m	€m	€m	€m	
Exchequer Pension Bill – Gross	2,558	2,733	2,753	3,038	3,007	3,099	3,099	
Increase over previous year		175	20	285	-31	92	0	541

Note: Figures provided by the Department of Public Expenditure and Reform

Offsetting the pension bill increase against the pay bill reduction will see the overall Exchequer Pay and Pensions Bill fall by approximately €3.3bn, or 19%.

However, as pointed out in its Second Progress Report, the relationship between movements in the pay bill and the pension bill is not a direct one. Movements in the

² 2009 has been used as the base year due to the fact that while public service numbers peaked in 2008 (see Table 1), the gross public service pay bill did not peak until 2009 due to the full year effect of the last general round of pay increases under the *Towards 2016* national pay agreement. Accordingly, the forecast reduction in pay bill from 2009 to 2015 is €3.8bn while the equivalent reduction from 2008 to 2015 is €3.5bn.

pension bill are subject to a number of other factors including increased life expectancy of existing pensioners and the demographic profile of the public service with increasing numbers of staff approaching retirement, following the substantial numbers recruited in the 1970s. Increases in pension costs are not a result of the Agreement whose focus is on extracting costs from the Exchequer pay bill.

2.4 Examples of other pay related savings reported

As in previous years, the overall value of the pay bill reductions set out in Section 2.2 above are inclusive of reductions being delivered in the cost of other elements of the pay bill, some examples of which are illustrated below.

The Body notes that the 10% reduction in overtime targeted by the Government for 2012 has been achieved with an estimated reduction in cost for 2012 in the order of 13%.

Examples of other pay bill reductions reported by sectors include:

- In the health service, measures continued to be implemented to maintain and improve service delivery while reducing costs. These measures resulted in total savings of €22m in the costs of overtime, various allowances and weekend and night premium payments
- The Prison Service reported a saving of €4.5m (€6m on an annual basis) arising from a net reduction of 67 staff in seven different prison sites. These staff reductions were facilitated by the Joint Task Review Reports
- There has been a further reduction in responsibility posts in both primary and post-primary schools in the order of over 1,000 posts, bringing the total reduction of such posts over the lifetime of the Agreement to 7,077. This total reduction will give rise to a cumulative full year saving of approximately €40m annually
- In An Garda Síochána, savings of approximately €0.8m in overtime were achieved as a result of local management initiatives and as part of the ongoing Garda Response to a Changing Environment (GRACE) initiatives

2.5 Administrative efficiency (non-pay) savings achieved

Table 5 below summarises the total administrative efficiency, or non-pay related, savings reported to the Body by each sector for the nine-month period under review. The Body requires that reported savings are signed off by the relevant Accounting Officer in each case.

Table 5:
Overall Efficiency (non-pay) Savings Reported by Sector

	Savings Achieved in the Review Period	Annualised Full Year savings
	€m	€m
Local Government	43	58.5
Health	58.3	74.7
Education	14.5	19.3
Defence Forces	2.1	2.5
Garda Síochána	17.4	23.2
Prison Service	1.7	2.3
Civil Service & State Agencies	31.6	55.6
TOTAL	168.6	236.1

Some examples of the efficiency savings reported by sectors during this review period include:

2.5.1 Health

The health sector has delivered savings of approximately €58m. These savings were driven by further efficiencies arising from the Single National Procurement Operating Model, reduced travel and subsistence costs and from restructuring and rationalising maintenance services.

2.5.2 Education

In the education sector non-pay savings amounted to a total of €14.5m. This comprised of non-pay savings being delivered through various shared services and procurement initiatives in the universities (€13.5m) and in the Vocation Education Committee (VEC) sector (approximately €1m).

2.5.3 Prison Service

Non-pay savings of €1.7m were achieved in the Prison Service. The service has been successful in identifying innovative ways of generating cost efficiencies. For example, through engagement with staff representatives, an internal prisoner training proposal to carry out catering duties in staff canteens was developed and implemented. As well as

generating significant cash savings over the review period (€1.5m), this initiative also allows for training and up skilling of prisoners for post-release opportunities.

2.5.4 An Garda Síochána

Non-pay savings of €17m were reported in An Garda Síochána. Savings were achieved due to a number of measures which were facilitated by the Agreement including changed work practices, the greater utilisation of ICT and various other local management initiatives and as part of the ongoing Garda Response to A Changing Environment (GRACE) programme.

2.5.5 Defence

Non-pay savings of €2.1m have been achieved in the Defence Forces. These savings include approximately €0.9m, (amounting to €1.2m on an annual basis) which were delivered as a result of the closure of four army barracks. These savings were the subject of independent verification by Grant Thornton.

2.5.6 Local Government

Significant non-pay savings were delivered in the local government sector, totalling €43m. Procurement has been identified as an area for cost extraction in the local authority reform programme and was the main driver of these savings, generating over €20m in the review period. Other significant savings were delivered in the areas of rationalisation and restructuring (€8.5m) and productivity improvements (€5.4m).

2.5.7 Civil Service and State Agencies

€32m in non-pay savings was reported by the civil service and state agency sectors. The savings were achieved in a number of different areas. Examples include:

- The Department of Agriculture, Food and the Marine and its agencies achieved non-pay savings of €1.7m across a range of measures.
- The Irish Naturalisation and Immigration Service (INIS) yielded savings as a result of efficiencies and changed work processes of €1.24m.
- Initiatives in the Courts Service resulted in non-pay savings of €2.2m. These included the rationalising of operations and accommodation costs and a revised design of Digital Audio Recording. Savings came as a result of flexibility of Courts Service staff reorganising services in co-operation with an external service provider to reduce costs.

2.6 Independent verification of savings

The Agreement allows for the engagement of external financial advisors to undertake independent verification of reported savings under the Agreement. It is not possible, practicable or cost effective to submit every saving achieved under the Agreement to external verification. The approach of the Body has been to submit a small number of

sample projects for independent evaluation. On this occasion three projects were selected which included a spread of sectors and a range of reform measures.

This verification process involves a review of the methodology, quantification and estimation used by public service management to identify savings that have been achieved and/or will be achieved as a result of agreements reached.

Chartered accountants, Grant Thornton, were engaged, following a tendering process, to carry out three sample validations for this review. The projects examined were:

1. The closure of a number of Army Barracks;
2. The Joint Task (efficiency) reviews of prisons; and
3. Work practice changes for radiographers in the Health Service.

Grant Thornton concluded that:

- all of the three projects evaluated either have already facilitated or demonstrate a capability to facilitate verifiable savings in the future;
- the Agreement is playing a significant role in facilitating the implementation of the savings initiatives in each case; and
- the declared savings reported by management in each of the three projects were found to be reasonable estimates of savings that have arisen or will arise due to the successful implementation of the projects and the methodology used for each project was found to be acceptable.

3 Progress on implementing change and reform

This section sets out the main areas of reform that have been progressed in each sector over the course of this reporting period.

Significant reform has been achieved over the course of this Agreement as evidenced in this Report and the Body's two previous reports. In this year's Report, the Body has decided to include a series of case studies to illustrate for the public a selection of the reforms delivered under the Agreement since 2010.

3.1 Health Sector

CASE STUDY 1: Reforming Hospital Laboratory Services

Significant work practice changes were introduced in HSE and voluntary hospital laboratory services nationwide for approximately 3,000 staff in March 2011. The rationale behind the changes was to deliver the optimal structures to ensure a quality and fit for purpose modern laboratory service and by so doing, improve the responsiveness and efficiency of health service delivery and ultimately provide a better service to the patient.

Laboratory services are now provided during extended working hours of 8am to 8pm, Monday to Friday, along with a revised payment structure for out of hours emergency cover. The changes also facilitate the introduction of an extended working week on a 5 over 6 (Monday to Saturday) or 5 over 7 (Monday to Sunday) basis where such a service requirement is identified and following local consultation.

The service enhancements have been made possible under the Agreement by providing the platform and process for staff engagement to secure very considerable changes to work practices. This has resulted in a more cost efficient and demand centred laboratory service in the health sector.

Savings of €8.5m per annum have been achieved by the extension of the working day and the introduction of an out-of-hours payments system based on actual hours worked (on a pro-rata basis) rather than a fee per item basis.

During the review period:

- services were successfully maintained - and indeed improved - despite reducing budgets and staff numbers, as well as cost pressures associated with demographic change, new treatments and diagnostic technology.
- service continuity, ongoing improvement and system change was achieved in a climate of industrial peace.

- there were over 3,000 initiatives including reconfigurations, service refinements, redeployments, rationalisation and/or fundamental changes to traditional arrangements, some of which are detailed in the section below.
- the ongoing flexibility and co-operation of health service staff, which the Agreement facilitates, has been key to the successful development and implementation of these and other system change programmes.

3.1.1 Redeployment

In the health sector, service managers and staff continued to implement and co-operate with redeployment to ensure that services were maintained despite further reductions in overall staffing numbers. 2,400 redeployments and reassignments took place across the full range of health services over the review period. Examples include:

- A total of 90 staff were redeployed across the Cavan/Monaghan Hospital Group, which delivers services from both Cavan and Monaghan;
 - A centralised appointments department for the Hospital Group was established on the Cavan site. 50 staff redeployed on foot of this initiative – some to work in the new unit and others, who had previously worked on appointments in the Monaghan site, were redeployed to other service areas.
 - 40 staff redeployed within the Out-Patients Department, across the two sites. This has enabled the delivery of the same level of service despite a 25% reduction in staff numbers in this department.
- In Older Persons' Services in Co. Meath, more than 60 staff redeployed from St. Joseph's Hospital in Trim, to Beaufort Community Nursing Unit in Navan.
- A major reconfiguration of administration functions was implemented across the full range of community health services in Co. Cork. Various functions and services were centralised from several different locations to one central location. These included the Drug Payment Scheme, Ophthalmic Schemes, Hardship Scheme, Child Health Services, Supplies and Home Help Payroll. Over 70 staff redeployed to enable this reconfiguration.
- Some 100 clerical/administrative staff were reassigned to revised and new roles, involving new job descriptions and revised work practices, on foot of the Cork University Hospital reorganisation of Clerical, Administration Support Services (CASS). Phase 2 of this initiative will involve the reassignment of a further 30 clerical/administrative staff.
- Learning Disability and Autism Services were reconfigured in Sligo/Leitrim to provide for the delivery of improved person centred services. A new respite model has been put in place to meet the needs of families, and this has allowed

for the redeployment of staff from the Respite Service to a resource pool which will meet the needs of the core Learning Disability Service. In total, 33 staff redeployed across the service in Q4 2012, with anticipated savings of €0.28m.

- Following a number of staff retirements, a full review of staffing levels and skill mix was undertaken in the mental health services in Castlerea, Co Roscommon to ensure that service levels to the public were maintained. The review set the required staff levels and skill mix (nurses and multi-task attendants) for each community and inpatient facility in the area. On foot of this review, a total of 35 staff redeployed to community facilities such as hostels, day centres and high support hostels. These staff redeployed from within the mental health services in Castlerea, from an inpatient facility for the elderly and also from other day centres in other parts of Roscommon.

Furthermore, a National Staff Transfer Policy and Procedure has been agreed and implemented within the National Ambulance Service. The procedure enables effective staff redeployment and is viewed also as a key tool to improve staff retention and reduce staff turnover.

3.1.2 Rosters/extended working day

The following are examples of areas where changes to rosters and/or extended working arrangements were agreed or introduced during the reporting period:

- An agreement reached at the Labour Relations Commission (LRC) in October 2012 on annual leave/public holiday entitlements for Non-Consultant Hospital Doctors (NCHDs) will result in estimated savings of at least €3.5m per annum.
- An agreement reached in November 2012 with the hospital consultant representative bodies will result in significant changes to consultant work practices that support the implementation of clinical programmes and other key clinical priorities. The agreement provides for greater flexibility and efficiencies to be delivered *inter alia* through roster changes including implementation of 5/7 working, 24/7 working, a strengthened management role for Clinical Directors, measures to support the efficient management of private patients and measures to enable more effective income collection.
- In September 2012, the Laboratory Modernisation Implementation Group concluded its verification of the implementation of and savings achieved from the Laboratory Modernisation Agreement (see Case Study 1 above). The report compared out-of-hours payroll costs for the 12 month pre-agreement period (1 March 2010 to 28 February 2011) with those for the 12 month post-agreement period (1 March 2011 to 29 February 2012). The report outlined actual verifiable savings of €8.5m, with total out-of-hours payments being reduced from €34m to €25.5m in the 12 month reference period, a reduction of some 25%.

- Measures implemented in the HSE's Children and Family Services in the reporting period include:
 - **Out-of-hours pilot sites:**

Pilot sites in Cork and Donegal are fully implemented and evaluated; further expansion of services will be progressed in light of evaluation findings.
 - **Extended Working Day:**

Extended working day arrangements for social workers were implemented in Laois / Offaly.
 - **Rosters & Skill Mix:**

Revised rosters were implemented in Laois/Offaly. This includes appropriate skill mix and optimal roster arrangements in Residential Child Care Services.

- Mental Health Services in Cork implemented a 24 hour integrated management model whereby nurse management arrangements at night were revised and cost savings achieved annually equate to €0.8m.

- In Cork University Hospital/Mercy Hospital, medical rosters were revised in line with service needs. An analysis of activity levels in the Emergency Department was undertaken and this informed the introduction of revised doctors' rosters. The new rosters seek to match staffing levels to service needs in this 24/7 service. The introduction of the revised rosters has resulted in a reduction in overtime payments.

- In Tallaght Hospital, new rostering arrangements affecting 245 NCHDs were agreed. The aim of this initiative is three-fold: to match the roster to service needs; to reduce overtime payments; and to ensure compliance with the European Working Time Directive.

3.1.3 Reconfiguration and reorganisation of services

Mental Health

The Government has prioritised the reform of mental health services in line with *A Vision for Change* and the policy is being progressively implemented with the co-operation of staff. The Agreement is facilitating the relocation of mental health service users from institutional care to more independent living arrangements in communities. Examples include:

- Patients and staff have relocated to a community nursing unit in Ballinasloe, Co. Galway which facilitated the closure of St Brigid's Psychiatric Hospital in

Ballinasloe. Further units are being progressed in Mullingar, Cherry Orchard and Wexford. These units will accommodate long-stay mental health patients currently residing in old psychiatric hospitals. As in Ballinasloe, staff will redeploy from the old hospitals to the new community based units and to other community based services, enabling the closure of these old buildings.

- 29 beds in St Michael's Unit Clonmel, Co. Tipperary closed in July 2012 and staff were redeployed to provide community based mental health services in a number of different settings including, 9 staff to Glenville House, a crisis/respite house in Clonmel, and 21 nursing staff to 3 Home Based Treatment Teams to serve the area.
- Residents and staff from St Luke's Hospital Clonmel transferred to Heywood Lodge Community Nursing Unit in Clonmel in April 2012. The last remaining unit in the hospital, St Teresa's Unit, was closed in July 2012 and the remaining residents and staff transferred to a new purpose built 12 bed high support hostel (Rehabilitation Unit), in Clonmel.
- A significant change programme involving 540 nurses was implemented in Mental Health Services Cork. This change programme included the:
 - revision of rosters
 - rebalancing of staff skill mix – mental health nurses/care assistants
 - implementation of a comprehensive structured annual leave system, spreading annual leave across the full year. This has facilitated better forward planning and a consequent reduction in the overtime/agency costs in providing cover for staff on leave
 - revision of staffing levels in residential services.

Child Care Services

The primary focus of the HSE's Children and Family Services was the implementation of a comprehensive change programme involving the establishment of the new Child and Family Support Agency. The Minister for Children and Youth Affairs established a Task Force to assist her Department in the work of preparing for the establishment of the new Agency on a statutory basis in 2013. The Task Force Report was launched in July 2012. The report sets out a vision for quality childhood in Ireland and for the new Agency. It also makes detailed recommendations on high-level governance of the Agency; organisational structure; scope of services; and a service model.

A Chief Executive Officer Designate and other management posts have been appointed pending the formal establishment of the Agency. The appointment of 4 Service Directors and 17 Area Managers for Children and Family Services has led to a direct line of professional accountability from National Director to Regional Directors to Area Managers, in each of the 17 HSE Areas. This process of restructuring and

reconfiguration was delivered in consultation with the trade unions under the auspices of the Agreement.

Services for the elderly

The main focus of HSE Care of the Elderly services in 2012 was the provision of equitable community-based services and home supports to enable older people to remain at home, in their own community, in so far as possible. Achievements in 2012 included the reconfiguration of Care of the Elderly Services, Mullingar. The new Cluain Lir Care Centre in Mullingar opened in August 2012 and implements responsive care models which place the client/service user at the centre of service delivery ensuring that their individual needs are met. Cluain Lir replaces two services - the former St. Mary's Community Nursing Unit (service for older people) and the Psychiatry for Later Life services, formerly located on the St. Loman's campus in Mullingar. The transfer of the residential clients to Cluain Lir took place on a phased basis.

Cluain Lir has the capacity for 46 residents in the Psychiatry of Later Life section of the building and for 48 residents in the Older Persons section. The opening of Cluain Lir marks the coming together under one roof of two services with their own distinct ethos and regulatory bodies. This reconfiguration was facilitated by full staff co-operation with redeployment and relocation within the St Mary's campus and from other older persons' services in Longford/Westmeath and from St Loman's Psychiatric Hospital.

3.1.4 Clinical Programmes

Clinical Programmes are improving care to patients in a wide range of clinical areas. Twenty nine clinical programmes have been initiated and are now at various stages of development and implementation. This change programme, some of the key achievements of which are detailed below, is being implemented in an environment of full staff co-operation and involvement, underpinned by the provisions of the Agreement.

Acute Medicine Programme

The national average length of stay per patient has reduced from 8.7 days to 7.2 days. This equates to a saving of 121,000 bed days since the commencement of the programme.

Stroke Programme

Eight new stroke units are operational with one more new unit planned. This has been made possible through the re-designation of existing beds, the refurbishment of clinical areas and the allocation of funding for capital improvements and new posts.

54% of stroke patients now spend all or some of their hospital-stay in an acute/combined Stroke Unit. This compares with a figure of 1% in 2006. Current figures show that the number of patients admitted to hospital for stroke has dropped by 6.9%

(more than 500 cases per annum) since the implementation of the programme. Average length of stay per patient has dropped by 2 days (11%). This equates to 40 lives saved, 160 cases of severe disability prevented and a resultant saving of €16m.

Chronic Obstructive Pulmonary Disorder (COPD) Programme

In 2011, the average length of stay per patient was 8.7 days. By June 2012, the average length of stay had dropped to 7.9 days – a reduction of 0.8 days per patient.

3.1.5 Procurement

HSE Procurement is now operating on the basis of a Single National Procurement Operating Model. Working on a national basis has facilitated procurement to deliver better value for money across HSE. Procurement contributed price reductions to the value of €38m during the review period against the HSE non-pay savings plan for the year. This was in addition to a figure of €74m already achieved up to December 2011.

3.1.6 Shared services

Payroll Strategy: HSE Payroll Strategy has now been finalised and discussions are underway with staff representatives, under the provisions of the Agreement, in relation to the operation of this strategy. If the new model is agreed, a project to transition to a shared services payroll operation on a single payroll system will begin in 2013.

Re-alignment: A plan for transaction processing staff (Payroll and Accounts Payable) nationally to re-align to Finance Shared Services is progressing. The HSE South Area transitioned in June 2012. HSE Midlands and North-East and the remaining HSE West areas will transition in 2013.

Income Collection: Key initiatives are progressing in the area of income collection. Full reporting and work plan is agreed and in place across the HSE: Finance Shared Services now provides centralised income reporting (e.g. by hospital, by consultant, by HSE area, etc.) which is included in HSE Board and Department of Health reports. A new claims management system for private insurance is now being implemented across all major hospitals. Eight hospitals are live to date with more implementations in 2013. This will introduce significant change and efficiencies into the claims management process.

Finance and HR Function: A unified Finance and HR Function has been developed for Kildare West Wicklow, Dublin South West and Naas General Hospital.

3.2 Education Sector

CASE STUDY 2: Redeployment in the Education Sector

Redeployment schemes have been introduced for teachers at primary and post-primary level and at third level for non-academic staff under the terms of the Public Service Agreement.

The main benefits of the arrangements are that they allow for staff resources to be moved to areas of greater need thereby avoiding the need for recruitment and resulting in significant pay savings.

At post-primary level, redeployment only existed where there was a school closure. The new arrangements now allow for surplus teachers in schools to be redeployed to fill vacancies in others. They were implemented in advance of the 2011/2012 school year resulting in the elimination of a surplus of some 200 teacher posts and a further 62 posts in advance of the 2012/2013 school year with an estimated full year saving of €17.25m.

Enhanced redeployment procedures at primary level were implemented in advance of the 2011/12 school year resulting in the elimination of a surplus of some 950 teacher posts and a further 463 teacher posts in advance of the 2012/2013 school year with an estimated full year saving of €89.4m.

At third level, no redeployment scheme existed across the sector prior to this Agreement. In respect of non-academic staff at third level, and in the VECs, redeployment arrangements which allow for cross sectoral redeployment of surplus staff between public service employers within defined distances have been put in place. Redeployment of non-academic staff has been utilised, for example, during the merger between Tipperary Institute and Limerick Institute of Technology. To date, the operation of redeployment procedures in conjunction with voluntary redundancy procedures has allowed for the elimination of a total of 140.5 whole-time equivalent posts with an estimated full year saving of €5.62m.

- There has been a further reduction in the number of posts of responsibility in primary and post-primary schools of 1,077 posts during the review period, bringing the total reduction to 7,077 posts of responsibility. This total reduction over the lifetime of the Agreement will give rise to a cumulative full year saving of approximately €40m annually.
- Redeployment procedures for primary and second level teachers continue to be operated successfully. During the review period this resulted in the elimination

of a surplus of some 463 teacher posts in primary and 62 teacher posts in second level in advance of the 2012/2013 school year. Redeployment arrangements have helped to reduce the potential cost of further recruitment by over €100m in a full year.

- The continued operation of the redeployment protocol agreed for various other grades comprising non-academic staff in Institutes of Technology (IoTs), Universities and other colleges, administrative, clerical, maintenance and other support grades across the education sector, in addition to voluntary redundancy, resulted in the elimination of a surplus of some 76 staff during the reporting period bringing the total to 140.5 Whole Time Equivalent (WTE) surplus staff with an estimated saving of €2m over the review period and full year saving of €5.62m.
- There is a significant change agenda underway in the VEC sector with 33 bodies being rationalised to 16. During the review period:
 - Arising from the implementation of a redeployment scheme under the Agreement, CEO Designates have been assigned (August 2012) to 15 of the 16 new Education and Training Boards.
 - Legislation which provides for the formal establishment of Education and Training Boards has commenced its passage through the Houses of the Oireachtas. The Boards are taking over the work of the VECs and have an expanded role in the delivery of further education and training across the country.
- There has been significant progress made in the elimination of allowances for new beneficiaries in the education sector. The estimated initial yearly saving is approximately €3m. Negotiations have commenced over the review period on the removal of certain allowances from current beneficiaries as directed by the Department of Public Expenditure and Reform.

3.2.1 Shared Services and Procurement

- Arrangements have now been put in place to centralise and aggregate procurement across the Vocation Education Committees (VECs). Work to date includes centralised procurement of electricity, gas, stationery and managed print services.
- During the review period, the Shannon Consortium Procurement Network (SCPN) expanded from four member organisations (University of Limerick, Limerick Institute of Technology, Mary Immaculate College, Institute of Technology Tralee) to include a further eight IoTs. The SCPN are currently

conducting major tenders for these organisations in the areas of security, cleaning, library journals and periodicals, PCs and internal audit for IoT members.

- A contract was awarded to a company to complete a shared services feasibility study for the university sector. The company is currently finalising this feasibility study in conjunction with the Universities Project Team.
- A total of 273 post-primary schools have been connected to high speed broadband to date, with 7 schools awaiting installation following completion of school building works. A further 216 schools will be connected in 2013 with the remaining schools connected in 2014.
- Student Universal Support Initiative (SUSI): the 66 separate student grant awarding bodies have been replaced by a single grant authority in City of Dublin Vocation Education Committee (CDVEC). This provides a one-stop shop to improve the effectiveness of services to students applying for grants. During the review period:
 - the new online grant application process went live (11 June 2012) and in excess of 60,000 completed online applications were submitted. The Body notes that problems were experienced during the initial start-up phase
 - a significant element of the customer service strategy has been the outsourced “SUSI Support Desk” which deals with email and telephone queries in relation to the application process and grant scheme. In the period from 11 June 2012 to 10 October 2012, this service dealt with 130,128 telephone calls and 22,621 emails, providing responses to queries from students, parents and other information providers.

3.3 Prison Service

CASE STUDY 3: Supporting Prison Transformation

Task Reviews in each prison capture much of the overall approach to prison transformation. The purpose of the Reviews was to analyse the activities required to operate the services in each prison. The reviews then provided the basis to streamline the activities involved in each business process. This included reconfiguring work practices and procedures around the needs of different categories of prisoner (e.g. implementing an incentivised regime approach to assist in the management of prisoners).

The Agreement enabled the reform to be undertaken as a joint exercise between management and staff associations in the Prison Service. Key outcomes of the Task Reviews are more efficient staff rosters to support reduced staffing levels and new business delivery models. This has facilitated the reduction of staffing levels by around 300 generating savings of approximately €15m. It has also helped to improve some services including the introduction of new structures and processes beneficial for the rehabilitation and structured early release of some prisoners.

The Task Reviews also provided the foundation for examining the structure and grading of management. This allowed for the consolidation of structures and the development of campus based governance arrangements. The new arrangements are West Dublin Campus (Wheatfield and Cloverhill Prisons), Portlaoise Campus (Portlaoise and Midlands Prisons) and Mountjoy Campus (Mountjoy Prison, St Patrick's Institution, Dóchas Centre and the Training Unit).

The rationale of the task review approach was to provide the information needed to inform plans for restructuring and consolidation of management numbers and grades. This has resulted in a reduction of 17% (or 28.5 posts) in management numbers at senior and middle management grades across the Irish Prison Service and generating in the order of €2m per annum. In addition, a unified staffing structure has been implemented for management grades from Campus Governor through to Chief Officer 2 in the three Campus Prison Structures.

- The Agreement continues to facilitate major reforms and transformation of the Prison Service. Over the review period Joint Task Review Reports in seven sites were completed and their recommendations implemented. This resulted in annual payroll savings of €6m.
- A new management structure for the prisons was successfully introduced over the review period, which has resulted in a reduction of 18.5% in management numbers at senior and middle management grades across the Prison Service resulting in annual payroll savings of €2m.
- A new 300 prisoner accommodation block in Midlands Prison was opened in November 2012. This new facility will be operated by introducing a new staffing model linked to the implementation of the Incentivised Regimes Policy. In addition, a 20 prisoner enhanced regime accommodation in Dóchas Centre was opened during the review period.
- The introduction of new Prison Administration Support Officer (PASO) Grades commenced during the review period. This will allow for the redeployment of 142 fully trained Prison Officers Clerks from administration tasks to frontline prison officer duties. This will generate savings in 2013.

- The Prison Service continues to participate in processes to foster greater inter-agency co-operation in the criminal justice sector. For example:
 - Together with the Courts Service, the Prison Service has identified the scope to expand further the use of video conferencing facilities between prisons and various court locations.
 - The Prison Service in conjunction with the Probation Service has commenced the national roll out of the Community Return Programme. This will increase the number of prisoners benefiting from this structured form of release through enhanced co-operation with all stakeholders.

- Open recruitment was introduced in the Prison Service during the period and 3 Campus Governors were appointed from this process.

3.4 An Garda Síochána

CASE STUDY 4: New Garda Rosters

The development of a new more modern, efficient and effective rostering system was a key item on the Garda Action Plan under the Agreement. The new policing roster was introduced during the reporting period for this review on 30 April 2012 and is the first such roster change in 40 years.

The roster has introduced many benefits to the delivery of the policing service in Ireland. Crucially, it is matching the availability of staff to policing demands at national and local level, while protecting the welfare of members and ensuring there are sufficient resources on duty at all times to serve the public. It enables local Garda management to plan ahead and adapt their working compliment in order to ensure a sufficient policing service for any future events. It also maintains an efficient use of Garda resources and ensures more members are working at peak times when required. In addition, the Garda roster and the Working Time Agreement underpinning the roster ensures An Garda Síochána are compliant with the relevant European legislation.

There are shift overlaps built into the roster that are providing additional resources to meet demand at peak times. The overlaps are resulting in a more efficient use of personnel for high visibility policing, community policing, foot patrols, crime investigation and execution of warrants. It also provides improved opportunities for members to deal with essential administrative issues concerning court and investigation files.

The new Garda roster was developed in partnership with the four Garda Staff representative bodies.

- A Working Time Agreement which underpins the operation of the new Garda roster was signed off on by all four Garda staff associations and Garda management in September 2012. It ensures that the new roster arrangements comply with the relevant European legislation and in particular the European Working Time Directive 2003.
- The Agreement continues to facilitate the implementation of the transformation programme of An Garda Síochána known as the Garda Response to a Changing Environment (GRACE). Key initiatives delivered under GRACE during this review period included the implementation of the Garda Station Closure Programme which saw 39 stations closed in 2012 and the amalgamation of 4 District Head Quarters into 2, helped to deliver increased efficiencies.

3.5 Defence Sector

CASE STUDY 5: Re-organisation of the Defence Forces

One of the most radical changes in the history of the Defence Forces was undertaken during this latest review period and was extensively facilitated by the Agreement. Reducing the Brigade Structure from 3 to 2 Brigades and major re-organisation in the Defence Forces presented many challenges to the military, particularly in the areas of Human Resources Management, Operations and Logistics. The re-organisation is designed to support an effective and cohesive Permanent Defence Force.

The transition to the new structure was implemented with the support and co-operation of staff from the defence staff representative associations. This major change was delivered in full without any recourse to third party involvement.

The transformation of the permanent defence force involved a substantial programme of work including:

- reducing headquarters staff which will lead to 414 personnel being made available for frontline operational Units
- redeployment of 1,613 personnel within the newly restructured Brigades and the Defence Forces Training Centre
- rationalising the number of Combat Support Units from 9 to 6
- removing 118 (12%) officer posts across all ranks up to Brigadier General
- streamlining and rationalising logistic management structures
- elimination of 225 (8%) Non Commissioned Officers appointments
- reducing the number of Technical Pay appointments by 320 (6%).

The transformation of the Permanent Defence Force resulted in a complete reorganisation of the Force being implemented in a 17 week timeframe.

- As noted above, the most significant reform in the Defence Sector during the reporting period has been the radical reorganisation and restructuring of the Defence Forces within reduced numbers, in order to maintain capacity to undertake the tasks assigned by Government.
- Redeployment of 3,507 serving military personnel across the organisation to different posts within the organisation; this includes 1,613 under the reorganisation and 515 as a result of Barracks closures.
- Roll out of new promotion system for Enlisted Personnel which has replaced potentially 500 individual interview boards with just 27 panel interview boards to reflect modern HR standards, including the elimination of seniority and the establishment of a purely merit based systems of promotion at all levels.
- Certain HR functions have been outsourced with a resultant saving of approximately 4 posts in the Defence Forces, with the Public Appointments Service (PAS) providing some HR shared services support functions, including:
 - Recruitment
 - Psychometric testing (estimated savings of €0.11m)
 - Competency based promotion scheme design
 - Board and candidate interview training.

3.6 Local Government Sector

CASE STUDY 6: Review of structures in Dublin Fire Service

During the lifetime of the Agreement, Dublin Fire Service has undertaken a significant review of structures and work practices with a view to achieving greater efficiencies in the Service. The provisions of the Public Service Agreement provided the platform for delivering fundamental changes and have enabled a series of cost savings and efficiencies.

This wide ranging reform includes new staffing arrangements in the East Region Control Centre, replacement of firefighters with civilian controllers which will free up firefighters for frontline duties, a reduction in the numbers employed including a reduction at Senior Management level and re-assignment of existing council staff to fill vacancies.

These changes have been delivered against the backdrop of increasing budgetary pressure in local authorities and the need to eliminate unnecessary cost while maintaining frontline services to current standards.

The practical benefits include:

- €1.1m savings already achieved with a further €4.34m to be realised when various changes are fully implemented
- staffing in the Control Room will reduce from 80 to 56, 70% of whom will be working at reduced pay rates
- the Senior Management structure has been reduced from 17 to 11, with total savings of €0.5m.

The changes are part of the ongoing reform programme in Dublin Fire Brigade which will reduce costs and provide efficiencies wherever possible while at the same time maintaining vital emergency services.

The reform programme for local government “*Action Programme for Effective Local Government*” (October 2012) includes a number of structural reforms at regional, county, and sub-county level. Initiatives progressed during the period include:

3.6.1 Rationalisation and Restructuring of Agencies/Bodies

- An implementation plan for alignment of functions in the Community Division of the Department of Environment, Community and Local Government with local authorities was finalised in 2012.
- Implementation structures with independent oversight have been put in place to oversee local authority amalgamations, in Tipperary, Limerick and Waterford.
- The Tipperary Implementation Plan for the amalgamation of Tipperary South County Council and Tipperary North County Council was signed off in October 2012 and implementation is underway. The plan provides, *inter alia*, for a 40% reduction in senior grades.
- The Government approved proposals to reform sub-county and regional local authority structures, including significant rationalisation of structures and membership and a new system of devolved municipal governance within counties.
- The Local Government (Miscellaneous Provisions) Act 2012 was enacted in July 2012 and further facilitated the sector’s agency rationalisation programme from 21 agencies to 10. The two regeneration agencies in Limerick are currently being merged into the amalgamated Limerick Local Authority. The agency

rationalisation/efficiency agenda will be kept under review, taking account of the Government's Public Service Reform Plan.

- Monaghan County Council has merged the Town and County Council workforce. This involved the redeployment of Town Council staff to the County Council eliminating the post of Town Foreman in three towns and the sharing of depots and resources.

3.6.2 Procurement

- Procurement has been identified as a key area for reform in the local authority reform programme given the opportunity for immediate savings. Significant savings of €80m have already been achieved by local authorities. A local authority National Procurement Office (LANPO) has been established by Kerry County Council. The LANPO is liaising with the NPS and will work closely with the new Central Procurement Officer. All local authorities have a nominated Officer that works with the LANPO.

3.6.3 Shared Services

- A dedicated Programme Management Office (PMO) was established during the reporting period to drive the Shared Services Programme in local authorities. The PMO has now been staffed and resourced through the secondment of experienced staff from a number of authorities, with a range of appropriate skills. The sharing of non-core activities will allow local authorities concentrate on delivering key frontline services to citizens in vital areas such as Economic Development and Enterprise Support, Water, Fire and Emergency, Community, Parks and Recreation, Planning, Roads, Housing and Libraries.
- Over 31 areas are being examined by the PMO for the sector and, for each shared services project, a County or City Manager is the lead manager and responsible owner. Once agreed by the Project Board each business case is then peer reviewed (including external consultants/experts). A number of shared services projects have been identified as priority projects for the Local Government sector including payroll and transactional HR, debt collection and national procurement.
- Examples of shared services initiatives progressed include:
 - In Kilkenny County Council, a three-year public lighting maintenance contract has been put in place for a stock of some 47,000 public lights throughout the South East Region. This is a shared service with Waterford City, Waterford County, Wexford County, South Tipperary County and Carlow County Councils. Kilkenny is responsible for 10,200 lights and the expected savings on maintenance costs are €220,000 per annum.

- South Tipperary has completed Year 3 of a Pilot Data Hub project. This was undertaken in collaboration with 11 other agencies and latterly with the National Institute for Regional and Spatial Analysis (NIRSA) Maynooth. The purpose of this project was to develop a central data repository for all relevant county data that is available to all State, Semi-State Agencies, NGOs and members of the public. This project has the potential to extend to other counties and it supports EU Inspire Directive and the E-Strategy as developed by Government.

3.6.4 Changed work practices

- Local Authorities are implementing changed work practices. For example, the amalgamation of planning and environment functions in North Tipperary County Council has resulted in more efficiencies especially in the area of enforcement work. More in-house work has resulted in less outsourcing of technical services and reduced legal fees.

3.6.5 Technology and eGovernment

- There have been significant developments in ICT, online services and other eGovernment strategies in Local Authorities over the review period:
 - Cork City Council have launched a new public flood alert and severe weather alert service, which allows members of the public to receive automated alerts via SMS or email with the full alert published on the website.
 - Donegal County Council has implemented a Customer Contact Centre supported by a Customer Relationship Management System, to allow the organisation to manage and monitor in a more pro-active way all client/customer contacts.
 - Dublinked – the Dublin Regional Data Share (www.dublinked.ie) is an initiative shared between the four Dublin local authorities. The type of applications that have been developed include a planning app that has access to data from eighteen local authorities, a national parking app (Park Ya) and a map and information on children’s facilities across the greater Dublin area. Dublinked has been run at a cost of no more than €100,000 per annum with most of the work being conducted by local authority staff in addition to their existing responsibilities.

3.7 Civil Service and State Agencies

CASE STUDY 7: Re-engineering the Department of Social Protection - Supporting Activation

The Agreement is facilitating the implementation of a number of significant service initiatives in the Department of Social Protection. Chief amongst these was the transfer of 1,700 staff from the Community Welfare Service of the HSE and the Employment Support and Community Services of FAS to the Department. The protocols set out in the Agreement were critical to the smooth transfer of staff and resolution of issues arising for the Department following the transfer.

This has enabled the Department to deliver services to customers in a fundamentally different way.

Intreo is an activation service integrating the delivery of social welfare income supports with employment support services. This includes proactive case management of clients and the linking of entitlements and payment services with employment advice/training referral services. Intreo also provides for engagement with employers in identifying their requirements and in matching them to clients on the live register. The Agreement provided the circumstances whereby service elements of previously separate organisations could be brought together to allow for the necessary reforms.

As part of the Intreo service the previously separate processes involving entitlement, investigation and decision have been brought together in a single decisions team. The rationale for the reform is to have the minimum number of staff and contacts involved in making decisions while maintaining appropriate control mechanisms. This reform has been achieved in the context of the Agreement which enabled the bringing together of various previously separate groups of staff.

Significant benefits have derived from this initiative. For customers, it has significantly reduced the time between making a claim and the decision and payment of the claim. This has, in most cases, eliminated the need for the individual to go through a separate process of applying for and potentially receiving a Supplementary Welfare payment.

For the Department, it has reduced service demands at the office through reduction in footfall and phone queries. It has freed up resources on the investigative and community welfare sides which can be redirected to activation, control etc.

3.7.1 Rationalisation and Restructuring of Agencies/Bodies

- The Public Service Reform Plan identified 48 rationalisation/amalgamations which affect over 100 different bodies. The majority of these measures are now either completed or at legislative stage. In addition, 46 critical reviews of further potential rationalisation measures also took place in 2012 - 24 of which recommended proceeding with the proposed measures. Departments have been asked to fully implement these new measures by end 2013. Significant progress has been made over the review period in the work involved in streamlining the employment rights institutions. Quality and Qualifications Ireland (QQI) was established in November 2012 which replaces the Qualifications Authority of Ireland (NQAI), Further Education and Training Awards Council (FETAC) and Higher Education and Training Awards Council (HETAC). A Reform Office has been put in place in D/Arts, Heritage and the Gaeltacht to drive the rationalisation agenda. Work on implementing the agreed plans will continue in 2013.
- During the review period, Departments, Offices and Agencies continued to reduce office requirements where possible. For example, Teagasc completed the closure of 42 offices to the public as scheduled, with 16 enhanced offices now established. In the Courts Service, Drogheda District Court Office was merged with Dundalk District Court Office. OPW closed the Government Publications Shop and there was consolidation of some regional operations.

3.7.2 Redeployment/Grade Structure/Performance Measurement

- There has been significant redeployment across the sector since the commencement of the Agreement, with the redeployment of over 1,750 in the second year of the Agreement for example. In the current review period over 250 staff were redeployed.
- Work has commenced on the review of the grading structure of the Civil Service, which is examining the number and distribution of management grades across the Civil Service and assessing the scope to reduce the number of civil service management grades.
- A new, web-based whole-of-Government performance measurement system '*Ireland Stat*' is currently being piloted by the Department of Public Expenditure and Reform. Its aim is to provide transparency and accountability for the public into the outcomes of Government policy. The pilot was launched in October 2012 and consists of seven programmes in four policy areas.

3.7.3 Sharing Information/Delivering Services

Approaches to better sharing of information are being progressed by Departments, Offices and agencies. For example:

- Department of Social Protection is developing a plan for Means Data Sharing with other agencies;
 - Department of Justice and Equality is progressing the Criminal Justice Interoperability Project (CJIP) with key agencies in the Criminal Justice system, including developing and agreeing protocols for information sharing; and
 - Property Registration Authority is developing ways in which its registration services and online databases can act as a hub for and be utilised by other public service bodies.
- Departments, Offices and Agencies are continuing to review their opening hours and working arrangements to ensure that business needs are met and with a view to delivering public services outside normal business times.

Specific examples of measures that are being progressed include:

- Deployment of staff in Revenue outside the standard hours of attendance on a specific business need/risk basis.
- Department of Social Protection is extending opening hours at local offices. Arrangements are being put in place for local offices to open at 9.15am Monday to Friday, and close at 5pm Monday to Thursday and 4.30pm on Friday.
- In December 2012, Department of Foreign Affairs and Trade put in place a pilot for extending opening hours of the Passport Office, where the opening hours of public office's has been extended by 30 minutes.
- The Probation Service has implemented a revised Court Duty System allowing for provision of same day Community Service Assessment Reports in all District Courts.

3.7.4 Shared Services

Shared services offer the potential to deliver significant savings and efficiencies in the civil service/state agency sectors. The shared service agenda is being driven by the Department of Public Expenditure and Reform. Progress achieved during the review period includes:

- Establishment of the HR and Pensions Administration Shared Service Centre, called PeoplePoint, located in Clonskeagh in Dublin which commenced HR services at the end of March, 2013.

- Baseline of payroll services administered by the Civil Service and the development of a business case for a Payroll Shared Services was advanced.
- A project to gather data to baseline current Civil Service Finance Management and Banking activities has commenced.
- The Shared Services Transformation Unit is working with nominated senior officials to ensure that robust shared services plans are developed and implemented in the other key sectors of Health, Education, Justice, Defence and Local Government.

3.7.5 Procurement

The OPW's National Procurement Service (NPS) is achieving greater efficiencies and value for money in the procurement of common goods and services for the public service.

During the review period:

- A circular on the mandatory use of 8 specified NPS central contracts was issued by the Department of Public Expenditure and Reform on 25 July 2012. These central contracts will allow Departments to achieve greater efficiencies in procuring goods and services, for example in relation to contracts for gas and electricity.
- The pilot project on eInvoicing was successful and the NPS is now in the process of drawing up a Request for Tender document to put in place a panel of suitably qualified service providers to provide eInvoicing services to public sector bodies.
- The new eTenders website went live in November 2012 with new functionality which includes eAssessment, eEvaluation, eContract Management and eInvoicing. Training on the use of the new system has been provided to buyers and will continue to be provided over the coming months.

4 Assessment and conclusions

The Body has noted that considerable progress has been made on the consolidation of the State's fiscal position since the commencement of the Agreement in 2010.

The Body considers that the Agreement has been a significant contributor to the progress made by facilitating a sustained reduction in public service costs both pay and non-pay in a climate of industrial peace. The Body also acknowledges the important contribution of the binding dispute resolution procedures set out in the Agreement and the role of the Labour Relations Commission (LRC) and the Labour Court in facilitating the dispute resolution process.

Nevertheless, it is clear to the Body that further challenges remain in the period ahead in order to ensure that the State remains on track to achieve its fiscal targets. Further cost extraction and reform of the public service are essential in this regard. This will involve the full exploitation of the potential provided by the framework of this Agreement under the proactive leadership of public service management.

The Body reached the following conclusions on foot of its assessment of the progress achieved during this review period:

- The Agreement facilitated the delivery of further pay and non-pay savings over the shorter 9-month reporting period April-December 2012. **Some €161m in sustainable pay roll savings were achieved in the period in question (or €214m on an annualised basis). €169m in non-pay or administrative efficiency savings were achieved (or €236m on an annualised basis).**
- The Agreement continued to support the delivery of reform and the implementation of changed work practices across the sectors of the public service and ample evidence of this is provided in section 3 of this Report.
- The Body notes that the Agreement is in its final stage of implementation under the existing framework. A review of the original sectoral proposals under the Agreement shows that the overwhelming majority of commitments around cost extraction, reform and changed work practices have now been substantially delivered. Indeed, given that Action Plans have been revised on a number of occasions since the Agreement commenced, it is clear to the Body that a more substantial agenda of reform has been implemented in each sector beyond that originally envisaged at the time the Agreement was negotiated. The Body is of the view that it is important to acknowledge the co-operation shown by the parties to date in delivering these agendas and also the role played by the Department of Public Expenditure and Reform.

It is not surprising for the Body to observe, therefore, that the volume of savings achieved and the scope of the progress reported on reform initiatives in this latest reporting period are reduced on previous periods. This reflects the progress already made under the Agreement, including in particular in terms of staff reductions. The Body notes that fresh propositions for savings and reform have been incorporated into the latest iterations of sectoral Action Plans and it would like to see these measures implemented as speedily as possible. Key issues to be progressed identified in these latest plans include:

- **Rationalisation of existing structures, organisations and offices:** The Body notes the progress made on rationalisation measures proposed under the Public Service Reform Plan and is of the view that other key initiatives, which will ultimately result in efficiencies through increased shared services and numbers reductions should be progressed as a matter of urgency. In this context, the Body welcomes the enactment of the Local Government (Miscellaneous Provisions) Act 2012 which will further facilitate the sector's agency rationalisation programme from 21 agencies to 10 including timeframes.
- **Implementing shared service initiatives:** The Body highlighted this issue in its second annual report in June 2012. The Body notes the progress made on the shared services agenda in the Civil Service. However, there still remains significant opportunities for further cost extraction in the area of shared services across the public service, particularly in large sectors such as Education, Health and Local Government. The Body notes the development of a shared services plan for the Education sector which will focus on the areas of centralised procurement for the schools sector, shared services for the new Education and Training Boards, Solas and further rollout of shared services in the higher education sector.
- **Further changes to work practices and business process improvements:** There has been significant progress in this area throughout the lifetime of the Agreement. Significant decreases in staff numbers and increasing financial constraints have meant that the public service has had to become leaner and more efficient in order to maintain service delivery to citizens and businesses. With staff numbers and financial resources set to be further reduced, it is essential that Departments, Offices and Agencies continually seek to proactively identify areas for change and reform in the way in which they do business, including the elimination of outdated work practices.
- **Changes in rosters:** It is essential that staffing levels across the public service are optimised to meet service demands. In this context, further

roster changes in the Health sector are to be welcomed however, the Body would highlight the need for such changes to be systemic across the entire sector.

- **Continue to maximise redeployment arrangements:** Redeployment arrangements as provided for under the Agreement have been critical in providing management with the flexibility to ensure that staffing resources are deployed in the most optimal way. The Body notes that a draft Bill to remove the legislative barriers to cross-sectoral redeployment was published in May 2013, has been passed in the Seanad and is expected to be taken in the Dáil in the Autumn.

Looking back at the implementation of the Agreement since its commencement, the Body has noted that it has been a successful enabler of savings and reform in the public service, supporting a significant reduction in public service staff while ensuring that services to the public were maintained and improved in some instances. The Body feels it is important to acknowledge some of the headline achievements which include:

- Delivery of widespread industrial peace across the public service at a challenging time for the public service;
- Supporting the maintenance of services with 29,500 less staff since 2008 (18,700 since the beginning of the Agreement) and staff co-operation with the reduction in numbers;
- Wide-scale redeployment across the public service and staff co-operation with the redeployment provisions
- Facilitating pay and non-pay related savings totalling €1.8 billion; and
- Enabling the delivery of significant work practice changes and structural and organisational reforms and staff co-operation with these changes, in particular the rationalisation programme of state agencies.

The Body is of the view that the Agreement has been successful in delivering on the goal of building a more “integrated public service which is leaner and more effective, and more focussed on the needs of the citizen” (Paragraph 1.1, Public Service Agreement).

At the time of writing, the Body notes that the Government and public service trade unions have concluded engagement under the auspices of the Labour Relations Commission on proposals to secure an additional saving of €1bn in the public service pay and pensions bill in the period 2013-2016. These proposals, known as the ‘Haddington Road Agreement’, which will come into effect from 1 July 2013 are, at the time of writing, the subject of consideration by public service trade unions.

Appendix 1

Summary of progress achieved in the Public Service in Years 1 and 2 of the Agreement

- More than €800m in sustainable pay bill savings achieved. Approximately €680m in non-pay or efficiency related savings reported.
- Terms and conditions have been standardised for example in annual and sick leave arrangements.
- Progress on rationalising structures and office requirements, e.g. Department of Agriculture and Revenue local offices, court venues and Teagasc offices.
- Rationalising state agencies in line with the Public Service Reform Plan has been progressed including streamlining the employment rights institutions.
- Revised rosters have been introduced for example in An Garda Síochána and health service locations to better match resources with demands.
- Agreement has enabled the health services to be delivered against the backdrop of reduced budgets and staff numbers.
- The transfer of 1,700 staff from the Community Welfare Service of the HSE and the Employment Support and Community Services of FAS to the Department of Social Protection.
- Prison Service opened new prisoner accommodation based on new more efficient staffing models and levels at Wheatfield Prison; Dóchas Centre; Midlands Prison and Mountjoy Prison.
- Defence Forces introduced a merit based system of promotion for Generals, Officers and Enlisted personnel.
- Four army barracks were closed at the end of March 2012 which will maximise the effectiveness of the Defence Forces by removing the burden imposed by manning and maintaining unnecessary installations.
- Local authorities have changed structures, the way in which services are delivered and the way staff are organized and deployed in order to manage the significant reduction in staff in the sector, as approximately 8,500 have left the sector since 2008.
- New redeployment arrangements agreed to enable teachers to be redeployed in primary and secondary schools.
- Implementation of 2 million additional working hours on an annual basis in the Education Sector, eliminating the need for school closures for parent teacher meetings, planning, training etc.

- Elimination of outdated work practices such as bank time in the civil service.
- Outsourcing of Garda safety camera operation, freeing up Gardaí for other frontline duties.
- Progress on developing online services and e-payment facilities for State services, with over 300 services available on www.gov.ie
- Changed work practices introduced for the laboratory services and radiographers in the health service including extended working days.
- New Prison Support and Administration and Support grades introduced in the Prison Service frees up office-based prison officers for front line work.
- Progress on improving inter-agency co-operation in the criminal justice sector and community sector and reviewing efficiencies in the Circuit and District Courts, working in conjunction with the Judiciary, Courts Service and An Garda Síochána.
- A single student grant scheme (replacing 4 different schemes) administered by City of Dublin VEC rather than 66 bodies was put in place.
- HR Shared Services in recruitment, pensions management and personnel administration in the health service.
- New contract terms for Special Needs Assistants (SNAs) introduced to provide greater flexibility for schools and clarify the roles of SNAs including additional hours.
- A Single National Procurement Operating Model, facilitated by the Agreement, is now operating in the HSE which is delivering better value for money.
- Rationalisation of Motor Tax Offices and greater use of on-line payments, examples of offices closed include Bray, Blessington, Nutgrove and Tramore.
- Centralisation of medical card processing.
- Shared service arrangements and shared procurement in the education sector.
- The National Procurement Service (NPS) has negotiated national framework agreements for public service bodies resulting in procurement savings across the public service.
- New Campus structures, whereby 8 separate prison management structures have been combined into 3 consolidated Campus management structures have been implemented in the Prison Service.

The Body's Annual Reports for years 1 and 2 of the Agreement are available on www.implementationbody.gov.ie