

Progress on the implementation of the Government's Public Service Reform Plan

September 2012

1. Introduction

Since 2008, overall gross departmental expenditure has reduced by €6.5 billion with a reduction in Public Service staff numbers of 28,000 over the same period. There is a further necessary expenditure adjustment of about €5.5 billion planned over the coming 3 years. This is at a time when the demands on public services are greater than ever. In this context, effective Public Service Reform is critical if we are to maintain the public services on which so many of our people rely.

In November 2011, the Government published its Public Service Reform Plan, setting out more than 200 actions across 14 main areas of reform. The Reform and Delivery Office was established in the Department of Public Expenditure and Reform to oversee and drive the implementation of the Reform Plan, as well as Departmental and sectoral reforms across the Public Service.

Just over nine months into the implementation process, the time is now opportune to consider the progress that has been made to date. Strong progress is being made and is set out in summary form below under the five main commitments to change identified in the Public Service Reform Plan, namely:

- Placing customer service at the core of everything that we do;
- Maximising new and innovative service delivery channels;
- Radically reducing our costs to drive better value for money;
- Leading, organising and working in new ways; and
- A strong focus on implementation and delivery.

The purpose of this document is to outline progress and update on the key actions set out in the Public Service Reform Plan after the first nine months of implementation. These reforms are complemented by a whole range of reform initiatives being undertaken within individual organisations in the Civil Service and in other sectors such as health, education, local government and justice.

More detailed progress reports on key areas of reform are included at the following appendices:

- A. Procurement;
- B. Shared Services;
- C. eGovernment and Cloud Computing;
- D. Ireland Stat (Government-level Performance Measurement);
- E. Political Reform; and
- F. External Service Delivery.

2. Placing Customer Service at the core of everything that we do

A key commitment in the Public Service Reform Plan is to place the needs of citizens and business customers at the very core of public service planning and delivery. The Public Service must improve its engagement with citizens and business customers, to reduce the administrative burden involved in customer interaction with the State and to improve the design and delivery of services.

- A new **eGovernment Strategy** (2012-2015) was published in April this year. The Strategy contains 44 actions across eight key priority areas to ensure that Ireland will be in a position to benefit from the opportunities offered by existing and emerging technologies. All Departments and major Offices are now required to identify actions to implement the strategy. Progress on these will be regularly reported on to Government.
- The new **Public Services Card** will facilitate easier access to Government services and will eventually be used by a range of public bodies to identify an individual at points of service. This will reduce the burden on citizens and enhance the delivery of joined-up government. The rollout of the first cards has already commenced, with over twenty thousand issued to date. The Department of Social Protection has been given approval for supports to progress the roll-out of the cards in 2012 and beyond and is currently engaged in the accelerated roll-out of the cards.
- A system to provide a **single view of the identity of residents** has been made available to public bodies and has been well received with many bodies now interested in integrating with the system to improve the quality and authenticity of their own identity data.
- Last December, the Government announced the creation of a public-facing **whole-of-Government performance measurement system – Ireland Stat** - which will measure success in delivering on the Government's goals. It will link the high-level goals with associated outcomes, outputs and costs, and will show how the Government is doing over time and how it compares internationally. A pilot project is underway, involving the following areas: Economy (Jobs & Enterprise Development; Innovation; Agri-food); Health (Food Safety); Transport (Land Transport) and Environment (Rural Economy; Flood Risk Management). The output of the pilot phase will be assessed following completion at the end of September and consideration will be given as to how best to develop the initiative. One of the core aims of the pilot project is to ensure that the information is as accessible as possible for the citizen.
- Updated guidelines for **customer charters and customer service action plans** have been produced. The customer charter process involves public service organisations consulting with customers, setting service standards and measuring and reporting publicly on their performance.

Improving the experience of service users in their interactions with the State is critical to the success of the reform programme. Some examples include:

- The Department of Education and Skills launched a **single national awarding authority for student grants** in June 2012, which will replace the 66 existing grant awarding bodies. This major efficiency and customer service initiative was enabled by the development of an online application facility for the processing of student grant applications.

- **Production time for passports** has improved, notwithstanding reduced staff numbers. So far this year, 77% of Passport Express applications have been produced / issued within 10 days, compared with a target of 60%.
- By effectively tackling a backlog of 23,000 applications, the Irish Naturalisation and Immigration Service (INIS) reduced the waiting period for a decision on **naturalisation applications** from 26 months on average in early 2011 to 6 months for new applications from May, 2012. Output of decisions for 2012 will be three times 2010 levels and this is being achieved largely within existing resources whilst simultaneously introducing the hugely popular citizenship ceremonies in June 2011. A total of 55 ceremonies have been held to date at which some 18,500 people have become Irish citizens. The Citizenship Section of INIS is a recipient of one of the Taoiseach's Public Service Excellence Awards of 2012 for the work of the Section in the preceding 12 months and for their embracing of the reforms that have taken place.
- The Department of Transport, Tourism and Sport, in conjunction with certain local authorities, have enhanced the public transport service by providing **real time information** to the public on the actual arrival times of public transport vehicles.
- South Dublin County Council has successfully piloted the **fix-your-street** website initiative to allow members of the public to report non-emergency issues in their local area. It has now been rolled out to Galway County Council and Dublin City Council with national coverage planned.
- The **Department of Social Protection** is enhancing its customer facing operations with the introduction of One-Stop-Shops and has reorganised localised services to better manage their existing three streams of business. (Community Welfare Services, Social Welfare Local Office services and FÁS Employment and Community Services).

3. Maximising new and innovative service delivery channels

Innovation and technology can provide customers with greater choice, flexibility and speedier interaction with the Public Service.

- The Government's central portal – **www.gov.ie** – now provides access to approximately 400 informational and transactional public services available online. This includes services relating to Revenue, Agriculture, Social Welfare, Local Authorities, Property Registration, Motor Tax, Higher Education Grants, and accessing Companies Registration Office facilities.
- The success of the Government's approach to **eGovernment** has been recognised internationally through significant improvements in Ireland's performance in the European Commission's eGovernment Benchmark. The recent Digital Agenda Scorecard 2012 acknowledges Ireland's improved performance where we are now operating well above EU averages.

- An initiative has been commenced to identify non-core activities to test for **external service delivery** to increase efficiency and to enhance focus on essential activities. A shortlist of potential major projects for priority implementation is being prepared and detailed benefits-driven external service delivery plans are being developed for the four major sectors of Health, Education, Justice and Local Government. It has been agreed by Government that all proposed new services across the Public Service will be first tested regarding suitability for external service delivery before any approval to deliver the service internally will be granted. A Commercial Delivery Manager, experienced in public service reform in Australia, has been appointed to lead and co-ordinate this work and a dialogue with industry has been established to explore how the private sector can contribute to new forms of service delivery.
- A **Data Sharing Clearing House** has been established to drive improved information sharing which will facilitate joined-up service delivery.
- The Government is also moving to make more **public data** available to citizens, academics and businesses to enable them to make their own decisions based on principles of data sharing and enhanced access. For example, the Department of Public Expenditure and Reform has launched a DataBank on its website providing access to detailed information on expenditure going back to 1994, and Fingal County Council has developed one of Ireland's first open data websites which facilitates the reuse of public data in new and innovative ways.
- Other examples of the innovative use of technology and new delivery practices include a new service from **Ordnance Survey Ireland** that provides online and immediate access to the highest quality map data available in Ireland.
- The Government recently launched "*A National Broadband Plan for Ireland*" which will facilitate the provision of high speed broadband to every home and business in the State over the lifetime of the Government. Furthermore, a national **roll-out of high speed broadband** to all schools will be implemented. 200 schools in first phase of roll-out have been chosen for implementation over the coming months.
- **Local authorities** have taken steps to consolidate and improve services to the public, for example by putting in place a range of e-payment options and customer service desks providing multi-services through telephone and in-house queries. Examples of services available online include commercial rates, fines, housing rent, housing loans and water rates.
- The Revenue Commissioners are continuing to improve transactional processing for its customers. **Revenue's On-line Service (ROS)** now provides pre-population of the Income Tax, Corporation Tax and Relevant Contracts Tax return forms with information already returned to Revenue.

4. Radically reducing our costs to drive better value for money

The reality of the challenges with which this country is faced is that while striving to improve service delivery, we must also ensure that we deliver services more efficiently and at reduced cost.

- We have reduced **public service numbers** to 292,000 from the end 2008 base of 320,000, with the target of 282,500 to be reached by 2015. This has been achieved at a time when demand for services is actually increasing.
- The **Exchequer pay bill** has been reduced by 17.7% between 2009 and 2012, from €17.5bn (Gross) to €14.4bn (net of the Pension Related Deduction). Over the period 2009 to 2015, the Exchequer pay bill is expected to reduce by €3.8bn, or €3.3bn net of expected increases in public service pensions costs.
- The **review of allowances** is another element of the significant work this Government has been undertaking to tackle the Public Service Pay and Pensions Bill and details of the outcome of the review will be available shortly. In addition, the suite of measures already tackled includes the voluntary reduction accepted by the Government to their salary rates, the revision of the TLAC terms which apply to Secretaries General and the reform of paid annual leave and paid sick leave arrangements in the Public Service. Revised roster arrangements in the Gardaí and in parts of the Health Sector have also been introduced and we have seen a reduction in over-time costs across the system. The introduction of pay caps for CEOs in the Commercial State Agencies is also an important step in ensuring more realistic pay levels in the wider public sector.
- The implementation of mandatory arrangements in respect of centralised frameworks organised by the National Procurement Service (NPS), and the increased use of collaborative procurement arrangements across the Public Service are among the actions relating to **public procurement** that have been considered by the Government. In order to maximise the savings on a range of goods and services purchased widely across the Public Service, Circular 06/12, issued by the Department of Public Expenditure and Reform in July 2012, requires public service bodies to avail of national contracts put in place by the NPS. The NPS is working to expand the range of categories covered by its national contracts and will continue to facilitate cross sectoral collaborative procurement arrangements.
- A range of **ICT procurement frameworks** are in place for use by all public bodies, yielding an estimated €30-€40 million in cost reductions per annum.
- Alongside this, an external review of the capacity and capability of the **central procurement function** has recently been completed. This review has examined our procurement structures and processes with a view to identifying the actions required to realise substantial savings in public procurement in the short to medium term. As a result of the review, proposals to improve efficiency in central procurement were recently agreed by Government. These proposals will radically reduce costs through greater centralisation, the

integration of procurement operations and policy, reducing duplication and increasing efficiency.

- Proposals are being developed and will be brought to Government shortly to drive reform in how we manage the **property** portfolio of the State and to make savings in our leasehold expenditure.
- Progress is being made on the **consolidation of ICT** across the Public Service. For example, a shared, high-speed Government network has been implemented, a considerable number of bodies have already moved their backend computer infrastructure in whole or in part into data centres operated by the Revenue Commissioners and the Department of Agriculture, and command and control solutions for emergency services are being implemented on a shared basis.
- In addition, a **Cloud Computing Strategy** for the Public Service was published in July. This followed extensive research and considerable engagement with industry. The Strategy sets out how the Irish Public Service is embarking on a journey to centralise and implement as a set of shared services as much of its computing requirements as possible, and how it is going to use external service providers as much as possible in delivering that, subject to requirements being met and verifiable value for money being provided. It details how an extensive programme of data centre consolidation will be undertaken, how the public cloud will be leveraged where possible, and how a public service community cloud will be developed to facilitate systems, processes and data that cannot be exposed to the public cloud.
- Legislation that provides for a new **single public service pension scheme** has been enacted (28th July, 2012). The legislation (i) provides for a career average system, (ii) indexes pension accrual and pension increases to the CPI and not pay and (iii) increases the pension age for all new entrants to the service thus significantly reducing future pension costs and will in time produce improved efficiencies in administration.
- The agreed **standardisation of annual leave** and the standardisation of paid sick leave will assist the move to a more integrated Public Service. This will eliminate many of the anomalies that existed under previous leave arrangements by having the same cap on leave allowances for different Public Service employment groups as well as introducing lower leave stipends for new entrants at higher levels.
- The Public Service Reform Plan includes a commitment to review central **sick leave** policies in the Civil and Public Service. We have initiated this and are implementing a major reform of sick leave for the Public Service. The primary focus of the new scheme will be to realise productivity and performance gains and to reduce costs.
- 46 **State Agency rationalisation** proposals are being critically reviewed by Departments. The Department of Public Expenditure and Reform is considering the reviews received to date by Departments. Following this

consideration, the Minister intends to bring a Memorandum to Government requesting a decision on how best to proceed with the implementation of the rationalisation programme 48 other measures are being implemented with a deadline of end 2012.

- A review of certain **decentralisation** projects was completed in February, with three further projects cancelled.
- The Public Service is a major consumer of **legal services** in the State. It is therefore essential to ensure that the State is both achieving maximum value for money for its own expenditure and is not acting to distort the wider market for legal services. The newly established Irish Government Economic and Evaluation Service (see below) is in the process of reviewing this area in order to identify scope to enhance value for money in the procurement of legal services. The review will also consider best international practice in this regard and potential reforms in the case of Ireland.

5. Leading, Organising and Working in new ways

In an environment of reduced spending and staff numbers, it is essential that the Public Service changes how it works.

- The Government has agreed a strategic mandate on **Shared Services**. A Shared Services Transformation Manager has been appointed to the Reform and Delivery Office (RDO) to lead and coordinate the delivery of the shared services commitments in the Public Service Reform Plan. Senior Responsible Owners and Project Managers have been appointed to lead the HR, pensions and payroll projects. A scoping exercise to assess the feasibility of shared services for banking and financial management has also commenced. Each of the main sectors has nominated a senior official to lead the delivery of sectoral shared services plans, which will be considered by the Cabinet Committee on Public Service Reform in October.
- The Government has given its approval for the establishment of a **HR Shared Service Centre for the Civil Service** and work is now proceeding on the set-up phase. The baselining of Payroll Shared Services has been completed and it is expected that a business case will be presented to Government by the end of the year.
- Strategic **Workforce Planning** Groups have been established in each sector to ensure that plans are developed to deal on an ongoing basis with the operational and strategic consequences arising from the reduction in staff numbers in 2012 and beyond. Guidelines on the development of a Workforce Planning Framework for Departments and their agencies were finalised and circulated in March. On the basis of the framework, Workforce Action Plans are being finalised across Departments for submission to the Department of Public Expenditure & Reform.

- Proposals for **mobility between the public and private sectors** were agreed by Government last July. The Career Break Scheme will be revised to permit participants to take up paid employment in Ireland for a career break duration of three years, with an in-built review after three years. In addition, a scheme to permit a one-year exchange of staff between the Civil Service and the private sector will be put in place on a pilot basis, with an in-built review after two years.
- Significant **redeployment** is taking place across the system, enabled by the Public Service Agreement, to target resources on areas of greatest priority. The Implementation Body's Second Report, published in June, stated that the redeployment provisions of the Agreement have been critical to enabling Public Service organisations to maintain and develop services with fewer staff.
- The **Senior Public Service (SPS)** has been established to promote a more integrated Public Service and strengthen its senior management and leadership capacity. The Management Committee for the Senior Public Service was established in December 2011. A Protocol on mobility at Deputy and Assistant Secretary levels has been drawn up and is being piloted at present. Within the area of leadership development, an SPS Leadership Development Strategy is currently being drafted in consultation with the SPS membership. A pilot executive coaching programme at Assistant Secretary level has also commenced.
- The composition of the **Top Level Appointments Committee (TLAC)** has been changed to include an external chair and more external members.
- Significant reforms to the **Performance Management and Development System** in the Civil Service have been agreed with the relevant unions. Phase 1 of the changes rolled out in 2012 are aimed at improving the practical operation of PMDS and involved streamlining the paperwork with a view to allowing more meaningful engagement on performance between staff and managers. An automated performance management system is also being developed. Phase 2 of the reforms which will significantly strengthen performance management will be rolled out in 2013. These include the introduction of a new Competency Framework and a revised Ratings Scale. Staff will now need to achieve at least a 3 in their PMDS review in order to receive an increment.
- A **Business Consulting Unit** has been established within the Reform and Delivery Office to drive a strong focus and culture of business process improvement across the Public Service. The Unit has delivered several BPI and capacity review improvements in a number of Departments. It has also set up a BPI Network across the Civil Service to enable the development of shared tools and techniques, and to support best practice amongst BPI practitioners in all departments. A number of key Departments already have good capacity in this area, including Revenue, the Department of Social Protection and the Department of Agriculture, Food and the Marine.

- A **Chief Information Officers** (CIO) Council has been established to assist with the development and implementation of eGovernment and ICT policies and strategies, and has already been involved in the production of the eGovernment and Cloud Computing Strategies referred to elsewhere.
- The **Organisational Review Programme** (ORP) Report and comprehensive follow up Actions Plans of four Departments and a review of the impact of decentralisation has been published. A Progress Report on seven other organisations has been published. The programme has been paused to prioritise resources on key elements of the overall Public Service Reform Plan.
- The **Comprehensive Review of Expenditure** Report 2012-2014 introduced a range of expenditure reforms, including a new Medium-Term Expenditure Framework under which expenditure ceilings for each Department are set out on a multi-annual basis. A new ‘whole-of-year’ budgetary / Estimates cycle has been introduced and it is now open to Oireachtas Select Committees to engage directly with Departments on an *ex ante* basis with regard to the 2013 allocations.
- **Performance budgeting** was successfully rolled out to almost all Departments in the 2012 Revised Estimates and, in this context, an unprecedented volume of performance information has now been published. The initiative will be extended in the 2013 Estimates and will form the core of the “Ireland Stat” data-set which will allow the public to see clearly what Ireland is achieving (see under section 2 above).
- A new **Public Spending Code** has been introduced to consolidate and update the earlier value-for-money framework and make it more effective in supporting policy decisions and to embed a culture of evaluation across the Public Service. In particular, the enhanced Code now extends formal *ex ante* appraisal requirements to current as well as capital expenditure.
- A dedicated **Irish Government Economic and Evaluation Service** (IGEES) has been launched to expand and develop the necessary technical capacity across all Departments. The initial wave of recruitment to the Service is now completed and IGEES economists are now actively deployed on policy analysis and development.
- The Department of Public Expenditure and Reform has published its **Purchase Orders** over €20,000 for Q4 of 2011, and Q1 and Q2 of 2012 on its website and has written to all Departments encouraging them to do so by the end of the year.
- The Government has committed itself to an ambitious programme of **political and legislative reform**:
 - Government approval has been secured for the drafting of **Freedom of Information** reform legislation and its extension to all public bodies to

significantly enhance openness and transparency across the Public Service.

- Following Government approval earlier in the year, drafting of the **Protected Disclosure in the Public Interest Bill** is underway providing comprehensive employment protection to whistleblowers in all sectors of the economy.
- It is planned to enact the **Ombudsman Amendment Bill** by end-year, which will lead to a significant extension in the remit of the Ombudsman to ensure fair, consistent and robust administrative decision-making.
- There is a commitment to overhauling the existing statutory framework for **Ethics** to strengthen and reform the current legislation and provide a single, comprehensive ethics framework in line with best international practice – this will provide the opportunity to implement appropriately the recommendations of the Mahon Tribunal.
- A detailed policy paper has been published on the introduction of a legislative framework for the **regulation of lobbying**. A targeted and focused consultation has also been undertaken on key issues to inform the finalisation of legislative proposals which it is intended to submit to Government for approval in the early autumn.
- The Government Reform Unit in the Department of Public Expenditure and Reform is developing a policy paper which it is intended to publish this autumn on the commitments to the reform of **Civil Service accountability** relationships with Ministers and the Oireachtas contained in the Programme for Government.
- The preparation of detailed and comprehensive legislative proposals to establish a statutory framework for the conduct of **Oireachtas inquiries** is at an advanced stage and it is intended to bring these proposals to Government in the early autumn to facilitate the undertaking of a Banking Inquiry in 2013.

On the ground, there are clear examples of public servants changing how they work.

- **Teachers** are delivering 2 million additional teaching hours on aggregate per year. Furthermore, flexibility in the organisation of working hours has been enhanced in Institutes of Technology, meaning that lecturing staff are available to deliver an additional two hours lecturing per week. To date, this has resulted in the delivery of in excess of 110,000 lecturing hours annually.
- The foundation of the **Garda Reform** Plan is the development of a new model for the delivery of policing services, aimed at implementing the most effective deployment of Garda resources. Most notably, new roster arrangements were rolled out on a national pilot basis on 30th April, 2012. The aim of the new

rostering arrangements is to ensure that more Gardaí are available for frontline duty at peak times such as Friday and Saturday nights.

- Over 3,000 **Medical Laboratory** staff can now be rostered between 8 a.m. and 8 p.m., Monday to Friday.
- A service wide change in the rostering arrangements for **radiographers** has been implemented since February 2012, resulting in an extended working day from 8 a.m. to 8 p.m. Monday to Friday.

6. Strong focus on implementation and delivery

It is clear that reform in a Public Service of almost 300,000 staff and several hundred diverse organisations will not be achieved without a concerted focus on implementation. The Department of Public Expenditure and Reform and all Government Departments, Offices and Agencies must drive the reform agenda and put in place the structures to ensure success.

- A new **Reform and Delivery Office** (RDO) was established within the Department of Public Expenditure and Reform to lead and coordinate the delivery of the reform agenda. Programme Management structures, processes and methodologies have been put in place in the RDO to manage, monitor and report on the implementation of reform. Senior Responsible Owners have been appointed for each of the Major Projects under the Reform Plan. The RDO is working with Change Delivery Teams in each Department / major Office on their reform plans. External skills have been brought in to the office to lead key areas such as shared services and external service delivery.
- A strong **governance** model for Public Service Reform has been finalised and initiated. The Cabinet Committee on Public Service Reform, chaired by the Taoiseach, meets regularly to review progress on the implementation of the Reform Plan and address strategic issues arising. The Cabinet Committee is supported by an Advisory Group of Secretaries General and a Reform Delivery Board which includes the Assistant Secretaries leading on reform in all Departments / major Offices. Project Boards are being put in place for the Major Projects under the Reform Plan e.g. a cross-sectoral Steering Group has been established to oversee and support the planned actions on procurement reform and a HR Shared Services Project Board has been appointed to oversee that project.
- In **Departments and major Offices**, a lead Assistant Secretary on reform has been assigned and Change Delivery Teams have been established. Each Department / Office has completed an Integrated Reform Delivery Plan setting out the various actions and milestones in relation to priority areas of reform.

7. Public Service Agreement

The Public Service (Croke Park) Agreement is a key enabler of many of the changes set out in the Public Service Reform Plan. The Implementation Body published its second detailed annual review of the Agreement on 13 June. Its overall assessment was that the Agreement continues to be an effective enabler for the implementation of reform and change across the Public Service.

As well as enabling the implementation of the Public Service Reform Plan, the Croke Park Agreement is continuing to facilitate:

- Further significant **reductions in staff numbers** in the Public Service through extensive **redeployment** of staff to areas of greatest need within and across sectors. This will be critical to protecting core frontline services as numbers fall further;
- Ongoing **restructuring, rationalisation and streamlining** of services in line with service needs and resource constraints (for example, the agency rationalisation programme and reconfiguration of health services);
- Further measures to **maximise productivity and efficiency**, through for example new rostering arrangements (for example, for Gardaí and nurses), reform of outdated work practices, reform of sick leave provisions and better performance management; and
- **The extraction of additional costs** wherever possible, for example, through the Government's comprehensive review of allowances and premia pay.

In its report, the Implementation Body identified priority areas to be progressed by management over the next reporting period. These include further roster changes; more progress on implementing shared services; a greater focus on performance; further changes to work practices; maximising the availability of resources for the frontline; co-operation with further rationalisation of structures, organisations and offices; maximising the potential of online services; and streamlining procedures and processes to achieve efficiencies and savings.

8. Conclusion

Without comprehensive change in how the Public Service is structured, how it operates and how it is managed, it will not be possible to deliver timely, effective and efficient services.

A good start has been made. Engagement from Departments, sectors and individual public servants has been positive and the building blocks for reform have been put in place. There is a need to build on that early momentum.

The next six months will be a critical phase in building a Public Service that is equipped to meet the challenges we face. Proposals will be brought forward on a range of key issues and the pace of implementation will be increased.

The Government will maintain its focus on implementing reform. The Public Service Agreement will continue to be a key enabler of many of the reforms. Fundamental reform in the Public Service cannot become a reality without the continued support and commitment of all public servants.

The Public Service of the future will be leaner, more responsive and more effective. It will provide better services and it will be a better place to work. Together, public servants can make this happen.



Appendices – Updates on Key Issues

- A. Procurement
- B. Shared Services
- C. eGovernment and Cloud Computing
- D. Ireland Stat (Government-level Performance Measurement)
- E. Political Reform
- F. External Service Delivery

Appendix A - Public Procurement

An estimated €9 billion is spent by public bodies annually on the public procurement of supplies and services. This is a very significant portion of overall spending and it is essential that the Public Service is achieving maximum value for money and operational efficiency in its approach to public procurement. It is for this reason that public procurement is one of the Major Projects of key strategic importance under the Public Service Reform Plan.

The Reform Plan provides for greater aggregation of procurement activities and for the development of a new policy framework for procurement.

Mandatory arrangements in respect of centralised frameworks

The implementation of mandatory arrangements in respect of centralised frameworks organised by the National Procurement Service (NPS) and the increased use of collaborative procurement arrangements across the public service are among the actions relating to public procurement that have been considered by the Government.

In order to maximise the savings on a range of goods and services purchased widely across the public service, Circular 06/12, issued by the Department of Public Expenditure and Reform in July 2012, **requires public service bodies to avail of the national contracts put in place by the NPS**. These national contracts are targeted at securing best value for money and facilitating contracting authorities to deliver services within their budgetary constraints.

Since its establishment in 2009, the NPS has placed contracts for a range of commonly acquired goods and services. These national contracts deliver pricing benefits and also significant administrative savings as they reduce the duplication in effort arising from contracting authorities running their own tender competitions.

The benefits to be derived by the Public Service from the NPS contracts include:

- reduced costs;
- improved non-price value such as enhanced service levels;
- reduced duplication of tendering, tender evaluation and supplier management;
- better quality of goods or services; and
- greater purchasing expertise.

The initial list of categories, with a total estimated value of approximately €400 million in 2012, to be subject to mandatory arrangements contains:

- Electricity;
- Natural Gas;
- Stationery and Office Supplies;
- Paper;
- Janitorial Supplies
- ICT Consumables;

- Managed Print Services;
- Print Media Advertising;
- Motor Vehicles.

The NPS is working on developing national contracts across further categories. Where goods or services are not suitable for aggregation at a national level, the NPS works with other public service bodies to encourage and facilitate alternative collaborative purchasing arrangements.

Reform of the Central Procurement Function

A central action point in the overall Public Service Reform Plan is to develop a new policy framework for procurement and, on foot of this, **a radical new consolidated approach to public procurement has now been agreed, with the establishment of a National Procurement Office to be headed by a Chief Procurement Officer** (see detailed proposals below).

The integration of public procurement policy and operations and the much greater level of centralisation which is planned represent a major strategic re-positioning of public procurement. It is planned that this will lead to reductions in the cost of goods and services; better procurement services at lower cost; introduction of technical standardisation; greater attention to contract management and better problem resolution; greater levels of professionalism among staff responsible for procurement; and better performance management of the central procurement function.

A recently completed Review of the Central Procurement Function found that of the estimated €9 billion spend referred to above, there is a procurement addressable spend of approximately €7 billion and that significant savings that could be achieved through the implementation of a transformational change to the central procurement model. The report estimates that implementation of its recommendations, over a three-year period, could yield potential annual savings in the range of €249 million to €637 million, depending on the approach taken.

In order to realise these savings, the Review recommends the actions below:

(i) Establish Chief Procurement Officer role and a National Procurement Office

- Appoint a new Chief Procurement Officer (CPO) accountable for national procurement strategy, policy, implementation and an effective compliance framework.
- Establish a National Procurement Office (NPO) under the aegis of the Department of Public Expenditure and Reform.
- Transition the current National Procurement Service (NPS) and National Public Procurement Policy Unit (NPPPU) procurement functions, including responsibility for all aspects of procurement policy (including EU and National procurement law). Related Centre for Management and Organisational Development (CMOD) processes should also be considered.

(ii) Establish organisational alignment

- NPO to manage all strategic spend for common categories of goods and services and to be responsible for strategic and operational procurement policy and implementation of an effective compliance framework across sectors.
- Transition some experienced resources from individual procurement teams within each sector to the new NPO.
- Establish a fulltime Procurement Officer within each sector (Health, Education, Local Government, Justice and Defence) to be responsible for procurement across relevant Departments and Agencies.
- Establish a robust governance model for procurement with Assistant Secretary level involvement and sponsorship from sectors.

(iii) Enable savings delivery and compliance

- Implement Spend Analytics to capture, cleanse and accurately categorise all State spend by type, location and vendor.
- Develop detailed spend and savings targets across sectors with detailed integrated plans for delivery by the NPO and sector procurement.
- Secretaries General to be accountable to provide monthly reports to the CPO.

(iv) Programme and transition management

- The report recommends five major implementation workstreams be established to complete the transition to the new structure:
 - Establishment of governance and operating model;
 - Creation and transition of NPO function from current organisations;
 - Planning and implementation of Strategic Sourcing;
 - Design and implementation of Spend Analytics; and
 - Planning and implementing Procurement Operational Shared Services).

A detailed implementation plan and governance arrangements for the reform of the central procurement function, in line with the strategic recommendations of the recent report will now be developed.

Appendix B - Shared Services

In February of this year, a strategic mandate was given by Government to advance Shared Services for the Public Service. The Reform and Delivery Office in the Department of Public Expenditure and Reform has been tasked with progressing this agenda.

Although establishing Shared Services can present many change management challenges, especially in a Public Service environment, implementation of Shared Services is well on track.

The Civil Service has made significant progress in planning and preparing to introduce Shared Services since then.

In May of this year, the Government agreed the business case for **Civil Service HR Shared Services**. It is estimated that with the establishment of PeoplePoint (as the Civil Service HR Shared Service Centre will be known) that, by 2014, the annual cost of HR services for the Civil Service will be reduced by 26% while the number of staff involved in delivering these services will reduce by a minimum of 17%. The first transitions to the new HR Shared Services Centre in Clonskeagh in Dublin are expected in March 2013, with all in-scope bodies to be transitioned by the end of 2014.

Although originally not planned until 2014, the **Civil Service Pensions Administration Shared Services** has been significantly advanced and is now in scope for transitioning in 2013 along with the new HR Shared Services Centre.

The design and planning phase for **Civil Service Payroll Shared Services** has commenced. A business case is expected to be brought to Government by early 2013.

A tendering process for assistance with a feasibility study relating to **Civil Service Financial Management Shared Services and Banking Shared Services** is underway and once concluded the feasibility study will commence later this year.

In addition, Shared Services plans are being prepared by the Public Service sectors of Health, Education, and Local Government with a range of priority shared service initiatives identified by each.

The Irish Public Service is taking on board the lessons learned from the experience of introducing Shared Services in other countries. Strong governance is being provided by Government, and accountability for delivery of Shared Services is being shared by Secretaries General and other senior officials. Robust, methodological approaches are being taken and new standards of baselining and a strong customer service and performance focus are core principles that will be introduced in all Shared Service Centres.

Appendix C - eGovernment and Cloud Computing

Significant progress on eGovernment has been achieved in recent years. About 400 informational and transactional services can be accessed via www.gov.ie. These services include Revenue Online Services for businesses, Motor Tax Online, applications for a Higher Education Grant, and accessing Companies Registration Office online facilities.

The success of the Irish Government's approach has been recognised internationally. **The European Commission's Digital Agenda Scorecard 2012** acknowledges Ireland's good performance regarding public eProcurement adoption by enterprises and the use of eGovernment by citizens. The EU Commission has also acknowledged that Ireland has turned to eGovernment to help maintain quality public services in a time of unprecedented restrictions on resources and notes that "eGovernment use has witnessed one of the largest increases going from 37% in 2010 to 44% in 2011, pulling the country from below to above EU27 average. Business use has increased to 90%, well above EU average (84%)".

The eGovernment Strategy 2012-2015, approved by Government and published in early April, sets out a new approach to eGovernment for the Irish Public Service and is based on the recognition in the Programme for Government and the Public Service Reform Plan that Information and Communications Technologies (ICT) are key enablers to delivering improved public services.

This strategy was developed by the Department of Public Expenditure and Reform in conjunction with the Public Service Chief Information Officer (CIO) Council. The CIO Council is a representative forum for senior managers with responsibility for ICT and/or eGovernment from across the Civil and Public Service to discuss key issues in these areas, and to provide expert input to decisions and actions to maximise the positive impact of ICT and eGovernment on public service modernisation and customer service.

The new strategy is founded on five basic principles for eGovernment which are consistent with the overall approach of the Public Service Reform Plan:

- The **needs of citizens and businesses** are at the centre of eGovernment;
- Public services should be delivered through the **most appropriate channels**;
- eGovernment should **reduce the administrative burden** for citizens and businesses;
- eGovernment projects **should reflect Business Process Improvements**, delivering demonstrable efficiency, effectiveness and Value for Money gains; and
- Public Bodies should work to ensure that **the online channel is the most attractive option for customers**.

This approach will ensure a strong focus on the citizen and that better and more innovative use is made of technology to improve the citizen experience.

The document sets out what needs to be done to continue the good progress that has already been made in improving citizens' and businesses' access to and interaction with Government services. eGovernment 2012-2015 sets out the parameters in which further progress will be made.

eGovernment 2012-2015 contains 44 actions across eight key priority areas:

- Continue Momentum With Online Services;
- Use New And Emerging Technologies And Media;
- Ensure that eGovernment Is Designed Around Real Needs;
- Take Steps To Improve Take-Up;
- Ensure That Public Service Data Is Available For Re-Use;
- Digital Mapping/Geographic Information Systems;
- Identity And Authentication; and
- Back-End Integration.

This will ensure that the progress already achieved will continue and that Ireland will be in a position to benefit from the opportunities offered by existing and emerging technologies. A 45th action sets out the governance arrangements to ensure that progress with eGovernment plans is appropriately monitored. The Department of Public Expenditure and Reform is currently engaged in a series of bilateral meetings with Departments and Offices to agree approaches to progressing and reporting on actions in the strategy.

These actions also reflect relevant requirements relating to eGovernment in the European Commission's "A Digital Agenda for Europe" and the "European eGovernment Action Plan 2011 – 2015." Ireland is actively participating in EU activities through its membership of the ISA Committee, the CIO Network and the eGovernment High Level Group.

The Irish Government is also **increasing its use of social media** to increase awareness of eGovernment services. For example, the eGovernment Policy Unit regularly Tweets about eGovernment developments via the [@govdotie](https://twitter.com/govdotie) account.

Following on from the eGovernment Strategy, the Government published, in July, its **Cloud Computing Strategy for the Public Service**. Cloud computing is a radically new approach to the delivery of ICT services, which promises:

- "anywhere" access to computing resources;
- "freedom" from capital expenditure on back-end computing and software;
- the ability to provision computing services very quickly and cheaper than traditional models; and
- the ability to pay for such services on some form of metered or per-use basis.

This Strategy, which is based on extensive engagement, research and trials with the ICT industry over 2 years:

- places Cloud Computing at the heart of our ICT Strategy;
- sets a course for **centralising solutions** for our common ICT needs and implementing them as a set of shared services;
- commits to **reducing the number of our computer and data centres** from potentially hundreds to approximately 10 primary facilities;
- aims to **use external service providers as much as possible** in the fulfilment of this approach;
- aims to **maximise competition** in the provision of Cloud-based ICT services by establishing **multi-vendor procurement frameworks**;
- details and timelines lists of ICT activities that we will migrate to Cloud Computing and shared services over a number of phases; and
- highlights our need to consider a new ICT organisational structure and new ICT funding and governance arrangements over time.

Accordingly, it is a significant reform of how we design, develop, procure and operate our ICT environment and services.

Appendix D – Ireland Stat (Government-level Performance Measurement)

The Programme for Government promised that the “whole of Government” would be “more transparent, accountable and efficient” and to “pin down accountability for results at every level of the public service”.

To this end, the Department of Public Expenditure and Reform is developing “Ireland Stat”, a **whole of Government performance measurement website** for the citizen which delivers on this commitment. It aims to answer the question “How is Ireland doing?”

The Ireland Stat system will present a hierarchy of measures to show Ireland’s performance:

- **Outcomes** – what has Ireland achieved?
- **Outputs** – what has Ireland done?
- **Inputs** – what has it cost Ireland?
- **Trends** over time – are they improving, staying the same or getting worse?
- **International comparisons** – how is Ireland doing compared to other countries?

The system will use existing data from:

- Statements of Strategy
- Performance Budgeting, Estimates
- CSO
- Annual Reports
- EuroStat
- OECD

Some other countries and states have successfully delivered similar websites, e.g.

- New Zealand
- Finland
- Canada
- Scotland
- State of Virginia, USA
- State of Maryland, USA

Ireland Stat is being piloted with 7 programmes in 4 policy areas. It is scheduled to be rolled out by the end of September 2012, after which it will be reviewed and possibly rolled out to all remaining policy areas after that.

The pilot topics are as follows (policy areas and programmes):

- **Economy** – Jobs & Enterprise Development; Innovation; Agri-food
- **Health** – Food Safety
- **Transport** – Land Transport
- **Environment** – Rural Economy; Flood Risk Management

Ireland Stat is being driven by a Steering Group chaired by the Department of Public Expenditure and Reform with senior representatives from the Central Statistics Office, the ESRI and the Institute of Public Administration.

Appendix E - Political Reform

Delivery of an ambitious programme of commitments of political reform contained in the Programme for Government is underway. The common theme running through these initiatives relates to securing greater openness and transparency, enhanced accountability and thereby leading to more effective public governance.

Lobbying

- A policy paper on lobbying regulation was published in early July and its recommendations were the subject of a seminar at that time involving key interests and experts.
- A comprehensive approach is proposed in the policy paper to the definition of lobbying to shed greater light on the question “who is lobbying whom about what”.
- Following the seminar, a short focused and targeted consultation exercise was initiated to inform the finalisation of Draft Heads of a Lobbying Regulation Bill.
- It is proposed to bring the draft legislation to Government in early autumn for approval to draft the Bill.

Freedom of Information

- There is a strong complementarity between the proposed lobbying register and the planned reform and extension of Freedom of Information.
- The availability of greater information in the public domain on interactions between key interest groups and the political and senior administrative system will inevitably lead to a focus on accessing official records on “the what” which is the subject of the lobbying.
- Government approval for the drafting of a Bill to reform the existing framework for Freedom of Information and to extend FOI to all public bodies was secured at the end of July.
- The Draft Heads of the Bill have been submitted by the Minister to the Oireachtas Finance, Public Expenditure and Reform Committee for pre-legislative scrutiny and it is expected that the Draft Heads will be published shortly.

Protected Disclosure in the Public Interest Bill

- The introduction of comprehensive whistleblower protection legislation is central to more effective management and early amelioration of risk – both in the public and the private sector.
- In well-run and risk focused organisations whistleblowing should be encouraged and promoted – the need for protections against reprisals is a safety-net when the whistleblower rather than the information they have disclosed becomes the primary focus of the organisation’s attention.

- Following Government approval earlier in the year, the drafting of the Protected Disclosure in the Public Interest Bill is now underway by the Office of the Parliamentary Counsel.
- The Bill will benefit from the observations made by the Oireachtas Finance, Public Expenditure and Reform Committee in their report on the legislative proposals received by the Minister last July.

Ombudsman Amendment Bill

- The primary purpose of the Ombudsman Amendment Bill which it is planned to enact by end-year is to extend the Ombudsman's jurisdiction to all public bodies (other than in circumstances that the public body does not have a significant administrative interface with the general public).
- The Ombudsman clearly plays a central role in seeking to ensure that administrative decision-making is fair and robust in all circumstances.
- Government approval for the drafting of Seanad Committee Stage amendments was received in July and current indications are that the Second Stage of the Bill will be taken in the Seanad early in the Autumn session.

Ethics Legislation

- The findings and recommendations of the Mahon Tribunal highlight the requirement for a fundamental review of the legislative framework for ethics.
- There is a consensus that the existing framework needs significant reform, updating and modernisation.
- There are some very important policy issues to be grappled with in advancing this project, but the basic objective must be to put in place a model that can play an appropriate play in embedding ethics as an integral part of the values, culture and behaviour of the Irish public service.
- The Minister has, therefore, decided to undertake a full review of how the existing legislative framework for ethics can be reformed in order to develop a single, comprehensive legislative framework grounded on a clear and comprehensive set of principles

Civil Service Accountability

- The Programme for Government contains a strong commitment to strengthening civil service accountability. This is a key element of the objectives strongly reflected in the public service reform programme of boosting the performance and capacity of the overall system of public administration in Ireland.
- There are important legislative issues to consider, indeed going back to the Ministers and Secretaries Act of 1924 – one of the foundation stones of the Irish State.
- Legislative change alone will not, however, deliver the standards of effective performance management and appropriate accountability which we are striving to achieve.
- The Government Reform Unit in the Department of Public Expenditure and Reform is currently preparing a policy paper on civil service accountability which will examine the current legislative framework underpinning civil service accountability, as well as the current administrative accountability arrangements in place.

Statute Law Revision Project

- Following the recent enactment of the Statute Law Revision Bill 2012, the next phase of the project of legislative simplification will be focusing on post-1922 Statutes.

Oireachtas Inquiries

- Finally, the necessity for an effective legal framework for Oireachtas inquiries consistent with the existing constitutional position speaks for itself.
- Advanced and detailed Draft Heads of a Bill providing a statutory framework for Oireachtas inquiries are currently being finalised.
- It is intended subject to final legal advice to bring these legislative proposals to Government shortly.

Taken as a whole, these measures represent a comprehensive suite of significant measures which have the potential to bring about an important shift in the 'rules of the game' for the political and administrative system.

Appendix F - External Service Delivery

External delivery can potentially deliver a range of benefits for the provision of public services. These include cost and efficiency savings arising from better work and management practices and from enhanced performance measurement. There is also greater potential for innovation in business practices through access to a wider set of skills, knowledge and technologies. The external delivery of peripheral services also provides an opportunity for greater focus of scarce resources on core activities.

One of the key commitments in the Public Service Reform Plan is to identify and evaluate new business models and opportunities that could support the delivery of a range of non-core processes and services. In this regard, the Government has recently agreed to the following range of actions aimed at achieving a focussed and integrated approach to external service delivery:

- The evaluation of all proposed new services will include an appraisal of the costs and benefits of delivering the service using external providers;
- The four major sectors of Health, Education, Justice and Local Government will prepare and implement **detailed benefits-driven external service delivery plans** for their sectors. These plans are now being written;
- The Reform and Delivery Office in the Department of Public Expenditure and Reform will develop a **shortlist of potential services where testing for external delivery will be prioritised** across the Public Service; and
- When the shortlist is completed, the relevant departments will further evaluate and develop business cases in each of the shortlisted areas in order to identify priority external service delivery projects for implementation.

Successful implementation will require the Public Service to strengthen its commercial capabilities in this area. A number of actions have been taken or are planned in this regard:

- A **Commercial Delivery Manager** has been recruited to oversee the development and implementation of a strategy for external service delivery and to provide subject-matter expertise in this area. This individual has joined the Department of Public Expenditure and Reform from the New South Wales Department of Premier and Cabinet, where he led cross-agency service delivery reform projects in the Strategy and Project Delivery Unit;
- A **dialogue** has been established to facilitate communication between the Public Service and industry on potential ways in which industry can contribute to new types of public service delivery. The focus is on the practical implementation of alternative models of service delivery. The dialogue is bringing practitioners from the public and private sectors together to share real-world experiences and knowledge of identifying,

evaluating, procuring and managing innovative, alternative methods of service delivery; and

- A **programme of learning and development** targeted at relevant Public Service managers will commence shortly with a view to enhancing capacity and building a network of expertise in this area across the Public Service.

These actions will be delivered in accordance with the provisions in the Public Service Agreement, which sets out a clear process to be followed in the context of proposals for the external delivery of services.