

CAPABILITY REVIEW PROGRAMME

**REVIEW OF DEPARTMENT
OF
HOUSING, PLANNING AND LOCAL GOVERNMENT**

FINAL REPORT

14th January, 2020

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EXECUTIVE SUMMARY

The Department of Housing, Planning and Local Government leads on a broad policy and legislative remit and operates in a challenging and complex environment whereby frequently its plans and programmes are the subject of political, media and public scrutiny.

It had the lead role in the development of the National Planning Framework which will guide sustainable high level strategic planning and development in the State for the next 20 years or so. It developed and is overseeing the implementation of *Rebuilding Ireland*, the Government's major policy to tackle homelessness and the housing supply challenge.

The Department has overseen the establishment of Irish Water and the very significant capital investment programme aimed at modernising our national water network and improving overall water quality in our seas, rivers and lakes. In the past year, it has progressed the establishment of the Land Development Agency and the Office of the Planning Regulator, and it is also spearheading an ambitious programme of local government reform.

Through Met Éireann, which is a division of the Department, it provides weather information, forecasts and severe weather warnings to the public and supports development and delivery of national policy on climate change through Met Éireann's climate monitoring, research and climate services. The Department continues to play a central role in the management and coordination of national emergency planning through the National Directorate for Fire and Emergency Management (NDFEM), supported by Met Éireann.

REMIT OF THE DEPARTMENT

The Department's remit is encapsulated succinctly by the strategic goals set out in its *Statement of Strategy, 2017 to 2020*:

- To ensure that planning and building in the regions and communities contribute to sustainable and balanced development
- To provide for a stable, sustainable supply of good quality housing
- To provide a framework for the sustainable management of water resources from source to sea
- To support and enable democratic, responsive and effective local government, effective electoral management and high quality fire services and emergency management, and
- To serve society through the production and communication of reliable weather and climate information to protect life and property and to further enhance Met Éireann's role as the authoritative voice on meteorology in Ireland.

In pursuing these strategic goals, the Department's operating environment has a number of distinguishing features:

- a) **Delivery levers:** Although shaping some of Ireland's most impactful societal policies, strategies and programmes, often the Department does not hold many of the delivery levers. Instead it must rely on its own agencies, the local government sector, a variety of government departments and a broad spectrum of state entities, for discharging its responsibilities as mandated by government and legislation. Consequently, the Department's collaborative approach to working with stakeholders and delivery agents, including its corporate

governance and engagement policies, are a critical facet of its operations. This collaborative approach recognises the explicit independence of many of the organisations with which it works to deliver on behalf of the State, either legislatively, as in the case of An Bord Pleanála, or constitutionally and democratically, as with the local authorities.

- b) **Impacts on citizens:** The extent of political and public discourse on matters relating to the Department's remit is reflective of the importance of their impacts on the day-to-day lives of citizens, as well as the contexts they set for the country's economic, social and environmental development. That is especially evident in planning policy and its execution, in plans and measures to provide housing and tackle homelessness, and in water policy. The direct impacts on citizens adds to the responsibilities around accountability.
- c) **Strategic alignment:** There is an onus on the Department to achieve strategic alignment across a range of policies, strategies and programmes, principally as follows:
 - a. There must be a strategic fit and synergy between the Department's policies on the one hand and the strategies and programmes of its agencies and the local authorities on the other - for example, County and City Development Plans needing to conform to the aims of the *National Planning Framework* and to be also consistent with the objectives of *Rebuilding Ireland*;
 - b. There must be complementarity between the Department's sectoral-based plans and the overarching policy frameworks for which either it, or another Government Department, has lead responsibility - for instance, Met Éireann's 10 year strategy *Making Ireland Weather and Climate Prepared* informs the *National Adaptation Framework*, which in turn inputs into the *Climate Action Plan 2019*; and
 - c. There must be mechanisms in place to ensure that delivery by third parties is in accordance with both departmental priorities and centrally ordained policies, particularly in relation to compliance with the public spending code and value for money.

DEPARTMENTAL STRENGTHS

In assessing the Department's capability to deliver effectively on its strategic goals, there are many areas of strength from which it can draw:

- a) **People factor:** Management and staff command a high degree of respect across the Department's broad stakeholder base. They are regarded as professional, committed and authoritative, with a good reputation for engaging well with others in the development and delivery of policy.
- b) **Strategic orientation:** Over the past four years, the Department has put in place a number of ambitious and strongly researched policies and strategies, the development of which involved extensive stakeholder engagement. Typically, they are long-term in nature, have implementation arrangements as a feature of their design, and command significant awareness internally among staff and externally among stakeholders. Overall, evidence-based policy development is an organisational strength.
- c) **Strategic alignment:** There are effective mechanisms in place to ensure that the strategies and plans of departmental agencies and the local authorities are in accordance with the Department's priorities. The mechanisms are characterised by close working relationships and appropriate corporate governance structures.

- d) **Stakeholder engagement:** The involvement of stakeholders in the design of new plans and initiatives is common practice. Significant value-added is gained when such involvement is augmented by strong internal collaboration. The major housing investment programme, *Rebuilding Ireland*, is an exemplar in that respect, whereby a broad base of expertise and experience, from both within the Department and among external bodies, including the Oireachtas, was brought to bear in the development of this important national policy, which was then scrutinised through various public fora.
- e) **Strengthened specialist capacity:** Building on its broad range of existing specialist expertise - statistical, analytical, macroeconomic, planning, marine planning, ecological, architectural, quantity surveying, engineering and meteorological - the Department's capacity has been significantly strengthened over the recent past, augmented by effective engagement and collaboration with specialist research and statistical bodies.
- f) **Governance arrangements:** Within the constitutional and legal parameters in which it has to operate, the governance of agencies and local authorities is well managed. A range of Performance Delivery Agreements (PDAs) and Memoranda of Understanding (MOUs) are in place, where appropriate, and they are supplemented by regular face-to-face meetings and other engagements. There is strong mutual understanding of respective roles, responsibilities and deliverables, and where regulatory or other legal restrictions apply to an organisation, boundaries and independence are fully respected.
- g) **Openness to change:** There is evidence of an openness on the Department's part to consider and implement new ways of working. An example is the recent decision, taken in collaboration with both the Local Government Management Agency (LGMA) and the County and City Management Association (CCMA), to enhance and transfer the Housing Delivery Office (HDO) from the Department into the LGMA. This has the potential to improve overall capability within the local government sector to expedite the delivery of targets under *Rebuilding Ireland*. It also offers a significant opportunity for the HDO to liaise more closely with local authorities in areas requiring specialist support and to have the necessary skillsets available, especially on project management, procurement, data collection, and financial and commercial analysis.
- h) **People strategy:** The development of the Department's HR strategy, *WELL*, (Wellbeing, Engagement, Learning & Development and Leadership) involved extensive staff engagement and strong senior management leadership. Its implementation is similarly both inclusive and management led.
- i) **ICT investment:** Finally in the area of ICT, a new strategy has been published and a related cyber security strategy is being finalised. On the project side, work has commenced on developing a new system aimed at bringing about major improvements to the management, storage and reporting of housing data from local authorities.

CHALLENGES AND RISKS

The Department finds itself regularly in the political and media spotlight, currently in relation to the housing and homelessness crisis and previously on the challenges around the establishment and funding of Irish Water.

The overwhelming view from the Review Team's engagement, particularly with external stakeholders, is that the Department is heavily pressured by the immediacy of many demands in

certain areas, which can change from day to day or month to month, and consequently managers may appear to have fewer opportunities to spend sufficient time reflecting on the longer-term strategic issues for the Department or its sectors. While this is a concern that will always need to be carefully managed, it is particularly noteworthy that over the past three years, the Department has developed a broad range of long-term, evidence-based policies and strategies across its broad remit, including the *Rebuilding Ireland Action Plan on Housing and Homelessness*, the *National Planning Framework* under *Project Ireland 2040*, *Ireland's River Basin Management Plan*, a draft *National Marine Planning Framework*, a *Water Services Policy Statement* and Met Éireann's Strategic Plan (2017-2017) *Making Ireland Weather and Climate Prepared*.

Balancing long-term planning against short-term demands is not an easy dilemma to resolve. A core function of any Government Department is to "support the democratic process" and so a challenge for the Department is to find the right balance between those demands competing for its time and resources. Given their special importance though, the Department should always ensure that sufficient time continues to be made available to longer-term strategy and policy development, even in the face of the challenging demands of immediate priorities.

In relation to its specific policy areas, the Department needs to be mindful of the following:

- a) **Managing delivery:** The Department has to ensure that its governance arrangements remain robust to ensure high quality oversight and monitoring of those tasked with delivery across all of its policy areas. Specifically on social housing, the combined effects of the roll-out of the Housing ICT Project and the proposed relocation of the Housing Delivery Office (HDO) in the LGMA to support local authorities with delivery, offer the prospect of enhanced project management arrangements, delivery timeliness and detailed reporting.
- b) **Role of local authorities:** Specifically in relation to *Rebuilding Ireland*, local authorities are critical to successful delivery of targets, particularly on social housing but, as set out in this Review, some have quite significant capacity and capability challenges. The success of the shared services model for managing the Housing Assistance Payment (HAP) scheme should be built upon in order to address such challenges and the proposed relocation of the HDO to the LGMA aligns well with that general approach. The Department will continue to set social housing targets for the HDO which in turn will report regularly on progress, thereby enhancing accountability and transparency. The Department should keep the operation of the new HDO arrangements under close review and make any adjustments that may be considered necessary to assist local authorities in overcoming difficulties.
- c) **Augment analytical capacity:** The Department's economic and policy analysis skills base has been strengthened over recent years and, although economic expertise is just one of the competences needed to support good policy development, the Department would benefit from further developing macroeconomic capacity in order to meet likely future challenges.

The Department's decision some five years ago to centralise some specific economic skills in an economic support unit linked to the Irish Government Economic and Evaluation Service (IGEES) recognised the importance of this element of policy development. Notwithstanding this and other positive developments, further capacity is needed to ensure that economic inputs continue to feature centrally in all policymaking initiatives. It is important that new policy proposals should be tested in economically rigorous ways in order to surface any

unintended consequences and impacts in a timely manner - for example, testing possible housing interventions from a market impact perspective.

- d) **Transform data management:** The Department has in place a professional and adequately resourced Statistics and Data Analytics Unit (SDAU), a well-regarded Geographical Information System (GIS) function, a research partnership with the Economic and Social Research Institute (ESRI) and strong bilateral relationships with the Central Statistics Office (CSO) and the Irish Government Economic and Evaluation Service (IGEES). A number of data-related groups are in place, including a Housing Oversight Group chaired by the Secretary General, in which improving data management is a key objective. The core purpose of such groups revolves around improving the statistical contribution to the Department's business and the efficiency and effectiveness of data collection, processing and dissemination.

Notwithstanding that the Department has access to large amounts of data in support of its policy development and delivery functions and that overall statistical and data management capability continues to improve, challenges still remain with how data is collected and managed. In particular, the management of data by local authorities remains underdeveloped in terms of consistency, standardisation, access and e-platforms.

Some of the Department's agencies also hold large amounts of data and the Department engages with them both informally and formally through various groups, including the Housing Data Analytics Group, set up under Rebuilding Ireland and chaired by the Department's Senior Statistician. There is, however, greater opportunity for more collaborative data-related arrangements to be put in place with the agencies to further support policy development in the Department.

- e) **Develop appraisal and evaluation capacity:** Delivery of the €6 billion multi-annual housing investment programme in *Rebuilding Ireland* in accordance with the recently revised Public Spending Code gives rise to challenges for project delivery and risk management. As the Department will not be the delivery agent but yet will be the accountable authority, it must have strong mechanisms in place to oversee the efficient and effective implementation of housing projects, especially by local authorities.

Strong appraisal capacity is a critical link in the project management chain. There are a number of different 'appraisals' required to be undertaken:

- a. **Threshold criteria:** Under the Public Spending Code, capital projects over a certain value need to be assessed using a CEA/CBA. In the Department, this requirement would apply mainly to large housing projects or Irish Water projects. To date in the lifecycle of *Rebuilding Ireland*, this only accounts for a small number of projects, but this could be expected to increase in the future. In respect of Irish Water, the CRU and NewERA both have key roles in approving expenditure by that organisation and supporting the completion of CEA/CBA where necessary;
- b. **Internal approvals process:** From a technical and value for money perspective, all housing projects must be appraised under the Department's approval process (one stage or four stage, depending on value) and the Department, as referenced earlier, has

significantly increased its capacity to meet these requirements through the recruitment of suitably qualified and experienced technical and professional staff.

Given the scale of planned housing investment in the future and the accompanying risks, the Department needs to expand existing CEA/CBA appraisal capacity and there is an overriding need to ensure that best practice is followed across the local government sector. Similarly, given that *Rebuilding Ireland* has been in place for over three years now, it is certain that post-delivery evaluation of larger projects will be required in the future as some of these projects are completed. Departmental capability and capacity needs to be developed in this area to meet this requirement.

- f) **Strengthen internal collaboration:** The challenges on housing and homelessness over recent years have helped to strengthen internal collaboration, particularly between the Housing and Planning Divisions. Additionally, the cross-divisional team put in place to develop the *Rebuilding Ireland* programme is regarded by many staff as an exemplar for cooperation between business units. It is noted that formal cross-divisional structures have been put in place again to support this necessary collaboration. Possible areas for closer collaboration include the Local Government and Housing Divisions on implementing the social housing provisions of *Rebuilding Ireland* and the Water and Planning Divisions on certain aspects of *Project Ireland 2040*. Such team approaches have considerable merit and if guided by clear missions and goals, they can be especially effective in tackling multi-faceted problems.
- g) **Enhance EU engagement:** There is scope to improve the level and quality of engagement at EU level. While the appointment of a Brussels based Attaché is a positive development and recognises the need for increased capacity in the future, the Department must work diligently at providing continuous support to that Attaché. That need is magnified by the fact that the Department must work closely with other Departments and contribute to EU deliberations on policy matters for which it does not have primary responsibility such as climate change, energy and biodiversity. Given the complexity of elements of the Department's involvement on EU matters, strengthening the cross-Departmental approach to engagement with both the Attaché and wider Permanent Representation would be particularly useful.
- h) **Improve communications:** Reflecting in part the proximity between its policies and their impacts on citizens, the Department is rarely far from the media spotlight. Housing, homelessness, water and weather events have commanded considerable public and political attention over the recent past. At times, the Department communicates very well - for example on matters relating to elections and national emergencies. While noting that at times it can be in a highly political space, on other occasions, it struggles to articulate the many positive trends and outcomes across its various activities. A critical next step is that the Department should conclude as a priority the work underway on developing internal and external communications strategies.
- i) **Increase legal support:** Following a review by the Management Board, it was recognised that the staffing complement in the legal services area was inadequate and an additional senior legal adviser has been identified for secondment to the Department from the Office of the Attorney General to address this resource issue.

CONCLUSION

The Department of Housing, Planning and Local Government operates in a very demanding and complex environment. As shown throughout this report, despite the challenges and pressures under which it operates, it has many considerable strengths and it can reinforce that strong competency base by implementing the various recommendations proposed.

INTRODUCTION

Action 20 of the *Civil Service Renewal Plan* provides for the implementation of a programme of organisational reviews, the purpose being:

‘To embed a culture of regular and objective assessments of the capacity and capability of each Department to achieve its objectives and take the necessary action to close any gaps.’

Having consulted with the sponsoring Secretaries General and the Civil Service Management Board (CSMB), the Department of Housing, Planning and Local Government was chosen for this review. Similar exercises were completed in respect of 1) the Department of Transport, Tourism and Sport, 2) the Courts Service, 3) the Department of Business, Enterprise and Innovation, and 4) the Department of Culture, Heritage and the Gaeltacht.

1.1 METHODOLOGY

The methodology follows that used for the four previous reviews conducted as part of the Capability Review Programme. Additionally, it takes account of the report of the Effectiveness and Renewal Group for the Department of Justice and Equality (*Ó’ Riordáin report*) and subsequent implementation updates.

This review of the Department of Housing, Planning and Local Government (DHPLG) was guided by a comprehensive standards-based methodology template, comprising four overarching filters: Leadership, Policy and Strategy, Delivery, and Organisational Capability.

1.2 SCOPE

As has been the case with the four previous capability reviews, this review was concerned solely with the Department’s capability to deliver on its mission statement and did not involve any assessment of its policies, strategies, programmes or schemes in terms of their impacts.

1.3 TERMS OF REFERENCE

The Terms of Reference agreed for this review are:

“To review the organisational capability of the Department of Housing, Planning and Local Government to deliver on its mission as set out in its Statement of Strategy, 2017 – 2020. The review will be future focused and aimed at assessing the capability of the Department by reference to leadership, strategy, delivery and corporate support.

The principal objective of the review is to assist the Department to identify areas where improvements could be made to ensure that it maximises the effectiveness with which it fulfils its mandate to support the development and implementation of Government policy, to support engagement with the Oireachtas and to, ultimately, serve the public.

The scope of the review will be to assess the leadership, strategy and delivery capabilities of the five policy divisions of the Department, Met Éireann and the Local Government Audit Service and to examine the strength of the corporate Division to provide appropriate levels of support for these functions. It will encompass wide engagement with management and staff as well as engagement with senior management in the Offices and Agencies of the Department and in the local government sector. In addition, external engagements will take place with key stakeholders and representative organisations.

The output of the review will be a set of recommendations setting out a blueprint for the ongoing and future development of the Department so that it is seen as being best in class and an authoritative voice in its areas of responsibility.”

1.4 GOVERNANCE

A review team based in the Reform and Delivery Office of the Department of Public Expenditure and Reform (DPER) carried out the review. The team was comprised of Dave Hanley, Gerry Cribbin and Ivan Farmer from DPER and Catriona O’Grady as the Departmental Liaison Officer (DLO). The DLO provided vital support and assistance, scheduled and attended interviews and workshops, provided research support and participated in the drafting of the final report.

The team reported to an External Peer Review Panel whose role was ‘to review, validate, edit and finalise the report prepared by the team’. The panel comprised:

- Ann O’Connell, former Partner, PricewaterhouseCoopers (PwC)
- Niamh O’ Donoghue, former Secretary General, Department of Employment Affairs and Social Protection, and
- Pat McLoughlin, CEO, Alzheimer’s Society of Ireland.

The programme of reviews is overseen by a steering group of three sponsoring Secretaries General from the Civil Service Management Board (CSMB): Seán Ó Foghlú, Department of Education and Skills; Mark Griffin, Department of Communications, Climate Action and Environment; and Maurice Quinn, Department of Defence.

1.5 REVIEW PROCESS

The evidence gathering phase took place between May 2019 and October 2019 inclusive and involved interviews, workshops and meetings aimed at assessing the capability of the Department from internal and external perspectives:

Table 1: Overview of engagements

Category	No. of Engagements	No. of Participants
Ministers / Ministers of State	1	1
Senior Management (incl. Secretary General)	13	10
Heads of Function	5	5
Principal Officers and Project Leads	8	9
PO Workshops	3	29
AP Workshops	5	59
AO / HEO Workshops	5	46
EO Workshops	4	43
CO Workshops	3	17
Mixed / Technical Workshops*	2	12
Subtotal	49	231
External Stakeholders ¹	25	28
Total	74	259

*Workshops were held with the Department’s Legal Advisors and Met Éireann / LGAS field staff.

1.5 DEPARTMENTAL OVERVIEW

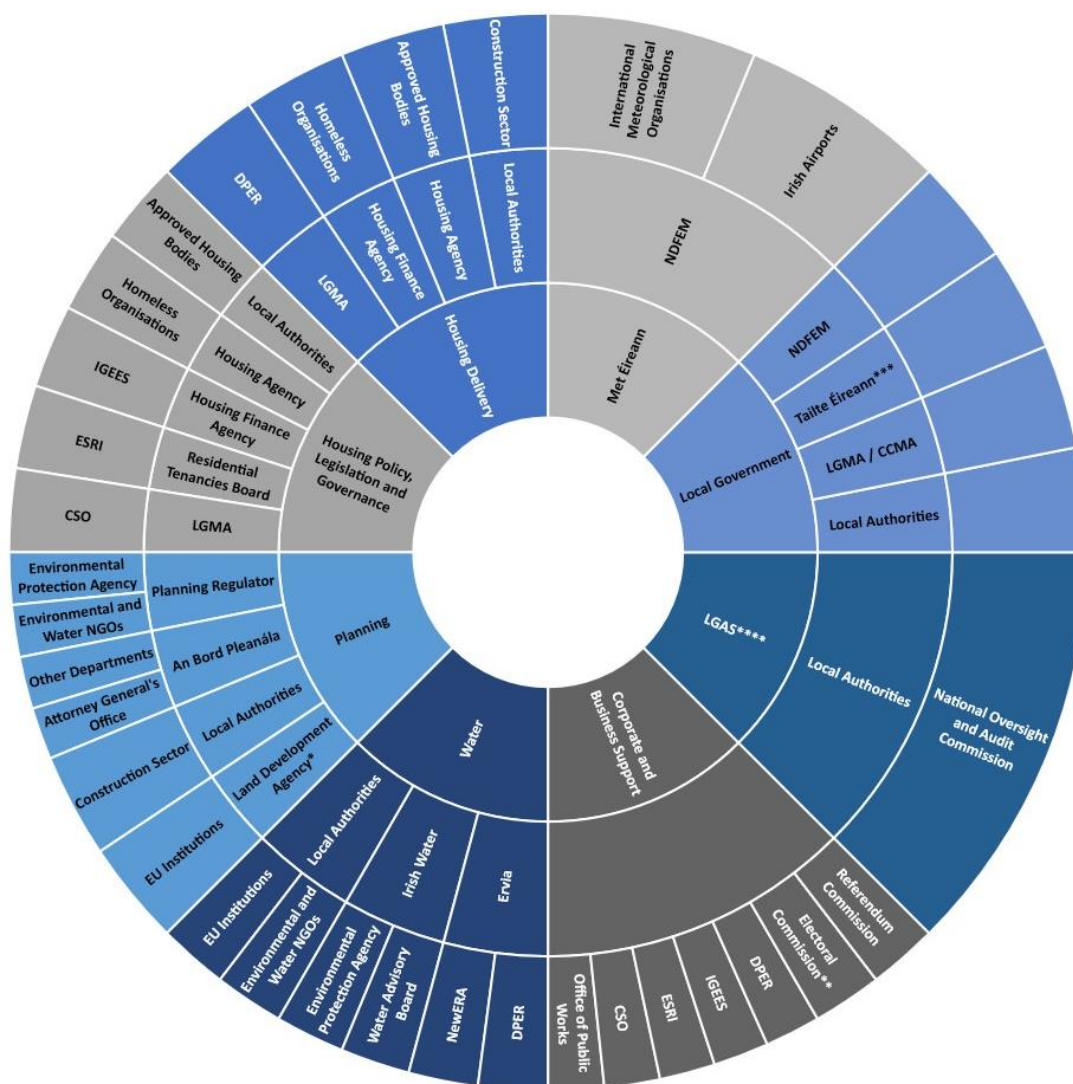
The Department is structured into seven Divisions and the Local Government Audit Service (LGAS) which is autonomous in the exercise of its functions. Collectively they cover a broad and diverse

¹ External stakeholders are listed in Appendix 2

remit of policy responsibilities, which are detailed in Appendices 3 and 4. It is supported in its work by 31 local authorities and a number of agencies and state bodies under the Department's aegis. The Land Development Agency is envisaged to join these agencies in the near future, once necessary legislation is in place, while the Property Registration Authority, Valuation Office and Ordnance Survey Ireland are planned to be amalgamated into a single entity, *Tailte Éireann*.

The following chart illustrates the current reach of each of the Department's divisions by reference to their agencies and offices, and the wider system of engagement with primary external stakeholders.

Chart 1: Internal and external stakeholders of the Department



* The **Land Development Agency** is currently established by regulation. The legislation giving it a primary statutory footing as a commercial State Body under the aegis of the Department is expected before the Oireachtas in the near future.

** The General Scheme of legislation establishing the **Electoral Commission** is expected to enter pre-legislative scrutiny before the Joint Oireachtas Committee in 2020, with a Bill to follow in 2021.

*** **Tailte Éireann** is the proposed name for the amalgamation of the **Property Registration Authority**, the **Valuation Office** and **Ordnance Survey Ireland**. Legislation formally establishing this body is expected before the Oireachtas in the near future, establishing it as an Office of State with its own Vote under the Minister for Housing, Planning and Local Government.

**** The **LGAS** is not considered a Division of the Department and is autonomous in the exercise of its functions.

1. LEADERSHIP

STRUCTURE OF THIS CHAPTER

Module 1 of the methodology template for the capability review programme relates to LEADERSHIP.

In this chapter, the leadership capability of senior management, comprising the Management Board and the Principal Officer cohort, is assessed in the following way:

Section 1.1 – Leadership by senior management: The leadership of the Management Board and its engagement with staff, local authorities and the agencies under the aegis of the Department.

Section 1.2 – Internal cross-divisional working: The extent to which the individual Assistant Secretaries, their divisions and the constituent business units collaborate with one another and the functioning of internal staff networks.

Section 1.3 – Cross- sector and cross-government working: The degree to which the Department leads, influences and collaborates across government as well as the quality of its engagement on EU issues.

Section 1.4 – Communications: The capability of the Department to communicate effectively, internally from management to staff and externally to stakeholders and the public.

INTRODUCTION

The Department's Management Board comprises the Secretary General, the six Assistant Secretaries who are each responsible for a specific division and the Director of Met Éireann. Owing to statutory independence, the Director of the Local Government Audit Service (LGAS), who is an Assistant Secretary equivalent, does not attend Management Board meetings except on matters relevant to the LGAS.

Met Éireann, while a division of the Department, has its own Management Committee which meets fortnightly. This Committee consists of the Director, Assistant Director and the heads of each business unit. There are two types of meeting; strategic meetings which test ideas and examine business cases, and an end-of-month meeting which covers corporate matters along with one or two strategic items. All other Departmental divisions also hold divisional management meetings, which are attended by Assistant Secretaries, POs and equivalents.

1.1 LEADERSHIP BY SENIOR MANAGEMENT

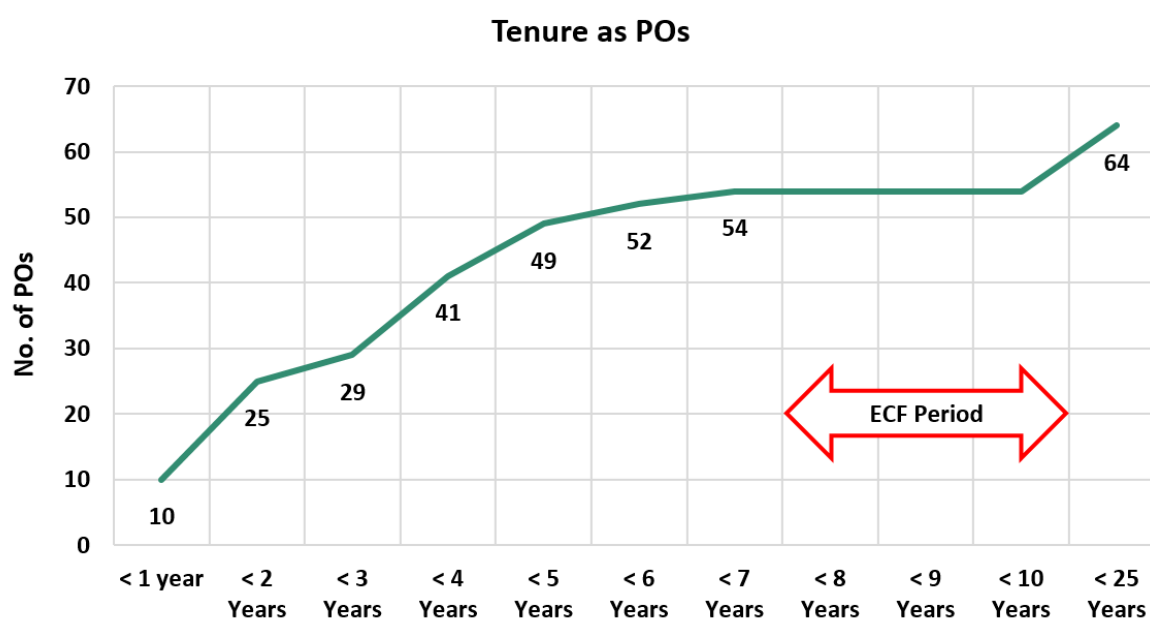
The Department's senior management team is tasked with leading on a broad policy and legislative remit. The overall finding from the evidence is that the Management Board is very strong and collegiate, supportive of one another, highly engaged on matters that come before it and effective in decision-making. The recent addition of a new Assistant Secretary post to the Board has helped to spread the managerial workload.

Board deliberations: The Board meets weekly and can involve other staff attendance on an issue-by-issue basis, mainly at Principal Officer or Assistant Principal Officer level. There is a view among members that they need to devote more time to considering longer-term strategic issues at an early stage of policy formulation.

As part of its deliberations, the Board is provided with detailed sets of performance data on various aspects of the Department's business, both on corporate and policy matters. Housing is given particular attention, reflecting its complexity and priority status. The Management Board

also regularly reviews progress against a 6-month “Key Business Priorities” document which is prepared twice a year.

PO cohort: While there is a well-acknowledged retirement cliff challenge ahead across the civil service, the Department has already successfully dealt with some of the consequential challenges, principally by bringing in significant numbers of new and replacement staff. This leads inevitably to a steep knowledge-building learning curve for those new staff. Although there is a core experienced Principal Officer cohort that is strong, given this recent recruitment, some POs are quite new to the grade and indeed some are not only new to the Department but also to the Civil Service. As shown in the following graph, 29 POs (45% of total) have only three or less years’ tenure in their current grade.



The challenge arising from the relative experience of POs is exacerbated by considerable staff churn at other grades in certain areas of the Department. From comments made internally and by some of the agencies, there is a need for some targeted interventions (primarily by way of staff development initiatives, coaching and mentoring) to help address the challenge at PO level. It was suggested that bespoke training and awareness-raising for new staff on policy areas for which the Department has responsibility would also be worth exploring.

1.1.1 BOARD’S ENGAGEMENT WITH PRINCIPAL OFFICERS

Senior Managers’ Forum (SMF): The Senior Managers’ Forum, which is essentially a PO Network, is the main vehicle for engagement between the Management Board and the PO cohort (including equivalent grades in Met Éireann and other professional and technical grades). The Forum meets every Monday, with the agenda mainly consisting of policy and corporate updates. Overall, the Forum is regarded as beneficial from an information-sharing perspective and in enhancing engagement with the Board.

While acknowledging those overall benefits, some POs raised criticisms around the structure and content of the meetings, including the limited scope both for problem-solving and the development of policy. Some further criticisms concerned the lack of updates provided to the SMF on discussions held at Board meetings. From the Management Board’s perspective, the

members would like to see the Forum becoming more self-directed, while recognising that there will still need to be organisational support provided.

Sub-groups of the SMF are established from time to time to explore particular issues, such as issues relating to policy development and the Brexit Action Plan. The *SMF sub-group on Brexit* continues to meet as required. Another sub-group, the *Brexit Construction Sector Communications Working Group*, has focused heavily on the issue of the Construction Products Regulation and certification of products in a post-Brexit landscape. The group meets as required to coordinate outreach to the sector and has convened a stakeholder forum to raise awareness and stimulate engagement.

Given the Department's broad remit and the importance of its policies to citizens, guidance from the Management Board to the Senior Managers' Forum may be warranted. Such guidance could take the form of a longlist of research topics (e.g. in the region of 12) from which the Forum would prioritise a shortlist for action (e.g. three topics) over relatively short timeframes (e.g. three to six months). In this way, the desire for self-direction on the part of POs may be tempered by guidance from the Board on those matters it considers to be in particular need of investigation.

Senior Managers' Conference (SMC): On an annual basis the Department's senior managers, consisting of the Management Board and the POs, arrange a conference to reflect on their own role and performance, in addition to the strategic and organisational challenges facing the Department. In advance of this review taking place, the Senior Managers' Conference for 2019 engaged an outside facilitator to assist with such a self-reflection exercise. This was considered to be very worthwhile and positive.

1.1.2 SENIOR MANAGEMENT ENGAGEMENT AND VISIBILITY

Town Halls: The Management Board has been running a series of town hall meetings with all staff over a number of years and this programme of staff engagement has become more frequent and focused in response to the publication of the results of the *2017 Civil Service Employee Engagement Survey (CSEES)*.

There was a general finding from staff that these sessions were worthwhile and there was a strong sense of a senior management team engaging positively and listening. However, this view bears the caveat that the engagement is only meaningful if accompanied by engagement and action on the areas highlighted by all staff in the organisation - for example, through the *WELL Strategy* (see section 4.2.1).

Visibility: Visibility can be challenging for senior management at times as the Department is geographically dispersed and has a significant number of staff that are not based in the Custom House. The increased frequency and focus of the Town Hall events and other engagements is helping to address some of these concerns. Various divisions also organise divisional engagements where they bring staff together to discuss their work areas and support planning for the future. These divisional 'away days' not only help to build awareness of the divisional and departmental priorities, but also enable networking between staff in geographically dispersed divisions.

In addition to these events, the Management Board also held a detailed half-day business planning meeting with all divisions in 2019. These events give POs and APs the opportunity to set out their plans for the year and receive feedback and input from the Board.

1.1.3 BOARD'S ENGAGEMENT WITH LOCAL AUTHORITIES, AGENCIES AND OTHER BODIES

The relationships between the Management Board and its external stakeholders are seen as very strong (this is dealt with in more detail in Chapter 3). The Department is well-regarded among its stakeholder cohort and is seen as highly professional, outcome-focused and accessible.

Well-established structures are in place to facilitate engagement with key stakeholders, and access to senior staff when required is not seen as a problem.

Local authorities: Both the Local Government Management Agency (LGMA) and the City and County Management Association (CCMA) are the primary channels through which engagement with the local government sector takes place. Formal meetings with the CCMA happen at least twice a year, the key purpose being to exchange and reflect on strategic priorities, risks and challenges. There are also six working committees in the CCMA (e.g. the Housing Committee) which interact regularly with the relevant senior officials in the Department.

Findings: Leadership by Senior Management

F1.1 Board: The Management Board is very experienced and is well-regarded both internally and externally. Given the volume and intensity of day-to-day demands on the Department and its staff, there is an awareness among Board members of the need to ensure that the longer-term strategic challenges receive sufficient time and attention.

F1.2 Management Board reporting: The Management Board makes extensive use of data and dashboards relating to housing and planning and also regularly reviews progress against a 6-month "Key Business Priorities" document which is prepared twice a year.

F1.3 SMF: Some POs expressed reservations on the efficiency of meetings of the SMF. Some criticism was expressed on how the SMF is structured and the topics it discusses, though it was recognised as a useful communications forum for information exchange. There were also some suggestions that the SMF needs to become more self-directed, although that would need to be balanced with the continuing need for guidance from the Management Board.

F1.4 Internal engagement by the Board: The Board's Town Hall programme has been generally well-received although some staff have voiced a preference for a change in the earlier format to allow for more dialogue and engagement from individual Management Board members (as against only the Secretary-General), an approach which has been used in more recent engagements. The challenge now for the Board is to keep this process refreshed and meaningful.

F1.5 POs: The PO cohort is generally well-regarded but in some instances is seen as being relatively inexperienced. A mitigating action would be the introduction of a general management development programme supported by a bespoke training programme on discrete areas of policy.

Recommendations

R1.1 Meetings of the Management Board: The Management Board needs to remain vigilant in striking an appropriate balance between corporate and strategic issues on its own work agenda. To that end, the Board should ensure that the range of current dashboard reports it receives, together with its regular reviews of "Key Business Priorities", cover all of the Department's key business areas, both corporate and policy, as well as details of upcoming events and developments, and any related risks.

R1.2 Involvement of POs in Board meetings: There should be greater line PO involvement (through presentations) at Management Board meetings, particularly on any matters requiring

special attention. Depending on the issue involved, the SMF may be a more appropriate forum for discussions of this kind.

R1.3 Meetings of the SMF: There is scope to improve the overall effectiveness of the Senior Managers' Forum, especially in supporting the Management Board as an enabler of change. The extent to which POs themselves are currently self-directing the work of the Forum needs to be reflected upon, although appropriate guidance from the Management Board would need to continue. Such guidance could take the form of a longlist of research topics (e.g. in the region of 12) from which the Forum would prioritise a shortlist for action (e.g. three topics) over relatively short timeframes (e.g. three to six months). The recent report of the SMF Policy Working Group could also help inform deliberations on the best way to proceed.

R1.4 Town Halls: The Management Board should continue the Town Hall engagement process but should consider restructuring this to seek views from staff on topics that they would like to see included, as well as continuing to use them to focus on a set of specific outcomes.

R1.5 POs: Given the significant staff intake in the last two years, including at PO and AP levels, a management development programme, supported by bespoke training for all newer staff, covering role-specific areas of policy and the Department's operating environment, would augment key competencies and help with acclimatisation.

1.2 INTERNAL CROSS-DIVISIONAL WORKING

In general, staff feel that the Department is very collegiate and people will help each other out where possible. However, staff and stakeholders are unclear at times regarding who leads at PO and AP level on particular policy issues. This is a direct consequence of significant staff churn in recent years, coupled with major internal reorganisation to meet the challenges of the Department's broad remit. In response, the Department has recently undertaken a project to address this issue and up-to-date organisation charts are now available on the Department's intranet.

1.2.1 COLLABORATION ACROSS BUSINESS AREAS

The Department has demonstrated a readiness to embrace opportunities to adopt a collaborative approach to the delivery of tasks among its different functional areas, where there is scope to do so - see list of divisions and business units at Appendix 3. Some notable examples of strong cross-divisional working include:

- a) *Rebuilding Ireland:* The 2016 parliamentary interregnum allowed the Department the necessary time and space to bring together a wide variety of staff and expertise from across the various functions to work as a cross-divisional team (CDT) to develop *Rebuilding Ireland*. Those involved in dealing with housing and homelessness consider this approach to be an excellent template for strong policy development.
- b) *National Planning Framework (NPF):* Work on *Rebuilding Ireland* coincided with the commencement of deliberations on the *NPF*. The Planning and Housing Divisions work very closely with one another, driven in large part by the close alignment between the objectives of *Rebuilding Ireland* and the *NPF*.
- c) *WELL Strategy:* The development of the Department's people strategy for 2018 to 2020, *WELL*, involved four working groups comprised of all grades and divisions, with the implementation of each of the four pillars now led by a group chaired by an Assistant

Secretary. The groups dealt separately with the strategic priorities of 'Wellbeing', 'Engagement', 'Learning and Development' and 'Leadership'.

CDT model: The Department has recently launched an initiative to reactivate the CDT model by setting up three new teams:

- Housing CDT Oversight Group (chaired by the Secretary General)
- CDT on Data (chaired by the Senior Statistician), and
- CDT on Housing and Market Policy (chaired alternatively by the relevant Assistant Secretaries).

Another important input is the collaboration on the ESRI research programme (through the ESRI Research Group) in both monitoring current policy and evolving policy. The Management Board has also agreed recently that a Research Forum should be established to build awareness of the broader research activity underway not just within the Department, but also in the Department's family of agencies.

Other groups working with wider stakeholders involve the housing and planning divisions in developing new methodologies for housing need demand assessments (HNDAs) as envisaged in the *NPF* and development plan guidance.

Project Ireland 2040 (PI 2040) co-ordination: The Department has a lead role in the implementation of the *National Planning Framework (NPF)* component of *Project Ireland 2040* and also considerable capital investment under the *National Development Plan (NDP)* component, primarily in housing and water. The programme management of the capital investment is managed through line divisions (Housing Delivery and Water), with co-ordination on aspects such as Estimates and PI 2040 project tracker, managed by Departmental Finance Unit.

Internally within the Department, the Assistant Secretary of the Planning Division chairs a cross-divisional group which ensures that, from an *NPF* and *NDP* perspective, appropriate coordination is achieved between relevant sections involved in matters arising on the *PI 2040* agenda.

1.2.2 INTERNAL STAFF NETWORKS

Staff networks, organised by grade, are in place for POs and APs. The PO network, or Senior Managers' Forum (SMF), meets weekly and the Management Board are present. The AP network commenced in March 2019 and meets quarterly. While staff at HEO level indicated a network would be useful, they indicated that it has been difficult to garner interest in setting one up.

Findings: Cross-Divisional Working

F1.6 Organisational charts: There has been a significant challenge around communicating a full understanding of "who does what" in certain areas of the Department, due in part to the significant staff churn in recent years, coupled with the major internal reorganisations required to put the Department in a better place to achieve its objectives.

F1.7 Collaboration: There is good evidence of collegiality and also examples of collaboration in some areas, such as those outlined above. Some staff feel that the housing crisis has brought certain Divisions within the Department closer together (for instance Housing & Planning) but this is not shared by everyone and the majority view is that the Department could do more in this respect. The CDT model used in the development and delivery of *Rebuilding Ireland* is considered by most staff to be an excellent template for strong policy development.

F1.8 Met Éireann: Senior management has consciously worked to integrate Met Éireann into the mainstream of the Department. The Director is a member of the Management Board, its PO equivalents are members of the SMF and they are also called upon to make regular presentations to both the SMF and Management Board. Met Éireann is also included in internal consultations on developing strategies such as the *River Basin Management Plan* and on all corporate strategies and policies.

F1.9 Internal staff networks: While the existence and work of the internal staff networks is very positive, there is scope to further leverage the role of these networks in improving overall internal communications, sharing knowledge and experience on common work challenges and, critically, assisting senior management in the successful delivery of its ambitious work programme.

Recommendations

R1.6 Organisational charts: As a matter of priority, the Department should complete the projects currently underway to ensure that up-to-date organisation charts are always available.

R1.7 CDT model: *Rebuilding Ireland* represents an exemplar of how best to harness the collective expertise and experience in the development of national policy from across the organisation. The Department should seek to build on this experience through strongly supporting the work of the other CDTs in place, ensuring they have clear terms of reference, and considering if other CDTs are needed to support strong collaboration across the organisation.

1.3 CROSS-SECTOR AND CROSS-GOVERNMENT WORKING

The Department's broad remit of responsibilities requires it to engage with 31 local authorities and a number of government departments, agencies and other bodies. Effective cross-sectoral and whole-of-government approaches are essential for the successful development and delivery of policy.

1.3.1 CROSS-GOVERNMENT ENGAGEMENT

The Department engages across the central government and local government systems in a variety of ways on its broad remit. The principal engagements are as follows:

- a) **Oireachtas:** The Department has very regular engagements with the Oireachtas, including through the progression of its legislative programme and with Committees to discuss issues under its remit.
- b) **Interdepartmental:** The Department is represented on a number of Senior Officials' Groups and attends related Cabinet Committees. It is also represented on a wide variety of interdepartmental groups.
- c) **DPER and Spending Reviews:** The Department has collaborated with the Vote Section and IGEES Section in DPER on three Spending Reviews to date. The Department is also very engaged in the work of the IGEES Network.
- d) **Engagement with agencies, local authorities and other bodies:** Collaboration between the Department, its agencies, local authorities and Approved Housing Bodies (AHBs) is good and there are examples of good practice across the range of Departmental activities, including:
 - a. ***Rebuilding Ireland*:** The development and implementation of *Rebuilding Ireland* involves significant engagement and partnership between the Department, its key agencies, local authorities and AHBs. There is very regular reporting to Government via Cabinet

Committees and also quarterly reporting to the Joint Oireachtas Committee on Housing, Planning and Local Government on the progress of programme delivery.

- b) **Project Ireland 2040 (National Planning Framework and National Development Plan):** There is very high regard for the quality of the engagement work the Department undertook in the preparatory phases of the development of the *National Planning Framework*. The Department has a critical role to play in implementing the NPF and is a lead player at the centrally-coordinated groups set up to oversee and manage this process. In relation to the *National Development Plan* (NDP) element of PI2040, the Secretary General co-chairs the Project Ireland 2040 Delivery Board and the Assistant Secretary in the Planning Division co-chairs the PI2040 co-ordination group.
- e) **MÉ collaboration:** Met Éireann has collaborative engagement with the EPA, Marine Institute, Geological Survey Ireland (GSI), Ordnance Survey Ireland (OSI), Dublin Airport Authority (DAA), the Irish Aviation Authority (IAA) and others on research and operational issues and it proactively engages with the OPW on flood forecasting and management issues. It also supports national climate adaptation and climate change action coordination through participation in the National Adaptation Committee of the Climate Change Advisory Council, the Local Authority National Climate Action Steering Group and other consultative bodies.² Internationally, Met Éireann is heavily involved in various organisations and has a strong track record of active collaboration.

Findings: Cross-Government Working

F1.10 External engagement: The Department has a good reputation for its willingness to engage proactively with other Departments on the development and delivery of strategy. At central Government level, it interacts with several Senior Officials' Groups and Cabinet Committees and regularly with the Joint Oireachtas Committee on Housing, Planning and Local Government. The Department is very well regarded by its external stakeholders, is considered strong on engagement, and is accessible and open to ideas and suggestions.

1.3.2 EU ENGAGEMENT

Councils and working groups: The Department supports one EU Ministerial Council, the Environment Council, which is primarily under the remit of the Department of Communications, Climate Action and Environment (DCCAE). Underneath this Council, the Department supports a number of Working Groups including the Working Party on the Environment and the Working Party on International Environment Issues (WPIEI).

A particular feature of the Department's engagement on EU matters is that it must work closely with other Departments and contribute to EU deliberations on policy matters for which it does not have primary responsibility, such as climate change, energy and biodiversity.

EU engagement - water: At EU level, the overall relationship with the European Commission is good and improving, particularly following the establishment of Irish Water. While there were challenges around the introduction of water charges, the Commission has welcomed the creation of a single public utility. However, it notes the extent of legacy water issues in Ireland and that considerable progress is required to address these issues.

² Includes GCOS National Committee, National Climate Change Advisory Council, National Adaptation Committee, National Climate Research Coordination Group, Combined 2019 National Research Coordination Group, Local Authority Climate Action SG, Climate Ireland Steering Group, and Climate Ireland Technical Group

Infringements: There are currently seven live infringements for which the Department has lead responsibility. There is one long-standing case which was recently before the European courts.

Met Éireann – international activity: Met Éireann is the Irish National Meteorological Service, as recognised by the UN Convention of the World Meteorological Organisation (WMO), which is a specialised agency of the United Nations. It represents Ireland and actively contributes to the WMO, EUMETSAT (the European Organization for Meteorological Satellites) and ECMWF (the European Centre for Medium-Range Weather Forecasts, which is responsible for the implementation of the EU COPERNICUS Climate Change Service).

Met Éireann also cooperates with a wide range of leading international scientific collaborative networks including the EC-EARTH Climate modelling research consortium, the HIRLAM numerical weather prediction consortium and EUMETNET, the European Meteorological Services Network.

Findings: EU Engagement

F1.11 EU engagement: The establishment of Irish Water is viewed as a very positive development in Brussels but the overall sense is that Ireland still has significant progress to make in relation to full implementation of the Water Framework Directive and issues remain around general water quality. Engagement by the Department on other matters is recognised as being strong, although the inter-departmental nature of some issues can cause challenges for the Commission.

Recommendation

R1.8 EU engagement: Supported by a strengthened cross-divisional approach, the Department should leverage the recent appointment of a dedicated Brussels-based EU Attaché to further enhance the critical working relationship with the EU Commission, thereby minimising any challenges arising from the cross-departmental nature of some issues and ensuring Ireland's position on policy and legislative files continues to be well understood.

1.4 COMMUNICATIONS

Given the Department's diverse remit and the public importance attaching to its policy areas, communications is a particularly important element of day-to-day business.

1.4.1 COMMUNICATIONS UNIT

A dedicated Communications Unit was established to provide the Department with a more strategic approach to communications than previously. The head of this Unit is a PO with additional responsibility for facilities management. Despite very positive engagement on a number of high profile policy issues, in particular on the Franchise side, there was considerable lack of awareness among staff as to the role of the Unit and the way it differs from the Press Office, perhaps arising from its relatively recent creation. Despite a number of presentations at the SMF, there remains a lack of understanding in many business units on how the Unit can assist in providing guidance and support with organising various campaigns. This can best be addressed once the Department's communications strategies are finalised.

1.4.2 INTERNAL COMMUNICATIONS

The geographical spread of the Department's offices and staff makes effective internal communications particularly challenging. The Department is sensitive to this matter and has put in place measures to try and ensure that staff, irrespective of location, are kept informed of organisational developments as follows:

- a) **Communications strategy:** The Department has drafted an internal communications strategy, *One Unit, One Division, One Department*, which has recently been circulated to staff for consultation. It is aimed at developing structures and practices to improve communications and engagement across the Department.
- b) **Section meetings:** There are significant variances to report in the quality and frequency of section meetings. These meetings are crucial to ensuring effective internal communications. As illustrated in Chapter 4, the variable nature of these meetings is resulting in significant knowledge and awareness gaps among staff in relation to Department policies and initiatives and decisions of the Board.
- c) **Staff networks:** The SMF (consisting of the Management Board and POs) and the AP Network can play a key role in enhancing internal communications within the Department and it is vitally important that they continue to develop to achieve this objective. The Department also has a Partnership Committee in place, which includes representation from management, union and staff grades. One of its key features is that members of the committee work together to ensure that there is a collaborative approach to change management.
- d) **Internal newsletter:** The Department has an internal newsletter, the *Weekly Wrap*. It is a short, staff e-Magazine produced at the end of every week. The majority view is that it is a useful source of Departmental information; however, some staff felt that articles are sometimes a duplication of emails that have already issued to staff during that week.
- e) **Intranet:** Another important internal repository of information is the Department's intranet, *Doras*. The majority view during the evidence-gathering phase was that the intranet is not user-friendly and is difficult to navigate.
- f) **Cross-divisional teams:** The Department has a number of cross-divisional teams in place whose function also serves to act as a support for internal communications by bringing together officials operating on similar or related work areas for networking and collaborative working.

1.4.3 EXTERNAL COMMUNICATIONS

The consensus from the evidence-gathering engagements is that despite being involved in a hugely varied and interesting range of activities, the Department struggles to effectively communicate its activities and successes to the outside world. This is acknowledged by senior management and is, in part, the impetus behind the establishment of the Department's Communications Unit. It is also acknowledged that communications in some areas can be impacted by operating in a highly politically sensitive space. Some examples of the Communications Unit's external focus include:

- a) **Franchise Unit:** working with the Franchise Unit to produce a video for schools on how to run a referendum campaign
- b) **Information campaigns:** implementation of a public information campaign on plebiscites for directly-elected mayors in Cork, Limerick and Waterford
- c) **Local government:** implementation of a social media campaign and updated website material on what local government does and how it is structured

- d) **Building standards:** production of video and media communications work on new Nearly Zero Energy Building (NZEB) regulations, as well as Brexit-related communications in relation to building materials
- e) **Met Éireann:** recent launch of a podcast series and the production of a video on the weather warnings system, and
- f) **National emergencies:** the Communications Unit runs the Press function for those national emergencies where the Department has the lead role. In Met Éireann, there are also very effective and well-established structures and processes in place for communicating on extreme weather events, including a flood alert plan drawn up in conjunction with the OPW.

Communications and Press Office function: The core functions of the Press Office are liaising with and monitoring the media, preparing press releases, and organising and assisting with launches. There are appropriately skilled staff assigned to produce infographics and videos. The Unit has also started to produce monthly updates on press coverage of the Department and has graded coverage as positive, neutral or negative. A media and communications update goes to the members of the SMF and is discussed at these meetings twice per month.

External communications strategy: The Department does not have an external communications strategy, although the development of such a strategy is well progressed. This work should be concluded as quickly as possible.

Website: The Department's website has been recently updated and is considered to be informative, user-friendly and easy to navigate. It is noted that the Department is due to move its website information to www.gov.ie in 2020.

1.4.4 SOCIAL MEDIA

The Department has a social media policy which was produced in 2015, and a review of that policy is currently underway. It has a Twitter page and recently set up a Facebook page which now has some 3,000 followers. Tweets and Facebook posts are channelled through the Press Office and there are restrictions on who can use Departmental pages. Staff need permission to access social media on their desktops. Met Éireann also has a very active social media presence and an app, through which it communicates with the public, including through a system of alerts in the event of weather warnings. A small number of the Department's policy areas are active as well on social media to promote specific initiatives, e.g. *Rebuilding Ireland* and the *National Marine Planning Framework*.

Findings: Communications

F1.12 Communications Unit: There is a low overall level of awareness among staff of the role of the Communications Unit.

F1.13 Shared responsibility: The Head of the Communications Unit has additional responsibility for facilities management, which limits the time available to devote to communications matters.

F1.14 Communications strategies: The Department has a draft internal communications strategy, which is currently the subject of internal consultation. While work on an external communications strategy has been undertaken, such a strategy has not yet been published.

F1.15 Intranet: A formal review of the existing intranet, *Doras*, is currently underway with a view to improving intranet usage and making it a more effective internal communications tool.

F1.16 Team meetings: While a policy of encouraging regular team meetings is in place, it is not being fully adhered to and many staff acknowledged that they only meet intermittently.

Recommendations

R1.9 Communications Unit: It is important that the Department concludes its deliberations on its Internal Communications Strategy so that it can be published, implemented and promoted among all staff. This will help to promote awareness of the role of the Communications Unit and will result in better overall communication and engagement internally.

R1.10 Shared responsibility: The Department should review current arrangements regarding a single PO having responsibility for both Communications and Facilities Management and decide whether any changes to those arrangements are warranted or not.

R1.11 Communications strategies: The draft internal and external communications strategies should be concluded and published as a matter of priority.

R1.12 Team meetings: A greater focus on embedding a culture of regular team meetings involving all grades should be pursued, particularly given the key role such meetings play in enhancing internal communications.

R1.13 Intranet: The review of the existing intranet, *Doras*, should be progressed as a matter of priority.

2. POLICY AND STRATEGY

STRUCTURE OF THIS CHAPTER

Module 2 of the methodology template relates to POLICY AND STRATEGY.

In this chapter, the Department's capacity to initiate and develop policy, based on strong evidence and in consultation with stakeholders, is assessed, along with its ability to prioritise in a dynamic environment of multiple demands. The structure of this chapter is as follows:

Section 2.1 – Departmental business planning: The effectiveness of internal business planning.

Section 2.2 – Strategic alignment between Department, Agencies and Local Authorities: The degree of strategic fit between the policies of the Department and the strategies of local authorities and agencies.

Section 2.3 – Priority v strategic: The balance between accommodating immediate demands and progressing long range priorities.

Section 2.4 – Engagement on development of policy and strategy: The level of engagement with stakeholders when developing new policies, strategies, programmes and schemes.

Section 2.5 – Policy-making skillsets: The skillsets available and any related matters requiring attention.

Section 2.6 – Data management: The extent to which data is managed and supports the Department's policy-making and delivery functions.

Section 2.7 – Leveraging external research skillsets: The scope for the Department to make greater use of the expertise of agencies and local authorities.

Section 2.8 – Appraisal and evaluation: The capability and capacity for undertaking such work in support of the Department's core function.

INTRODUCTION

The Department has lead responsibility for a number of critical areas of national policy relating to planning, housing, water, local government and meteorology. That responsibility is exercised primarily through the following strategies and programmes, which are supplemented by a wide range of ongoing policies, programmes and reforms in related areas:

- a) **National Planning Framework (February 2018):** The *National Planning Framework* (NPF) is the Government's high-level strategic plan for shaping the future growth and development of Ireland over the period to 2040. A critical driver and context is that by then, there will be an estimated one million more people living in the country. The NPF prescribes a series of strategic national outcomes which are underpinned by principles and parameters to guide the development of enabling policies, strategies and programmes. Responsibility for their formulation and delivery is spread across the government system, centrally and locally.
- b) **Rebuilding Ireland - Action Plan for Housing and Homelessness (July 2016):** A key target of this €6 billion investment plan in social housing and housing infrastructure is to increase the number of new social housing units by 50,000 by 2021, involving a combination of new build, acquisition, and leasing. The plan includes a wide-ranging series of actions under five pillars: Pillar 1 – Address Homelessness; Pillar 2 – Accelerate Social Housing; Pillar 3 – Build More Homes; Pillar 4 – Improve the Rental Sector; and Pillar 5 – Utilise Existing Housing.

- c) *Putting People First - Action Programme for Effective Local Government (October 2012)*: This programme sets out goals and actions across six interlinked areas of activity: a broadened role for local government, structural change, adequacy of finance, operational efficiency linked with improved performance, governance, and arrangements for delivering reform. It was set within the framework of a long-term vision for the local government sector and constituted fundamental and once in a generation change in the structures and operations of the local government system. Other strategies that have followed - for example *Rebuilding Ireland* and the *National Planning Framework* - have all been influenced by the changes introduced under *Putting People First*.

The Minister has responsibility for policy, legislation and, at a broad level, oversight in respect of the local government system. Other Departments³ also have oversight functions for their own policy areas. Against this background, the Department's role is 'to lead on the process of local government reform, working across Government and in consultation with relevant stakeholders on initiatives to boost local government leadership and accountability.'⁴

The Department is currently working on policies dealing with the issues of Urban Area Committees, which will seek to address the strategic challenges arising when larger urban areas span two or more local authority administrative areas, and Directly Elected Mayors, the first of which is due to be introduced in Limerick in 2021.

- d) *Water Services Policy Statement, 2018 to 2025 (May 2018)*: This document sets out the range of policy objectives relating to water quality, conservation and future-proofing to be pursued over the period to 2025. These objectives are supported by an investment programme of €8.5 billion over ten years, which is to be implemented by Irish Water.
- e) *River Basin Management Plan, 2018 to 2021 (April 2018)*: This plan, which complements the *Water Services Policy Statement*, provides for a range of sector and community based actions in addition to €1.7 billion investment in waste-water infrastructure (delivered through the investment programme mentioned at (d) above). 190 areas for action are prioritised involving 726 water bodies and requiring multidisciplinary and cross-agency approaches.
- f) *Draft National Marine Planning Framework (November 2019)*: The Department led on the preparation of a draft *National Marine Planning Framework* which is aimed at giving effect to an EU Directive on Marine Spatial Planning. This required strong collaboration across Government, in particular with the Department of Communications, Climate Action and Environment (DCCAE) and the Department of Agriculture, Food and the Marine (DAFM), and involved a major consultation process under the auspices of the National Marine Planning Advisory Group which had a broad-church membership - wind energy companies, windsurfing bodies, and environmentalists among others. These consultations have concluded and it is intended to have a final version of the *National Marine Planning Framework* in place in autumn 2020.⁵

³ Notably the Department of Transport, Tourism and Sport, the Department of Communications, Climate Action and the Environment, the Department of Culture, Heritage and the Gaeltacht, and the Department of Rural and Community Development.

⁴ *Statement of Strategy, 2017 - 2020*, p. 37. An important context is that local authorities are independent corporate entities with their own democratic mandates.

⁵ Subsequently, the Directive will be transposed through reapplication of a holistic Marine Planning Bill, and it is planned to have that work concluded by March 2021. The new legislation, on enactment, would give new powers to An Bord Pleanála and the local authorities and would be supported by sectoral guidance on such matters as wind farms at sea.

In a similar way, the Department is leading on the development of legislation for a new consent regime for the maritime area, which requires close collaboration with the Department of Communications, Climate Action and the Environment, particularly in relation to offshore renewable energy development.

- g) *Met Éireann Strategic Plan, 2017 to 2027: Making Ireland Weather and Climate Prepared (December 2017)*: The strategy revolves around six overarching goals relating to impact-based decision-making for weather events, climate information, high quality flood forecasting, Met Éireann as an authoritative voice, professional workforce planning, and a modern and integrated meteorological infrastructure.

The context for the Department's strategic orientation is provided by the *Statement of Strategy, 2017 to 2020* (June 2017). It also provides an overarching context for the Strategic Plan of Met Éireann as a line division. Together, the two strategies provide direction for business planning at local division and business unit level.

The Department's four-year Statement of Strategy describes the overall mission as follows:

to support sustainable development, with a particular focus on strategic planning, the efficient delivery of well-planned homes in vibrant communities and the sustainable management of our water resources, and to ensure effective local government.

Regarding Met Éireann, its mission is:

to monitor, analyse and predict Ireland's weather and climate and to provide a range of high quality meteorological and related information.

Finding: Department's policies and strategies

F2.1 Range of policies and strategies: The Department has in place a broad range of recently produced policies and strategies across its business remit. Invariably, they are ambitious, highly strategic in nature, and set the context for significant planning, infrastructure and environmental change. In the case of local government, the *Putting People First* strategy was published in 2012 and constituted a fundamental and once in a generation revision of the structures and operation of local government in Ireland. The focus in the intervening years has been on its implementation.

Recommendation

R2.1 Local government strategy: Given that seven years have passed since its introduction, the Department should carry out a review of the implementation of *Putting People First* to evaluate its efficacy.

2.1 DEPARTMENTAL BUSINESS PLANNING

Pursuit of the Department's mission is guided by five strategic goals for each of the business areas relating to planning, housing, water, local government and Met Éireann. Each goal is accompanied by a series of objectives organised by theme and supported by specified actions. In the case of Met Éireann, the strategic model is flexed whereby the goals are underpinned by a suite of values and standards, along with a set of delivery structures, processes and instruments. Through close engagement at Management Board level, Met Éireann took steps to ensure that its *Statement of Strategy* would be aligned at appropriate points with the Department's strategy and key national policy frameworks, notably the NPF and the *Climate Action Plan 2019*.

The strategic planning process provides a framework for detailed business planning at business unit level, within which the management of performance is set. Over the course of evidence

gathering, views were sought internally and, where appropriate, externally on the effectiveness of the two business planning processes:

- a. **Engagement on Statements of Strategy:** For the current strategy, internal engagement was good although it tended to diminish somewhat from HEO downwards. Regarding Met Éireann, both internal and external consultations on the current strategy were strong and were mediated through topic-specific task teams. An external consultation with a wide range of public bodies and other key external stakeholders also took place during the development of the Department's Statement of Strategy.
- b. **Engagement on business planning:** Although business planning is done well, there are variations in the frequency and depth of engagement at the level of individual business units. EOs and COs in particular expressed a desire for deeper engagement. The Management Board met with all divisional POs and APs in 2019 to discuss business plans for the year.

Finding: Departmental business planning

F2.2 Staff engagement: Engagement on strategic and business planning is generally good, although there is scope to improve consultations with middle management and staff at junior grades.

Recommendation

R2.2 Staff engagement: The Department should explore ways to improve engagement with staff at middle management and junior grades.

2.2 STRATEGIC ALIGNMENT BETWEEN DEPARTMENT, AGENCIES AND LOCAL AUTHORITIES

The Department needs to have mechanisms in place to ensure that the strategies and plans of its agencies and the local authorities are in accordance with its own.

Alignment of agencies' plans: There is good strategic synergy between the strategies of the Department and those of its agencies. This is underpinned by close working relationships and strong corporate governance structures. The Department is provided with drafts for comment and input prior to finalisation, and ensures that they are appropriately aligned with overarching national strategies such as the NPF and RBI.

Alignment of local government plans: Of particular note is that the three Regional Spatial and Economic Strategies (RSES) must be developed within the context of the NPF and each local authority must frame its County or City Development Plan by reference to the relevant RSES and the NPF. The Office of the Planning Regulator (OPR) independently assesses whether they conform and, if not, the Minister can then intervene.

Finding: Strategic Alignment

F2.3 Strategic Alignment: There are effective mechanisms in place to ensure that appropriate synergies are achieved between the strategies of the Department and those of its agencies, offices and the local authorities.

2.3 PRIORITY V STRATEGIC

While well regarded by stakeholders in terms of its policy development capability and capacity, there is a strong view that the Department finds itself also spending a lot of time "fire-fighting" and responding to immediate political and media demands. This is particularly so on housing and homelessness issues, where the Department has consciously recognised the need to position

itself to both plan strategically for the future and deal with very immediate, pressing issues that require early, even if sometimes temporary, solutions.

As indicated elsewhere in this report, further improvements in data management, better support systems, and good succession planning can all contribute to achieving the right balance between immediate demands and the strategic goals.

2.4 ENGAGEMENT ON DEVELOPMENT OF POLICY AND STRATEGY

A particular onus rests with the Department to lead across the government system, to engage strongly with stakeholders and delivery agents, to ground its plans in evidence, and to access the broadest range of skills and expertise available to it.

2.4.1 LEADERSHIP AND ENGAGEMENT ON POLICY-MAKING

The Department leads well across the government system on the development of policy and strategy. Its senior managers are knowledgeable, authoritative and respected.

It also engages strongly with its broad stakeholder base when devising new policies, strategies and programmes. Planning, housing, local government reform, water investment, river basin management and Met Éireann's strategic plan all received favourable comment. The strong thrust of the evidence is that the contributions of stakeholders are respected, with their general orientations discernible in some of the ultimate policies and strategies.

2.4.2 EVIDENTIAL BASE OF POLICY AND STRATEGY

The Department has a healthy respect for evidence in support of policy development, although there are some variations across plans and programmes. For example, the evidence base underpinning the NPF was much commented upon favourably, particularly the population projections underpinning the Framework, the associated geographical distribution, and the recalibration of estimates every five years to account for changes in inward migration flows and any other demographic variables as necessary.

Regarding *Rebuilding Ireland*, it was developed by a cross-departmental team comprising technical experts in a wide range of disciplines, including economics, building standards, planning, quantity surveying, engineering, financial and data/statistics. This work followed engagement with a range of external experts, including in the local government sector and the Department's family of agencies, and other stakeholders. It was preceded and informed by a Social Housing Strategy that was developed with the support of the National Economic and Social Council (NESC) and also took into account expert reports from sources such as the ESRI and the Dáil Special Committee on Housing and Homelessness.

In respect of the social housing targets in particular, significant work was done to develop a realistic, evidence-based trajectory that balanced the needs in each local authority area with the ability to deliver, particularly in the earlier years of the plan when local authorities had to build delivery capacity.

There has been some criticism about the measurement of overall housing output in the State and, while it is acknowledged that this was a challenge in the early period of *Rebuilding Ireland*, it is widely accepted that since the inception of the plan, the quality of statistics on the completion of dwellings has improved significantly - see section 2.6.6 on *Engagement with the CSO*.

2.5 POLICY-MAKING SKILLS SETS

Although there had been some depletion in capacity and capability under the Employment Control Framework, along with considerable staff churn, significant skills replenishment has occurred in tandem with economic recovery. With one or two exceptions, the skills situation is now generally regarded as stable and appropriate to needs, although the level of experience is a challenge in some instances.

The Department has a good blend of professional skills available to support policy-making processes across the diverse disciplines of engineering, planning, architectural, quantity surveying, scientific and financial/auditing. A focus on the skills associated with policy-making has been a theme of the SMF, and a paper on good practice on policy-making was developed by a working group.

At a structural level, the Department's decision to centralise some of its specific econometric skills in an economic support unit, linked to IGEES, approximately five years ago recognised the importance of this element of policy development. This has been further strengthened by the absorption of that Unit into a Housing Market and Economics Unit (HMEU) early in 2019 which is led by a PO with economic expertise and supported by other appropriately qualified staff. Economic analysis and modelling support has also been acquired through services from external economists, such as the ESRI in respect of the *National Planning Framework* and there have been other developments that are augmenting analytical capacity, principally:

- a) **SDAU collaboration:** There is strong collaboration internally within the Department between the HMEU (and its predecessor, the Economic Support Unit) and the Department's Statistics and Data Analytics Unit (SDAU), and
- b) **ESRI collaboration:** For the past two-and-a-half years, the Department has in place a research programme with the ESRI relating to housing analysis and related macro-economic assessment, particularly within the context of policy on planning.

Despite some good progress, there are still discrete areas of business that require attention. Three particular issues arose over the course of evidence gathering in relation to the economics-related skills available to the Department internally and externally:

- a) **Research time:** Dealing with the immediate and the urgent forms too large a part of the remit of those at the frontline of research. While the immediate and urgent must also be supported from a research perspective, this needs to be better balanced with time and space for longer-term, general research to replenish, on an ongoing basis, the evidence base of economic-related analysis and reviews, which are not necessarily required for specific strategies or policies. However, account also has to be taken of the fact that the Department does have well-established relationships with the ESRI, CSO and its family of agencies who also carry out research to complement and supplement the work carried out or funded by the Department. Its creation of a Research Forum to bring together its agencies and internal staff involved in research work will help strengthen existing links to support policy development.
- b) **Agencies' inputs:** Some of the Department's agencies, such as the Residential Tenancies Board and the Housing Agency, believe that they could provide even stronger economics-related inputs into policy-making, drawing on their in-house expertise and datasets - for example on the impacts of Rent Pressure Zones and differential rents.

- c) **Macro-econometric analysis:** The Department needs to acquire more econometric expertise to further 'slice and dice' datasets with a view to developing new insights to inform policy development.

While acknowledging the Department's organisation strength in policy development, a strong theme running through the evidence - central government, departmental agencies, local authorities, and research-oriented entities - is the need for even stronger economic inputs into policy-making into the future, encompassing both overarching national policies and discrete market interventions, given the increasingly complex environment in which housing policy is made.

Policies and measures need to continue to be appraised in economically rigorous ways, not just in terms of their intended impacts but also their effects on tangential areas of national policy - for example, testing possible housing interventions from a market impact perspective. There is of course a role here for other Departments too, such as those with responsibility for taxation matters, recognising that the Department does not hold all the levers which might impact on housing policy and the market. Such analyses would surface any unintended consequences of proposals in a timely manner and enable proposals to be recalibrated accordingly. This of course is a matter of balance in terms of the impacts, which would need to be informed by the views and experience of the broad range of policy experts in the Department and its stakeholder base, as well as the inputs of the democratically elected political leaders, both at local and national levels.

As referred to earlier, the challenge created by the retirement cliff and the consequent steep learning curve for new staff, including at PO level, is one that needs to be managed in respect of policy development in particular.

While quite a few POs are relatively new to either the Department, the grade or both, many are professionally and technically skilled, with many years of experience in other organisations, including in the private sector, agencies, and the local government sector. Nevertheless, it takes time to develop Department-specific knowledge and understanding of the operational environment and, for some, managerial competency as well. Overall, the Department should ensure that any new and innovative ways of working that they bring, especially in the area of policy development, are encouraged and fostered.

Findings: Policy-Making Skills and Experience

F2.4 Policy-making skills: The development of policy and strategy is a Departmental strength. Across the Department generally, the skills mix for policy-making has improved considerably and the quantum of expertise appears largely appropriate, subject to further consideration of its macroeconomics capacity vis-à-vis future challenges.

F2.5 Level of experience: A considerable proportion of the Department's staff are new to the organisation which is beneficial in terms of innovation and new thinking but gives rise to risk arising from inexperience, which must continue to be planned for and managed carefully.

Recommendation

R2.3 Macroeconomic capacity: The Department needs to consider what macroeconomic-related resources or service providers it needs for the future, taking account of resources available elsewhere in the system where policies are developed that impact on the housing sector, in order to augment the existing capacity base for the purposes of developing policy, assessing choices and evaluating impacts.

2.6 DATA MANAGEMENT

On data specifically, the Department's research and evaluative capability is concentrated in a collaborative programme with the IGEEs, a research partnership with the ESRI, a strengthened Statistics and Data Analytics Unit (SDAU), a strong relationship with the CSO and the significant expertise and datasets of agencies and specialist bodies.

2.6.1 DATA STRATEGY

While not in place at present, a Data Strategy is being developed by the internal Cross-Divisional Team on Data with a view to publication by end Q2 2020. The strategy will be informed by:

- a) a survey on how data needs could better be met in terms of efficiency and effectiveness,
- b) an assessment of longer-term data needs by reference to the goals and targets in the Department's policy frameworks such as the *National Planning Framework* and *Rebuilding Ireland* and in other whole-of-government statements like the *Climate Action Plan 2019*, led by the Department of Communications, Climate Action and the Environment,
- c) the standardisation of data and the harmonisation of methods, and
- d) developments relating to Open Data; the Department is an exemplar in this respect, with one of the largest volumes of data contributions to the State's Open Data Portal. Met Éireann worked with the Open Data Unit in 2017 to develop an open data licence to enable the publication of weather data in open format.

2.6.2 STATISTICAL AND RESEARCH CAPACITY

The Department has access to large repositories of data in support of its policy-making function relating to planning, local government, housing, water, and emergency planning, particularly Met Éireann's datasets in relation to the latter. While the overall situation is regarded as much improved over recent years, concerns still remain regarding the data linkages with local government, in terms of data gaps, access, matching, consistency and integrity.

Statistics and Data Analytics Unit (SDAU): This internal unit, which was set up in 2016, is headed by a professional statistician who is supported by two Statistical Data Managers recruited in 2018 and is widely regarded as a significant step forward. Today, it is generally believed that the SDAU is adequately resourced in terms of skillsets.

Collaboration on housing-related data: There is strong day-to-day collaboration between the SDAU and the GIS Unit, which has strong mapping capability, and the Housing Market and Economics Unit which is headed by an economist. Reflecting its special importance in national policy, the SDAU devotes a considerable amount of its expertise and time to housing matters through a variety of formal and informal arrangements. The formal engagement is done primarily - but not exclusively - through the following means:

- a) **Housing CDT Oversight Group:** This group, which is chaired by the Secretary General, draws together the work of the following two housing-related groups and provides guidance to them:
 - a. **Cross-Divisional Team on Data:** This team, which was established in recent months, comprises representatives from policy areas within the Department.⁶ One of the key

⁶ These areas include the SDAU, the HMEU, the GIS Unit, Social Housing Units, Homelessness and Housing Inclusion Supports. Local Government Finance, the Water Division, the Planning Division and the Housing Policy Division.

strands of work for the group is to carry out a review of the efficiency and effectiveness of the current collection, processing and dissemination of data by the Department. A second strand to the work of the group is to carry out a review of the future data needs of the Department arising from critical objectives in relevant strategy and policy documents.

- b. **Housing Policy and Market Cross-Divisional Team:** This team is chaired on a rotational basis by the three Assistant Secretaries with lead responsibilities for planning policy, housing policy and housing delivery. It includes representation from all three divisions and the SDAU, and it reports on a quarterly basis to the Secretary General. A particularly important feature of the group's work relates to collaboration on data and analytics, and the ESRI research programme. As part of this work, the group considers inputs from a broad variety of internal and external stakeholders.
- b) **Research programme with ESRI:** The Department has contracted the ESRI to undertake a programme of research involving housing analysis and related macro-economic assessment, particularly by reference to planning policy. The programme is underpinned by a Memorandum of Understanding (MoU) which was concluded in 2017 and runs to mid-2020. It is standard practice for the ESRI to present formally on its research findings to the Department's senior management.⁷
- c) **Research Forum:** The Management Board has recently approved the establishment of a Research Forum which will bring together all relevant policy and research leads in the Department and also representatives of research work being carried out in the wider family of agencies to facilitate greater engagement and awareness-raising of the broad range of activity underway and planned.

Finding: Statistical and Research Capacity

F2.6 Strengthened capacity: The Department has significantly strengthened its statistical and analytical capacity over the recent past. Notable features of the current state include a professionally managed and adequately resourced statistics unit, a well-regarded GIS function, representative deliberative and oversight structures, and a research programme with the ESRI, along with plans for the development of a Research Forum.

Recommendation

R2.4 ESRI research programme: The Department should develop a successor research programme to the current programme being carried out by the ESRI⁸ informed by internal and external consultations and, as with the current programme, underpin it with a formal bilateral agreement.

2.6.3 DATASETS OF LOCAL AUTHORITIES

Most of the datasets required by the Department reside with the local authorities or the Local Government Management Agency (LGMA).

The management of data by the local authorities is quite mixed - some are highly organised, others less so. Although the data templates issued by the Department are satisfactory, they are not necessarily completed correctly by all local authorities, with many of them using different

⁷ The research outputs are presented at a conference, the first having taken place in 2018 and which dealt with the first three research papers. The second conference took place in November 2019 at which the subsequent iteration of research was presented.

⁸ In accordance with procurement rules.

collection systems. That problem is compounded by the fact that data is collected from local authorities by individual Business Units/Divisions, rather than by a single central Unit.

For the local authorities, there is still a distance to go regarding the consistency of data provided by them; for the Department, it too has a distance to travel in terms of the development of standardised processes and procedures across all datasets, although it uses an e-platform to collect a lot of data from the local authorities. Resolving the resultant problem of non-standardised data underscores the need for a single system to be used by all local authorities in the housing area - *see details of Housing ICT Project in Chapter 4, section 4.6.2*. The Data Strategy being developed by the Department will address issues in relation to processes and procedures.

In working towards the development of a new ICT partnership with the local government sector, the Department should engage closely with the LGMA's Information and Communications Technology Committee, whose role includes the provision of 'a common architectural reference, based on current practice, for all ICT systems across the local government sector.' An important context in that respect is set out in the *Draft Local Government ICT Strategy 2017-2022*.

Finding: Local authorities' datasets

F2.7 Local authority data: There are issues with the consistency of methodology, the compartmentalised manner in which datasets are held, and the lack of standardised processes and procedures for data collection across the sector.

Recommendation

R2.5 Data strategy: As part of its upcoming data strategy and the development of a new Housing Data ICT System, the Department, in consultation with the CCMA and the LGMA, should make provision for a major modernisation of the arrangements for the collection of data from local authorities in order to enhance the timeliness and usefulness of data when developing policies and assessing their impacts.

2.6.4 DATA DEFICIENCIES

The research and targets on housing needs contained in *Rebuilding Ireland* are based on the extensive use of available statistical evidence including inputs by the CSO and econometric analysis by the ESRI. As part of the research programme with the ESRI, formal arrangements exist on data sharing.⁹ Notably, the Department permits the ESRI to participate in the deliberations of certain working groups in instances where it has worked on papers relevant to the Department's policy remit.

As a critical first step to addressing the lack of standardised processes in the collation of social housing data of local authorities, the Department has embarked on a Housing ICT Project for managing housing data from local authorities, with a focus on social housing - *see chapter 4, section 4.6.2 for details*. The data will be collected in standardised formats and stored in a central repository for ready access and interrogation. This complex project is likely to be completed in early-to mid-2022.¹⁰

Findings: Data improvements

F2.8 Untapped potential: Generally, the management of data and its provision are unnecessarily labour intensive. There is potentially a lot of untapped potential in datasets held by local

⁹ For example, the ESRI can access the Department's anonymised data on home loans and it can then transfer its revised datasets back to the Department in accordance with the terms of the MoU.

¹⁰ Phase 1 of the project, relating to specification and tender, is scheduled for completion in Q1 2020.

authorities, the LGMA, the AHBs and the Department's agencies. There are acknowledged deficiencies in some instances with standardisation and collation.

F2.9 Involvement of the ESRI: The arrangement whereby the Department permits the ESRI to participate in policy-oriented working groups for which the ESRI had undertaken relevant research provides a good link between those setting policy and those conducting research. This self-evidently is a good model for developing policy.

Recommendations

R2.6 Standardised data management: The Department should develop standardised processes and procedures for the collection and collation of data across the Department.

R2.7 Inventory of datasets: The Department should compile an inventory of policy-relevant datasets on social housing held by itself, its agencies and other external bodies, including the CSO, and ensure, through a future data needs analysis, that all policy-development supporting data and information required is available to the Department in a timely manner.

R2.8 Review and approval of departmental statistics: The Department's Statistics and Data Analytics Unit (SDAU) should review and approve any statistics being prepared for publication by the Department in relation to any remaining areas where it doesn't already perform this role.

2.6.5 UNIQUE IDENTIFIERS AS AN AID TO ANALYSIS

The Department recognises the value of unique identifiers, PPSN and Eircode, as an instrument for assisting with policy development, options assessment and service delivery, and is at the early stages of exploiting their potential. The following examples serve to illustrate their value and potential:

- a) **Housing schemes:** The PPSN and Eircode are used very effectively in reconciling different datasets relating to the Rental Accommodation Scheme (RAS), leases by local authorities from private landlords, and the Housing Assistance Payment (HAP).
- b) **HAP scheme:** They are used by the shared service operated in Limerick City and County Council to match recipient data under the HAP scheme with property data and to do so in a harmonised way across all local authorities. The CSO has access to the HAP data to support policy development in this area.
- c) **Dwellings completions and planning statistics:** The introduction of the Eircode in 2015 was a 'game changer' for the production of housing and planning statistics. Prior to that, it was very difficult to integrate housing-related datasets with planning datasets.¹¹ With the full application of the Eircode, it would be possible to relate housing stock to occupancy mix, such as owner occupied, rental types, and tenure mix.
- d) **Tracking dwelling stages:** The assignment of an Eircode to a dwelling on its completion enables good point-in-time statistics to be produced. However, if assigned at planning stage, it would allow house building to be tracked in line with project stages such as granting of planning permission, commencement of construction and completion of dwelling. Such information would help significantly with assessing emerging output relative to future needs.

¹¹ A particular factor is the large numbers of addresses (about one third), particularly in rural areas, having being assigned in non-unique and generalised ways.

More generally, the quality of planning-related data available to the Department is high, involving strong collaboration on data sharing and analysis between the SDAU, the GIS Unit, the CSO, the ESRI, the Valuation Office and the local government sector.

Finding: Unique identifiers

F2.10 Data matching: The Department is at the early stages of a programme on improving the use of unique identifiers for data matching purposes in order to strengthen the evidence base for policy development and assessment.

Recommendation

R2.9 Use of unique identifiers: Working with other relevant Departments and agencies, the Department should continue to accord special priority to the increased usage of unique identifiers for policy-making and delivery purposes.

2.6.6 ENGAGEMENT WITH THE CSO

Cooperation with the CSO is very good, the bilateral relationships are strong, and there is appropriate representation by both the Department and the CSO on their respective data-related groups. Typically, the CSO works with the Department on data projects related to the development or refinement of a policy.

A particular example praised among stakeholders was the development of the *New Dwelling Completions* series. The Department requested the CSO to examine the housing output data series, which historically, for over 40 years, had been based on the ESB completions data. Following significant work between the CSO, the Department and the ESB, a new data set – the quarterly *New Dwelling Completions* series – has been produced. Although continuing to be based on domestic ESB connections, the data can now be disaggregated to provide more detailed information about what constitutes the numbers of new ESB connections in any period, i.e. including any unoccupied homes brought back into use or the completion of unfinished housing estates. This collaborative effort has resulted in a more informative data source for policy developers and makes best use of the CSO's data sources.¹²

Finding: CSO Engagement

F2.11 New Dwellings completions: A critical policy benefit of the quarterly *New Dwelling Completions* series is that there is no longer any notable concern over the accuracy of housing output statistics in contrast to the situation at the time of the launch of *Rebuilding Ireland*.

2.7 LEVERAGING EXTERNAL RESEARCH SKILLSETS

In a broad and varying way, the potential exists for the Department to access to the specialist expertise and knowledge of its 11 agencies and 31 local authorities.

Expertise of agencies: There are strong examples of the Department utilising the expertise and knowledge of both its own agencies and those of other Departments for policy-making purposes - for example, An Bord Pleanála when developing *Rebuilding Ireland* and the Environmental Protection Agency on the *River Basin Management Plan*.

Yet, there is a view internally within the Department and externally among its agencies that the research skills-sets of agencies could be leveraged to even better effect. For example, while there

¹² According to the CSO, the new series includes data on the number of reconnections and on houses from unfinished housing developments that are coming back into use. This will provide policy-makers with a valuable insight into the number of new dwellings available for occupation in the quarterly period concerned and also show data on the numbers of dwellings being constructed. The CSO has a MoU with the ESB concerning data access.

is ongoing engagement with agencies, both the Housing Agency and the Residential Tenancies Board have research and analytical capability that they believe the Department could use more as an additional input for assessing policy development choices.

Expertise and data of local authorities: When developing its current suite of policies and strategies, the Department availed of the expertise and knowledge of the local government sector to generally good effect. That was done primarily through the LGMA¹³ and CCMA. A restraining factor though is that, until recently, there had been a significant haemorrhaging of expertise over a number of years across the local government sector which is only now on course to being replenished.

Findings: Leveraging external research skillsets

F2.12 Agencies and local authorities: It is believed among the Department's agencies and the local authorities that greater use could be made of their research skills and knowledge for policy-making purposes.

Recommendation

R2.10 Knowledge sharing arrangements: The Department should undertake a review of knowledge sharing between it and its agencies, as part of the establishment of its Research Forum, with a particular emphasis on research which agencies can undertake on its behalf.

2.8 APPRAISAL AND EVALUATION

The Department has a system in place whereby project appraisal is carried out by people with relevant expertise in specific divisions. In respect of housing, which involves multiple programmes with different levels of appraisal requirements, project appraisals are completed by capital programme experts who are supported by building standards professionals, with the majority of projects not requiring Cost Effectiveness Analyses (CEAs) under the Public Spending Code. When a CEA is required, support is provided by the Housing Market and Economics Unit (HMEU).

In respect of water projects from Irish Water, the appraisal of CEAs, where required, is carried out by professional engineers, supported by the Commission for the Regulation of Utilities (CRU) and NewERA where necessary.

Appraisals under the Urban Regeneration and Development Fund (URDF) are conducted internally by urban planning experts and capital programme experts, under the stewardship of a diverse Project Appraisal Board, as part of arrangements agreed by Government. Quantity surveyor support is then available for ongoing cost appraisals. This Departmental approach recognises the technical nature of these projects and the need for technical sectoral proficiency to support the completion of CEAs.

In respect of *ex post* evaluations, the Department does not have a single unit for undertaking such evaluations of programmes, projects and schemes; again these are completed in the line divisions by people with the necessary technical expertise, supported by the HMEU where necessary.

2.8.1 APPRAISAL FUNCTION

Briefly, by way of background, the revised Public Spending Code (PSC) provides that the threshold for technical reviews of Cost Effectiveness Analyses (CEAs)¹⁴ in respect of capital projects will be

¹³ The LGMA provides a range of services to the local government sector, primarily corporate support including ICT services, and it also supports the work of the County and City Management Association (CCMA) and its Finance Committee.

¹⁴ CEAs are technical appraisals, especially by reference to compliance with departmental standards and the requirements of the PSC.

increased from €20 million to €100 million. The CEAs are submitted by a local authority¹⁵ or agency, including Irish Water, to the appropriate business unit for review and then onwards to the Project Ireland 2040 Office in DPER for further assessment and final sign-off.¹⁶

Appraisal capacity - water: An important context is that Irish Water operates at ‘arms-length’ from the Department in that expenditure of its budget is regulated by the Commission for the Regulation of Utilities (CRU). While the Department’s engineers complete much of the appraisal work, this is supplemented, where required, through collaboration between the Water Division, NewERA and the CRU. A notably positive feature in that respect is that the quality of data from Irish Water is considered to be very high.

Appraisals - local authorities: At times, there can be a gap between analysis and delivery on the local government side in respect of some housing projects. As local authorities tend not to have in-house capacity to undertake CEAs, they often contract consultants to undertake the work and sometimes it is of poor quality, thereby imposing an additional assessment burden on both the Department and DPER. In respect of the URDF, the process is different, with appraisals carried out by planning and capital programme experts as well as input from the Project Appraisal Board.

In the case of social housing, the Housing Market and Economics Unit has done a lot of work on assisting the line division with examining appraisals from local authorities. A helpful initiative is the development by the Built Environment Advisory Unit and the Economic Support Unit (the latter now absorbed into the HMEU) of guidance for local authorities on appraising proposals for social housing projects, including some worked up examples of best practice.

More generally on housing, the Department has strong capability through its cohort of quantity surveyors, architects, building advisers and planners. It deploys such professional and technical staff on a multi-disciplinary basis to assess and sign off on project proposals from local authorities before funding is approved.

Findings: Appraisal function

F2.13 Appraisal capacity: Given the ambitious targets set out in *Rebuilding Ireland* and the new stringencies imposed by the revised Public Spending Code, it is not clear whether the Department’s current model for conducting appraisals will be sufficiently attuned to meet future needs as the scale of infrastructure investment grows, especially by local authorities on housing projects.

Recommendation

R2.11 Appraisal process: The Department should review its appraisal capacity and approach across the organisation to ensure that the model will be appropriately aligned and resourced to meet likely future requirements.

In particular, the Department should review the resources needed to undertake CEAs in line with projected needs under *Rebuilding Ireland* and in accordance with the requirements of the updated Public Spending Code. The future model might best provide for CEAs for major capital projects and programmes to be prepared by the commissioning authority in accordance with

¹⁵ This includes housing projects undertaken by AHBs on behalf of local authorities.

¹⁶ Under the revised PSC, an external peer review panel would undertake governance checks, individual Departments would continue to do their own technical assurances, and DPER would do spot checks. Notably, DPER is working with the various sectors to develop tailored guidance on conducting CEAs in compliance with the PSC. When that body of work has been completed, it should speed up and simplify the technical assessments of CEAs which Departments are required to do. For a project proposal less than €50 million, a multi-criteria analysis suffices instead of a CEA.

centrally-prepared guidance, a technical assessment to be undertaken by the appropriate line business unit, and such an assessment to be then reviewed by an internal Appraisal Unit before submission to the Project Ireland Delivery Office in DPER.

2.8.2 EVALUATION FUNCTION

The Department, while not having a central evaluation function, has nonetheless commissioned, undertaken or contributed some 'look back' exercises on certain aspects of housing delivery, primarily in the form of Spending Reviews and on other areas of activity over many years through value for money and other reviews.

Spending Reviews: The Spending Reviews, which commenced in 2017, examine various areas of activity through the lenses of efficiency, effectiveness and rationale, and are published in mid-July each year as part of the Estimates process. To date, the Irish Government Economic and Evaluation Service (IGEES), which is based in DPER, has undertaken three reviews relating to the Department's remit:

- *Analysis of Social Housing Acquisitions (2019)*
- *Assessment of the Split between Current and Capital Expenditure on Housing (2017)*, and
- *Current Expenditure on Housing Supports (2017)*.

With each review, the Department, DPER (Vote Section) and IGEES collaborated very well.

Evaluation - record: In addition to the three Spending Reviews, the Department has either undertaken or is planning a small number of other reviews:

- Housing schemes:** It has worked with local authorities on reviewing the workings of a number of housing schemes such as the House Adaptation Grants Scheme, and a roadmap has been agreed with DPER for assessing progress under the HAP scheme,
- Review of RPZs:** A review process has been put in place in respect of the Rent Pressure Zones (RPZs), and
- Review of differential rents:** This review, although completed, has not yet been considered by Government. The review is particularly important given the growth and pressure points in the rental market and the 39 rental schemes in place across the local government sector.

On *ex post* evaluations, it is acknowledged internally and externally that the Department will need to increase its activity in this area. While VFM reviews are completed and line Sections routinely review policies and programmes, more formal reviews of policy implementation, including of some major programmes, such as the local government reform programme, would be beneficial.

As with appraisals, the HMEU (formerly the Economic Support Unit) is the main vehicle through which VFM reviews are completed. Any other policy, project or programme reviews are generally carried out by line sections, where the appropriate technical expertise is available.

A notable development is that the Terms of Reference for the Cross-Departmental Team on Data provides that the work of the group should relate to 'two main strands, one relating to current practices and a second relating to consideration of the need to expand the range of data collection and evaluation activities.'

Findings: Evaluation function

F2.14 Spending Reviews: The Department is open to having its policies critiqued and evaluated, as demonstrated by its strong cooperation with three Spending Reviews conducted on various aspects of housing policy. These reviews strengthen the Department's capacity to discuss and explore policy, delivery and value for money matters with local authorities, AHBs and agencies.

F2.15 *Ex-Post* evaluations: The Department's capacity and capability to undertake *ex post* evaluations will need to be enhanced. Although many policy and programme reviews are completed on an ongoing basis, including the operation of the Department's agencies, more needs to be done, and the matter given the necessary prioritisation and attention.

Recommendations

R2.12 Spending Reviews: The Department should develop a programme to follow up on the suite of conclusions and recommendations on data collection, management and gaps set out in the three Spending Reviews on housing completed to date and should incorporate that work into the development of its new Data Strategy.

R2.13 *Ex-Post* evaluations: The Department should prepare a programme of *ex post* evaluations, including on matters relating to the business of its agencies.

3. DELIVERY

STRUCTURE OF THIS CHAPTER

This chapter examines module 3 of the methodology template which relates to DELIVERY.

Delivery focuses on the implementation of policies and strategies, management of performance, engagement with stakeholders, governance of the Department's agencies and offices, and management of risk. These features are assessed as follows:

Section 3.1 – Customer service: The service provided to Ministers, stakeholders and the public, and the extent to which online mechanisms are used to achieve measurable efficiencies.

Section 3.2 – Risk management and audit function: The policy, approach and structures around risk management, including the risk register, committee and appetite statement, and the effectiveness of the internal audit function.

Section 3.3 – Governance: The structures and features of the governance model, including the oversight and liaison arrangements in place between the Department, its agencies and offices, and the local authorities.

Section 3.4 – Managing delivery - *Project Ireland 2040*: The mechanisms in place to oversee the implementation of the NPF and delivery of the Department's elements of the major national investment programme set out in the NDP.

Section 3.5 – *Rebuilding Ireland (RBI)* - implementation: The effectiveness of the various delivery structures and process to implement this largescale housing investment programme.

Section 3.6 – Local government reform: Implementation of the reform programme.

Sections 3.7 to 3.9: These sections relate to the establishment of Tailte Éireann, the work of the Franchise Unit, and the Department's legal capacity.

3.1 CUSTOMER SERVICE

The Department, apart from Met Éireann, has little direct contact with the public, although when members of the public and clients do make contact, staff churn can make it difficult for staff to direct callers to the appropriate section or official. It is cognisant of this issue and corrective steps are being taken.

The Department's website has been revamped and is up-to-date, informative and easy to navigate. The website will move to www.gov.ie in 2020.

Met Éireann has significant interaction with the public and has conducted surveys which have helped focus attention on specific customer requirements. For instance, when the online delivery portal for tailored meteorological services (MetWeb) was being developed, there was considerable consultation with customer groups such as ESB, Transport Infrastructure Ireland (TII), airports and local authorities and this led to the development of customised portals.

As referenced already in Chapter 2, the Department is very proactive in the area of data sharing with high quality datasets freely available to policy-makers, academics and the general public.

3.2 RISK MANAGEMENT AND AUDIT FUNCTION

Risk management is overseen by a Risk Committee and the audit function is managed by the Department's Internal Audit Unit on behalf of the Audit Committee.

3.2.1 RISK MANAGEMENT

A Risk Committee, which has representatives from each Division and is chaired by a Principal Officer, oversees the risk function within the Department. A Risk Register is produced annually and contains some 170 risks in excel spreadsheet format, categorised between strategic, legal, reputational, financial, operational and compliance. The Department has also produced a Risk Appetite Statement.

As referenced in section 3.9 following, a number of the most significant risks relate to legal cases (risks involving a mix of judicial review and EU legislative non-compliance). The risk register does not include a specific reference to the major capability risks arising from possible staff departures in niche technical areas of the Department's business and emerging skills needs into the future, although these issues have been considered as part of the Department's workforce planning.

The overall level of risk awareness among staff is low and it was difficult to discern the extent to which risk features as part of each business unit's annual business planning discussions.

The issue of procurement and the need to enhance overall knowledge and expertise was raised by a small number of staff - for example, in the ICT Unit which is managing some 80 different contracts within a centralised procurement framework. In March 2019, the Department engaged the services of an external contractor for a limited period to provide support on its procurement activities, mainly assistance with tendering and the development of a Corporate Procurement Plan by end 2019. The outcome will inform and assist the Department in selecting the optimum configuration of its procurement functions.

An internal review of risk is being undertaken and is expected to be finalised in 2020. Separately, the Department is already taking steps to address key ICT-related risks identified in three strategic reviews of the structures and delivery models of ICT services. Both of these are very positive developments.

Findings: Risk

F3.1 Risk Register: The current Risk Register needs further development in order to provide a sufficiently effective mechanism to appropriately reflect the risk environment in the Department.

F3.2 Risk awareness: There is a low overall level of awareness among staff of risk and it is unclear as to what extent it features as part of the annual business planning process.

F3.3 Risk review: The current review of risk is a very welcome development and reflects the Department's desire to improve risk management.

Recommendations

R3.1 Risk review: The Department should give priority to implementing the findings and recommendations contained in its own internal review of risk. In tandem with that, there is a need to critically assess the content and detail of the current risk register to ensure it appropriately reflects the Department's principal risks.

R3.2 Risk awareness: There is a need to raise awareness among all staff on the identification, management and ownership of risk, including appropriate scoring practices and the development of mitigating factors to reduce risk potential.

R3.3 Audit and risk: The Department should consider inviting the Head of Internal Audit Unit to attend Risk Committee meetings in an observer capacity.

3.2.2 AUDIT FUNCTION

The Department's Governance Framework sets out in detail the role and responsibilities of the Internal Audit function, including the operation of the Audit Committee.

The Unit acts in accordance with the Internal Audit Standards set by DPER and provides the necessary assurance to the Accounting Officer (Secretary General) in relation to the existence, adequacy and overall effectiveness of the Department's internal controls, corporate and IT governance arrangements and risk management systems.

The Unit operates under the direction of both the Accounting Officer and the Audit Committee, which is externally chaired and has a number of other external members. The Committee's role is advisory and does not include any executive powers. It provides objective advice and recommendations on the Unit's work.

The annual work programme for the Unit is agreed following consultations with senior management, the Accounting Officer and the Audit Committee.

3.3 GOVERNANCE

The Department's Governance Framework sets out in detail how it approaches and manages the relationships with its many agencies and offices, and the local authorities.

3.3.1 AGENCIES

Governance is considered an area of strength. A range of Performance Delivery Agreements (PDAs), and a *Shareholder Expectation Letter* in the case of Irish Water, are in place and monitored at the level of the individual business unit. These are augmented by quarterly face-to-face meetings involving senior officials. The evidence confirmed that there is constructive and open dialogue in drafting and sign-off.

Agencies confirmed there was a good understanding at departmental level about their business and the challenging environment in which they all operate. Where agencies exercise a regulatory role, their independence is fully respected.

3.3.2 LOCAL AUTHORITIES

The bilateral relationships with the 31 local authorities are somewhat different from the Department's agencies in that they are standalone, constitutionally independent, democratic, significantly self-funding entities and bodies corporate in their own rights and, as such, the relationships are not governed by PDAs or Service Level Agreements (SLAs).

Notably, the Department put in place a new reporting arrangement in 2018 whereby each local authority is required to report quarterly on progress in implementing a broad set of annual social housing delivery targets set over the three year period to 2021, and these progress reports are published. The relocation of the Housing Delivery Office (HDO) into the LGMA is a further welcome indication of the efforts by the Department and the local government sector to strengthen accountability and transparency.

Overall, the relationship is collaborative whereby the role of the local authority is to implement policy as enunciated by the Department on behalf of Government and the Oireachtas. The relationship involves a complex, multi-faceted set of connections at individual local authority, regional and sectoral levels.

Structural arrangements

The County and City Management Association (CCMA) is the representative voice of the local government management executive. It operates through a series of established committees, each of which is concerned with a specific policy area. The Management Board meets the Executive of the CCMA two/three times a year, and individual business units have their own meetings with individual sub-committees.

The Local Government Management Agency (LGMA) is an agency of local authorities and is primarily funded by them. It operates within the local government sector, providing a range of shared services, and reports on performance as required to the Department. There is a PDA in place between the LGMA and the Department and senior officials from the Agency and the Department's local government side meet twice yearly.¹⁷

Multiple departmental demands

The relationship with local authorities, while very good and well-established, is complicated by the increasing multiplicity of Departments that are now regularly interacting with them through various funding programmes. This is in line with Government policy and examples include Department of Transport, Tourism and Sport on roads, Department of Culture, Heritage and the Gaeltacht on Creative Ireland, Irish language, and biodiversity, Department of Business, Enterprise and Innovation on Local Enterprise Offices, Department of Communications, Climate Action and Environment on waste, and Department of Community and Rural Development on community development and libraries.

The CCMA has flagged the increasing and often unrealistic demands being placed on local authorities by these Departments. This often requires local authorities to either secure more resources or change the use of existing resources in the absence of any consultation or understanding of the additional resources needed - whether headcount or funding or both - to deliver on these demands. A common thread from CEOs was that central Government no longer fully understands their overall resource needs.

The Local Government Division in the Department plays an important role in relation to the IR and HR functions (including superannuation issues), funding, and policy (political, structural and functional) of local authorities, and has an oversight role in relation to the LGMA. This is a relationship that is highly regarded by the sector.

3.3.3 LOCAL GOVERNMENT AUDIT SERVICE (LGAS)

The Local Government Audit Service (LGAS) is a statutorily independent body that is in effect the external auditor for the local government sector, with its independence reflecting both its audit function and the independent democratic mandate of local government. It has a staff complement of 37 and is led by the Director of Audit. Many of the staff, although working for the LGAS, are based full-time in local authorities and have direct access to their financial systems and data. The Department sets out the accounting rules and the local authorities use the same Chart of Accounts thereby enabling performance to be compared across the sector.

3.3.4 IRISH WATER

A *Shareholder Expectation Letter* is in place with Irish Water. Both NewERA and the Commission for the Regulation of Utilities (CRU) are also heavily involved in the formal governance structures.

¹⁷ The LGMA receives some €3m annually to fund services such as the Water Services Transition Office and the local government MyPay shared service.

In addition, the Water Advisory Board, which was set up in 2018, advises the Minister on the measures needed to improve the transparency and accountability of Irish Water and reports on a quarterly basis to the Joint Oireachtas Committee on implementation by the company of its business plan. In addition, there are monthly meetings between the company's senior management and the Water Division's leadership team. Ongoing engagement also takes place at other operational and technical levels.

A Ministerial decision was taken in 2018 confirming the separation of Irish Water from Ervia, which is to be completed by 2023. This divestment will require *inter alia* new legislation, with an interdepartmental steering group already set up to oversee the entire process.

The other sensitive issue regarding Irish Water is the outstanding matter of the transfer of 3,000 local authority water staff to the company. This process is now working its way through the Workplace Relations Commission.

3.3.5 PLANNING

On the planning side, two new entities have been established recently:

- a) **Office of the Planning Regulator (OPR):** The OPR was established under the *Planning and Development (Amendment) Act 2018* and emanated from the recommendations of the Mahon Tribunal. It has oversight of the planning system and is responsible for assessing development plans, reviewing quality and standards in the planning system, undertaking research and training, and raising public awareness. It can investigate complaints about systems and procedures. The OPR can also advise the Minister on certain matters and the Minister can refer cases to it.
- b) **Land Development Agency (LDA):** The LDA has been established through secondary legislation and it is intended that it will be placed on a primary statutory footing as a commercial State body in 2020. It has a clear commercial mandate to coordinate the more optimal usage of land within State control where appropriate, with a strong focus on the provision of new homes.

Findings: Governance

F3.4 Governance of agencies and local authorities: Day-to-day governance of agencies and local authorities is well-handled within the Department, and involves regular senior level engagement. Regarding agencies, an effective process of PDAs and MOUs is in place, including with the LGMA.

F3.5 Local government: The relationship between the Department and the various players in the local government sector is very well-established, although there are challenges around the multiplicity of demands now being made by central government.

F3.6 Regulatory bodies: The relationships between the Department and independent regulatory bodies such as An Bord Pleanála and the Office of the Planning Regulator fully acknowledge and respect their statutory independence.

Recommendation

R3.4 Governance: The Department is ideally placed to act as a catalyst for creating the necessary clarity across the wider Government system of the challenges faced by local authorities. Consequently, the Department should consider how it might help build a stronger interdepartmental perspective and more joined-up approaches with other Departments, thereby

bringing about a greater understanding among all parties of the complexities and challenges involved.

3.4 MANAGING DELIVERY - PROJECT IRELAND 2040

The Department relies on its agencies and the local authorities to implement its policies and programmes. Particularly important in this respect are the arrangements in place to ensure effective delivery.

3.4.1 PROJECT IRELAND 2040 - NPF AND NDP

The development of the *National Planning Framework* (NPF) and the NDP (*Project Ireland 2040*) represented a unique opportunity to bring planning and national investment together. The Department was very successful in harnessing broad political and official support for that approach. However, successful implementation presents some major challenges.

From a central government perspective it is considered vital that the NPF and the NDP should be implemented as an integrated package so that investment would drive population growth in the areas and manner as set out in the NPF.

Compact growth: A critical manifestation of this approach is that investment under the NDP and housing investment under *Rebuilding Ireland* should push the compact growth agenda set out in the NPF. For that to happen, delivery of the NPF needs to be driven down to local urban levels, set by reference to the goal that growth in high density development in the regional cities should proceed at a faster pace than in the Greater Dublin Area.

This will require close collaboration and engagement with the local government sector, the OPR and the LDA among others. With that in mind, the Department, being cognisant of the need for effective communication and interaction on policy development, has embarked on a structured programme of engagement with local authorities and Regional Assemblies on developing and implementing spatial planning policy, guidance and legislation. This is a very positive step.

Regional planning and the NPF: It is notable that while the NPF's objectives are high level, they become more granular in the Regional Spatial and Economic Strategies being developed by the Regional Assemblies and even more so at the level of City or County Development Plans. Regarding the latter, the OPR will independently assess whether they conform to the NPF. Overall this model is designed to ensure that regional, city and county level investments will dovetail with national planning goals.

Reporting on *Project Ireland 2040* is done through the Project Ireland 2040 Delivery Board which is co-chaired by the Secretaries General of DHPLG and DPER. A supporting cross-departmental team co-chaired by Assistant Secretaries from both Departments is also in place. The Board focuses on the NPF objectives and sectoral and cross-sectoral issues such as capacity in the construction sector and the recent revisions to the Public Spending Code, as well as on NDP delivery. Within the Department, the Assistant Secretary (Planning) chairs a cross divisional team to deal with issues on the agenda of the Project Ireland 2040 Board from a Departmental perspective.

3.4.2 PROJECT IRELAND 2040 TRACKER

The Department has lead responsibility for implementation of the NPF, while DPER manages the NDP element of the Plan. DPER does so through a Project Ireland Investment Tracker, whereby data is categorised according to the various project stages from initiation to completion and is

supported by GIS mapping. The primary link with DPER is through the Planning and Finance functions. There is also engagement with the various policy sections; that may need to be deepened because of the particular requirement to collect data from local authorities, agencies and other bodies for input into the tracker.

Given the urban compact growth principle in the NPF, it is likely that as the *Rebuilding Ireland* programme progresses, the focus will shift to the development of high density apartment development in cities, which in turn will require a holistic approach to be adopted from a programme and project viewpoint in terms of planning, water, public transport, education and primary care provision.

The Department's Planning Division, which is central to the NPF monitoring role, has recently recruited additional planners, including for the first time a marine planner and an ecologist.

Findings: Project Ireland 2040

F3.7 Implementation: The Department has the central role in monitoring, managing and reporting on the implementation of the NPF element of *Project Ireland 2040*. It has put in place a carefully designed framework of oversight, governance and implementation arrangements to achieve this and to ensure synergy with the NDP element of PI 2040.

F3.8 Stakeholder engagement: Building strong relationships and ensuring effective communications with the various stakeholders will be key to success in achieving the aims of the *National Planning Framework* and delivering the investment programme in *Project Ireland 2040*.

3.4.3 PROJECT IRELAND 2040 - WATER INVESTMENT

Project Ireland 2040 has the necessary funding in place to allow for the upgrade of the country's water infrastructure to the requisite standard. Approximately €1.3bn is allocated to water services investment per annum, most of which supports the work of Irish Water. A small number of large teams oversee and monitor progress, involving the Department, Irish Water, the CRU, NewERA and DPER. These engagements are well structured and strongly focused on delivery. The policy contexts for much of the investment is provided by the following two policy statements:

- a) **Water Services Policy Statement:** The majority of capital investment decisions derive directly from the *Water Services Policy Statement*. Separately, both Irish Water and the EPA confirmed the Department is very engaged on the delivery of the targets and objectives of the *River Basin Management Plan* (aimed specifically at improving overall water quality).

Both the *Water Services Policy Statement* and the *River Basin Management Plan* have effective oversight mechanisms built into their design as well as clear milestones and evaluation processes.

A number of structures and processes are in place for overseeing delivery of water projects including monthly senior management meetings between the Department and Ervia, quarterly meetings involving the Department, CRU, NewERA and Ervia, and quarterly output monitoring meetings involving Irish Water, CRU and NewERA.

- b) **Marine Strategy Framework Directive (MSFD):** This Directive requires European member states to reach good environmental status (GES) in the marine environment by the year 2020 at the latest. The Directive is similar to the Water Framework Directive, but with the focus on the marine environment. The Department has reported on cycle 1 of implementation and is now working on cycle 3 although cycle 2, which coincided with the ECF period, has not been

reported upon yet. The cycle 1 requirements relate to the measures in place for pursuing the EU's objectives on maintaining a good water environment through such actions as measuring water quality and managing fish stocks.

Finding: Water

F3.9 Oversight and monitoring: Both the policy implementation and the project delivery aspects of water investment are the subject of rigorous oversight and on-going monitoring.

3.5 REBUILDING IRELAND (RBI) - IMPLEMENTATION

Bodies like the Housing Agency, the Residential Tenancies Board and the Housing Finance Agency play key roles in assisting the Department with the necessary research, data collection, analysis and policy formulation to support the delivery of *Rebuilding Ireland*. In addition, a dedicated Housing Delivery Office (HDO), located within the Department, supports local authorities and Approved Housing Bodies (AHBs) on project delivery. The Department, in conjunction with both the CCMA and the LGMA, took a decision in late 2019 to relocate the HDO to the LGMA.

The delivery of housing has brought the Department and local authorities into a highly commercial world. Expertise on financial modelling is required for some of that work and, in that regard, the services of both the National Development Finance Agency (NDFA) and NewERA are being engaged as needed.

On reporting progress, the Department submits a quarterly progress report to the Minister and then onto the Joint Oireachtas Committee. Implementation is also monitored and reported into a Cabinet Committee with a particular focus on aggregate delivery. In support of that, the Department produces very detailed statistical reports on various aspects of progress such as housing starts and completions by type, with a particular focus on social housing.

3.5.1 RBI - SOCIAL HOUSING DELIVERY TARGETS

Delivery targets are in place for the various schemes, with the Department relying on the local authorities and AHBs for delivery. Regarding social housing, constituent targets are set for each local authority. The assigned targets were related directly to the housing waiting lists and since 2018, progress on a programme basis is published quarterly by the local authorities and the AHBs, and on the Department's website. The key benefit of publication is that it pushes delivery and provides a transparent link between investment and outturns.

The majority of those interviewed felt that despite some negative media commentary, the RBI targets are achievable and that good overall progress is being made.

3.5.2 RBI - ROLE OF LOCAL AUTHORITIES

The delivery of *Rebuilding Ireland* requires a collaborative partnership approach between the Department and the local authorities and AHBs. The majority view is that the AHBs are largely delivering on their element of the targets as is the local government sector, although some individual local authorities are still facing capacity challenges. Arising from the economic recession, many of them stopped building some time ago and consequently have lost both capacity and capability. Gearing up to adequately respond to the ambitious targets and obligations set out in RBI has proven very onerous in some instances. This is seen by many to be a key impediment to underpin the faster delivery required by the increasing social housing targets in the coming years.

3.5.3 RBI - DELIVERY CHALLENGES

The main challenges facing the Department in terms of delivering on the targets under *Rebuilding Ireland* can be summarised as follows:

- a) **Project skills of local authorities:** There is a heavy reliance on local authorities to deliver housing projects and while some are very adept and well-equipped for this, others are still struggling in terms of both capacity and skills. Furthermore, there appears to be a high reliance by some authorities on private consultants to advise on design and project appraisal and in some instances this is leading to delays in securing Departmental approval due to non-conformity of proposals.
- b) **Procurement skills of local authorities:** Several suggestions were made about the desirability of developing a shared service type model among local authorities, especially in relation to housing procurement, to supplement the general procurement shared service already in place and operated by Kerry County Council. Another particularly positive development is the establishment of a shared services model, based in Limerick City and County Council, for managing the HAP payments on behalf of all local authorities. This was much praised in terms of its efficiency and effectiveness.
- c) **Staff changes and training:** It was noted by some agencies that there has been a high level of staff change in the Department, including a significant number of new staff, with some operating in complex policy areas. While highly qualified professional and technical staff are present (e.g. architects and quantity surveyors), there were suggestions made regarding the desirability of some bespoke training for newer staff to support their upskilling.
- d) **External support:** Significant project appraisal is carried out by technically skilled staff in the housing and water areas. Additionally, external expertise has been engaged very successfully to support policy development and review, including in relation to housing demand and population issues in support of *Project Ireland 2040* and the NPF.
- e) **Social housing approvals process:** Notwithstanding the very positive relationship that exists with the CCMA and LGMA, there is still a high degree of frustration evident from the local government sector in relation to the social housing approvals process. This process is applicable to all projects seeking Departmental funding under the Social Housing Capital Investment Programme. The Department does, of course, have to meet Public Spending Code and public financial management requirements.

3.5.4 RBI - SOCIAL HOUSING APPROVALS PROCESS

In line with the requirements of the Department of Finance and the Department of Public Expenditure and Reform, the Department is required to have procedures, processes and approval arrangements in place that provide for matters of public accountability, cost certainty, public procurement, transparency and value for money.

In terms of the purchase and construction of social housing, the Department as the Sanctioning Authority (source of funding) is accountable to the Comptroller and Auditor General (C&AG) for all expenditure of exchequer funding, including the expenditure by local authorities and AHBs on the purchase and construction of social housing.

The four stage approval process now in place follows consultations with the CCMA in 2017. In streamlining the processes, the Department has sought to ensure that it delivers on its obligations

of accountability and the requirements of DPER in terms of control of costs, delivery of quality at reasonable cost, achievement of value for money and compliance with public procurement.

The approval process comprises a check on the business case for the project at capital appraisal stage prior to approval in principle of funding, a pre-planning check on procurement, the consistency of the design with quality design guidelines, cost and value for money, and two final assessments on cost pre-tender and on cost and procurement prior to award of tender.

This process generated a lot of negative comment with some claiming it is unduly bureaucratic, replicates work already done by local authorities and is essentially slowing down the delivery of much-needed housing projects.

The Department points to its obligations under the Public Spending Code and to its accountability to the C&AG and Oireachtas. It also highlighted the fact that the current arrangements emerged from close discussions with the CCMA. A number of those interviewed referred to the fact that many of the proposals submitted by local authorities are often not of the requisite standard and are not compliant with accepted guidelines and rules around design and value for money (this again relates to capacity and capability issues in the local authorities).

3.5.5 RBI - TRANSFER OF HOUSING DELIVERY OFFICE

The Department, in conjunction with the CCMA and the LGMA, has recently decided to transfer the Housing Delivery Office (HDO) from the Department into the LGMA. This is regarded as a significant opportunity for the HDO to liaise more closely with local authorities in areas requiring specialist support and to have the necessary skillsets available, especially in areas of project management, procurement, data collection, and financial and commercial analysis. Specifically, the role of the enhanced HDO will include:

- a) advising the sector on best practice in the delivery of housing
- b) supporting local authorities with appropriate and specialised skillsets such as programme, project and contract management, technical advice, and economic and financial guidance
- c) assisting local authorities in their engagement and collaboration with Approved Housing Bodies, and
- d) developing capability to collect and collate timely and credible data on delivery.

The HDO will be led by a Programme Coordinator, appointed at local authority Chief Executive level, who will lead a multi-disciplinary team tasked with coordinating and advising on delivery, especially by reference to targets in *Rebuilding Ireland*. This work will be supported by oversight arrangements involving key stakeholders.

The Department has itself identified specific areas where this new model could bring about new opportunities including turnkey delivery, leasing, social housing specification and design, procurement and project management.

Findings: Delivery of Rebuilding Ireland

F3.10 Targets: While the *Rebuilding Ireland* targets are both realistic and achievable, the Department is reliant on others, particularly the local authorities, to deliver on its behalf and works collaboratively in partnership with its delivery partners.

F3.11 Reporting mechanisms: There are appropriate mechanisms in place to facilitate regular reporting to Government and the Oireachtas on progress.

F3.12 Constraints: There remain capacity constraints within some local authorities that are acting as impediments to the faster delivery of housing projects. The initiative to reposition the Housing Delivery Office within the LGMA has the potential to unblock some of the difficulties currently being encountered by local authorities and will help streamline some of the delivery challenges they face with the approvals process under the Social Housing Capital Investment Programme. The targets for the HDO will be set by the Department and the HDO in turn will report on delivery. This represents a positive step towards strengthening delivery and accountability.

Recommendations

R3.5 Shared service model: Given the critical role local authorities have to play in delivering the RBI targets and the ongoing challenges many of them are facing in this regard, the establishment of a “shared service” type model through the enhanced Housing Delivery Office is critically important. The Department and the local government sector should therefore accord this initiative top priority and deliver upon it immediately.

R3.6 Housing Market and Economics Unit: The numbers currently assigned to the Department’s Housing Market and Economics Unit are not considered adequate for the range of issues requiring to be dealt with in the future. It is therefore recommended that the Department considers how to increase its capacity in this area.

R3.7 Specific training needs: A bespoke training programme relating to the policy areas for which the Department has responsibility should be developed for new staff to support them in building their capacity for their new roles.

R3.8 Agency knowledge: The Department should be more proactive in tapping into relevant expertise and market knowledge that may exist in some of its agencies.

3.6 LOCAL GOVERNMENT REFORM

The *Programme for a Partnership Government (PPG)* has set out a number of requirements in relation to local government reform. In particular, the PPG envisages the submission of a report to Government and the Oireachtas on potential measures to enhance local government leadership and accountability, and to ensure that local government funding, structures and responsibilities strengthen local democracy.

To date the Department has produced a number of reports on reform that are currently with the Joint Oireachtas Committee, with progress having been made on specific issues as follows:

- Local Government Boundary Reviews,
- Extension of Cork City Boundary, and
- Holding of Plebiscites on Directly Elected Mayors with executive functions in Cork, Limerick and Waterford.

Separately, a review of the role and remuneration of local authority elected members has been commissioned, with a final report to be submitted to Government in the near future.

On overall oversight of reform, a Public Sector Reform Oversight Group has been established by the CCMA and LGMA to ensure coordination across the local government sector. The Secretary General and Assistant Secretary for Local Government both sit on this group. In addition, a function of the National Oversight and Audit Commission (NOAC), which was established under the *Local Government Reform Act 2014*, is to monitor and evaluate the implementation of public service reform, including enhanced efficiencies, by local government bodies.

Finding: Local Government Reform

F3.13 Role of the Department: The Department has a well-established policy development expertise in the Local Government area that, along with research and consultation to supplement their evidence base, is used to inform policy development in this area.

3.7 ESTABLISHMENT OF TAILTE ÉIREANN

The Department has a governance role in relation to the Valuation Office, Ordnance Survey Ireland and the Property Registration Authority. It is currently tasked with implementing a Government decision to merge these three separate bodies into a single entity to be known as Tailte Éireann. The General Scheme of the *Tailte Éireann Bill* is now on the B List of the legislative agenda (there had been some earlier delays due to legal issues but these are now resolved). The merger is being overseen by a steering group which includes representation from the three organisations concerned, DHPLG and DPER.

3.8 FRANCHISE

Franchise Section is responsible for the law dealing with the registration of electors and conducting elections and referenda. It played a significant role in the arrangements for the referendum to repeal the Eighth Amendment to the Constitution and also in the most recent Presidential and European Elections. At a strategic level, the Unit's primary focus at present is on giving effect to the decision to establish an Electoral Commission. This has involved intensive liaison with the Joint Oireachtas Committee, the preparation of a Regulatory Impact Assessment (RIA), public consultation, a detailed report to Government and next steps include the drafting of new legislation to give a statutory basis to the Commission.

3.9 LEGAL CAPACITY

The Department has a very heavy legislative workload (both primary and secondary). It employs two legal advisors (on secondment from the Attorney General's Office) and a third secondee will join the Department in early 2020. The Department also employs a highly experienced drafter who previously worked in the Office of the Parliamentary Counsel.

It is evident that the workload is quite onerous. A lot of the legal matters being dealt with can arise quite quickly and require rapid responses. While there are a lot of staff in the organisation who have developed skills and been supported to complete formal training to enable them to deal with the legislative process, the provision of legal advice is an important support that the Department needs on a day-to-day basis. Delays in having primary legislation ready have also been referenced by a number of those interviewed (for example the primary legislation establishing the Land Development Agency) although this is often not exclusively within the Department's sole control.

Inadequate legal resources can also have business and financial risks for the Department, particularly where EU legislation is involved.

Finding: Legal capacity

F3.14 Legal staff: Given the volume and nature of the workload, the Department's current staffing complement on the legal services side is not considered adequate and constitutes a business risk. It is acknowledged that the Department has reviewed this and has secured the agreement of the Office of the Attorney General to assign an additional senior legal adviser to the Department in early 2020.

4. ORGANISATIONAL CAPABILITY

STRUCTURE OF THIS CHAPTER

The fourth and final module of the methodology template for the capability review programme relates to ORGANISATIONAL CAPABILITY. This chapter is structured as follows:

Section 4.1 – Mission, culture and values: The policies and practices to promote clarity of mission and strategic objectives, as well as high standards of ethical behaviour.

Section 4.2 – HR function, policy and strategy: Strategic HR and leadership by the Management Board, with a particular emphasis on the Department's *WELL Strategy*.

Section 4.3 – Workforce and succession planning: The extent to which workforce planning is undertaken, and whether it is applied to the impending retirement cliff facing the Department.

Section 4.4 – Performance management: The extent to which the Performance Management Development System (PMDS) is embedded as a people and business management tool.

Section 4.5 – Corporate capability in finance: The effectiveness of the finance function.

Section 4.6 – Corporate capability in ICT: The extent to which ICT supports business delivery and safeguards the integrity and security of information through efficient systems and effective processes.

Section 4.7 – Records and data management: Policies and practices on data and knowledge management, aimed in particular at supporting evidence-based policy and strong service delivery.

4.1 MISSION, CULTURE AND VALUES

Following the Department's most recent configuration in 2017, the Statement of Strategy sets out its mission as follows:

"... to support sustainable development, with a particular focus on strategic planning, the efficient delivery of well-planned homes in vibrant communities and the sustainable management of our water resources, and to ensure effective local government."

The Statement also sets out a number of Strategic Goals for the Department, and outlines its values by reference to the Civil Service Code of Standards and Behaviour, the Code of Ethics, the Dignity at Work Policy and the Civil Service Renewal Plan.

The mission and values are further outlined in the Corporate Governance Framework, which sets out comprehensive arrangements for governance of the Department, including its commitment to a culture based on ethics and integrity, open and effective consultation, developing the Department's capacity and capability, and implementing good practices in transparency, reporting, communications, audit and effective accountability.

The Management Board has made a conscious effort to fully integrate Met Éireann into the Department. Its staff have access to the Department's intranet, its PO equivalents are members of the SMF and its Director is a full member of the Management Board.

4.1.1 CIVIL SERVICE EMPLOYEE ENGAGEMENT SURVEY 2017

The results for the Department in the *Civil Service Employee Engagement Survey 2017* (CSEES) are closely in line with the wider Civil Service. It performed particularly well in the areas of

Competence, Wellbeing, Employee Engagement, Social Support and Meaningfulness, with all five areas scoring 70% or over. Performance Management, Innovation Climate and Involvement Climate were the areas where the Department scored lowest (in line with the scores in most other Departments). Senior management has responded to the CSEES results and proactively engaged with staff through a series of Town Hall engagements across all Departmental locations.

Staff morale in the Department is very positive with good evidence of staff engagement and commitment to the organisation.

Finding: CSEES, identity and morale

F4.1 CSEES results: The results of the 2017 CSEES show that the Department is in line with the general findings across the Civil Service. Senior management has followed up proactively on the CSEES results. Staff morale within the Department is generally very positive and there is strong evidence of structured senior management staff engagement right across the organisation.

Recommendation

R4.1 Follow-up to surveys and reviews: The Department should continue to engage with staff on the specific issues identified in the *Civil Service Employee Engagement Survey 2017* relating to performance management, innovation and involvement climate. It should establish clarity around the nature and extent of these challenges as well as mapping out possible solutions.

4.2 HR FUNCTION, POLICY AND STRATEGY

The HR Unit's Business Plan sets out in some detail its areas of responsibilities including:

- supporting the implementation of the *WELL Strategy* in partnership with management and staff
- embedding the HR business partnering model (including conducting a review of the model and introducing improvements as required)
- delivering Learning & Development solutions to support Departmental strategic goals
- providing management advice on people-related HR issues, including monitoring PMDS compliance and providing advice and support in relation to underperformance, and
- designing and delivering HR metrics to support business objectives.

While the overall view of the HR function among staff is positive, there is scope to further improve the overall effectiveness of the Unit's engagement across the Department:

- a) **Business partnering:** The HR Business Partnering model is intended to be a cornerstone in the critical relationship between the HR Unit and the business units and staff. However, there is a very disappointing level of awareness among many staff about this objective.

The focus to-date seems to be based on building relationships with POs and Heads of Function but in order that the benefits of this model would be fully leveraged and optimised, it needs to include all staff. In particular, it should involve a proactive role around promoting and ensuring best practice in relation to performance management and the formal PMDS process, with special attention being paid to linking individual or business unit training with strategic organisational needs.

- b) **Performance metrics:** Furthermore it is not clear the extent to which the HR function has ready access at present to sufficient and statistically strong analytics and metrics to help

underpin evidence-based decision-making. The HR Unit's business plan highlights the importance of developing a suite of metrics across the HR functions to facilitate the provision of reports as required to line management and the Management Board. It is important that this project is accorded the necessary priority to ensure speedy delivery.

As part of that work, it would be helpful if a thorough skills audit were undertaken in the near future. This is particularly relevant given the high levels of recent staff churn and the anticipated retirement challenge looming in the next few years.

Met Éireann retains its own HR and workforce planning functions and again is generally well-regarded in terms of the responsiveness and quality of service it provides.

4.2.1 WELL STRATEGY

The Department's HR strategy, *WELL* (Wellbeing, Engagement, Learning & Development and Leadership), involved very significant engagement and collaboration with staff throughout its development and implementation. It consists of 56 distinct actions spread over its four pillars. The strategy was developed by four working groups and, similarly, the implementation of each of the four pillars is driven by its own working group, led by an Assistant Secretary and including representation from all grades and locations. An oversight committee for the strategy's implementation is also in place, chaired by the Assistant Secretary for Corporate Services.

There are early positive signals that the *WELL Strategy* is bedding in well and is being led and directed at senior management level. A diverse mix of initiatives and events is evident, ranging from social and sports events to staff wellbeing supports and training.

Under the *WELL Strategy*, the Department has also promoted a number of external initiatives, including the IPA Leadership Challenge and the Great Place to Work (GPTW) initiative. The GPTW Certification Programme is the world's largest study of workplace excellence and people management practices. This is due to be rolled out in Quarter 4 of 2020, with the *WELL* implementation team also overseeing its implementation and promotion.

Despite the positive HR-related developments, it is disappointing to note that, as with the HR business partnering model, there are poor levels of awareness among staff regarding the origins of recent staff support initiatives in the *WELL Strategy*.

Findings: HR function, policy and strategy

F4.2 HR function: The Department's HR policy envisages line managers taking responsibility for the day-to-day management of their own staff. The HR function provides support and guidance to managers in this task, primarily through its business partnering model.

F4.3 WELL strategy: The *WELL Strategy* is a positive development that has been met with a very strong level of engagement from staff. The development and implementation phases are excellent examples of strong staff engagement and the role of senior management in overseeing its implementation further underlines its organisational importance.

F4.4 Staff awareness: There are low levels of awareness among staff on the linkages between specific initiatives and the *WELL Strategy*, and the existence of the HR business partnering model. This finding is disappointing, especially given the time and resources the Department has invested in these initiatives.

Recommendations

R4.2 HR function: The HR Unit needs to broaden and deepen awareness among all staff of its business partnering model and should continue to ensure that its HR staff have the necessary skills and expertise to fully support line managers.

R4.3 Implementation of the WELL Strategy: It is imperative that the Department retains a strong momentum in terms of ensuring the various actions under the four pillars are being followed through on. In that respect, it is important that the implementation of the *WELL Strategy* is subject to robust and regular oversight and that there is frequent reporting of progress to all staff.

R4.4 Raising staff awareness: The Department should ensure that the range of positive developments in relation to staff support and development are clearly linked to the *WELL Strategy*. In addition, more work is required to properly promote and bed-in the HR business partnering model, and regular Business Unit meetings would further these aims.

4.2.2 LEARNING AND DEVELOPMENT

The Department's *WELL Strategy* places a strong emphasis on Learning and Development as one of its four pillars. As part of the changes introduced under the strategy, an increased L&D budget is in place, which includes year-round availability of the Refund of Fees scheme. The Department is also part of the first phase of the *OneLearning* platform and most training is actively linked to the PMDS process. The principal issues arising in relating to L&D are as follows:

- a) **Alignment with business needs:** There is a particular need to ensure that the considerable investment being made in Learning & Development is closely aligned to the current and future business needs of the Department and to identify skills gaps. To that end, it is important that both the HR Unit and individual line managers play an active part in the identification of training needs as part of the annual PMDS process. This would also form a key part of a strategic response to the challenges posed by succession planning. As part of the Department's more strategic focus on leadership training, a number of staff are undertaking executive coaching. Specialist training in areas like procurement and project management are also available.
- b) **Career and Capability Framework:** The development of a *Career and Capability Framework* is an express action of the *WELL Strategy*. It aims to underpin career and skills development for all Departmental roles. It will provide a roadmap for talent management by giving full visibility to the functions, skills requirements and learning opportunities available through continuing professional development, mobility and secondment.

The Department is currently working on a skills matrix that will feed into the framework, focusing on four skills clusters that are common to all grades including:

- Core grade related skills
- Civil Service related skills
- Role deliverables, and
- CPD/L&D requirements.

A Continuing Professional Development (CPD) officer has been appointed in Met Éireann and the Division is in line to roll out a CPD programme over three years.

- c) **Induction training:** New staff receive an initial, albeit brief, introduction on location on their first day at the Department. A fuller programme of induction for new staff is held

approximately twice a year. However, many staff reported an extensive period of time had lapsed before they were able to access the induction programme, with many staff reporting waits of several months.

- d) **Impact measurement:** The Department does not currently carry out an overall comprehensive measurement or evaluation of the impacts of its investment in staff development.

The general sense from staff is that the L&D function has improved noticeably in recent years.

Findings: Learning and Development

F4.5 Training: There has been a noticeable increase in the investment in Learning & Development with CPD, specialist training, executive coaching and refund of fees being available to staff.

F4.6 Induction: Formal induction training for new staff takes place approximately twice a year which many staff feel is too infrequent.

F4.7 Career and Capability Framework: The development of the *Career and Capability Framework* is a very positive development and presents an opportunity to put in place a structure to support and facilitate career progression and talent management. This has the potential to significantly assist the necessary forward planning to mitigate the impacts of staff departures, including retirements.

F4.8 Training programme: The Department does not undertake an overall comprehensive measurement or evaluation of the impacts of its training programmes.

Recommendations

R4.5 Skills audit: In order to enhance the *Career and Capability Framework*, the Department should undertake a skills audit of all of its staff involving a more active role being taken by both the HR Unit and line managers in the identification and prioritisation of Learning & Development investment into the future.

R4.6 Induction: The Department should reflect on the frequency of induction training on an annual basis and consider if the current arrangements are optimal. In order to reflect best practice, it should also keep the relevance and appropriateness of content under regular review.

R4.7 Evaluation of L&D investment: The Department should undertake regular comprehensive evaluations of its L&D investment to ensure that value for money outcomes are being achieved and that staff development initiatives are strategically-focused and targeted at areas of greatest need, particularly in light of the challenges faced due to the retirement cliff.

4.3 WORKFORCE AND SUCCESSION PLANNING

A strategic workforce plan covering the period 2017 to 2019 is in existence, but it has been acknowledged by senior management that this needs more time to become fully established. Efforts are being made to place emphasis on strategic business needs and not just on vacancies.

The current plan is divided into three parts, with its principal features set out as follows:

- a) the profile of the Department is set out and described in terms of age, gender, disability and location

- b) the plan lists the specific staffing challenges and requirements by each of the Department's divisions and overall requirements by grade supported by a detailed rationale for each requirement, and
- c) the plan outlines the challenges expected by the Department, including in areas such as pay, location, recruitment, succession planning, and learning and development.

Work is already underway on a new iteration of the workforce plan to cover 2019 to 2021.

The evidence identified a number of issues as follows:

- a) **Staff awareness:** Senior managers display a high level of awareness of the workforce plan and all were involved in inputting into it. While there is an awareness among the generality of staff about workforce planning, there appears to be an absence of formal processes, such as a Workforce Planning Committee, to advise the Management Board.
- b) **Recruitment:** The Department has its own licence to run recruitment competitions. For example, a successful AP campaign was run in Wexford last year, and a PO campaign in Ballina. However, it does face challenges attracting and recruiting professional and technical grades given the current buoyancy in the labour market. Met Éireann faces similar difficulties.
- c) **Retirement cliff:** Currently, in the region of 800 staff work for the Department, with approximately 140 of those having joined in the 18 months prior to the start of the review. Significant staff turnover is expected to continue due to retirements and staff mobility. In the region of 30% of staff are eligible to retire over a three to five year period, based on age and/or service. This presents a significant organisational challenge, particularly from a business continuity perspective. The absence of a formal knowledge management policy exacerbates this challenge.
- d) **Succession planning:** There are challenges arising from promotions and sudden staff departures. A number of outer-facing roles and single points of dependency have been identified as requiring specific attention from the perspective of succession planning. The Department is currently reviewing key leadership and specialist positions, and plans to do so regularly.

An additional complication is the loss of knowledge held by departing staff and the lack of an overlap period involving new and departing staff. The current policy is to hold two exit interviews with departing staff in order to capture as much knowledge as possible. There have been a number of instances where the Department has re-engaged retired staff for specific tasks.

- e) **Job manuals:** There is an inconsistent approach to developing and maintaining such manuals and standard operating procedures, ranging from documents that are out of date or not in place at all, to the development of manuals for newer projects.
- f) **Staff mobility:** While the Department participates in the general Civil Service Mobility Scheme, where staff may transfer to other Departments, it also has its own internal mobility protocol but, as with other staff initiatives, there seems to be a poor level of staff awareness about this. However, as already outlined, the Department's *Career and Capability Framework* aims to underpin career and skills development for all staff.

- g) **Met Éireann:** Met Éireann has its own local HR function, which works very closely with departmental HR, and formulates its own workforce plan, which feeds into the Departmental Workforce Plan, similarly to all other divisions. This division faces particular difficulties in relation to recruitment, similarly to other professional and technical grades in the Department, and the time it takes to have some grades fully operational. It also faces challenges around career progression due to regional locations and the requirement for professional qualifications for certain senior posts.

Findings: Workforce and succession planning

F4.9 Workforce planning: Strategic workforce planning is beginning to become embedded in the Department but more work needs to be done in this respect.

F4.10 Succession planning: This represents a potentially significant organisational risk, and, while there is an awareness of it at senior management level, the absence of a comprehensive knowledge management policy is exacerbating the risk.

F4.11 Staff mobility: While the Department has an internal staff mobility protocol in place, its existence needs to be promoted among staff.

Recommendations

R4.8 Management Board's agenda and knowledge management: Workforce and succession planning should continue to be regular items on the Management Board's agenda and should also feature as part of the engagement with the SMF. Additionally, there is an urgent need to develop a comprehensive knowledge management policy to help mitigate and manage the challenges posed by staff departures.

R4.9 Workforce Planning Committee: The Management Board should establish a Workforce Planning Sub-Committee to formalise arrangements on workforce planning and associated reporting to the Board.

R4.10 Mobility and progression: The Department should refresh its internal mobility policy and promote it among staff. The Department should prioritise its actions under its *Career and Capability Framework* as an aid to it to deliver on its objectives and to support staff to achieve their career goals.

4.4 PERFORMANCE MANAGEMENT

As highlighted in the scores from the *Civil Service Engagement Survey 2017*, performance management is seen by many staff as a largely "tick the box" exercise and, where examples of good practice were found, these are largely down to the behaviour and attitude of individual staff members and managers.

Driven largely by the unrelenting pressure of work within the organisation, there is a high level of evidence suggesting grade drift where work is being pushed or pulled upwards and as a consequence, significant amounts of senior management time is being spent dealing with operational administrative work that would normally be undertaken by middle-ranking grades. The reactive nature of the work in many of the Department's units has also resulted in responsibility and decision-making being escalated further up a division's hierarchy than it needs to be.

Findings: Performance management

F4.12 PMDS: Performance management is largely conducted by rote with little evidence of any clear investment by senior management in ensuring that it is conducted properly and professionally by all.

F4.13 Grade drift: It is acknowledged by senior management that there is substantial upward drift of work and a lack of sufficient delegation in the Department. Much of this is driven by the level of “fire-fighting” encountered by staff and the reactive nature of many tasks.

Recommendations

R4.11 Performance management: The Department should explore the issues and challenges around making the PMDS system more effective, and consult with DPER accordingly.

R4.12 Grade drift: The Department should explore practices for ensuring clarity in role profiles and effective delegation of work to middle and junior grades.

4.5 CORPORATE CAPABILITY IN FINANCE

The Finance Unit is split between the Custom House and Ballina, and consists of qualified and highly experienced staff. It leads on engagement with DPER on the estimates process and overall, it is considered responsive and effective. It also has an important role to play in relation to reporting under *Project Ireland 2040*.

The Department uses Oracle as a financial management system (FMS) and while fully supported up to 2020, the level of support available afterwards is uncertain. This presents a possible risk for the Department given the uncertainty around the timing of the proposed Financial Management Shared Service (FMSS) that is to be introduced across the civil service in the near future.

Separately, the articulation by the Department of a vision for the retained finance function would be welcome, as there is particular uncertainty among many Ballina-based staff regarding the long term future of the functions in that office following the launch of the FMSS project.

Findings: Finance Function

F4.14 Finance Unit: The Finance Unit is well regarded, both internally and externally, and operates to a highly professional standard.

F4.15 Financial Management System: It is unclear if Oracle will continue to be fully supported from 2020 onwards which represents a risk around key business continuity. The delay in the roll-out of FMSS further underlines this issue.

F4.16 Retained finance function: A vision for the Department’s retained finance function has not yet been developed and communicated to staff.

Recommendations

R4.13 Financial Management System (FMS): The possible impacts of the Department’s FMS on its Finance function should continue to be kept under review by the Management Board, especially in regard to any period between the conclusion of supports for Oracle and the adoption of the FMSS.

R4.14 Retained finance function: The Department should set out its vision for its retained finance function as soon as a clear timeline for the roll-out of the new FMSS has been confirmed.

4.6 CORPORATE CAPABILITY IN ICT

The Department's ICT Unit is largely based in the Custom House, although there is a presence in both Ballina and Wexford. It is mostly comprised of Departmental staff, who are supported by a number of contract staff for certain services such as the ICT helpdesk.

4.6.1 ICT GOVERNANCE, PLANS AND CAPABILITY

ICT Governance Committee: An ICT Governance Committee, which is currently chaired by the Director of Met Éireann, is in place. This Committee considers new ICT proposals within the Department on a case-by-case basis before such proposals are progressed to the Management Board. It is also overseeing the process of infrastructure modernisation and change.

ICT strategy: A new ICT Strategy was published in October 2019 and separately, a Cyber Security Strategy is going through the internal clearance processes in the Department at the time of writing this Report. The ICT Strategy will refocus departmental ICT away from infrastructure management towards strengthened, value-added business solutions and project management office support for business units across the organisation.

ICT infrastructure: Senior management acknowledges that ICT is a challenge, due largely to a legacy of underinvestment. In the period 2016-2018 the Department undertook three strategic reviews of the structures and delivery models of ICT services and since then, has made significant progress addressing the risks and implementing the recommendations of those reviews. These reviews also included Met Éireann's systems and infrastructure. One of the priority actions is to relocate the Department's servers from the Custom House to St. John's Road, Dublin data centre. Met Éireann's servers are also being relocated there from Glasnevin.

ICT customer support: The helpdesk is seen as helpful and responsive by staff, although there can be challenges in decentralised locations, where helpdesk functions are often provided by a single contractor. An additional observation from staff is the lack of out-of-hours availability of the helpdesk.

The Department is on-boarding to the OGCIO Build-to-Share Desktop as a Service and Infrastructure offering, which will address many of the recommendations contained in the reviews around delivery models, infrastructure management and security. A high-level security team has also been established.

For those staff who are required to travel/interact between offices on a regular basis both the quality of laptops and the unreliability of the Department's video-conferencing facilities were raised as significant problems requiring specific attention.

ICT staff turnover: Staff turnover in the ICT Unit is a challenge with a lot of skilled staff moving on due to the increased mobility opportunities in the civil and public service. Senior management expressed concerns regarding perceived skills gaps in the Unit, with areas like business analytics and solution architects particularly noticeable. The Department has strength in GIS capability. Met Éireann faces some particular staffing challenges in its ICT function due to anticipated retirements of experienced staff in the near future.

The Department points to its continued support of staff professional development through the ICT staff learning and development strategy 2016-2019 and the professionalisation of ICT posts, including supporting the pilot ICT apprenticeship programme being operated by OGCIO.

Business Solutions Unit: This Unit, which sits within the ICT Unit, has been established and works with sections on ways to improve processes and procedures as a precursor to developing new business solutions. This has been very positively received. The Department is also rolling out eDocs as part of a better file management approach.

ICT in MÉ: The ICT function is managed by a unit within Met Éireann which is separate from the departmental ICT Unit. Met Éireann is required to meet the same governance requirements as all other divisions of the Department, e.g. ICT Governance, Management Board and DGOU. However, staff pointed to critical single points of dependency in its unit, made more acute by impending retirements. Like the main Department, it too is relocating its servers to St. John's Road.

Findings: ICT infrastructure and staffing

F4.17 ICT infrastructure: The Department is prioritising the implementation of the recent external reviews into its ICT infrastructure and systems. In addition, a new ICT Strategy has been published, and a separate Cyber Security Strategy is in the process of being finalised.

F4.18 Videoconferencing: There is a need for continued investment to enhance the quality of interconnectivity between the Department's offices.

F4.19 Staffing: The Department has processes in place to upskill and develop its ICT staff. However it is struggling to retain staff in its ICT Unit. While it has particular strengths in areas like GIS, there are also gaps around business analytics and solution architects.

F4.20 Met Éireann: The migration of its servers to St. John's Road are proceeding. A small number of critical posts in the ICT area are likely to face succession planning challenges in the near future.

Recommendations

R4.15 Review of ICT infrastructure: The Department should continue to give priority to the successful completion of the ICT Management & Migration Project. This should be reinforced by continued investment to upgrade and modernise its systems and infrastructure including its video-conferencing facilities.

4.6.2 HOUSING ICT PROJECT

As referenced earlier in Chapter 2, the Department currently manages the housing data that is received from 31 local authorities through a system known as the Integrated Housing System (IHS). This system however presents a number of difficulties, most notably the lack of standardisation of information received and collected from local authorities. Frustrations encountered by end-users of the IHS were also highlighted in the evidence-gathering stage. However, the Department is currently working on a replacement to this system.

A project, known internally as the Housing ICT Project, has commenced. The objectives of the new system are to bring about significant improvements and changes in:

- The management, storage and reporting of housing data
- The usage of data for policy and programme decisions
- The interactions between the Department and the local authorities, and
- The provision of a more efficient way of dealing with delivery programmes.

The system on development will be fully integrated and accessible by both the Department and local authorities. It will initially focus on social housing, and will then expand to integrating other areas of Departmental activity relating to housing.

The overall timeline for the delivery of the project is expected to be in the region of four years, broken down into three phases as follows:

- **Phase I (24 months):** This phase has already commenced, and involves the preparation and definition of the project, ascertaining business requirements and developing the Request for Tender. It is expected to be completed by mid-2020. An external consultant was also engaged for initial scoping and process mapping.
- **Phase II (6 months):** This phase will involve the procurement process and selection of a preferred solution. Support has been provided by the Office of Government Procurement through the provision of an ICT Category Manager. The Department envisages completing this phase by the end of 2020.
- **Phase III (12-18 months):** This is the delivery and implementation phase of the project. As part of this delivery, it is expected that the roll-out to the local authorities would take place on a phased basis.

This critical project is complemented by a very comprehensive governance structure. A Project Board has been appointed to oversee delivery, comprising internal and external membership, while a Project Manager has also been assigned at PO level. A Project Steering Group is in place and consists of key people from the ICT Unit, the Statistics and Data Analytics Unit, and the Data Protection Officer. The LGMA and local authorities are also represented.

A key goal of the project will be the improved management of data between the Department and the local government sector. At present, the project team are engaging with key stakeholders, and in time this will include the Department of Public Expenditure and Reform.

Findings: Housing ICT Project

F4.21 Project governance: The governance and project management mechanisms around the Housing ICT Project are detailed and appropriate. There is a detailed project plan and timetable in place, and tendering is expected to take place in mid-2020.

F4.22 Project consultation: Local authorities and key agencies of the Department were engaged as part of the project. While consultation with social housing stakeholders is very strong, there are some possible gaps around the consultations on data requirements. There does not seem to have been any consultation on such needs with DPER, the CSO, the IGEES or the ESRI, thereby giving rise to possible risks on the adequacy of the project's scope.

Recommendation

R4.16 Project management: The Department should ensure that the delivery of the Housing ICT Project is prioritised and adequately resourced throughout all the project stages. Additionally, it should give consideration to a wider consultation on data requirements during the scoping phase, particularly with stakeholders that have specialisms in data management, such as DPER, the CSO, the IGEES and the ESRI.

4.7 RECORDS AND DATA MANAGEMENT

The policy responsibilities of the Department mean that it requires a significant amount of records and data to aid it in its work. Such information requires strong management structures, as well as an awareness of legal requirements, such as the General Data Protection Regulation (GDPR).

4.7.1 RECORDS MANAGEMENT

The Department produced a short Records Management Policy guide in 2018 and has recently developed a more in-depth 'eDocs Filing Business Rules' document which it has issued to staff. It is also in the process of developing an informal guide for staff, essentially a quick "dos and don'ts" around records management.

There is some concern that archiving requirements are not being met adequately, and the manner in which records are kept may not be consistent. This underlines the importance of the Department fully transitioning to the eDocs platform, which would improve practices for records management.

4.7.2 DATA MANAGEMENT

The Department has acknowledged that it is not where it needs to be in the management of data. To help address this, it is currently in the process of appointing a Chief Information Officer. Among their first priorities will be the development of a comprehensive Data Management Policy. A primary challenge for the Department is streamlining its arrangements for the collection of local authority data, as already noted in Chapter 2.

4.7.3 GENERAL DATA PROTECTION REGULATION (GDPR)

The Department has taken a number of steps to adapt to GDPR. A Data Protection Officer (DPO) and Unit (staffed by one HEO) are both in place and each section within the Department has assigned an Information Officer. While efforts are being made to increase awareness among staff regarding GDPR compliance, there are outstanding issues in relation to the management of information in a GDPR context. For example, there is currently no comprehensive Records Management Policy outlining how Departmental records and information should be appropriately managed.

The Data Protection Unit has been rolling out a programme of work since May 2018, which involves meeting with individual business units to assist in prioritising work necessary to ensure compliance. Information Officers and APs in business units are invited to attend these 'GDPR clinics' which are one hour long in duration and provide an opportunity for business units to raise any data protection issues or concerns that they may have in connection with current work on-hand. It is anticipated that 48 individual business units will have met directly with the Data Protection Unit in this way by the end of November 2019.

In addition, Information Officer Workshops were held in Ballina, Dublin and Wexford in July 2018 and July 2019, to outline the tasks that business units need to focus on to ensure GDPR compliance. In 2019, the DPO made a presentation to new staff at induction and also presented to the AP Network on the main data protection challenges facing the Department and the work that needs to be addressed in order to ensure compliance.

The Data Protection Unit, with the support of the Training Unit, has developed a GDPR eLearning Programme for staff. Staff in all business units are required to complete the online course, which covers the basics of data protection and GDPR, with content tailored and customised to the

Department. There is a short assessment at the end, and participants will be awarded a certificate when they have successfully completed the course.

As referenced in Chapter 2, where the Department does share data with its agencies or external bodies such as the CSO or ESRI, it ensures legal compliance for such sharing. Where personal data is involved, the sharing of data takes account of current legal requirements regarding relationships between data controllers and data processors.

Findings: Records and Data Management

F4.23 Records management: While a more detailed policy for records management is in development, the Department still has some distance to go in improving records management. The roll-out of eDocs is expected to improve this.

F4.24 Data management: A policy for data management forms part of the Data Strategy that is currently being developed. This will be a priority for the new Chief Information Officer for the Department once they are appointed.

F4.25 GDPR: The Department has appointed a Data Protection Officer and has recently rolled out a mandatory training course for staff in order to help raise overall awareness of GDPR.

Recommendations

R4.17 Introduction of eDocs: The Department should continue to prioritise the roll-out and training of eDocs throughout the Department.

R4.18 Housing ICT Project: The Department should ensure that the Housing ICT Project takes full account of all relevant GDPR requirements.

APPENDIX 1: LIST OF RECOMMENDATIONS

CHAPTER 1: LEADERSHIP

R1.1 Meetings of the Management Board: The Management Board needs to remain vigilant in striking an appropriate balance between corporate and strategic issues on its own work agenda. To that end, the Board should ensure that the range of current dashboard reports it receives, together with its regular reviews of “Key Business Priorities”, cover all of the Department’s key business areas, both corporate and policy, as well as details of upcoming events and developments, and any related risks.

R1.2 Involvement of POs in Board meetings: There should be greater line PO involvement (through presentations) at Management Board meetings, particularly on any matters requiring special attention. Depending on the issue involved, the SMF may be a more appropriate forum for discussions of this kind.

R1.3 Meetings of the SMF: There is scope to improve the overall effectiveness of the Senior Managers’ Forum, especially in supporting the Management Board as an enabler of change. The extent to which POs themselves are currently self-directing the work of the Forum needs to be reflected upon, although appropriate guidance from the Management Board would need to continue. Such guidance could take the form of a longlist of research topics (e.g. in the region of 12) from which the Forum would prioritise a shortlist for action (e.g. three topics) over relatively short timeframes (e.g. three to six months). The recent report of the SMF Policy Working Group could also help inform deliberations on the best way to proceed.

R1.4 Town Halls: The Management Board should continue the Town Hall engagement process but should consider restructuring this to seek views from staff on topics that they would like to see included, as well as continuing to use them to focus on a set of specific outcomes.

R1.5 POs: Given the significant staff intake in the last two years, including at PO and AP levels, a management development programme, supported by bespoke training for all newer staff, covering role-specific areas of policy and the Department’s operating environment, would augment key competencies and help with acclimatisation.

R1.6 Organisational charts: As a matter of priority, the Department should complete the projects currently underway to ensure that up-to-date organisation charts are always available.

R1.7 CDT model: *Rebuilding Ireland* represents an exemplar of how best to harness the collective expertise and experience in the development of national policy from across the organisation. The Department should seek to build on this experience through strongly supporting the work of the other CDTs in place, ensuring they have clear terms of reference, and considering if other CDTs are needed to support strong collaboration across the organisation.

R1.8 EU engagement: Supported by a strengthened cross-divisional approach, the Department should leverage the recent appointment of a dedicated Brussels-based EU Attaché to further enhance the critical working relationship with the EU Commission, thereby minimising any challenges arising from the cross-departmental nature of some issues and ensuring Ireland’s position on policy and legislative files continues to be well understood.

R1.9 Communications Unit: It is important that the Department concludes its deliberations on its Internal Communications Strategy so that it can be published, implemented and promoted

among all staff. This will help to promote awareness of the role of the Communications Unit and will result in better overall communication and engagement internally.

R1.10 Shared responsibility: The Department should review current arrangements regarding a single PO having responsibility for both Communications and Facilities Management and decide whether any changes to those arrangements are warranted or not.

R1.11 Communications strategies: The draft internal and external communications strategies should be concluded and published as a matter of priority.

R1.12 Team meetings: A greater focus on embedding a culture of regular team meetings involving all grades should be pursued, particularly given the key role such meetings play in enhancing internal communications.

R1.13 Intranet: The review of the existing intranet, *Doras*, should be progressed as a matter of priority.

CHAPTER 2: POLICY AND STRATEGY

R2.1 Local government strategy: Given that seven years have passed since its introduction, the Department should carry out a review of the implementation of *Putting People First* to evaluate its efficacy.

R2.2 Staff engagement: The Department should explore ways to improve engagement with staff at middle management and junior grades.

R2.3 Macroeconomic capacity: The Department needs to consider what macroeconomic-related resources or service providers it needs for the future, taking account of resources available elsewhere in the system where policies are developed that impact on the housing sector, in order to augment the existing capacity base for the purposes of developing policy, assessing choices and evaluating impacts.

R2.4 ESRI research programme: The Department should develop a successor research programme to the current programme being carried out by the ESRI informed by internal and external consultations and, as with the current programme, underpin it with a formal bilateral agreement.

R2.5 Data strategy: As part of its upcoming data strategy and the development of a new Housing Data ICT System, the Department, in consultation with the CCMA and the LGMA, should make provision for a major modernisation of the arrangements for the collection of data from local authorities in order to enhance the timeliness and usefulness of data when developing policies and assessing their impacts.

R2.6 Standardised data management: The Department should develop standardised processes and procedures for the collection and collation of data across the Department.

R2.7 Inventory of datasets: The Department should compile an inventory of policy-relevant datasets on social housing held by itself, its agencies and other external bodies, including the CSO, and ensure, through a future data needs analysis, that all policy-development supporting data and information required is available to the Department in a timely manner.

R2.8 Review and approval of departmental statistics: The Department's Statistics and Data Analytics Unit (SDAU) should review and approve any statistics being prepared for publication by the Department in relation to any remaining areas where it doesn't already perform this role.

R2.9 Use of unique identifiers: Working with other relevant Departments and agencies, the Department should continue to accord special priority to the increased usage of unique identifiers for policy-making and delivery purposes.

R2.10 Knowledge sharing arrangements: The Department should undertake a review of knowledge sharing between it and its agencies, as part of the establishment of its Research Forum, with a particular emphasis on research which agencies can undertake on its behalf.

R2.11 Appraisal process: The Department should review its appraisal capacity and approach across the organisation to ensure that the model will be appropriately aligned and resourced to meet likely future requirements.

In particular, the Department should review the resources needed to undertake CEAs in line with projected needs under *Rebuilding Ireland* and in accordance with the requirements of the updated Public Spending Code. The future model might best provide for CEAs for major capital projects and programmes to be prepared by the commissioning authority in accordance with centrally-prepared guidance, a technical assessment to be undertaken by the appropriate line business unit, and such an assessment to be then reviewed by an internal Appraisal Unit before submission to the Project Ireland Delivery Office in DPER.

R2.12 Spending Reviews: The Department should develop a programme to follow up on the suite of conclusions and recommendations on data collection, management and gaps set out in the three Spending Reviews on housing completed to date and should incorporate that work into the development of its new Data Strategy.

R2.13 Ex-Post evaluations: The Department should prepare a programme of *ex post* evaluations, including on matters relating to the business of its agencies.

CHAPTER 3: DELIVERY

R3.1 Risk review: The Department should give priority to implementing the findings and recommendations contained in its own internal review of risk. In tandem with that, there is a need to critically assess the content and detail of the current risk register to ensure it appropriately reflects the Department's principal risks.

R3.2 Risk awareness: There is a need to raise awareness among all staff on the identification, management and ownership of risk, including appropriate scoring practices and the development of mitigating factors to reduce risk potential.

R3.3 Audit and risk: The Department should consider inviting the Head of Internal Audit Unit to attend Risk Committee meetings in an observer capacity.

R3.4 Governance: The Department is ideally placed to act as a catalyst for creating the necessary clarity across the wider Government system of the challenges faced by local authorities. Consequently, the Department should consider how it might help build a stronger interdepartmental perspective and more joined-up approaches with other Departments, thereby bringing about a greater understanding among all parties of the complexities and challenges involved.

R3.5 Shared service model: Given the critical role local authorities have to play in delivering the RBI targets and the ongoing challenges many of them are facing in this regard, the establishment of a "shared service" type model through the enhanced Housing Delivery Office is critically

important. The Department and the local government sector should therefore accord this initiative top priority and deliver upon it immediately.

R3.6 Housing Market and Economics Unit: The numbers currently assigned to the Department's Housing Market and Economics Unit are not considered adequate for the range of issues requiring to be dealt with in the future. It is therefore recommended that the Department considers how to increase its capacity in this area.

R3.7 Specific training needs: A bespoke training programme relating to the policy areas for which the Department has responsibility should be developed for new staff to support them in building their capacity for their new roles.

R3.8 Agency knowledge: The Department should be more proactive in tapping into relevant expertise and market knowledge that may exist in some of its agencies.

CHAPTER 4: ORGANISATIONAL CAPABILITY

R4.1 Follow-up to surveys and reviews: The Department should continue to engage with staff on the specific issues identified in the *Civil Service Employee Engagement Survey 2017* relating to performance management, innovation and involvement climate. It should establish clarity around the nature and extent of these challenges as well as mapping out possible solutions.

R4.2 HR function: The HR Unit needs to broaden and deepen awareness among all staff of its business partnering model and should continue to ensure that its HR staff have the necessary skills and expertise to fully support line managers.

R4.3 Implementation of the WELL Strategy: It is imperative that the Department retains a strong momentum in terms of ensuring the various actions under the four pillars are being followed through on. In that respect, it is important that the implementation of the *WELL Strategy* is subject to robust and regular oversight and that there is frequent reporting of progress to all staff.

R4.4 Raising staff awareness: The Department should ensure that the range of positive developments in relation to staff support and development are clearly linked to the *WELL Strategy*. In addition, more work is required to properly promote and bed-in the HR business partnering model, and regular Business Unit meetings would further these aims.

R4.5 Skills audit: In order to enhance the *Career and Capability Framework*, the Department should undertake a skills audit of all of its staff involving a more active role being taken by both the HR Unit and line managers in the identification and prioritisation of Learning & Development investment into the future.

R4.6 Induction: The Department should reflect on the frequency of induction training on an annual basis and consider if the current arrangements are optimal. In order to reflect best practice, it should also keep the relevance and appropriateness of content under regular review.

R4.7 Evaluation of L&D investment: The Department should undertake regular comprehensive evaluations of its L&D investment to ensure that value for money outcomes are being achieved and that staff development initiatives are strategically-focused and targeted at areas of greatest need, particularly in light of the challenges faced due to the retirement cliff.

R4.8 Management Board's agenda and knowledge management: Workforce and succession planning should continue to be regular items on the Management Board's agenda and should also feature as part of the engagement with the SMF. Additionally, there is an urgent need to develop

a comprehensive knowledge management policy to help mitigate and manage the challenges posed by staff departures.

R4.9 Workforce Planning Committee: The Management Board should establish a Workforce Planning Sub-Committee to formalise arrangements on workforce planning and associated reporting to the Board.

R4.10 Mobility and progression: The Department should refresh its internal mobility policy and promote it among staff. The Department should prioritise its actions under its *Career and Capability Framework* as an aid to it to deliver on its objectives and to support staff to achieve their career goals.

R4.11 Performance management: The Department should explore the issues and challenges around making the PMDS system more effective, and consult with DPER accordingly.

R4.12 Grade drift: The Department should explore practices for ensuring clarity in role profiles and effective delegation of work to middle and junior grades.

R4.13 Financial Management System (FMS): The possible impacts of the Department's FMS on its Finance function should continue to be kept under review by the Management Board, especially in regard to any period between the conclusion of supports for Oracle and the adoption of the FMSS.

R4.14 Retained finance function: The Department should set out its vision for its retained finance function as soon as a clear timeline for the roll-out of the new FMSS has been confirmed.

R4.15 Review of ICT infrastructure: The Department should continue to give priority to the successful completion of the ICT Management & Migration Project. This should be reinforced by continued investment to upgrade and modernise its systems and infrastructure including its video-conferencing facilities.

R4.16 Project management: The Department should ensure that the delivery of the Housing ICT Project is prioritised and adequately resourced throughout all the project stages. Additionally, it should give consideration to a wider consultation on data requirements during the scoping phase, particularly with stakeholders that have specialisms in data management, such as DPER, the CSO, the IGEES and the ESRI.

R4.17 Introduction of eDocs: The Department should continue to prioritise the roll-out and training of eDocs throughout the Department.

R4.18 Housing ICT Project: The Department should ensure that the Housing ICT Project takes full account of all relevant GDPR requirements.

APPENDIX 2: STAKEHOLDER ENGAGEMENT

External Interviews

Local Authorities

Donegal County Council
Dublin City Council
Limerick City and County Council
Meath County Council

Agencies / Offices of the Department

An Bord Pleanála
Housing Agency
Irish Water
Local Government Management Agency
Office of the Planning Regulator
Residential Tenancies Board
Valuation Office

Other Stakeholders

Central Statistics Office
City and County Management Association*
Clúid Housing
Construction Industry Federation
Department of the Taoiseach
Department of Public Expenditure and Reform, Vote Section
Department of Public Expenditure and Reform, IGEES
Department of Public Expenditure and Reform, NDP Programme Office
Economic and Social Research Institute
Environmental Protection Agency
European Commission, DG ENV
Oireachtas Joint Committee on Housing, Planning and Local Government**
Permanent Representation of Ireland to the EU***
Peter McVerry Trust

*The CEO of Meath County Council was also Chair of the CCMA at the time of interview.

**Engagement with the Committee was confined to its Secretariat.

***The Review Team engaged with the Attaché from the Department of Communications, Climate Action and the Environment, and separately with senior management at the Permanent Representation.

APPENDIX 3: DEPARTMENT'S DIVISIONS AND BUSINESS UNITS

	Business Units	Agencies and Offices
Division	Corporate and Business Support Services	
	Communications and Facilities Management Departmental Finance and Accounts Franchise Franchise – Electoral Registration Project Human Resources Information and Communications Technology Strategic and Business Support Statistics and Data Analytics Legal Advisors Internal Audit Housing ICT Project and ERDF	Electoral Commission (upon establishment)
Division	Housing Policy, Legislation and Governance	
	AHB Policy and Regulation Building Standards Administration and Housing Legislation Housing Market and Economics Housing Policy Rental Market	Housing Agency Residential Tenancies Board Housing Finance Agency
Division	Housing Delivery	
	Built Environment Advisory Capital Infrastructure and Affordability Unit HAP and Social Housing Coordination Homelessness Social Housing Capital Investment East Social Housing Capital Investment West Social Housing Leasing Schemes Traveller Accommodation Support Housing Delivery Office (part of Department when writing report)	
Division	Planning	
	Environmental Planning Policy Marine Legislation Marine Planning Policy and Development National and Regional Planning Policy Planning Governance and Oversight Planning Legislation and Policy Planning Programme Management	An Bord Pleanála Land Development Agency Office of the Planning Regulator
Division	Local Government	
	Local Government Structures and Modernisation Local Government Finance Local Government HR and Governance of State Bodies Local Government Governance & Elected Members National Directorate for Fire and Emergency Management	Ordnance Survey Ireland* Property Registration Authority* Valuation Office* Local Government Management Agency
Division	Water	
	Marine Environment Water Advisory Unit Water Sector Policy Water Services Governance Water Services Finance Unit Water Quality and Rural Development Programme	Ervia Gas Networks Ireland Irish Water
Division	Met Éireann	
	Aviation Services Forecasting Flood Forecasting Business Continuity and Facilities Management Business Operations Management and Digital Communications Climatology and Observations Technology Research, Environment and Applications Division	N/A

*Ordnance Survey Ireland, the Property Registration Authority and the Valuation Office are to be amalgamated into Tailte Éirean, an Office of State under the Minister with its own Vote.

APPENDIX 4: STRUCTURE OF THE DEPARTMENT

The Department, which comprises seven Divisions and the Local Government Audit Service (LGAS), is led by a Minister, supported by two Ministers of State, and managed by a Secretary General.

Table 1: Leadership and Divisional Structure

Ministers	
Minister	Eoghan Murphy TD
Minister of State – Housing and Urban Development	Damien English TD
Minister of State – Local Government and Electoral Reform	John Paul Phelan TD
Management Structure by Division	
Secretary General	John McCarthy
Corporate and Business Support Division	Fiona Quinn
Housing Policy, Legislation and Governance Division	Paul Lemass
Housing Delivery Division	Mary Hurley
Local Government Audit Service (Director)	Niamh Larkin
Local Government Division	Barry Quinlan
Met Éireann (Director)	Eoin Moran
Planning Division	Maria Graham
Water Division	Feargal Ó Coigligh

STAFFING

In October 2019, the overall staff complement of the Department was 807, representing a full time equivalent (FTE) of 775. This includes three members of staff who are currently on secondment.

The location and age profile of the Department is summarised, by FTE, in the below table.

Table 2: Staff Distribution by Location and Age (FTE)

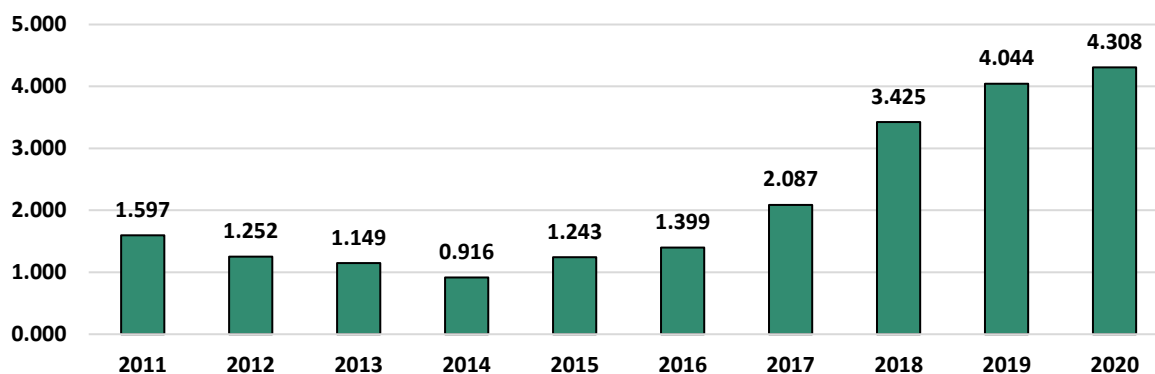
Location	FTE	Age	FTE
Ballina	69.99	Over 55 years	197.93
Custom House	342.16	45-54 years	265.35
Field Staff / Secondments	38.33	35-44 years	216.38
Met Éireann	180.19	25-34 years	84.55
Wexford	144.54	Under 25 years	11

Source: Department of Housing, Planning and Local Government

FUNDING

In the overall Estimate, the Department has experienced significant growth in its funding levels in recent years, with funding increased from just under €1 billion in 2014 to approx. €4.3 billion in 2020, as illustrated in the following chart:

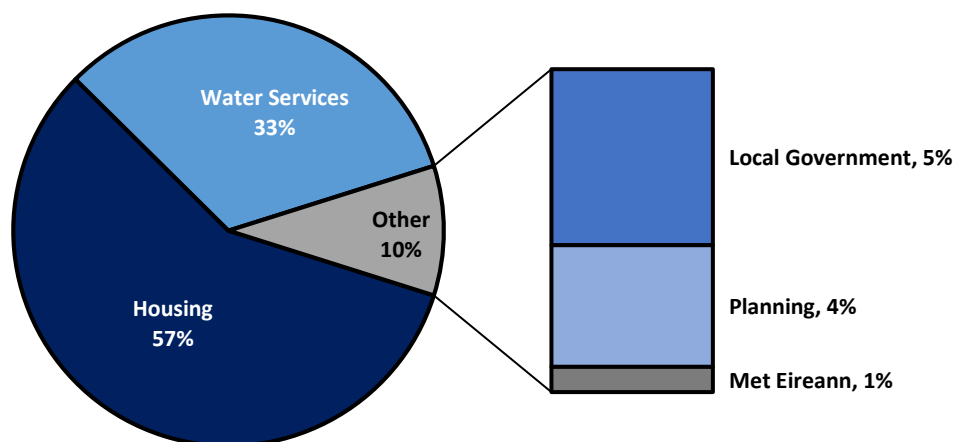
Chart 1: Departmental Expenditure 2011 - 2020 (€bn)



Source: www.wheremyourmoneygoes.gov.ie (includes Valuation Office and Property Registration Authority)

Funding for the Department is allocated across five programmes, with Housing and Water Services receiving in the region of 90% of the overall estimate. The full breakdown across all programmes is outlined in the below chart.

Chart 2: Programme breakdown of the DHPLG Vote in 2019 (approx. percentage of Vote)



Source: 2019 Revised Estimates of Public Expenditure

According to the 2019 Revised Estimate, of the €4,011 million budget it administers in its own right, the Department oversees €1,875 million in current expenditure and €2,137 million in capital expenditure, which is a significant increase compared to previous years. Like overall expenditure, the capital budget of the Department is heavily focused on Housing and Water Services. The overall breakdown is as follows:

Table 3: Current and Capital Breakdown of 2019 Estimate

Voted Expenditure	2018	2019	year on year difference
	€000	€000	%
Capital	1,750,985	2,136,590	22.02
Current	1,642,899	1,874,888	14.12
Total	3,393,884	4,011,478	18.20