



Department of Public Expenditure and Reform

2014 Progress Report

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1. Introduction, Context and Overview

In accordance with the Public Service Management Act 1997, a Strategy Statement for a period of three years is prepared and presented to each Minister. The two overriding strategic priorities of the Department's Statement of Strategy 2011-2014 were:

To manage public expenditure at more sustainable levels in a planned, rational and balanced manner in support of Ireland's economic performance and social progress, and

To have public administration and governance structures that are transparent, efficient, accountable and responsive.

These two priorities are complementary and inter-locking. Driving the reform agenda helps make public expenditure more sustainable and the firm management of expenditure is itself a spur to reform.

The Public Service Management Act of 1997 also requires a report to the Minister on progress in meeting the objectives set out in the strategy statement.

The [Statement of Strategy 2011-2014](#) tasked the Department with a very ambitious programme of change and reform over a short period. This was to take place in an environment that was never more challenging, given the imperative to regain our economic sovereignty, support economic growth, promote employment and maintain social cohesion. This Report sets out how this Department endeavored to meet its objectives under the Statement of Strategy to sustain and support the overall national recovery effort.

2014 saw Ireland's economic recovery continue, the country having successfully exited from the international assistance programme at the end of 2013. A basic foundation for the successful conclusion of the troika programme was the stabilisation of public expenditure to a level that was sustainable and supported by the revenues Government can raise. The sustainability of public expenditure, including that of public sector pay and pensions, continued to be a key focus of the Department's activities in 2014.

The Department continued to deliver significant outputs in fulfilment of the mission and objectives set out in the Statement of Strategy 2011-2014. These are set out in detail in the individual chapters of this report, but some achievements are worth highlighting to give an overall sense of how the department's activity in 2014 supported its strategy:

- (i) Within an environment of greater certainty in the management of the public finances, facilitating the allocation of limited resources to where they could best support essential public services, the Department delivered the expenditure component of Budget 2015 and produced the Comprehensive Expenditure Report 2015-2017; undertook a review of Capital Expenditure (with a draft report to be finalised in Q1 2015) and launched a further (€200m) Exchequer Stimulus Plan in May of 2014. A revised public service numbers policy and new delegated arrangements were devised in 2014 (to be rolled out in 2015). The department also developed a new approach to address Social Housing supply issues, including a new PPP approach to deliver social housing;
- (ii) The Department supported the continued implementation of the Haddington Road Agreement and the Budgetary process. The savings and productivity measures (Over

€460m in HRA Savings allocated in 2014) have delivered a reform dividend which has allowed for targeted staff recruitment;

- (iii) In the area of pensions, the Department supported the implementation of the Single Pension Scheme by relevant bodies and monitored the operation of the FEMPI legislation, providing advice to the Minister on public service pay and pension schemes and related IR issues. The Department was involved in the pension schemes of the Commercial State bodies, including An Post, Coillte, Eircom and An Bord Gais and the operation of the Pensions Insolvency Payments Scheme (PIPS), with three additional schemes in 2014 and the finalisation of two Waterford Crystal schemes to PIPS, as well as continuing to administer pensions (with a throughput of over 2,600 customer cases) and managing expenditure under Vote 12 Superannuation;
- (iv) The Department expanded the Irish Government Economic and Evaluation Service, introducing formal management structures, a CPD programme and staff mobility protocol. The Ireland Stat website was further enhanced to incorporate performance information for 35 Government programmes;
- (v) The Reform and Delivery Office in the Department drove the implementation of the Public Service Reform Plan across the public service with a particular focus on cost reduction and efficiency measures and commenced the development of a new/second Public Service Reform Plan for 2014-2016. The Civil Service Renewal Plan was launched;
- (vi) The Government Reform Unit of the Department continued to progress a very substantial body of legislation to reform our political framework, enhance greater transparency and accountability in Government and help increase public trust in State institutions. These included the Protected Disclosures Act, the Registration of Lobbying Bill and the Freedom of Information Act;
- (vii) The Office of Government Procurement (OGP) continued to integrate procurement in the public service to secure greater value for money in the procurement of goods and services. The OGP Designed and implemented new features on eTenders to improve tender transparency and support SMEs. Eight OGP Category Sourcing teams were established, through an extensive recruitment programme, matching skills & experience to relevant spend portfolios and office locations. The Office identified procurement savings opportunities of €80.3m (to be secured in 2015) across 35 initiatives in five OGP Portfolios;
- (viii) 2014 was a period of change both within Shared Service Centres and the National Shared Services Office. Many obstacles were cleared to advance the Government's agenda of reforming corporate service delivery in the Civil Service. The year saw the successful transition of an additional 10,500 employees from 9 organisations to conducting HR transactions with PeoplePoint, the HR Shared Service for the Civil Service;
- (ix) The Office of the Government Chief Information Officer made substantial progress in developing an ICT strategy for the Public Service, delivered the unified communication (UC) strategy of integrating communications and computing resources and services and established private cloud computing infrastructure as well as facilitating significant improvements in productivity in the department through the development and rollout of IT solutions to business processes;
- (x) The department further developed its governance framework, including the improvement of its risk management and compliance frameworks, through the

establishment of a Governance Sub-Committee of the Management Board and the development of the role of the Chief Operations Officer within the department;

- (xi) The department's Human resources function supported the establishment and ongoing operations of Shared Services Offices, OGP and OGCI0 within the department and managed the introduction of 400 people into the department, both existing public servants transferring from other bodies and new recruits. The unit supported over 600 staff through learning and development in 2014 and increased participation in continuous professional development.

The Department's progress in pursuing the goals, strategies and outputs contained in its [Statement of Strategy for the period 2011-2014](#) are set out in more detail within the thematic chapters of this report.

2. Expenditure Policy and Management

Statement of Strategy 2011 – 2014

- Greater certainty regarding medium-term expenditure levels to facilitate planning, structural reform and delivery in line with overall fiscal targets.
- Strict management of public expenditure each year in line with significantly lower available resources.
- Resources allocated having regard to economic and social outcomes.
- Budgetary process reforms to promote certainty regarding the level and broad composition of public expenditure over the medium-term.
- Adherence to the targets specified in the EU/IMF Programme of Support.

Along with the inter-locking and complementary reform agenda, the achievement and management of a sustainable expenditure framework is core to the Department's mission. In 2014, the Department worked closely with other Departments to ensure the objectives set out in the Statement of Strategy 2011-2014 were achieved. The key achievements of the Department can be categorised as follows:

- Managing the estimates process, resulting in Government agreement to an expenditure aggregate for 2015 which ensured sustainable expenditure in line with Government priorities.
- Management of Voted expenditure within approved ceilings.

Managing the Estimates Process

Ireland successfully exited the Troika programme at the end of 2013. The Department liaised and engaged with the Troika on expenditure matters in 2014 and participated in formal post programme monitoring review meetings and negotiated in relation to end Review statements and reports to ensure Ireland's views were reflected and the reports were in line with the discussions which had taken place.

In 2014, the Department completed a second Comprehensive Review of Expenditure to inform Government decisions on expenditure allocations for the next three year period. The Comprehensive Review of Expenditure is a key element of the Medium Term Expenditure Framework (MTEF), which sets three year funding ceilings on government expenditure and three year ceilings on what each Department can spend. It is a crucial part of public financial management. The overriding function is to ensure that we spend the resources available in the best possible way. The review was led by the Department of Public Expenditure and Reform and involved each Government Department analysing existing expenditure and future pressures. The Department also provided its own supporting analysis. The outcome of the review provided Government with a set of decision options that would serve to:-

- re-align spending with the revised Programme for Government priorities;
- meet overall fiscal objectives; and
- explore new and innovative ways of delivering Government policy in a reformed Public Sector.

Arising from the review, the Department provided advice and options to the Government to inform the 2015 Budget. It set out the proposed allocation of Government financial resources for 2015. These allocations were contained in the Comprehensive Expenditure Report 2015-2017 published by the Department alongside Budget 2015.

In the last quarter of 2014, the 2015 Revised Estimates Volume which set out the 2015 expenditure allocations was published by the Department. The new timetable for publication is in line with new EU rules and consistent with Constitutional requirements meant that the Revised Estimates Volume was agreed and published in a very tight timeframe by year end. The Department engaged with Oireachtas Committees to ensure timely approval of Estimates by the end of 2014. The 2015 Revised Estimates Volume also include performance information for each Vote setting out the key services and activities funded by public resources and high level measures of the context and impact of these services and activities. The pilot *Ireland Stat* website (irelandstat.gov.ie), a public facing public service performance information portal, was also updated and now includes over 1,200 metrics for 35 Strategic Programmes across 11 Ministerial Vote Groups.

Management of Voted Expenditure

Funding for the services and activities of the Government is authorised by the Dáil each year in blocks of expenditure known as Votes. Each Vote is a coherent area of Government expenditure which is the responsibility of a single Government Department or Office. The Department of Public Expenditure and Reform monitors and manages expenditure by individual Votes and analyses and manages overall public expenditure.

In 2014 the Department:

- monitored expenditure trends throughout the year and advised on trends;
- examined and evaluated proposals from Departments and State Agencies on a value for money and resource optimisation basis and advised on whether or not the proposals should be sanctioned;
- managed the process for seeking government approval for a number of Supplementary Estimates to ensure the continued delivery of essential services in particular in the health and justice sectors and to provide for extra capital investment in line with improved budgetary position and
- reviewed and advised in relation to the policy and performance of State bodies.

The Department was responsible for the successful management of expenditure in 10 of the 16 Departments Votes within approved ceilings in line with significantly lower available resources. Resources were allocated having regard to economic and social outcomes, performance and value for money.

The Department continued to include performance based budgeting in the Revised Estimates for Public Services Volume. As a result, the impacts or outcomes that public policy is aiming to influence – health outcomes, public safety, standards of literacy and higher education, energy sustainability, social inclusion and so on – are now set out clearly beside the associated expenditure. The Department will continue to engage with the key stakeholders to continue to help embed performance budgeting into the budgetary process.

The Department also progressed the implementation of the Agency Rationalisation Programme and published a Report on the Programme in January 2015. The Report, based on information provided by each relevant Government Department, found that measures affecting more than 90% of the bodies to be merged or rationalised are now completed. When the remainder are fully implemented there will be 181 fewer bodies operating in the Irish Public Service than in 2011, as a result of the measures taken in the Programme. The Report also found that recurring annual savings of over €15 million are currently accruing to Central Government, with a further €2.8m in once-off revenue arising from the disposal of property. Further annual savings of €9m will be achieved by 2018, as the full year efficiency savings from some of the measures are realised. In total over €24m in annual savings will be achieved when the programme is fully implemented. Further annual savings of over €40m will

accrue to the Local Government sector on foot of the reform and rationalisation of the local authority structures which took place in May 2014. The report can be found on the Department's website at www.per.gov.ie

Public Spending Code

The Public Spending Code is a comprehensive set of expenditure appraisal, Value for Money requirements and related guidance covering all public expenditure. It consolidates existing guidelines, extends the guidelines to cover current expenditure as well as capital investment and introduces new financial thresholds for appraisal and cost benefit analysis.

In 2014, the Department's Central Expenditure Evaluation Unit, which devised and published the new Code in 2013, focused on engaging with other Departments to improve awareness and knowledge of the guidance available and the criteria to be met as set out in the Public Spending Code. The Unit delivered upwards of 14 training and development sessions on the Public Spending Code appraisal and evaluation requirements, including cost benefit analysis techniques. The Unit also provided a session on the Code for NGOs operating in the Community and Voluntary sector, reflecting their position in the delivery of public services and reflecting the scale of public expenditure they manage and spend.

Public Service Numbers

The Department supported optimal resource allocation by agreeing and implementing Employment Control Frameworks with Departments. Overall public service numbers stood at 289,642.87 FTE at end 2014. In line with a commitment made in the Public Service Reform Plan 2014-16, the Department revised overall public service numbers policy in the latter part of 2014 and devised new delegated arrangements for the management of public service staffing which will be implemented in 2015.

Capital investment

The Department launched the fourth and final phase of the Capital Infrastructure Stimulus Plan in May 2014 with the announcement of additional investment of €200m in a range of projects throughout the country. Expenditure on these projects was monitored throughout the year under the arrangements which were put in place in 2013 to monitor stimulus spend.

The Department also commenced a review of the public capital programme in 2014, in parallel with the Comprehensive Review of (current) Expenditure. The purpose of the review was to assess all areas of public capital investment and to refresh the existing investment strategy and multi-annual envelopes to ensure that they are in line with emerging Government priorities and that the limited resources available are focused on the areas that can best support continued, sustainable and equitable growth. Capital allocations for the period 2015 to 2017 were set out in Budget 2015. The report of the capital review, which is currently being finalised, will include these three year ceilings announced on Budget Day along with new ceilings for the period 2018 to 2020.

Improved financial market conditions and Ireland's continued economic recovery have led to a marked improvement in market sentiment towards Irish PPP projects and there are now sufficient funders willing to provide finance to our projects. All projects in the 2012 PPP programme announcement have gone to market and two projects reached financial close during 2014- the Gort to Tuam road PPP and Schools Bundle 4. The successful closure of these projects confirmed that the PPP market is now functioning well again and that accessing funding for Irish projects is longer an issue.

The Irish Government Economic and Evaluation Service (IGEES)

IGEES is a professional economic and evaluation service which aims to build economic and evaluation capacity in the Civil Service and provide high standards of economic and policy analysis to assist the Government decision-making process. It was established in 2012.

IGEES membership grew in 2014 with specialist graduate recruitment to properly resource the new service. IGEES members in Government Departments contributed to the work of the Comprehensive Expenditure Review 2015-2017. As part of the CRE process, a small number of evaluations/policy analysis papers on issues such as the cost of the Public Service and behavioral economics were carried out by members of the Irish Government Economic & Evaluation Service (IGEES) in the Department of Public Expenditure and Reform. The papers are available on the IGEES website at <http://igees.gov.ie/> The IGEES Continuous Professional Development Programme was rolled out in early 2014. The CPD programme consists of a series of integrated training and development streams, drawing on a mix of technical courses delivered in-house (from experts within the Service) and academic courses taught in the universities. The CPD Programme streams are; Policy Analysis and Microeconomics; Government Policy/Governance; Macroeconomics and Fiscal policy; and Econometrics, Data Analysis and Quantitative Methods.

The annual [IGEES Conference](#) on “*Delivering on socio-economic priorities while ensuring budget sustainability*” was held in November to inform the analysis being carried out as part of the development of the Government’s Medium Term Economic Strategy. The event was attended by about 100 people working in Government Departments, the wider public service, academia and various research institutes.

Other Points of Note

National Lottery Licence Transaction

The new National Lottery Licence was signed on 27 February 2014. The licence transaction yielded an upfront payment of €405m for the State. Half of that amount was received in March 2014. The remaining half was received at end November 2014. The new Licence commenced on 30 November 2014 when Premier Lotteries Ireland Limited became the new operator of the National Lottery.

3. International Co-operation: Cohesion Policy, North-South Co-operation and Climate Policy

Statement of Strategy 2011-2014

- Better targeting of public spending in support of enterprise and employment growth.
- Progress with North-South Co-operation

EU Policy

Ireland's Partnership Agreement

Ireland was successful in securing €1.2 billion of EU Cohesion Funding for the period 2014-2020. This represents an increase of 8% in real terms over the 2007-2013 programming period, at a time when the overall EU budget for Cohesion Funding was cut by 8%. Of this €1.2 billion, €951 million is for programmes co-funded by the European Regional Development Fund (ERDF) and European Social Fund (ESF), with the balance being devoted to European Territorial Cooperation (ETC) programmes in which Ireland participates, most notably the PEACE Programme, the Ireland/Northern Ireland/Scotland INTERREG Programme and the Ireland/Wales INTERREG Programme.

The EU/North South Unit successfully negotiated Ireland's Partnership Agreement for the European Structural & Investment Funds with the European Commission. The Partnership Agreement, which constitutes a formal agreement with the Commission regarding the use of Ireland's Cohesion funding, was approved by the Government and the Commission in November 2014. The Partnership Agreement sets out the funding priorities for Ireland's ESI Funds programmes including:

- promoting jobs and growth;
- combating unemployment and social exclusion;
- promoting R&D and ICT investment and the competitiveness of the business sector; and
- promoting an environmentally-friendly and resource-efficient economy.

The Unit represented Ireland in negotiations with the Commission in relation to Implementing and Delegated Acts arising from the EU's Cohesion legislative package in 2013.

Operational Programmes 2014-2020

The EU/North South Unit worked closely with the Border Midlands & Western and Southern & Eastern Regional Assemblies on securing agreement with the Commission on Ireland's two regional Operational Programmes. €409 million of ERDF funding will be used to support total investment of over €800 million in innovation and research, the digital agenda, small and medium-sized businesses (SMEs), the low-carbon economy and an Urban Development Fund. Sub-committees of the National Coordination Committee for the Funds, which is chaired by the Department, were established to commence work on implementation arrangements, including the preparation of national eligibility rules, information and communications guidelines and financial management and control arrangements.

Management of Previous Programmes

The EU/North South Unit continued to oversee Ireland's two regional ERDF Programmes for the 2007-2013 round of funding, which have been managed by the Southern & Eastern and the Border, Midlands & Western Regional Assemblies and which are entering their final phase. The 2007-2013 programmes provided €375 million of ERDF funding to support total investment of €750 million in projects in the areas of ICT, innovation and the knowledge economy, the environment, risk prevention,

accessibility, sustainable urban development and secondary transport networks. Certification work by the Unit resulted in €115 million of EU funding being received into the Exchequer in 2014. The Unit also worked with the Commission on proposals to finalise expenditure under the 2000-2006 Operational Programmes.

North South Cooperation

The EU/North South Unit worked closely with the Department of Finance & Personnel in Northern Ireland (DFPNI) and the Special EU Programmes Body (SEUPB) on oversight of the PEACE and INTERREG Programmes. The 2007-2013 programmes were valued at €333 million and €256 million respectively. Both Programmes are fully committed and projects are contributing to the economic and social well-being of the region and to reinforcing a peaceful and stable society. As with the regional ERDF Programmes, the focus is now shifting to programme closure.

The PEACE IV and the INTERREG VA Programmes for 2014-2020 were submitted to the European Commission in September. Negotiations with the Commission on the new Programmes are underway with a view to having both Programmes launched and operational during 2015. The PEACE IV programme will have a total value of €269 million while the INTERREG VA programme will have a value of €282 million.

EU and North South Policy Coordination

The EU/North South Unit and the Department's attaché in the Permanent Representation in Brussels supported the development of EU-related policy across the Department, including the work of the Cabinet Committee on EU Affairs and related interdepartmental groups. The Unit also supported the work of the North South Ministerial Council and North South Bodies under its aegis, including the Sectoral meetings of the NSMC devoted to the SEUPB as well as the plenary meetings.

Enhanced Evaluation of Climate Policy

The Department continued to influence the lead Departments to incorporate economic evaluation into positioning on climate policy particularly in the context of negotiation of a new climate and energy package for 2030 and domestically in the development of the Low Carbon Development Bill. Climate Policy Expenditure Evaluation Unit completed a paper for the Comprehensive Review of Expenditure which highlighted the cross cutting nature of expenditure associated with policies and international commitments in the climate policy area.

4. Labour Market Activation

Statement of Strategy 2011-2014

- Better targeting of public spending in support of enterprise and employment growth.
- A greater emphasis on labour market activation measures and job creation.

Activation, Education and Training

Throughout 2014 the department continued to act on the Government's prioritisation of long term unemployment, through the renewed Pathways to Work strategy, using this mandate to direct funding and resources towards those who had been out of work the longest.

To this end DPER provided comprehensive analytical insight into the proposed JobPath outsourced activation service for the long term unemployed. This input will result in a better value for money service that delivers clear benefits for clients. DPER continued to press for expedited implementation and secured dedicated engagement with the long term unemployed through Intreo offices in advance of the new service rolling out.

DPER supported the restructuring of the Further Education and Training sector around Education and Training Boards (ETBs) under the strategic direction and funding of SOLAS. In this process DPER successfully pushed for the inclusion of the long term unemployed as a priority cohort in the 5 year SOLAS strategy and associated Implementation Plan. The Department also assisted SOLAS in their efforts to develop a data infrastructure to record inputs, outputs and outcomes, allowing for a move towards a new performance based funding model in 2015.

On the advice of the Inter-Departmental Data Group, chaired by DPER, the Cabinet Committee on Labour Market Issues set a target of over 85,000 places for the long term unemployed on activation and training schemes. Progress against these targets was reported to the Cabinet Committee, along with detailed information on the functioning of the new referral system from Intreo offices to ETBs and the extent of drop outs across activation programmes and FET provision.

At all times DPER promoted a culture of serious evaluation, where programmes spend is rigorously assessed for impact.

5. State Assets

Statement of Strategy 2011-2014

- More effective use of all State assets and management of State assets disposals
- More cost effective investment in key networks of the economy and effective management of State asset disposal proceeds

The State Assets Disposal Programme was brought to completion in 2014, yielding special dividends to the State from the sale of assets by BGE and ESB of about €350m in 2014, and approximately €1.4 billion in total over 2014-2016, which will be available to support stimulus measures, to reduce Ireland's debt burden, and also to establish an off-balance sheet funding vehicle to fund approved housing bodies as part of the Government's Social Housing Strategy.

Bord Gais Energy Sale

The Bord Gais Energy sale successfully completed in June 2014, achieving a gross enterprise value for the business of **€1.12bn** and yielding special dividends of approximately €1b for the Government over the period 2014-2016. Ervia paid an initial special dividend of **€150m** to the Government in July 2014, which was the maximum amount that could be paid at the time, pending completion of an internal re-organisation and the establishment of the Gas Networks Ireland subsidiary in accordance with the Gas Regulation Act 2013, which involves the transfer of Ervia's debt facilities and renegotiation of its debt covenants.

The remaining dividends will be paid over time, in a prudent manner that protects Ervia's investment grade credit rating, with the next instalment (approximately **€480m**) expected in early 2015, once the establishment of Gas Networks Ireland has been completed. The final remaining proceeds are expected later in 2015 or in 2016.

ESB Asset Sales

The Exchequer received over €197m in special dividends from ESB in 2014, as a result of the disposals of its 50% shareholdings in two overseas assets in the UK and Spain.

In July 2014, ESB announced that it will pay a further €200m (expected in early 2015) to the Exchequer, representing a realization for the Government of the value of ESB's two midlands peat plants. However, rather than disposing of these assets, as originally intended, ESB now intends to fund the required special dividend by drawing down additional debt from its existing bank facilities, with the future cash-flows resulting from the retention of the assets then being available to ESB to support the additional funding requirements arising from payment of the special dividend.

This decision was taken by ESB followed detailed analyses undertaken in preparation for the planned sale, which indicated that it would be financially more beneficial, for both ESB and the shareholders, if ESB was to retain ownership of the plants and fund the remaining special dividend in this way. The result is that the cash-flows from the assets are now to be utilised in a different manner, to yield an overall better financial result, but with the substance of the approach being the same as if the assets had been sold.

Progress on Restructuring of Coillte

Significant progress was made in 2014 on implementing the planned restructuring of Coillte as agreed by Government in June 2013, which included:

- the commencement of the sale of Coillte Telecoms and some wind energy assets;
- reaching agreement on implementation of a partial merger of Coillte and Bord na Mona, focusing on the biomass, wind energy, shared/support services and recreation & tourism businesses of the two companies; and
- approving and commencing implementation of a major investment of €59m in Coillte's SmartPly business.

NewERA

Legislation to establish NewERA on a statutory basis, as adviser to the Minister for Public Expenditure and Reform and other relevant Ministers in relation to the corporate governance and shareholder management of the commercial State companies in the NewERA sectors of energy, telecommunications, water and forestry, and also to establish the Irish Strategic Investment Fund within the NTMA, was agreed with the Minister for Finance and enacted in 2014.

6. Political Reform

Statement of Strategy 2011 - 2014

- A more accountable public service and more effective administrative and democratic structures.
- Improving Structures and norms of administrative governance and democratic accountability.
- Legislation prepared in line with Government's programme for more effective democratic structures.

Regulation of Lobbying Bill 2014

The Regulation of Lobbying Bill 2014 (previously entitled Registration of Lobbying Bill 2014) was published on Friday 20th June 2014. The purpose of this Bill is to establish a web based register of lobbying activity and to deliver appropriate transparency on "who is contacting whom about what". The Bill is specifically designed to achieve this goal through the establishment of a web based registration system of lobbying activity. The passage of the Bill through the Houses commenced in 2014 and Committee Stage in the Dáil was passed on 25th November 2014. It is intended that the Bill will be enacted early in 2015 with commencement of the Act projected to be in mid-summer 2015.

Protected Disclosures

The Protected Disclosures Act 2014 became operational on 15th July 2014. The Act is intended to provide a robust statutory framework within which workers can raise concerns regarding potential wrongdoing that has come to their attention in the workplace in the knowledge that they can avail of significant employment and other protections if they are penalised by their employer or suffer any detriment for doing so.

Data-sharing

In August 2014 the Department of Public Expenditure and Reform published a policy paper entitled, "Data Sharing and Governance: Policy Proposals", which set out the key elements of the Data Sharing and Governance Bill. Interested parties were invited to make submissions responding to the policy proposals. The Department received many constructive submissions, which have contributed significantly to the development of policy on Data-Sharing.

In November, a public information event was held to discuss the outcomes of the consultation. The event was addressed by Robert Watt, Secretary General of the Department of Public Expenditure and Reform; Helen Dixon, Data Protection Commissioner; and Daragh O'Brien of Castlebridge Associates. This event allowed for useful discussion of the main policy issues from different perspectives.

Statute Law Revision Programme

A decision was made to split work on Pre-1948 Instruments into separate Bills. The first, the Statute Law Revision (Secondary Instruments) Bill, will revoke all secondary instruments created up to and including 1820. This Bill will revoke all secondary instruments applicable to Ireland made before 1820, apart from those specifically retained by the Bill. The Bill identifies 4,500 instruments to be revoked, which are listed for information purposes in the second schedule of the Bill. 38 instruments set out in the first schedule are to be retained.

As part of its work the Statute Law Revision Programme in 2014 initiated a public consultation to seek comments from all interested parties on the revocation of secondary instruments created up to and including 1820.

State Boards

Following its meeting of 30th September, the Government announced a revised model for ministerial appointments to State boards. From November 1st all appointments to State boards must be advertised openly on the State Boards portal, stateboards.ie, which is operated by the Public Appointments Service.

The Government at its meeting on 25th November 2014, agreed the publication of “Guidelines on Appointments to State Boards” to assist Departments in implementing the new arrangements for appointments to State Boards. These guidelines were prepared by the Department of Public Expenditure and Reform following consultation with the Public Appointments Service, other Government Departments and interested parties and provide detailed guidance on the appointments process, including issues related to diversity.

ePMDS

In early 2014 the new electronic “ePMDS” system was rolled out to all Departments in PeoplePoint. ePMDS provides a much simpler PMDS process to jobholders and managers:

- Pre-populating fields
- Drop-down menus
- Hints and tips on how to complete the form
- Paperless transmission between Employees and Managers
- Easy access to all your records from 2014 onwards

Resumption of Open Recruitment

In Budget 2015, a targeted programme of recruitment into the Civil Service to address service needs and a shortfall in key skills was announced. In 2014 open competitions have taken place for a number of Civil Service grades:

- Clerical Officer with an expectation of approximately 300 recruits
- Executive Officer ICT Specialist
- Executive Officer General Service
- Administrative Officer - Graduate Economist and Administrative Officer General Service.

Freedom of Information Act 2014

The Freedom of Information (FOI) Act 2014 which effectively reverses the restrictions to FOI introduced in 2003, extends FOI to all public bodies and introduces a number of important reforms, including a completely new FOI fees regime and a move to publication schemes and more proactive publication of information outside of FOI, was enacted on 14 October 2014. A new Ministerial order on FOI fees was made on 16th October 2014.

FOI Draft Code of Practice

Following an extensive implementation of FOI review process in 2013, a comprehensive Code of Practice was published in late 2014 in tandem with the enactment of the FOI Act 2014. This was followed by the development of new FOI guidelines, manuals and sample letters to assist public bodies in processing requests and these are available on the new FOI website which has been developed (www.foi.gov.ie). Further related work will continue in 2015. The FOI networks were recommenced and a number of briefing seminars were provided by the Department for public bodies on the new FOI Act and on the Code of Practice. The FOI Central Policy Unit continued to provide support and expert advice to users and public bodies throughout the year.

Ethics

A substantial review of the existing ethics legislative framework was concluded in 2014, including consideration of the recommendations of the Mahon and Moriarty Tribunals and other relevant

recommendations, as well as international best practice. A draft General Scheme of a Bill for a comprehensive, reformed and modernised Public Sector Standards Bill was completed and it is expected that it will be submitted to Government for consideration early in 2015. The Department also contributed to Ireland's response to evaluations under UN Convention against Corruption, the EU's Anti-Corruption report, the OECD Working Group on bribery and Council of Europe Group of States against Corruption (GRECO) 4th round evaluation on Corruption Prevention in respect of parliamentarians, judges and prosecutors.

Open Government Partnership/Open Data

Ireland became a full member Open Government Partnership (OGP) which aims to support transparency, empower citizens, combat corruption and use new technologies to strengthen governance. Ireland hosted the OGP Europe Regional Meeting in May and published its first OGP National Action Plan (NAP), in July 2014. The 26 measures in the NAP span concrete actions in three areas: Open Data, Citizen Participation and Strengthening of Governance and Accountability.

Implementation of the Open Data actions will lead to more open, transparent and accountable government and has the potential to reap significant benefits. Significant progress was made in 2014 in furthering the Open Data Initiative. Measures include development and launch of an alpha Open Data portal in July 2014 and publication of research conducted by Insight Centre for Data Analytics @ NUIG on behalf of the Department. Meetings with public bodies and the general public took place during the second half of 2014. The first of the governance structures – a Public Bodies Working Group (PBWG) - supporting the Open Data Initiative was initiated in Q4 2014. The PBWG meets on a monthly basis and its main purpose is to advise the Department on the technical framework required to support Open Data. Further collaboration activities in 2014 included engagement with Open Knowledge Ireland (OKI) to consider opportunities to promote the use of open data; and with Academics in UCC to discuss options for Open Data Licences. Ireland's successful application in 2014 to participate in a proposal for an EU Horizon 2020 YourDataStories project over the next few years will help create awareness and support use of published datasets. At a cross-border level, the Ministerial pledge to work with NI counterparts provides opportunities for knowledge sharing between the two Administrations, and for further all-island Open Data initiatives.

7. Public Service Reform, Civil Service Renewal and Public Service Management

Statement of Strategy 2011-2014

- A significantly smaller, less costly and more productive Public Service, which is better managed and focused on achieving the best results and outcomes for the citizen.
- A more accountable Public Service and more effective administrative and democratic structures.
- Driving a comprehensive programme for the reform of the Public Service.
- Effective delivery of the Public Service Reform Plan 2011.
- Strengthened HR Practices, including performance management and workforce planning in the civil and public service.

The focus for the Reform and Delivery Office (RDO) in 2014 was on the development and implementation of the Public Service Reform Plan for 2014-2016, which was published in January, 2014. This is the Government's second Reform Plan and builds on the progress made to date in implementing the first Reform Plan, published in November, 2011.

As the first phase of the reform programme was devised against the backdrop of the fiscal crisis, it was necessarily focused on ways to consolidate and reduce costs, eliminate duplication and improve expenditure controls. The new phase of reform has the ambitious goal of building a Public Service that will have positive outcomes for all stakeholders, including citizens, businesses and public servants themselves. This is about improving public services while continuing to achieve greater efficiency in how those services are delivered. The key priorities of the Reform Plan, on which we are making good progress, include: the use of alternative models of service delivery and better engagement with customers; making maximum use of digitalisation and open data to deliver services and information in innovative ways; utilisation of the 'reform dividend' to support service improvements; and greater openness, transparency and accountability.

Also published in January, 2014, was the Second Progress Report on Public Service Reform. It is clear that the Civil and Public Service has made a very significant contribution to our recovery. Good progress has been made on reform in terms of reducing costs; improving productivity; more online delivery of services; development of shared services; and putting in place the structures to reform public procurement and property asset management, to name just some areas.

The RDO supported the development of 21 Integrated Reform Delivery Plans (IRDPs) for 2014 from major Sectors, Departments and Offices. These plans set out how Departments and Offices will implement the cross-cutting reforms in the Public Service Reform Plan, as well as organisation and sector specific reforms, and plans for the implementation of the Haddington Road Agreement. The RDO also developed, with the OGClO, a new online reporting tool to facilitate reporting by Departments and Offices on those plans – quarterly for the main sectoral Departments and every six-months for other Departments and Offices.

Further development of the Reform Office Portal was undertaken in 2014, to support and facilitate the implementation of change for public servants in all sectors. This was aided by a range of presentations to groups of public servants throughout the year, and the circulation of seven issues of the reform newsletter to portal subscribers (of which there were more than 800 at the end of 2014).

As part of its work in promoting the Quality Customer Service initiative across the Public Service, the RDO held three meetings of the Quality Customer Service Officers' Network in 2014, as well as the

annual Quality Customer Service conference in December 2014. The RDO completed and published a report on its Review of Customer Charters and Action Plans in the Civil Service and organised the provision of Plain Language training (four iterations) for Departments and Offices.

The RDO also developed its sharing of best practice with other jurisdictions and international bodies during 2014. This included the organisation and hosting of, and participation in, events with the UK Cabinet Office and the Northern Ireland Civil Service, as well as extensive engagement with other visiting delegations and the OECD.

Alternative Delivery Models Unit

During 2014, the Unit assisted Civil and Public Servants in making appropriate use of External Service Delivery (ESD). Support was provided to projects like the Housing Assistance Payment (Department of the Environment), Jobpath (Department of Social Protection) and the Quarterly National Household Survey (Central Statistics Office).

The Unit received detailed evidence-based ESD plans from the last remaining Government Departments, as well as the Houses of the Oireachtas Commission, during 2014. The purpose of these plans is to drive efficiencies and reduce costs, whilst simultaneously protecting the quality of services to the public. The Unit furnished advice, where necessary, to the relevant Departments in order to assist in the evidence-based approach to externalising any business processes and in preparing their ESD plans. These plans and their contents were under deliberation at year-end, pending submission to Government.

A programme of learning and development was continued during 2014 and a specially-tailored two-day training course was delivered to scores of public sector managers who are responsible for ESD in their organisations. Furthermore, the Unit tendered for the provision of further technical and specialist training in the area of ESD to be delivered in 2015 and into 2016. In addition to this, the Department published a third edition of an ESD handbook and made available a number of resources/tools for managers to use; in order to assess and measure whether potential projects are viable and suitable for external delivery.

The Unit is involved in examining how a number of Civil/Public Service bodies manage debt that is owed to them. During 2014, a tendering process saw the appointment of a programme leader to refine and test a number of prior recommendations on how certain State bodies can make synergies, efficiencies and cost reductions in delivering effective debt management.

The Unit also facilitated a conference on behalf of three Government Departments on the way in which the State funds the Community and Voluntary Sector in Ireland. Related to this, the Unit also engaged on behalf of the Department in a funding initiative concerning a data collection, interrogation and reporting system for the not-for-profit sector in collaboration with Atlantic Philanthropies (INKEx project).

Debt Management

During 2014, this Unit published a review of debt management performance across five sectors; the HSE, Local Government, Department of Social Protection, Department of Agriculture, Food and Marine and the Courts Service. The BearingPoint Review contains a number of cross-departmental and department/sector specific recommendations. A new Chair has been appointed to the Project Board, which will drive and monitor the implementation of these recommendations and a Programme Leader has been engaged to lead the delivery of debt collection reforms.

Accountability

In January 2014, following the publication of the Department's Consultation Paper on Strengthening Civil Service Accountability and Performance, the Minister for Public Expenditure and Reform appointed an Independent Panel to oversee and manage the public consultation process, review submissions received and following their own analysis and assessment make recommendations for his consideration. On 30 May, the Independent Panel furnished their report to the Minister. This report sets out the Independent Panel's recommendations to strengthen civil service accountability and performance. Recommendations from the Independent Panel Report have been integrated into the Civil Service Renewal Plan. These include the establishment of a Civil Service Accountability Board chaired by the Taoiseach and with external membership, introduction of a performance review process for Secretaries General, and publication of 'who does what and to whom they are answerable' for senior managers. The underlying focus of the Independent Panel's report to strengthen public trust in the administrative system and to ensure faster and more responsive policy delivery across the Civil Service is now reflected in the Civil Service Renewal Plan.

Civil Service Renewal

Intensive work continued in 2014 to develop a major change programme for Civil Service Departments and Offices and their staff. The Programme Team continued to provide support to the Civil Service Renewal Taskforce which met 10 times in the year. The Team developed and managed a major consultation and engagement process involving 2,000 staff and other stakeholders. This included implementing a targeted communications strategy to support the renewal programme including a renewal portal allowing for an online resource and ideas channel for staff across the Civil Service. In addition, a series of regional Townhall meetings and other renewal seminars were held to give staff an opportunity to have their say. Engagement also took place with all Government Ministers, the Senior Public Service (SPS) and with experts from the OECD. The Taskforce also liaised with the Independent Panel on Strengthening Civil Service Accountability and Performance.

The engagement process informed the development of a Civil Service Renewal Plan which integrated the work of the Independent Panel on Strengthening Civil Service Accountability and Performance with the work of the Civil Service Renewal Taskforce.

The Civil Service Renewal Plan was approved by the Government and subsequently launched by the Taoiseach and Minister for Public Expenditure and Reform on 30 October 2014. The Plan outlines 25 practical actions that will create a more unified, professional, responsive, open and accountable Civil Service that can provide a world-class service to the State and to the people of Ireland. In addition to the Plan, an evidence base detailing Civil Service profile data and a Report of Staff Feedback prepared in association with the CSO were also published. Implementation planning for the initial priorities set out in the Civil Service Renewal Plan and overall programme planning for the Plan commenced towards the end of 2014 and the Programme Team supported the inaugural meetings of the newly established Civil Service Management Board.

Government Accounting

The Department is responsible for developing policy and advice on risk management, financial management and internal audit. In 2014, the Department produced guidance in a number of areas, notably on Public Bank Accounts, on Accountability for Grants from Exchequer Funds, on the preparation of Appropriation Accounts to assist Departments in their preparation of the annual accounts and Audit Committee guidance. The Department also undertook a review of the legal requirements for the transition to accrual based accounting.

A Governance subgroup established in 2013 for the development of guidance on the governance aspects of the Internal Audit Standards reported during 2014 with associated guidance on the audit of governance circulated to Internal Audit Units.

Finally, the Department continued its coordination role for the Public Accounts Committee, its advisory role to Vote Sections, Departments and the C&AG, and provided continuing support to the Finance Officers Network and the Heads of Internal Audit Forum. The Department also issued a number of warrants during 2014 for the appointment of Secretary Generals as Accounting Officers.

Senior Public Service (SPS)

The Senior Public Service (SPS) aims to promote a more integrated public service at senior levels and to strengthen the senior management and leadership of the public service. In 2014, the SPS continued to rollout out the Leadership Development Strategy 2013-2015, which was published in early 2013. The key objectives of the strategy are to:

- Build individual and organisational leadership capacity
- Create sustainable networks of learning and support across SPS
- Support development of collaborative culture
- Provide a mechanism to support the matching of skills
- Support individual development through mobility
- Identify and develop the leaders of the future SPS

The SPS Executive Coaching programme expanded to include heads of the non-commercial state agencies. 52 senior civil servants and CEOs of non-commercial state agencies signed up to participate in the second tranche of the programme. Feedback on the coaching has been extremely positive, based on evaluations by participants.

The SPS continued to manage the mobility process for SPS members. Three SPS members changed roles via mobility in 2014. Cross Departmental mobility broadens the skills and experience of civil service leaders and Departmental management boards. It encourages continuous professional development and provides management boards with a fresh perspective.

The SPS develops a range of specific skill and competency related courses and broader development programmes for senior managers. In this context, the SPS piloted a communications course designed to develop SPS members in communicating and constructively engaging with external stakeholders. 20 participants from a range of Departments and non-commercial state agencies attended the course.

The SPS also held five networking events in 2014, including the Assistant Secretary Network Annual Conference held in April. Networking events encourage collegiality, shared values, and the informal sharing of knowledge and experience between SPS members. Topics discussed at the events included accountability, communication strategies, and civil service renewal.

Workforce Planning

Strategic workforce planning and management of human resources are essential to ensure Departments and Offices maintain and optimise their capacity for service delivery. The Civil Service continued the strengthening and development of its Workforce Planning HR practices in 2014 through the following strategic HR actions:

- The establishment of a Workforce Planning Network, which facilitates the provision of development and support among HR staff from Departments and Offices across the Civil Service.

- Consultation to update Workforce Planning Guidelines and Data Templates to reflect new requirements and policies.
- Co-ordinated with Expenditure Management Unit in relation to delegated sanction to Departments and Offices for staff resourcing up to Principal Officer level.

Civil Service Employee Assistance Service (CSEAS)

The CSEAS is a centralised service providing employee and manager supports across the Civil Service on a regional basis. It contributes to the ongoing development of a resilient workforce, thereby positively impacting on organisational effectiveness. Service provision continued in 2014 with a 25% increase in usage over 2013. An analysis of a service user survey, carried out in late 2013, informed the 2014 business plan in relation to service delivery, communications policy and forward planning.

An information guide on mental health in the workplace was published in 2014, as a cross departmental initiative to highlight and enhance awareness of issues arising in this area. This initiative will continue into 2015 with the delivery of information sessions on mental health in the workplace. A communications strategy was implemented during 2014 to further embed the CSEAS across the Civil Service and to enhance stakeholder linkages.

Civil Service HR Policy Unit

New public service sick leave scheme.

A key achievement in 2014 was the introduction of the new public service sick leave scheme. The rationale behind the introduction of the new scheme is to cut the cost and incidence of sick leave across the public service and to increase productivity.

The new Regulations, which set out the provisions of the scheme, were made and from the end of March 2014 there has been a significant reduction in access to paid sick leave for public servants.

Since the introduction of the new scheme significant progress has been made on the implementation of the new scheme and the standardisation of sick leave provision and metrics across the public service.

New bullying and harassment policy

A new bullying and harassment policy was finalised in 2014 – Dignity at Work. The new policy sets out the procedures under which a staff member can take a complaint of bullying or harassment in the work place. The new policy, which will be formally launched in early February 2015, was designed following a comprehensive review of the process. The policy is more streamlined and user friendly. The new policy emphasises the importance of informal dispute resolution methods in the workplace, such as mediation, on the basis that the outcomes are far better for both the individuals and the organisations concerned. An implementation framework has been put in place including the establishment of a panel of external investigators to reduce the time frames associated with an investigation; training and ongoing support for departmental staff involved in managing investigations; development of standardised Key Performance Indicators to monitor the implementation of the new policy.

Retained Human Resources Project 2014

During 2014, eighteen Public Service Bodies (PSBs) transferred their transactional Human Resources business to the HR Shared Services Centre (PeoplePoint). The HR Policy Unit supported these bodies throughout this transition process. The RHR unit provided an essential interface with the individual HR Units and facilitated, through restructuring, a reduction in staff numbers working on transactional HR in local HR Units. The changing landscape in terms of structure and function across the civil service sector is being monitored and will support better human resource management across the civil service.

8. Industrial Relations and Sustainable Public Service Pay and Pensions

Statement of Strategy 2011-2014

- A significantly smaller, less costly and more productive public service which is better managed and focused on achieving the best results and outcomes for the citizen.
- Engaging proactively with staff interests on reform of employment practices, while supporting industrial peace in the public service.
- A sustainable reduction in the cost of the overall public service payroll.
- Effective implementation of the Public Service Agreement 2000-2014.
- Sustainable improvement in the long term sustainability of public service pensions.

The ongoing focus of the Department for 2014 has been to build on the reductions achieved in the cost of running the public service through addressing the remuneration (pay and pensions) received by serving and former public servants and reducing the numbers of public servants employed. Measures taken under the Public Service Agreements have, at the same time, delivered improvements in productivity, helping to sustain the same or greater levels of service. This has continued to feed directly into the work of securing the country's fiscal position and meeting budgetary targets, both in the near term and over a longer time horizon, particularly on the cost of paying pensions to former public servants.

Haddington Road Agreement 2013-2016

The Haddington Road Agreement, which came into effect on 1 July 2013, for 3 years, provides for significant productivity and reform measures which make it a key enabler for cost reduction in the public service and the delivery of the next phase of the Government's ambitious public service reform agenda. The Haddington Road Agreement is comprised of a number of central measures, which required legislative changes, relating to pay reductions and increments, and increases in working hours across the public service, and a series of sectoral measures such as; reductions in overtime rates, premium rates and non-core payments, changes to other sectoral work practices, and revisions to supervision and substitution payments.

In recognition of the complexity of the Agreement and the underlying FEMPI legislation the Division continued to drive, coordinate and support the implementation and interpretation of the Agreement in a consistent manner across the entire public service through 2014. Support was also provided to the oversight group, comprising of the representatives of the Public Service Management and the Public Services Committee of the ICTU, which was set up in 2013 and met regularly over the course of 2014 to address matters of implementation and interpretation that arise under the Agreement.

The Agreement continues to contribute to the maintenance of our public services at a time of significant resource constraints and is facilitating the delivery of vital public services at a time when demands on those services have never been greater. The cost reductions and productivity increases which the Agreement has facilitated have also allowed the Government the scope to recruit additional staff to key frontline services. This reform dividend will help sustain the public service reform agenda by re-investing some of the efficiency savings we are delivering into improved services. In addition industrial peace in the public service has been secured at a critical time on our path to economic recovery.

Travel and Subsistence Review in accordance with HRA

The Haddington Road Agreement notes that the Government intends to review travel and subsistence arrangements and committed the parties to cooperating with the review and implementing standardized arrangements across the public service.

Negotiations with the civil service unions have been ongoing during 2014. It is anticipated that the review should be completed in early 2015.

Industrial Relations Statutory Amendments

Legislative amendments have also been included in the Workplace Relations Bill 2014 providing for (i) an amendment to the FEMPI legislation to remove enabling provisions that were rendered unnecessary by the success of the Haddington Road Agreement, and (ii) an amendment to the Industrial Relations Act 1990 which will facilitate access to and the inclusion of civil servants in the normal industrial relations machinery of the State.

Actuarial Review of Public Sector Pensions Liability

An actuarial valuation was carried out to update the accrued liability in respect of Public Service occupational pensions. The key result of the exercise is that the total accrued liability in respect of Public Service occupational pensions is now estimated at €98bn as at December 2012. This compares with the previous estimate of €116bn for 2009. Therefore, over the three years from 2009 to 2012 the liability has fallen by €18bn or by 16%. The main reasons for the reduction were the pay and pension cuts since 2009 and the freeze in pay and pension rates until after the Haddington Road Agreement.

Single Public Service Pension Scheme

The Single Public Service Pension Scheme provided for under the Public Service Pensions (Single Scheme and Other Provisions) Act 2012 commenced on 1st January 2013. The Scheme represents the most significant reform in public service pensions since civil service pensions were provided for in legislation for the first time in 1834. It applies to all pensionable first-time entrants to the Public Service, as well as to former public servants returning to the public service after a break of more than 26 weeks.

This Single Scheme targets very substantial long-run savings of about one third of pension outgo, with foreseen savings mainly deriving from career-average (not final-salary) pension accrual, inflation (not pay) linkage of benefits, and higher minimum pension age (effectively 68 years for most new joiners). Implementation of such a significant reform in public service pensions has continued to require a very significant input of implementation support by the Division to all sectors of the public service.

There were several incremental developments concerning the Single Scheme in 2014:

- Following a large scale survey of pension administration across the public service, a baseline report on the current administration of the scheme was concluded.
- An interdepartmental programme board was established to consider and decide on the optimal future administration of the Scheme, in particular focusing on the possible roll-out of a central administration element.
- A Circular (DPER Circular 11/2014) was issued providing guidance for employers on operational aspects of the Scheme, in particular the calculation of benefits and the preparation of member benefit statements
- Progress was made towards the establishment/ elaboration of Scheme rules concerning the Transfer in/ Purchase of service and early retirement on medical grounds.

Model Pension Scheme for Non-Commercial State Agencies

Revised administrative arrangements for the establishment/approval of pension schemes in non-commercial State agencies (which provide benefits for employees recruited before the introduction of the Single Public Service Pension Scheme), were put in place in 2014. As part of the new arrangements, an updated, standardised set of Superannuation Rules was incorporated in a Statutory Instrument - S.I. No. 582 of 2014 - RULES FOR PRE-EXISTING PUBLIC SERVICE PENSION SCHEME MEMBERS REGULATIONS 2014. The revised arrangements will contribute to greater administrative efficiency, reduce costs associated with the preparation of such schemes, and assist in the development of a more coherent general public service pension structure.

North-South Pensions Scheme (Hutton Reforms)

Revised contribution rates were introduced for Northern members of the North-South pension scheme from 1 July 2014, in line with reforms recommended by Lord Hutton for the Principal Civil Service Scheme (Northern Ireland). Negotiations concluded at the Labour Relations Commission in August 2014 concerning the application of revised arrangements to Southern members. It was agreed that Southern members would have the option of remaining with the North South Pension Scheme subject to "Hutton" reforms or returning to "Reserved Rights" status. The changes will apply for relevant Southern Members of the North South Pension Scheme with effect from 1 April 2015 and will assist in ensuring the long term sustainability of the scheme.

Supports for the Democratic System

As part of the Government's overall political reform agenda, the Oireachtas (Ministerial and Parliamentary Offices) (Amendment) Act 2014 was signed into law in April. It provided for a 10% reduction, with effect from 1 July 2014, in the cost of the Parliamentary Activities Allowance payable in respect of political party expenses (formerly known as the Party Leaders Allowance), representing an estimated full-year saving of €0.84 million per annum. Furthermore, the Act introduced improved reporting and auditing measures for parliamentary leaders and extended those measures to independent members of the Oireachtas in receipt of the allowance. It also provided for the Standards in Public Office Commission to have a greater role in the reporting process in relation to expenditure from the allowance. In addition to the changes in relation to the Parliamentary Activities Allowance, and in accordance with the Programme for Government, the Act also provided for the abolition of severance payments to Ministers and other Parliamentary Officeholders. Consequently, current and future Officeholders will no longer receive such payments at the end of their term of Office.

9. Office of the Government Chief Information Officer & eGovernment

Statement of Strategy 2011- 2014

- Making more Government services and data available electronically, and managing and sharing data and services better, for targeted service delivery for all users of public services.
- Delivery of the Government ICT and eGovernment programme.

The Office of the Government Chief Information Officer was established in July 2013, replacing the Centre for Management and Organisation Development (CMOD) as a Division of the Department of Public Expenditure and Reform. Its role is to lead the cross-organisational CIO Council in devising and implementing an ICT Strategy for the Public Service, to lead on cross cutting Public Service ICT policy and systems, and to provide a range of ICT services to its immediate customer base - D/PER, D/Finance, the National Shared Services Office and the Office of Government Procurement. This section provides a summary of activities during 2014 under the Statement of Strategy 2011-2014. Achievements and other progress relate to both principal goals of the Statement of Strategy, viz:

- To manage public expenditure at more sustainable levels in a planned, rational and balanced manner in support of Ireland's economic performance and social progress.
- To have public administration and governance structures that are transparent, efficient, accountable and responsive.

Strategy Development and Implementation Management

OGCIO is responsible for developing and coordinating ICT-related strategy for the Civil and Public Service. 2014 activities relating to strategy development and implementation management include:

- Development of the Public Service ICT Strategy.
- The CIO chaired and provided the secretariat for the CIO Council, the work of which focussed on supporting the development of the Public Service ICT Strategy.
- Completed an overview of eGovernment progress in advance of preparation of the Public Service ICT Strategy.
- Initiated an ICT base-lining exercise to better understand the current ICT landscape across the Public Service.
- The expansion of the CIO Office is underway to enable it support and drive the implementation of the Public Service ICT Strategy. This includes enhancing its operations, development and programme management capacity.

Website Development & Design

OGCIO provides technical support and guidance to its service users across a range of areas including websites. Work during 2014 included:

- Ongoing support for over 50 websites
- Redesign and development of
 - the CMO website – (<http://www.cmo.gov.ie>)
 - the FOI website – (<http://www.foi.gov.ie>)
- Redevelopment of the main Senior Public Service website and its members area – (<http://www.sps.gov.ie>)
- Development of:
 - the Budget 2015 website – <http://www.budget.gov.ie/Budgets/2015/2015.aspx>
 - the Irish Government Economic and Evaluation Service – <http://igees.gov.ie/>

- the State Boards' website membership area - <http://membership.stateboards.ie/>
- the Reform Plan website - <http://www.reformplan.per.gov.ie/> and,
- the Public Service ICT Strategy website - <http://ictstrategy.per.gov.ie/>

Systems Development

The Systems Development Section in the OGCI0 was responsible for the rollout of the following systems/services in 2014.

- The IRDP Reporting platform, <https://irdpreports.per.gov.ie>, for online submissions of IRDP updates across Departments.
- ePMDS has been rolled out successfully across all PeoplePoint supported staff.
- The Single Customer View suite of applications has been upgraded and now includes a new application – the PSI Lookup.
- A more streamlined Death Event Publishing Service with access via a username/password structure.
- A new internal submissions system for use by staff in both D/PER and D/FIN.
- A new Parliamentary Questions system for use by staff in both D/PER and D/FIN.
- On-going support and development of internal SharePoint Team Sites to streamline staff collaboration within OGCI0's customer base.

Data Analysis Supporting Good Financial Management

During 2014 OGCI0 continued to work to ensure that key financial and expenditure data was made available to support efficient and effective delivery of the Programme for Government, Reform Plan and Statement of Strategy through:

- Successful delivery of the DPER 2015 Budget and REV.
- Successful delivery of the Comprehensive Expenditure Report 2015-2017.
- Support for the Financial Reporting systems of the Department.
- Provided CSO with regular updates of key Departmental data as part of our commitment under the IMF Fiscal Transparency Agreement.
- Development and rollout of a new D/FIN eBudget system to streamline the budgeting process.
- The Irelandstat.ie website, <http://irelandstat.gov.ie/>, became fully live and includes enhanced data sets and functionality.
- Enhancement of the PER databank, <http://databank.per.gov.ie/>, to include Open Data features for data export and referencing.

ICT Infrastructure

OGCI0 provides ICT infrastructure and support for its customer base. 2014 saw the successful delivery of:

- The Unified Communication (UC) strategy which has enabled various messaging content (data, voice, video, image, email, text messages) to be easily and seamlessly accessible by different devices (desktop, laptop, tablet, mobile) and applications. The deployment of Microsoft Exchange 2013, Microsoft Lync 2013, hybrid devices, Wi-Fi, IP Phone, Headsets, Webcams and Remote Access were core components of this strategy. This work supports the constant drive to increase staff productivity and effectiveness in their day to day tasks.
- ICT Systems for the OGP and the NSSO (PP, PSSC, and FMSS) across approximately 12 locations nationwide.
- Backend server consolidation and virtualization which optimises the use and availability of our computing resources.

Service Delivery

Provision of ICT support services for desktop, infrastructure and core applications including:

- Provision of quick response 1st level Helpdesk to OGCIO's customer base across all ICT areas.
- Provision of escalation routing of all 1st level Helpdesk to 2nd level and 3rd level support.
- Full application and platform support for NSSO including the Civil Service wide HR Management System and Payroll management system.
- Customer relationship management including work request escalation and triage.
- Applications operational support including upgrade, configuration and patch management.

Government Networks

OGCIO Government Networks provides a number of services to the non-commercial Public Service underpinned by a large scale private network. Government Networks activities in 2014 include:

- A number of key private data centres have been peered with Government Networks, using high bandwidth connections, in order to allow agencies avail of their hosted services.
- New 10 Gigabit per second rings connecting agencies have been rolled out across Dublin. Another dedicated ring was also delivered to provide connectivity to major urban centres nationwide. These new networks will allow agencies to provide enhanced services to both customers and staff at higher speeds and with greater network resilience.
- Support for approximately 280 IP telephony gateways that allow agencies to avail of significantly reduced call rates. This system handles approximately 100,000 calls per day.
- Support of central networks services such as external email gateways, email encryption services, DNS, NTP, etc.
- Provision of advice and assistance relating to telecommunication services to Departments and Agencies.

Communications

OGCIO continues to operate the eGovernment Twitter account to promote online services and engaged with the public via a dedicated, monitored, email address for enquiries on eGovernment matters.

Engaging at EU & International Level

Policy development at a national level is informed by a number of EU & International activities. OGCIO represented Ireland in a number of these activities, including:

- Monitored developments and represented Ireland at various international forums (EU, OECD) when necessary.
- Continued leading Ireland's National Consortium in the EU e-SENS (Electronic Simple European Networked Services) project.

10. Shared Services

Statement of Strategy 2011- 2014

- Making more Government services and data available electronically, and managing and sharing data and services better, for targeted service delivery for all users of public services.
- Delivery of the Government ICT and eGovernment programme.

Context

Shared Services as a core element of the *Public Service Reform Plan 2014-2016* seeks to take advantage of the latest innovative technologies to drive better value for money. Shared Services frees up Public Service staff to focus on more strategic areas and core services. It reduces duplication across organisations and improves efficiency.

The National Shared Services Office

The NSSO was established during 2014 on an administrative basis initially within the Department of Public Expenditure and Reform. Its first Chief Executive Officer, Ms. Hilary Murphy-Fagan was formally appointed in June. The Office is responsible for leading Shared Services delivery within the Civil Service and it oversees all funding and expenditure associated with the Shared Services Vote.

In 2014,

- Work commenced on developing the NSSO Strategy for the coming years, including draft Vision, Mission and Values.
- The NSSO centrally advanced a number of key shared services policies, including the development of a Data Protection Policy, a draft Customer Service Charter, a draft Communications Strategy and the initiation of work on Business Continuity Planning.
- The Shared Services Governance Policy was actively communicated to ensure compliance.
- A customised benefits tracking tool was developed for application across Shared Services.
- A full audit of the Shared Services Vote by the Comptroller and Auditor General was supported in addition to the introduction of the ISAE 3402 standard with 'readiness for audit' work commenced in both PeoplePoint and the PSSC.
- Key NSSO leadership personnel recruitment was also undertaken.

Civil Service Shared Services Projects

In line with agreed governance arrangements, the NSSO took a leadership role in advancing Civil Service projects with a Shared Services component, in partnership with Senior Responsible Owners and Programme Boards.

Early in 2014, the Government agreed that work should proceed on the detailed design, phase of the Financial Management Shared Services Project. A feasibility study for Learning and Development in the Civil Service was completed in quarter 2. A baseline exercise of the Public Service Single Pension Scheme was undertaken in quarter 4 and a dedicated Programme Board was established.

Shared Services in other Public Service Sectors

The NSSO also has a leadership role in supporting the key Public Service sectors of Education, Health and Local Government as they advance their individual Shared Services Plans. These Plans were finalised in early 2014. Laois County Council is leading the rollout of a payroll and superannuation Shared Service for Local Government, known as My Pay. Payroll and Financial Management Shared Services for the Education and Training Boards are proceeding as a priority in the Education Sector. A

feasibility study and business case for a single integrated finance system is advancing in the Health Sector, together with work on an e-invoicing solution.

The Civil Service Payroll Shared Service Centre (PSSC)

Minister Howlin formally launched the PSSC in December 2014. The payment of salaries, pensions and travel & subsistence expenses are all in-scope for the PSSC.

The PSSC is being established in three locations: Tullamore, Killarney and Galway. When fully operational, it will service payees across 53 different Public Service Bodies. A total of 16 organisations transitioned to the PSSC in 2014:

➤ Chief State Solicitor's Office	➤ Law Reform Commission
➤ Courts Service (Office Holders)	➤ Legal Aid Board
➤ Department of Finance	➤ National Council for Special Education
➤ Department of Communications, Energy and Natural Resources	➤ President & President's Establishment
➤ Department of Public Expenditure and Reform	➤ Office of the Ombudsman (incl. CPSA)
➤ Department of Transport, Tourism and Sport	➤ Public Appointments Service
➤ Director of Public Prosecutions	➤ REBO
➤ HIQA	➤ State Laboratory

PeoplePoint

PeoplePoint is the HR and Pensions Administration Shared Service for the Civil Service. When fully operational, it will provide services across 38 different Public Service Bodies.

At the end of 2014, PeoplePoint was providing services to employees in 21 Public Service Bodies, 8 of whom transitioned to PeoplePoint during the year.

11. Office of Government Procurement

Statement of Strategy 2011-2014

- Increasing the volume of public service activity delivered through alternative delivery models.
- Delivery of new shared Services in the Civil Service.
- A stronger focus on value for money and performance information, that is more integrated with processes to allocate resources.

One of the key priorities set out in the Public Service Reform Plan is to reduce costs and achieve better value for money through reform of public procurement.

The Office of Government Procurement (“OGP”), which operates as an office of the Department of Public Expenditure and Reform, commenced operations in 2014 and is, together with other four key sectors (Health, Defence, Education and Local Government), taking responsibility for sourcing all goods and services on behalf of the public service. In addition, the OGP also takes responsibility for procurement policy, centralised procurement support systems and procedures.

For the OGP, 2014 was a year for building its capacity, gathering spend data, refreshing procurement guidance and developing its detailed plans for 2015.

The centralisation of procurement operations requires an unprecedented migration of staff from across the Public Service into one office. Staff from the National Procurement Service (NPS) formally transferred to the OGP with effect from 1 January 2014 and recruitment for the majority of the remaining OGP roles took place over the course of 2014, attracting talented and experienced people from across the Public Service as well as from the private sector. By the end of 2014, some 60% of the OGP’s staffing complement were in place, with staff for the majority of the remainder roles having been identified to come on board in early 2015.

In autumn 2013, the OGP initiated a project to begin collecting spend information from four sectors of the public service – Health, Education, Local Government and Justice – which account for over 80% of the State’s spend on goods and services. By the end of 2014, the OGP had collected a substantial volume of the State’s 2011-2014 spend in one central repository. During 2014, the project moved on to a second phase which, when complete, will include central government. This data centralisation initiative will, for the first time, allow reporting on transactional non-pay spend data for the Public Service. These reports will give an indicative view on how much the Public Service is spending, with whom and on what categories of goods and services, which will facilitate fact-based procurement decision making.

During 2014, the OGP also met with most of its key customer Departments and Agencies to commence the process of transferring their pipeline of sourcing projects to the OGP and other sourcing organisations. Transition arrangements are being managed across these sourcing organisations to re-align responsibilities.

The overall procurement reform programme estimates savings for 2014 at €63.6m, which includes €16.5m in costs avoided on energy price increases. It is planned that savings will increase in 2015.

The OGP is tasked with achieving sustainable savings and is taking a balanced approach to delivering value for the taxpayer, ensuring that public procurement is accessible by all business, including SMEs.

To that end, *Circular 10/2014: Initiatives to assist SMEs in Public Procurement* was launched in April 2014 in order to further assist SMEs and accelerate the delivery of certain measures in the new Procurement Directive 2014/24/EC. The Circular contains guidelines for public procurers that set out relevant and proportionate financial capacity, turnover and insurance levels for tendering firms and the sub-dividing of larger contracts into lots to enable SMEs to bid for these opportunities. In addition, the guidelines encourage SMEs to form consortia where they are not of sufficient scale to tender in their own right and to fully use Ireland's electronic tendering platform, eTenders, and avail of its functionality. The OGP also delivered new features on eTenders to improve tender transparency and support SMEs including changes to registration and recording of awards for contracts in excess of €25,000. Other supports provided for SMEs included regular seminars and events, such as the Meet the Buyer events. In 2014, there were two Meet the Buyer events held – one in Belfast and one in Dublin – which were attended by over 1,100 SMEs.

A public consultation process on the new suite of public procurement directives was also completed in 2014. Submissions were received across a broad spectrum of areas including legal, SME, academic and industry representative bodies.

An inter-departmental Social Clauses Project Group, led by the OGP, was also announced in June 2014 to identify suitable policy priorities to be addressed through the insertion of social clauses in public contracts. The role of the Group is to pro-actively look at projects with a view to including social clauses to ensure that those awarded contracts contribute to employment or training opportunities for long term unemployed. The Pilot Project is to be reviewed after a 12 month period. The objective is to learn from the practical experience through this Pilot Project, as well as from the experience of other jurisdictions, in order to develop a robust social procurement framework that is effective.

The review of the public works contracts was completed in 2014. In December 2014, a number of interim recommendations emanating from the review were announced. The recommendations aim to rebalance risk currently transferred to contractors under the contracts in recognition of the different economic environment to the one into which the contracts were introduced in 2007 and in particular the very different challenges facing both Government and the industry in delivering construction projects. The recommendations will be implemented by mid-2015. Broader engagement on the procurement of public projects with industry stakeholders will take place throughout 2015.

The OGP was one of a number of public bodies to contribute actions under the Government's Action Plan for Jobs 2014. The OGP completed its 8 actions under the plan.

2014 was a successful year for the Office of Government Procurement in building capacity to deliver on its mandate, improving non-pay expenditure information across the State and driving positive policy initiatives to support the broader economy.

12. Departmental Capacity and Governance

Statement of Strategy 2011-2014

Key Enablers to Support the Department's Strategy include:

- Better management of team and individual performance.
- Better alignment of Departmental Structures and staff deployment with evolving strategy.
- Strengthen capabilities and skills, particularly change leadership and programme evaluation.
- Business Planning.
- Risk management.

Human Resource Management

The HR Strategy Unit is responsible for the development and delivery of the Department's HR Strategy and for the provision of a wide range of HR services. The HR Strategy Unit is a key enabler that allows the Department to fulfil its core expenditure and reform objectives by ensuring that staff make the most effective contribution possible and possess the skills and knowledge required to meet the demands of modern government and the expectations of the Department's customers and stakeholders.

In 2014, the Department continued to expand both geographically and operationally with the establishment and further development of Shared Services Offices, the OGP and the OGCI. In response to the varied and complex challenges arising from these changes, the HR Strategy Unit was reconfigured in the first quarter of the year and is now operating across three distinct areas: *HR Operations, Organisational Development and HR Business Partnering*.

The revised structure has streamlined functions and allowed the HR Strategy Unit to further professionalise the HR service, thus providing more effective industrial/employee relations support while also developing a new learning and development strategy and managing a significant programme of recruitment and selection.

The following sections briefly set out some of the main achievements of the HR Strategy Unit across its three functional areas during 2014:

HR Business Partnering

The Business Partnering (BP) function has been established and developed across the department, positioning itself as a consultancy/advisory service that senior management can draw upon as required. As part of this advisory role, the unit has supported line management in developing a more robust and proactive approach to performance management to help in getting the best from staff.

A co-ordinated approach to mobility has been introduced to enhance career development opportunities for staff while creating a more mobile and flexible workforce and ensuring the optimum use of available skills and resources. In the latter part of the year, this approach underpinned a series of moves involving 10% of staff at Assistant Principal level.

A comprehensive suite of services has been provided to support Shared Services Offices, the OGP and the OGCI as they progress through their start-up phase and become more fully established.

Both through the formal mechanism of Departmental Council and through ongoing engagement with the staff side, there has been a continued focus on building productive relationships in IR matters.

HR Operations

The importance of the recruitment and selection function is particularly significant when the Department is delivering on a challenging reform agenda and taking in large numbers of staff from across the civil and public service. In 2014 the Department increased staff numbers by 342 (from 554 to 897). The majority of these staff took up posts in the shared service areas (PeoplePoint and Payroll Shared Service) and the newly established Office of Government Procurement.

A new departmental induction programme was launched in March and seven sessions took place in 2014 for 105 staff. Regional Induction sessions were also held for Payroll Shared Service staff in Killarney and Tullamore.

The launch of SharePoint (information sharing site) was an important development in 2014. SharePoint provides staff with quick and easy access to the latest developments in HR, including vacancies, learning & development opportunities and some practical advice.

Organisational Development

Over 670 staff attended one or more learning and development interventions in, covering post-entry education, general training programmes, continuous professional development and health and well-being initiatives. The Leadership and Performance Management Forum continued to offer advice and support for the suite of learning and development interventions implemented in 2014.

The learning and development interventions were complemented by a comprehensive Post-Entry Education Scheme supporting 41 staff pursuing academic programmes in a variety of disciplines including finance, business and economics, HR, policy analysis and legal studies, information systems and statistics. A Post-Entry Education reception was also held to commend and congratulate all of those staff who had attained various academic qualifications in the years since the Department's establishment in 2011.

Continuing professional development (CPD) is a key component in the up-skilling of staff and their professionalisation. CPD was facilitated in each division of the department to cover attendance at seminars, conferences, short public training programmes and subscriptions to professional bodies.

The *ONE HR Learning and Development Strategy 2015-2017* was launched in 2014. Its overriding objective is to implement an array of learning and development initiatives that are fully aligned with the department's business objectives. This will provide opportunities for all staff to develop and reach their full potential.

Corporate Support

The Corporate Support Unit, also under the COO worked with the OGCIO in developing and testing the ePQ system which went live in January. An eSubmissions system was launched in June 2014. The CSU assisted OGCIO with the development process, managed the testing phase to ensure the system worked, created user manuals for all users which are available on Intranet and assisted OGCIO in giving Information sessions to all staff. Since the launch date the CSU has operated the Department's eSubmissions Help Desk. These have enabled significant improvements in productivity. The CSU also launched the Department's Quality Customer Service Action Plan 2014-2016, developed the Irish Language Scheme for the department and processed numerous FOI request amongst other ongoing core corporate functions.

Governance

2014 saw the establishment of the Governance Sub-Committee of the Management Board. Its activities were supported by a Governance Working Group with representatives from each division within the department.

Following the revision of guidance on the identification, assessment, management and reporting of risk by the office of the Chief Operations Officer, these two governance bodies helped achieve an improvement in the Internal Audit review rating of the department's management of risk.

Both governance bodies were also involved in preparing the department's Statement of Strategy for the period 2015-2017, business planning for 2014 and reporting on progress for 2013 and 2014.

The office of the Chief Operations Officer (COO), under the guidance of the Governance Sub-Committee of the Management Board developed frameworks for Governance and Compliance within the department, including data protection and health and safety.

Providing Assurance to the Secretary General: Internal and EU Audit

The Internal and EU Audit Unit completed five Internal Audits Reports for this Department during 2014. These have all resulted in recommendations to improve various business-critical aspects of the Department's processes. In addition, the Unit provided significant support to the development of a robust and extensive audit regime across the developing Shared Services programmes, primarily relating to the HRSSC (PeoplePoint) and payroll shared services. Finally in this regard, as part of a Shared Service Internal Audit arrangement, the Unit also completed several Internal Audits assignments for the Department of Finance.

In relation to the European Regional Development Fund, the Unit carried out 76 audits of operations and systems in 2014 in relation to the 2007-13 round of funding. The associated Annual Control Reports for each ERDF programme (Southern & Eastern, Border, Midland and Western and Ireland/Wales) were submitted to the EU Commission by 31st December 2014.

Staff in the Unit continued to make significant progress in the closure of the 2000-2006 round of funding during 2014. During 2014, the European Commission paid the outstanding balance of €63.5m relating to the Economic and Social Infrastructure Operational Programme 2000-2006. In addition, significant progress has been made in regard to the closure of the Border, Midland and Western 2000-06 programme, and we continue to expect significant further gains to be realised in the future in regard to the remaining open Operational Programmes.

13. Office of the Chief Medical Officer

The mission of the CMO's Office is to deliver an efficient and cost effective occupational health service as well as policy advice on occupational health matters to the Civil and Public Service. The Civil Service Occupational Health Department (CSOHD) functions within the CMO's office, and delivers these services. Occupational Health is concerned with how workers health impacts on his or her ability to do their job, and how work and the work environment can affect a worker's health.

An occupational health service and policy input is provided for the Civil Service, across 55 government offices and departments and 14 prisons countywide. This encompasses civil servants, prison officers, state industrial employees and defence industrial employees totalling over 38,000. Occupational health services are also provided to selected non-commercial semi-state organisations. In addition, pre-employment medical advice is given to the Public Appointments Service in relation HSE and local authority positions. 2014 was a busy year, during which the office dealt with almost 10,000 client episodes, including case management, immunisations, audiograms and health screening.

The CMO is actively involved in assisting the Department of Public Expenditure and Reform, the personnel officer network and the State Claims Agency with various policy issues. A major body of work was the new 2014 Arrangements for Paid Sick Leave. This involved assisting DPER Human Resources in consolidating over 15 circulars relating to work and health, some of which were over 50 years old.

These new public service sick leave arrangements outline the appropriate management of sick leave absences, detail new reduced time periods for paid sick leave absences and provide for extended sick pay for employees with a critical illness. The CMO has actively assisted DPER with the introduction of these changes to both the civil and public service, including participation in the Labour Court / Labour Relations Commission process.

In August 2014, we relocated from our longstanding home in South Frederick St to North King Street in Smithfield, Dublin 7. The department now has a very modern clinic with full disabled access, and is in close proximity to rail and LUAS links

The CMO's Office has developed a new and updated website. It describes in detail the services we provide, an introduction to the medical staff as well as a list of Frequently Asked Questions (FAQs). The site can be viewed on www.cmo.gov.ie.