

Statement of Strategy 2015 – 2017

Our Mission is to serve the public interest by supporting the delivery of well-managed, well-targeted and sustainable public spending through modernised, effective and accountable public services.

I welcome the publication of this Statement of Strategy. I have agreed with the Secretary General an ambitious work programme that will build on the substantial achievements of recent years. The Department will serve the public interest by maintaining a firm, planned and sustainable public expenditure framework that will provide a solid foundation for the provision of the public services our citizens deserve. The Department will also continue to drive reforms to ensure that public services are delivered in a more effective and efficient manner within structures that are transparent and accountable. I have seen the calibre and commitment of the Department's staff at a time of great national crisis. This gives me confidence that they will rise to the outstanding challenges and discharge the Department's mission with determination and energy. I look forward to working with them.

Brendan Howlin, T.D.
Minister for Public Expenditure & Reform

Dear Minister

This Statement of Strategy outlines a clear and ambitious road map for the Department to support the country's economic recovery and social progress. We aim to maintain a sustainable public expenditure framework and reform the way in which public services are delivered. This Strategy sets out the actions, outputs and outcomes by which our progress will be judged. The Strategy also maps out the risks, challenges and opportunities that will shape our operating environment. The Strategy highlights the importance of enhancing the Department's capacity to deliver its ambitious objectives. Finally, we set out in the Strategy the core strengths and values that will inform how we will accomplish our mission.

Robert Watt
Secretary General

Our Strategy 2015-2017: We will build on our achievements and our strengths and values. We will improve our capacity to do our work. We will take account of the challenges, risks and opportunities. These will provide a firm foundation to deliver our strategic goals and actions in pursuit of well-managed and well-targeted public spending, delivered through modernised, effective and accountable public services.



Our Achievements 2011 - 2014

- We played a central role in ensuring that the Troika Programme for Ireland was successfully delivered.
- We supported the Government in putting the public finances on a sustainable footing, while maintaining social cohesion.
- We advanced the Government's political reform agenda with legislation providing for Oireachtas enquiries, an enhanced FOI framework, lobbying controls and protected disclosures.
- We have led the implementation of the public service reform programme to improve services and cut costs.
- We commenced the establishment of both the Office of Government Procurement and the National Shared Services Office in order to deliver improved value for money, created PeoplePoint to bring together and streamline HR and pensions across the Civil Service, set up a central Civil Service Employee Assistance Service with regional offices and developed innovative models for service delivery (including external delivery).
- We delivered sustainable public service pay and pensions savings by actively managing the Employment Control Framework, by implementing the Croke Park Agreement, by negotiating and implementing the Haddington Road Agreement, by introducing a new public service sick pay scheme and by introducing a new single public service pension scheme.
- We made a substantial contribution to the successful Irish EU Presidency in 2013, including the development of the EU's Cohesion Policy, as well as in negotiating a good outcome for Ireland on Cohesion Policy for 2014-2020.
- We co-ordinated stimulus packages and PPP projects to provide critical public infrastructure and support employment.
- We oversaw completion of a number of major asset transactions (National Lottery Licence, Bord Gais Energy, ESB assets) yielding significant proceeds for use by the Government to support stimulus packages and reduce the national debt.
- We introduced a comprehensive set of reforms to the budgetary and public expenditure framework to enhance the impact of public spending.
- We established the Irish Government Economic and Evaluation Service, which will play an important role in supporting more effective, evidence-based policymaking.

The Key Challenges, Risks and Opportunities in our operating environment in the period 2015-2017 will be:

Sustained **economic recovery** will facilitate the stabilisation of the public finances, generate savings in some areas and enable improvements in other areas. However, any deterioration in the domestic and international economy will again put pressure on public services.

Spending Pressures: Demographic changes and higher expectations will create spending pressures, particularly on health, education and social provision. Adapting to and taking action to mitigate Climate Change will generate further spending pressures. Decisions on expenditure, including pay and pension reform, will have to ensure the sustainability of the public finances over the medium and long term.

Social Cohesion: Spending choices need to be seen as fair and reasonable, focus these on the less advantaged, while encouraging labour market participation to meet the challenge of long term unemployment.

Working Relationship with other Departments and Public Sector Bodies: Effective working relationships with other Government Departments and public sector bodies will be critical to achieve the Government's social and economic objectives. A close working relationship with the Department of Finance will be necessary to ensure sound public finances and an integrated fiscal policy.

Public Service Numbers and Pay Bill: To maintain and improve services, while managing a constrained public service pay bill, we will have to continue to increase productivity by driving efficiencies in how public services are delivered.

Departmental Capacity: The strength, expertise and skills of the Department will help us achieve our objectives while any deficiencies in our departmental capacity will run the risk of failing to deliver our objectives.

Civil Service Renewal provides the opportunity to maintain the momentum and capacity for overall public service reform by working collectively to professionalise and enhance the service we give to Government, Oireachtas and citizens.

Innovative delivery models (including shared services and externally sourced delivery) and ICT, provide the opportunity to improve public service delivery, contain costs and support our capacity to deliver sustainable growth and employment. Establishing new shared services bodies will present challenges and risks, which we will have to manage, as services migrate.

The **Irish Government Economic & Evaluation Service** will allow central government to build capacity and expertise in value-for-money analysis in public policy making, providing us with the opportunity to make our spending choices more effective.

The establishment of the **Office of Government Procurement** will secure better value for money and reduce risk in the procurement of public goods and services.

EU/North-South: Make the best use of European Union structural funding in promoting North-South co-operation.

Strategic Goals and Actions 2015 – 2017

Strategic Goal One: To manage public expenditure at more sustainable levels in a planned, rational and balanced manner in support of Ireland’s economic development and social progress, we will:

- Produce multi-annual Estimates and Expenditure Statements that meet Government objectives, EU commitments and support economic and social progress on a fiscally sustainable basis.
- Manage public service pay and pension policy to support fiscal sustainability, good industrial relations and public service reform.
- Mainstream budgetary reforms to promote certainty and discipline regarding the level and broad composition of public expenditure over the medium term.
- Introduce new delegated arrangements to Departments for the management of their staffing and pay resource.
- Conduct regular spending reviews to inform medium term decisions about the level, composition and prioritisation of public expenditure.
- Enhance economic and policy evaluation capacity (through the Irish Government Economic Evaluation Service) and change management capacity across the Civil Service to facilitate policy analysis, policy formulation, reform and development and resource allocation.
- Make the best use of European structural funding, particularly in promoting North – South co-operation.
- Develop and oversee the overall strategy for Exchequer funded capital investment to support economic and social objectives.
- Promote the optimal use of public resources, including data, and state assets.
- Integrate performance information with resource allocation.
- Promote and apply the best practice Value for Money standards contained in the Public Spending Code.

Strategic Goal Two: To have public management and governance structures that are effective and responsive to the citizen, transparent and accountable, and which thereby improve the effectiveness of public expenditure, we will:

- Drive the delivery of the 25 actions set out in the Civil Service Renewal Programme.
- Lead the implementation of the commitments to reform set out in the Public Service Reform Plan 2014-2016.
- Develop and implement a range of legislative and other measures to promote and strengthen open and accountable government and public administration in line with the Programme for Government.
- Integrate procurement policy, advice, strategy and operations in one office, the Office of Government Procurement, to secure best value for money and reduce risk.
- Deliver an ICT Strategy to underpin ICT as an enabler of Public Service Reform.
- Develop alternative and innovative delivery models (including shared services and external delivery) where they can deliver better services.
- Develop and implement HR strategies and policies that support a high performing workforce to deliver better services.

Positive Outcomes

- A lean, cost-effective and productive public service which is better managed and focused on achieving the best results and outcomes for the public.
- Better alignment between public expenditure and available resources.
- Greater certainty regarding medium-term expenditure levels to facilitate expenditure planning, structural reform and delivery, in line with fiscal rules.
- Optimal allocation of resources to deliver on Government priorities and economic and social objectives, while achieving value for money.
- More accountable and transparent administrative structures, building greater public trust in Government and the institutions of the State.
- Greater accountability by Central Government Departments and state bodies.
- Better use of State assets.

Actions to further enable the Department to fulfil its mission

The Civil Service Renewal Programme and broader reform agenda will have a positive impact on the department's internal capacity. Additionally, to enable our department to fulfil its mission, we will:

- Further develop and refine how resources are allocated within the department to ensure that resources are aligned with strategic objectives and priorities.
- Enhance and refine our budgetary planning framework to ensure resource allocation accords with priorities.
- Enhance the use of cross-divisional teamwork and innovative working methods to achieve the department's objectives.
- Ensure a strong management and leadership culture that gets the best from our staff and supports the development of management skills and leadership capacity.
- Focus on staff development to realise the potential of our employees by developing and investing in a learning & development strategy that offers an array of different learning opportunities & courses tailored to individual and business needs.
- Rollout and exploit appropriate ICT tools and shift toward a more digital way of working to boost the productive capacity of the Department.
- Continually enhance our governance and compliance framework to help us deliver our objectives, meet our obligations, ensure accountability and transparency in our Department's operations, identify and mitigate risks and plan in a strategic and focused way how to meet our key objectives.
- Strengthen our partnerships with other government departments and stakeholders to make our joint efforts more effective.
- Make effective use of communications internally and externally

Our Strengths and Values

Values

We will:

- **Always serve the public interest.**
- Build on and develop the traditional strengths of the Civil Service; **integrity, independence, impartiality, professionalism, probity and fairness.**
- Continue to commit to a **culture of respect, learning and development** through a positive working environment.
- Keep **accountability and transparency** at the heart of our job.
- Treat all colleagues and customers equitably in the complex and challenging modern environment.

Strengths

We will:

- **Show leadership** in managing the public finances and reform agenda in a manner that serves to promote long term economic sustainability.
- **Get value for money** for the citizen and deliver the best public services possible within available resources.
- Provide **quality advice and robust analysis**, avoid conflicts of interest and find solutions to complicated issues.
- Demonstrate **resilience, innovation and willingness to adapt** to new challenges.
- **Work constructively and collaboratively** with colleagues in government departments and agencies and other stakeholders.
- **Challenge and develop ourselves** to maintain and enhance high standards and quality of service.

Statement of Government Priorities 2014-16

The following commitments, set out in the Statement of Government Priorities 2014-16, have informed the strategic goals and actions set out in the Statement of Strategy 2015-17 for the Department of Public Expenditure and Reform. The Department will continue to work closely with other departments who have lead responsibility for other commitments set out in the statement.

Strengthening the Domestic Economy & Prioritising New Jobs for the Unemployed

Our economic strategy will grow the economy by 2.1% in 2014; 2.7% in 2015 and 3% by 2016, and return the economy to full employment (2.1 million people) by 2020, replacing all the jobs lost during the crisis. Consistent with these targets, the Action Plan for Jobs aims to add 100,000 jobs to the economy by 2016 compared with 2012.

We will agree the €1.2bn round of Cohesion funding with the European Commission by year end to support employment growth and regional development.

We will enhance Regional Economic Planning, underpinned by a revised Capital Investment Programme for the remainder of the decade to be published alongside Budget 2015.

Improving Housing Availability & Affordability

The Government commits itself to increasing the supply of social housing, and housing for those on low incomes. We recommit ourselves to ending homelessness and the need to sleep rough by 2016.

Responsible and Sustainable Management of the Public Finances

If we are to retain the strong recovery of international confidence and investment in our economy witnessed over the last year, the Government cannot continue to borrow at current levels. Our Medium Term Economic Strategy commits us in the first instance to cutting the deficit to 3% of GDP by 2015. While well over 90% of the budgetary correction is already done, significant challenges remain.

Rebuilding Trust in Politics & Public Institutions

We will complete the enactment of the Freedom of Information legislation.

We will commence and provide guidance on the new Protected Disclosures Act.

We will enact the Lobbyists Bill by year end.

We will publish legislation to consolidate local and national ethics requirements and give effect to the recommendations of the tribunals.

We will publish proposals for civil service reform and greater accountability, building on work done to date.

We will become full members of the Open Government Partnership following completion of our national action plan.

We will publish the state's first Open Data plan to leverage the economic and participatory potential of open data.

We will systemically publish details of all appointments to State Boards.

We will legislate to give NewERA, which manages the State's shareholder function in relation to commercial semi-state companies, the responsibility to provide advice to the relevant Minister on appointments to the semi-state boards.

Protecting & Enhancing Peace in Northern Ireland

We will continue to develop the North-South institutions, with a particular emphasis on infrastructural development in the border region. We will also develop further proposals on North-South co-operation in health, tourism, and economic development.