



GOVERNMENT STATEMENT ON TRANSFORMING PUBLIC SERVICES



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Government Statement on Transforming Public Services

Introduction

The Public Service is of vital national interest. How well it performs and how efficiently it operates are of critical importance to the lives of every citizen and the well being of the community as a whole. A high performance Public Service is increasingly recognised as a critical ingredient in international competitiveness, as well as an essential requirement for addressing the complex social needs of modern communities.

This is evident from the size and diversity of the Public Service - with over 350,000 people employed, in Education (in schools, higher education institutions and adult and further education), in Health (in hospitals, in the community and in the ambulance service), in Local Government (in water and environmental services, in planning, in housing, in libraries and in the fire service), in Justice (in the Gardaí), in Defence (at home and abroad), in the Civil Service (in social welfare offices, in the Revenue Commissioners and in embassies overseas) and in State agencies (such as IDA Ireland and the Environmental Protection Agency).

We are fortunate in having a Public Service comprising dedicated men and women who make a major contribution to the economic and social life of Ireland. Their role in supporting Government at national and local levels, in the development of policy and the delivery of services, and in the provision of infrastructure is essential. However, while that role has been changing, the Government believes that the Public Service must now change even faster if it is to continue to attract the confidence and support of the citizen. It must also change faster so that Government can respond effectively to current and emerging challenges, in the economy and in society, and internationally.

Returning to a sustainable level of economic and social progress in the medium term, tackling climate change and managing the longer term challenges arising from demographic change, for example in the areas of elder care and pensions, will require new tasks to be undertaken in new ways by individual organisations and individual public servants. Perhaps, more importantly, the message from the review of the Public Service conducted by the OECD¹ is that there is a significant gain in productivity, in value-for-money and in satisfaction of the citizen to be realised by Public Service organisations and employees working across organisational, professional, sectoral and geographical boundaries.

The Public Service must also be affordable to the community it serves. That requires that public services are delivered at the least possible cost, and that maximum output is received from the resources – financial, human and physical – invested in the delivery of public services. Value-for-money must be a priority at any time: in the current period of severe economic and fiscal challenge, it becomes imperative. Therefore, how Public Service organisations are organised and managed, how

¹ *Towards an Integrated Public Service*, OECD Public Management Review: Ireland

services are designed and delivered and how necessary support functions are performed must meet the highest standards of productivity and efficiency. There must be assurance that this is being achieved through proper information, analysis and audit, supported by robust systems of accountability.

The actions set out in this Statement are designed to:

- Achieve improved performance by organisations and individuals;
- Create flexibility in the deployment of people, assets and other resources;
- Identify the precise transformation agenda in each sector and engage and mobilise the necessary actors; and
- Achieve greater efficiency, effectiveness and economy.

They are also designed to build capacity for ongoing transformation, through a focus on:

- Promoting a shared identity, ethos and vision by focusing on the joint achievement of societal goals;
- Developing leaders at every level of organisation;
- Empowering employees through mobility, shared performance data and training;
- Developing performance metrics which are meaningful to the citizen;
- Increasing organisational and individual accountability for achieving performance targets;
- Promoting longer term planning;
- Innovation, shared governance, networks and collaborative working; and
- Sharing infrastructure and new technologies.

The Report of the Task Force on the Public Service, published in tandem with this Statement, recommends specific actions over set timescales which the Government has agreed to implement. Those actions respond to the OECD's findings published in April 2008 and to developments in relation to the public finances in the interim. They take account of Government actions over recent months and as announced in Budget '09² which are aimed at controlling public expenditure. The Report sets out a three-year framework which Government has adopted for what amounts to a radical transformation of the Public Service. The measures set out in the Statement represent a challenging agenda for change in the Public Service. The Government are heartened by the commitment of the Public Service unions to the change process as reflected in the terms of Towards 2016 and the recently ratified review of that Agreement. The Government will engage with the Public Service unions in that spirit, to deepen the partnership approach to change.

² Statement of the Minister for Finance, 14th October, 2008

1. Public Service Numbers/Expenditure

While the numbers employed in the Irish Public Service as a percentage of the total labour force are relatively low among OECD countries, total numbers employed have increased by about 28% since 2000. Given the severe pressures on the public finances, there is an immediate necessity to ensure that the numbers employed in the Public Service are no greater than are necessary to deliver public services and to address the overall levels of expenditure across all Departments, agencies and programmes.

In the Estimates for 2009, provision for public service pay reflects a 4% reduction relative to the full year cost of 2008 levels of spending. Government Departments and public bodies are drawing up plans to achieve this reduction across all relevant aspects of pay roll costs, equivalent to the salary costs of over 10,000 public servants. In addition, the Minister for Finance announced in the Budget the closure or amalgamation of 41 State bodies or agencies.

The Minister for Finance set out a plan for fiscal consolidation in Budget 2009 which involved the elimination of the current budget deficit and a reduction of the overall deficit to below 3% of GDP by 2011.

To address the serious fiscal position and to assist the Government in achieving the above objective, the Minister for Finance is today announcing the establishment of a Special Group on Public Service Numbers and Expenditure Programmes to examine the current expenditure programmes in each Department and to make recommendations for reducing public service numbers so as to ensure a return to sustainable public finances.

The objectives of the Special Group are to:

- a) Review the scope for reducing or discontinuing Expenditure Programmes with a view to eliminating the current budget deficit by 2011;
- b) To this end, analyse and make recommendations on the numbers employed in each area of the Public Service having regard to:
 - i. the need to identify and prioritise particular output targets and areas;
 - ii. the achievement of greater efficiency and economy in the delivery of all services; and
 - iii. the scope for rationalising and streamlining delivery of public services in the consumers' interest;
- c) Make recommendations on reallocation of staffing or expenditure resources between Public Service organisations as appropriate to deliver the objectives set out in the Programme for Government; and
- d) Examine and make recommendations for further rationalisation of State agencies beyond the rationalisation proposals and principles set out in Budget 2009.

The Special Group, which will consist of members to be appointed by the Minister for Finance, will report to the Minister for Finance at the end of January 2009 and every two months thereafter, and will submit a final report to the Minister by the end of June 2009.

The Special Group's examination of all programmes funded through public expenditure will focus on whether scarce financial resources are being deployed to achieve priority policy objectives. The Group will identify options for savings in the context of the Government's fiscal objectives as set out in Budget 2009. It will also ensure that public expenditure is being used to address relevant priority policy objectives in the current fiscal environment.

This independent examination of staffing levels of all parts of the Public Service is designed to identify those posts and activities that are not essential. In doing so, the Group will consider the proposals by the management of each public body to achieve the reduced payroll allocation made for 2009. Their recommendations will assist the Minister for Finance to identify economies which can be made in the immediate future. Specifically, the intention is to identify those posts and activities that are not essential and, inter alia, to develop proposals for the redeployment of staff.

Next page: Better Value-for-Money in Public Procurement

2. Better Value-for-Money in Public Procurement

Public bodies are among the biggest purchasers of goods and services in the State. While there have been many developments in the management of public procurement, including reform of contract documents and procedures, pooling of orders across organisations to build purchasing power, and the establishment of the e-Tenders website, there is still scope for a significant improvement in the professionalisation of procurement to drive value-for-money on behalf of the citizen. A more streamlined and professional approach can also enable public procurement to act as a means of encouraging innovation and the entry of new suppliers to the market place.

We are determined to achieve the full potential of these benefits.

Therefore:

- Within the next six months, the Government will establish a new National Operations Unit (NOU) within the Office of Public Works to allow all central Government Departments and Offices, agencies and non-commercial bodies to acquire a range of goods and services more effectively, efficiently and with better value-for-money;
- The NOU will provide professional procurement advice across the entire Public Service;
- Targeted and accredited procurement training and education measures will be developed;
- The NOU will further develop web-based e-tenders, including the use of eAuctions (i.e. real-time, online bidding by tenderers) for certain goods and services where this would deliver better value for money; and
- In keeping with this policy of flexible use of resources, the NOU will be staffed by the redeployment of existing resources.

Next page: Value-for-Money and Policy Reviews

3. Value-for-Money and Policy Reviews

Achieving better value-for-money for the taxpayer must be further embedded as a core value across the entire Public Service. That requires the further development and deployment of an evaluation perspective that continues to ask key questions about what is being achieved and how costs can be driven down in all of our categories of public spending.

To be effective, this requires both a culture of evaluation within individual public sector organisations and external oversight to ensure that these questions are asked and answered. The review of numbers and expenditure programmes which will commence immediately is a special exercise to identify immediate opportunities for savings. The Government will build on this by developing a more focused system of value-for-money reviews which will target areas of significant spending in the areas of Health, Education, Social Welfare and Justice and the results of these reviews will be published. These reviews will look at how effective various activities and grant schemes are in achieving stated objectives and will identify possible efficiencies or alternative measures and will continue to be published on completion.

A series of specific policy and programme reviews will be announced over the coming months. The results of these reviews, the first of which will be published within 12 months, which will look at how effective various activities and grant schemes are in achieving stated objectives and possible efficiencies or alternative measures will be published. The proposal here is not just narrowly to save money but, more broadly, to ensure that value-for-money is achieved from existing spending on targeted areas of public service delivery.

Next page: Clear Commitments and Keeping Promises to the Public

4. Clear Commitments and Keeping Promises to the Public

If the Public Service is to operate more effectively and more efficiently, it must become more focused on performance and delivery and must be made more accountable for what it achieves through the measurement of that performance. This is only possible if there is clarity about the goals and targets to be achieved, and against which performance is to be measured. Whether at the level of the Public Service as a whole, at the level of individual public bodies, or at the level of the individual public servant, there must be both greater clarity about what is expected, greater transparency about how well that is delivered, and a new major emphasis on accountability for the results achieved.

The Government accept that the public and the Public Service must have clearer expectations as to what the Government regards as priorities, what services are to be delivered and to what standard, and conversely, what activities are to be scaled back or discontinued. The three yearly Strategy Statements produced by Government Departments and the annual business planning process of all Public Service organisations must reflect this direction from Government, from Ministers and from other authorities and must provide the basis for consultation and communication with the public. The Government is committed to the identification of priority objectives, the clear allocation of responsibility at political level and at the level of individual organisations and individual public servants for their achievement. These objectives will reflect for example, the Programme for Government, Towards 2016 and the National Development Plan in the context of the resources available to each organisation.

In particular:

- Government will specify priority outcomes for all sectors (e.g. Education, Health, Local Government), together with the relevant performance indicators by which achievement will be assessed;
- Instead of just measuring performance by individual organisations, the Government will develop performance indicators that span the efforts of groups of organisations involved in areas such as children and disability; and
- Specific targets will be the basis on which performance of organisations and individuals will be assessed and evaluated.

Next page: Measure Performance of People and Organisations

5. Measure Performance of People and Organisations

However, making commitments is only the beginning – holding Government and the Public Service to account will be essential if promises are to be met. For that reason, commitments will have to be specific and time bound with named organisations and individuals responsible for their achievement. The Government is committed to publishing relevant and timely service information and sharing data on how outcomes, such as improving health outcomes, educational attainment, reducing homelessness and inequality, improving competitiveness and the environment, are being achieved. As many of these outcomes must be pursued over many years, Departments will publish information on milestone achievements to chart the progress being made.

Government Departments currently produce Annual Reports and Output Statements detailing achievements relative to the money spent on the activity. The Annual Output Statements, in particular, have been welcomed by the OECD as a major element of the move to a performance focused approach to allocating resources. We intend to integrate these Reports and Output Statements so that the relevant Oireachtas Committees can scrutinise Departments in a more effective manner, focusing less on the resources consumed and more on what is achieved with them.

In particular:

- The Government will require all public agencies (in addition to Departments) to produce Output Statements relating resources to planned achievements;
- All public bodies will produce an integrated Annual Report (covering both input usage and output delivery) as a basis for a comprehensive Oireachtas scrutiny; and
- The system for measuring and reporting outputs will be subject to external validation.

Next page: Managing for Performance and Challenging Underperformance

6. Managing for Performance and Challenging Underperformance

Managers and staff across the Public Service will inevitably have to gain new skills, adjust to new work practices and be accountable in new ways. Where there are existing systems for measuring the performance of individuals, these will be strengthened so that there is a clear link between the performance ratings given to individuals and actual achievements in delivering services and improved outcomes for the public. We will also introduce performance management systems in areas where no individual assessment systems currently exist.

Furthermore, there must be a new attitude to challenging underperformance in every aspect of the Public Service. This will involve a major cultural change in the Public Service. We also recognise the level of guidance and training available to support staff to improve performance. Therefore, both for the sake of getting a better return for the citizen and for the sake of fairness to the vast majority of staff who are giving their best, the Government is determined to address this issue.

In particular:

- We will strengthen, standardise, and monitor the performance management system in the Civil Service and Local Government Sector to clearly link performance ratings with achievement; and
- We will design, negotiate and introduce performance assessments in all areas of the Public Service where none exist, initially targeted at tackling underperformance.

Next page: Engaging and Empowering the Citizen

7. Engaging and Empowering the Citizen

The Government is committed to reaching out to citizens in new ways, to get their inputs to policy making and into the design and preferred means of delivery of the services of most importance to them. Greater use will be made of public consultations, customer panels, surveys and other means to engage the citizen and we will make special efforts to encourage participation of socially excluded groups and those whose voices are seldom heard. Of course, where we seek input and engagement, we must commit to explaining our decisions.

Sharing information on performance and benchmarking the activities of public bodies will empower the citizen in evaluating public services and monitoring their own performance. It will allow management and staff in public bodies to assess their performance against best national and international practice. Customer satisfaction with service providers in each part of the Public Service will be measured systematically on an ongoing basis. For example, the study of Customer Satisfaction for the Civil Service³, published in tandem with this Statement, is the fourth such survey to be published.

Deeper engagement with the citizen as service user will be essential if we are to realise our ambition of delivering services which are targeted appropriately at particular groups such as children, the elderly and those with disabilities. Citizens must be able to access the services which are most relevant to them without having to know or decode the structures within the Public Service. The citizen rather than the provider, must be at the heart of our planning and delivery of public services. We are also committed to offering the best service we can whatever the chosen channel – in person, by telephone, in writing, by e-mail or by text.

In particular:

- All Public Service organisations will publish a customer charter setting out the service standards which the public can expect;
- All existing charters will be revised to include new commitments to improve specific services;
- Organisations will publish evaluations of their charters and their service delivery which will record customer input and feedback;
- Local Government, as the level of Government closest to the citizen, will be given a leadership role in providing integrated responses to the needs of citizens through case working and other methods, while elected Councils will be the focus for consultation and feedback on all services delivered at local level;
- A database of all publicly-funded programmes and projects will be established and maintained at county level, to avoid duplication and encourage integration; and
- We will examine the feasibility of putting in place a single “lo-call” number for all public services, using call centres.

Next page: Better Use of Information

³ Report on Civil Service Customer Satisfaction Survey, 2008, Ipsos/ MORI.

8. Better Use of Information

The Government is committed to reducing the administrative burden on business and to initiating a similar programme in relation to the citizen. We recognise that public bodies have access to substantial amounts of data on businesses and individuals and the sensitivity that rightly attaches to personal and commercially sensitive data. However, if public bodies are to improve service delivery, and to minimise information requests to the citizen, they must be empowered to share and re-use data. Citizens will be asked, where appropriate, to permit the sharing of data to allow the better targeting of services for them.

In particular:

- An Administrative Burden reduction programme for citizens will be introduced to reduce volume and frequency of data required from the public;
- Where appropriate, the public will be asked for consent to information sharing between public bodies;
- A consolidated inspections programme will be developed to reduce the number of visits to business;
- To force public bodies to share information, we will prohibit public bodies from requesting certain publicly issued documents when providing services;
- We will establish a central data store to allow public bodies maximise the re-use of data, particularly around events such as births, deaths, marriages, and company formations, company mergers and dissolutions; and
- We will publish catalogues of services available to specific customer groups e.g. targeting the particular needs of specific sub-groups of children, families, those with disabilities, the elderly and small business, to make it easier to access related services.

Next page: eGovernment and Shared Services

9. e-Government and Shared Services

The Government is committed to a significant expansion in the number of online services available to the individual and business user. We are developing a rolling programme of projects and we will publish regular updates on their implementation. The benefit to the citizen from greater use of online services – in terms of time and convenience – will be complemented by the reinvestment of savings from reduced transactions costs, in service improvements and in the more widespread adoption of case working approaches. The increased ability of the Public Service to re-use and share information will be essential in maximising the benefit of increased online services.

We want to see the development of shared services on a wide scale across the Public Service as a means of reducing administrative costs and spreading best practice by building up centres of expertise. We recognise that such services, when properly planned and managed, have the potential to improve both value-for-money and standards of service to the public. They can also engage private expertise.

In particular:

- We will announce priority e-government projects in all sectors of the Public Service within 5 months;
- We will publish 6 monthly progress reports on implementation of projects;
- We will provide support to smaller Public Service bodies to ensure more of their services and interactions with the public can be carried out electronically;
- We will promote the establishment of shared services in relation to functions such as payroll, human resources, financial management, procurement and ICT systems management. We will design and begin piloting such services within 6 to 12 months;
- In particular, the establishment of a shared corporate services centre for the Civil Service will be progressed;
- As such centres develop, we will compel all public bodies to use them unless they can demonstrate an alternative business case; and
- The drive to achieve the benefits of shared services will be led by a named official, accountable to the Cabinet Committee described below.

Next page: People and Leadership

10. People and Leadership

The Government recognise the importance of having a highly motivated and well led Public Service. This is all the more important as the needs of society and the citizen require better collaboration, joint planning and service delivery between the different sectors and organisations in the Public Service. This more integrated Service will be united by its common objectives to achieve the priorities identified by Government. We need to be able to redeploy people in one part of the Public Service from activities which are no longer priorities, towards new challenges which are often in other areas. This means breaking down the barriers to mobility (organisational, sectoral, professional and geographical) between the different parts of Public Service. It also means having appropriate exit options where people cannot be redeployed. There are issues which will require urgent negotiation with the Public Service unions.

The Government are also determined to promote stronger leadership at every level within the Public Service, in order to capture the innovation, creativity and enthusiasm of individual managers and staff in the workplace level, and to promote a stronger culture of individual performance and accountability.

In particular:

- Work will begin immediately to identify and remove barriers to a unified public service labour market. This process will include the preparation of any necessary legislation;
- New arrangements on redeployment and exit options will be developed within 12 months;
- All promotions across the Public Service will be competitive and merit based and clearly linked to individual performance assessments;
- Recruitment, promotion and training practices will be updated to take account of a new emphasis on leadership skills; and
- A Senior Public Service to centrally manage and deploy top public servants will be designed within 6 months and introduced initially in the Civil Service at Assistant Secretary level for 12 months, before being extended to other equivalent groups across the wider Public Service.

Next page: Better Management of the Public Service

11. Better Management of the Public Service

The Government are committed to better integration of the Public Service so that policies, planning and service delivery are focused more closely on citizens needs. We believe this will require improved communication, information and reporting arrangements to be established between the central Departments - the Departments of the Taoiseach and Finance - and other Government Departments. It will also require Departments to manage their agencies in new ways, and central government and Local Authorities to change how they interact.

The Government has also decided to build on the pilot Organisational Review Programme⁴, the report of which is also being published with this Statement. This review entails an assessment of the capacity of individual organisations to meet their challenges and commitments over the coming years by looking at issues such as Strategy; Leadership; Customer Service; Innovation; Resource Management; and Engagement with stakeholders. The Departments of Agriculture, Fisheries and Food, Enterprise, Trade and Employment and Transport were included in the pilot exercise. Issues for the Civil Service to address and their individual assessments and responses are included in the report. We are extending the Programme to ensure that all Government Departments and major Offices will be reviewed within 36 months.

The Central Departments must focus on promoting coherence across the Public Service; the proper allocation of functions and resources; and the strengthening of mechanisms by which organisations and individuals are held to account. They must also provide leadership and co-ordination for the transformation of the Public Service.

In particular:

- The Government will specify priority targets in relation to key cross-cutting issues, which require better co-ordination of the relevant Departments and agencies;
- The Government will issue guidance as to the best practice management of cross-cutting issues, including the use of networks in this regard, within 12 months;
- The Government will ensure that, wherever possible, service providers adopt county boundaries for the organisation, delivery and evaluation of services;
- A database of all public services available by county level will be published;
- Government Departments and agencies will explore the feasibility of devolving more responsibility for service delivery of national programmes at local level to individual Local Authorities. This will include the designation of lead agencies for the delivery of local services, where agencies have clients in common and contracting private and not-for-profit bodies for local delivery; and
- The multi-agency County/City Development Boards (CDBs) will be strengthened to improve the co-ordination of local service delivery.

Next page: State Agencies

⁴ Report of the Organisational Review Programme, Pilot Phase, November, 2008

12. State Agencies

The creation of State agencies has in many cases allowed Government to achieve scale and specialist skills to focus on particular priorities. However, the Government believes that a more vigilant approach is now required so that the need for individual State agencies to continue is regularly evaluated and to ensure that agencies continue to meet their intended objectives. We also want to ensure that synergies are achieved from the merger of agencies where appropriate or the use of shared services by them, and that savings are achieved from the winding up of agencies which have achieved their original objectives. The Government is putting in place new arrangements for setting performance objectives for agencies and for monitoring their delivery.

In particular:

- The Special Group on Public Service Numbers and Expenditure Programmes will report to Government on the scope for further rationalisation of agencies;
- The Government will not create any new agencies pending the development of new performance management and governance arrangements;
- Ministers will be required to demonstrate a clear business case for any incremental resources associated with the creation of any new agency or the conferring of new functions on an existing agency, in particular why an existing agency or Department cannot take on the task within existing resources. In any event, new agencies will not be established until the new performance management and governance arrangements are in place;
- The Government will require all agencies to publish Output Statements relating the resources allocated to them with target achievements;
- Departments will put in place, with those agencies involved in service provision, service level agreements which commit agencies to delivering agreed volumes and standards of service to the public; and
- Agencies will be compelled to use shared services options, save in exceptional circumstances.

Next page: Implementation and Accountability for Transformation

13. Implementation and Accountability for Transformation

The transformation of the Public Service to meet the needs of citizens of the 21st Century and to perform at a level of resources which the country can afford is a challenge of the highest political priority. It requires, therefore, the strongest possible political engagement and leadership.

The implementation of this transformation agenda, therefore, will be driven by the Taoiseach, and the Minister for Finance. The Government will create a new focal point at the Centre of Government, and within existing resources to support organisations in their transformation efforts and to support the Government in driving, co-ordinating and monitoring progress in implementation. This Programme Office will also promote innovation and the piloting of new activities and identify areas for joint action by organisations.

In particular, with immediate effect:

- The Government are establishing a Cabinet Committee, chaired by the Taoiseach and comprising of the Ministers for Finance, Health and Children, Education and Science, Justice, Equality and Law Reform, and Environment, Heritage and Local Government to oversee the transformation effort;
- A Central Programme Office, based in the Taoiseach's Department, will be established to support the Cabinet Committee and the relevant Secretaries General and public service leaders in implementation. The office will draw on staff from all major areas of the Public Service;
- A Steering Group for the implementation and monitoring of progress will be established with members from within the Public Service and outside members with relevant expertise;
- The Government will publish the first Annual Report on the State of the Public Service within 12 months; and
- The Government will prepare legislation to give effect to the transformation agenda set out in this statement and in the Report of the Task Force on the Public Service.

Next page: Conclusion

Conclusion

This Statement outlines an integrated package of measures to deliver real change in our public services. These measures are mutually reinforcing and taken together, provide the basis for the transformation of the Irish Public Service.

Ends