

**IMPLEMENTATION  
BODY**

# **IRN Conference 10<sup>th</sup> March 2011**

**Change and Reform  
Time for Delivery**

**PJ Fitzpatrick**

# 1. Environment since July 2010

- Then -Budget adjustment for 2011 of 3bn  
– ongoing annual adjustments to make 3% target by 2014
- By Autumn – adjustment 6bn for 2011 & 15bn by 2014
- 4 year Recovery plan
- ECB & IMF MoU
- Budget 2011

## 2. Status of Agreement

- Survived all these seismic events
- Fine Gael & Labour – expressed intention to continue if Agreement delivers
- Recent review Dept Finance – ‘extraordinary opportunity’
- Why abandon?

# 3. Origins of Agreement

- 2009 – non payment of general round pay increases, reduction in variable pay, pension levy & pay reductions, recruitment moratorium
- Average 14% reduction in take home pay, up to 24.5% for top grades
- Annual savings from pension levy and pay reductions alone - €1.8bn pa saving
- Difficult environment for Unions to sell need for and content of Agreement to members

# 4. Progress to Date

- Work being done with 14,000 fewer staff plus HSE early exits.
- Management de-layering
  - e.g. 14% reduction in CS in senior management of 7% reduction to date
- Redeployments
  - To cover vacancies e.g. HSE to cope with 2000 early exits
  - To meet business challenges e.g. 500 civil servants redeployed to Social Protection & Enterprise, Trade & Innovation

## 4. continued

- To do business differently, e.g. 1,000 plus CWOs transferred from HSE to Social Protection
- To reduce footprint in all sectors, e.g. Dept Agriculture, HSE, Courts Service
- Open competition & competitive interview for promotional posts. ( Ass Sec, Gen Sec & other posts now publicly advertised )
- New less costly rosters in new prisons
- New rosters for some Garda Units
- Some agencies merged/abolished, etc
- More services online

# 4. continued

- Extended working day for hospital laboratories – saving 5m pa.
- Extended working week for primary teachers – additional hours & new contracts in place – effectively additional week over a full year
- 2<sup>nd</sup> level – ASTI now accepted
  - TUI balloting
- 3<sup>rd</sup> level – University plans/Hunt report

## 5. Results to date

- No IR or work to rules – majority of unions/ associations have now accepted to secure guarantees
- Staff taking on more and work previously done by higher grades
- Services maintained and in some cases extended and improved
- Some new online services



# 6. Challenges Ahead

- Action Plans set out management agendas for 2011
- Reduction in staff
  - New Programme for Government: 18 -21,000 fewer by 2014 and 4,000 fewer in 2015 in addition to reductions to Dec 2010
- Transform how services are organised & delivered.
- More online & shared services
- Health – new clinical programmes – 5 chronic illnesses account for 80% of annual spend

## 6. continued

- Eliminate duplication for means tested services
- More Gardaí available when most needed
- Less costly rosters for all Prisons
- Fewer agencies
- Regulatory services – fewer & more joint risk based & targeted

## 6. continued

- Extended opening for public offices
- More aggressive national procurement – maximising purchasing power
- Less documentation and more joined up services – e.g. Revenue & Courts Service

# 7. New Government

- New Programme for Government – some of the new challenges:
  - New Minister and Department for Public Service Reform and Spending
  - 18-21,000 fewer staff by 2014 and a further 4,000 fewer by 2015
  - Fewer Agencies & State boards
  - Review grades – reduce management grades
  - More external recruitment - change managers

# 7. continued

- 1/3 all appointments at PO level and above external for 5 years
- Change to way users access services – put resources in hands of citizens e.g. HSE, FÁS, VEC's
- Mobility – remove barriers
- Reform Health care - HSE cease to exist over time
- Can Agreement support delivery of this level of change?

# 8. Challenges for Managements & Unions

- More ambition and urgency? – yes
- Proposals – from management
- Unions – engage positively and constructively – opportunity to influence and contribute essential
- Leadership needed on both sides to deliver change
- Recent Labour Court recommendation on consultation – very important.

# 8. continued

- Savings & Reforms – verifiable & transparent
- Scrutinised as never before – ECB & IMF, Government, Media & the public
- Vital for public confidence in agreement and capacity of public service to reform itself
- More for less & improved services

# 8. continued

## 4 Headings:

- Cash savings
  - Costs avoided
  - Services reformed/improved
  - Internal efficiencies
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- Not as if no record of reform – some very good examples



# 9. Required

- Improved HR/Leadership skills and strategies
- Ability to manage in a recession.
- Communications vital – to date good & bad
- First line & middle managers – role vital & more delegation to them
- Disseminate good practice - no time to reinvent

# 9. continued

- Leadership & management development
- Much improved performance management & measurement.
- More ICT & online services – essential to do more with less
- Outsourcing – thorny but part of solution if approached correctly and in line with Agreement.

# 10. Conclusions

- Can it be done? - Experience to date suggests it can
- Will it be easy? - Certainly not
- Difficulties ahead? - Without doubt
- Can they be overcome? – Yes if approached correctly by managements & Unions

# 10. continued

- Recent McKinsey survey on organisational redesign.
- Only 8% added value, completed on time and fully met business objectives
- Lessons – most successful involved staff and explained to staff changes planned. Clear communication plans and consistent. Ensured HR, ICT Financial and other systems/processes in place to support.

# 10. continued

- Quick decisive action rather than staged evolutionary approach
- Performance issues during transition that must be managed
- Surprised?
- Recognise?
- Probably do.

# FINALLY

- Thank you
- Questions?