

Saving achieved in the Civil Service and State Agencies Sectors.

Overview:

In Government Departments and subsidiary non-commercial State agencies, the main area for savings is found in the progressive reduction of numbers employed in the public service in accordance with the Employment Control Frameworks, the targets as set out by the EU/IMF and commitments under the Programme for Government. This reduction in numbers has led to a significant and sustainable fall in the paybill cost of the Civil Service and State Agencies in the reporting period of end 1st Quarter 2010 to end 1st Quarter 2011.

Some 957 WTE equivalents in the Community Welfare Service are being transferred to the Civil Service from the HSE. The transfer is numbers and pay bill neutral across the public service. The numbers above have not been amended to reflect this transfer, but on completion the numbers transferred from the HSE and FÁS will be reflected in the returns from the Civil Service in future years. The savings indicated below therefore do not reflect that change.

Departments have also made efforts to economise on costs and achieve efficiencies in the non-pay bill savings, while maintaining or improving services as numbers fall and as other costs are restricted. Instances of those types of savings are indicated here as a reflection of the overall cost savings achieved by Departments/Agencies in the delivery of their services.

Numbers reduction and pay bill saving.

In the period from Q1 2010 to Q1 2011 the comparative figures of persons employed in the civil service and the non-commercial State agencies under the auspices of Departments fell by some **939 WTE**, from 49,102 to 48,127. These figures include the prison service and industrial civil servants, and the staff of the Oireachtas Commission.

The reduction in numbers, allied to a reduction of some 7.2% in overtime costs, has led to a paybill saving in the Civil Service and State Agencies sectors of some **€54.2** million on a full year basis.

Greater efficiencies in administration

Departments also reported many instances of savings and efficiencies in the delivery of programmes, aside from those achieved in the pay bill. (Some of these related to a comparison of whole year costs from 2010 over 2009).

Savings indicated by Departments and Agencies include:

- Department of Agriculture & Food: €4.707m in administration savings across a number of headings
- Central Statistics Office: €4.7m (once off project savings in Census 2011) and €1.5m in overheads and output reduction
- FAS: Savings as a result of developing and implementing of more streamlined activity administration systems for 2010: €33.7m

- DPP: Implementation of a robust costs settlement policy has contributed to a saving of €3m.
- Health & Safety Authority: €1.7m savings on non-pay budget for 2010.
- Revenue: Modernisation of the Capital Acquisitions Tax system and the re-design of Vehicle Registration Tax (VRT) administration for used vehicle imports resulting in paybill savings on those activities (the staff were redeployed to other priorities) estimated to be €3.45m pa, with project costs of some €2.6m and an ongoing administration cost for the revised VRT system of some €1 million.

Rationalisation of offices and services.

The Civil Service and State Agencies are reducing their 'footprint' to save costs. The OPW noted the surrender of office accommodation in excess of 27,000 square metres and the sale of property assets in excess of €5m in 2010. A saving of some €11m is required for 2011. 17 Court venues were closed by the Courts Service during the reporting period. The Service reported that resulting cost savings based on 2009 expenditure amount to € 758k. Revenue are continuing to review smaller offices (with less than 25 staff) in order to ensure that less efficient operations are integrated into larger centres and that efficiencies are achieved in accommodation overheads. The most recent office closed in December 2010 and another office is on schedule to close on 1 July. Staff impacted by closures will be redeployed in accordance with the agreed redeployment arrangements in the Public Service Agreement. The Department of Agriculture is well on course with its programme of closure of 41 offices, retaining 16 enhanced offices. While the savings during the year are including in the overall administration saving given above, the Department estimate a saving of €30million per annum when the programme is completed

Better use of public money when purchasing.

Substantial sums are spent by Government Departments and Agencies in purchasing goods. Better use of those resources can result in savings, without any reduction in delivery. Specific examples of savings given by Departments and Agencies included:

- The OPW have introduced standard based frameworks for rapid tendering of commodity and specialist goods and services. In 2010 this resulted in savings of approx €8.8m. The OPW also reported facilitating, through the National Public Procurement Unit, a further €39m savings across Departments and Offices.
- The Department of Justice & Equality reviewed the operations of the Irish Naturalisation & Immigration Service including reassignment of staff and action to address backlogs in priority areas and achieved a reduction of over €2.5m in respect of the Direct Provision System in the first two months of 2011.
- The Department of Agriculture & Food used the Framework Agreements for voice & data telecommunication services for Department and Agencies to achieve a saving of over 42% on new rental costs of data links compared to existing rental costs (incorporated in the overall administrative savings noted above).
- The Oireachtas implemented a shared service business continuity remote site with Revenue and achieved savings of €250k (once off) and €100k per annum thereafter.

Better use of e-delivery

Government Departments and Agencies are extending their use of ICT. While these projects require upfront investment, they can save significant costs over time.

The most significant single saving for the period have been reported by the Revenue Commissioners, through the eStamping System which enables practitioners to complete the

stamping process online and eliminates the need to have documents physically stamped. which will result in paybill savings in the region of €2.25m pa. Further savings of €700k pa have been achieved on maintenance and contract costs by upgrading the system. The total project cost was €6.2m.