

Savings achieved in the Civil Service and State Agency Sectors (Q1 2011 to Q1 2012)

| Summary of savings in the civil service and state agency sectors | |
|---|---|
| Payroll savings | €122m |
| Non-Pay | €40.9m (or €62m on an annualized basis) |

Introduction

This is an overview report of the savings that have been reported and are arising from initiatives and measures taken in the civil service and non-commercial state agency (NCSA) sectors under the Public Service Agreement 2010-2014. The civil service and state agency sectors are taken together for the purposes of integrated reporting. The relevant review period is the second year of the Agreement which is from 1st April 2011 to 31st March 2012.

The savings that are arising in these sectors can be broadly classified as those relating to pay and non-pay or administrative savings arising from changed business practices; better procurement outcomes and more efficient approaches to managing property. This report is informed by pay and numbers data provided by the Department of Public Expenditure and Reform and savings reported by Departments, Offices and State Agencies.

Pay Savings

The main area of savings in the civil service and state agency sectors was achieved through significant paybill savings arising from substantial numbers reductions in the civil service and state agency sectors. The programme of reduction in numbers in the sectors is proceeding in accordance with the Employment Control Frameworks, commitments under the EU/IMF programme of assistance and the Government's targets. Over the review period, numbers working in the civil service and state agency sectors reduced by 2,104. These reductions in staff numbers were accelerated by the ending of

the ‘grace period’ cut off date for retirements on 29th February 2012. The overall paybill savings are set out below:

Number Reductions and Sustainable Pay Roll Savings (Q1 2011-Q1 2012)¹

| | 2011 End Qtr 1 | 2012 End Qtr 1 | Numbers Reduction | Payroll Savings by sector (Per Annum) €m |
|----------------------------------|-------------------------------|-------------------------------|------------------------------|---|
| Civil Service² | 36,763 | 35,763 | 1,000 | 58.0 |
| NCSA | 11,876 | 10,772 | 1,103 | 64.0 |
| Total | | | | €122m |

Non-Pay Savings

The savings in this category relate in the main to the implementation of changed business practices and reconfiguration; securing better procurement outcomes and ensuring more efficient approaches to managing property. The sector reported non-pay savings of approximately €40.9m during the review period which is estimated to equate to €62m on an annualised basis. Some examples of these initiatives are set out below. This is not an exhaustive list of the range of actions taken in the civil service and state agency sectors to achieve non-pay savings.

Business Practices and Reconfiguration

- A changed approach by Department of Agriculture, Food & the Marine to regulatory presence in meat plants resulted in savings of €2m.
- The local office re-organisation in Department of Agriculture, Food & the Marine realised €2.4m in non-pay savings.

¹Notes

1. Payroll Savings are calculated on average annualised savings per employee arising from the reduction in numbers during the review period (employee number reductions arise at different times during the year). It includes savings due to numbers reductions and other reductions in the cost of the public service pay bill. (e.g. in overtime, allowances etc).
2. The above figures do not include Oireachtas staff who are paid from the Central Fund but where a comparable reduction in numbers was achieved. They also reflect that 1,750 staff transferred to the Civil Service from the HSE and FAS.

- Changed work practices in the Office of the Director of Public Prosecutions (DPP) resulted in €1.4m in savings.
- The Irish Naturalisation and Immigration Service (INIS) secured savings of €2.36m as a result of efficiencies and changed work processes.

Better Procurement Outcomes

- The National Procurement Service (NPS) in the OPW proceeded on target with its programme of work and achieved an estimated €47m savings in purchasing goods and services for Departments, Offices and State Agencies in the period under review.

Managing Property

- The OPW saved €10m by managing and rationalising the OPW property portfolio through the surrendering of leases and securing rent reductions. In 2011 for example, the OPW surrendered office accommodation in excess of 88,240 sq ft as well as 113 car spaces.
- The Irish Naturalisation and Immigration Service (INIS) achieved €3.58m savings in the direct provision system (accommodation for asylum seekers) as a result of efficiencies and contract negotiations.

Other Non-Pay Savings

Other smaller scale savings were reported on increasing use of shared service arrangements; reducing travel costs; enhanced use of ICTs in service delivery and securing reductions in service contracts.