

## Press Release from the Implementation Body

The Implementation Body for the *Public Service Agreement 2010-2014* ('Croke Park Agreement') published its second annual report today. The report is the Body's assessment of progress following its review of Year 2 of the Agreement.

€650m in pay bill savings were achieved in Year 2 of the Agreement, while non-pay or administrative efficiency savings totaling €370m were reported for the review period.

Speaking at the launch of the Report, the Chair of the Implementation Body, Mr. P.J. Fitzpatrick, remarked that "*The Agreement was designed to enable the Government to reduce pay bill costs and ensure that services be maintained at the same time. So far the Agreement has succeeded in doing so in that very significant pay bill savings have been achieved as well as major non-pay savings.*"

The Chair noted that the number of staff reduced in the public service

*"has already surpassed the original 25,000 target by 2014 in the National Recovery Plan and is on target to meet the new target of 37,000 by 2015"*

and

*'while the numbers of staff in the public service have been reduced, services have been maintained at a time when the demand for services has increased because of the recession and the increase in the population – productivity therefore has increased as illustrated in the Report'.*

Mr. Fitzpatrick went on to say that the Body's Report reaffirms that *'services are being maintained by utilising the redeployment, reconfiguration and other flexibility and reforms provisions of the agreement and importantly in a climate of industrial peace and staff co operation'*.

He also added that *'the Implementation Body is of the view that the challenges ahead will require an intensification of these reforms and that there is no room for complacency in any area of the public service'*.

Date: 13<sup>th</sup> June 2012

## **ENDS**

### **Notes to Editors**

The Public Service Agreement 2010-2014 provides for an annual review focusing on the sustainable savings generated from the implementation of the Agreement and of the agreements in each sector of the public service. This is the second such Review and was undertaken by the Implementation Body which is charged with driving the delivery of the commitments under the Agreement. The review covers the 12-month period to the end of March 2012.

The Implementation Body was established in July 2010 and Mr. P.J. Fitzpatrick was appointed as non-executive chairman. Membership of the Body comprises of representatives of public service management and the Public Service Committee of the Irish Congress of Trade Unions. The secretariat is located in the Department of Public Expenditure and Reform.

### **Key Findings of the Report**

#### **Staff number reductions**

- Public service staff numbers have been reduced by 28,000, or 8.8%, since 2008 from 320,000 to 292,000
- Staff numbers have been reduced by over 17,300 during the first two years of the Agreement and by 11,530 during the review period (Apr 2011 to Mar 2012)

#### **Pay and non-pay savings**

- The Exchequer pay bill has been reduced by 17.7% between 2009 and 2012, from €17.5bn (Gross) to €14.4bn (net of the Pension Related Deduction)
- Pay Bill Savings of €650m were achieved during the year under review (Q1 2011 to Q1 2012) driven largely by the reduction in staff numbers
- Factoring in an estimate for the maximum possible post-February recruitment over 2012 still yields significant sustainable pay bill savings of €521m. An estimated €810m in sustainable pay bill savings has therefore been achieved during the first two years of the Agreement.
- Over the period 2009 to 2015, the Exchequer pay bill is expected to reduce by €3.8bn, or €3.3bn net of expected increases in public service pensions costs
- Administrative efficiency (or 'non-pay') savings totalling €370m were reported for the review period. Adding the examples of non-pay savings presented in last year's Report totalling €308m, gives a total of €678m in non-pay savings in the first two years of the Agreement.
- Savings in respect of 4 sample projects were verified by Grant Thornton

The full report is available on [www.implementationbody.gov.ie](http://www.implementationbody.gov.ie)