Written Answers

3 July 2012

281. Deputy John Lyons asked the **Minister for Public Expenditure and Reform** the expected level of savings through adjustments from the Croke Park agreements in 2013; and if he will make a statement on the matter. **[31767/12]**

Minister for Public Expenditure and Reform (Deputy Brendan Howlin): The estimates allocation and overall budgetary process will set out the approach to be taken to Government expenditure in 2013. This framework does not assign specific savings targets to those areas that are covered by the *Public Service Agreement 2010 - 2014*. However, Paragraph 1.16 of the Agreement does provide for an annual review of the savings generated from its implementation. Two such reviews have been undertaken by the Implementation Body for the Agreement to date. On 13th June last, the Body published its Second Annual Progress Report in respect of Year 2 of the Agreement (12 months ending March 2012) which found, *inter alia*, that:

. Pay bill Savings of €650m were achieved during the year under review (Apr 2011 to Mar 2012) driven largely by the reduction in staff numbers, or €521m net of an estimate for the maximum possible post-February recruitment over 2012. An estimated €810m in sustainable pay bill savings has therefore been achieved during the first two years of the Agreement.

. Administrative efficiency (or 'non-pay') savings totalling €370m were reported for the review period. Adding 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.

4 July 2012

30. Deputy Dara Calleary asked the **Minister for Public Expenditure and Reform** if he intends the Croke Park agreement to run its full term; his plans to accelerate its implementation; and if he will make a statement on the matter. **[32470/12]**

Minister for Public Expenditure and Reform (Deputy Brendan Howlin): The Public Service Agreement between the Government and the Public Service Committee of the Irish Congress of Trade Unions (ICTU) and other associations representing public service staff is a four-year agreement covering the period 2010 to 2014.

The sustainable savings and progress being achieved under the framework of the Agreement are assessed annually by the Implementation Body, whose role is to oversee and drive delivery of the Agreement and its sectoral components. The Body published its Second Annual Report last month which found that sustainable pay bill savings in the order of €521m were achieved in the second year of the Agreement. This means that the

Agreement has facilitated approximately €810m in sustainable pay savings over its first two years. Furthermore, some €678m in non-pay efficiency savings, have also been reported.

As well as delivering savings, industrial peace and facilitating a sustained reduction in staff numbers, the Body also found key reforms are being implemented across the public service with the co-operation of staff under the framework of the Agreement, for example, in relation to redeployment, revised rostering arrangements and other changes to work practices; the restructuring and reconfiguration of public services; and the introduction of shared services and online services.

The Government has said that it will honour its commitments under the Agreement as long as it continues to deliver substantial savings and meaningful reforms. I think it is clear from the recent Report of the Implementation Body that the Agreement is working and is continuing to deliver on its objectives.

However, the economic environment remains very challenging. The Implementation Body has correctly concluded, in my view, that the sustainability of the Agreement will be measured against its ability to accelerate the pace of change across the public service and its potential for extracting further pay bill savings and non-pay efficiency savings. We will have to look at more radical and innovative ways to deliver further savings, productivity increases and more reform over the remaining lifetime of the Agreement with even greater urgency. It will be essential that the provisions of the Agreement are used to their fullest potential.

109. Deputy Billy Timmins asked the **Minister for Public Expenditure and Reform** the savings made to date under the Croke Park Agreement; where these savings were made; and if he will make a statement on the matter. **[32765/12]**

Minister for Public Expenditure and Reform (Deputy Brendan Howlin): The Implementation Body for the Public Service Agreement published its Second Annual Progress Report in respect of Year 2 of the Agreement (12 months ending March 2012) on 13th June last which found, *inter alia* , that:

- Pay bill savings of €650m were achieved during the year under review (Apr 2011 to Mar 2012) driven largely by the reduction in staff numbers, or €521m net of an estimate for the maximum possible post-February recruitment over 2012. An estimated €810m in sustainable pay bill savings has therefore been achieved during the first two years of the Agreement.

- Administrative efficiency (or 'non-pay') savings totalling €370m were reported for the review period. Adding 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.

Further details on the savings are contained in the Body's report which was laid before the Houses of the Oireachtas and is available on www.implementationbody.gov.ie.

19 July 2012

242. Deputy Terence Flanagan asked the **Minister for Public Expenditure and Reform** his views on the Croke Park Agreement; when he expects further savings; when he expects discussions to begin on its successor; and if he will make a statement on the matter. **[36221/12]**

Minister for Public Expenditure and Reform (Deputy Brendan Howlin): The *Public Service Agreement 2010-2014* is a key strategic framework which is enabling the Government to significantly reduce public service costs and to fundamentally reform the way the public service works with the co-operation of staff.

The Implementation Body for the Agreement has published two annual reports to date. Both of these reports show clearly that the Agreement is delivering on its objectives and that it continues to make an important contribution to economic recovery. For example, the Body's second report published on 13 June found, *inter alia* , that:

- The Agreement continues to be an effective enabler for the implementation of required reform and change across the public service.It is facilitating a significant reduction in staff numbers and is allowing significant restructuring to be implemented in a climate of sustained industrial relations stability and staff co-operation;
- The Agreement has succeeded in delivering significant Exchequer pay bill savings and non-pay administrative efficiency savings directly related to many of the plans implemented under it. An estimated €810m in sustainable pay bill savings has been achieved during the first two years of the Agreement and some €678m in non-pay or administrative efficiency savings; and
- A broad range of reform initiatives have been progressed both centrally and locally across the public service in such areas as redeployment, revised roster arrangements and work practice changes, reconfiguration of services and rationalization of offices and structures and the introduction of streamlined, centralised and shared service arrangements.

The Government has welcomed the progress that has been made to date but has also called on the parties to intensify their efforts over the coming period to accelerate the implementation of priority reform measures under the Agreement and to explore all opportunities for extracting further pay bill and non-pay administrative efficiency savings given the challenges the country continues to face.

The Implementation Body will undertake its next review of the savings and reform being enabled under the Agreement in spring 2013. The Agreement is set over a four year period from 2010 to 2014. There are no discussions currently envisaged in relation to a successor Agreement.