

Original to D/Finance by hand
Rs 4/5/11

Mr Ciaran Connolly
Secretary General
PSMD
Department of Finance
Upper Merrion Street
Dublin 2

Ref: HRP/IMP/O/108760

4 May 2011

Re: Report on Progress under Action Plans

Dear Ciaran,

I refer to your letter of 14 April 2011 requesting an update on the implementation of the Public Service Agreement 2010 – 2014. The attached response relates to the Department's own Action Plan and a separate response will issue to you in respect of agencies and bodies (other than the HSE) falling within the remit of this Department. As requested, the report on progress made and sustainable savings achieved are set out using the templates provided.

The focus in this Department has been, and continues to be, on improving our efficiency and realigning structures so that we can continue to deliver our mandate with reduced overall resources. Examples of internal re-organisation, including the introduction of cross-stream reporting across the Department, are provided in the attached reports. The Department has also managed to reduce our overall administrative spending during 2010 to achieve an outturn which was €8.6m lower than the original budget for the year as follows:

Budget 2010	Outturn 2010	Saving
€42.480m	€33.878m	€8.602m

We intend to maintain this progress during 2011 to again deliver an end year outturn under budget.

At the end of March 2011, there were 434 WTEs employed at the Department. However, we are presently in the process appointing a small number of Ministerial Personal Staff which are not included in the end March figure, which will bring our WTE count to around 440 at end April 2011.

Between end-March 2010 and end-March 2011, this Department achieved a real reduction of 13 WTE (this figure excludes staff who were seconded to the new Adoption Authority of Ireland (AAI) in November 2010 and staff from the Office of

the Ombudsman for Children (OCO) who are no longer counted on our staffing numbers¹). Using an average salary figure of €55,000, this represents a payroll saving of €0.715m.

Our total staff numbers would be lower than they are by 13 staff but for the fact that the Department integrated 10 staff from the Children Acts Advisory Board and 3 staff from the Irish Council for Bioethics during 2010 as part of the agency rationalisation programme in the health sector.

Yours sincerely



Bernard Carey
Assistant Secretary
Parliamentary & Corporate Affairs

¹ Staffing numbers from the AAI and the OCO are now returned under the Department's NCSSB figures.

PUBLIC SERVICE AGREEMENT 2010-2014 (CROKE PARK AGREEMENT)
PART A - PROGRESS REPORT FOR THE DEPARTMENT OF HEALTH & CHILDREN

May 2011

1. Better human resource management <i>Actions to include under this heading include reductions in numbers, redeployment, reconfiguration of service delivery, revisions in attendance arrangements, better attendance and absence management, etc.</i>			
Terms of the Public Service Agreement 2010 – 2014 <i>(refer to all relevant paragraphs)</i>	Target Date as per Current Plan	Action	Comment
Resources 1.5 4.3 4.4	Staff numbers will be reduced to:- 437 by end 2011 421 by end 2012 406 by end 2013 390 by end 2014	We will use appropriate mechanisms, including redeployment, to adhere to our Employment Control Framework (ECF) targets	We are fully committed to meeting our ECF targets during the period of the Agreement. At the end of March 2011, there were 433.56 WTE employed at the Department which is a reduction of 48 WTE (10%) over end March 2010 position. However, due to the flow of staff into and out of the Department and as a result of the way some staff numbers are now counted, it is more accurate to say we reduced our overall staffing complement by 13 WTE in the period concerned. Using an average salary of €5,000 this represents an associated annual payroll savings of €0.715m <i>A more detailed explanation of this is included on the covering letter to this report</i>
4.1	Q. 2 2011	The Department's ORP Action Plan will be implemented with regard to empowerment of staff as follows:- - We will identify, with staff, and promulgate practical examples of best practice in people management in the Department in relation to issues like delegation, unit meetings, and visits to	

4.12	Q. 1 2011	<p>service delivery locations.</p> <ul style="list-style-type: none"> - We will prioritise staff management standards in the context of PMDS, and we will review approaches taken to performance management across the Department; 	<p>This was considered under Phase I of our response to the ORP. Recommendations arising from Phase I are being implemented. Further elements will be considered under Phase II to be completed by end June 2011. Any central guidance from the Department of Finance will be taken account of.</p>
4.4	In place 2010	<ul style="list-style-type: none"> - We will review our mobility policy to better balance staff and business needs; 	<p>New policy is in place</p>
4.11	Q.1 2011	<ul style="list-style-type: none"> - We will review our skills needs and consider how best to acquire the skills identified; 	<p>This is being considered under Phase II of our Action Plan under the ORP. This phase has just begun and is expected to be completed by end June 2011</p>
4.1	In place	<ul style="list-style-type: none"> - We will introduce a central system to verify that all staff are appropriately deployed and utilised. 	<p>Implementation underway. Further steps will be considered under Phase 11 of our response to ORP.</p>
4.3, 4.4	In place 2010	<ul style="list-style-type: none"> - We will introduce flexible allocation of staff to meet specific pressure situations. 	<p>A number of internal reorganisations have taken place in order to meet changing business demands. This has included temporary re-assignments to meet particular pressure points. This approach to flexible staffing resources will continue.</p>
4.4	Implemented	<p>We will introduce cross stream reporting across the Department</p>	<p>The introduction of cross stream reporting across the Department has led to significant increased capacity at senior management level.</p>
4.4	Q2 2011	<p>We will examine existing shift patterns and overtime costs across the Department with a view to providing future service at the best possible value for the taxpayer.</p> <p>The following Actions from our ORP Action Plan, which relate to improving internal business processes and work practices, will be implemented:-</p>	<p>Shift working and overtime do not generally arise for the majority of staff of the Department. Efforts will continue to identify savings in this area.</p>

4.4, 4.13 to 4.16.	Q1 2011 Q1 2011 Q2 2011	<ul style="list-style-type: none"> - We will review business processes with a view to simplifying and streamlining them. Business plans will be signed off before the start of the relevant year. - We will develop a series of best practice guidelines and protocols on working practices starting with cross-Divisional working, analytical evaluation and the implementation aspects of policy development. - We will review our systems for serving the democratic process with a view to making them as efficient and effective as possible. 	<p>Implemented with regard to business planning, management of risk, team meetings and reports to senior management on HR indicators.</p> <p>This is being considered under Phase II of our Action Plan under the ORP. This phase has just begun and is expected to be completed by end June 2011.</p> <p>Significant progress has already been achieved in this area and further improvements will be considered under Phase II of our Action Plan under the ORP. This phase has just begun and is expected to be completed by end June 2011</p>
Para 4.17	Almost complete	<p>The rationalisation of agencies programme will continue to be implemented within the Department and agencies under its remit. The functions of the National Council for Aging and Older People (NCAOP), the Women’s Health Council (WHC), the Children Acts Advisory Board (CAAB) and the Irish Council for Bioethics (ICB) are being absorbed by the Department under this programme.</p> <p>The work referred to above regarding the clarification of the role of the Department will also contribute to reducing duplication and increasing overall efficiency.</p>	<p>The National Council for Aging and Older People (NCAOP), the Women’s Health Council (WHC), and the Irish Council for Bioethics have been successfully subsumed into the Department.</p> <p>The Child Care (Amendment) Bill provides for the dissolution of Children Acts Advisory Board and arrangements are being made for the Bill to be progressed through the Oireachtas during this Dáil term. In the interim, all CAAB staff have been seconded to either the Department of Health & Children, Revenue, Garda Civilian and the HSE depending on their background & skills.</p>
4.1	Qtr 1 2011	<p>The Department is committed to performing its functions with a smaller staff in the future.</p> <p>The following actions from our ORP Action Plan will be implemented.</p> <ul style="list-style-type: none"> - We will develop a “Memorandum of Understanding” with the HSE to help define and clarify the “business rules” which will govern future working relationship between the 	<p>A draft Memorandum was prepared and was under discussion between the Department and the HSE. This draft will be reviewed in light of changed circumstances.</p>

4.1, 4.3, 4.4	Qtr 2 2011	<p>staff of the two organisations.</p> <ul style="list-style-type: none"> - We will review our existing structure to facilitate the allocation of appropriate priority to longer-term strategic issues and help achieve “economy of scale” type efficiencies by centralising some functions 	<p>This will be an on-going process and is already underway. For example a Business Support and Development Unit has been set up from existing resources to centralise some key corporate functions. Other examples include the establishment of a Citizen Participation Unit to support citizen engagement in Departmental health and well-being policies, the establishment of a Central Legislation Unit and enhancements to the Department’s research capacity.</p>
4.7 4.12	Implemented	<p>The Department will review and revise as necessary the operation within the Department of the existing flexible working arrangements. The review will ensure that the requirements regarding working hours are applied effectively and on an equitable basis for all staff.</p> <p>It will also strengthen absenteeism management, including through implementation of Circular 09/2010 on Management of Sick Leave, better monitoring and analysis of sick leave patterns, a more hands on role for local management and measures to ensure that discretionary provisions (such as uncertified sick leave) are not abused.</p>	<p>Flexible working arrangements will be kept under constant review in the context of reduced staff resources overall and the need to deliver business priorities</p> <p>Circular 9/2010 is being actively applied across the Department. According to the C&AG Report into Absenteeism in the Civil Service (August 2009), the Department had a Lost Time Rate of 5.73%. Analysis of absenteeism rates for sick leave taken during 2010 shows that this rate has been reduced to 4.38%.</p>
4.11 4.12	First Quarter of 2011. Commenced	<p>All promotions in the Department are already competitive and merit-based. We will carry out an analysis of the skills needed for the Department to discharge its functions effectively. This analysis will consider how best to develop/acquire the necessary skills identified, including through open recruitment where this is most appropriate.</p> <p>We will explore the potential for meeting future skills needs, and developing our own staff, through exchanges of appropriate duration between organisations or secondments where appropriate.</p>	<p>This is being considered under Phase II of our Action Plan under the ORP. This phase has just begun and is expected to be completed by end June 2011.</p> <p>A number of exchanges with other agencies have already taken place.</p>

2. Better Business Processes *Actions under this heading would include efficiency measures including procurement, revisions to business process, reconfigurations and other changes to service delivery options, including sharing of service, revisions to regulatory/inspection actions, and so on.*

Terms of the Public Service Agreement 2010 – 2014 <i>(refer to all relevant paragraphs)</i>	Target Date as per Current Plan	Action	Comment
4.15 4.15 4.15	June 2011.	<p>The Department will, to the maximum extent practicable, facilitate shared service arrangements following the vesting of the (non-statutory) Adoption Board into the (statutory) Adoption Authority.</p> <p>The Department will utilise shared procurement facilities to the maximum extent possible. As well as central procurement arrangements, we will explore possibilities for common approaches with other organisations on a bilateral or</p>	<p>We are providing an interim service to the Adoption Authority in respect of financial services pending the establishment of their own finance function. From an accountability perspective, it is considered necessary for the Authority to have its own independent finance role as it would be inappropriate for the Department to provide both the funding and overall financial services to the same organisation. A similar position arose in relation to the Office of the Disability Appeals Officer (ODAO) and the Department brokered a shared financial service between the ODAO and the Mental Health Commission (MHC) which meets all accountability requirements. Governance arrangements for the Authority will be a matter for the new Department of Children, however this Department is prepared to assist the Adoption Authority in considering similar arrangements to that of the MHC and ODAO if considered appropriate.</p> <p>ICT services are being provided by the Department to the Authority.</p> <p>Common arrangements are being used in so far as possible and we will continue to explore additional possibilities on an on-</p>

		<p>group basis.</p> <p>We will examine the feasibility of entering a shared service arrangement for parts of our HR, Finance Unit and/or ICT functions in the context of wider public service developments.</p>	<p>going basis.</p> <p>Shared services are currently being considered in the areas of ICT, Finance and HR for the new Department of Children.</p>
4.14	Implemented	<p>The Department will continue to monitor and improve its procedures and mechanisms for managing risk. This includes:</p> <ul style="list-style-type: none"> - Ensuring our Risk Management Policy is fit for purpose and that management of risk becomes fully integrated into the “way of doing things” rather than an “add on” activity. - Provides for a hands-on role for the Management Advisory Committee (MAC) in risk management; - Ensuring a clearer focus on risks with the potential for higher impact, and closer liaison with the Department’s Audit Committee. <p>Risk Management processes will continue to be simplified to facilitate effective implementation throughout the Department.</p>	<p>A revised Risk Management System was put in place during 2010 and additional improvements were implemented in 2011.</p>

3. Delivering for the Citizen *Actions under this heading would include efficiency measures and improvements to the processes by which your Department/body delivers its services to the public, including changes to the technology used, better data management, including around identity, and so on.*

Terms of the Public Service Agreement 2010 – 2014 <i>(refer to all relevant paragraphs)</i>	Target Date as per Current Plan	Action	Comment
1.4 4.4	2011	<p>The OMCYA has implemented a number of major programmes which support early childhood care and education services, since 2008. In 2009, the OMCYA developed and introduced new IT systems to enable it to deliver these programmes with minimum administrative supports. These systems were improved and expanded in 2010 to provide for the new free Pre-School Year in Early childhood Care and Education (ECCE) and Childcare Education and Training Support (CETS) schemes. The OMCYA will continue to improve these systems in 2011 to ensure continued efficiency and cost effectiveness in its delivery of services.</p>	<p>The OMCYA continues to work with IT in order to enhance the systems to ensure continued efficiency. A dedicated IT support/development service has been requested to facilitate this ongoing work, particularly in the context of the establishment of the new Department of Children and Youth Affairs.</p>
4.14 1.10.	2011 2012	<p>The OMCYA will review the regulatory environment for pre-school services, provided for under the Child Care (Pre-School Services) (No. 2) Regulations 2006, and consider its extension to after-school services.</p> <p>The review will include examination of the existing provision for pre-school inspection, both statutory inspections by the Pre-School Inspectorate of the Health Service Executive (HSE) and inspections linked to a service's participation in programmes implemented by the OMCYA. The potential for greater co-operation and joint inspection teams, particularly for children availing of the free Pre-School Year, will be considered.</p>	<p>The review has not yet commenced but is still on target to be addressed in 2011. Work has commenced on the recruitment of support under the FÁS Work Placement Programme to assist in the task.</p>

PUBLIC SERVICE AGREEMENT 2010-2014 (CROKE PARK AGREEMENT)

PART B - SAVINGS VERIFICATION for DEPARTMENT OF HEALTH & CHILDREN (DEPARTMENTAL ACTIONS)

May 2011

1. Better human resource management: Actions to include under this heading include reductions in numbers, redeployment, reconfiguration of service delivery, revisions in attendance arrangements, better attendance and absence management etc.									
Terms of Agreement 2010-2014 (refer to all relevant paragraphs)	Action Implemented	Specific Target Date	Description of the Benefits Achieved: this should include, where possible, a qualitative description including (i) Reduction in numbers (WTE)employed on activity (ii) Paybill savings (iii) Non-Pay Savings and/or (iv) Actual Costs Avoided						
1.3	Total Reduction in Employee Numbers	Achieved to end Q1 2011	<table border="0"> <tr> <td>Numbers as at Q1 2010</td> <td align="right">481.51</td> </tr> <tr> <td>Numbers as at Q1 2011</td> <td align="right"><u>433.56</u></td> </tr> <tr> <td>Reduction of</td> <td align="right">47.95 WTE (10%)</td> </tr> </table> <p>Due to the flow of staff into and out of the Department and as a result of the way some staff numbers are now counted, it is more accurate to say we reduced our overall staffing complement by 13 WTE in the period concerned. Using an average salary of €55,000 this represents an associated payroll savings of €0.715m</p> <p><i>A more detailed explanation of this is included on the covering letter to this report.</i></p>	Numbers as at Q1 2010	481.51	Numbers as at Q1 2011	<u>433.56</u>	Reduction of	47.95 WTE (10%)
Numbers as at Q1 2010	481.51								
Numbers as at Q1 2011	<u>433.56</u>								
Reduction of	47.95 WTE (10%)								

4.4 & 4.12	Examine existing shift patterns and strengthen absenteeism management	Ongoing	<p>The removal of bank-time from approx. 265 staff with effect from 1 January 2011 has led to an additional 638 working days per year being available on an ongoing basis – the equivalent of €62,000 per annum - (average salary of €35,430 used reflecting the more junior grades involved).</p> <p>The Lost Time Rate due to absenteeism at the Department for 2010 was 4.38% which represents an efficiency saving of €200,000 per annum when compared to the previous Lost Time Rate for the Department of 5.73% as identified by the C&AG in 2009.</p>
4.3	Review of mobility policy to better balance staff and business needs, including flexible allocation of staff to meet specific pressure situations.		<p>As a result of the co-operation of all staff involved, it has been possible to achieve a number of key organisational changes which facilitates a more strategic focus on key deliverables for the Department. For example, the following initiatives have been taken from within existing resources:</p> <ul style="list-style-type: none"> ◦ A Central Legislation Unit has been established to develop expertise in the legislative process with a particular focus on cross-divisional legislation and to provide an advisory role on Regulatory Impact Analysis and legislation generally across the Department ◦ A Business Support and Development Unit has been created to help drive implementation of the recommendations arising from the ORP and monitor and drive the Croke Park Action Plan within the Department, ◦ A Citizen Participation Unit has been established to support enhanced engagement relating to health and social well-being policies ◦ A Research Unit has been established to support the move towards more effective and efficient use of research & evidence in policy formulation and to contribute to an overall enhancement of analytic capability within the Department

4.4	Introduction of cross stream reporting across the Department		<p>The introduction and co-operation with cross stream reporting has led to significant increased capacity at senior management level. For example, the re-assignment of responsibility for the Patient Safety Unit from a Principal Officer to a Deputy Chief Medical Officer has provided for significant new clinical effectiveness in the management of the Unit. Cross stream reporting has also facilitated other developments such as:</p> <ul style="list-style-type: none"> ◦ Public Health merged with Health Promotion Policy Unit to form a new broadly based policy unit, and ◦ Re-assignment of elements of Health Promotion relating to chronic disease management to a Deputy Chief Medical Officer
<p>2. Better Business processes: Actions under this heading would include efficiency measures and improvements to the processes by which your Department/Body deliver its services to the public, including changes to the technology used, better data management, including around identity, and so on.</p>			
<p>Terms of Agreement 2010-2014 (refer to all relevant paragraphs)</p>	<p>Action Implemented</p>	<p>Specific Target Date</p>	<p>Description of the Benefits Achieved: this should include, where possible, a qualitative description including (i) Reduction in numbers (WTE)employed on activity (ii) Paybill savings (iii) Non-Pay Savings and/or (iv) Actual Costs Avoided</p>
	<p>The Department will, to the maximum extent practicable, facilitate shared service arrangements following the vesting of the (non-statutory) Adoption Board into the (statutory) Adoption Authority.</p>	<p>June 2011.</p>	<p>We are providing an interim service to the Adoption Authority in respect of financial services pending the establishment of their own finance function. From an accountability perspective, it is considered necessary for the Authority to have its own independent finance role as it would be inappropriate for the Department to provide both the funding and overall financial services to the same organisation. ICT services are being provided on an ongoing basis to the Authority.</p>

	<p>The Department will continue to monitor and improve its procedures and mechanisms for managing risk. This includes:</p> <ul style="list-style-type: none"> - Ensuring our Risk Management Policy is fit for purpose and that management of risk becomes fully integrated into the “way of doing things” rather than an “add on” activity. - Provides for a hands-on role for the Management Advisory Committee (MAC) in risk management; - Ensuring a clearer focus on risks with the potential for higher impact, and closer liaison with the Department’s Audit Committee. <p>Risk Management processes will continue to be simplified to facilitate effective implementation throughout the Department.</p>	<p>Implemented</p>	<p>A revised Risk Management System was put in place during 2010. Additional Improvements were implemented in 2011.</p>
<p>3. Delivering for the Citizen: Actions under this heading would include efficiency measures and improvements to the processes by which your Department/Body delivers its services to the public, including changes to the technology used, better data management, including around identity, and so on.</p>			
<p>Terms of</p>	<p>Action Implemented</p>	<p>Specific Target</p>	<p>Description of the Benefits Achieved: this should include, where possible, a</p>

Agreement 2010-2014 (refer to all relevant paragraphs)		Date	qualitative description including (i) Reduction in numbers (WTE)employed on activity (ii) Paybill savings (iii) Non-Pay Savings and/or (iv) Actual Costs Avoided
No sustainable savings identified from implementation of Action Plan achieved under this section to-date			