

Public Service Agreement 2010 - 2014

1. This Agreement will ensure that the Irish Public Service continues its contribution to the return of economic growth and economic prosperity to Ireland, while delivering excellence in service to the Irish people. This will be done by working together to build an increasingly integrated Public Service which is leaner and more effective, and focussed more on the needs of the citizen. The Parties to this Agreement recognise that to achieve this, in the context of reduce resources and numbers, the Public Service will need to be re-organised and public bodies and individual public servants will have to increase their flexibility and mobility to work together across sectoral, organisational and professional boundaries.

2. The Government acknowledges that public servants have made a very significant contribution towards the recovery of the economy over the last two years with over €3 billion saved from the potential public service pay and pensions bill.

- The general round pay increases under the terms of the Review and Transitional Agreement due in 2009 were not paid;
- A general moratorium on recruitment and promotion was applied to most of the Public Service, and incentivised early retirement and career break schemes introduced;
- A pension related deduction of an average of nearly 7% was applied to all the earnings of all public servants; and most recently -
- A reduction in rates of pay and allowances took effect on 1 January, 2010.

3. The core concern for Government is to restore the public finances and to reduce the deficit to less than 3% of GDP by 2014, in part by achieving sustainability in the cost of delivering public services relative to State revenues. To help achieve that goal, the Government intends to restructure and reorganise the Public Service significantly in the coming years, having regard in particular to the Government Statement on Transforming Public Services, the Government decisions already taken on rationalising State bodies, the recommendations arising from the Reports of the Special Group on Public Service Numbers and Expenditure Programmes and the Local Government Efficiency Review Group and the National Strategy for Higher Education. This Agreement will enable public service numbers to reduce substantially over the coming years in accordance with a new Public Service numbers policy, which will facilitate a progressive reduction in staff numbers across the Public Service by end-2012 and will be implemented by

Employment Control Frameworks.

4. In order to sustain the delivery of excellent public services alongside the targeted reduction in public service numbers over the coming years, the parties accept that efficiencies will need to be maximised and productivity in the use of resources greatly increased through revised work practices and other initiatives. The parties will work together to implement this Agreement to deliver an ongoing reduction in the cost of delivery of public services along with excellent services to the public.

Public Service Commitments

Reduction in Public Service numbers

5. To facilitate the necessary reduction in numbers of public servants, the moratorium on recruitment to and promotion in the public service and other employment numbers control mechanisms will continue to apply until numbers in each sector have fallen to the appropriate level specified in the Employment Control Framework for that sector. In addition, where the circumstances require it, the Government may offer voluntary mechanism to exit the public service, whether generally or in specific sectors, bodies, locations or services.

6. The Government gives a commitment that compulsory redundancy will not apply within the public service, save where existing exit provisions apply. This commitment is subject to compliance with the terms of this Agreement and, in particular, to the agreed flexibility on redeployment being delivered. To that end, the redeployment arrangements referred to below will include opportunities for re-skilling and re-assignment as a key method to retain and secure employment in comparable roles in the public service.

Redeployment in the integrated Public Service

7. Flexible redeployment is necessary to sustain the commitment to job security within the Public Service. The parties have agreed appropriate arrangements to redeploy staff within and across each sector of the Public Service. If it is not feasible to redeploy within the sector, cross-sectoral redeployment may taken place, within a geographic area where possible, having regard to the arrangements agreed in respect of non-commercial semi-State bodies.

8. In order to help in the integration of the public service, barriers to a

unified Public Service labour market will be dismantled, including through legislative provision as appropriate. To the greatest extent possible, there will be standardised terms and conditions of employment across the Public Service, with the focus initially within sectors. In that context, the Parties have agreed to review and revise contractual or other arrangements or practices which generate inflexibility or restrict mobility.

Reconfiguring the design and delivery of Public Services

9. The parties agree that public bodies and management and individual public servants will have to work more closely across sectoral, organisational and professional boundaries when designing and delivering services. The greater integration of the Public Service will not be achieved through the creation of a single organisation. Instead, the focus will be on having few organisations in total, working more closely together, to deliver cost effective public services. The Parties are committed to engaging at a national, sectoral and local level to achieve specified and measurable outcomes in relation to cost containment, service integration and reconfiguration as well as to engaging staff in progressing change.

10. In order to maximise productivity gains, both from how work is organised and from streamlining procedures, processes and systems to allow for shared services and e-government developments, a substantial commitment to the redesign of work processes will be necessary. The parties will co-operate with the drive to reduce costs through organisational rationalisation and restructuring and by service delivery organised in different ways or delivered by different bodies. The aim is to minimise duplication of effort, reuse data within the public system and reduce information demands on the the citizens and business. The introduction of new or improved technology, service provision online and electronic funds transfer will be regarded as the norm. Processes and service delivery will be improved by better collation and re-use of data and personal information and by centralising transaction and certain sectoral data handling support functions. Inter-operability and standardisation of specifications and systems (hardware and software) will be mandatory both to achieve cost savings and facilitate integrated approaches. More risk-based approaches in inspection and enforcement activities will be adopted, with fewer but better targeted inspections through co-operation agreements, joint inspection teams and the merger of inspectorates and higher penalties for non-compliance.

11. There will be a greater sharing of resources through the use of shared services within and across sectors.

12. The parties are committed to public service modernisation as set out in previous agreements.

Performance and Skills

13. The parties agree that, in order to ensure a high performing, high productivity Public Service, appropriately skilled personnel from outside the Public Service will be recruited to secure scarce and needed skills at all levels. Merit-based, competitive promotion policies will be the norm. There will be significantly improved performance management across all Public Service areas, with promotion and incremental progression linked in all cases to performance. Performance management systems will be introduced in all areas of the Public Service where non currently exist.

Sectoral Agreements

14. The parties agree that there will be full co-operation with the arrangements made in the agreements for each sector which are appended to this document. The parties further agree to work further to develop new collaborative approaches at a local, sectoral or public service level, including cross sectoral redeployment within the parameters agreed, to deliver significant cost efficiencies while protecting the quality and effectiveness of services provided to the public.

Public Service Pay Policy

15. There will be no further reductions in the pay rates of serving public servants for the lifetime of this Agreement. This commitment is subject to compliance with the terms of this Agreement.

16. The position concerning public service pay, including any outstanding adjudication findings, will be reviewed in Spring 2011 in accordance with the statutory requirement under both the Financial Emergency Measures in the Public Interest Acts of 2009 to review the operation, effectiveness and impact of the Acts before 30 June 2011, and every year thereafter. In addition to the criteria set out in those Acts, that review will take account of sustainable savings generated from the implementation of this Agreement and of the agreements in each sector. Those savings will be independently verified by the Implementation Body. In the event of sufficient savings being identified in the Spring 2011 review, priority will be given to the public servants with pay rates of €35,000 or less in the review of pay which will be undertaken at

that stage.

Public Service Pensions

17. As announced in Budget 2010, the Government has decided to introduce a new single pension scheme for all new entrants to the public service. Consultations on the new scheme have started between the parties and it is agreed that these consultations will conclude in time for legislation to be enacted to allow for the introduction of the scheme on 1 January 2011. Discussion will take place on the method of determining pension increases for existing public service pensions and current public servants in the context of the review of pay policy in Spring 2011. There will be an extension of the period by a year within which the January 2010 pay reductions will be disregarded for the purposes of calculating public service pension entitlements.

Performance Verification

18. The implementation of this Agreement and of the sectoral agreements between the parties, which comprise the transformation agenda cross the Public Service, must be driven by a dedicated implementation body so that early, robust and verifiable outcomes can be assured. The implementation body will comprise an independent chair and six persons, three nominated by public service management and by the Public Services Committee of ICTU respectively. In addition, the body can deal with the resolution of implementation issues as they arise.

19. In order to enhance the prospects of successful transformation and more integrated services, the Implementation Body will have:

- access to management in every sector;
- direct contact with national and sectoral union representatives as appropriate;
- access to timely and accurate information on staff numbers and payroll costs; and
- independent support to cost and verify savings derived from the implementation of this Agreement and of the sectoral transformation agendas.

20. As part of the Body's working arrangements, it will meet regularly, including on a sectoral basis, with the relevant management and unions to review implementation of the transformation agenda for the respective sector. The Implementation Body will make regular reports in relation to progress on the implementation of the transformation agenda across the

public service, based on this Agreement and the sectoral agreements, to the Taoiseach and the Cabinet Committee on Transforming Public Services.

21. In addition to helping to drive implementation of the Agreement, the Body will provide a forum for interpretation and implementation difficulties arising from the relevant sectoral agreements to be addressed in some detail between management and unions, prior to any decision on referral on any issue for mediation and/or arbitration. The Body could be supported by sectoral sub-committees established under its aegis from time to time.

22. The Implementation Body may appoint people to promote the process of change under the agreement in each sector or to provide mediation or arbitration in the relevant sector on a case by case or standing basis.

Mechanism to Resolve Disagreements

23. The parties agree that they will seek to resolve disagreement where they arise promptly. Trade unions and employees will co-operate with the implementation of change pending the outcome of the industrial relations process.

24. Where the parties involved cannot reach agreement in discussion on any matter under the terms of this agreement within six weeks, or another timeframe set by the Implementation Body to reflect the circumstances or nature of the particular matter, the matter will be referred by either side to the LRC and if necessary to the Labour Court; where a Conciliation or Arbitration Scheme applies, the issued will be referred within six weeks, or another timeframe set by the Implementation Body to reflect the circumstances or nature of the particular matter, by either side to the Conciliation machinery under the Scheme and, if unresolved, to the Arbitration Board, acting in an ad hoc capacity. The outcome from the industrial relations or arbitration process will be final. Such determination(s) will be made within four weeks, or another timeframe set by the Implementation Body to reflect the circumstances or nature of the particular matter.

Stable Industrial Relations Climate

25. The parties recognise the importance of stable industrial relations and are committed to maintaining a well-managed industrial relations environment to minimise disputes affecting the level of service to the public. A stable industrial relations climate has important benefits for the general

public and the public service itself. These benefits include the provision of uninterrupted services, improved productivity and staff morale, increased public confidence and the maintenance of Ireland as a desirable location for foreign direct investment.

26. Many public services differ from services which are provided by the private sector in that they are essential services which the public cannot obtain from alternative sources. Providers of essential services and their staff, therefore, have a special responsibility to ensure that they have well developed communication channels and to seek to resolve problems before they escalate into industrial disputes. If the problem cannot be resolved then it is agreed by all parties to take up all available dispute resolution mechanisms (both statutory and non-statutory).

27. The parties agree that:

- no cost-increasing claims by trade unions or employees for improvements in pay or conditions of employment will be made or processed during the currency of the Agreement;
- Employers, trade unions and employees are committed to promoting industrial harmony; and
- Strikes or other forms of industrial action by trade unions, employees or employers are precluded in respect of any matters covered by this Agreement, where the employer or trade union concerned is acting in accordance with the provisions of this Agreement.

28. The implementation of this Agreement is subject to no currently unforeseen budgetary deterioration.

Appendix

Service Delivery Options

Introduction / Principles

1. The public service is committed to the provision of public services through efficient, high quality and cost effective employment. It is also committed to the use of direct labour to the greatest extent possible, where consistent with the efficient and effective delivery of public services.
2. As stated in section 20 of *Towards 2016* the parties affirm the importance of public procurement policy as a mechanism for contributing to the maintenance of employment standards and norms including in respect of wage levels, while also ensuring competitive tendering and value for money in public expenditure.
3. The relevant trade unions will be consulted on all aspects of the procurement process at key stages before decisions are made, consistent with the requirements of EU and national procurement law and commercial sensitivity. Management will comply and abide with the requirements of the Employees (Provision of Information and Consultation) Act 2006 to inform and consult with employees.
4. Consistent with the above principles, it is necessary to provide some new and/or existing services on an outsourced basis in the circumstances outlined in section 28.9 of *Towards 2016*. In this regard, existing procedural agreements in the public service sectors will continue to apply.

Process

5. Work that may reasonably be considered as small in scale will be dealt with in accordance with normal procedures referred to above.
6. In the first instance, in respect of an existing service, both sides give a commitment to consult on the development of a service plan. This plan will

evaluate the existing in-house service, the outsourcing option, and compare both. As part of the evaluation both parties will consult with a view to agreeing a plan to address the service changes necessary to retain the service in house. In evaluating any proposal to proceed with outsourcing, a number of factors will be taken into account, including overall cost, quality of service, effectiveness, and the public interest. All relevant costs will be included in the evaluation but it will not be determined by unit hourly rates of pay.

7. Where management decide to proceed with outsourcing, there will be regular consultation with the trade unions throughout the commissioning and procurement process.
8. Procurement will not result in a worsening of the pay rates, pension and employment conditions of employees remaining in the public service.
9. In line with the commitments in the public service agreement, there will be no compulsory redundancies in any outsourcing. Both sides will maximise redeployment opportunities.
10. Private sector employers acting under a public service outsourcing contract will be required to comply with all statutory terms and conditions relating to the employment of people in Ireland, including any registered agreement or ERO.
11. As a matter of public policy, all public contracting authorities will make clear to tenderers their expectation that the statutory industrial relations procedures (LRC or Labour Court) will be utilised for dispute resolution, consistent with domestic and EU procurement law.
12. Public contracting authorities will be required to provide in all outsourcing contracts, other than those smaller contracts specified in paragraph 5, for their right to information to allow the authority to assess compliance with employment legislation, including REAs and EROs.

13. The parties will establish a mechanism to monitor compliance with employment law, including REAs and EROs, in outsourced operations, other than those specified in paragraph 5.