

**Speaking Points on Public Service Reform
for Minister of State Brian Hayes, T.D.,
at the Public Accounts Committee
on Thursday, 11th October, 2012**



Introduction

As Minister Howlin has outlined, just over 10 months into the implementation of the Government's Public Service Reform Plan, good progress is being made. I would like to state my appreciation for the role of this and other Committees in the reform of the Public Service. I also want to offer my thanks to the public servants around the system who are dedicated to making change a reality.

I have responsibility in relation to four key areas of the Reform Plan – shared services, public procurement, property management and Ireland Stat – and I'd like to touch on progress on each of these in my remarks.

Shared Services

You have already heard about the progress being made in the implementation of Shared Services. Shared Services will, of course, deliver cost savings. But of more strategic value, I believe, will be the role that it plays in further integrating the various bodies and agencies within the Public Service. We must think of the Public Service in terms of its commitments to citizens and business customers, rather than as a multiplicity of separate bodies. Shared Services will also free up public servants to deal with core business activities and allow for a greater focus on priority policy areas.

Minister Howlin has already referred to the progress we have made in relation to our new Civil Service HR & Pensions Shared Services Centre which will be known as PeoplePoint. In addition to this, a baselining study of current Civil Service payroll arrangements has also been completed. This has demonstrated that a clear case exists to proceed with the business case for Payroll Shared Services which is expected to be brought to Government in early 2013. The baselining of finance management and banking shared services will commence shortly. Depending on the results of this exercise, a feasibility study may then be undertaken.

Public Procurement

It is estimated that €9 billion is spent by public bodies annually on the public procurement of supplies and services. This is a very significant portion of overall spending and it is essential that the Public Service is achieving maximum value for money and operational efficiency in its approach to public procurement.

With this in mind, last month we completed an external review of the central procurement function. The Government has agreed to the implementation of the main recommendations of that review, which the report stated can yield considerable cost savings – estimated to be in the range of €249 million to €637 million after three years, depending on the approach taken.

It is my view that the planned integration of public procurement policy, strategy and operations and the much greater level of centralisation represent a major strategic re-positioning of public procurement. It is planned that this will lead to reductions in the cost of goods and services;

better procurement services at lower cost; introduction of technical standardisation; greater attention to contract management and better problem resolution; greater levels of professionalism among staff responsible for procurement; and better performance management of the central procurement function.

The open competition for the post of Chief Procurement Officer to lead these reforms has already been advertised and we have had a good response to that. I look forward to working with the candidate chosen by the Top Level Appointments Committee.

I should also mention that we have also recently agreed the implementation of the mandatory use of central framework agreements for commonly produced goods and services, which is expected to yield significant savings.

Property Management

We are also developing proposals to drive reform in how we manage the property portfolio of the State and to make savings in our leasehold expenditure. As Public Service numbers reduce and the Government's rationalisation programme is implemented, there is a need to ensure that we get the maximum yield from our property footprint, not just within organisations and sectors but across the Public Service as a whole. I expect proposals in this area to be brought to Government shortly.

Ireland Stat

We will soon be launching the new Government-level performance measurement system – *Ireland Stat* – on a pilot basis. This website aims to answer the question “How is Ireland doing?” Specifically, it will show

our actions and achievements over time, as well as the costs involved in delivering on these. It will also compare Ireland's performance against international benchmarks. *Ireland Stat* represents a natural progression from the Performance Budgeting process and it also draws on existing publicly available measures such as Statements of Strategy, Annual Reports, the CSO, the OECD and EuroStat. The objective of *Ireland Stat* is to bring the measures together into one website in a clear and logical way, and it is based on international best practice.

Conclusion

That is just a brief overview of the work being undertaken in the four areas I mentioned at the outset, as I am conscious that time is limited.

My overall message is that good progress is being made. I would like to reiterate the sentiments of the Minister by saying that while acknowledging the good start and the ambition of the Public Service Reform programme, I believe that the pace of implementation needs to be stepped up even further.

We have emphasised the need for good governance and delivery mechanisms. The Reform and Delivery Office has brought greater pace, focus and a programme management discipline to drive implementation. We also need to ensure that we have strong structures and processes for implementation right across the system, not just at the centre.

This Government is fully committed to reform. We have the building blocks in place. We must now push on with implementing the reform programme to ensure that Ireland's Public Service is leaner, more flexible, more effective and in a position to support Ireland's recovery.