

Comprehensive Review of Expenditure
Response from the Department of the Taoiseach

As the result of a very significant programme of downsizing, restructuring and transfer of functions, by the end of 2014 the Department of the Taoiseach aims to have reduced its overall expenditure by 56% from 2008 levels.

Overview

In the period 2008 to 2011, the Department has undertaken a significant programme of restructuring and cost reduction, involving:

- a 52% reduction in the overall Estimate for the Department
- a 75% reduction in programme expenditure
- a 25% reduction in staff numbers
- the dissolution or absorption of 5 of the 6 bodies¹ funded from the Department's Vote
- a very significant programme of downsizing, restructuring and transfer of functions

The proposed indicative expenditure ceilings for the Department for 2012 to 2014 are set out below (with the period 2008-2011 included for illustrative purposes).

¹ National Centre for Partnership & Performance, National Economic & Social Forum, National Forum on Europe, Ireland Newfoundland Partnership, Active Citizenship Office.

Year	Department		Programme		Total €m
	Pay €m	Non Pay €m	Pay €m	Non Pay €m	
2008	14,323	7,085	4,700	19,386	45,494
2009	13,974	6,360	3,796	9,656	33,786
2010	12,781	5,975	2,757	8,155	29,668
2011	12,499	3,542	2,118	3,792	21,951
2012	11,200	3,170	2,118	3,792	20,280
2013	11,200	3,170	2,118	3,792	20,280
2014	11,200	3,020	2,118	3,792	20,130

The Department's activities now relate principally to direct support for the Taoiseach and the Government.

This process of radical transformation has now proceeded to the point where the potential for additional cost-saving measures is limited. Nonetheless, the Department aims to take all measures necessary to meet the projected estimate allocations for the period 2012-14.

This means that total expenditure in each of those years will be €20m per annum, or just 44% of the revised estimate for 2008.³

The potential for further savings under each of the headings identified by the Department of Public Expenditure and Reform is explored in more detail below.

² Figures are from Revised Estimates as approved by Dáil Eireann.

³ These figures are of course based on an assumption that there is no decision to add new staff or functions to the Department over the period.

Recent Expenditure Developments in the Department

The Department of the Taoiseach has undergone considerable restructuring since the beginning of 2008.

In that time the revised estimate has reduced from €45.5m to €22m a reduction of 52% and staff numbers have reduced from 220 to the current Employment Control Framework figure of 167, a reduction of 25%.

Also in that time the estimate for programme expenditure has reduced by 75% from €24m to €6m with the number of programmes reduced from 10 to 3.

The work of bodies including the National Forum on Europe, the Ireland Newfoundland Partnership, the Task Force on Active Citizenship and the Commission of Investigation (Barron) either ceased or was subsumed into the Department.

The only Programme expenditure remaining under the Department's vote relates to NESDO, the Moriarty Tribunal of Inquiry and Commemoration Initiatives.

Since 2008 NESDO's estimate has reduced from €6.5m to €2.325m (-64%), the Moriarty Tribunal estimate from €10m to €3.5m (-65%) and Commemoration Initiatives from €200,000 to €5,000. Having reported this year, expenditure on the operation of the Moriarty Tribunal will not arise after third party costs are dealt with. These latter, however, could be very significant and are not within the control of the Department.

More recently, Public Service Modernisation Division, including the Organisational Review Programme transferred to the Department of Public Expenditure and Reform.

As a result of this restructuring the Department is now engaged on core activities:

- support for the Taoiseach and Ministers of State through their Private Offices
- support for the Government through the Cabinet Secretariat, Cabinet Committees, Protocol and the Government Information Service
- provision of policy advice and support for the Taoiseach in carrying out his duties as Head of Government, including in relation to the Oireachtas, the European Council, the North South Ministerial Council, the British-Irish Council, economic and social policy, Northern Ireland matters, EU and international relations
- provision of support services through Corporate Affairs Division (IT, Finance, Personnel and other services)

Note on Moriarty Tribunal

The Moriarty Tribunal is funded from the Department's Vote. However, as it operates independently the Department is not in a position to effect significant cost reductions. The Tribunal is likely to give rise to additional costs in the short-term, once costs are awarded. These could be very significant – amounting potentially to multiples of the Department's current annual allocation, depending on the awards made by the Tribunal.

Similar issues will arise for other Departments when awards are made by Tribunals, notably the Mahon Tribunal. It would seem prudent to address this as a specific issue within the Review.

There will be sustainable annual savings of over €3m once the Tribunal completes its work.

Pay and Administration Costs

By continuing to operate Government policies on pay and numbers, by implementing the Department's Croke Park Action Plan and by deploying staff resources most effectively, the pay costs for 2012 can be reduced to €1.2m.

As a result of a previous review of administration expenditure, efficiencies were identified and achieved in the following areas:

- Energy Efficiency - A project was carried out in the Government Buildings complex to monitor energy use and implement appropriate measures, ranging from education and awareness to interventions such as automatic powering down of equipment at night and at weekends, to reduce energy use and increase efficiency.
- Shared Services – In 2008 the Department transferred responsibility for provision of Financial Management System systems and the associated range of financial transaction processing services to the Financial Shared Services Centre in the Department of Justice, Equality and Law Reform which has resulted in considerable administrative efficiencies. The

Department also achieved efficiencies through cooperation with other Departments and Offices in the Government Buildings complex on tendering and the procurement of goods and services.

- Telecommunications - We entered into a contract for a mobile provider with the mobile telecommunications framework which yielded considerable savings over previous arrangements.
- Other General Administrative expenditure - Spend in the following areas was reviewed and small savings were achieved:
 - use of taxis
 - provision of newspapers/subscriptions to eJournals
 - provision of communication devices to staff.

The Department's 2010 administration expenditure (subheads A2 – A7) reduced by 45% over 2008.

In order to maintain this level of expenditure and ensure that best value for money is achieved, all areas of expenditure are being reviewed on an ongoing basis.

Options Identified by the Department of Public Expenditure & Reform

The Department has carefully considered the various options identified in correspondence from the Department of Public Expenditure and Reform.

We are very supportive of the cross-cutting initiatives being undertaken and will participate fully as appropriate. In particular, a vigorous approach to the development of shared services could have particular

benefits for small Departments, such as ours, in managing corporate services.

Because of the nature of the Department of the Taoiseach – especially its small size and the absence of major programme expenditure or revenue-raising - the opportunities for further radical measures is limited, as is set out below.

Rationalisation of grant and subsidy schemes

Not applicable.

Radical simplification and streamlining of systems and policies for applying levies, charges and taxes / reliefs

Not applicable.

Rationalisation, merger and abolition of agencies

Complete .

The National Economic and Social Development Office (NESDO) is now the only agency under the aegis of the Department. The Taoiseach has outlined his views on the importance of the work of the NESC (the functioning entity within the statutory framework of NESDO) in his recent address to the NESC.

The National Economic and Social Forum (NESF) and the National Centre for Partnership and Performance (NCPP) have been dissolved,

while other bodies have been absorbed into the Department or discontinued.

e-Government and Business Process Improvement

Not generally applicable, although the Department continues to use more efficient new technologies where possible, eg electronic payments and social media technologies.

Co-payment Mechanisms for the Delivery of Public Services.

Not applicable

Rationalisation of our Property Footprint

Following recent changes, the Department now operates in only one location.

It cooperates with other Departments/offices in the Government Buildings complex to achieve savings in the procurement of goods and services through sharing procurement information and the aggregation of demand.

Savings of €323,000 could be achieved on the NESDO budget if it was to share accommodation with another Government Department (this would involve OPW reallocating or negotiating on the current long term lease arrangement on the property). Such an arrangement could facilitate some small reduction in the NESDO staffing costs also.

HR Changes And Structural Reform Measures

Substantial structural reform is complete in line with the Programme for Government.

The Department will participate actively in any centrally driven efforts to improve HR practices in the civil service and would be very happy to contribute to that discussion.

The Department's Action Plan to implement the Public Service Agreement 2010-2014 contains a number of restructuring and reform commitments including reducing budgets and staff numbers, redeployment, sick leave and performance management and initiatives on shared services and new technology. The Department is on track to deliver on these commitments.

Outsourcing / Transfer to Private Sector

Not applicable.

