SAVINGS ACHIEVED IN <u>YEAR TWO</u> OF THE *PUBLIC SERVICE AGREEMENT 2010-2014*

Department of Defence

PERIOD UNDER REVIEW: 01.04.2011 to 31.03.2012 (i.e. end Q1 2011 – end Q1 2012 incl.)

Category of Savings	Details of the Specific Initiative(s)/Measure(s) Taken	Gross Savings for Q1 2011 - Q1 2012	LESS any Upfront Costs /Outlay (if applicable)	Net Savings For Q1 2011 –Q1 2012	Annualised or Full Year NET Savings (when fully implemented)
		€	€	€	€
1. Exchequer Pay Bill savings in YEAR 2					
Savings due to Staff Number Reductions: **Please note that the figure for pay bill savings due to the reduction in staff numbers will be calculated centrally by the Department of Public Expenditure & Reform. Accordingly, there is <u>no need to include figures for savings under this heading in this return</u>.**					
Other Pay Bill-Related Savings, including on overtime, allowances, premium pay etc **(*arising from initiatives or measures taken forward under Action Plans, which may include, for example, reform of work practices, attendance management, rationalisation or restructuring of operations or the reconfiguration of services etc.)***	Specify here • Savings of €2m provided for in 2012 provision for civilian employees payroll as a result of the reduction in the number of these employees during 2011. • Efficiencies are being achieved through staff flexibility in taking on extra duties and responsibilities in addition to existing workloads. While staffing numbers in the Finance Branch were reduced significantly, the Branch progressed a number of new work items during the period. Examples include: a MIF/Oracle E Business Suite upgrade was commenced and a Project Manager was provided from existing resources; staff were reallocated internally to deliver increased resources for the			€2,000,000	

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		€	€	€	€
	Department's costing and management reporting functions; the provision of a number of pre retirement courses throughout the country for retiring military personnel and the reallocation of staff internally to deal with a significant surge in retirements during the 'Grace Period'. Performance budgeting was also delivered on time during the period in question.				
	TOTAL			€2,000,000	
2. Non-Pay (Administrative Efficiency) Savings in YEAR 2					
(arising from initiatives taken forward under Action Plans, for example, in the following areas: ***Productivity and Performance*** ***ICT, online services, other e-Government initiatives*** ***Procurement and purchasing costs*** ***Travel costs*** ***Shared services, integration of services*** ***Changed Work Practices*** ***Restructuring or rationalising of operations and accommodation costs*** ***Reconfiguration of Services***	List details of each initiative/area giving rise to non-pay related savings here: • Following an assessment of telephony needs for the Department as a result of the relocation to Newbridge, numerous eircom phone lines were discontinued resulting in an annual saving of €93,500 for the period under review compared with the previous year. An additional €7k was also saved due to a decrease in framework costs. …..			€100,500	

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		€	€	€	€
Other Administrative Efficiencies/VFM Initiatives					
	TOTAL			**€100,500**	
3. Costs Avoided in YEAR 2					
(i.e. costs that have been successfully avoided / which would have been incurred without the flexibilities and co-operation provided by the Agreement)	List details here: Notwithstanding 70% turnover of staff as a result of decentralisation, significant efforts have been made in avoiding costs including				

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		€	€	€	€
	▪ Continued in-house maintenance and development of ICT systems ▪ The Department utilised the skills of staff from various Branches who had training experience to provide training to all staff on managing underperformance in the Civil Service. Net costs avoided in year 2 as a result amounted to €8,500. The Department also delivered training to all staff on new sick leave procedures and guidelines. ▪ Cover for the press officer continues to be provided in-house by a number of designated staff. ▪ In-house Irish translation continues to be available			€8,500	

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		€	€	€	€
	TOTAL			€8,500	
4. Ongoing Annual Savings from Initiatives taken in YEAR 1					
	List details here: • Phone switch facilities now operated by Services Officers producing an annual savings of €65k ▪ Outsourcing cleaning services for the Newbridge building has produced an annual saving of €40k • More efficient energy usage and waste management for Newbridge is expected to produce annual savings of some €30k • Reconfiguring of security arrangements in Renmore including the outsourcing of some tasks has produced annual savings of €35K			€65,000 €40,000 €30,000 €35,000	

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		€	€	€	€
	TOTAL			€170,000	

Guidance Notes

1. **This savings return should encompass savings made by the Department AND its agencies.** Separate savings reports should be collected by the Department and incorporated into this global return. Savings reports from individual agencies should not be submitted to the Implementation Body.

2. **Transparency:** It is important that data supplied is robust and can stand up to public scrutiny. In the interests of transparency, the returns in respect of individual Departments should be made available on their own websites, following the publication of the Body's Annual Report in June 2012 (exact date will be notified in due course).

3. **Consistency:** It is critical that each Department adheres to the template supplied and includes savings from its agencies. This is essential to allow the Implementation Body to aggregate savings from across the civil service to arrive at total savings estimates.

4. **Comprehensive:** In this regard, it is crucial that the figures supplied are comprehensive and as exhaustive as possible, so as to ensure that they give an accurate account of the true level of savings being realised under the Agreement.

5. **Exclude savings from Staff Number Reductions:** Paybill savings directly linked to headcount reduction should not be included. These savings will be estimated centrally by the Department of Public Expenditure and Reform based on average annualised savings per employee arising from the reduction in public service numbers during the review period.

6. **Include** all other paybill savings, non-pay savings (admin. efficiencies) and costs avoided achieved under the framework of the Agreement over the 12 month reporting period, Q1 2011- Q1 2012. To ensure that all savings are captured as comprehensively as possible, very small level specific savings should be aggregated where relevant or appropriate into broader categories for inclusion in the return.

7. **Use sections 1-3** of the template to set out all new or additional saving achieved in this reporting period (Year 2) in the areas of pay savings, non-pay efficiency savings and costs avoided. Where an initiative has been progressed over both Years 1 and 2 an attempt should be made to disaggregate the additional saving that was achieved as a result of activity on the task in Year 2.

8. **Use section 4** of the template to include ongoing annual savings from relevant initiatives taken in Year 1 of the Agreement**.**

9. **One off savings realised in Year 1 of the Agreement and reported on the last occasion should be excluded**. It is important that we avoid double counting or claiming credit for savings twice.

10. **Net Figures:** It is important that any known or identifiable upfront costs/outlay in respect of any given savings initiative or area are deducted from gross savings figures to arrive at a net saving in each case. A full annualised estimate of these net savings should also be included in the last column. Please indicate in brackets when full year savings will be achieved.

11. **Costs avoided** are defined for this purpose as those costs which would have been incurred without the flexibilities and co-operation provided for under the framework of the Croke Park Agreement.

12. **Total Savings:** This template should be expanded as required to include all relevant savings and TOTALS should be inserted under each of the categories. The Implementation Body will aggregate totals across the sectors to arrive at overall estimates for the savings achieved in Year Two of the Agreement.

13. **Narrative/description:** Meaningful description and detail should be provided in all cases to enable the Implementation Body (and ultimately the public) to understand the source of the savings. This detail will also be required by the Body for its Annual Progress Report which will be published on foot of this review.

14. **Queries:** If you have any queries regarding this template or the Annual Review exercise that the Implementation Body is undertaking, please contact Alan Plummer in the Implementation Body Secretariat at (01) 6045340 or alan.plummer@per.gov.ie

Implementation Body Secretariat
March 2012