



# An Roinn Caiteachais Phoiblí agus Athchóirithe Department of Public Expenditure and Reform

## Statement of Strategy 2011 - 2014

I welcome the publication of the first Statement of Strategy for the new Department of Public Expenditure and Reform.

This Statement sets out an ambitious work programme that will be delivered by the Department over the coming 3 years. This has been agreed with the Secretary General of the Department. The environment in which the Department is operating has never been more challenging. This Statement is intended to show how the Department will contribute to the Government's overriding goals of regaining our economic sovereignty, supporting economic growth and promoting employment. Critically it sets out specific outputs against which our success in meeting our goals should be measured. The high level goals, strategies and outputs in this Statement will now be reflected in the work plans of the staff of the Department; each will know how their work contributes to the achievement of the Department's overall mission.

I already know how committed staff and management of the Department are to delivery and how open they are to change. I look forward to working with them over the coming years as they tackle the challenges agenda set out in this Statement.

**Brendan Howlin, T.D., Minister for Public Expenditure and Reform.**

<i>Foreword by Secretary General</i>	<i>The key challenges and opportunities in our Operating Environment are:</i>	<i>Our Mission is:</i>
<p><b>Dear Minister,</b></p> <p>On behalf of the Management and Staff of the Department of Public Expenditure and Reform, I have the pleasure of submitting to you our Statement of Strategy 2011 – 2014. The Department, which formally came into existence on 6 July 2011, is tasked by the Government with meeting a very ambitious programme of change and reform over the next few years.</p> <p>This Statement sets out our overriding strategic priorities –reducing public spending to more sustainable levels while reforming and improving our public services. We believe that our overriding objective is to help regain our economic sovereignty by meeting our fiscal targets. Along with appropriate sectoral policies, interventions and actions, this is the best way to support Ireland’s economic recovery and lay the basis for employment growth and lower unemployment.</p> <p>The Government is committed to a programme of legislative reform in areas such as ethics, protection of whistleblowers and Freedom of Information. Our Department is committed to delivering on this agenda as set out in the Programme for Government.</p> <p>This Statement sets out concisely what we want to achieve, and why and how we as an organisation intend to deliver on our goals. Our overall performance over the period of the Statement can be measured against our high level outputs which will be translated into more detailed targets and key deliverables in our Annual Estimate. Setting out strategic goals, strategies and outputs should allow us to respond more flexibly to the rapidly changing environment as new challenges present themselves.</p> <p>As a Department, we aim to be the best we can in supporting you as our Minister and the Government. We have a dedicated, committed and professional staff. But we are aware that we must continually change, reform and up skill to meet our potential and the challenges we face.</p> <p>Our relationships with other stakeholders and the qualities and capacities of the staff of the Department will be critical to delivering on this Statement in the coming years. I am confident that with the dedication and commitment of our staff we can deliver on the commitments in this Statement.</p> <p><b>Robert Watt</b> Secretary General</p>	<ul style="list-style-type: none"> <li>• <b>Economic Environment:</b> The domestic, European and global economic context will continue to present challenges for economic activity and the fiscal position.</li> <li>• <b>Working Relationship with other Departments and Public Sector Bodies:</b> Managing relationships with other Government Departments and public sector bodies will be critical to achieve the Government’s social and economic objectives. A close working relationship with the Department of Finance will be necessary to ensure sound public finances and an appropriate balance between expenditure savings and revenue raising measures.</li> <li>• <b>EU/IMF Programme of Support:</b> Public acceptance of the difficult decisions that will have to be taken to meet the challenging fiscal and expenditure targets set out in the Programme can only be secured if those decisions are seen to be fair and reasonable.</li> <li>• <b>Competitiveness:</b> Economic renewal and growth will require improvements in Ireland’s international competitiveness through ongoing structural reform and a more efficient public sector.</li> <li>• <b>Labour Market:</b> The challenge of unemployment will require more jobs-focussed spending and activation measures as resources allow.</li> <li>• <b>Spending Pressures:</b> Demographic changes and higher expectations will increase pressures on spending, particularly on health, education and the environment. Decisions on pension reform and other measures will have to be taken to reduce spending liabilities over the medium to long term.</li> <li>• <b>Social Protection:</b> High demand for social provision and supports will have to be balanced against reduced availability of resources and the need to focus these on the less advantaged.</li> <li>• <b>Fall in Public Service Numbers:</b> Reduced public service numbers will present significant challenges to the delivery of key public services, requiring fundamental reforms to the way in which public services are delivered.</li> <li>• <b>Managing Public Service Reform:</b> Delivering the Public Service Reform agenda will require strengthening the leadership, drive and capacity of all public service managers.</li> <li>• <b>EU/North-South and other International Relations:</b> Negotiations on the new EU budget and future Cohesion policy, as well as the Irish Presidency in 2013, will be major challenges for the Department.</li> <li>• <b>Skills and Capacity:</b> Delivering the Department’s goals will require reinforcement of the skills and capacities of the staff, and further restructuring and reform of the Department.</li> </ul>	<p>To serve the country, its people and the Government by delivering well-managed and well-targeted public spending, delivered through modernised, effective and accountable public services.</p> <p><i>Where we want to be</i></p> <p>We want to ensure sound and sustainable management of public spending that can underpin the delivery of the Government’s economic and social priorities, and to be high quality partners to all stakeholders in the delivery of better and more accountable public services.</p> <p><i>How we aim to do our work</i></p> <p>We will give impartial and well-informed advice to the Minister and the Government. We will endeavour to ensure that the national interest is represented in the decisions taken on spending and on public services. We will focus on achieving better overall national outcomes from the resources applied. We will lead and support those with responsibility for reform across the public service.</p>

*Our Goals are:*

To manage public expenditure at more sustainable levels in a planned, rational and balanced manner in support of Ireland's economic performance and social progress

To have public administration and governance structures that are transparent, efficient, accountable and responsive

*Achieving our Goals will have these positive Outcomes:*

Greater certainty regarding medium-term expenditure levels to facilitate planning, structural reform and delivery in line with overall fiscal targets

Strict management of public expenditure each year in line with significantly lower available resources

Resources allocated having regard to economic and social outcomes, performance and value for money

Better targeting of public spending in support of enterprise and employment growth

A significantly smaller, less costly and more productive public service which is better managed and focussed on achieving the best results and outcomes for the citizen

A more accountable public service and more effective administrative and democratic structures

*We will achieve our Goals through these Strategies:*

- A stronger focus on value for money and performance information, that is more integrated with processes to allocate resources
- Budgetary process reforms to promote certainty regarding the level and broad composition of public expenditure over the medium-term
- Greater accountability by Government Departments and other public sector bodies for management of their resources, with improved dialogue, clear performance benchmarks and incentives for prudent behaviour
- Ensuring that Ireland is in a strong position to contribute to the development of EU Cohesion policy before and during our Presidency in 2013.
- More effective use of all State assets and management of State asset disposals.
- A greater emphasis on labour market activation measures and job creation
- Driving a comprehensive programme for the reform of the public service
- Improving structures and norms of administrative governance and democratic accountability
- Increasing the volume of public service activity delivered through alternative delivery models
- Engaging proactively with staff interests on reform of employment practices, while supporting industrial peace in the public service
- Promoting high levels of performance by public servants, linked to organisational objectives
- Developing and delivering a sustainable and coherent public service pension policy
- Making more Government services and data available electronically, and managing and sharing data and services better, for targeted service delivery for all users of public services

*Our performance can be measured by our record in delivering these Outputs:*

- An effective Medium-term Expenditure Framework (MTEF) that provides for a sustainable evolution of current and capital expenditure in each sector
- Performance Budgets for each Department, showing key output/impact data in the annual Estimates
- Stronger, more focused value for money and performance review mechanisms incorporated into MTEF
- Adherence to the targets specified in the EU/IMF Programme of Support
- The success of Ireland's Presidency in 2013.
- Progress with North-South co-operation.
- More cost effective investment in key networks of the economy and effective management of State asset disposal proceeds
- Legislation prepared in line with Government's programme for more effective democratic structures.
- More effective deployment of reduced public service numbers, through Employment Control Frameworks for each sectoral area, and rationalisation of structures, in balance with sector-specific reform objectives and service priorities
- A sustainable reduction in the cost of the overall public service payroll
- Effective delivery of the Public Service Reform Plan.
- Strengthened HR practices, including performance management and workforce planning, across the civil and public service
- Effective implementation of the Public Service Agreement 2010 - 2014
- Sustainable improvement in the long term sustainability of public service pensions
- Delivery of the Government ICT and eGovernment programme
- Delivery of new Shared Services in the Civil Service

*Achieving our Goals will be supported by these Enablers:*

**People and structures:**

- Strengthen capabilities and skills, particularly change leadership and programme evaluation
- Better alignment of Departmental structures and staff deployment with evolving strategy
- Better management of team and individual performance
- Increase in flexibility, efficiency and innovation, building on the Public Service Agreement
- More effective internal and external engagement, communications and networks
- Respect for difference and abilities
- Sharing of key corporate services with Department of Finance

**Processes:**

- Leading edge technologies deployed and business processes improved to facilitate and drive excellent performance and delivery
- Better management, integration and use of data and information processing systems
- Use of cross-Governmental programmes, such as shared services
- Better regulation

**Governance:**

- Transparency
- Improved performance evaluation and outcome measurement
- Internal controls on expenditure
- Business Planning
- Standards of ethics and business behaviour
- Risk management