

**PeoplePoint: Civil Service HR and Pensions Shared Services Project**

**Question**

**What is the cost of this Project?**

**Answer**

The set-up costs for PeoplePoint are estimated at between €16m and €20m.

**Question**

**What savings are likely to be realised from the PeoplePoint Project and what is the status of the project?**

**Answer**

Tranche 3 of PeoplePoint went live on 17 February servicing the following 6 additional Public Service Bodies: the D/Social Protection and the D/Education and Skills, the National Council for Special Education, the State Examinations Commission, the Office of Public Works, and the Road Safety Authority transitioning. There are now over 24,000 employees serviced by PeoplePoint across 19 Public Service Bodies. The remaining Bodies will transition during 2014. The Financial Appraisal underpinning the project forecasted savings of €12.5m per annum in the cost of HR with a reduction of 149 full time equivalent staff working in transactional Human Resources activities. PeoplePoint will also yield non-financial benefits including improved efficiency, consistency and service delivery.

At this point the timelines and milestones set out for the implementation of the Project have been achieved. Work is continuing to try to ensure that the new HRSSC organisation is stable as the introduction of shared services is challenging and it is important that we continually review and adjust to reflect the challenges associated with a significant cross Departmental project of this size and nature.

**Question**

**How many staff are currently working in PeoplePoint and how many have been redeployed from customer Departments?**

**Answer**

Work is underway to record the savings in the costs of HR associated with the reduction in staffing required to deliver transactional HR and Pensions services to the Civil Service and to capture the non-financial benefits associated with PeoplePoint. A consistent approach will be taken to the measurement of benefits across all Shared Services projects

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[See footnote 1 below for information]

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<sup>1</sup>There are currently 222 people working in PeoplePoint. Savings in the cost of HR will be delivered after PeoplePoint is fully operational. There are two elements to the savings: the reduction in numbers involved in transactional HR in Public Service Bodies and the staffing of PeoplePoint itself. Because PeoplePoint is “staffed up” in the initial stages to meet the challenges of establishing a new shared service centre the savings from PSBs do not directly equate to the staffing numbers in the Centre

**Question**

**Will there be reductions in public service staff numbers as a result of the PeoplePoint project?**

**Answer**

The Financial Appraisal carried out in advance of the PeoplePoint project indicated that there were 865 full time equivalent (FTE) staff involved in delivering HR and Pensions services to the Civil Service. It was estimated that 529FTE of these were carrying out transactional activities that could be delivered more efficiently and by less staff in a shared service centre. The estimated staffing requirement for PeoplePoint is 338FTE. In total, this represents a saving of 191FTE in the staff numbers required to deliver HR and Pensions services.

In order to identify how much of this saving is attributable to implementing a shared service centre and how much may have happened anyway as a result of cuts in public service numbers, the 8% target reduction in numbers was subtracted from these figures leaving an overall saving of 149FTE directly attributable to implementing PeoplePoint.

Although civil service staff numbers will not directly reduce as a result of implementing PeoplePoint there will be a reduction in the numbers involved in delivering transactional HR services and increased staff resources will therefore be available for other civil service priorities, including in the area of HR. Many of the staff, who has been involved in transactional HR activities, are being redeployed within the Civil Service, for example, to areas of priority, such as front line services. The redeployment of such staff also means that there may be lower replacement rates, than would otherwise be the case, for vacancies arising from natural attrition, such as retirements. While most HR staff are being redeployed out of HR Units to other areas of their organisations; others are being re-assigned within HR Units to work that is strategic and of higher value to the business of their organisation. This reinvestment in HR is designed to work in tandem with the introduction of shared services to transform how HR is delivered in the Civil Service to ensure that we get the very best from our most expensive resource – our people.

**Question**

**Have there been reductions in staff numbers to date?**

**Answer**

My Department is tracking the reductions in the number of staff providing HR and Pensions services to the Civil Service. It is important to note that the full extent of the savings achieved in HR will not be known until the shared service centre is fully operational. This is because staffing numbers increase in PeoplePoint as each tranche of organisations transitions to it before surplus staff in HR Units are released. This is critical to ensure an effective handover of activities from Departments and Offices to the shared service centre.

**Question**

**What proportion of the set up costs relating to PeoplePoint are consultancy costs?**

**Answer**

Following an Official Journal procurement process, Accenture was selected as the Project implementation partner. The full cost of the fixed price contract will be €5,783,024 inclusive of VAT from project commencement in 2011 until its completion in 2014.