

# Department of Public Expenditure and Reform

## Statement of Strategy 2016-2019

**Our Mission is to serve the public interest by supporting the delivery of well-managed, well-targeted and sustainable public spending through modernised, effective and accountable public services.**

I welcome this new Statement of Strategy, in which I have agreed an ambitious programme of work with the Secretary General that will build on the significant achievements of recent years.

The Department will continue to serve the public interest by implementing a sustainable public expenditure framework that will help to ensure a strong economy, so that we can deliver the fair society we all want, as set out in the Programme for a Partnership Government. The Department will also continue to build for the future by driving and enabling reform to ensure that public services are delivered in the most effective and efficient way possible, through transparent and accountable structures.

I am impressed by the calibre and commitment of the staff of the Department. This gives me confidence that they will rise to the challenge of delivering on the Department's ambitious mission. I look forward to working with Minister of State Murphy and with all of the staff on this critical work for our country.

Paschal Donohoe, T.D.,  
Minister for Public Expenditure and Reform

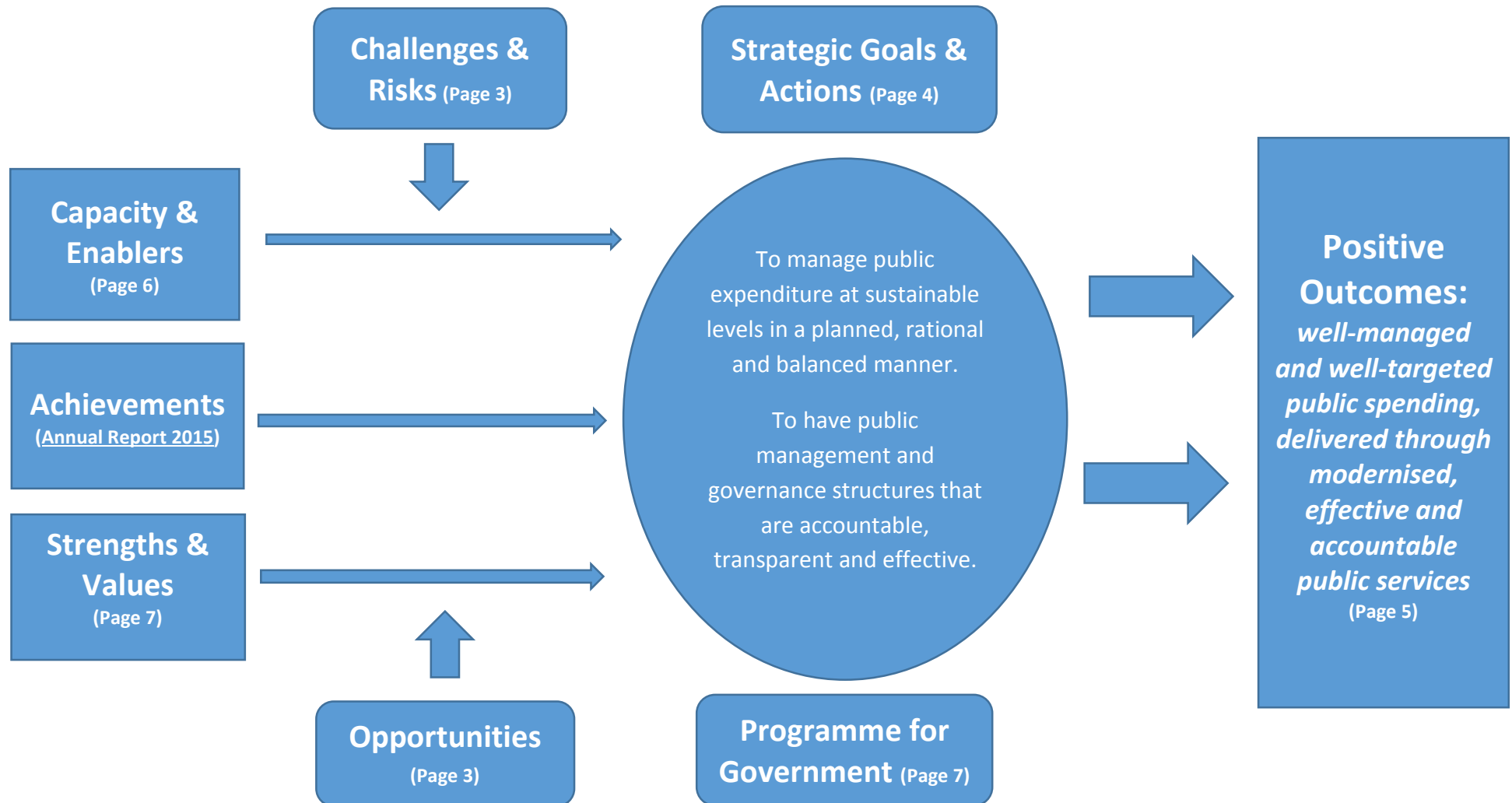
Dear Minister

This Statement of Strategy outlines a clear and ambitious path for the Department for the next three years. We plan to maintain a sustainable public expenditure framework and continue to lead the Public Service Reform programme, including initiatives to use data and technology to transform how government delivers its services. We will also work to further enhance openness and transparency across the system.

I believe that we have made good progress since the establishment of the Department in 2011. This new Strategy now sets out the actions, outputs and outcomes by which our continued progress will be judged. The Strategy maps out the risks, challenges and opportunities that will shape our operating environment. It also highlights the importance of enhancing the Department's capacity to deliver on its objectives and sets out the strengths and values that will guide how we will deliver our mission.

Robert Watt  
Secretary General

*Our Strategy 2016-2019:* We will build on our achievements and our strengths and values. We will improve our capacity and carefully consider our challenges, risks and opportunities. This will provide a firm foundation to deliver our strategic goals and actions in pursuit of well-managed and well-targeted public spending, delivered through modernised, effective and accountable public services.



## Key Challenges, Risks and Opportunities in our operating environment 2016-2019

**Brexit:** This represents a fundamental adjustment to our relationship with the UK and with the EU, and will be a key factor impacting on our operating environment over the lifetime of this Strategy.

**Sustained economic recovery:** This will facilitate the stabilisation of the public finances, generate savings in some areas and enable improvements in other areas. However, any deterioration in the domestic and international economy will again put pressure on public services.

**Spending Pressures:** Demographic changes and higher expectations will create spending pressures, particularly on health, education and social provision. Adapting to, and taking action to mitigate, Climate Change will generate further spending pressures. Decisions on expenditure, including pay and pension reform, will have to ensure the sustainability of the public finances over the medium and long term.

**Public Capital Investment:** Particular challenges arise in ensuring that the level of public capital investment supports the economy's medium-term growth potential and that the identification of specific investment priorities is underpinned by robust assessment and evaluation.

**Social Cohesion:** Spending choices need to be seen as fair and reasonable, focused on the less advantaged, while encouraging labour market participation to meet the challenge of long term unemployment.

**Irish Government Economic and Evaluation Service:** The IGEES will allow central government to build capacity and expertise in value-for-money analysis in public policy making, providing us with the opportunity to make our spending choices more effective.

**Public Service Numbers and Pay Bill:** To maintain and improve services, while managing a constrained public service pay bill, there is a need to continue to increase productivity by driving efficiencies in how public services are delivered.

**New ways of working:** Innovative delivery models (including public procurement, shared services and externally sourced delivery) and innovation and excellence in ICT provide the opportunity to improve service delivery and drive efficiencies in "back-office". Establishing new shared services centres presents challenges and risks, which have to be managed, as services migrate.

**Better use of data:** This will drive efficiency and outcome-focused effectiveness across the Public Service and services directly funded by Government.

**Civil Service Renewal:** The renewal programme provides the opportunity to maintain the momentum for reform and renewal by working collectively to build capacity and enhance the service we give to the Government, to the Oireachtas and to our citizens.

**Departmental Capacity:** The strength, expertise and skills of the Department will continue to be developed through a robust and integrated recruitment, performance management and learning and development framework.

**Working Relationship with other Departments and public bodies:** Effective working relationships with all Government Departments, particularly the Department of Finance, and public bodies will be critical to achieve the Government's objectives and to deliver on whole-of-Government policies.

**EU / North-South:** Maximising the impact of European Structural and Investment Fund support will contribute to the delivery of smart, sustainable and inclusive growth and will, in particular, promote North-South co-operation.

## Strategic Goals and Actions 2016 – 2019

<b>Strategic Goal One: To manage public expenditure at more sustainable levels in a planned, rational and balanced manner in support of Ireland’s economic development and social progress, we will:</b>	<b>Strategic Goal Two: To have public management and governance structures that are effective and responsive to the citizen, transparent and accountable, and which thereby improve the effectiveness of public expenditure, we will:</b>
<ul style="list-style-type: none"> <li>• Produce multi-annual Estimates and Expenditure Statements that meet Government objectives and EU commitments and support economic and social progress on a fiscally sustainable basis;</li> <li>• Mainstream budgetary reforms to promote certainty and discipline regarding the level and broad composition of public expenditure over the medium term and enhance the quality of performance information;</li> <li>• Manage public service pay and pension policy to support fiscal sustainability, good industrial relations and Public Service Reform;</li> <li>• Have the Public Service Pay Commission advise the Government on public service pay, particularly in the respect of the unwinding of the body of FEMPI legislation, with a first report to be produced by Q2 2017;</li> <li>• Oversee new delegated arrangements for Departments to manage their staffing and pay resources within expenditure limits and a structured workforce planning framework;</li> <li>• Conduct regular spending reviews to inform medium term decisions about the level, composition and prioritisation of public expenditure;</li> <li>• Enhance economic and policy evaluation capacity across the Civil Service through the Irish Government Economic Evaluation Service;</li> <li>• Make the best use of European Structural and Investment Funds, particularly in promoting North-South co-operation, especially in the context of the challenges posed by Brexit;</li> <li>• Develop and oversee the overall strategy for Exchequer funded capital investment to support economic and social objectives;</li> <li>• Promote the optimal use of public resources, including data and State assets, and undertake a review of the Public Spending Code; and</li> <li>• Continue to support the reform of the budgetary scrutiny process.</li> </ul>	<ul style="list-style-type: none"> <li>• Lead the implementation of the commitments to reform set out in the Public Service Reform Plan and develop a new Reform Plan;</li> <li>• Drive the delivery of the 25 actions set out in the Civil Service Renewal programme;</li> <li>• Develop and implement a range of legislative and other measures to promote and strengthen open and accountable government in line with the Programme for Partnership Government;</li> <li>• Continue to lead the roll-out of shared services (HR, Pensions Administration, Payroll and Financial Management) in the Civil Service through the National Shared Services Office, and as part of its wider leadership role, provide expert guidance and support to other sectors in progressing their shared services commitments;</li> <li>• Leverage the integration of procurement policy, advice, strategy and operations in the Office of Government Procurement to further the professionalisation and development of public procurement, secure value for money and reduce risk for the State;</li> <li>• Lead the implementation of the Public Service ICT Strategy to underpin the delivery of better outcomes and efficiency through innovation and excellence in ICT by working collectively with ICT leaders to transform how government delivers its services;</li> <li>• Develop and implement alternative and innovative delivery models, including external service delivery, where they can achieve better services; and</li> <li>• Develop and implement HR strategies and policies to respond to economic and demographic pressures and support a high performing workforce to deliver better services.</li> </ul>

## Positive Outcomes

The following are the planned positive outcomes from the implementation of this Strategy Statement over the next three years:

- A strong contribution by this Department to whole-of-Government policies and to delivering well-managed, well-targeted and sustainable public spending. This will include:
  - Targeted and effective use of available resources driven by evaluation and a focus on value for money;
  - Improved modelling of medium-term expenditure levels to facilitate expenditure planning, structural reform and delivery, in line with fiscal rules;
  - Facilitating the allocation of resources to deliver on key Government priorities, while achieving value for money;
  - Better use of State assets;
  - The management of Public Service pay and pensions on a fiscally sustainable basis within the stable industrial relations framework set by the Lansdowne Road Agreement;
- A leaner, more cost-effective and productive Public Service, which is focused on achieving the best results and outcomes for the public. This will include:
  - A coherent, streamlined and integrated approach to reform and renewal initiatives;
  - A better experience for citizens and business when transacting with government, particularly when transacting digitally;
  - Improved and better integrated public services that maximise the use of new and innovative service delivery channels; and
  - Reduced cost of “back office” ICT and other areas across the Public Service through reduced duplication and increased sharing;
- More accountable and transparent administrative structures, which build greater public trust in Government and the institutions of the State, and implementation of the Department’s Public Sector Duty.

## Actions to further enable the Department to fulfil its mission

Like other Departments, the Civil Service Renewal programme and broader Public Service Reform agenda is having a positive impact on the Department's internal capacity.

Additionally, to enable our Department to fulfil its mission, we will:

- Enhance our strategic, governance and budgetary framework to facilitate resource allocation in line with priorities, including by:
  - Continually enhancing our governance, risk management and compliance frameworks to help us deliver our objectives, meet our obligations and ensure accountability and transparency in our operations; and
  - Further developing how staff resources are allocated within the Department to ensure that workforce planning is aligned with our strategic objectives and priorities;
- Ensure a strong management and leadership culture that gets the best from our staff, including by:
  - Focussing on staff development to realise the potential of our employees by rolling out our learning and development strategy to offer a range of different learning opportunities tailored to individual and business needs;
  - Expanding line management competencies to facilitate the implementation of HR strategies and support business units across the Department in managing people effectively;
  - Using cross-divisional and cross-grade teams to achieve the Department's objectives and draw on the skills, knowledge and expertise of staff from all levels of the Department; and
  - Enhancing our digital way of working and use of knowledge management to enhance communication and boost the productive capacity of the Department;
- Plan for the establishment of National Shared Services Office and Office of Government Procurement on a statutory basis; and
- Strengthen our partnerships and communication with other Government Departments and stakeholders to make our joint efforts more effective, including by:
  - Engaging with the Oireachtas in an effective manner;
  - Maintaining our close working relationship with the Department of Finance to ensure sound public finances and an integrated fiscal policy;
  - Working collectively with Departments and other public bodies to deliver better outcomes for citizens and businesses, including through innovation in the use of ICT and enhanced digital engagement;
  - Working collectively with Departments and other public bodies to deal effectively with key issues such as Brexit; and
  - Developing data governance and data systems to allow more data sharing and improve the availability of analytical data.

## Our Strengths and Values

### Values

We will:

- **Always serve the public interest;**
- Build on and develop the traditional strengths of the Civil Service - **integrity, independence, impartiality, professionalism, probity and fairness;**
- Continue to commit to **a culture of respect, learning and development** through a positive working environment;
- Keep **accountability and transparency** at the heart of our job; and
- Treat all colleagues and customers **equitably** in the complex and challenging modern environment, in keeping with our Public Sector Duty.

### Strengths

We will:

- **Show leadership** in managing the public finances and reform agenda in a manner that serves to promote long term sustainability;
- **Get value for money** for the citizen and deliver the best public services possible within available resources;
- Provide **quality advice and robust analysis**, avoid conflicts of interest and find solutions to complicated issues;
- Demonstrate **resilience, innovation and willingness to adapt** to new challenges;
- **Work constructively and collaboratively** with colleagues in other Government Departments and agencies and other stakeholders; and
- **Challenge and develop ourselves** to maintain and enhance high standards and quality of service.

## Programme for Partnership Government Commitments

A list of the policy commitments contained in the Programme for Partnership Government relevant to the Department is available [here](#).