



## Labour Relations Commission Proposals

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The proposals below arise in the context of the unprecedented crisis in the finances of the State. In particular the challenge of a deficit between revenue collected and public expenditure, a deficit which is still the highest in the Eurozone.

Confronted with this crisis the Government had resolved to legislate to effect savings in the Public Service pay bill of 1 billion euro by 2015. The primary measures envisaged in such legislation would have included the following:

- Reduction in Overtime Rates from time and half to flat rate
- Reduction in Sunday Premium Payments from double time to Time and a half
- Abolition of Saturday Rate and Twilight Payments
- 3 Year full increment freeze
- Compulsory Exits
- Redeployment to 100K
- Reformed Pension Entitlements for serving staff
- Elimination of Allowances
- Significant Pay Cuts.
- Increase of 5 extra hours for all employees
- A wide range of reform measures across all sectors

The Proposals set out below represent the outcome to a most intensive and difficult set of negotiations against the background of the Government's clear intention to act unilaterally to reduce costs and achieve reform of the Public Service. The Commission is clear that the alternative to a negotiated

outcome is a set of measures designed by Government and delivered through legislation.

Following intensive and protracted negotiations between the Public Services Committee of the ICTU and the Government under the auspices of the Labour Relations Commission which concluded today, Monday 25<sup>th</sup> February, the Commission is putting the following proposals to the parties. The Commission commends the document below as a set of proposals for acceptance by the parties.

*25<sup>th</sup> February 2013*

# Draft Public Service Agreement

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## EXECUTIVE SUMMARY

Ireland is committed to reducing its general government deficit – the gap between Government revenues and spending, which must be financed by borrowing – to less than 3% by 2015.

As the pay and pensions bill accounts for 35% of spending, the Government has decided that a proportionate contribution to the necessary overall additional expenditure reduction required must come from this area. This will involve a further reduction of some €1 billion in the cost of the pay and pensions bill over the 3 years from 2013 to 2015.

The Parties are agreed on a series of pay and productivity measures to be implemented in order to achieve the necessary €1 billion savings.

The Parties acknowledge the significant level of reform that has taken place across the public service under the Public Service Agreement. However, they also agree that further measures are required to underpin the delivery of a more integrated, efficient and effective public service. Under this Agreement further sustainable reform measures will be implemented in the following areas:

- Redeployment
- Performance management
- Flexible working arrangements
- Work-sharing arrangements
- Workforce restructuring

The Government reaffirms the commitment given under Paragraphs 1.6 and 1.15 of the Public Service Agreement in relation to pay rates of public servants and compulsory redundancy, subject to the provisions set out in this Agreement.

This Agreement, subject to ratification by the parties, will apply for a period of 3 years from 1<sup>st</sup> July 2013. The pay and productivity provisions set out in this Agreement will be implemented with effect from 1<sup>st</sup> July 2013.

Unions represented by the Public Services Committee of the Irish Congress of Trade Unions and public service employers are the parties to the Agreement. In respect of measures affecting the Defence Forces, the parties are the representative associations.

When economic circumstances allow and the public finances are restored to a sustainable position, the pay measures contained in this Agreement will be reviewed.

# 1 INTRODUCTION

## Context

- 1.1 Since 2008, expenditure reducing and revenue raising measures designed to save approximately €25 billion (around 16% of 2011 GDP) have been implemented. These measures have been wide-ranging and have had a significant impact on the living standards of all the citizens of the State, including public servants.
- 1.2 Ireland is committed to reducing its general government deficit – the gap between Government revenues and spending, which must be financed by borrowing – to less than 3% by 2015. Given the volume of borrowing required, the State’s debt-to-GDP ratio is set to rise further to over 120% of GDP and the proportion of revenue that goes towards servicing that debt will also increase.
- 1.3 The deficit for 2012 is estimated to be just under 8% of GDP, or over €15 billion in Exchequer terms. The Parties recognise the very large challenge remaining, both in terms of revenue streams and reducing public expenditure, to reduce that deficit to the necessary sustainable level over the years ahead.
- 1.4 The Government’s Medium Term Fiscal Statement indicates that, in addition to the overall fiscal consolidation of €3.5 billion required for 2013, an additional €3.1 billion in savings and revenue-raising measures must be identified for 2014 and €2 billion in 2015.
- 1.5 The scale of consolidation required can only be achieved with a contribution from all the main components of public expenditure. As the pay and pensions bill accounts for 35% of spending, a proportionate contribution to the necessary overall additional expenditure reduction required must come from this area. This will involve a further reduction of some €1 billion in the cost of the pay and pensions bill over the 3 years from 2013 to 2015. These savings must be over and above savings already identified for the pay bill through to 2015 and a substantial portion, some €300 million, must be delivered in 2013.

## Contribution of public servants to date

- 1.6 The Parties acknowledge the substantial contribution made by public servants to the fiscal consolidation process to date. This contribution has involved:
  - Non-payment of general round increases under the terms of the *Towards 2016 Review and Transitional Agreement* and certain other 3<sup>rd</sup> party recommendations;
  - Pay reductions averaging 14% arising from the introduction of the Pension Related Deduction in 2009 and the pay reductions introduced in January 2010;
  - An ongoing pay freeze; and
  - Deductions from public service pensioners.
- 1.7 Furthermore, the ongoing efforts of workers across the public service to maintain and enhance services to the public, as staff numbers have reduced by more than 30,000, is also acknowledged.
- 1.8 The Parties also recognise that €1.5 billion in pay and non-pay savings were delivered with the co-operation of staff under the *Public Service Agreement 2010-2014* in its first two years, as outlined in the annual progress reports published by the Implementation

Body. Significant reform of the way public services are delivered has also been achieved and is detailed in these reports.

### **This Agreement**

- 1.9 This Agreement sets out measures on productivity, cost extraction and reform which together will achieve the targeted pay bill reduction. The Agreement builds on the measures set out in the *Public Service Agreement 2010 – 2014* which began the process of delivering an increasingly integrated and more productive public service, with greater standardisation of employment conditions within and across sectors of the public service.
- 1.10 The Parties agree to continue to work within the framework of the Public Service Agreement and reaffirm the overall commitments provided within it, subject to the matters set out in this Agreement. The Parties will also continue to co-operate fully with change and reform measures advanced under the framework of the Public Service Agreement.
- 1.11 The Parties are agreed that the public service should continue to support employment and activation measures for the unemployed, including apprenticeship/traineeship opportunities. The parties agree to work together to support the development and implementation of well designed employment initiatives within the public service.
- 1.12 This Agreement, subject to ratification by the parties, will apply for a period of 3 years from 1<sup>st</sup> July 2013.

### **Review of this Agreement**

- 1.13 The Government reaffirms, subject to Paragraph 1.14 below, that public service pay and related issues will not be revisited over the lifetime of this Agreement.
- 1.14 The Government agrees that, in the event that the commitments or assumptions reaffirmed under this Agreement must be revisited, the Parties will meet to discuss the circumstances that had arisen and the implications for the Agreement.

## 2 PAY AND PRODUCTIVITY MEASURES

- 2.1 The Parties agree that the following measures will be implemented in order to generate the required saving of €1 billion in the Exchequer pay and pensions bill by 2015.
- 2.2 Unless otherwise specified, the measures set out in this section will be implemented from 1<sup>st</sup> July 2013. The Parties note that a number of these measures will require legislative change.

### Additional working hours

- 2.3 The standard working hours of public servants will increase as follows:
- Those with a working week of **35 hours or less** (net of rest breaks) will increase to a minimum 37 hour week.
  - Those with a working week that is **greater than 35 hours but less than 39 hours** (net of rest breaks) will increase to a 39 hour week.
  - Working hours of those currently with a net working week of 39 hours or greater will remain the same. However, an hour of overtime worked each week for these grades will be unpaid.
  - In the case of **first and second level teachers**, there will be an expanded liability on all teachers to provide cover. The proposed elimination of supervision and substitution payments will allow for additional arrangements for various absences and will provide a further two hours and fifteen minutes in the context of these changes. **Academic staff** at third level will work an additional 78 hours per annum which will be applied in the first instance towards the removal of the payment associated with the marking of examinations and the balance will be deployed by management to maximize savings and productivity. Further detail is set out in the Appendix.
- 2.4 Management will allow persons to opt to remain on their current hours with appropriate pay adjustments for a period, after which the provisions of Paragraph 3.11 will apply.
- 2.5 The actual implementation of these proposals will require detailed consultation at workplace level in order to maximise the capacity to accommodate issues for affected individuals.
- 2.6 Extra hours worked will be deployed and may be aggregated on a daily, weekly or annual basis as best meets service demands, following local consultation, based on the principles agreed in each sector.
- 2.7 The gross working week, inclusive of breaks, will increase as appropriate to reflect the increased net hours worked and divisors for the calculation of overtime will be adjusted accordingly.
- 2.8 Staff will co-operate with the revisions to rosters necessary for the full deployment of the additional hours and with any consequential revisions.
- 2.9 No cost increasing claim will be made consequential on the increase in working time, including of leave.

2.10 Nothing in this Agreement shall serve to restrict working arrangements involving greater flexibility in those sectors where they currently exist.

### Further headcount reduction

2.11 The Parties recognise that the provision of additional working hours and related productivity measures in this Agreement have the potential to facilitate further reductions in staff numbers over the course of the Agreement, subject to decisions by Government in relation to such issues. The Parties accept that it is appropriate to make provision for annual pay bill savings in respect of such reductions.

### Overtime

2.12 Overtime arrangements in the public service are revised as follows:

- For those on salaries of up to €35,000 (inclusive of allowances in the nature of pay), overtime will be paid at time and a half at the first point of the appropriate scale;
- For those on salaries (inclusive of allowances in the nature of pay) of €35,000 or greater, overtime will be paid at the rate of time and a quarter at the individual's scale point.

2.13 Divisors for the calculation of overtime will be adjusted to take account of any additional hours provided for above.

2.14 For those grades currently with a working week of 39 hours or more (net of rest breaks), an hour of overtime worked each week will be unpaid.

### Premia

2.15 Effective from the implementation of the agreement, the Sunday premium will be at the rate of time and three quarters. Staff who continue to work Sundays on an ongoing and permanent basis will be compensated in the following manner:

- Compensation for the loss of premium equivalent to 12 months of the loss calculated by reference to the period from 1/6/2013 to 31/5/2014 i.e. number of Sundays x 0.25.
- Payment will be in two instalments:
  - 1<sup>st</sup> Jan 2015, 50% of the compensation
  - 1<sup>st</sup> July 2015, 50% of the compensation

2.16 **Sunday staffing and other reforms:** Management will seek actively to reduce the overall numbers of staff rostered for duty on Sundays. At the same time, all staff will co-operate with measures to achieve the most cost-effective skill-mix and staffing ratios to meet service needs. An intensive engagement process will begin immediately to review existing skill mix and staffing ratios to ensure that these identified needs are met. Co-operation will be forthcoming for other measures to improve efficiency and effectiveness of hospital services, in particular concentrating as much care provision as possible into the Monday to Saturday period. Staff co-operation will be forthcoming for the establishment of hospital groups and for the re-organisation of services within and between those groups.



2.17 **Twilight Payments** and any equivalent payments across sectors, will no longer be payable.

### Sector specific measures

2.18 **Education Sector:** Supervision and Substitution payments in the Education Sector will be eliminated. There will be an expanded liability on all teachers to provide cover.

2.19 **Prison Service:** A range of measures will be implemented in the Prison Service. These are set out in Appendix 2 to this Agreement.

2.20 **Defence Forces:** A range of measures have been agreed in respect of the Defence Forces. These are set out in Appendix 3 to this Agreement.

### Increments and related balancing measures

2.21 For those on salaries below €35,000 (inclusive of allowances in the nature of pay), a three month increment freeze will apply during the Agreement. This freeze will take effect after the next increment is paid with the following increment being awarded in fifteen months rather than twelve, or equivalent if the increment interval is longer.

2.22 For those on salaries between €35,000 and €65,000, inclusive of allowances in the nature of pay, two three-month increment freezes will apply (total of a six month freeze) during the Agreement. As above, this would take effect after the next increment is paid but for two consecutive years there would be a fifteen month period between increment dates. If the increment interval is longer than 12 months, the freeze will be for a single 6 month period.

2.23 Incremental progression will be suspended for three years for those on salaries of €65,000 and greater, inclusive of allowances in the nature of pay.

2.24 Where an employee's salary (inclusive of allowances in the nature of pay) surpasses €35,000 during the Agreement, a second incremental freeze of three months will apply, in accordance with the arrangements for those on salaries between €35,000 and €65,000, inclusive of allowances in the nature of pay outlined above.

2.25 If a person's salary increases above €65,000 inclusive of allowances in the nature of pay during the Agreement, the pay reduction provisions outlined below will apply.

2.26 For those currently on the final point on the incremental scale and with salaries and with salaries between €35,000 and €65,000 inclusive of allowances in the nature of pay, the following arrangements will apply, in the interests of equity:

- A total reduction of annual leave entitlement over the period of the Agreement of 6 days:

***Or***

- A cash deduction from salary of an equivalent amount to the value of the 6 annual leave days or a half of the most recent increment, whichever is the lesser.

2.27 For those on salaries between €35,000 and €65,000 inclusive of allowances in the nature of pay and who reach the maximum of the scale following a single 15 month incremental period, a reduction of annual leave entitlement of 3 days will apply, or an equivalent amount to the value of the 3 annual leave days or a quarter of the most recent increment, whichever is the lesser.

## Higher remuneration

2.28 In addition to the measures on increments above, and as a means to ensuring broad equity of contribution, the parties note that the Government intends to apply a reduction in pay for those on salaries of €65,000 and greater (inclusive of allowances in the nature of pay) as follows:

Annualised amount of Remuneration	Reduction
Any amount up to €80,000	5.5%
Any amount over €80,000 but not over €150,000	8%
Any amount over €150,000 but not over €185,000	9%
Any amount over €185,000	10%

- Those on salaries (inclusive of allowances in the nature of pay) greater than €65,000 but less than €100,000 will move back by the appropriate percentage to an off-scale point on their incremental scale.
- In relation to impacts at the margin, salaries will not fall below €65,000 as a result of the application of this reduction.
- Salaries scales above €100,000 will be reduced by the appropriate percentage based on the application of the reductions above.
- Detailed guidance and circulars in relation to the application of the above measures will be prepared.

## Other pay related measures

**2.29 Allowances:** There will be full co-operation by the Parties with the follow up to the Government's Allowances Review, taking account of the recommendations contained in Labour Court Recommendation 20448. In accordance with that Recommendation, the Parties agree to enter into central negotiations with a view to reaching a generally applicable agreement on measures by which loss arising from the elimination of pensionable allowances can be ameliorated. Where a dispute arises during the course of this process, the Parties agree to use the agreed industrial relations machinery appropriate to each sector and to be bound by its outcome (See Section 5.1).

**2.30 Travel and Subsistence:** The parties note that the Government intends to review Travel and Subsistence arrangements. There will be full co-operation by the parties with the review and the implementation of a standardised system of Travel and Subsistence across the public service.

**2.31 Public Service Pensions:** Separately, to this Agreement, the Parties note that the Government intends to align the reductions in public service pensions in payment with the reductions applied to serving staff. The Parties note that this measure will apply to pensions in payment greater than €32,500 only.

2.32 **Use of external consultants by public bodies:** The Staff side have expressed considerable concern at what they believe to be excessive use of external consultants in the public service. The Government, for its part, shares these concerns regarding the costs to the Exchequer of the use of outside consultancy and re-affirms its commitment to maximising the potential of in-house expertise to deliver further savings in this area. The recent procurement reform programme to achieve between €250m to €600m of savings is welcomed. It is expected that savings in consultancy contracts will be a key element of this Programme.

2.33 **New Entrant Salary Scales:** In order to address the imbalance between those who entered the public service since 2011 and those who entered before that date, revised incremental salary scales shall be prepared for same grade entrants to each public service sector as necessary to incorporate the revision of salary scales introduced by Decision of Government in January 2011.

2.34 **Pension-related Deduction - Rate Adjustment:** The present rates and bands of the pension-related deduction are set out in the Table hereunder:

Measure	Bands and Rates	
Pension-related deduction	€15,000	Exempt
	€15,000 - €20,000	5.0%
	€20,000 - €60,000	10.0%
	Above €60,000	10.5%

2.35 As part of the Agreement, it is agreed to reduce the €15,000-€20,000 band rate to 2.5% from 5% to produce the following Table.

Measure	Bands and Rates	
Pension-related deduction	€15,000	Exempt
	€15,000 - €20,000	2.5%
	€20,000 - €60,000	10.0%
	Above €60,000	10.5%

### 3 WORKPLACE REFORM

- 3.1 The Parties acknowledge the significant level of reform that has taken place across the public service under the Public Service Agreement.
- 3.2 The Parties re-affirm Paragraph 1.4 of the Public Service Agreement which states that:
- “In order to sustain the delivery of excellent public services alongside the targeted reduction in public service numbers over the coming years, the Parties accept that efficiencies will need to be maximised and productivity in the use of resources greatly increased through revised work practices and other initiatives. The Parties will work together to implement this Agreement to deliver an ongoing reduction in the cost of delivery of public services along with excellent services to the public.”*
- 3.3 Accordingly, the parties have agreed that the following measures will be implemented as a priority over the lifetime of this Agreement.

#### Actions to enhance the operation of Redeployment

- 3.4 Redeployment in the public service is critical to supporting the maintenance of front line public services as staff numbers are reduced. The current redeployment arrangements are being revised to make them more efficient and effective to ensure more flexible and faster redeployment both within and across all sectors. It is necessary to improve the flow of staff across the public service, and to ensure that suitably skilled staff are available to meet the identified organisational, operational and business needs of public service organisations.
- 3.5 To assist this process, Workforce Planning will become the norm across public service bodies. Workforce Action Plans will match resources with business/ sectoral policy needs within the ECF disciplines. The process will support management in identifying the skills deficits as well as staff surpluses within organisations as part of a consistent and structured resourcing policy.
- 3.6 The existing provisions in the Public Service Agreement are reaffirmed but to enhance management flexibility and optimise the redeployment arrangements the following changes will be introduced for the **Civil Service and NCSSBs and for cross-sectoral redeployment**:
- Departments should identify staff for redeployment as follows:
    - Where an activity or programme is no longer being carried out, the posts associated with that activity or programme should be deemed to be surplus and available for redeployment. Surplus posts may also arise as a result of rationalisation, reconfiguration, reorganisation or restructuring of services or functions or as a result of the ECF or in line with business needs.
    - The Department should identify the number of posts at each relevant grade which are surplus and the location of the surplus. Once a surplus has been established on this basis the identification of staff to be redeployed will proceed as follows: (i) volunteers will be sought for the Redeployment Panel and (ii) if the number of volunteers falls short of the surplus, LIFO will be applied, as appropriate.

- Redeployment must occur seamlessly across the public service, particularly at regional level. This will continue to be facilitated by PAS which will strengthen the systems in place to match surplus staff with vacancies on a geographic basis within the guideline distance. Specifically:
    - The operation of the redeployment arrangements will be based on the “best fit” for the vacancy in the location. In this context, every opportunity should continue to be taken for re-skilling and re-assignment as the key method to seek to retain and secure employment in comparable roles in the Public Service
    - The appropriate match will be determined by the PAS in conjunction with the organisation’s sectoral liaison officer/contact point and its respective management within a period not exceeding one month of notification of the vacancy.
    - To assist the assignment process and to ensure the selection of the “best fit” for the vacancy, each individual assigned to the Resource Panel must submit a CV with a profile of skills, competencies, knowledge and career experience. The PAS in conjunction with the receiving organisation will conduct a selection process to establish the suitability of individuals for the vacancy concerned.
    - Where a staff member wishes to appeal a cross-sectoral redeployment assignment, such an appeal will be considered by an agreed adjudicator who will issue a decision within the terms of the scheme within 21 days and whose decision will be binding on all parties and will be final. In all instances the individual will be required to take up the position offered in advance of the adjudication process.
- 3.7 Across all sectors the guideline redeployment distance will continue to be 45km from the existing headquarters or staff home location whichever is nearer to the new location. In line with the Public Service Agreement, redeployment options may of necessity be beyond this guideline distance and in such circumstances, consultation will take place in relation to the assignment on offer.
- 3.8 Where an individual refuses an assignment to a comparable role in the public service, the individual will be subject to normal disciplinary procedures.
- 3.9 Where redeployment is not an option and taking account of the business needs of the organisation there may be circumstances where voluntary departure would be appropriate. In such situations there will be discussions with the relevant unions on the terms of any arrangement (which will be in line with any centrally agreed arrangements).
- 3.10 The parties reaffirm the commitments given in paragraph 1.5-1.12 of the Public Service Agreement, including those relating to service reconfiguration.

## Work-sharing

- 3.11 It is acknowledged that flexibility in attendance arrangements can, where they can be accommodated, contribute to efficient and effective business performance while enabling staff to balance work and personal life requirements. Accordingly the public sector has been to the fore in pioneering flexible attendance patterns. Nevertheless, the multitude and variety of work sharing patterns in place, in some sectors, has created a significant management challenge and overhead and is impacting on the capacity of organisations to deliver their services. Therefore, in order to support the effective management of

increasingly scarce staff resources into the future and the protection of services to the public, the following principles will apply:

- The implementation and operation of the work-sharing arrangements is at the discretion of management, who retain the discretion to alter, reduce and/or standardise the range of work sharing patterns available to staff having regard to the specific business needs of their organisation.
- No work-sharing pattern should be less than 50% of full time working hours.
- Staff currently on patterns of less than 50% or not working a pattern within the agreed range of patterns for their organisation, will be migrated to the new arrangements within a period of 12 months. The change in pattern will be discussed with the individual prior to implementation of the change.
- In line with previous agreed arrangements, each individual's work-sharing arrangements will be formally reviewed on annual basis (or earlier if required). Where such a review has not yet taken place a review must be completed by the end of 2013.
- Management's discretion to alter or change an individual's work-sharing arrangements, on the giving of due notice (3 months), is confirmed. Management reserves the right, on reasonable business grounds and with reasonable notice, to refuse access to the scheme, to require a person to vary their work sharing arrangements, or to require a person to resume full time work.

### **Flexible Working Arrangements (Flexitime)**

3.12 The parties agree that management has the responsibility and the right to actively manage flexible working arrangements in their organisations. This will help to build on the work done to date in reviewing and revising work practices to ensure that, in a context of reduced resources and numbers, as well as additional working hours, the public service will continue to provide the required level of service to the public and to contribute to economic recovery.

3.13 While the rationale for this flexibility is acknowledged, it is now necessary to revise the arrangements to better reflect the current needs of organisations, in the context of falling numbers in the public service and changing demands in terms of services to the public. Flexible Working Arrangements (FWA) are only possible so long as they support and enhance the efficient operation of Departments/Offices. In particular, all areas must always be appropriately staffed during the working day, including lunch breaks; all arrangements must ensure that this is consistently the case.

3.14 The following measures are agreed:

- FWA will continue to be available for staff up to Higher Executive Officer (HEO) grade and its equivalents in the Civil Service and other sectors, as appropriate.
- FWA will not apply to staff at the Assistant Principal Officer grade and its equivalents in the Civil Service and other sectors, except for those staff who already have this arrangement. In these cases the staff concerned will not be eligible to avail of flexi leave.
- It may be necessary to amend the core time bands to reflect the extended hours of working and to meet business needs, following local consultation. For example, to

provide for a longer periods during which staff are available to provide services to the public and other internal and external customers.

- The maximum amount of flexi leave allowed in any flexi period is one day.
- Staff should only be in attendance for additional hours where such attendance is warranted in order to complete necessary tasks.
- Management reserves the right to limit the operation of FWA, in certain organisations or sections within organisations following local discussions, in line with the business needs.

### **Strengthening performance management**

3.15 The parties are agreed on the need to nurture a high performing public service. While progress has been made in this area, it is accepted that further steps need to be taken urgently to strengthen performance management systems and procedures in place across the public service.

3.16 Specifically:

- During the lifetime of this agreement, the introduction of performance management systems will be accelerated at the level of the individual in all areas of the public service where they do not currently exist.
- Where necessary, existing arrangements will be revised to ensure that:
  - Managers are held to account for managing the performance and development of their staff. This must be a key goal for all managers and taken account of in their own performance reviews.
  - Procedures to deal with underperformance will be streamlined to be more effective.
  - The performance of individual public servants is managed and assessed against agreed objectives.
- Performance improvement action plans will be developed for individuals identified as having performance issues clearly setting out the performance issues that need to be addressed over a defined timeframe. There will be active management of the performance improvement action plans. In instances where performance has not been satisfactorily addressed within the timeframe set down, procedures to deal with underperformance will be invoked.
- Where performance does not improve to a satisfactory level within an agreed timeframe, disciplinary procedures may apply.
- The performance of senior managers is critical to supporting the effective delivery of quality public services and never more so than in a climate of significantly reduced resources. Measures will be introduced to further develop and enhance a culture of performance across the management cohort of the public service. These measures will include the introduction of management performance agreements.

## Workforce restructuring

- 3.17 Significant progress has been made on restructuring the public service since 2008 and, in particular, since 2010, under the framework of the Public Service Agreement. However, it is necessary to look at further ways to streamline the public service given the ongoing challenges it faces.
- 3.18 Specifically, each sector will:
- Bring forward proposals for grade rationalisation with a view to restructuring grades in each sector by 2014;
  - Develop and implement proposals to further reduce management numbers by increasing the span of control (ratio of staff to management) across all management and supervisory grades where appropriate. This ratio will vary to reflect the business of the organisation concerned.
- 3.19 In recognition of ongoing resource constraints, there will be flexibility around traditional grade demarcations.

## Outsourcing

- 3.20 The Parties reaffirm that the principles and procedures set out in Appendix: Service Delivery Options to the Public Service Agreement will continue to apply, and in that context the relevant Trade Unions will be consulted on all aspects of the public procurement process, including the tendering process, at key stages before decisions are made, consistent with the requirements of EU and national procurement law and commercial sensitivity. The Parties also note in this regard the mechanism established under paragraph 13 of the Agreement.
- 3.21 Management will put in place engagement between the Union side and the National Procurement Office to review mechanisms in place to ensure compliance with the terms of the Agreement and to achieve a joint understanding on arrangements to deliver on the commitments of the Parties. The official side also agree to ongoing engagement over the lifetime of the extended agreement.
- 3.22 The Chairman of the Construction National Joint Industrial Council and the Chairman of the Electrical Industry National Joint Industrial Council will convene an engagement between the two Councils and the relevant senior officials on the official contract management side to engage in relation to the effective compliance in public contracts with the terms of employment law, including with the terms of relevant REAs. This engagement will take place within 6 weeks of the adoption of the extended agreement.
- 3.23 Should it be required, the Parties commit to a joint review of the operation of the Appendix, under the auspices of the Commission. That review will be completed within a period of 3 months of its initiation. The Commission undertakes to make proposals to support the operation of the appendix, should the parties' joint review not have found consensus on the matter.



## 4 EXIT MECHANISMS

- 4.1 To facilitate the necessary reduction in numbers of public servants, the moratorium on recruitment to and promotion in the Public Service and other employment numbers control mechanisms will continue to apply until numbers in each sector have fallen to the appropriate level specified in the Employment Control Framework for that sector. In addition, where the circumstances require it, the Government may offer voluntary mechanisms to exit the public service, whether generally or in specific sectors, bodies, locations or services.
- 4.2 The Government reaffirms the commitment given under Paragraph 1.6 of the Public Service Agreement that compulsory redundancy will not apply within the public service. However, this commitment is subject to the following exceptions:
- Where existing exit mechanisms have applied, such arrangements will continue.
  - The commitment on compulsory redundancy continues to be subject to the agreed flexibility on redeployment being delivered. Where redeployment is not an option and taking account of the business needs of the organisation there may be circumstances where voluntary departure would be appropriate. In such situations there will be discussions with the relevant unions on the terms of any arrangement (which will be in line with any centrally agreed arrangements).
  - Where agreed procedures for managing instances of consistent performance issues have been exhausted (see Paragraph 3.11), dismissal from the public service will be actively pursued.
- 4.3 Where voluntary redundancy is offered in the public service, the terms of the collective agreement reached between the Government and the Public Services Committee of ICTU on redundancy payments to public servants will apply.

## 5 IMPLEMENTATION

### Dispute resolution

- 5.1 The Parties reaffirm their commitments under paragraphs 1.23 to paragraphs 1.27 in the Public Service Agreement, in particular the commitments given to resolving industrial relations disagreements within the public service promptly, using all available dispute resolution mechanisms (both statutory and non-statutory) with the outcome of the process final and binding on all Parties.
- 5.2 The Parties note that the legislative constraints imposed on the employer in the context of the financial emergency will continue to be the context for any claims made for improvement in pay or conditions of employment, and reaffirm the commitments given under paragraph 1.27 in that regard.

### Anomalies

- 5.3 The parties recognise that the complexity of the measures contained in this Agreement are such that unforeseen anomalies can arise. The parties undertake to interpret this Agreement in good faith and to approach the resolution of any such anomalies in a positive fashion commensurate with the commitments contained within the Agreement. In the event that any anomaly cannot be resolved by Agreement, the binding dispute resolution mechanisms provided for under this Agreement should be utilised.

### Oversight and governance arrangements

- 5.4 **Implementation Body:** A group comprising representatives of public service management and the public services committee of ICTU will meet as required to address any matters of implementation and interpretation that may arise under this Agreement.

## **APPENDIX 1: SECTORAL ARRANGEMENTS FOR THE APPLICATION OF ADDITIONAL HOURS**

### **Local Government**

In the local authority sector, the minimum working week will increase to 37 hours (net) per week. The normal attendance pattern will be 9.00am - 5.30pm Monday to Thursday and 9.00am - 5.00pm on Friday.

In order to cope with peak work requirements or other service demands, some flexibility, in the use of hours provided for in this agreement, may be required in some areas. Where such a requirement arises, consultation will take place at local level in accordance with existing agreed procedures. Such consultation will normally commence at least 6 weeks before any revised arrangement is put in place save for circumstances where pressing business needs arise at short notice. It is envisaged that the extra hours will also be used to reduce current expenditure on overtime in the sector.

### **Health**

The working of additional hours is an essential element of the health service's response to the necessary reduction of staff numbers in line with Decisions of Government. The additional resource which extra working hours represent will be used to maintain, enhance and reform services as well as to achieve substantial cost savings.

The key principle is that the relevant service manager/s must have maximum flexibility to deploy and assign staff resources to meet service needs.

At a general level, the following are among the ways in which additional hours may be used:

- To compensate for reductions in staff numbers
- To replace agency staffing
- To replace overtime working
- To extend the working week to 8.00am to 8.00pm Monday to Saturday, as appropriate to a particular service
- To increase productivity
- To allow lunchtime opening where this would enhance service to the public
- To enable extended opening hours, e.g. for clinics
- "Banking" of additional hours for application in different ways
- To enable redeployment in line with health service reform programme including establishment of hospital group structures, expansion of primary care and other service reform measures.

For an individual staff member the following are expected to be the main effects:

**Nursing**

Revision of rosters

Longer shifts where necessary/appropriate

Longer working day

Focused working of additional hours at peak periods or to provide additional cover

**Medical*****NCHDs***

Primarily replacement of overtime, as core working day will be longer

***Consultants***

Revision of rosters

Longer shifts where necessary/appropriate

Longer working day

Attendance on additional days

**HSCP**

Longer shifts where necessary/appropriate

Longer working day with potential for rosters to cover 8.00am - 8.00pm extended working-day

Scheduled weekend attendance where merited by service needs – in dietetics, speech and language therapy and psychology services, for example

**Clerical/admin**

Longer working day

Focused working of additional hours at peak periods or to provide additional cover

**Support Staff**

Longer shifts where necessary/appropriate

Longer working day with potential for rosters to cover 8 a.m.- 8 p.m. extended working-day

**Civil Service**

In the civil service the minimum weekly attendance will increase to 37 hours (net) per week. The normal attendance period will be from 9.00am to 5.45pm Monday to Thursday, and 9.00am to 5.30pm on Friday.

In order to cope with work requirements, some flexibility in the use of the extra hours provided for in this agreement will be required in the form of attendance outside these hours in some areas. An option, in some instances where required for business needs, may be to accumulate additional hours so that staff in a particular area may work a reduced per week pattern over a period but owe the additional hours to be utilised to cope with peak work requirements in another period, including outside of normal attendance periods/days.

In this regard, Saturday will not be a normal working day, but it could, in certain circumstances, be utilised to cope with cases of peak work requirements, subject to the provisions of the following paragraph. There are no circumstances in which a requirement to attend on Sunday will arise, other than in accordance with existing overtime or other arrangements.

The introduction of these more flexible patterns of attendance will be the subject of detailed consultation at workplace level. Such consultations will commence at least 8 weeks before any accumulated hours are utilised. It is envisaged that it will be possible to identify the attendance patterns at the start of the calendar year. If agreement on the use of the accumulated hours cannot be reached in any particular case, the binding dispute resolution provisions of this agreement will be utilised.

Overtime rates of pay will continue to apply, in accordance with agreed overtime regulations, for attendance in excess of the 37 net hours minimum requirement where such attendance is not encompassed as part of an agreed flexible pattern, such as accumulated hours.

## **Education**

### **Teachers**

#### **Expanded S&S Scheme**

At post-primary, hours provided under the expanded S&S scheme will, in addition to usage under the existing scheme, be used to cover all uncertified sick leave absences and official school business absences (currently covered by the allocated fund of €10 million) and the first day of the following absences:

- certified sick leave
- death in family leave
- force majeure leave
- illness in family leave

At primary, hours provided under the expanded S&S scheme will, in addition to current usage, be used to cover all uncertified sick leave absences and the first day of the following absences:

- certified sick leave
- death in family leave
- force majeure leave
- illness in family leave

To ensure the achievement of the required savings, elements of the existing scheme will be amended as follows:

- Participation in the scheme will be compulsory for all teachers and no allowance will be payable.
- The requirement to provide 37 hours per annum will be increased to 49 hours per annum.
- The time currently assigned to substitution and supervision will be increased from one and a half hours in any given week to two and a quarter hours. In this context, the additional time may only be used for substitution.

- The requirement that a teacher be available for three timetabled class periods per week will be increased to five class periods per week.

**Academic staff – universities and other colleges**

Academic staff will work an additional 78 hours per annum. This will be applied in the first instance towards time involved in marking of examinations. Sixteen of the 78 hours will be regarded as applying to this purpose. The balance of 62 hours will be deployed through Workload Allocation Models to maximise savings and productivity. The payment for examinations will be discontinued.

**Academic staff – Institutes of Technology**

Academic staff will work an additional 78 hours per annum. This will be applied towards examination marking, evening weighting, church holidays and weekly lecturing time offsets. The payment for examinations will be discontinued.

## APPENDIX 2: IRISH PRISON SERVICE SECTORAL AGREEMENT

The Irish Prison Service must secure savings of €12.42 million attributable to measures agreed as an extension to the *Public Service Agreement 2010 – 2014*. These measures must ensure the maintenance of the Prison Service on a safe and secure basis within the constraints outlined in Chapter 4.1 of that Agreement.

To build on the progress already made, both in the PFOC and the Public Service Agreement, and to achieve greater efficiencies and modernisation it will be necessary to examine the organisational, structural and operational arrangements of the IPS, and implement such changes as are necessary so that prisons can operate in the most effective (including cost-effective) and efficient manner.

The changes to be implemented may include:

- Changes to the proportion of staff to be assigned to each of the current bands of Additional Hours so that ten per cent of prison staff who use additional hours be assigned to the zero hours band (Band 0); ten per cent be assigned to the 112 hours band (Band 1); ten per cent be assigned to the 240 hours band (Band 2); and seventy per cent be assigned to the 360 hours band (Band 3). The reduction in hours usage will be removed from the AH budget.
- The rationalisation and consolidation of grades such that the grade of Chief Trades Officer 1 (Regional Manager) is terminated and the duties attached are subsumed within the existing management structure of the Building Services Division.
- The rationalisation and consolidation of grades such that the grade of Industrial Supervisor is terminated and the duties attached are subsumed within the revised supervisory structure of the prison work training regime.
- The introduction of a centralised detailing model such that the rostering and detailing of staff in all parts of the IPS is done remotely, and the requirement for specialist detailing staff in each prison and ancillary service of the IPS is reduced as far as possible.
- The alignment of Annual Leave of all grades in the Prison Service with the provisions of the relevant Circulars.
- A reduction in the expenditure on agency and locum healthcare staff, consequent on the staffing of this area in accordance with the agreed report on the task review.
- A reduction in the expenditure on trades contract staff and other maintenance contract services, consequent on the staffing of this area in accordance with the agreed report on the task review.
- The introduction of an automatic key and radio disbursement facility.
- The removal of all acting-up allowances, with all vacancies arising to be filled through use of existing resources, including relief panels in line with the IPS internal competition procedure. Details of these arrangements are to be agreed between the parties.
- The pursuance of efficiencies across the Justice sector, including specifically video-linking for court appearances, the introduction of electronic warrants, the closure of prison main gates after certain times, resolution of issues regarding Production Orders and Special Criminal Court warrants, and issues around the escorting of prisoners.

- The progression of PASO grade staff to other grades within the Prison Service as part of their career path options, details of which to be arranged between the parties.
- Develop/Explore potential for one committal prison for Dublin
- Review operation of St Patrick's Institution to sex offender/protection
- Review senior management attendance at weekends
- Review of the grade structures of the Irish Prison Service with a view to achieving a reduction in supervisory grades.
- Extending PASO grades, for example (Medical Filing/Booked visits/Central Detail/Healthcare)- target of 50 over period of Agreement
- Pursuance of reform measures – Eliminate grace periods/Full implementation of campus structures to include unitary staffing

The savings generated by the implementation of these measures will be aggregated and included towards the achievement of the savings target set for the IPS.

In the event that the necessary level of savings outlined above cannot be clearly identified by the end of this process it may be necessary to introduce changes to ensure the required level of savings is delivered. In the event that such proposals are tabled by either side any issues arising will be considered by the Parties for early resolution. Where agreement cannot be reached at this level the dispute resolution mechanism set out in the main Civil Service document will apply.

Nothing in this Agreement will be taken to imply anything beyond the terms of the Agreement.



### APPENDIX 3: DEFENCE SECTORAL AGREEMENT

This Agreement is an extension to the *Public Service Agreement 2010-2014* and the Defence Sectoral Agreement concluded as part of that Agreement. The Parties to this Agreement are the Department of Defence and the representative associations of the Permanent Defence Force, namely, RACO and PDFORRA. This Agreement shall enter into force on 1<sup>st</sup> July, 2013.

The Parties accept the principles, objectives and obligations set out in the extension to the *Public Service Agreement 2010-2014*, while also accepting that any additional flexibilities that exist currently within the Permanent Defence Force will not be constrained in any way by the provisions of the Public Service Agreement or the extension thereto. In addition to the provisions of the extension to the Public Service Agreement, the Parties have agreed that the following provisions will apply to the Defence Forces from the entry into force of this agreement:

1. The rate of all allowances payable to members of the Defence Forces will be permanently reduced by 10 %. (A schedule of these allowances is attached at Annex 1). This provision is without prejudice to the outcome of the review of SDA currently ongoing under the provisions of the current Public Service Agreement.
2. The Saturday and Sunday rates for Security Duty and related allowances as per items (a), (b) and (c) in Annex 1 to this agreement, will be flat rated - i.e. the standard Monday to Friday daily rate for the allowance will be payable for such duties carried out on a Saturday or Sunday. In the case of a member of the Permanent Defence Force performing a 24 hour duty on a Sunday only, a day in lieu will be provided, excluding the following rest off day. This day may be taken within a fixed period subject to local arrangements and the approval of local management.
3. Payment of Special Instructors Allowance to Officers of the Permanent Defence Force will cease from the entry into force of the agreement.
4. Payment of Border Duty Allowance to Officers of the Permanent Defence Force will cease from the entry into force of the agreement.
5. A voluntary scheme to buyout Border Duty Allowance from those enlisted personnel currently in receipt of the Allowance will be implemented. Any enlisted member of the Defence Forces may apply to have the allowance bought out in accordance with the provisions for buyout of allowances provided for under the Public Service Agreement. This provision imposes no obligation whatsoever on management to offer to buy out an allowance where an individual has offered voluntarily to have the allowance bought out and it will be a matter for management to determine on a case by case basis whether and when it will buy out any such allowance.
6. New Pay Scales will be introduced for Recruits and Privates in the Permanent Defence Force. The New Payscale are set out in Annex 2 to this agreement.
7. Driver and Clerk/Clerical Duties, which currently attract Tech 1 Pay, will be incorporated into the standard duties for all members of the Defence Forces where this is not currently the case and, as such, those duties will no longer be the subject of payment of Tech 1 Pay for any new person undertaking such duties not currently in receipt of Tech 1 Pay from the date of entry into force of the agreement. This provision

is without prejudice to the outcome of the review of Technical Pay already provided for under the Public Service Agreement.

8. The rate for paid training for members of the RDF will be reduced by 10%.
9. The Official side will examine in consultation with the Representative Associations the potential for the introduction of a limited and targeted incentivised career break system and early retirement scheme in the Defence Forces for certain limited cadres of personnel. The application of any such scheme, should one be agreed, will be at the sole prerogative of management.
10. In relation to items 3, 4 and 5 above, where there is a requirement to buy out an allowance, the provisions of the Public Service Agreement set out in the clarification letter issued by the Chairman of the LRC relating to the buyout of allowances will apply.

The Parties also accept that savings of approximately €10m per annum by 2015 are to be saved consequent on the measures provided for in this sectoral agreement. The estimated savings from the above measures amounts to €9.79 million and are accepted by the Management side as satisfying the saving requirement from this Agreement.

**ANNEX 1 – Schedule of Allowances to which Para 2 Above refers**

- a) Border Duty Allowance (Subhead<sup>11</sup> A4.3)
- b) Security Duty Allowances (Subhead A4.4)
- c) Patrol Duty Allowance (Subhead A4.5)
- d) Overseas Allowance (Subhead A4.6)
- e) Other Allowances (Subhead A4.7)

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<sup>11</sup> Subhead ref is the Subhead in the 2013 estimates

## ANNEX 2 – New Payscales for Privates and Recruits

Non Commissioned Personnel	Point	RATE 01/01/11	MSA	ANNUAL PAY RATE	New Points	Proposed New Rates	MSA	ANNUAL PAY RATE	Annual Increment	Reduction on 2011 Rate	Monthly saving per person
<b>Rank</b>											
Private G1/NS 3rd Class		€334.04		€17,370.08		€334.04		€17,370.08		€0.00	€0.00
Private 2 */NS 2nd Class		€410.00	€37.41	€23,265.32		€360.00		€18,720.00		€4,545.32	€378.78
Private 3 */NS 1 st Class											
1st year of service	1	€427.37	€37.41	€24,168.56	1	€360.00	€37.41	€20,665.32	€1,945.32	€3,503.24	€291.94
2nd year of service	1	€427.37	€37.41	€24,168.56	2	€385.00	€37.41	€21,965.32	€1,300.00	€2,203.24	€183.60
3rd year of service	1	€427.37	€103.89	€27,625.52	3	€385.00	€65.00	€23,400.00	€1,434.68	€4,225.52	€352.13
4th year of service	2	€442.64	€103.89	€28,419.56	4	€410.00	€65.00	€24,700.00	€1,300.00	€3,719.56	€309.96
5th year of service	5	€465.94	€103.89	€29,631.16	5	€410.00	€103.89	€26,722.28	€2,022.28	€2,908.88	€242.41
6th year of service	6	€498.42	€103.89	€31,320.12	6	€440.00	€103.89	€28,282.28	€1,560.00	€3,037.84	€253.15
7th year of service	6	€498.42	€103.89	€31,320.12	7	€470.00	€103.89	€29,842.28	€1,560.00	€1,477.84	€123.15
8th year of service	6	€498.42	€103.89	€31,320.12	8	€498.42	€103.89	€31,320.12	€1,477.84	€0.00	€0.00
9th year of service	6	€498.42	€103.89	€31,320.12	9	€498.42	€103.89	€31,320.12	€0.00	€0.00	€0.00