

Decentralisation Implementation Group

Progress Report

to the

Minister for Finance

September 2006

1. Introduction & Overview

The Decentralisation Implementation Group was appointed by Government in December 2003. The continuing role of the Group is to oversee and drive the development of an overall workable planning framework for decentralisation, with each organisation taking responsibility for its own detailed implementation arrangements.

Since its appointment, the Group has monitored the preparations for decentralisation moves across the diverse range of civil and public service organisations involved in the Programme. From the announcement of the Programme by the Minister for Finance in December 2003, the focus has been on detailed planning and organisation of the property, staffing and business aspects. The Group has considered it essential that all organisations take the necessary time to prepare this groundwork well in order to ensure effective implementation of a programme of this scale and complexity.

Over the past 12 months, the Group has maintained close contact with decentralising organisations and has had a series of meetings with Secretaries General of decentralising Civil Service organisations. The Group is currently meeting with the CEOs of State Agencies involved in the programme.

The Group is happy to report that implementation of the Decentralisation Programme is progressing satisfactorily. Now, in 2006, the organisations involved in the Programme are beginning to bring the planning process to fruition. Progress is evidenced by the following indicators:

- *Property position* – The property programme is well advanced. Property acquisition negotiations have been completed or significantly advanced in 34 locations and as a consequence we are now in a position to firm up on our indicative dates. Progress is also being made in other locations.
- *Imminent moves* – To date decentralising organisations have established a presence in 12 new locations. Over the next 18 months decentralising Departments and Offices will have a presence in a total of 29 new locations around the country. Over the next 6 months alone, it is anticipated that the number of decentralised staff in their new locations will have grown to over 1,000 in approximately 20 towns around the country.
- *Assignments to decentralising posts* – At the end of August 2006, over 2,100 staff have been assigned to decentralising posts. There are currently in place or are being trained in advance of decentralisation to a new location, as soon as accommodation becomes available.
- *Update on CAF data* – The Central Applications Facility (CAF) remains open and continues to receive new applications.

There are of course elements of the programme which continue to present challenges and these are dealt with in detail in this report. These include the position of professional & technical personnel who wish to remain in Dublin, the State agency sector and ICT areas.

2. Planned Moves in 2006 and 2007

In its June 2005 report to the Minister for Finance, the Group set out details of anticipated progress on property for the early mover locations and associated movement of Civil Service posts. At that time it was expected that approximately 550 moves would take place in 2006.

In the interim period, the Group has had a series of meetings with Secretaries General and has discussed advance moves to a number of locations in line with the business planning needs of those organisations. The Group had stated previously that the issue of the transfer of advanced parties should be judged on the business case put forward by the organisation involved given the additional costs that would arise.

In consultation with the Group, and based on the business cases made, the Office of Public Works (OPW) has sourced temporary accommodation for a number of Departments and Offices to enable the placing of advance parties in decentralised locations while permanent accommodation is being developed. Advance moves can further the aims of the Decentralisation Programme in a number of respects:

- They build momentum within Departments;
- They provide an opportunity to assign staff currently located in provincial offices to their new posts without the requirement for lengthy training periods in Dublin;
- From a business continuity perspective, they enable the staffing up of complete business units for early relocation;
- They assist in the smooth transfer of organisations' business;
- They allow for better management of the Dublin Arrangements as the assignment of provincial based staff enables the phased release of those staff who wish to remain in Dublin to vacancies in other organisations.

Decentralisation to 29 Towns over the next 18 months

Taking account of both the permanent and advance moves already in place and those in train, the Group expects that decentralisation will have commenced in at least 15 locations by end 2006 rising to 29 locations by the end of 2007. Precise numbers will depend on progress in finalising the buildings between now and 2007. Details of these locations are set out in the following table:

Table 1 – Overview of Planned Moves to end 2007

	<i>Location</i>	<i>Organisation</i>	<i>Accommodation Spaces Available</i>
1.	Portlaoise	Dept of Agriculture & Food	200-250
2.	Tipperary	Dept of Justice, Equality & Law Reform – Private Security Agency	13
3.	Na Forbacha	Dept of Community, Rural & Gaeltacht Affairs	10
4.	Sligo	Dept of Social & Family Affairs	100
5.	Clifden	Pobal	21
6.	Limerick (<i>Newcastlewest advance party</i>)	Revenue Commissioners	50
7.	Tullamore	Dept of Finance	135
8.	Tubbercurry (<i>Knock advance party</i>)	Dept of Community, Rural & Gael Affairs	75
9.	Thurles	Garda HQ – Garda Vetting Office	40
10.	Clonakilty	Dept of Communications, Marine & Natural Resources	90
11.	Cavan	Dept of Communications, Marine & Natural Resources	40
12.	Portarlington	Data Protection Commissioner	23
13.	Kilkenny (<i>Thomastown advance party</i>)	Health & Safety Authority	28
14.	Loughrea	Road Safety Authority/Dept of Transport	50
15.	Killarney	Dept of Arts, Sports & Tourism	70+
16.	Roscommon	Land Registry	40
17.	Ballina	Road Safety Authority	60
18.	Carrick-on-Shannon	Dept of Social & Family Affairs	186
19.	Kilrush	Revenue Commissioners	50
20.	Claremorris	Office of Public Works	40
21.	Listowel	Revenue Commissioners	50
22.	Athy	Revenue Commissioners	100
	Thurles	Garda HQ – Fines Office	43
23.	Navan	Probation & Welfare Service	20
		Garda Civilian HR Unit	36
		National Property Services Regulatory Authority	6
		Coroner's Agency	40
24.	Dundalk	Sustainable Energy Ireland	20
25.	Limerick	Dept of Foreign Affairs	125
	Tipperary	Dept of Justice, Equality & Law Reform	18
	Roscommon	Land Registry	40
26.	Carlow	Dept of Enterprise, Trade & Employment	80
27.	Roscrea	Equality Authority	15
28.	Kildare	Dept of Finance - CMOD	33
29.	Longford	Irish Prison Service	141
End 2007 Total			2,138

The Group has kept in close contact with Departments and Offices in relation to the pace of assignment of staff and business readiness and is satisfied that the organisations listed have all the necessary planning in place to undertake successful moves by the end of 2007.

3. Impact of Progress on Property

The Group's June 2005 report provided aggressive construction start and completion dates. These were designed to further the momentum of the programme through the earliest possible identification and acquisition of property solutions across the locations.

The OPW conducts a review of the property timeframes for permanent accommodation on an ongoing basis and has provided an updated schedule of the likely availability of accommodation (see Appendix). This takes account of experience to date in relation to timeframes for property selection and acquisition, brief and design issues, tendering periods, planning issues and contractual arrangements.

This revised schedule will still allow for the planned movement of up to 6,800 staff in the next three years in line with the target set out in June 2005. The indications at this stage are that the target of 550 staff moves in 2006 will be exceeded. The delivery time for some locations will be later than originally projected, however, leading to a greater concentration of moves in 2009 rather than in 2008.

Experience to date of the process has been factored into the current projections. The Group will continue to provide regular updates in relation to the property aspects of the programme. Matters outside the control of the OPW, which could give rise to delay, will continue to be monitored and mitigating action taken where possible.

4. Update on Industrial Relations issues – Civil Service General Service

Protocols on Human Resource Issues and Assignments

Discussions have progressed with the Civil Service general service unions on a number of human resource and industrial relations issues which have allowed the assignment of staff from the CAF to take place.

At the end of August, over 2,100 civil servants have been assigned to posts which are due to decentralise. This steady level of assignments is indicative of the progress which Departments and Offices are making in furthering their implementation arrangements.

Approximately 500 of these staff have already moved to their new locations and the remainder are currently being trained in their new jobs in readiness for moving.

It is clear from these assignment levels that Civil Service Departments and Offices have been proactive in putting in place the necessary staffing arrangements in a planned manner in accordance with prudent business planning principles. Ongoing co-operation of all organisations will be essential over the coming period to ensure that the central arrangements for the movement of staff continue to operate effectively.

Staff Remaining in Dublin

Under the terms of the Decentralisation Programme, about 6,200 Civil Service general administrative posts are due to decentralise to the various new and existing decentralised locations around the country.

At the *clerical grades and junior management grades* in the general service, which constitute the majority of staff employed, there is a significant turnover each year.

Having looked at recruitment patterns over the last five years, the Group believes it should be possible to place staff in these grades who do not wish to decentralise in appropriate vacant posts in the Dublin area.

The turnover at *senior levels* is not as great but the overall numbers at that level are smaller. The challenge of assigning senior management staff to other appropriate vacancies in Dublin is influenced by:

- The promotion opportunities to the next levels;
- The age profile in the grades;
- The level of resignations to take up posts in the private sector or elsewhere in the wider public service.

The Group has asked the Department of Finance to liaise further with other Departments in formulating proposals to deal with assigning senior management staff.

It is important to reiterate that the phasing of the various moves will allow for a planned assimilation of staff who wish to remain in Dublin into other posts across the Civil Service.

Dublin Arrangements Managed by the Public Appointments Service (PAS)

The primary mechanism for placing Civil Servants who are in posts which are due to decentralise but wish to remain in Dublin is by way of bilateral transfer. As staff who have applied to decentralise continue to be transferred into decentralising organisations, the posts they vacate become available to those wishing to remain in Dublin.

Further arrangements have been initiated for general service grades. The objective of these arrangements is to provide to the PAS details of staff who wish to remain in Dublin at each grade level so that a proportion of vacancies arising in Dublin based posts may be filled by those staff. It is intended that the arrangements will continue over the full transition phase of the Programme.

The Department of Finance is monitoring these arrangements in co-operation with Departments and the relevant unions to ensure that they are operating efficiently and that there is a close alignment between the assignment of staff to decentralising posts and the readiness of Departments to release staff at particular grade levels.

There have been some difficulties in matching the timing of the release of staff with the availability of vacancies in the system which has led to pressure in some organisations. The Group is keeping under review the operation of these arrangements across the Civil Service and may propose, as appropriate, tighter management of these arrangements by the Department of Finance if the pace of re-assignments does not match that required to ensure that Dublin based vacancies are filled promptly, or does not fit with the timeframes set out by the OPW for completion of new accommodation.

Promotion Arrangements

Agreement has been reached with the Civil Service general service unions that all interdepartmental promotions will be made on the basis of the appointee agreeing to

move to a post in a decentralising unit or decentralising Department or Office. In addition, any appointments from open competitions are being made on the same basis.

The position in relation to the Civil Service general service grades is as follows. At present 40% of all general service promotion posts are filled through inter-departmental competition. This proportion will rise to 50% on 1 March 2007 for competitions taking place after that date, in accordance with commitments under *Sustaining Progress*. In addition, where an organisation is moving in full, all internal promotions will include a requirement to decentralise in the period 52 weeks prior to a move. Where an organisation is moving in part, 50% of all internal promotions 52 weeks prior to a move will include a requirement to decentralise.

Training Allowance

The assignment of staff who are currently in decentralised locations to CAF posts may necessitate a period of training in Dublin in their new roles prior to relocation. The Group understands that discussions have advanced with the unions on payments in respect of such training periods.

5. Achieving the Full Complement of Staff

In 22 locations the number of applications exceeds the number of places available, although there may not be a precise match between CAF applicants and the posts/grades available in each location. As the Programme is rolled out, issues will arise in relation to achieving a full complement of staff for other locations. The CAF data provides a reasonably clear picture of the new locations which are undersubscribed. The Group considers that the phasing arrangements and timeframes out to 2009 will assist in managing this issue. However, there is also a need for Departments to develop proposals to address this issue on a case by case basis.

6. Professional & Technical Staff

Posts occupied by professional & technical grades comprise just over 1,000 of the approximately 7,200 Civil Service posts covered by the Decentralisation Programme.

Issues

The main issues arising in relation to professional & technical grades are those relating to filling of posts in undersubscribed locations, placing of staff remaining in Dublin and promotions. While these issues also arise in relation to general service grades, addressing them in the context of professional & technical grades is complicated by the difficulties associated with transferring between different organisations or streams.

Filling of Posts in Undersubscribed Locations

Options for filling posts in undersubscribed locations are closely linked with the arrangements for placing staff in Dublin. As with the general service staff, gaps in provincial locations will be addressed in conjunction with the placing of staff who wish to remain in Dublin.

The Group has asked the Department of Finance to explore all appropriate avenues, in consultation with the relevant union representatives, to overcome these difficulties.

Staff Remaining in Dublin

The Group understands that a paper setting out options in relation to staff remaining in Dublin has been tabled with the unions representing professional & technical personnel. Some options will have to be discussed with the wider group of Civil Service unions. The group has asked the Department of Finance to explore a full range of options across the public sector, in consultation with the relevant union representatives, for redeploying staff within the Dublin area. The Group considers it important that the matter be brought to a conclusion at the earliest possible date.

Promotions

As outlined in section 4 above, agreement on promotions has been reached in relation to general service grades. The Group understands that a proposal based on the general service agreement, but taking account of the absence of any arrangements for interdepartmental competitions for professional & technical grades, has been tabled with the unions. Again, the Group considers it important that this matter be brought to a conclusion at the earliest possible date.

7. ICT relocation

The ICT functions of three large Departments, together with the Centre for Management Organisation & Development of the Department of Finance (CMOD) are due to relocate under the Decentralisation Programme as follows:

- Revenue Commissioners to Kildare;
- Social & Family Affairs to Drogheda;
- Agriculture & Food to Portlaoise;
- CMOD to Kildare.

In addition, REACH and the Local Government Computer Services Board are due to move to Drogheda. As all decentralising organisations moving in their entirety will also be relocating an ICT capacity, ICT is addressed in their implementation plans to a varying degree.

The Group has received a comprehensive update from CMOD in relation to progress on ICT moves in the four main organisations and the particular difficulties arising in this critical area: including dealing with risks to business continuity; carefully managing the timetable for moves; and the sourcing of suitable staff. Following from this, the Group proposes to discuss immediately with the Secretaries General of the organisations concerned the progress made and issues arising in each case in more detail. The Group will then revert to the Minister with options for a feasible way forward.

Skills issues

The Group has previously expressed the view that the decentralisation of ICT jobs should be facilitated by the development and operation of a number of central initiatives designed to help organisations secure the necessary staff skills.

A protocol has been prepared by the Department of Finance to address the filling of ICT posts. The Group understands that it has been agreed to establish a sub-group of General Council to move the process forward. The Group urges all the parties to these discussions to bring the matter to an early resolution to facilitate the further movement of decentralising staff into ICT areas.

CMOD has worked with those Departments decentralising their ICT functions to develop proposals in relation to an ICT skills matrix, general handover principles in relation to staff changeover and training proposals. CMOD has already concluded a pilot programme of ICT certified training and is currently developing tender proposals to source trainers to provide such certified training for new entrants to the ICT area. CMOD has also developed proposals in relation to certified training for ICT project management and is in the process of procuring certified training. These initiatives will assist in ensuring a pipeline of skilled ICT staff in the Civil Service.

Data Centres

The Group's June 2005 report referred to the progress made at that stage in relation to the procurement of data centre services. At that time the procurement of managed data centre services from the open market was the preferred option emerging from the work of an interdepartmental working group. Over the intervening period, further research has been conducted by CMOD into issues arising. CMOD reports that the results of this research suggest that while the "warehousing" of data centres could be provided by either the public or private sector, there is a compelling argument that the management of the service should remain within the public service. The main considerations are:

- *The security of the data* – The international environment in relation to the security and privacy protection of data has changed in recent years. Government bodies would need robust assurances that data centre operators could protect the security of public service data in light of current legislation in this area in other jurisdictions.
- *The logistics involved* – Issues of operational integrity and business knowledge arise if data services are managed in isolation from the organisation's key operating functions.
- *The cost factors* – CMOD advises that experience on managed services points to high costs and inflexibility arising from rigid service level agreements. These cost factors may be significant in the constantly evolving and responsive public service ICT environment.
- *The nature of the public service requirements from data centres* – Logistical issues emerging for the big transaction Departments suggest that the requirements of Government bodies may not be easily facilitated in the typical commercially-managed data centre environments.

The Group accepts this analysis and the conclusions of CMOD. The Group also accepts the recommendation of CMOD that the OPW should convene a working group including CMOD and the three large Departments concerned to determine (i) the feasibility of procuring private sector versus State owned accommodation for data centres, including a cost benefit analysis of the options, and (ii) the logistics, costs, financing and staffing implications of State managed/operated data centres. The Group

asks that this work be completed as early as possible and not later than 6 months from the publication of this report.

CMOD has also considered issues of electric power supply limitations and has concluded that the data centres could only be located in the greater Dublin, Limerick or Cork regions. It points to the need to maintain replicated versions of key data in as near to real time as possible which has distance limitations even using high-speed fibre-optic connections. The Group convened by the OPW should also consider the issue of appropriate location of the data centres in light of these findings.

8. State Agencies

The Group notes that while progress has been made by some State agencies included in the Programme, there has been a marked lack of action in some other agencies. The Group has commenced a series of meetings with the CEOs of the State agencies to get an overview of progress to date and to identify the challenges remaining in implementing the Government policy.

Thirty agencies are due to relocate under the Government's Decentralisation Programme. Some 2,340 posts are involved, or just over 22% of the programme. These posts are made up of a mix of general administration posts, specialist posts and a range of posts where the personnel would be regarded by organisations as having acquired specialist knowledge.

Seven agencies, comprising approximately 30% of the State agency posts covered by the programme, were identified by the Group as early mover organisations. One further agency, the NEWB, has since been added to the early mover group. Details of all the early mover State agencies are set out below:

Organisation	Location
BIM	Clonakilty
Comhairle	Drogheda
FÁS	Birr
Health & Safety Authority	Thomastown
National Council for Curriculum & Assessment	Portarlington
National Education & Welfare Board	Portarlington
Road Safety Authority ¹	Loughrea and Ballina
Sustainable Energy Ireland	Dundalk

In relation to the proposed move of Bus Éireann to Mitchelstown, the Group is aware that the Department of Transport is examining this issue. The Group considers it important that the matter be clarified at an early date.

The main issues facing the State agencies are those relating to the filling of posts in undersubscribed locations, the placing of staff choosing to remain in Dublin and promotions. These issues are further complicated by the absence of any tradition of or agreement on inter-changeability between Public Service organisations and between the

¹ Note: The functions of the National Safety Council identified as an early mover in June 2005 have now been incorporated into the Road Safety Authority.

Public Service and the Civil Service. Little progress has been made to date in advancing agreement between management and trade unions on this issue. The Group is of the view that resolution of the outstanding issues is central to the overall implementation process in the State Agencies.

The Group is aware that discussions have taken place between FÁS management and SIPTU under the auspices of the Labour Relations Commission and that the matter has now been referred to the Labour Court.

The Group has asked the Department of Finance to pursue directly with ICTU proposals for getting central discussions underway on the full range of industrial relations issues relating to the decentralisation of State agencies. In particular, such discussions should seek to make progress on the question of transferability between State agencies and between agencies and the Civil Service. The Group considers it essential that such discussions take place and that an accommodation is arrived at as soon as possible.

9. Costs

Initial costings of the Decentralisation Programme estimated a gross cost of approximately €900m in respect of procuring sites and office accommodation for the Programme. This financial model for the Programme also includes estimates of receipts from sales of State owned property in Dublin which will be surplus to requirements post-decentralisation. The financial model is currently being updated by OPW. While individual aspects of the underlying assumptions may have changed, current indications are that the property elements of the Programme will be achievable within the original €900m gross estimate.

Decentralising Organisations have been asked to track non-property costs and savings on a project basis and to provide the Department of Finance with reports on a quarterly basis. These reports will form the basis of reports to the Decentralisation Implementation Group and the Oireachtas Committee on Finance and the Public Service. Non-property costs reported to date total €1.6m. This figure includes the staffing costs of the Central Decentralisation Unit in the Department of Finance, the costs of the Decentralisation Implementation Group, non-staffing expenses incurred to date by decentralising organisations, consultancy expenditure and CMOD training costs.

10. Conclusion

Overall the Group is satisfied that the implementation of the Decentralisation Programme is progressing well. While there are issues still to be discussed and resolved, significant progress has been made as is evidenced by approximately 500 staff currently in new locations, over 2,100 staff assigned to decentralising posts. Preparations are well advanced for approximately 2,000 staff to have a presence in 29 new locations by the end of next year.

The Group will continue to work closely with all of the decentralising organisations and will report regularly to the Minister for Finance on progress achieved and remaining challenges.