

28 August 2016

David Denny
Principal Officer
Remuneration, Industrial Relations and Pensions Division
Department of Finance

Dear Mr Denny

Submission on the establishment of a Public Service Pay Commission

I write on behalf of the Association of Chief Executives of State Agencies in Ireland, of which I am the current Chair.

The Association provides a forum where Chief Executives can discuss issues of mutual interest and concern, and develop and express a collective voice on issues that affect the sector. Membership of the Association is confined to CEOs of non-commercial state bodies and we have a current membership of 80.

It is our understanding that you wish to consult widely among stakeholders and have requested written proposals concerning the role and methodology of the Commission.

We are in no doubt that the Association can contribute positively to the process in hand and in this spirit we are today making a submission which we hope you will find time to consider in the course of your deliberations.

I am available at your convenience should you require any clarification or expansion on the material in the submission.

Many thanks and kind regards

Mary Higgins
ACESA Chairperson

Association of Chief Executives of State Agencies

Submission on the role and methodology of the proposed Public Service Pay Commission

28th August 2016

Introduction and summary

This submission is made by the Association of Chief Executives of State Agencies (ACESA), in response to the invitation received from the Department of Public Expenditure and Reform (Remuneration, Industrial Relations and Pensions Division).

The ACESA network represents the Chief Executives of non-commercial state agencies in Ireland and is committed to driving improvements in public sector management and performance. Current membership stands at 80 CEOs.

The work of non-commercial state agencies affects every citizen and every business in the state. The depth and breadth of activities among our members is wide-ranging, including, inter alia:

Regulating	...and setting standards for economic activities and improving safety on our roads, our workplaces, our food, our waterways, our transport, our health products and our healthcare.
Protecting	...citizens, workers, consumers and business, and acting as advocates on their behalf in seeking redress (human rights, equality, citizen information, legal aid, business supports etc.).
Driving	...improved standards in the professions, education and social care
Managing	...cultural, heritage, sporting and other vital national assets
Supporting	...improved standards in the professions, education, health and social care,
Promoting	...the interest of Irish business nationally and internationally.

The timing and timeframe for submissions did not allow us to consult with the full membership of ACESA, and this submission represents the views of the members elected to the Board.

We welcome the establishment of the Commission and believe that it can only be successful if it takes a whole system perspective - considering the entire range of public sector bodies and the impact and implications of pay related policies on their capacity to deliver on objectives and effectiveness.

The submission makes proposals on the scope of the Commission brief, recommending a focus on the broader issues of workforce planning and staff recruitment, retention and rewards. It recommends that the Commission is robust, evidence based and consultative and that members are selected for their expertise and knowledge.

Role of the Commission

ACESA is in support of the role of the Commission as “providing authoritative and evidence based analysis on pay matters to assist officials in discharging their negotiation function” in the context of the Landsdowne Road Agreement.

For the Commission to be effective, the ACESA Board believes that the scope of the Commission must be comprehensive, recognising the reality of the complexity and diversity of public sector entities.

The civil service has fewer than 40,000 employees, similar to that of the local authority sector and lower than those in the health and education sectors¹. In addition to the range of state agencies, a wide range of services are delivered by not for profit and some private bodies on contract from public bodies.

Decisions on pay and conditions impact on all of these bodies, affecting their capacity to do their jobs and to deliver on objectives and effectiveness. Accordingly, we recommend that the Commission takes an inclusive and comprehensive view of the public sector and considers the following matters:

- Workforce planning, including recognition of the challenges of attracting and retaining appropriate talent, expertise and organisational knowledge
- The challenges of attracting specialist skills and expertise in the face of reductions in pay, pensions and other employment conditions
- Policies and practices in the areas of recruitment, performance management, staff training, engagement and motivation and succession planning
- Mechanisms that distinguish between good and bad performance, reward good performance and encourage innovation and foster sustainability
- The range, complexity and appropriateness of existing grading, management and administrative layers and structures.

Approach and methodology

How the Commission works is as important as what it does, in terms of building confidence in its findings. Here we propose a number of operating principles for its approach to its work:

- Evidence based - using objective data to understand the current situation and provide a basis for discussions and recommendations. The Commission should draw on national and international evidence of what works in delivering on aims and effectiveness
- Consultative - undertaking meaningful and efficient consultation with relevant stakeholders and independent experts so that there is a fair and comprehensive reflection of experiences, learning, challenges and ideas to inform the deliberations of the Commission and reflected in its recommendations
- Robust and independent - not reflecting the views of any organisation, sector or interest but focused on the best way forward
- Fair, balanced and equitable – listening and weighing the relative strength of data and arguments in a way that gives confidence to stakeholders and the recommendations of the Commission

¹ Boyle, R. (2015). **State of the Public Services 2015**: December 2015. Research Paper No 17. Institute of Public Administration Dublin.

- **Transparent and accountable** – providing full transparency on the decisions of the Commission and what has informed them
- **Timely** – working within a clear, ambitious and realistic time frame with adherence to published deadlines.

3. Commission selection and composition

The composition and selection of the Commission is crucial to ensuring the breadth, depth and quality of its processes and outcomes. In this regard we welcome the commitment of the Minister to appointing members through the Stateboards.ie, as a process that is open and transparent.

It is crucially important that the Commission avoid making recommendations that reflect the views of interest groups only, and Commission members should be selected for their knowledge and expertise, and commitment to making evidence informed recommendations. If representation is to be a component of the membership, then this must be reflective of the whole of the public sector.

We recommend that the Commission be supported by skilled and experienced researchers and advisors, to help to inform and expedite its work and suggest the following range of skill and expertise be represented on it:

- **An appreciation of the public sector in Ireland its widest sense (including state agencies, the health, education, justice and local authority sectors) and its role in the overall delivery of public sector and government objectives**
- **Knowledge of the international experience with regard to improving effectiveness and efficiency across public sector bodies**
- **An understanding of the background of the current situation in terms of both the policy framework and the implementation of the policy**
- **A chair with the capacity to manage the process and facilitate debate and consensus on recommendations.**