

REPORT
OF
DECENTRALISATION
IMPLEMENTATION
GROUP

31 MARCH 2004

Foreword

It is difficult to fully appreciate that it is less than four months since the Government announced their decision on a major programme of relocating civil/public service jobs and asked us to play a role in devising and driving an implementation plan.

Much of the early, external focus on the programme related to the property aspect which, undoubtedly, is an important consideration. In this phase of our work, however, we identified the ‘people’ dimension as being, far and away, the most important element. It should not surprise, therefore, that a large part of this report is centred on matters relating to those public servants who, in one way or another, will be affected by the programme. And this does not represent the full extent of engagement in this area as the industrial relations consequences of the programme are outside of the Group’s direct remit. This important aspect is being dealt with in a parallel process involving public service trade unions and management where a great deal of activity is taking place. We are, of course, being kept fully informed of progress. We are grateful for the earnestness with which the issues are being addressed and would encourage all concerned to continue to engage meaningfully.

The relocation of over ten thousand civil and public service jobs to fifty-three locations in twenty-five counties while at the same time maintaining continuity of service is, by any definition, a complex exercise.

We recognise that many challenges lie ahead. There are legitimate concerns about the efficiency and effectiveness of the civil service and related agencies in a decentralised world. These include concern about service certainty and viability and the delivery of “joined up government” in the new circumstances. Early indications are that all such concerns can and will be successfully addressed.

This report does not provide answers to all of the questions and concerns which relocation on such a large scale has thrown up, nor could it be expected to. In the time available, we have addressed a number of these and identified and commenced work on many others. More particularly, we have set out an overall approach and

identified the measures immediately necessary to get the implementation underway including time-framed next steps.

Our task is to ensure successful implementation. By this is meant the best outcome for all the stakeholders. We are grateful for the professional and constructive way that departments, agencies and trade unions have engaged to-date.

We look forward to a continuation of such positive partnership which argues well for the successful carrying forward of our task.

Table of Contents

RECOMMENDATIONS	7
CHAPTER 1	
Introduction and overview	11
There are concerns	11
There are precedents	12
There are benefits	12
There are challenges ahead	12
An iterative approach to implementation	13
CHAPTER 2	
Human Resource and Industrial Relations Issues	14
Introduction	14
Industrial relations aspects	14
Identifying staff willing to move – Central Applications Facility	15
Staff remaining in Dublin	17
Management of transfers	18
Promotion and recruitment	19
Training	20
Equality, disability, work-life balance and childcare	23
Support for those moving.	24
CHAPTER 3	
Implications for Delivery of Service	26
Not primarily a logistical exercise	26
Departmental implementation plans	26
Business change	26
A post-decentralised civil service	27
CHAPTER 4	
Accommodation	31
Early action	31
Principles and processes	31
Site acquisition	32
Site selection	32
Indicative timelines	33
Options in relation to interim moves	33
Construction of buildings	34
Value for money	35
Other procurement options	35
Ministerial offices	36
Disposal of Dublin property	36
Capital envelopes	37
Financial assessment	38

CHAPTER 5	
ICT and Decentralisation	39
Background	39
Data centres	39
Decentralisation of ICT staff	41
ICT recruitment and training	43
CHAPTER 6	
Other Issues	45
Cost implications	45
Communications	45
Impact on local communities	45
Health sector staff	46
CHAPTER 7	
Implementation Plan - Next Steps	47
Launch of Central Applications Facility (CAF)	47
Relocation of IT and health sector staff	47
Human resources and industrial relations issues	47
Individual Implementation Plans	48
The modernisation agenda	48
Property Aspects	48
Financial Aspects	49
Assessment of outcome of CAF process	49
Sequencing of moves	49
Next phase of Implementation Plan	49
Action Agenda	50
APPENDICES	
Appendix A: Membership of the Implementation Group	53
Appendix B: Terms of Reference	54

RECOMMENDATIONS

Chapter 2

Central Applications Facility

An integrated transfer system called the Central Applications Facility (CAF) should be put in place to allow people to apply for transfer to decentralised locations and rank their preferences for different locations. The system should be web-based with appropriate arrangements to cater for people who do not have access to on-line facilities at work.

Once the CAF is launched there should be no closing date for receipt of applications. Applications would continue to be accepted until such time as a particular location has been fully subscribed. However, those who apply within a period of eight weeks after the system goes live should receive preference over those who apply after that period.

Information gathered through the CAF during this first phase should be analysed by the Civil Service Commission and passed on in summary form to our Group. This would provide us with the information required for the next phase of our implementation plan. Relevant information would also be made available to individual departments/agencies and to staff interests.

A system similar to the CAF should be developed at a later stage for people being reassigned to other organisations within Dublin because their jobs are being decentralised and they wish to remain in Dublin.

Given the scale of what is involved, measures must be taken now to redirect policy on appointments and promotions to facilitate the earliest possible achievement of the decentralisation targets in an efficient manner.

Training

A series of workshops/seminars should be organised by CMOD¹ to provide a structured forum to build understanding of the training and development issues involved and to capture the previous experiences and learning of organisations which have already been involved in decentralisation.

CMOD should also develop an overall decentralisation training plan identifying areas suitable for common responses and options for skills transfer and for mainstreaming the training across organisations. Each department and agency should address their training programme in their individual implementation plans.

Key trainers should be put in place at an early stage in each organisation.

Each organisation should immediately put in place formal arrangements to ensure close liaison between the HR function, the training function and the line managers in areas affected by decentralisation.

¹ The Centre for Management and Organisation Development in the Department of Finance.

Equality, disability, work-life balance

The opportunity afforded by decentralisation should be used to re-emphasise the importance of equality issues.

The Office of Public Works (OPW) should, in line with its existing policy, ensure that best practice in relation to universal access to buildings is incorporated into the specifications for new buildings.

Every opportunity should be taken to promote and widen the use of existing family-friendly and work-balance schemes in determining working arrangements in a decentralised service.

Childcare

A small inter-departmental committee, representing the Department of Finance, the OPW and the Department of Justice Equality & Law Reform should be established to examine the provision of:

- (a) further civil service workplace crèches in some decentralised locations as part of the Childcare Initiative; and
- (b) suitable pre-school childcare in other locations through initiatives with other employers and/or local community groups, in consultation with the Department of Justice, Equality and Law Reform;

and should submit a report to this Group by end-May 2004.

Support for people moving

The Department of Finance should develop, in consultation with the Employee Assistance Service, and submit to this Group proposals aimed at providing staff with a package of support services to help them move. The option of seeking proposals from private sector consortia should be addressed in that context.

Chapter 3

Departmental/agency implementation plans

Each department/agency should now prepare its own implementation plan in the light of this report. These should include a detailed listing of all issues to be addressed in terms of people, property and business, with appropriate indicative timelines, an outline of the processes already in place and to be developed plus the products to be delivered under each heading. Each plan should take account of the department's/agency's review of business process and service delivery methods. The plans should incorporate specific risk assessment and mitigation strategies. They should avail of suitable project management tools and include appropriate monitoring provisions.

Chapter 4

Accommodation

A Public Private Partnership (PPP) approach to the procurement of office accommodation should be adopted. We recommend the adoption of a Design, Build, Maintain and Finance (DBMF) approach as the preferred procurement mechanism.

The OPW should appoint process auditors, reporting directly to the Chairman of the OPW, to monitor and report on the process, and to ensure and certify that the procurement process complies with all relevant regulatory and administrative procedures.

The OPW, with the assistance of the National Development Finance Agency, should prepare a *Public Sector Benchmark* for VFM purposes to provide a comparator against which to measure the potential costs arising before a decision is taken on the particular type of procurement to be employed.

The OPW should develop a set of space utilisation and other standards for the decentralised accommodation.

The OPW should prepare a plan for the rationalisation of the State's Dublin property portfolio and the disposal of surplus property.

During the next phase of our work we will prepare with the assistance of the Department of Finance and the OPW, an integrated and full scale financial assessment of the property procurement and disposal aspects of decentralisation over the short, medium and long term. This will be submitted to the Government before the next stage of the procurement process – the construction of buildings - proceeds.

Chapter 5

Data centres

Space should be acquired in two private sector world-class data centres which have high levels of security. The public service should act as an anchor tenant in both centres. CMOD and OPW should set up an inter-agency group, supported by appropriate outside expertise if required, to draw up a request for tender for issue to the market by autumn 2004. The selection of the locations for the two data-centres should take account of the factors outlined at paragraph 5.12.

All small and medium-sized public bodies should now consider the opportunities for using the proposed data centres to determine appropriate transition timescales.

Location of ICT staff

The 835 ICT staff mentioned in the Budget should be decentralised to a cluster of three towns within 20 to 30 miles of each other. We recommend that the Government decide and announce the locations of the towns in the cluster as soon as possible so that these locations can be included in the Central Application Facility.

All small and medium-sized public bodies should consider the extent of usage they could make of the proposed ICT staff clusters.

The proposals outlined at paragraph 5.24 with respect to ICT staff recruitment and training should be included in the HR consultations that are currently underway between public service management and unions.

Chapter 6

Impact on local communities

The Department of Finance should draw on the experience of the IDA in their many successful business start ups and expansions to inform best practice in bringing the best possible level of benefits to all participants in this programme.

Relocation of health sector staff

We recommend that decisions in relation to the relocation of the 500 health sector jobs are taken by Government in sufficient time to allow for their inclusion in the Central Application Facility.

Chapter 7

Implementation plan

We recommend the early implementation of the first phase implementation plan set out in Chapter 7 which takes account of the foregoing recommendations.

CHAPTER 1

INTRODUCTION AND OVERVIEW

1.1 This Group was established by the Minister for Finance on 3 December 2003. Our membership and terms of reference are at Appendices 1 and 2. We were charged, by the Minister, with the development of an implementation plan for the decentralisation programme. This is the first in a series of reports which will address the full implementation of the programme. In this initial report, we set out to identify the issues and options, to create momentum behind the programme and to define a workplan for the initial aspects of the implementation plan.

1.2 Our mission is to facilitate the successful implementation of the Government's decentralisation programme as announced by the Minister for Finance. To do this we need to develop an implementation plan to address the short, medium and long term aspects of decentralisation. We must also help drive implementation of that plan in co-operation with Government departments and State agencies. The programme should be implemented in a cost-effective way. It also needs to be implemented in a way which maintains and enhances the quality and effectiveness of the Irish public service.

1.3 There has been a huge interest in this topic since the Budget Day announcement. This decentralisation programme is by far the largest and most wide-ranging in the history of the State, involving the relocation of 10,300 civil and public service jobs to 53 centres in 25 counties. For the first time, eight departments together with the Office of Public Works will move their Headquarters from Dublin to various regional locations.

There are concerns ...

1.4 We realise that decentralisation, like any other major organisational change, can be a cause of uncertainty, worry and concern for many public servants. We recognise it is not simply about public service jobs. It is about individual public servants, their families, dependants and career progression, the work environment and the culture of organisations. We understand that many public servants in organisations scheduled for decentralisation have built lifestyles, entered long-term commitments and have established networks of social and family relationships based around their current place of employment and residence.

1.5 The desire for answers to the many and varied questions that are emerging is strong and understandable. At this point, we are not in a position to be definitive about many of the issues involved. We can, however, confirm that the current programme maintains the tradition of voluntary relocation. It is also important to remember that, although decentralisation may cause personal upheaval initially for some, it is welcomed by others and once implemented it could produce significantly improved working conditions and lifestyles.

There are precedents ...

1.6 Decentralisation² is not a new concept. It has been successfully implemented already. While not without its problems it works well and other countries are engaged in similar moves. The new programme is more radical in its nature and scope than previous ones, but it is also the case that the business, technological, infrastructural and social environments now are very different to what they were previously. The public service today is more effective and flexible than it was even a decade ago, with a much better business planning, customer service and accountability ethos³. In recent years there have been considerable improvements in areas such as customer service, human resource systems, business planning, financial management and e-Government. Developments such as the internet have changed the possibilities for organisations to deliver services effectively across distances. Decentralisation will provide a further impetus to the modernisation drive by encouraging us to take another look at how we do things.

There are benefits...

1.7 Decentralisation has potential benefits for individual public servants and for the country as a whole.

1.8 Staff may be interested in leaving Dublin in order, for example, to return to family and friends, or to acquire an affordable family home within easy reach of their workplace. They will now have the opportunity to choose from a broad range of options. In some cases, people will be able to engage in reverse commuting and reduce their travelling time each morning and evening. For those who choose to stay in Dublin, there will still be over 10,000 civil service jobs. There will be a wider range of work and career opportunities for those already working outside Dublin. Present and future public servants who aspire to senior management positions will no longer have to migrate to Dublin, although many may continue to do so.

1.9 The dispersal of jobs from Dublin has obvious advantages for securing a better regional balance. It will help the economic and social development of the chosen centres and their catchment areas. Decentralisation can provide high-quality jobs for regions that have not benefited as much as Dublin from recent economic success. It can provide a further boost to the provision of infrastructure in the regions. It can also attract other investment and services and act as an incentive to entrepreneurs to develop businesses in the regions thus creating a positive domino effect.

There are challenges ahead ...

1.10 To realise these benefits will require a significant team effort from all concerned.

1.11 We acknowledge the many challenges that need to be faced. There are concerns about the efficacy of the civil service in a decentralised world. These encompass not only service delivery but also the relative influence in policy formulation of the organisations and sections being decentralised compared to that of the organisations remaining in Dublin. Particular concerns arise in relation to the

² Decentralisation in the context of this programme and this report could be more accurately described as the relocation of staff of Government departments and State agencies from Dublin to the provinces.

³ Evaluation of the Strategic Management Initiative, PA Consulting Group, March 2002.

impact on service delivery to the Oireachtas, the Government, Ministers, other departments/agencies and the public. There are also concerns about the delivery of “joined up Government” arising from the very nature of decentralisation.

1.12 The public service has demonstrated great adaptability and willingness to change over the years. We believe it is sufficiently dynamic, realistic and professional to meet the challenges posed by decentralisation. It will successfully grasp the opportunities offered by these challenges to the benefit of all concerned. It can be all too easy to list off the potential problems associated with decentralisation. The real challenge is to identify the issues arising from decentralisation and how they are to be tackled as opportunities for the future development of an even better public service.

1.13 We look to deliver an outcome which continues to provide Ireland with an effective and efficient public service that:-

- is an attractive place in which to work;
- continues to draw its share of talented and public spirited people;
- provides good career opportunities for all;
- is diffused over the country while maintaining the integrity and effectiveness of service delivery and policy formation; and
- enriches the social fabric of the local communities where the departments/agencies are based.

1.14 Our aims are to ensure that decentralisation is implemented successfully and to put in place the right elements for success. We are looking for everyone’s co-operation, input and assistance with this task. We want to achieve the best outcome for all concerned. We are delighted with the professional and constructive way that departments and agencies have engaged with the task.

An iterative approach to implementation ...

1.15 This report identifies the main issues involved, presents an overall approach and highlights the measures needed to get the implementation process underway. There are three main strands involved. We need to

- (a) identify people willing to decentralise,
- (b) provide them with office accommodation and
- (c) ensure service continuity and viability.

We need to move ahead now on each of these but we also need to integrate all three strands. It is clear to us that an iterative approach to implementation is required. This will allow us to review progress under each strand before developing firm timelines and sequencing.

1.16 Many industrial relations and human resource issues are the subject of ongoing discussions between public service management and staff interests. Departments and agencies are still examining the business continuity issues and the opportunities for process and cultural change. The complexities of the task and its knock on effects will require innovative approaches to how the public service does its business.

CHAPTER 2

HUMAN RESOURCES AND INDUSTRIAL RELATIONS ISSUES

Introduction

2.1 Public services are by their nature, people intensive services. They are dependent on the skills, ability and ethos of those employed as public servants. From the beginning of our work, we were convinced that the “people” issues would be absolutely vital in implementing the decentralisation programme in a way which ensured continued effective operation of the business of departments and agencies.

2.2 The main issues at this stage are as follows:

- (a) the need to identify in a systematic way staff who are willing to transfer to a new decentralised location;
- (b) the need to deal equitably with staff who opt to remain in Dublin;
- (c) once individuals wishing to move have been identified, the need to ensure that the transfers to their new departments/agencies and the consequential transfers to organisations remaining in Dublin take place in an orderly and efficient manner which facilitates the people involved and business continuity;
- (d) staff involved in these transfers must be supported in acquiring the necessary training and experience to ensure that the business needs of the organisation are not adversely affected;
- (e) decentralisation will have clear consequences for all recruitment practices with new appointees being offered posts on the basis that they will be assigned to a particular location; and
- (f) new arrangements will have to be put in place for promotion which take account of the decentralised nature of the civil and public service and the desirability of maximising regional promotional opportunities.

2.3 We concentrate in this chapter on the first item listed above, i.e. how to identify in a systematic way staff willing to transfer to a new decentralised location. We also deal, in outline, with the remaining dimensions as well as addressing a number of other human resource issues that will be important throughout the process, i.e. equality, disability, work-life balance, childcare and support for those moving.

Industrial relations aspects

2.4 We are charged with developing and presenting to Government an implementation plan which ensures that the human resource issues arising before, during and after implementation of the programme are addressed.

2.5 We welcome the fact that there was early engagement between civil service management and unions within the framework of the civil service conciliation and arbitration scheme. We also welcome the fact that discussions are taking place, under the auspices of the ICTU, with unions representing staff in the various State agencies.

Management has put forward a number of proposals and our understanding is that good progress has been made. We recognise that further discussion is required on many issues and that in the case of State agencies much of this will have to take place locally between management and staff in the individual agencies concerned. There should be continued engagement between management and trade unions on any other implementation issues or concerns that arise.

2.6 We believe that the scale of the current decentralisation programme requires a flexible approach from all sides to existing human resource practices both during and after the implementation period.

2.7 In finalising this report we have attempted to reflect the progress which has been made in the industrial relations discussions. We recognise the need for continuing discussions between management and unions. Ultimately, however, it is incumbent on us to outline the arrangements which we consider need to be put in place in the short term and to focus on the issues which need to be resolved within the next few months.

Identifying staff willing to move – Central Applications Facility (CAF)

2.8 To implement the decentralisation programme, arrangements must be put in place to offer staff who are willing to relocate the opportunity to transfer to a post which is moving to a decentralised location. This will allow people who are willing to move to a new location to begin planning both the personal and work-related aspects of their moves. Departments and agencies can begin to transfer staff into their new posts so that they can be given the necessary training and gain experience before the actual move to the new location takes place.

2.9 One of the first steps, therefore, in the implementation plan must be to establish how many serving staff will move to the various decentralised locations. We took the view at a very early stage in our deliberations that surveys of staff interest in decentralisation in individual departments and agencies would be of little real value. It is not fair to expect people to make important personal decisions of the nature involved in this process until they are provided with information about the various moves and the overall possibilities open to them.

2.10 In order to get a realistic indication of the numbers willing to decentralise, a formal application system should be designed which would provide people with the required information. We asked the Department of Finance to explore this possibility in conjunction with the Civil Service Commission. Significant progress has been made on this and it has also been discussed with the civil and public service unions. The main elements of the system are outlined below.

2.11 Previous decentralisation programmes were confined largely to the civil service. It was customary for only one organisation to be involved in relocation at any given time. In the circumstances, it was possible for the organisation which was relocating to manage the application process, both in terms of staff already serving in that organisation and staff serving in other areas of the civil service. Given the scale of the current programme, we believe it would be impractical for each organisation simultaneously to trawl the public service for candidates. This would result in needless duplication, create confusion and uncertainty in the minds of potential

applicants and result in individual organisations competing with each other to secure staff for transfer. A more dynamic and integrated approach is required.

2.12 We are convinced that a central applications facility would be more effective. It would also make the process more user friendly by establishing a single point of application. Accordingly, we are recommending that an integrated transfer system (akin to the Central Applications Office in the Education sector) be put in place which would allow people to apply for transfer to decentralised locations and rank their preferences for different locations.

Main features

2.13 The intention is that applications would be invited from all civil servants, staff of **all** non-commercial state-sponsored bodies and staff of the two commercial state companies included in the programme.⁴

2.14 In order to ensure that staff are aware of the full range of options available under the programme, they should be supplied with:-

- (i) a list of the work units, grades and numbers of jobs within each department and agency being transferred to the new locations;
- (ii) a preliminary indication of the likely timescale⁵ for each move; and
- (iii) information on the main facilities available in each of the destination towns including practical information about local schools, housing, amenities and so on⁶.

2.15 We believe that the Civil Service Commission would be best suited to operate the system. The Commission has a well established reputation for impartiality and has extensive experience of managing large-scale recruitment and promotion competitions.

2.16 We recommend that the system should be web-based with appropriate arrangements to cater for people who do not have access to on-line facilities at work. We have been advised by the Department of Finance that work is proceeding on the development of a Central Applications Facility (CAF) as a matter of urgency and that considerable progress has already been made in developing the computer-based aspects of the system. It is essential that the system be finalised quickly so that the CAF can be launched at an early date.

2.17 Once the CAF is launched there should be no closing date for receipt of applications. This means that applications would continue to be accepted until such time as a particular location has been fully subscribed. However, those who apply within a specified period - eight weeks after the system goes live - should receive preference over those who apply after that period.

⁴ All civil servants and staff in all non-commercial state-sponsored bodies - including those working in departments and bodies not included in the decentralisation programme – would be able to apply.

⁵ As indicated in Chapter 7, timescales at this stage will be purely indicative and will be refined during the next phase of the implementation plan.

⁶ We have asked departments to supply information on these lines.

2.18 Information gathered through the CAF during this first phase should be analysed by the Civil Service Commission and passed on in summary form to our Group. This would provide us with the information required for the next phase of our implementation plan. Individual departments and agencies would also be given information on:

- (i) the numbers and grades of staff applying for transfer to their offices; and
- (ii) the numbers of their staff applying for transfer to other organisations.

Relevant information would also be made available to staff interests.

2.19 Civil servants should be able to apply for transfer to locations to which a non-civil service agency is being moved and other public servants should be able to apply for locations to which a civil service office is being moved.

2.20 While applications should be sought on this basis, we recognise that the arrangements to apply in the case of transfers between the civil service and agencies and vice versa, and between non-general service and general service grades in the civil service will need to be discussed by public service management and the trade unions. The aim should be to achieve the maximum level of “interchangeability” between the general service, professional and technical grades, and between civil and public service organisations. We recognise that this poses a significant challenge to all involved but we believe that such an approach is both desirable and necessary.

2.21 In the case of some grades in some locations, it is likely that there will be more people applying than there are posts available. Arrangements for ranking the applications received for such locations have been discussed, and largely agreed, by public service management and unions. Arrangements are also being made to allow staff serving in existing decentralised offices to apply for transfer to a new decentralised office.

2.22 We believe that the proposed approach is a reasonable one to “kick start” the process.

Staff remaining in Dublin

2.23 We are very conscious that the needs of staff whose jobs are being decentralised and who opt not to relocate have to be addressed. They will play a vital role in maintaining efficient services to clients in the knowledge that their jobs are moving. They will also be involved in training their replacements. This group may have to move offices and develop new skills and knowledge. The development needs of these staff will have to be well planned and, as with their replacements, they will need to be supported by strong training and communication strategies.

2.24 Staff whose jobs are being decentralised and who opt to remain in Dublin will have to be reassigned in due course.

2.25 We recommend that a system similar to the CAF be developed at a later stage for such staff who are being re-assigned to other organisations. As information

becomes available from the CAF, it will be possible to identify vacancies which will arise in organisations remaining in Dublin as a result of individuals from those organisations applying for decentralised posts. The Dublin CAF would allow staff being reassigned within Dublin to apply for these vacancies. The modalities of this will have to be discussed between public service management and staff interests.

Management of transfers

2.26 Establishing the number of staff who are willing to move to decentralised locations will be the easiest part of the implementation process. Managing the actual transfers will be a bigger challenge.

2.27 There will be issues about how to facilitate applications for transfers between general and non-general service grades in the civil service and between the civil service and the state agencies. These will arise, for example, where:-

- a member of a professional or technical grade wishes to move to a particular location where the only equivalent level is a general service grade; or
- a person in a state agency wishes to move to a location to which a civil service office is transferring.

2.28 Such cases will raise questions around conditions of service, pension and tenure as well as legal issues relating to appointments to the civil service and state agencies. We welcome the fact that these issues have been identified in the discussions between management and unions. Without in any way understating the difficulties involved, our view is that every effort must be made by both sides to facilitate such applications.

2.29 We will as part of the next phase of the implementation plan develop proposals in relation to sequencing of moves in the light of

- (i) the information emerging from the first phase of the CAF,
- (ii) the up-to-date position in relation to property procurement,
- (iii) individual implementation plans submitted by departments/agencies and
- (iv) business continuity and business re-engineering plans.

2.30 As a general rule, the aim should be to arrange for staff to transfer as soon as possible to the organisation which is due to move to the location of their choice, i.e. before that organisation actually moves to its new provincial location. Staff moving to organisations which are due to decentralise will have to be replaced by staff from those organisations who wish to remain in Dublin. The actual number of people transferring in total will be a multiple of the numbers transferring to the decentralised locations.

2.31 Ideally, each organisation should be able to organise its transfers on a phased basis with manageable numbers involved in each phase and to arrange staff overlaps where necessary with incoming and outgoing staff working together for a handover period. Given the scale of the programme, considerable flexibility and co-operation on the part of all the departments and agencies involved will be required.

2.32 There will be particular issues in the case of staff already serving outside Dublin who apply to move to a different location. Past decentralisations attracted applications from individuals already serving in provincial locations. In these cases, the individuals who applied to serve in a newly decentralising office, initially transferred to that office in Dublin for a period before it moved out of Dublin in order to be trained. This is an issue that will have to be addressed by individual organisations at the appropriate time when the numbers involved are known.

2.33 While we believe it is important to acknowledge the scale of the difficulties involved, it is equally important to emphasise that the civil service and other public service agencies have experience of managing this type of process successfully in the past. The scale of the current programme and the concentrated timescale involved may well mean that the practices and procedures used in the past are not always suitable. However, there is a wealth of experience that exists within the system to develop an overall framework for dealing with the transfers.

2.34 Quite apart from the logistical aspects, people moving to new locations and new jobs will need considerable support throughout the move. The exact timing of moves will have to be handled sensitively with particular attention to family requirements and spouse/partner transfers where this arises. There will also be assimilation issues both into the new office and the new location. Most importantly, clarity on timing and functions will be essential to enable those transferring to manage their personal and official responsibilities effectively.

Promotion and recruitment

2.35 Existing promotion and recruitment practices and procedures will have to be reviewed and revised to take account of the decentralisation programme.

2.36 In particular, there are aspects that need to be addressed urgently. It must be expected that in some locations it will not be possible to fill all of the posts being decentralised solely by means of lateral transfers from among those willing to move to each location. In the circumstances, it would not be tenable to continue to fill recruitment vacancies and make promotions on a “business as usual” basis.

2.37 These issues have been the subject of discussions with staff interests.

Promotion

2.38 In the discussions, civil service management proposed that:-

- (a) for an interim period until 1 September 2004 all offers of promotion posts made by departments, which are being wholly or partly decentralised, to individuals on the current interdepartmental promotion panels should be conditional on that individual’s agreement to move to the relevant provincial location; and
- (b) both sides review promotion arrangements in the light of information from the CAF with the aim of agreeing permanent arrangements and procedures in relation to promotion which will take full account of the decentralisation programme.

2.39 Civil service management regards this interim measure as the minimum necessary at this stage. It expects that a more significant adaptation to existing arrangements will be required when the initial returns from the CAF are available.

2.40 We understand that the staff interests are concerned about the impact of any new arrangements on the promotion prospects of staff who wish to remain in Dublin.

2.41 We note that top management posts to be filled through the TLAC⁷ process are being advertised taking into account the decentralisation programme.

2.42 We believe there is a clear case, *in terms of implementing the decentralisation programme*, for making all promotions conditional on the person concerned accepting that he/she will move to the decentralised location at the appropriate time. This should not be seen as undermining the voluntary nature of the programme - this type of arrangement was a feature of previous programmes. We recognise there is a degree of uncertainty at this time about the extent of any possible shortfall in volunteers at the various locations and we also recognise that the staff interests have legitimate concerns about the position of staff who wish to remain in Dublin.

2.43 For the medium-term, it will be necessary to adapt the promotion arrangements to reflect the reality of a more decentralised and regional civil and public service. Staff intending to decentralise will wish to see an early outcome from the discussions which have been opened on this important aspect.

Recruitment

2.44 Separately, civil service management has indicated that, in the case of recruitment level posts, acceptance that a post is in a specific location and will be occupied for a defined minimum period will become a condition of employment for all new entrants with effect from a date to be determined by the Minister for Finance.

2.45 We believe that the clearly stated aim should be to address any shortfall in volunteers by making appointments from existing panels conditional on the appointee accepting that he/she will have to transfer to a designated decentralised location. If necessary, special open competitions should be held for appointments to the locations concerned. We recognise there may be practical interim difficulties involved in requiring someone to accept appointment to a recruitment level post in a particular location but to take up that appointment in Dublin until such time as the actual move takes place.

All appointments

2.46 We are convinced that, given the scale of what is involved, measures must be taken now to redirect policy on appointments and promotions to facilitate the earliest possible achievement of the decentralisation targets in an efficient manner.

Training

2.47 Decentralisation will pose a challenge for training and development across the public service. Staff moving to new decentralised locations must be able to acquire relevant experience and training to ensure that the business needs of the organisation

⁷ Top Level Appointments Committee.

are not affected. Equally, organisations losing staff as part of the transfer system and receiving replacement staff from other organisations must also make certain that the new staff are able to carry out the work of those who leave, again without the business delivery of the organisation being affected.

2.48 The training and development interventions should focus primarily on how departments and agencies can be supported through the transition and early relocation phases in retaining corporate knowledge and expertise so as to minimise the business risk associated with large scale change.

Key principles

2.49 The Group believes that the following key principles should underpin the training and development response to the challenges posed by decentralisation.

- (1) Dedicated decentralisation teams should be put in place in each organisation to manage the transition and early relocation periods. Insofar as is possible, placement policy should have regard to the desirability of retaining the same people throughout the planning and transition phase.
- (2) Effective placement policies should make best use of existing skills and expertise. Initially, placement policy should focus on experienced staff that are moving with their own organisations in order to maximise their overall effectiveness and assist with the retention of organisational norms and ethos.
- (3) A cascade approach should be adopted. The aim should be to quickly and effectively equip key people in the organisation with the skills and knowledge to manage the training and development needs.
- (4) All training and development interventions should have a practical rather than a theoretical focus and should be strictly targeted on business need.
- (5) A smooth and comprehensive handover of all aspects of each job to each new entrant is essential. This requires job manuals to be prepared detailing the policies, procedures and rationales for those procedures for each post/work unit.
- (6) The Department of Finance should help organisations to put in place appropriate common training responses. Individual organisations should manage the training of staff in specialist skills particular to their own business needs.
- (7) Training should be organised and scheduled to allow for continuity of service to customers.
- (8) The sequencing and priority of training and development interventions by departments/agencies should take account of the timeframes for relocating.

Essential skills and competencies

2.50 In addition to training decentralising staff, a range of specific skills and competencies must be in place in each organisation to achieve a smooth transfer to

new locations while maintaining customer service standards. Practical project management skills will be required for dedicated Corporate Service, Organisation or Planning Unit staff assigned to planning and managing the relocation process within departments and agencies.

2.51 Many of these skills and competencies are already widely available across the public service. Indeed, management at all levels has a sound understanding of the dynamics at work in large scale change following a decade of modernisation and change. The issue for many organisations, therefore, will be to harness the existing skills and expertise of staff before identifying additional training and development interventions required to address remaining skills gaps.

Necessary steps to deliver timely training and development

2.52 We recommend that the arrangements outlined in the following paragraphs be put in place as soon as possible.

2.53 A series of workshops/seminars should be organised to provide a structured forum to build understanding of the issues involved. Similar arrangements should be made to capture the previous experiences and learning of organisations which have already been involved in decentralisation. Such practical experience should be actively sought out and applied in addressing training and development needs. The Centre for Management and Organisation Development (CMOD) in the Department of Finance should organise these workshops in consultation with the existing Training and Development Committee, the Central Decentralisation Unit and the Departmental Liaison Officer Group (DLOG).

2.54 CMOD should also develop an overall decentralisation training plan identifying areas suitable for common responses and options for skills transfer and mainstreaming the training across organisations. Each department and agency should also address their training programme in detail in their individual implementation plans (see Chapter 3).

2.55 Key trainers need to be put in place at an early stage in each organisation. These trainers will work initially with existing staff in preparing for the “handover” phase and will then facilitate a smooth transition phase through provision of necessary training supports and mentoring to new staff. It is important to note that key trainers may also be required in organisations which are not themselves decentralising but which may experience significant turnover as their staff opt to move to decentralising organisations. The size of the training team will vary depending on the size of each organisation, the complexity of its work processes and the proportion of experienced staff remaining with the organisation at all levels.

2.56 HR practices and training should be considered in an integrated way. Each organisation should immediately put in place formal arrangements to ensure close liaison between the HR function, the training function and the line managers in areas affected by decentralisation. This will assist, for example, in effective placement policy and early identification of local trainers.

2.57 Clearly, a substantial investment in training will be required. Training for decentralisation should command priority.

Equality, disability, work-life balance and childcare

2.58 The various policies aimed at equal opportunities in the workplace and at better work/life balance will all need a decentralisation dimension.

Equality

2.59 We consider that the opportunity afforded by decentralisation should be taken to re-emphasise the importance of equality issues and to continue the implementation of the gender equality measures, in particular, in accordance with established Government policy. All public servants affected by the programme should be confident that their rights under the Employment Equality Act 1998 are guaranteed and that no-one will receive less favourable treatment than someone else because of their gender, marital or family status, sexual orientation, religious belief, age, disability, race or membership of the traveller community.

Disability

2.60 The decentralisation programme will, in many cases, involve the construction of new accommodation. This will provide a clear opportunity to design buildings with the needs of both staff and customers with disabilities in mind. The rationalisation of the Dublin property portfolio may also present a similar opportunity to take advantage of the latest designs and technologies which can assist people with disabilities to take a full part in the life of the community.

2.61 The Office of Public Works (OPW) will, in line with its existing policy and practice, ensure that best practice in relation to universal access is incorporated into the specifications for new buildings.

Family-friendly/ work-life balance schemes

2.62 The public service operates a wide range of family-friendly and work-life balance schemes, such as job sharing, and is in many respects already well ahead of practice in large parts of the private sector. Every opportunity should be taken to promote and widen the use of these arrangements in determining working arrangements in a decentralised service.

Childcare facilities

2.63 In Budget 2001, the Minister for Finance allocated €12.7m for the provision of civil service crèches. The allocation was part of a wider Government policy to increase the number of childcare places. There are five crèches operating at the moment: two in Dublin and one each in Ennis, Athlone and Sligo. The Office of Public Works (OPW) is examining other possibilities in Cork and Limerick.

2.64 The future direction of the civil service crèche initiative needs to be reviewed in the light of the decentralisation programme. The availability of pre-school childcare facilities in the decentralised locations, whether within the workplace or otherwise, needs to be addressed. The Group considers that this review should take account of the scope for achieving the necessary critical mass in terms of demand and commercial viability by examining possible joint-ventures with (i) other public service employers in the relevant locations and (ii) private sector employers in those centres.

2.65 The Group recommends that:-

- (a) the existing civil service crèche programme under the Childcare Initiative of Budget 2001, should continue in operation with particular attention on the provision of crèches in Cork, Limerick and Galway, reflecting the existing distribution of civil and public servants;
- (b) as part of the decentralisation programme consideration should be given to the provision:
 - (i) in some decentralised locations of further civil service workplace crèches as part of the Childcare Initiative; and
 - (ii) in other locations of suitable childcare through initiatives with other employers and/or local community groups, in consultation with the Department of Justice, Equality and Law Reform;
- (c) a small inter-departmental committee, representing the Department of Finance, the OPW and the Department of Justice Equality & Law Reform be established to examine this issue and submit a report to the Group by end-May 2004.

Support for those moving

2.66 In the past, it has generally been left up to each individual interested in decentralising to plan and manage the personal aspects of their moves. Given the scale of the current programme, we believe that an alternative approach needs to be considered. In particular, we believe there is a need to explore the scope for developing and providing to staff a package of practical assistance and supports to help them move.

2.67 The individual circumstances of those moving will vary enormously but the types of issues likely to arise, and services that might be of interest, could include the following:

- advice on sale/letting of existing house in Dublin and accommodation needs for relatives staying in Dublin, e.g. children in college;
- identification of suitable home to buy/let in the new location;
- assistance with securing places in local schools and crèches;
- introductory contacts to local communities in areas of recreation or special interest e.g. sports clubs;
- a facility to draw on the personal insights and experience of colleagues who have decentralised in the past; and
- a placement service for the spouse/partner of those relocating for a suitable position in or near the new location.

2.68 One option might be to seek expressions of interest from private sector project managers, with expertise in re-location and placement, to put together a consortium to deliver the services needed and realise the economic possibilities. Another option might be to provide some of the services in-house, by availing in particular of the Employee Assistance Service, in co-operation with local authorities, chambers of

commerce, etc. An important aim of any approach would be to secure cost economies for those relocating to the provinces on foot of the scale of the business which will arise as a result of such a large number of individual moves, i.e. to see if the benefits of voluntary aggregation could in some way be captured for the individual public servants involved. It seems to us that this is another issue where the public service partnership structures could play a useful role. Use of such services would, of course, be entirely voluntary.

2.69 We recommend that the Department of Finance develop, in consultation with the Employee Assistance Service, and submit to this Group proposals aimed at providing staff with a package of support services to help them move. The option of seeking proposals from private sector consortia should be addressed in that context.

CHAPTER 3

IMPLICATIONS FOR DELIVERY OF PUBLIC SERVICES

3.1 Our terms of reference require us to consider how best to align the public service modernisation – the Strategic Management Initiative (SMI) - and decentralisation programmes and to consider how implementation of the new decentralisation programme might enhance the efficiency and effectiveness of the public service, including the scope for pooling common services between departments.

Not primarily a logistical exercise

3.2 Implementation of the decentralisation programme cannot be allowed to become a purely logistical exercise. There must be an overall balance between people, property and service delivery and the plans must include separate but fully integrated elements dedicated to the continued delivery of business change, building on the many successes of recent years.

3.3 Research commissioned in the UK⁸ reveals that “the main benefit delivered by relocation was the opportunity to re-engineer the business and embrace different working methods and technologies”. It found that “long-term benefits would be maximised only if relocating to new premises went hand in hand with fundamental changes in the way the business is done. Benefits of decentralisation are enhanced if organisations view relocation as an opportunity to implement cultural and process changes rather than as a pure logistical exercise.”

Departmental implementation plans

3.4 Departments and agencies have already begun preparing for their moves, i.e. by identifying the various issues involved, providing this Group and the OPW with the required information, communicating with staff and starting to address the business aspects of the moves. We recognise that they have also been looking to this report to provide them with an overall framework within which they can develop their plans.

3.5 We recommend that each department/agency should now be asked to prepare its own implementation plan in the light of this report. These should include a detailed listing of all issues to be addressed in terms of people, property and business, with appropriate indicative timelines, an outline of the processes already in place and to be developed plus the products to be delivered under each heading. Each plan should take account of the department’s/agency’s review of business processes and service delivery methods. The plans should incorporate specific risk assessment and mitigation strategies. They should avail of suitable project management tools and include appropriate monitoring provisions.

Business change

3.6 It is essential, in preparing their individual implementation plans, that organisations re-examine how work is carried out and look at issues such as

⁸ The *Impact of Relocation* research by Experian commissioned by the Independent Review of Public Sector Relocation in the UK led by Sir Michael Lyons.

organisational structures, work practices, ICT systems, staffing levels and grades. Decentralisation will undoubtedly present considerable challenges in providing uninterrupted high quality services to the public during and after its implementation. Crucially, however, it also offers significant opportunities to:

- reinforce the public service modernisation agenda;
- re-engineer business processes;
- change structures, systems and work practices;
- maximise the potential of modern technologies;
- introduce more flexibility into the system;
- change organisational cultures; and
- develop innovative ways of delivering service.

3.7 Much has already been achieved in recent years under these headings but decentralisation offers another opportunity to review how business is done. Decentralisation also provides an opportunity to accelerate, or at least facilitate in the medium term, more substantial structural changes.

3.8 The Department of Finance had already been examining the scope for making greater use of shared services in areas such as financial accounting and ICT. The further development by REACH, the public service e-broker, of web-based application and delivery systems between departments/agencies, and the potential for common means testing systems, are two other examples of issues that need to be factored into the decentralisation planning process. There may also be more immediate opportunities to exploit economies by way of shared premises and services. We expect departments and agencies to ensure that the future potential to avail of these and other similar developments is incorporated in their individual implementation plans.

3.9 The catalyst of decentralisation provides an impetus for changes to be identified by individual departments/agencies. We will also be seeking to identify, with the assistance of the SMI Implementation Group of Secretaries General⁹, opportunities for cross-departmental changes which would enhance service delivery, improve performance and provide more cost effective services to the public.

3.10 It is important that organisations finalise their review of existing business processes as a matter of urgency in order to identify any resultant implications for the grade distribution of the numbers moving to the provincial locations and/or the property procurement process.

A post-decentralised civil service

3.11 The SMI Implementation Group of Secretaries General is already considering the longer-term implications of a decentralised civil service. The existing SMI sub-Groups are examining the implications of decentralisation for the different elements

⁹ The SMI Implementation Group of Secretaries General, which is comprised of Secretaries General and Heads of Office, provides high level leadership to the modernisation of the civil service and co-ordinates and oversees the wide range of modernisation initiatives being pursued across the civil service.

of the modernisation agenda as well as the overarching implications for the system of Government as a whole.

3.12 The geographic relocation and dispersal of staff may help to reinforce existing moves towards greater devolution of authority and responsibility to, and within, organisations. There will be an onus on management at organisational and sub-organisational level to exercise greater *de facto* responsibility for HR, finance and other organisational matters.

3.13 A more geographically dispersed civil service needs to be balanced by sufficiently strong common values and culture to support effective system-wide co-operation and decision-making. It will be necessary to reinforce, and invest more heavily in corporate culture and ethos.

3.14 We set out below our views on some of the issues that the SMI Implementation Group of Secretaries General should continue to consider.

Sustaining Progress

3.15 It is essential to ensure that the opportunities created by decentralisation are used, to the greatest extent possible, to maintain and develop the modernisation agenda set out in *Sustaining Progress*. Development of human resources is clearly bound up with the ability to deliver better services to the public. In the case of the civil service, there are a number of aspects to this programme involving:

- legislative changes to localise recruitment systems in departments and to clarify the regulatory and disciplinary framework applying to civil servants;
- initiatives to secure more open recruitment;
- greater use of competitive and merit-based promotion; and
- a number of measures to make promotional opportunities more flexible for the benefit of both the organisation and staff.

3.16 We believe that, in the context of a decentralised service, it will be necessary to consider the development of regional recruitment, transfer and promotion systems. These would build on existing regional arrangements and incorporate inter-departmental or inter-organisational regional recruitment, mobility and promotion structures. We have already made it clear that progress on these matters must be made as a matter of priority. We note that the Department of Finance has already indicated to the civil service unions its intention to bring forward proposals for the development of such structures which also take account of relevant provisions in *Sustaining Progress*.

Knowledge management

3.17 Preserving organisational memory will be a key factor in preparing for and implementing decentralisation. Effective knowledge management should look at ways to document and store knowledge and share it within and across organisations. Much will depend on effective use of ICT systems to allow people in different locations share a common pool of information and work collaboratively on documents.

Customer service

3.18 Relocation will provide the opportunity, especially when combined with developments in relation to eGovernment and integrated service delivery, to examine service delivery in a very fundamental way. There are already examples of remote delivery of national services, such as child benefit payments which are managed from Letterkenny. There is evidence that many customers may prefer, and can be helped, to access the services they need remotely using new technology.

Measuring performance

3.19 Relocation to dispersed locations and the levels of staff turnover involved are likely to mean that formal systems for business planning will grow in importance. It will be necessary to accelerate work on performance measurement and management across the public service. This should include the quality of business planning, the links between it and resource allocation and the development of performance indicators both at organisational and sub-organisational level.

Cross-organisational collaboration

3.20 Cross-departmental groups, networks and committees are a significant feature of today's civil service. Experience in the UK suggests that significant numbers of staff from decentralised locations still travel to London for meetings on a regular basis¹⁰. However, there are steps that can be taken to minimise such travel without necessarily weakening cross-organisational collaboration. Investment in appropriate ICT facilities is an obvious example. 'E- Cabinet' (electronic distribution and management of cabinet papers) is an example of an ICT system which will support effective collaboration in a decentralised civil service. A practical impact of decentralisation is that it should compel organisations to tackle what may be an unnecessarily extensive meetings culture and to make more effective use of meetings¹¹. We believe there is a particular onus in this regard on the Departments of the Taoiseach and Finance and that they should review the existing arrangements for cross-departmental meetings. New ways of servicing meetings in Brussels should also be explored.

Interaction with the Oireachtas and other bodies

3.21 Consideration needs to be given to the interaction between decentralised departments and the Oireachtas as well as key non-Governmental bodies such as the social partners.

Interaction with Ministers

3.22 Concerns have been expressed that Ministers will, in reality, continue to operate largely in Dublin, and that this may lead to the establishment of Dublin-based "cabinets" and the appointment of more political advisors, thus undermining the long established role of civil servants in policy formulation. We note, in this regard, that the Minister for Finance has already made it clear that "the relocation of departmental

¹⁰ The *Impact of Relocation* research by Experian, commissioned by the Independent Review of Public Sector Relocation in the UK, found little evidence of any concerted effort to reduce the number of meetings. It also found that organisations which have had little alternative to video conferencing have made it work very well and that other organisations could do much more to exploit this and other technology.

¹¹ Anecdotal evidence suggests that this is already a feature in departments with existing decentralised offices.

headquarters will include the Ministers concerned, their Secretaries General and all their senior management. Contrary to some recent media suggestions, there is no question of these departments retaining an *Aireacht* or policy centre in Dublin”.

Next phase

3.23 We will continue to liaise with the SMI Implementation Group of Secretaries General to ensure that the work being undertaken by them on the implications of a decentralised public service is reflected in the Implementation Plan.

CHAPTER 4

ACCOMMODATION

4.1 The procurement of suitable accommodation in each location is crucial to the success of the implementation plan. Here we set about identifying the principles that should underpin the overall approach for the acquisition of sites and of buildings in the most cost effective manner within the proposed timetable of the implementation plan.

Early action

4.2 The timing and sequencing of moves to the decentralised locations will be influenced in the first instance by the availability of accommodation there. We took early action on this front. We agreed the principles that should underpin the overall approach, the options for site acquisition and for acquiring or constructing buildings in the most cost-effective manner. We also considered the overall financial implications of property acquisition and disposal.

4.3 At our request, the OPW placed advertisements in the national press on 22 and 23 December 2003 seeking expressions of interest from those willing to provide:

- suitable good quality modern offices either existing or under construction; or
- suitable sites with planning permission or with an appropriate planning zoning which would allow for the erection of an appropriate building.

4.4 We also asked the OPW to contact local authorities to determine whether they had suitable buildings or sites that might be made available to facilitate the decentralisation process.

4.5 Some 700 submissions were received by the OPW in response to the requests for property proposals. In addition, departments and their agencies provided information on the volume of space that will be required at their new locations.

Principles and processes

4.6 We adopted a set of *Principles to underpin Accommodation Acquisition Strategy*. These have been approved by the Cabinet sub-Committee and circulated to all departments/agencies. The overall objective of the acquisition strategy is to secure, to the greatest extent possible, the right building, at the right location, at the right time and at the right price and to do so in an open and transparent manner. We are very conscious of the importance of providing decentralised staff with physical working conditions which are at least as good as those currently available to them in Dublin and to improve upon these where possible. We are also anxious that the design and specification of the buildings be consistent with best practice, reflect their use and enhance the existing environment.

4.7 We have been extremely conscious of the need for full compliance with established procurement procedures and, in particular, the need to ensure full transparency in the procurement process. In accordance with existing best practice procurement procedures, neither this Group nor Ministers will have any role in

assessing individual proposals: these will be assessed by OPW in accordance with the criteria agreed by the Group and in consultation as appropriate with the departments concerned. We recommend that the OPW appoint process auditors, reporting directly to the Chairman of the OPW, to monitor and report on the process, and to ensure and certify at each step that the procurement process complies with all relevant regulatory and administrative procedures.

4.8 We will receive regular progress reports from OPW so that we can monitor progress and ensure that the property procurement process meets the needs of the implementation plan.

Site acquisition

4.9 While some of the proposals submitted in response to the December 2003 advertisement involve existing buildings and some are based on the developer supplying a site and building on it to OPW's specifications, the majority of the proposals are for the provision of sites only. The main advantage of acquiring a site and then proceeding to procure a building is that it provides much greater certainty in terms of location. Effectively it allows the OPW to select sites which best meet the location requirements agreed in the *Principles to underpin Accommodation Acquisition Strategy* and, within that framework, to identify the best overall value solution. It also provides the opportunity to design a building specifically to meet the needs of the occupying organisation.

4.10 The Minister for Finance has provided an extra €20m in his department's vote for 2004 to meet any up-front investment required for the decentralisation programme. The OPW has also identified certain properties in Dublin which it believes are no longer necessary for the State's Dublin property portfolio and which could be disposed of straight away. The proceeds from the disposal of these properties, together with the €20m, should be sufficient to fund the cost of the site purchases. This approach is in line with the improvements in expenditure management systems approved by the Minister for Finance in December 2002.

Site selection

4.11 Following an initial assessment of the proposals submitted in response to the December 2003 advertisement and the requests to local authorities and other bodies for proposals, the OPW has identified a number of potentially suitable options in each location. It has written to proposers seeking further information about title, the planning zoning applicable to the property and the terms under which the proposer would be willing to sell the property to the OPW. The proposals, as indicated above, relate mainly to the provision of sites: in a small number of locations use of existing buildings is proposed.

4.12 The next stage, which is already underway, is to assess each of the proposals for sites and existing buildings in order to identify the best solution in each location. The evaluation process will proceed by way of a three-strand approach:

- (i) an architectural assessment by OPW;
- (ii) a valuation by OPW with advice from an external independent valuer;
and

- (iii) an assessment of the proposals by reference to the business needs and staff requirements of each client department/agency.

Indicative timelines

4.13 By the end of April, OPW will be in a position to identify the locations where (i) acquisition of an existing building is being proposed and (ii) site purchase is proposed. In the case of the former, planning should proceed for now on the basis of a 9 to 15 months timeframe for final occupancy and in the case of the latter it should proceed on the basis of a 26 to 37 months timeframe (see table below). These indicative timescales should be included in the CAF and used by departments and agencies in drawing up their implementation plans.

Existing Building Acquisition and Fit-Out	Months
<ul style="list-style-type: none"> ▪ Building identification, evaluation and acquisition 	3
<ul style="list-style-type: none"> ▪ Fit-out and completion 	6-12
Total Indicative Timescale¹²	9-15

Site Purchase and Construction	Months
<ul style="list-style-type: none"> ▪ Site identification evaluation and acquisition, tender documents 	6
<ul style="list-style-type: none"> ▪ EU procurement 	3-4
<ul style="list-style-type: none"> ▪ Planning Permission 	3
<ul style="list-style-type: none"> ▪ Fit-out commissioning and handover 	14-24
Total Indicative Timescale¹	26-37

Options in relation to interim moves

4.14 The information available at this stage would indicate that very few departments or agencies are likely to move in the short term and that the vast majority of moves will only take place close to the end of the three-year timescale set by Government.

4.15 Clearly, the timing and sequencing of moves is dependent upon the availability of accommodation as well as the people and business aspects. The approach to property procurement means that demonstrable progress will be made over the next three years. The timeline involved in constructing new buildings will also give departments/agencies and their staff sufficient time to manage what is a very

¹² The indicative timeframes assume that the acquisition, planning, tendering and construction phases will be relatively straightforward.

ambitious programme. It means staff can move to, and spend some time in, their new jobs in Dublin before relocating to the provincial centre.

4.16 However, we are concerned that so many moves are likely to be concentrated towards the very end of the three-year period. We intend, therefore, to examine what other options may be available to achieve a better timeline distribution of the various moves. In particular, we propose to explore with the OPW whether there might be scope to acquire appropriate temporary accommodation in the decentralised locations which would allow some departments/agencies, or some of posts in departments/agencies to move to the new locations earlier than would otherwise be the case. We would, however, need to establish what additional costs would arise with such an approach,

Construction of buildings

4.17 The traditional approach to procurement of office accommodation by the OPW has been to acquire a site and then proceed to procure the construction of a building on the land. In this scenario, the OPW is responsible for the design and specifications of the building (either in-house or outsourced) and for obtaining planning permission. Following an open tender competition, a private contractor is appointed to undertake the construction project. The OPW is responsible for maintenance and refurbishment of the completed building.

4.18 In the case of the 1987 decentralisation programme, we understand that the OPW developed what was essentially a Design, Build and Finance (DBF) approach to the procurement of office accommodation under which ownership of the offices rested with the State from the date of completion of the work. The cost was met by the State on a deferred payment basis which was a form of lease purchase arrangement. This was a novel approach at the time and facilitated the early delivery of cost efficient buildings.

4.19 We believe that a Public Private Partnership (PPP) approach to the procurement of office accommodation should be adopted. On this occasion we would see merit in the inclusion of maintenance of the building in the contract. We recommend the adoption of a Design, Build, Maintain and Finance (DBMF) approach as the preferred procurement mechanism. In our view, this will facilitate the achievement of cost-effective property solutions within the timeframe set by Government. We recognise that experience of the DBMF approach to property procurement is limited but nonetheless we are confident that the construction industry, developers, property professionals and financial institutions will meet the challenges presented to them.

4.20 Under a DBMF approach the developer would be responsible for designing, constructing - including fitting out - and maintaining the building for the duration of the contract, as well as providing the capital funding required. The developer would be paid an agreed amount each year over a defined period at the end of which the property would be owned by the State. The annual payments would be subject to the building meeting certain maintenance or “availability” specifications set down in the contract.

4.21 The advantages of this approach are:

- it allows for the transfer of significant risks to the developer, such as planning risks and responsibility for any cost and time over-runs: the developer is better placed to mitigate the risk and produce a lower cost solution;
- linking payment to delivery of a “turn-key” building should incentivise the developer to deliver on time;
- integrating the design, construction, fit-out and maintenance stages under a single contract, should create an incentive for the private sector to develop innovative solutions, reduce whole-life costs and deliver an overall cost-effective property solution;
- requiring the private sector to finance the project should help to ensure that the contractor is fully tied into the maintenance element over the long-term because in the event of failure to deliver, the financiers would step in to protect their investment.

4.22 In general, a developer may be faced with somewhat higher financing costs than the State and these higher costs would be factored into the tender prices. Against this must be weighed the building and ongoing maintenance and availability risks that the developer is taking on. Accordingly, in assessing the financial outcomes, it is essential to recognise that the cost will reflect both the various risks being transferred to the developer and the life cycle costs. Otherwise these would fall to be met by the State under the traditional procurement, fit-out and maintenance approach. It would also be important that the penalty for less than full availability of a building be of sufficient magnitude and that the grounds for withholding payment for non-fulfilment of contract arrangements be clearly defined and objectively measurable, preferably by a central agency such as the OPW.

Value for money (VFM)

4.23 In accordance with standard PPP Guidelines, it will be necessary for the OPW, with the assistance of the National Development Finance Agency, to prepare a *Public Sector Benchmark*. This is a comprehensive and detailed risk adjusted costing of the project using conventional procurement over the whole life of the project. It is used for VFM purposes to provide a comparator against which to measure the potential costs arising before a decision is taken on the particular type of procurement to be employed in each instance.

4.24 In addition to compiling a public sector benchmark, the OPW should develop a set of space utilisation and other standards for the decentralised accommodation.

Other procurement options

4.25 Depending on what emerges from the evaluation of the property proposals submitted to the OPW, it may be open to the OPW to procure a completed building or one which is currently under construction by a developer. The procurement of a suitable building offers major advantages in terms of timescale, as it could allow some moves to take place earlier than would otherwise be the case. It would, of course, be necessary to evaluate any such proposals from a VFM perspective.

4.26 It may arise that the preferred sites at a particular location are all developer owned or controlled. This means that the developer has an exclusive arrangement

with the landowner and the sites in question may be only offered on the basis that the developer concerned retains the design/build property package for their respective sites. In that event, all developers with suitable sites at a particular location could still be asked to submit proposals. The only difference would be that the site would still be owned by the developer until such time as the total project comes into the ownership of the State. This would have to be done within the context of an open tendering process, consistent with national and EU procurement rules.

4.27 The scale of the decentralisation programme offers scope for some aggregation of building construction in a number of locations with consequential benefits in the form of cost and time savings. One option would be to bundle several sites together and offer them, en bloc, through open tendering procedures, to the market for office development purposes. In this scenario, the successful contractor would be required to build offices on several sites, in accordance with OPW's specifications and requirements. This approach would present economy of scale opportunities to the developer in terms of ordering materials as well as in terms of gathering and sustaining a team of project managers, sub-contractors and technical experts. The net result should be reflected in both keener construction prices and shorter construction timescales. The extent to which a bundling approach can be used will depend, among other things, on the geographical spread of sites, the relative size of the office developments on the sites, and the capacity of the building industry to manage several disparate developments under the one contract.

4.28 We are also anxious to ensure that medium sized firms, with proven capacity, are not excluded from the tendering process. It is the Group's view that while 'bundling' may be the most cost efficient procurement method in some instances it will also be appropriate in other instances to seek tenders for single sites where OPW is satisfied that it will generate competitive tendering from locally based firms capable of successfully undertaking the project.

Ministerial offices

4.29 The Minister for Finance indicated in the Budget that Ministers with headquarters outside of Dublin will be provided with a centralised suite of offices, close to the Houses of the Oireachtas, for a small secretariat so they can conduct business while in Dublin and when the Dáil is in session. This is an issue that we will address as part of the next phase of our implementation plan.

Disposal of Dublin property

4.30 The decentralisation programme will have a considerable impact on the existing Dublin portfolio of Government occupied properties. It is likely that in excess of 200,000 square metres of existing accommodation will be vacated. In order to secure a value for money outcome, it will be necessary to manage the disposal as part of a wider rationalisation programme that considers the overall requirements of the State for office accommodation in Dublin post-decentralisation.

4.31 The objective must be to maximise the return from the assets that are to be vacated and minimise the exit costs involved. As part of this rationalisation process, OPW will have to review the ongoing property strategy for State occupied buildings. The role and ownership status of each individual building that is vacated will need be considered to determine whether it should be disposed of or might be suitable for

alternative occupation. For example, it may well be necessary for a department whose headquarters is staying in Dublin to move to a different Dublin property because of the need to retain buildings of historical and/or architectural merit and the cost/difficulties which would be involved in alternative uses of certain buildings.

4.32 There is also the impact on the Dublin property market to be considered. If a high volume of office accommodation was released onto the market over a short period of time, it could adversely affect the proceeds obtained through a disposal programme. Careful management of disposals, particularly in relation to timing, will be required to address this issue.

4.33 This entire process will require proactive management and a considerable degree of flexibility so that an overall rationalisation programme can be implemented over the timescale involved and the best value can be obtained. Each property needs to be considered on its own merits. Overall market conditions or specific considerations relevant to the property, such as redevelopment or tax designation, may result in the timing of disposal being advanced or postponed in order to enhance the benefits of the situation. Over a three to five year period a number of leases will have break options or reach expiry. It is important to capitalise on opportunities in these cases and vacate the properties expediently in order to minimise the exit cost.

4.34 We are conscious that the decentralisation programme offers an opportunity to develop an innovative integrated approach to property acquisition and disposal. This could, for example, involve seeking tenders from the private sector for the provision of decentralised accommodation on a DBMF basis in return for the surrender to the successful bidder of appropriate Government property in Dublin on completion of the transfer. We intend to examine the scope for, and merits of, such an approach in consultation with the OPW and the Department of Finance.

Capital envelopes

4.35 The Government has approved a rolling five-year multi-annual investment framework for its capital spending incorporating Exchequer and PPP type funding. This is designed to provide reasonable assurances to Ministers and spending agencies about the future availability of capital resources within a framework which reflects the overall investment priorities of Government and maintains total aggregate capital investment measured in General Government terms at 5% of GNP.

4.36 Capital allocations for each Minister, including the OPW, for the period 2004 to 2008 have been announced and there are also contingency provisions for 2005/08. The construction cost of any PPP project will be assigned against the existing capital envelopes. The Minister for Finance will be reviewing the envelopes annually in the light of the prevailing economic and budgetary situation. Subject to overall budget parameters, the contingency provisions may be allocated towards projects which are given special priority by Government having regard to clear economic and social priorities. The recent Eurostat ruling¹³ on the treatment of PPP projects for general

¹³ Eurostat is the Statistical Office of the European Union, which makes and interprets the accounting rules governing the calculation of the GGB. The new rules mean that expenditure on some projects which was previously included up-front in the GGB can now be treated as off the Government's balance sheet. Of course, as public payments are made to operators of these projects in the future, these will affect the GGB at that point.

Government balance (GGB) purposes will also be taken on board in the annual reviews.

4.37 In essence, therefore, the capital cost of property acquisition in the decentralised locations will have to be met by a combination of:

- (i) the existing capital envelope for OPW;
- (ii) the proceeds from the sale of surplus Dublin property; and
- (iii) any additional funding which the Minister for Finance may decide to allocate in the context of the annual reviews mentioned above.

Financial assessment

4.38 The overall financial objective agreed by Government is to ensure that property acquired at regional level is matched over time in cost terms by the disposal of property currently held in the Dublin region, whether held on lease or otherwise. On a prima facie basis, this seems a reasonable objective. Property prices and office rental levels in Dublin are significantly above those to be found outside the greater Dublin area. Even allowing for the likely up-front costs associated with the early surrender of leased properties in Dublin, it is reasonable to conclude that the costs of occupying property in the regions are likely to be no higher than those associated with occupying property in Dublin, i.e. that the decentralisation programme should at a minimum result in no additional property-related costs to the State over time.

4.39 We intend during the next phase of our work to prepare with the assistance of the Department of Finance and the OPW, an integrated and full scale financial assessment of the property procurement and disposal aspects of decentralisation over the short, medium and long term. This will be submitted to the Government before the next stage of the procurement process – the construction of buildings - proceeds.

CHAPTER 5

ICT AND DECENTRALISATION

Background

5.1 In announcing the decentralisation programme, the Minister for Finance said that the Government had decided not to assign 835 IT jobs included in the programme to any particular location(s) at that time. He pointed out that ICT systems in public service bodies were now absolutely critical to effective service delivery and that relocating these services outside Dublin would demand extreme care. We were asked to examine this issue and to advise on how best to deal with the ICT jobs.

5.2 At our request, the Centre for Management and Organisation Development at the Department of Finance (CMOD) made an initial presentation to us, and later provided us with a detailed paper, on the issues involved. CMOD, in turn, engaged in a formal consultation process with civil service departments/offices, the Health Boards Executive (HeBE) and the Local Government Computer Services Board (LGCSB). They also visited a number of world-class data centres in Dublin and consulted both the IDA and the ESB.

5.3 In order to address the relocation of ICT staff, it is necessary to first examine a closely related issue concerning the location of public service data centres. We also deal later with issues relating to the recruitment, replacement and training of ICT staff.

Data centres

Background to requirement

5.4 ICT systems are already critical to the successful operation of core public service functions and there is growing demand for e-enabled service delivery. As a result, the public service needs continuous functioning systems available on the most cost effective basis, with the lowest achievable downtime. Even before the decentralisation programme was announced, it had become apparent that existing computer/data centres were no longer sufficient for public service needs because of limitations in size, design and construction quality. Initial discussions had already taken place between CMOD and large departments/offices on the matter. It is generally agreed that it is only possible to achieve the required levels of performance, equating to 99.995% uptime, with what are known as “world-class data centres”.

Provision of data centres

5.5 It would not be viable for individual public service bodies to have world-class data centres because the maximum space requirement for the largest public service body is approximately 400 square metres whereas 1,500 square metres is we understand considered the minimum size in terms of economic sustainability. In addition, each body requires two such facilities for load-balancing, disaster recovery and business continuity purposes.

5.6 The total public service requirement could be satisfied by approximately 1,500-2,000 square metres. Therefore, the public service requires two **shared** world-class data centres with the systems of public service bodies balanced between the two

and each availing of back-up and fallback from the other in the event of failures. The combined scale involved allows best practice to become affordable even for smaller sized bodies and less critical uses.

5.7 The location of most or all major public service computer data systems in a small number of locations would introduce a new risk. It is essential that the highest available level of physical security is provided at these facilities.

5.8 We believe that the data centre facilities should not be owned by, or be exclusive to, the public service because:

- at 1,500 – 2,000 square metres per centre, it would not offer the best economic advantage because experience in the data centre market shows that the bigger the scale the more cost effective the development;
- there is no experience or knowledge in the public service of operating and managing world-class data centres, whereas the private sector has demonstrable skills, experiences and track records in this industry;
- public service security needs can be accommodated by the standard procedures of segregating public service and private sector equipment within the centre;
- data-centres have very demanding operational and management requirements that may best be provided from the private sector
- the relatively small number of ICT public service staff currently involved in maintaining and operating computer rooms could be freed up for higher value or more core activities;
- a public service-only shared data centre infrastructure would create an unnecessary monopoly, leaving individual departments/agencies with little real basis for redress in the event of problems/failures; and
- a competitive and cost effective private sector market exists and operates well which should allow the State to enter into enforceable service level agreements.

5.9 An alternative approach, whereby the public service would become the anchor tenant in two privately owned and operated data-centres, offers considerable advantages. It would allow the public service to avail of private sector expertise, secure significant economic and operational benefits from aggregating public service demand and yet allow individual public bodies to determine their own architectures, suppliers, equipment, telecommunications and security needs.

5.10 At present, world-class data centres are available in the Dublin region only.

5.11 We recommend that space should be acquired in two private sector world-class data centres which have high levels of security. The public service should act as an anchor tenant in both centres.

Selecting locations for the data centres

5.12 The selection of the locations for the two data-centres should take account of the following factors:

- World-class data centres require significant supplies of power and fallback capacity in the event of problems or failures with supply. It seems, from CMOD's discussions with the ESB, that the location of such facilities would currently be limited to the Dublin, Cork and Limerick regions.
- For diversity and security reasons, the two data centres should be a significant distance apart.
- Locating one or both centres outside Dublin could help to attract private sector investment, particularly foreign direct investment, into these regions.

5.13 We recommend that CMOD and OPW set up an inter-agency group, supported by appropriate outside expertise if required, to draw up a request for tender for issue to the market by autumn 2004. The selection of the locations for the two data-centres should take account of the foregoing factors. We also recommend that all small and medium-sized public bodies should now consider the opportunities for using the proposed data centres to determine appropriate transition timescales.

Decentralisation of ICT staff

5.14 Four options for relocating the 835 ICT staff were considered, as follow:-

- a cluster of towns within relative proximity of each other but with staff continuing to work for and report to the management of their respective bodies;
- a single location but with staff continuing to work for and report to the management of their respective bodies;
- an integrated single unit either in a single location or in a cluster of towns; and
- ICT staff remaining with their departments/offices.

Staff decentralising to a cluster of towns – reporting to own bodies

5.15 The clustering of ICT staff in a number of locations in proximity to each other offers significant advantages because it provides a basis for:-

- the construction of an effective ICT career path with cross-agency promotion opportunities that could alleviate staff losses back to the general service;
- better ICT human resources development through common training and certification, and easily constructed structures for secondment, loaning and sharing;
- pooling of scarce skills across agencies and availability of skills whose cost could not be justified for a single-agency;
- staff remaining as part of, and reporting to, the management of their existing organisation, thus helping to allay fears about loss of control by managers over their ICT functions;
- attracting ICT graduates, expertise and skills from colleges and the private sector;
- potentially better future governance arrangements in respect of ICT staff in the public service; and

- potential for private sector follow-on because private sector ICT companies that rely on public sector business may feel the need to locate as close as possible to a significant tranche of their business.

Staff decentralising to a single location – reporting to own bodies

5.16 This option offers all of the advantages of the clustering approach set out above and in some cases may strengthen them. In particular, it offers more potential for greater integration in the future. However, this option may limit the number of potential receiving locations as the influx of 800 staff plus their families could have a detrimental economic, infrastructural and social effect on a location that was not capable of supporting it. It might also have some disadvantages from the point of view of effective management of operational risks.

Integrated unit

5.17 An integrated unit with all ICT staff working for a single new organisation could decentralise either to a cluster of towns or to a single location. This would offer all of the advantages of the two options set out above. It would prove particularly attractive in terms of developing a cohesive governance structure and processes. However, it would take considerable time to work out and develop and would give rise to significant HR issues. It would result in a loss of control by the senior management of individual public bodies over ICT development critical to the provision of their services. An integrated unit would result in a monopoly that could have different priorities and timelines for individual public bodies and leave little basis for redress in the event of problems or failures.

Staff remaining with their own organisations

5.18 This option would negate the perception by some senior managers that physically separating ICT staff from their organisations would reduce their control. However, it would yield none of the advantages of a cluster or single location. The dispersal of ICT posts across multiple locations throughout the country could prove unsustainable in the long-term. It is possible that the necessary calibre of people would not be attracted to small units where the only hope of promotion was through the general service stream. Consequently, it would seem to be in the interests of all public bodies to keep their highly skilled ICT staff in a cluster or single location.

Conclusions

5.19 We believe the ICT staff should be decentralised to a cluster of three towns within 20 to 30 miles of each other. We suggest that:

- the Revenue Commissioners ICT staff be located in one town;
- the Department of Social & Family Affairs ICT staff and the LGCSB be located in the second; and
- the Department of Agriculture & Food ICT staff and Reach be located in the third.

5.20 We have identified two options in relation to where the clusters could be located as follows:

(a) *East Leinster*: This would involve locating the cluster within commuting distance of the western periphery of the greater Dublin area. Specifically, it

would involve selecting towns within 20 to 30 miles of town such as Sallins/Naas, Maynooth, Dunshaughlin, and Ashbourne. This option would probably allow many existing ICT staff to continue to work in the ICT area and to commute – almost exclusively by car – to their new locations.

(b) North Munster/South Leinster: Locating the cluster in the North Munster/South Leinster area would render commuting from Dublin impractical but could result in greater commitment to working in the ICT area from staff electing to locate there. Clustering in this area would also facilitate proximity to a wide-range of third-level educational institutions, e.g., University of Limerick, Athlone and Tipperary Institutes of Technology.

5.21 We recommend that the Government decide and announce the locations of the towns in the cluster as soon as possible so that these locations can be included in the Central Application Facility.

5.22 We also recommend that all small and medium-sized public bodies should consider the extent of usage they could make of the proposed ICT staff clusters. They could, for example, decide that the cluster would include staff dealing with server and infrastructure management, programming/analysis, technical architecture and business analysis. We also suggest that:-

- where organisations agree to share services based on the use of ICT, these could also be provided from one of these centres;
- testing and development equipment could be located at one or all of the cluster locations; and
- factory-type operations such as shared printing and mail-out facilities could also be located in one of the centres.

ICT recruitment and training

Background

5.23 The general ICT market, the majority of losses of ICT staff are to other ICT job opportunities. However, in the civil service ICT market, the vast majority of losses are to general civil service posts on transfer or following promotion. There is, in effect, little or no interaction between the two ICT markets. This is caused by the civil service's approach to recruitment and skills building. It recruits generalist staff and trains them for ICT work. This has not proved particularly effective. There is now evidence of a widespread lack of capacity across the whole of the ICT system in the Civil Service to carry out high-skill design and programming tasks in-house. This is resulting in a significant and growing reliance on external ICT consultancy resources. It is also reducing the capacity of public bodies to maintain key existing systems in-house and to develop new systems cost effectively.

Remedies required

5.24 The best way of ensuring that the civil service achieves high levels of self-sufficiency is for civil service ICT staff to have a long term commitment to an ICT career. This requires the public service to commit to:-

- acquiring and developing high ICT skill levels;
- having the necessary scale of operation to support career options and specialisations; and
- providing a career and promotion path for ICT staff across public bodies.

In addition, the civil service needs access to:-

- new sources of ICT skills and experience such as ICT graduates and ICT workers in the private and wider public services;
- new common screening and recruitment processes specifically for ICT recruitment;
- new inter-agency type promotion competitions; and
- new centrally agreed and standardised training and certification approaches.

5.25 The success of the decentralisation staffing options is dependent on these measures being implemented as early as possible. We recommend that the foregoing proposals with respect to ICT staff recruitment and training be included in the HR consultations that are currently underway between public service management and unions.

CHAPTER 6

OTHER ISSUES

6.1 This Chapter deals with a number of other issues covered by our Terms of Reference including the financial/cost implications, communications, impact on local communities and the position of health sector staff.

Cost implications

6.2 The Government has made it clear that the decentralisation programme is a voluntary one with no removal expenses being paid and no question of redundancy payments. This policy implies that no large up-front costs should arise under this heading.

6.3 We recognise that some additional up-front costs are likely to arise under headings such as training and technology, and there are likely to be ongoing additional costs under headings such as travel and subsistence. We intend to explore how such costs might be minimised, e.g. through greater use of new technology such as video conferencing, by addressing the issue of a “meetings culture” where meetings are scheduled even though other forms of communications would suffice, by bulk purchase of overnight accommodation in Dublin and by collaboration between public service organisations in procuring training courses. Departments should identify what offsetting cost savings may arise, such as savings associated with business re-engineering and greater use of shared services between departments or groups of departments.

Communications

6.4 We were asked in our terms of reference to address the question of “an associated communications strategy aimed for example at staff, local communities and the public generally”.

6.5 We were conscious from the outset of the need for excellent communications with all of the parties involved in, or affected by, the programme. We decided that this needed to be addressed as a matter of urgency and we prepared a set of Communications Guidelines which we have already circulated to all departmental liaison officers. They were, in turn, asked to circulate the guidelines to all relevant agencies.

6.6 It is clear to us at this stage that there must be a dynamic approach to communications as part of the implementation process. We intend to address this on a continuing basis as part of our ongoing work. We intend, for example, to explore immediately with the Civil Service Commission what type of a publicity campaign they should undertake in launching and supporting the CAF.

Impact on local communities

6.7 One of the criteria used in selecting locations for inclusion in the decentralisation programme was the importance of respecting the scale and character of each location in terms of its capacity to absorb the number of new jobs involved. The arrival of a significant number of new workers, together with their families, will have a considerable impact on these cities/towns. There will, for example, be the

inflow of salaries expended within the communities, the purchase of locally provided goods and services by departments/agencies and their staff, and the increased demand for manufacturing and service industries in each of the locations and their hinterlands.

6.8 We are convinced that the overall impact on local communities will be very positive. However, careful planning of the moves will help to ensure the maximum positive benefit is derived from decentralisation both for those arriving and the local communities. Some work on this has already started. As indicated in Chapter 2 we have asked each department/agency to prepare fact-sheets on the infrastructure, services and facilities in each of the 53 destination towns including practical information about local schools, housing and amenities. These fact-sheets may also help to identify any potential deficiencies in services and facilities, e.g. a shortage of places in local schools which can then be pursued as appropriate. For example, the Department of Education & Science has already been asked to examine what information it has on existing demand and capacity in first and second level schools in each location, and to outline any plans it has to increase capacity in any of the schools over the next three years. It would be desirable if departments/agencies, in preparing their implementation plans, consider the case for setting up small planning groups in conjunction with the relevant local authorities, and other local interests, to help facilitate the arrival in each location of the new staff.

6.9 While decentralisation of staff on this scale has not been attempted in the past we are of the view that there is sufficient experience in this country of previous business start ups in provincial towns from which lessons can be derived. We recommend that the Department of Finance draw on the experience of the IDA in their many successful business start ups and expansions to inform best practice in bringing the best possible level of benefits to all participants in this programme.

Health sector staff

6.10 The decentralisation programme announced on 3 December 2003 included 500 health sector staff but the Minister for Finance explained that, in view of the current position in relation to the health reform programme, the Government had decided not to make any decisions at that time about exactly what staff should be decentralised and to what locations these jobs should be assigned. He also explained that the Government had decided that the new Health Service Executive (HSE) and the Health Information & Quality Authority would all be located outside Dublin.

6.11 The reform programme has now progressed to a stage where an interim HSE board has been appointed and preliminary arrangements are underway in relation to filling a number of senior positions. We also understand that the absence of clarity in relation to the health sector staff to be decentralised is causing some uncertainty in terms of progressing other elements of the reform programme.

6.12 We recommend that decisions in relation to the relocation of the 500 health sector jobs are taken by Government in sufficient time to allow for their inclusion in the CAF.

CHAPTER 7

IMPLEMENTATION PLAN – NEXT STEPS

7.1 Our implementation plan for the period immediately ahead contains a number of steps that need to be taken at an early date. These are set out below and are grouped under a number of broad headings.

Launch of Central Applications Facility (CAF)

7.2 The Central Applications Facility described in Chapter 2 should be launched by early May 2004. In order to meet this milestone a number of other actions must be taken first.

Finalise details of decentralised units

7.3 The information provided by each department/agency about the business units, grades and staff numbers to be transferred to the decentralised locations should be collated by the Department of Finance, signed off by each Secretary General/Chief Executive Officer and made available by mid-April 2004 for inclusion in the CAF.

Finalise fact sheets

7.4 The fact-sheets being prepared by each department/agency for each of the 53 destination towns should be finalised by mid-April 2004 and placed on the web-site of each department/agency. The Civil Service Commission should incorporate links to each of these sites in its CAF website.

Finalise CAF

7.5 The development of the web-based CAF and the associated procedures should be completed as soon as possible.

Indicative timescales

7.6 OPW should, by end-April 2004, identify the locations where (i) acquisition of an existing building is being proposed and (ii) site purchase is proposed. In the case of the former, planning should proceed for now on the basis of a 9 to 15 months timeframe for final occupancy and in the case of the latter it should proceed on the basis of a 26 to 37 months timeframe. These indicative timescales should be included in the CAF and used by departments/agencies in drawing up their implementation plans.

Relocation of IT and health sector staff

7.7 We recommend that, based on our proposals in Chapters 5 and 6, decisions in relation to the relocation of 835 IT jobs and 500 health sector jobs are taken by Government in sufficient time to allow for their inclusion in the CAF.

Human resources and industrial relations issues

7.8 Discussions between public service management and unions on issues in relation to the CAF should be finalised as soon as possible and in good time for the launch of the CAF. There is a continuing need for dialogue and discussion with the unions on the various HR/IR issues and these should continue. The Department of Finance should continue to provide us with regular updates on developments and progress achieved. It should also continue to provide regular updates to the trade

unions on all relevant issues. A number of other HR issues, including those relating to ICT staff, also need to be progressed immediately.

Training

7.9 CMOD in the Department of Finance should develop an overall decentralisation training plan on the basis outlined in Chapter 2 and submit it to this Group by end-May 2004.

Childcare

7.10 The Department of Finance, with the assistance of the OPW and the Department of Justice Equality & Law Reform, should examine how pre-school childcare facilities might best be provided in decentralised locations. They should submit a report to this Group by end-May 2004.

Support service for those moving

7.11 The Department of Finance should develop, in consultation with the Employee Assistance Service, and submit to this Group proposals aimed at providing staff with a package of support services to help them move. The option of seeking proposals from private sector consortia should be addressed in that context.

Individual implementation plans

7.12 Each department/agency should prepare its own implementation plan on the basis outlined in Chapter 3 and within the overall framework and timelines of this report. These should be submitted to this Group by end-May 2004. We will review the plans of the individual departments and agencies concerned.

The modernisation agenda

7.13 We will continue to liaise with the SMI Implementation Group of Secretaries General to ensure that the work being undertaken by them on the implications of a decentralised public service is reflected in the implementation plan. We will also seek to identify opportunities for cross-departmental changes which would enhance service delivery, improve performance and provide more cost effective services to the public.

Property aspects

7.14 Action has to be taken under a number of different headings to advance the property elements of the programme.

Dublin property

7.15 The OPW should compile a list of the State's Dublin property portfolio showing owned and leased buildings. It should submit to us by end-May 2004 a plan for the rationalisation of this property and the disposal of surplus property. This plan should explore the scope for adopting an integrated approach to property acquisition and disposal.

Ministerial suites

7.16 The OPW should develop and submit to us by end-June 2004 proposals in relation to providing relevant Ministers with a small centralised suite of offices close to the Houses of the Oireachtas.

Public sector benchmark

7.17 The OPW, with the assistance of the National Development Finance Agency, should prepare a “public sector benchmark” for VFM purposes to provide a comparator against which to measure the potential costs arising before a decision is taken on the particular type of procurement to be employed. This should be completed by end-June 2004 and will be used to ensure that the most cost-effective method of procurement is adopted for each building.

Space utilisation

7.18 The OPW should develop by end-June 2004 a set of space utilisation and other standards for the decentralised accommodation.

Financial aspects

7.19 We will prepare, with the assistance of the OPW and the Department of Finance an integrated and full-scale financial assessment of the property procurement and disposal aspects of the decentralisation programme. This will be submitted to the Government before the next stage of the procurement process – the construction of buildings -proceeds. We will also prepare with the assistance of the Department of Finance a financial assessment of the other key areas of potential additional costs and possible off-setting savings arising from the decentralisation programme.

Assessment of outcome of CAF process

7.20 At the end of June 2004 the Civil Service Commission should analyse the information available at that time from the CAF. A summary of the output from this first phase should be provided to our Group. Individual departments and agencies should then be provided with information on this first round of applications showing (i) the numbers of staff applying for transfer to their offices and (ii) the numbers of their staff applying for transfer to other departments/agencies. Relevant information would also be made available to staff interests.

Sequencing of moves

7.21 This Group will, in July 2004, develop proposals in relation to more specific timing and sequencing of moves in the light of (i) the information emerging from the first phase of the CAF (ii) the up-to-date position in relation to property procurement and (iii) the individual implementation plans submitted by departments/agencies. We will, in that context, examine options in relation to interim moves and phased moves.

Next phase of implementation plan

7.22 This Group will submit a further report at the end of July 2004 outlining the next phase of the implementation plan.

APPENDICES

APPENDIX A

MEMBERS OF THE IMPLEMENTATION GROUP

Mr. Phil Flynn	Chairman Bank of Scotland and former President of ICTU
Mr. Dermot Quigley	Former Chairman of the Revenue Commissioners
Ms. Jane Williams	Managing Director, Sia Group
Mr. Fred Devlin	Chartered Surveyor
Mr. Eddie Sullivan	Secretary General, PSMD, Department of Finance
Mr. Sean Benton	Chairman, Office of Public Works

Mr. Phil Flynn is the chair of the Committee and reports directly to the special Cabinet sub-Committee on Decentralisation.

APPENDIX B

TERMS OF REFERENCE

The Minister for Finance announced a major new programme of public service decentralisation in his Budget Statement on 3 December 2003 involving the relocation of 10,300 civil and public service jobs to 53 centres in 25 counties.

The Government has established a special Cabinet sub-Committee, comprising the Taoiseach, Tanaiste, Minister for Finance and Minister for the Environment, Heritage and Local Government, to oversee implementation of the programme and an Implementation Committee to drive the process forward. The Chair of the Implementation Committee will report to the Cabinet sub-Committee

The Implementation Committee is asked to develop a detailed implementation plan in co-operation with all of the organisations involved in the programme and to submit this to the Minister for Finance by the end of March 2004. The Implementation plan should, in particular, address the following issues:-

- (a) the sequencing of the various moves;
- (b) the office infrastructure aspects – on a basis which ensures that property being acquired at regional level is matched over time in cost terms by disposal of property currently held in the Dublin region, whether held on lease or otherwise;
- (c) the major human resource and industrial relations issues that will need to be addressed;
- (d) the financial implications and, in particular, how addition ongoing costs might be minimised;
- (e) how best to deal with the 835 (approximately) IT jobs included in the programme;
- (f) how best to align the public service modernisation (SMI) and decentralisation programmes;
- (g) how implementation of the new programme might enhance the efficiency and effectiveness of the public service (including the scope for pooling common services between departments); and
- (h) an associated communications strategy aimed for example at staff, local communities and the public generally.