

**Public Service Stability Agreement
2013-2018**

**THE LANSDOWNE ROAD
AGREEMENT**



The Labour Relations Commission
An Coimisiún um Chaidreamh Oibreachais

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The attached represents the outcome of discussions facilitated by the Labour Relations Commission. The proposed agreement represents an extension of the Haddington Road Agreement and it is important to note that all existing dispute resolution procedures, including sectoral arrangements, provided for under the HRA continue to apply.

The Labour Relations Commission commends the attached proposed agreement to the parties.

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1. Introduction

- 1.1. In keeping with a long and proud tradition of service to the public and the State, Irish public servants have made a substantial contribution to Ireland's recovery. This has happened through the delivery of an extensive series of Public Service Reforms in general, as well as through a direct contribution in terms of pay and pensions measures that have reduced significantly the Public Service pay and pensions bill.
- 1.2. Public Service Reform has been a central element of the strategic response to the crisis. Change is now a constant part of employment in the Public Service and a central element of the strategy for recovery and a sustainable future.
- 1.3. The strategic and ambitious goal of Public Service Reform is the achievement of a Public Service that will have improved outcomes for citizens and all stakeholders, including businesses and public servants themselves. Given ongoing budgetary circumstances, alongside significant demographic challenges and increased demand for services, that will require delivery of continued productivity improvements through working smarter, innovation in business and workplace practices, improving analysis of data to shape public service delivery, changing the speed, flexibility and tailoring of service delivery, continuing to create a more open, transparent and accountable Public Service and ensuring staff have the necessary skills to deliver ongoing reform.

2. Vision for Public Service Reform

- 2.1. Just as Public Service Reform has been a key element in Ireland's recovery, it must be sustained into the future. Improving public administration and service delivery is a normal and constant part of the working environment across all public bodies and all sectors. This will be underpinned by the different reform programmes in each sector, as highlighted in paragraph 3.2 of this Agreement. Some of the achievements of the Public

Service Reform programme have recently been set out in the Annual Progress Report on Public Service Reform (March 2015) and further improvements are planned.

- 2.2.** There will be a focus on improved outcomes in terms of how citizens engage with and experience Public Services. Over the coming years, it will become easier for the citizen to interact with public bodies. This will involve making information and services more accessible and ensuring greater levels of openness and transparency in decision making around those services.
- 2.3.** Improved delivery channels, greater flexibility and enhanced cross-organisational coordination and planning will reduce the administrative burden on the citizen. Greater use of technology and data sharing will be the norm. A strategic approach, making better use of data analysis, will be taken to planning and delivering services, to support improved outcomes in health and education, as well as in other areas. The interdependency between the performance of the Public Service and the performance of the economy overall cannot be overestimated; a modern, outcome-focussed Public Service will be a key enabler for growth in the private sector and will also underpin the drive for improved competitiveness across the economy.
- 2.4.** The introduction of new ways of working and delivering services to the public will be in accordance with the procedures set out in paragraph 4. Shared approaches to back-office functions will reduce duplication and allow for a strengthened focus on key strategic issues.
- 2.5.** The Public Service will invest in its people to increase and expand its capacity, capability and leadership skills, so that it can respond to future challenges. Building on the traditional values of fairness and dedication to Public Service, there will be an emphasis on creating a sustainable culture of efficiency and effectiveness. The Public Service will facilitate improved training and continuous development. Increased mobility in accordance with the terms of this Agreement and further integration of systems and structures will provide a more interesting and challenging environment for careers in the Public Service.

3. Delivering greater productivity

3.1. The Parties agree to the extension of the Public Service Stability Agreement 2013 – 2016 until September 2018. The Parties re-affirm the need to sustain the delivery of responsive and high-quality public services within available resources. Efficiencies need to be maximised and productivity in the use of resources increased through revised work practices and other initiatives. The Parties will work together to implement this Agreement to ensure cost effective delivery of public services along with excellent services to the public.

3.2. The Parties recognise that the implementation of change programmes requires effective engagement and consultation and jointly supported mechanisms to resolve disagreement while achieving the shared objective of improved services to the public. The parties re-commit to effective engagement across the platform of the Government’s delivery of its change and reform agenda and understand that differences will continue to require to be addressed in a structured manner and where necessary will be dealt with in accordance with the provisions of paragraph 4. The Government’s reform agenda includes but is not limited to the Public Service Reform Plan 2014 – 2016, and:

- in the Civil Service - the Civil Service Renewal Plan;
- in the Education Sector - the Further Education and Training Strategy; Curricular Reform within Schools; the Review of Apprenticeship Training in Ireland; the National Strategy for Higher Education to 2030; and the National Strategy to Improve Literacy and Numeracy (2011 to 2020);
- in the Local Government Sector - the Action Programme for Effective Local Government - Putting People First; and Irish Water Programme;
- in the Health Sector - the Future Health Strategic Framework for the reform of the health service, associated structural reforms to support high quality care and maximise health outcomes - in particular the establishment of Hospital Groups and Community Healthcare Organisations - and implementation of Healthy

Ireland, the national framework for action to improve the health and wellbeing of the people of Ireland; and

- in the Justice Sector - the Review of the Garda Síochána.

3.3. The programme of reform will deliver ongoing measures in all sectors of the Public Service including, but not limited to, measures to:

- 3.3.1.** enhance workplace productivity and service quality by improving work practices, as provided for in the Public Service Agreement 2010 - 2014 and the Public Service Stability Agreement 2013 - 2016, including through changes to rosters, flexible attendance patterns to meet service demands and public needs, better use of technology including e-rostering, cross-stream reporting, team-based working and changing skill mixes;
- 3.3.2.** consolidate and reorganise work in line with organisational needs, including service level agreements between public bodies;
- 3.3.3.** deliver services digitally through maximising the benefits of modern information technology;
- 3.3.4.** implement more shared approaches within and across sectors, including in areas such as public procurement, property management and shared services; and
- 3.3.5.** make maximum use of innovative models of service delivery that focus more on outcomes. In that context, the Parties reaffirm the commitments given in Chapter 1, Appendix: Service Delivery Options, Public Service Agreement 2010 - 2014 and restated in paragraph 3.19 of the Public Service Stability Agreement 2013 - 2016. In particular, the commitment contained in paragraph 1 of that document to the use of direct labour to the greatest extent possible, where consistent with the efficient and effective delivery of effective public services, is reaffirmed. In the context of the greater flexibility now available to manage and prioritise staffing levels in each public service body, in response to demands for public services, this commitment to the use of direct labour to the greatest extent possible must be considered by the

Parties. Where any dispute arises on the application of this commitment, the Parties shall seek to resolve any matter through direct dialogue. Where this fails to resolve the issue, the Parties shall use the dispute resolution mechanisms set out in paragraphs 4 and 6 of this Agreement. The processes set out in paragraph 6 of the “Service Delivery Options” document must be undertaken prior to any outsourcing of an existing service taking place, and in the evaluation process referred to in that paragraph, any cost comparisons shall exclude the totality of labour costs.

3.4. At the centre of the reform programme is the achievement of higher standards of performance through more effective resource management and through maximising the potential of our workforce. To deliver this change, modernisation and enhancement of the employment framework for public servants will be advanced, with the policies and strategies that relate to the management of the Public Service workforce a particular priority for change. In that regard, the Parties agree to continue to work within the framework of the Public Service Stability Agreement and reaffirm the overall commitments provided within it. Taking account of the commitments given in the Public Service Stability Agreement 2013 - 2016, such as commitments to consultation and engagement as well as commitments to dispute resolution, the parties note that it is intended to modernise Public Service employment in line with modern HR practice, by:

3.4.1. ensuring the best possible management of our human resources, through improved workforce planning, best practice recruitment and promotion procedures, grade restructuring and rationalisation and staff deployment in the context of the development of campus or group based structures;

3.4.2. developing management capacity and accountability in all sectors, including enhancement of all management and supervisory roles, functions and responsibilities;

3.4.3. implementing, with the aim of supporting an ethical workplace, up to date HR policies, including performance management, discipline, grievance and bullying and harassment policies;

- 3.4.4. greater mobility within and between sectors as part of a move to a more open Public Service jobs market;
- 3.4.5. ensuring that the performance and accountability of organisations and individuals is maximised; and
- 3.4.6. modernising employee workplace relations practices in the Public Service, where agreed between the parties at sectoral level, to deliver more effective policies and bring procedures in line with the wider economy.

3.5. The Parties will also continue to co-operate fully with change and reform measures advanced under the framework of the Public Service Agreements and in accordance with all of the arrangements set out in those agreements including commitments to consultation and engagement.

4. Mechanism to Resolve Disagreement

4.1. The Parties reaffirm their commitments under paragraph 1.23 to paragraph 1.27 in the Public Service Agreement 2010 - 2014, and paragraphs 5.1 and 5.2 of the Public Service Stability Agreement 2013 – 2016 which oblige all parties to:-

- 4.1.1. recognise the importance of stable industrial relations and maintain a well-managed industrial relations environment;
- 4.1.2. ensure that they have well developed communication channels;
- 4.1.3. seek to resolve problems before they escalate into industrial disputes;
- 4.1.4. resolve disagreements where they arise promptly;
- 4.1.5. co-operate with the implementation of change pending the outcome of the industrial relations process conducted in a timely fashion; and
- 4.1.6. where the Parties involved cannot reach agreement within 6 weeks, refer disputes by either side to the LRC and if necessary to the Labour Court or,

alternatively, to other agreed machinery. Where a Conciliation or Arbitration Scheme applies, the issue will be referred within 6 weeks, to the Conciliation machinery under the Scheme and, if unresolved, to the Arbitration Board, alternatively, to other agreed machinery. The outcome from the industrial relations or arbitration process will be binding and final.

4.2. The Parties reaffirm that:-

4.2.1. there will be no cost-increasing claims for improvements in pay or conditions of employment by trade unions, Garda and Defence Force associations or employees during the period of the Agreement;

4.2.2. they continue to be committed to promoting industrial harmony; and

4.2.3. strikes or other forms of industrial action by trade unions, employees or employers are precluded in respect of any matters covered by this Agreement, where the employer, trade union or staff association are acting in accordance with the provisions of this agreement.

5. Pay

5.1. In recognition of the contribution made by all public servants in terms of the ongoing impact on remuneration and other terms and conditions through the Financial Emergency Measures in the Public Interest Acts, the Parties have reached agreement on public service pay measures that will ameliorate the impact of the legislation on the remuneration of all public servants. The Government has indicated that it intends to bring forward legislation by way of amendment to the existing Financial Emergency Measures in the Public Interest Acts to give effect to the public service pay proposals which have been agreed by the parties to this Agreement as follows:

2016

- On **1 January** the exemption threshold for payment of **Pension Related Deduction (PRD)** will increase from **€15,000** per annum to **€24,750** per annum.

- On **1 January** annualised salaries up to **€24,000** are increased by **2.5%**.
- On **1 January** annualised salaries from **€24,001** up to **€31,000** are increased by **1%**.
- On **1 September** the exemption threshold for payment of **Pension Related Deduction** (PRD) will increase further from **€24,750** per annum to **€28,750** per annum.

2017

- On **1 September** annualised salaries **up to €65,000** are increased by **€1,000**.

5.2. The Parties note that the Government intends to include in the legislation the provisions necessary to commence the process to reduce the pay reductions applied under the FEMPI Act 2013.

5.3. The Parties have agreed that any outstanding adjudication findings as referred to in paragraph 1.16 of the Public Service Agreement 2010 - 2014 will be reviewed jointly by the Parties prior to the expiry of this Agreement.

5.4. The Government has also indicated that it intends to provide in the legislation for a grace period consistent with the term of this Agreement during which both the reduction in pay and any deferral of increment progression provided for under the Financial Emergency Measures in the Public Interest Act, 2013 will be disregarded.

5.5. The Parties note that, notwithstanding the improvement of the country's fiscal position, the legislative constraints imposed on public service employers under the financial emergency legislation will continue to be the context for pay determination during the lifetime of this Agreement. They are agreed on the importance of achieving a

sustainable public pay policy that will continue to support the ongoing economic recovery over the coming years as the financial emergency legislation comes to be amended and repealed. The Government confirms that it will engage with the representative bodies of public servants during the lifetime of this Agreement in advance of it deciding on any alternative pay determination structure.

6. Oversight and governance arrangements

6.1. As provided for by the Public Service Stability Agreement 2013 – 2016, a group comprising representatives of Public Service Management and the Public Services Committee of the ICTU will meet as required to address any matters of implementation and interpretation, including:

- addressing any anomalies that may arise under this Agreement;
- addressing any major disputes that arise under paragraph 4;
- making the final determination on whether a dispute shall be determined in accordance with the procedures laid out in the Agreement;
- determining any matter associated with the correct operation of dispute resolution procedures including the question of timelines, cooperation with disputed change, etc;
- determining the correct operation of those procedures in any case where that matter is disputed; and
- adjudicating in the event of a dispute regarding compliance with the outsourcing provisions of this agreement.