



## **Integrated Reform Delivery Plan 2015**

## **Background**

The agri-food industry employs some 170,000 people and has an annual turnover of over €26 billion, including a rapidly expanding export industry. Food and beverage exports, for example, were estimated at €10.5 billion in 2014, an increase of c 5% on 2013. The Department plays a key role in regulating, developing, nurturing and steering this vital industry.

The key task for the Minister and the Department in 2015 is implementing reform of the Common Agricultural Policy (CAP). This fundamental process of reform has very significant consequences for farmers, the agri-food sector and the Department. The Rural Development Regulation and Direct Payments Regulation were adopted in December 2013, and will bring total funding for the agriculture sector for the period up to 2020 to €12.2 billion euro.

The management and oversight of EU funded and co-funded activities places onerous and intensive demands on the Department in terms of legislative changes, ICT development and the design and implementation of robust schemes for the administration of these public monies. In addition, the reform of the CAP places considerably increased obligations on the Department in terms of the control regimes required to protect these funds.

In addition to implementing CAP reform DAFM must support expansion in the agri-food industry. In 2015, for example, milk quotas, which have restricted expansion for over 30 years, will be abolished. Milk production at farm level is planned to increase by up to 50% over the coming five years. As a consequence the dairy processing industry is engaged in significant investment, with planned capital projects worth in excess of €600m, to provide additional processing capacity. DAFM needs to respond with resources to ensure that we meet our obligations in terms of food safety controls to fulfill our role in protecting this valuable industry.

Against this backdrop of continuing sectoral growth coupled with budgetary constraints, the Department has engaged in a major change programme with re-organisation at all levels over recent years.

The cost of running the Department has fallen by €91 million since 2008 (from €304m to €213m), a reduction of 30%; staffing levels have fallen by c.1600 since 2005, a reduction of 33%; and, our local office network has been reduced from 58 in 2009 to 16 regional offices currently.

The industry is widely dispersed throughout the country and has the potential and actual capacity to contribute further to the National Economy. Combined with its strong export focus – food & beverage produce was exported to circa 175 countries in 2014 - its overall contribution to the economy is illustrated by the fact that it accounts for circa 8.8% of all those employed in the State, providing the outlet for the produce of Ireland's 140,000 family farms. The food and beverage sectors are planning further significant investments: the drinks industry aims to invest 1 billion Euros overall by 2020. Projects announced to date include Midleton (200m), James Gate Brewery (150m), Walsh Whiskeys (25m), Tullamore (35m malt distillery) and

Teelings Dublin (10m). The Dairy processing industry has plans for capital investment of c€600m by 2020, mainly to cope with increased output at farm level.

Using the Food Harvest 2020 vision of 'smart, green, growth', the sector has already demonstrated its strong capacity for growth and development. It has virtually achieved the 33% growth target for primary agriculture and has made substantive progress on its exports and value-added targets. Consequently, a 2025 Agri Food Strategy is being developed to set out the key actions required to maximise the sector's contribution to economic growth, job creation and environmental sustainability over the next decade. The final report of the Committee of the 2025 Agri Food Strategy will be presented to the Minister in July this year. This new strategy will have significant resource implications for the Department in terms of both its development and regulatory roles.

## **Section 1 – Governance**

The Public Service Reform process within the Department of Agriculture, Food and the Marine is overseen and driven by the Management Advisory Committee (MAC). Individual members of the MAC have responsibility for specific initiatives and the process is overseen by an Assistant Secretary, who reports to the MAC on an ongoing basis.

The Department's Management Services Division (MSD) works under the direction of this Assistant Secretary and, as well as co-ordinating the Department's response to public service reform, it also provides the Department with analysis and advice on organisational development, business process improvement, resource deployment and change management. The Division is the 'Change Delivery Unit' for the Department under this Plan. The Division also supports and facilitates Line Divisions implementing organisational changes.

The Department has improved its risk management processes to ensure that business risks are addressed appropriately despite the considerable organisational change.

The Department also uses project management teams for larger change projects. The review of laboratory facilities, the Local Office Re-organisation Programme and several IMT projects are examples of these.

The Department is committed to ensuring that the State Bodies under the aegis of the Department comply with their corporate governance obligations, taking particular account of the requirements of *Code of Practice for the Governance of State Bodies*. The Corporate Affairs Division of the Department provides a central support and co-ordination function for the line Divisions responsible for the State Bodies and is also the liaison between the Department and the Public Appointments Service in relation to the revised process for Board Appointments to State Bodies.

## **Section 2 – Departmental / Sector Specific Reforms**

### **1. Review of Laboratory facilities in DAFM**

DAFM is reviewing its entire laboratory service in order to develop a strategy for its future.

#### Milestones and timelines:

Extensive consultation was required to draw up this strategy. This consultation process was managed as follows:

- Initial consultation with external (non- DAFM) stakeholders which was completed in 2013.
- Internal consultation with DAFM Divisions which was completed in 2014.

On review of the outcomes of the internal and external consultations exercise a Steering Group (effectively a MAC sub-committee) established a Working Group, under an external chair, Prof. Alan Reilly, with the following Terms of Reference:

1. To define the laboratory services and expertise that DAFM requires at present and in the foreseeable future;
2. To consider how these laboratory services and expertise can best be delivered; and
3. Outline an implementation plan, including timescale, for proposed changes.

The first meeting of the Working Group took place on 6 January 2015. It is expected the Working Group will be in a position to complete its deliberations by the end of the first semester 2015.

#### Senior responsible officers:

Donal Sammin Director of Laboratories, Gráinne Mulligan PO.

#### Savings:

Not possible to predict at this stage.

### **2. Design and implementation of New Schemes consequent to Common Agricultural Policy (CAP) Reform**

The Rural Development Regulation and Direct Payment Regulation were adopted in December 2013 which will bring total funding for the period up to 2020 to 12.2 billion euro. The management and oversight of EU funded and co-funded activities places onerous and resource intensive demands on the Department. DAFM is required to design and implement robust schemes for the administration of these public monies. An appropriate structure to oversee the design and implementation of the relevant schemes has been put in place. This is comprised of a MAC sub-committee, Business and IT Implementing Groups and Two Project Boards. Work is ongoing on the design and development of schemes and issues such as delivery timescales and resource availability are being monitored.

The main relevant Departmental initiatives arising from the new CAP reform are:

**2a.The design of systems and Schemes to facilitate the implementation of the new Direct Payment Regulation that will come into force in 2015.** The transition involves a new level of complexity as the current Single Payment Scheme is replaced by the Basic Payment Scheme, the Greening Scheme, the Young Farmers Scheme and a National Reserve. This requires intensive collaboration between several Divisions within DAFM and relevant external parties.

**2b.The design and implementation of a substantial new agri-environment/climate scheme (GLAS) and a new organic scheme** catering for up to 50,000 applicants. This will require intensive collaboration between several Divisions within DAFM and relevant external parties.

**2c.The design and implementation of Schemes to incentivise on-farm capital investment,** including support for the expansion of the dairy sector following the abolition of milk quotas in 2015.

**2d.The design and implementation of Schemes to encourage knowledge transfer and innovation measures, targeted animal health and welfare measures and quality assurance schemes** - aimed at underpinning farm viability, sustainability and growth through the adoption of best practice and innovative solutions.

**2e.The design and implementation of Schemes for a new beef data and genomics measure** with investment of up to €52 million p.a. aimed at improving the genetic quality of the beef herd, supporting the supply of raw material to the beef industry.

**2f.The design and implementation of Targeted Output Schemes,** establishing a competitive fund supporting output based local agri-environment projects.

#### Milestones and timelines:

Intensive work is ongoing developing Schemes and application systems so farmers may apply for payments in 2015. Application systems will need to be in place to facilitate applications before the 15<sup>th</sup> May (an EU regulatory requirement). Processing systems will then be required to ensure that regulatory controls can be carried out and applicants can be paid promptly and in line with parameters detailed in the Farmers charter.

#### Savings:

As a consequence of the successful CAP negotiations of 2014, these projects will facilitate provision of c€1.6 billion annually to the Sector. The development and implementation of the new Schemes is resource intensive. Informing all farmers and farming bodies in relation to all aspects of the new regime is also a significant undertaking. *As a consequence additional staffing and resources are required during this transition phase;* DAFM is dealing with these pressures by reallocating resources internally where possible. There will be significant improvement in

efficiency due to the extension of on-line applications and processing for all the major schemes. Consequent cost savings will facilitate DAFM deliver new Schemes and meet new auditing requirements largely from within existing resources.

Senior Responsible Officers:

ASG Kevin Smyth, ASG Paul Dillon, Paud Evans PO, Gordon Conroy PO, Al Grogan SI, Liam Fahey SI, Bernie Brennan PO, Sean Keevey PO, Ronan O'Flaherty PO, Paul Savage PO.

### **3. Implementation of the reformed CFP**

The new reformed Common Fisheries Policy (CFP) introduces a devolved approach to fisheries management at a regional level. The North Western Waters Member States Group (UK, France, Spain, Ireland, Belgium and the Netherlands) will be chaired by Ireland for the first 6 months of 2015. The priority work programme involves the preparation of a Discards Plan for the introduction of the phased introduction of a ban on the discarding of fish at sea which will commence for whitefish stocks on 1 January 2016.

Milestones and Timelines:

North West Waters Group must develop rules relating to Whitefish Fish stocks – Q2 2015.

Senior Responsible Officers:

ASG Cecil Beamish, Josephine Kelly PO.

Savings:

These developments will benefit the sector but will not lead to savings within DAFM.

### **4. Pursue the priorities in the Programme for Government, Food Harvest 2020/2025 and 2014 Action Plan for Jobs to maximise the contribution of the sector to the economy.**

#### **Programme for Government (PFG)**

Expanding and growing the agri food sector is a major element of the current Programme for Government. There is significant emphasis in 2015 on implementing the new CAP, implementation of CFP, securing access to new markets and expanding existing markets. On the industry side, further expansion is planned for the dairy, meat, craft beers, whiskey and seafood sectors as well as further branding development of Origin Green – Ireland's sustainable food brand. DAFM will progress and report on 16 related actions for the 2015 Programme for Government Report.

Milestones and Timelines: Q1 2015 for PFG, 2015 Annual Report and as requested.

## **Food Harvest 2020**

Food Harvest 2020 was the roadmap for the agri food industry to build capacity, adapt to challenges and grow in the context of emerging opportunities up to 2020. In September last year, the final Food Harvest 2020 Milestones for Success was published. This process is being replaced by a new 2025 Agri Food Strategy.

## **2025 Agri Food Strategy**

A 2025 Agri Food Strategy is being developed to set out the key actions required to maximise the sector's contribution to economic growth, job creation and environmental sustainability over the next decade. The final report of the Committee of the 2025 Agri Food Strategy will be presented to the Minister in July this year.

The strategic review will be an inclusive process and there is an open public consultation. Detailed background papers have been prepared and are available on the Department website at [www.agriculture.gov.ie/2025strategy](http://www.agriculture.gov.ie/2025strategy) along with a questionnaire designed to assist in guiding feedback. Each Department has been asked to participate in this consultation process and to set out their views in relation to the future of the Irish agri-food sector.

An Environmental Analysis of the 2025 Agri-Food Strategy (incorporating an Appropriate Assessment and a Strategic Environment Assessment) is also being developed.

Milestones and Timelines: Q3 2015 – present report of the 2025 Agri Food Strategy Committee to the Minister and the Department. Seven meetings will take place with the Committee.

## **2015 Action Plan for Jobs (2015 APJ)**

DAFM's three priorities for 2015 APJ are to develop agri food and marine SMEs, support sectors of high potential and to improve Ireland's agri food sustainability. In that context, it will comprise of 18 headline actions involving up to 34 specific actions. Progress on these actions is reported quarterly.

### Milestones and Timelines:

Mid February: Finalise DAFM input into the 2015 APJ

Quarterly: Report to Government on DAFM/ State agencies actions.

### Senior Responsible Officers:

Ann Derwin, Chief Economist and SG Aidan O'Driscoll (pending appointment of new ASG)

Savings: These initiatives benefit the Sector but require Departmental Resources

## **5. Meat Inspection Service (MIS) Review**

An independent lean review of the MIS as it operates in processing plants was completed in Q4 of 2013. This report recommends how greater efficiencies may be leveraged while ensuring that the Department continues to effectively meet its regulatory obligations.

The Department has considered the report with a view to clearly determining its ultimate objectives for this important service. Taking account of current and anticipated future needs of the industry, existing systems, potential IR issues, and in particular expected changes in post mortem inspection procedures currently feeding through EFSA and the EU, the Department is of the view that further deliberation is required before taking a definitive view on the evolution of the service.

In the meantime an increasing emphasis on the application of risk assessment and audit based inspection methodologies has allowed for more effective deployment of resources while effecting cost reductions for industry. The department will continue to consider how to maintain the effectiveness of the service while minimising costs to industry.

Milestones and Timelines: The Department will progress this issue when it can make an appropriately informed decision on the future of the Service.

### Senior Responsible Officers:

Tom Loftus PO, ASG Brendan Gleeson, Dave Nolan SSVI, Paula BarryWalsh DCVO, Martin Blake CVO.

### Savings:

Savings depend on the outcome of this review, IR issues and its implementation. If in addition to process changes it is decided to introduce structural change, there may be potential for significantly higher savings in the medium term.

## **Section 3 – Cross-cutting Reforms**

### **3.1 Improved Service Delivery**

#### **Use of new and improved technologies;**

- *Single payment Scheme(SPS)/Basic payment Scheme(BPS);* the online uptake under the new Basic Payment Scheme (which replace the Single Payment Scheme) iNet is projected to increase further in 2015. This online initiative was first provided in 2007 when it was used by 7500 farmers. A total of 80,003 SPS claims were filed online in 2014. This represented approximately 61% of all anticipated SPS applications for the year. In addition the uptake of the newer online 'Map Edits' feature also increased in 2014. The Single Payment Scheme will effectively be replaced by two Schemes from 2015; the Basic Payment (BPS) and Greening Schemes. DAFM intend to process applications for both Schemes within existing resources by, inter alia,

continued promotion of online applications. We will also make online application mandatory for certain categories of applicant, and extend mandatory online application to key measures in the Rural Development Programme 2014-2020.

- *BPS and Greening Scheme*; The Department implemented a new online facility in November 2014 which allows farmers (or their agents) to check their compliance with certain requirements of the new Greening and Basic Payment Schemes. The service also allows for amendment by the farmer to mapping and other information held by the Department. It is easy to use and simplifies the process of ensuring that greening requirements are met. Ireland is among the first in the E.U. to deliver such a service to its customers.
- In 2015 the Department will be implementing some additional 16 RDP online schemes including BPS, GLAS, Organics Farms Scheme, T.A.M.S and Knowledge Transfer Schemes.
- For the Beef Data Programme approximately 4,644 online applications were received in 2014 with 2005 Sheep Census returns were filed online.
- *The Online Payment & Account Enquiry application*; this was piloted and rollout commenced in 2014. The application is available to c55,000 of the Department's customers as the '**Financial Self-Services**' application within the agfood.ie portal. The application empowers customers to securely view all of their financial transactions (e.g. Payments/Invoices) with the Department, print/download account statements and make payments online. Usage figures to date indicate that 20% of these farmers have accessed the application. It is planned to expand the rollout further in 2015 within the Farmer community while also to look at extending the FSS to Private Veterinary Practitioners and other customer groups.
- *The Animal Identification and Movement (AIM) system*; this system has seen over one million calf birth registrations recorded online in 2014 representing almost 50% of total registrations (2.142million) for the year.
- *Interdepartmental administrative burden project*; Both the SPS application process and the Calf birth registration process on AIM were included in the inter-departmental project (coordinated by DJEI) aimed at measuring and reducing the administrative burden for businesses. Using the standard costs model, improvements in these applications resulted in a 7.2% reduction in administrative burden for farmers between 2008 and 2011. Inclusion of the processes in this project helps keep a continued focus on improving the processes for the customer.
- *Forestry online service*; The uptake for the IFORIS iNet service launched in late 2012 to allow Forest Owners to submit annual forestry premium applications online increased by in excess of 7% in 2014 to approximately

46% (9,179) of all applications for the year. It is expected that the use of the online system will continue to increase each year.

- *Pilot data capture system to record ante and post mortem results for the Veterinary Public Health Inspection Service (VPHIS);* this commenced in 2013. Concept software has been developed and is about to undergo testing and evaluation in one slaughter plant initially. Two additional beef slaughter plants have signed up for additional testing which will commence in the very near future. The testing is a critical phase in the overall design as it will ultimately influence the overall shape and design of the programme. The project will be of immense benefit to this Department in terms of collection and processing of information. This information is extremely useful to stakeholders such as the processing industry, primary producers and Animal Health Ireland.

### **Customer service initiatives;**

- The Customer Service Charter includes service delivery targets for all customers of DAFM and provides for feedback from customers.
- In addition to this; DAFM, working with farmer representative organisations, has developed the Charter of farmers' rights. This charter includes specific delivery targets for farmer customers – response times for communications for example. The monitoring Committee involves stakeholder representatives and is independently chaired. It meets up to three times each year Discussions on the Farmer's Charter are at an advanced stage and it is anticipated that agreement will be reached by end of January 2015.
- The Departments use of Social media and texting in this context is described under

### Milestones and Timelines:

Various as outlined above

### Senior Responsible Officers:

ASG Kevin Smyth, ASG Paul Dillon, Darren Murray PO, Sean Keevey PO, Joe Hanly PO, Director IMT(vacant), Paud Evans PO, Gordon Conroy PO, Martin Farrell PO, Kay Ryan PO, Grainne Mulligan PO, Brigeena Nolan PO, Martin Blake CVO.

### Savings:

Online initiatives have been a key enabler to achieving greater efficiency in the scheme processing areas and the various user divisions across the Department as they lead to more efficient processing of Scheme applications and animal births & movements, improved animal health controls and lower costs (e.g. changes to TB eradication scheme announced recently), more efficient veterinary and farm inspections and ultimately faster payments to customers.

A new Calf Registration Module was implemented on 1<sup>st</sup> September 2014 along with an AIM Call Centre application. All calf birth registration processing, validation and

print instructions are now performed within AIM with data entry, printing/posting and manning of the call centre performed by an agency (South Western Services). Following a public procurement competition a new contract was put in place with SWS to reflect the foregoing. It is expected that this will save the Department approximately €250,000 per year.

The continued development of online facilities has greatly reduced the need for customers to attend Department Offices in person. This in turn facilitated the reduction in number of offices open to the public with attendant savings in operation costs of these.

Reductions in administrative burden for farmers constitute a gain for the sector.

### **3.2 Digital Government / ICTs**

The initiatives at 3.1 above are relevant to this area.

In addition, all applications for GLAS, the new agri-environment Scheme, certain categories of Basic Payment Scheme (BPS) and Greening Scheme applications will be online applications solely. It is anticipated that this *digital by default* initiative will enable the Department to process c50,000 GLAS applications efficiently while meeting customer expectations in terms of service.

Scheme application processing is resource intensive as Scheme applications must be validated against multiple Scheme parameters and various DAFM databases to comply with EU regulations governing the administrative checking of applications. The processes are complex and subject to scrutiny by several auditing bodies.

The Department will encourage further uptake of its mobile text messaging service and its new twitter presence for communication with clients. Clients who avail of these services receive reminders and information regarding Department Schemes including closing dates for applications. In 2015 DAFM will explore further opportunities for the use of social media for interaction with stakeholders.

#### Milestones and Timelines:

The online application system and associated validation systems for GLAS, BPS and Greening will be in place to accommodate application processing in 2015.

#### Senior Responsible Officers:

ASG Paul Dillon, ASG Brendan Gleeson, Bernie Brennan PO, Director IMT(vacant), Darren Murray PO, Sean Keevey PO, Kay Ryan PO.

#### Savings:

The introduction of new schemes on the scale of GLAS, BPS and Greening while simultaneously running the existing Agri Environment Scheme is placing significant pressure on resources which is offset somewhat by improved processing efficiency.

### 3.3 Shared Services

The advanced use of information management technology has contributed significantly to the efficient, effective delivery of our services to the Farming, Fishing, Forestry and Agri-food industries and to the substantial reduction in the cost of running the Department (from €304 million in 2008 to an allocation of €213 million for 2014).

In addition to contributing to the very substantial internal reforms carried out within the Department, we have been particularly active in the *ICT Shared Services Reform Programme* and we provide ICT shared services arrangements from within our existing resources, to the Departments and Agencies described in the following table:

<b><i>Department of the Taoiseach.</i></b>	Designed, installed and maintains the Department's network and we are providing assistance in the upgrading of the telephone system to IP telephony.
<b><i>Department of Communications, Energy and Natural Resources and a Geographical Survey Of Ireland.</i></b>	Full Help Desk and ICT infrastructure support.
<b><i>Department of Public Expenditure and Reform.</i></b>	The Department provides hosting facilities for the Government Networks core network and hosting facilities for the Shared Services Payroll project.
<b><i>Department of the Environment, Community and Local Government.</i></b>	Hosting of 'Leader Programme' computer application.
<b><i>Teagasc</i></b>	The Agency's Data Centre is hosted in the Department's Data Centre. Currently putting in place some ICT business continuity facilities in our Communications Room in Backweston.
<b><i>Sea Fisheries Protection Authority</i></b>	Support for the Agency's wide area network. Provision of computer applications – iFIS and iCatch.
<b><i>Bord Iascaigh Mhara</i></b>	Support for the Agency's wide area network.

The Department's representative chaired the *Debt Management Project Board* which reviewed debt management processes across the Civil Service and reported to DPER in late 2013. A new Debt Management Board is being formed in DPER and a Programme Leader engaged to drive the debt collection reforms in 2015. DAFM will engage proactively with this process.

The Department was among the first phase of organisations that moved to the HR Shared Services, *Peoplepoint*, in early 2013.

DAFM continues to engage with the *Shared Services Reform Programme* and is redeploying staff to DPER to work on shared services initiatives.

The Department engaged in a number of the process and requirements gathering workshops in DPER to capture the user and business requirements for the *Request for Tender (RFT) phase of the Financial Management Shared Services (FMSS) Project* which commenced in 2014. The Department is also represented on the Process Design Authority in DPER which reviewed the work of the working groups and signed off each process. The Request for Tender was almost finalised by year end, with the Department providing significant input into a separate section of the RFT detailing DAFM's technology and deployment requirements which comprehensively covered our unique financial management reporting and payment processing requirements. This input will continue into 2015.

DAFM's *Integrated Controls Division* conducts circa 1600 on-farm Nitrates inspections - for which DAFM is not reimbursed - for Local Authorities each year. This represents a significant body of additional work undertaken on behalf of the Department of Environment, Community and Local Government in recent years. In 2014, due to staffing constraints, circa 300 of these had to be carried over into 2015. DAFM will endeavor to complete this work on time in 2015.

Milestones and timelines:

Various as outlined above.

Senior Responsible Officers:

ASG Brendan Gleeson, ASG Kevin Smyth, Bert O'Reilly PO, Geraldine Mullen PO, Darren Murray PO, Director IMT (vacant), Heber Mc Mahon PO, Al Grogan SI.

Savings:

The provision of shared services to others is actually a cost on the Department. The savings are realised by the state agencies and other Government Departments. Savings will accrue from HR and Payroll Shared Services when these initiatives progress.

### **3.4 External Service Delivery / Alternative Models of Service Delivery**

The Department has been, for many years, using external service delivery in a number of areas, e.g. animal registration and movement recording, certain veterinary tasks/processes, scheme processing, IMT functions and others. The Department submitted its external Service Delivery Plan to DPER in Nov 2013. The plan confirms the high level of External Service Delivery employed at DAFM and describes our scoping of possible new areas amenable to this approach. DAFM currently uses External Service Delivery / Alternative Models of Service Delivery costing in excess of €60m p.a.

Teagasc also uses external service delivery; for example in 2015 it will outsource completing applications for farmer clients for DAFM's GLAS scheme to Farm Relief Services.

The Department will continue the roll out of the Managed print services initiative in 2015.

In 2015 DAFM will continue to examine options for completion of additional work arising from both audits of existing area based Schemes and work arising from new tasks related to new schemes. New developments create pressure on inspection resources in DAFM which will be addressed by additional staff, changes to work practices (including adoption of new technology) and possibly external service delivery.

#### Milestones and Timelines:

As per the external Service Delivery Plan and depending on service delivery model chosen for inspections.

#### Senior Responsible Officers:

Grainne Mulligan PO, ASG Brendan Gleeson.

#### Savings:

The Managed Print Services initiative is projected to realise savings of between €400K and €500K over the 5 year period from late 2014. It is not possible to estimate savings at this stage for other initiatives described above.

### **3.5 Public Procurement**

In 2015, the Central Procurement Unit (CPU) will continue to deliver a key service to c. 60 Divisions with regard to the delivery of public sector reform of the procurement function. The service includes building capacity in Divisions for all aspects of procurement including compliance, specifications for requests for tenders, savings and category management strategies. In particular, the CPU will continue to roll out the requirements of the Office of Government Procurement (OGP) and to be the key contact point between the DAFM and the OGP to ensure DAFM is informed of and compliant with all new requirements, The CPU intends to enhance its monitoring and enforcement function in 2015 to ensure best practice is applied in a consistent manner throughout the Department including the use of technological solutions and electronic facilities where feasible.

#### Milestones and Timelines:

Q 1 and Q 2 2015

- Provide formal procurement training to specific Divisions
- Provide advice to business units on all aspects of procurement policy including compliance;
- Maintain central contracts register on an on-going basis
- Eliminate any non compliant procurements
- Codify all high spend purchases on SAP aligned to specific formal contracts
- Ensure accounting records are accessible for identifying specific procurement expenditure
- Category strategies rolled out
- Prompt response to all OGP requests

- DAFM requirements communicated to OGP either directly or through representation on committees or category councils
- Savings and efficiency policies rolled out
- Purchase orders to be published quarterly in accordance with public sector reform requirements

Senior Responsible Officers:

ASG Kevin Smyth, Heber McMahon PO.

Savings:

It is estimated that some savings have already been achieved through the use of central frameworks and improved procurement procedures but it is not possible to quantify the level at this stage.

### **3.6 Property Management**

The Department has almost finalised the reduction in its property footprint. With a view to driving further efficiencies, it will continue to participate in initiatives arising from the OPW's 'Property Asset Management Delivery Plan' and the work of the Steering Group on Property Asset Management, on which the Department is represented.

Senior Responsible Officers:

Grainne Mulligan PO, ASG Kevin Smyth.

Savings:

The Local Office Re-organisation Programme has contributed ongoing accommodation savings.

### **3.7 Public Expenditure Reform and Organisational Performance**

Value for Money Programme

Options for the new round of reviews are currently being considered. It is expected that a new review will begin during 2015.

Business Process Improvement

Management Services Division (MSD) provides the Department with analysis and advice on organisational development, business process improvement, resource deployment and change management. MSD has completed 19 major reviews of business units and a further 2 reviews are ongoing. This change management programme has been the key enabler in the Department reducing its staffing levels from 4,800 in 2005 to fewer than 3,200 currently, a reduction of 33%.

Comprehensive Expenditure Review (CER)

In 2014 all Departments were required by Government to undertake a comprehensive expenditure review in respect of the period 2015 to 2017; DAFM completed this task and submitted our contribution to the CER process to DPER. This informed our 2015 budget allocation.

### Statement of Strategy 2015 - 2017

The Department's new Statement of Strategy will be finalised and published early in 2015.

### Milestones and Timelines:

Q2 2015: Review of the Organic Farming Scheme to be concluded and new VFM review commenced.

Q2 2015: MSD will finalise reviews of Laboratories & Lands Division.

Q1 2015: Statement of Strategy prepared for publication.

### Senior Responsible Officers:

Ann Derwin PO, SG Aidan O'Driscoll, ASG Kevin Smyth, ASG Brendan Gleeson, Heber McMahon PO, ASG, Grainne Mulligan PO.

### Savings

Value for Money reviews: It is expected that some efficiency savings will accrue from the Review of the Organic Farming Scheme but these are yet to be determined.

Business Process Improvement: The cost of running the Department has fallen substantially since 2008, by some € 91 million or approximately 30%. MSD reviews will identify further cost savings and efficiencies.

## **3.8 Leadership Development and HR Reforms**

The role of performance management within the Department will continue to be strengthened. This will include continuing the focus on linking the organisation's objectives directly to the individual's objectives via the business planning process. Management reports highlighting the level of compliance with PMDS will continue to be regularly submitted to senior management for their consideration.

Following on from a very successful pilot project in 2013, the Department implemented a new mentoring programme in 2014. In 2015 DAFM intends to expand the mentoring programme further and will also roll out a new Leadership Challenge training programme, aimed specifically at women. The women's leadership challenge is one of the Department's initiatives aimed at promoting gender balance and ultimately increasing the number of female staff in senior management roles.

There is continuing emphasis on managing staff performance and addressing any signs of under-performance at an early stage in line with central guidelines. Addressing underperformance at an early stage will contribute to greater efficiencies for the organisation in meeting its objectives and targets. In addition, there has been a focus on updating and improving the quality and accessibility of information available to staff.

The five NCSSBs under the aegis of the Department (Bord Bia, Bord Iascaigh Mhara, Marine Institute, National Milk Agency and the Sea Fisheries Protection Agency) have performance management systems in operation.

Proposals to enhance performance across the management cohort; The Department is exploring the possibility of providing a new Development Programme for senior managers, which would initially concentrate on supporting recent appointees to such roles. In addition, DAFM will co-operate with any measures to be introduced in this regard under the Civil Service Reform Plan.

#### Workforce Planning:

Workforce Planning is a crucial tool in allowing Departments to forecast current and future staffing needs and in achieving the right balance between labour demand and supply so that the right number of employees, with the right skills are available at the right time. This Department has been involved in Workforce Planning since 2012.

An updated Workforce Plan for the 3 years from 2015 to 2017 will be submitted to DPER by end January 2015

#### Milestones and timelines:

Various as above.

#### Senior Responsible Officers:

Bert O'Reilly PO, ASG Brendan Gleeson.

### **3.9 Increased Openness, Transparency and Accountability**

DAFM will participate in the implementing the recommendations in the Civil Service Renewal Plan.

#### Senior Responsible Officers:

Grainne Mulligan PO, ASG Brendan Gleeson, Bert O'Reilly PO.

## **Section 4 – Haddington Road Agreement Reforms.**

### **4.1 Additional Working Hours**

#### Proposals for implementing additional hours

All management and staff have been informed of the requirement to work the additional hours. Attendance systems and rosters have been, or are being, adjusted accordingly.

#### How will additional hours be used by management.

As outlined above, the Department has reduced its staffing significantly in recent years: by 33% in total since 2005. DAFM's Change Management Programme has enabled the Department to maintain, and in some instances improve, the delivery of its services. While the proposed DPER delegated sanction in relation to overall staffing resources will remove the necessity for Employment Control Framework (ECF) targets, this sanction is subject to adherence with specified pay ceilings which are fixed and binding for 2015-2017 and are based on current DAFM staffing levels. Compliance with these pay ceilings will be regularly monitored, particularly as there

is significant additional work in several areas, for example the implementation of the recent CAP agreement in 2014, implementation of the 2014–2020 Rural Development Programme, and DAFMs increasing workload and responsibilities with regard to food safety. Additional hours will be used in most instances to alleviate these pressures and help achieve ECF targets. Notwithstanding the use of additional hours many staff at senior grades in DAFM must regularly exceed their minimum working hours to ensure this additional work is completed.

Areas of cost to be reduced by additional hours

Building on very significant reductions in overtime in recent years, a target of securing further savings of 5% per annum in overtime will be driven in part by the additional hours but also by introducing more flexible attendance and roster arrangements and by changes in business processes. The Department will continue to actively drive down the cost of overtime through a series of measures managed at Divisional level and monitored by the MAC, which will involve using temporary redeployments where appropriate to relieve pressure points and enable the Department's activities to be continued, where possible, without resort to extra attendance.

Milestones and Timelines:

**Overtime Expenditure**

<b>Year</b>	<b>€000</b>	<b>Reduction</b>
2010 (actual)	3,955	29%
2011 (actual)	3,623	8.4%
2012 (actual)	3,273	9.7%
2013 (actual)	3,292	0%
2014 (actual)	3,138	5%
2015 (Target)	2,998	5%

Senior Responsible Officers:

Bert O'Reilly PO, ASG Brendan Gleeson.

Savings:

An overtime reduction in 2015 of €140,000 (5%) is targeted.

**4.2 Workforce Restructuring**

DAFM will fully participate in the implementation of recommendations in the Civil Service Renewal Plan in terms of improving career opportunities for staff across geographic, organisational and sectoral boundaries.

Senior Responsible Officers:

Bert O'Reilly PO, ASG Brendan Gleeson.

Savings:

Savings are difficult to estimate at this early stage.

### 4.3 Redeployment.

The Department has been making full use of redeployment provisions and it has been particularly useful to facilitate staff under the Local Office Re-organisation Programme. Since 2007 the Department has redeployed circa 500 staff.

Receiving organisations include the Department of Justice, the Courts Service, the Revenue Commissioners, the Department of Social Protection and the Payroll Shared Services Project.

There are currently additional Departmental staff registered on the Redeployment Panel who are available for redeployment should suitable positions become available. However with our Local office re-organisation Programme substantially completed and additional new Schemes in 2015; it not likely that DAFM will have scope for further reductions in overall numbers. If redeployment options arise in appropriate locations DAFM will pursue these.

#### Milestones and Timelines:

The Department will continue to pursue redeployment opportunities for its staff notwithstanding the fact that our overall numbers are unlikely to decrease further.

#### Senior Responsible Officers:

Bert O'Reilly PO, ASG Brendan Gleeson.

#### Savings:

Staff costs as per the table above.

### 4.4 Flexitime, sick leave and attendance management

The Attendance Management Policy, including the management of sick leave, is being implemented. Division Heads are circulated with overall sick leave statistics in respect of their areas on a quarterly basis in an effort to highlight and address any issues arising. In the context of an 8% decrease in 2011, the Department targeted further reductions of 10% per annum from 2012 to 2014 as shown below. A reduction of 13.5% was achieved in 2012. The increase in 2013 masked a drop in short term sick leave. A 10% reduction was achieved in 2014.

#### Milestones and Timelines

<b>Year</b>	<b>Days Lost</b>
2011 (actual)	30,796 - reduction of 8% on previous year
2012 (actual)	26,611 - reduction of 13.5% on previous year
2013 (actual)	27,723 - increase of 4% on previous year
2014 (actual)	24,977 - reduction of c10% on previous year
2015 (target)	Civil Service target of 3.5%

The Department will continue to work towards reducing the overall absenteeism level to the Civil Service target of 3.5%. Given the reduction achieved in 2014 DAFM expects to achieve this in 2015.

The Department confirms that the new flexi arrangements are being implemented within the relevant timelines.

Senior Responsible Officers:

Bert O'Reilly PO, ASG Brendan Gleeson.

Savings:

Staff costs as per the table above.

#### **4.5 Work-sharing**

The Department is examining its options with regard to the streamlining of work-sharing arrangements and **confirms that future approved arrangements will be no less than 50% in accordance with the Agreement.**

Senior Responsible Officers:

Bert O'Reilly PO, ASG Brendan Gleeson.

#### **4.6 Sector Specific measures**

The Department expects to conclude the Local Office Re-organisation Programme in 2015 with the redeployment of administrative staff in the Galway office to the Payroll Shared Services Centre. It is not expected that there will be further opportunities to redeploy staff; therefore we do not expect that there will be further reductions in our staffing numbers.

The Department will fully engage with the Department of Public Expenditure and Reform's Workforce Planning initiative and will use this tool to determine resource requirements over the 2015-2017 timeframe. It is anticipated that we will need to maintain and in some cases increase resources in certain areas such as those dealing with the implementation of the new CAP and CFP provisions. In so far as possible, resources will be redeployed within the Department and it is intended that some recruitment will take place to include graduates with specific skills set in areas such as Information Technology and Sciences. The Department is committed to operating within the ECF and Administration budget and any recruitment will be carried out within those ceilings. The Department will fully co-operate with the implementation of actions arising under the Civil Service Renewal Plan.

Senior Responsible Officers:

Bert O'Reilly PO, ASG Brendan Gleeson

Savings:

Difficult to predict at present.