SAVINGS ACHIEVED IN YEAR TWO OF THE *PUBLIC SERVICE AGREEMENT 2010-2014*

Department of Foreign Affairs and Trade (No agencies involved):

PERIOD UNDER REVIEW: 01.04.2011 to 31.03.2012 (i.e. end Q1 2011 – end Q1 2012 incl.)

Category of Savings	Details of the Specific Initiative(s)/Measure(s) Taken	Gross Savings for Q1 2011 - Q1 2012	LESS any Upfront Costs /Outlay (if applicable)	Net Savings For Q1 2011 – Q1 2012	Annualised or Full Year NET Savings (when fully implemented)
		€	€	€	€
1. Exchequer Pay Bill savings in YEAR 2					
Savings due to Staff Number Reductions: **Please note that the figure for pay bill savings due to the reduction in staff numbers will be calculated centrally by the Department of Public Expenditure & Reform. Accordingly, there is no need to include figures for savings under this heading in this return.**					
Other Pay Bill-Related Savings, including on overtime, allowances, premium pay etc ***(arising from initiatives or measures taken forward under Action Plans, which may include, for example, reform of work practices, attendance management, rationalisation or restructuring of operations or the reconfiguration of services etc.)***	Re-grading or suppression of diplomatic or other posts in various Missions (including London (offset by creation of a new post in Edinburgh), Moscow, Madrid, Washington & Bratislava)	-	-	-	€200,000
	TOTAL				€200,000

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		€	€	€	€
2. Non-Pay (Administrative Efficiency) Savings in YEAR 2					
(arising from initiatives taken forward under Action Plans, for example, in the following areas: – ***Productivity and Performance*** – ***ICT, online services, other e-Government initiatives*** – ***Procurement and purchasing costs*** – ***Travel costs*** – ***Shared services, integration of services*** – ***Changed Work Practices*** – ***Restructuring or rationalising of operations and accommodation costs*** – ***Reconfiguration of Services*** – ***Other Administrative Efficiencies/VFM Initiatives***	Gross savings in respect of the closure of the Embassy to the Holy See are estimated at €400,000 this year (net of exit and transitional costs) and €845,000 in 2013. €240,000 has been spent refurbishing the Villa Spada. (These projections take into consideration the relocation of the offices of the Embassy to Italy and the residence of the Ambassador to Italy to the state-owned Villa Spada.) Closure of Embassy Tehran on 31 March 2012	€150,000	€180,000	-€30,000	€845,000 €330,000
	TOTAL	€150,000	€180,000	-€30,000	€1,175,000

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		€	€	€	€
3. Costs Avoided in YEAR 2					
(i.e. costs that have been successfully avoided / which would have been incurred without the flexibilities and co-operation provided by the Agreement)	Early Recruitment of Temporary COs for the Passport Service in 2012, leading to savings in overtime compared to 2011.	€63,000		€63,000	€150,000
	Missions - rental reductions. Following instruction to seek rent reductions for 2012 a number of Missions have successfully negotiated rent reductions. Those include Athens, Berlin, Bucharest, Buenos Aires, Capetown, Luxembourg, Nicosia, Riga, Berlin and Brussels. The expected rent reduction for these locations is in the order of €600,000 per annum. [Negotiations are still ongoing in a number of other locations but no forecast can be made at this point on these locations.]	€1,100,000	€950,000	€150,000	€1,100,000
	Trial of lighter model of Diplomatic and Consular representation (missions staffed by one diplomat), continuing and extended to an 8th mission in 2012; closure of three Embassies during 2012.	€318,000		€318,000	€318,000
	In January and February 2012 Video Conferencing technology was used for the first time in a large internal promotion competition; 114 candidates, of whom 62 were stationed abroad, were interviewed by 5 interview boards in the preliminary round and 25, of whom 17 were abroad, were interviewed by a single board in the final round; Video Conferencing was found to be fully satisfactory by boards and candidates alike and				

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		€	€	€	€
	disruption to Missions was dramatically reduced; savings on candidate travel and subsistence have been estimated at €80,000; a second very large competition is due to be held in May/June and will again all interviews will be conducted using Video Conferencing technology. (VC technology is also used extensively in the day to day operation of the Department where it contributes to productivity and cost reductions.)	€80,000		€80,000	€200,000
	TOTAL	€1,561,000	€950,000	€611,000	€1,768,000

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		€	€	€	€
4. Ongoing Annual Savings from Initiatives taken in YEAR 1					
	Re-grading or suppression of diplomatic posts in various other Missions	€600,000		€600,000	€600,000
	Extend roll-out of Voice over Internet Protocol (VoIP) to more diplomatic and consular Missions abroad.	€300,000	€110,000	€190,000	€300,000
	Proposed incentive scheme to encourage passport applicants to switch from the public counter to the Passport Express service. (Less staff intensive, so cheaper to process, however difficult to accurately extrapolate precise savings, included in overall figure below) (The Passport Office increased its revenues by €3.1m in 2011 due to the introduction of a new fees structure, and this, combined with tighter control of costs, especially overtime payments, has led to the service returning to profitability in 2011 and hence Exchequer-borne costs being reduced. This is expected to continue for 2012)				€3,100,100
	Continue with partial repatriation of certain passport processing and production functions from London to HQ	€500,000		€500,000	€500,000
	Implementation of a more restrictive policy towards purchasing and replacing Embassy vehicles. Number of vehicles reduced; all vehicles retained for longer.	€200,000		€200,000	€200,000
	TOTAL	€1,600,000	€110,000	1,490,000	€4,700,000

Guidance Notes

1. **This savings return should encompass savings made by the Department AND its agencies.** Separate savings reports should be collected by the Department and incorporated into this global return. Savings reports from individual agencies should not be submitted to the Implementation Body.

2. **Transparency:** It is important that data supplied is robust and can stand up to public scrutiny. In the interests of transparency, the returns in respect of individual Departments should be made available on their own websites, following the publication of the Body's Annual Report in June 2012 (exact date will be notified in due course).

3. **Consistency:** It is critical that each Department adheres to the template supplied and includes savings from its agencies. This is essential to allow the Implementation Body to aggregate savings from across the civil service to arrive at total savings estimates.

4. **Comprehensive:** In this regard, it is crucial that the figures supplied are comprehensive and as exhaustive as possible, so as to ensure that they give an accurate account of the true level of savings being realised under the Agreement.

5. **Exclude savings from Staff Number Reductions:** Paybill savings directly linked to headcount reduction should not be included. These savings will be estimated centrally by the Department of Public Expenditure and Reform based on average annualised savings per employee arising from the reduction in public service numbers during the review period.

6. **Include** all other paybill savings, non-pay savings (admin. efficiencies) and costs avoided achieved under the framework of the Agreement over the 12 month reporting period, Q1 2011- Q1 2012. To ensure that all savings are captured as comprehensively as possible, very small level specific savings should be aggregated where relevant or appropriate into broader categories for inclusion in the return.

7. **Use sections 1-3** of the template to set out all new or additional saving achieved in this reporting period (Year 2) in the areas of pay savings, non-pay efficiency savings and costs avoided. Where an initiative has been progressed over both Years 1 and 2 an attempt should be made to disaggregate the additional saving that was achieved as a result of activity on the task in Year 2.

8. **Use section 4** of the template to include ongoing annual savings from relevant initiatives taken in Year 1 of the Agreement.

9. **One off savings realised in Year 1 of the Agreement and reported on the last occasion should be excluded**. It is important that we avoid double counting or claiming credit for savings twice.

10. **Net Figures:** It is important that any known or identifiable upfront costs/outlay in respect of any given savings initiative or area are deducted from gross savings figures to arrive at a net saving in each case. A full annualised estimate of these net savings should also be included in the last column. Please indicate in brackets when full year savings will be achieved.

11. **Costs avoided** are defined for this purpose as those costs which would have been incurred without the flexibilities and co-operation provided for under the framework of the Croke Park Agreement.

12. **Total Savings:** This template should be expanded as required to include all relevant savings and TOTALS should be inserted under each of the categories. The Implementation Body will aggregate totals across the sectors to arrive at overall estimates for the savings achieved in Year Two of the Agreement.

13. **Narrative/description:** Meaningful description and detail should be provided in all cases to enable the Implementation Body (and ultimately the public) to understand the source of the savings. This detail will also be required by the Body for its Annual Progress Report which will be published on foot of this review.

14. **Queries:** If you have any queries regarding this template or the Annual Review exercise that the Implementation Body is undertaking, please contact Alan Plummer in the Implementation Body Secretariat at (01) 6045340 or alan.plummer@per.gov.ie

Implementation Body Secretariat
March 2012