

Introductory Statement by Paschal Donohoe TD, Minister for Public Expenditure, National Development Plan Delivery, and Reform, regarding the Public Expenditure, National Development Plan Delivery, and Reform Group of Estimates for 2023

Introduction

I am pleased to be here with you today to present the 2023 Estimates for my Department's Group of Votes. I am joined today by the Minister of State with responsibility for Public Procurement and eGovernment, Ossian Smyth TD.

The Group comprises a significant number of Votes, including:

- (i) Vote 11 - of Public Expenditure, National Development Plan Delivery, and Reform;
- (ii) Vote 12 - Superannuation and Retired Allowances (which covers civil service pensions);
- (iii) the Votes for a number of Offices under the aegis of my Department, including the State Laboratory (Vote 14), the Public Appointments Service (Vote 17), the National Shared Services Office (Vote 18) and the Office of the Ombudsman (Vote 19);
- (iv) the Secret Service (Vote 15);
- (v) the Office of Government Procurement (Vote 39);
- (vi) the Office of the Chief Government Information Officer (Vote 43).

Minister of State Smyth is happy to address questions relating to the Office of Government Procurement and the Office of the Chief Government Information Officer, and I will address questions regarding the other Votes.

Officials from my Department, and in Bodies under the Department's aegis, have played a central role in responding to the challenges of the cost of living crisis. I would like to take this opportunity to thank all parties involved for their collective efforts in this regard.

In an overall context, the 2023 total gross allocation for the PER Group of Votes, comprising of 9 distinct Votes, shows an increase of 3.3% on the 2022 allocation. The overall gross figure for 2023 is approximately €1053.5m compared to €1020m in 2022.

This is largely driven by:

- An increased estimate provision to Vote 12;
- Targeted, minor, increases to enable the delivery of essential services ;
- To meet the additional salary costs associated with the extended; Building Momentum public service pay agreement.

To introduce the individual Votes in slightly more detail:

Vote 11 - PENDPDR Vote

My Department has a wide range of objectives, as set out in its Statement of Strategy 2021-23. The Department's Mission is to serve the public interest through sound governance of public expenditure and by leading and enabling reform across the Civil and Public Service.

In announcing the nomination of Members of the Government in the Dáil on 17 December, 2022, the Taoiseach stated that the title of the Department would be changed to the Department of Public Expenditure, NDP Delivery and Reform. The relevant Government Order came into operation on 1 February, 2023.

The Department will develop and submit for my approval a new Statement of Strategy within six months of my appointment. We would be happy to hear the views of the Committee on the priorities for the next strategy.

The net allocation for the Department's Vote (11) has increased by €4.8 million in the 2023 Estimate. The main driver of this increase is an increased pay allocation provided for in the context of the extension of the Building Momentum pay agreement. The pay allocation also reflects a small number of additional posts for the staffing of the new Brexit Adjustment Reserve (BAR) and the National Recovery and Resilience Plan (NRRP) Units.

In non-pay areas, there is an increase in the grant to Transparency International in order to meet Ireland's obligations under the Whistleblowing Directive and Protected Disclosures Act 2022, an increase in the grant to the Economic Social Research Institute and an increase in the Regional Assemblies technical assistance grant.

I wish to draw the attention of the Committee to the fact that there is a single Programme for the Department in 2023, in place of the two Programmes in operation last year. During 2022, the Department completed a strategic review of its Operating Model.

The Department has since implemented a significant divisional reorganisation and also set out a number of new ways of working as an organisation. The drivers behind the Department's new structure, which has resulted in the single programme for the Vote, include working in a more integrated way, focusing on strategic long-term policy, prioritising the climate agenda and driving digital delivery.

The remodelled Department aims to reinforce the synergies across the various strands of its responsibilities whether they concern public expenditure, public service management and development (including pay policy) and the promotion of transformation and innovation across the Public Service. The single Programme better reflects the activities of the Department, although it does mean that there are some challenges when seeking to directly compare the 2023 and 2022 Estimates.

The Department's revised name reflects of course a renewed determination of Government to roll out infrastructure delivery as quickly and efficiently as possible.

As Minister for Public Expenditure, NDP Delivery and Reform, I oversee the process for setting the overall capital allocations across Departments. The management and delivery of individual investment projects within the allocations agreed under the NDP are of course a key responsibility of each Department and Minister.

As you know, the National Development Plan 2021 – 2030 (NDP) was published in October 2021. The NDP provides a detailed and positive vision for Ireland over the next 10 years, and delivers total public investment of €165 billion over the period 2021-2030.

The NDP also sets out the range of actions that are being taken to strengthen infrastructure delivery, maximise value for money, and ensure to the greatest extent possible that projects are delivered on time, on budget and with the benefits targeted at the outset. In 2023, over €12 billion will be made available from the Exchequer for investment in public capital projects, which will provide more schools, homes, hospitals and other pieces of vital infrastructure.

Reflecting the changed name of my Department, I am currently examining the support structures and levers available across

Government in order to maximise delivery of housing, schools, hospitals, roads and public transport. All options to improve delivery and ensure that capital allocations are best utilised will be examined early in 2023.

Other Votes

Vote 12 – Superannuation and Retired Allowances

The Superannuation and Retired Allowances Vote primarily provides for pension and retirement lump sum costs for civil servants – including prison officers – and pension payments for dependents.

The estimate I am proposing today - involving a gross provision of €807.6m – represents an increase of €21m, or 3%, on the 2022 gross estimate (after Supplementary). This increase reflects a higher number of pensioners on the fortnightly pension payroll. The increase in gross expenditure is mitigated by an increase in contributions from the Single Public Service Pension Scheme.

DPENDPR Corporate Bodies

Other bodies under the aegis of the Department, such as the Public Appointments Service, the National Shared Services Office (NSSO) and the State Laboratory, provide important services to large numbers of clients across the civil and public service.

Vote 14: State Laboratory

A modest increase to the State Laboratory's 2021 Estimate (Vote 14) will allow the Laboratory to comply with new EU food safety legislation for analysis related to food safety, to respond to an increased level of requests for toxicology analysis of post mortem samples for the Coroners Service, and to maintain ICT capability and meet the requirements of the 2021 Public Sector Cyber Security Baseline Standards.

Vote 17: PAS

The Public Appointments Service (Vote 17) has received a 6% increase in allocation overall. For current expenditure the increase will cover the cost of implementing the Building Momentum pay increases for the year. The capital allocation has increased by 8% as the Nova project to replace the recruitment IT system is scheduled to go to market in the year.

Vote 18: NSSO

The National Shared Services Office (Vote 18) has played an important role in the reform of public services in recent years, namely through the delivery of HR Services and Payroll Services to clients across the Civil and Public Service. The NSSO is also leading its largest transformation programme to date, the Financial Management Shared Services Programme, having gone live with the provision of Finance Shared Services to eight clients in 2022. The 2023 NSSO allocation will enable

the continued provision of HR Services, Payroll Services and Finance Shared Services, and also enable the Office to progress the further rollout of Financial Shared Services.

Vote 19: Office of the Ombudsman

The estimate provision for the Office of the Ombudsman (Vote 19) will allow the various constituent offices to deal with their respective workloads as well as provide for the set-up of the new Office of the Protected Disclosures Commission. It will enable continued investment in ICT modernisation which will support the Office to meet the challenges of delivering essential services to the public.

Vote 39: Office of Government Procurement (OGP)

Procurement is a key element of the Government's public service reform agenda. The State procures goods, services and works costing in the region of €18.5 billion each year. In this context, it is essential that the Public Service operates in a co-ordinated and efficient manner that enables professional, sustainable and more transparent public procurement.

Some of the key OGP initiatives supported by the 2023 estimate include:

- Working across the public service to increase the use of centralised buying arrangements, thereby leveraging the State's

buying power to deliver value for money and consistent delivery of horizontal policies;

- Supporting NDP delivery by further developing the competencies of Public Service Bodies in commercial aspects of planning, procurement and contract management;
- Further developing and implementing a medium term strategy for construction procurement including through the Capital Works Management Framework (CWMF);
- Further developing the overarching policy framework for public procurement in Ireland, including promoting social and green environmental considerations;
- Supporting Future Jobs Ireland and the Climate Action Plan through focused initiatives in strategic procurement including the incorporation of social and environmental considerations, in line with the Programme for Government; and
- Continuing to enhance SME access to public procurement.

Vote 43: Office of the Government Chief Information Officer (OGCIO)

The Office of the Government Chief Information Officer (Vote 43) drives the Government's digital agenda across the Public Service. Working collaboratively, it develops and delivers public service digital platforms, making Ireland an exemplar in the delivery of high quality digital public services. In addition, it provides a suite of common applications, services and supports to Government Departments and agencies under its *Build to Share* initiative. The OGCIO is currently in the process of engaging with prospective client public bodies that seek to on-board during 2023.

The OGCIO was established in 2020 with an estimate of €21.7 million (net), which has risen to €43.3m net in 2022. The OGCIO Vote is financed from the central exchequer and exchequer neutral transfers from other public bodies (€1.2m in 2022) to meet the growing internal demand for its services, while ensuring that citizen-facing activities continued to expand.

The OGCIO was awarded €23.5m over two years, €18.5m in 2022 and €4.5m in 2023 via the European Union Recovery and Resilience Programme to develop a National Low Latency Platform that will enable all State bodies to avail of the benefits 5G and other technologies offer, in supporting the provision of high quality digital services.

Conclusion

I am happy to present the 2023 Estimates for my Department's Group, approval of which will allow the individual Votes to continue to meet their responsibilities and deliver essential services.

The Minister of State and I are both happy to answer any questions that arise.

Ends