

Department- Agency Relations The Performance Dialogue

Andy Cullen
Assistant Secretary
Department of Transport

IPA 28th May 2009

The Spectrum of Relations between both Sides

- Is it a dialogue?
- Is it a challenge?
- Is it a battle?

Source material

- OECD “Towards an Integrated Public Service” 2008
- “Transforming Public Services” Report of Task Force, 2008
- ORP: Department of Transport, 2008
- Work by IPA, Devlin, NESCC etc.
- IPA “The Leadership Challenge”

The Message from Government

- Public Service has been growing
- We now have “more complicated social and economic problems” OECD
- Number of agencies has increased, nature of agencies has expanded
- Can we still afford what we have ?
- Challenge: “maintain the *responsiveness* of a small system while developing standards, accountability mechanisms and governance structures of a larger system” and also rationalise the number of agencies. OECD

Personal Experience of State Bodies

- Aer Rianta, Aer Lingus, Irish Aviation Authority
- B&I, Irish Shipping
- Commission for Energy Regulation
- Bord na Mona, Bord Gais, ESB
- An Post
- Telecom Eireann, Cablelink
- Telecom Regulator - Comreg

My Current Responsibilities for State Bodies

- CIE
- Bus Eireann
- Dublin Bus
- Iarnrod Eireann
- Railway Procurement Agency
- Dublin Transport Authority (DTO)
- Railway Safety Commission
- Commission for Taxi Regulation
- Advisory Councils to Railway and Taxi Regulators

Others DoT Bodies

- Aer Lingus (minority shareholder)
- Dublin Airport Authority
- Commission for Aviation Regulation

- National Roads Authority

- Marine Casualty Investigation Board



Size of DOT Bodies

- Turnover -€3 billion
- Exchequer funds 2008
 - Capital -€2.5 billion
 - Current -€705 million
- Numbers Employed –15,000

Function of various DoT Bodies

- Service Providers
- Regulators- Safety and Economic
- Strategic
- Advisory

Critical Review of Body

- The evolutionary cycle –
- Is the body a start up, well established, needs renewal or in urgent need of radical reform ?
- Statutory Mandate – is it clear or vague, flexible or rigid, is it fit for purpose ?
- Political Mandate – e.g. Programme for Government, Towards 2016, Budget 2009
- Are goals congruent with Department's Statement of Strategy, or: NSS, RPG's, T21, Investment Strategy.

Developing a Performance Framework- The Levers

- Statutory Framework
- Statutory Regulations(EU)
- Shareholder responsibilities- Guardian
- Corporate Governance Guidelines
- Capital Appraisal Guidelines
- Regulatory Impact Analysis Guidelines
- Other Dept. of Finance administrative Guidelines
- Board appointments and CEO salary contract

Corporate Governance 1

- Is the statutory mandate clear?
- Are there clear/conflicting economic and social objectives?
- Are the priorities for the sector clear?
- Is the 5 year Strategy Statement/Corporate/Business Plan agreed?
- Is the annual, monthly plan agreed ?
- Does the Board have the right skills set?
- Who reviews Board performance ?

Corporate Governance 2

- Does the Board review its own performance?
- Is the CEO performance reviewed, either with or without bonus?
- How regular is there structured engagement with officials and Minister?
- Are the indicators pitched at the right level?
Strategic v Operational
- More than a box ticking exercise?



Standard Reporting

- Annual Accounts- too often offer too little too late
- Are they better/worse than ISEQ requirements?
- Performance reporting needed monthly, quarterly, 6 months?
- Chairman's annual compliance statement is very important
- Statutes are weak on performance

How to manage change and transformation

- Do you have the support of your Minister for change and transformation
- What can the body handle
 - Radical change
 - Bitesize change
 - tactics for change: “change means disturbing people at a rate they can absorb commensurate with the challenge” - Heifetz and Linsky
 - The current challenge is great !

Strategy and Performance: Case Study on Rail Investment

- Do we have Land Use and Multi Modal Transport Strategy?
- Do we have a Rail Strategy?
- Do we have sound projects and finance?
- Does the organisation have the capacity to deliver

Measuring Performance: Transport Case Study

- **Inputs:** Station Design
Sir Norman Foster- Bilbao v No architect-
Madrid – which offers best VFM?
- **Outputs:** Bus and Rail Services clean,
punctual, reliable- but what is the outcome?
- **Outcome:** Are services in the right place,
serving the right people at the right time,
meeting broad policy objectives as originally
planned e.g reducing congestion etc.



Department of Transport
An Roinn Iompair








Clean, Punctual and Reliable!

It's all about timing



DART SERVICES
Train performance 1st January to 22nd March 2009

RELIABILITY	99.7%
PUNCTUALITY	97.3%

Reliability - the percentage of trains which ran as planned
Punctuality - the percentage of trains arriving no later than 10 minutes after scheduled arrival time
Results have been independently validated

Performance: Organisational Culture

Is there a culture of performance?

- the Chairman?
- The Board and its composition?
- CEO?
- Management?
- Organisation?
- Trade Unions?
- Other stakeholders ?
- Who delivers it ?

Change 1

- Is the body supportive and compliant ?
- Who are the stakeholders in the sector ?
- Where does real power rest in the sector?
- Who are the real change agents ?
- Who are the forces for status quo?
- Is there a vision for the body ?
- “Bodies will not abandon comfortable ways simply because of edicts. They must be convinced.” John P.Scully

Change 2

- How many links are there in the vertical chain in trying to manage change? e.g.
- DoT- CTR- Taxi Drivers -Customer
- DOT-CIE-Dublin Bus Board - Management – Local Garage Managers- Supervisors- Bus Drivers -Customer
- “The farther from the real customer, the more the internal customer will dominate its outcomes versus the real need of customers”

Change 3 – Influencers

- Is the Board caught in the middle between Minister and other interests ?
- A leader or follower?
- Board
- Management
- Trade Unions
- Local Authority Politicians
- Community Groups

Risks

What are the Risks of doing nothing?

Impacts on :

Society

Exchequer

Sector

Reputation

Tension

- Is there tension in the relationship ?
- Should there be?
- Change is never complete !



Task of Departments

- **What can you –manage**
 - not manage
- **Do you have the skills/ support available to appraise**
- **Who are your allies ?**
- **Information overload -underload**
- **Is there a vision/ plan for change and modernisation**
- **Do you have the support of your Minister for transformational change**
- **Is this body needed, is it geared up for business for the long haul or is it drifting**

The Journey

- Be clear on what you want to achieve
- You are always on the journey- upward and onward
- It is demanding and expect little credit, your soul will guide you
- The challenges have never been so great
- Win supporters and friends for change
- Talk to the IPA about the Leadership Challenge