

Department-Agency Relations and the Performance Dialogue

Summary of speech by Minister for Finance, Brian Lenihan TD.

On Wednesday, 28 May 2009, the IPA hosted the first of its morning seminars for senior public service managers on *Achieving the Transformation of Public Services*. The topic for discussion was *Department-Agency Relations and the Performance Dialogue*, and the keynote speaker was Minister for Finance, Brian Lenihan TD.

Minister Lenihan said that he personally felt that too many state agencies had been created, and in times of difficulty, this posed problems for government coherence. In this regard, the Government has moved to progress 30 rationalisation proposals that will reduce the number of bodies by 41. To date nine of the decisions announced have been completed with a further eight targeted for completion in 2009.

The Minister said that the Government will continue to examine possibilities for further changes with the Special Group on Public Service Numbers and Expenditure Programmes, chaired by economist Colm McCarthy, due to make recommendations for the further rationalisations.

Minister Lenihan highlighted the OECD Review (2008) recommendation that there is a need for an improved governance and performance dialogue in order to address what it described as 'the current disconnects' between the central Civil Service and the broader Public Service, particularly between Departments and agencies. The subsequent Task Force report on the Public Sector (2008) carried this theme forward recommending greater clarity around statutory mandates and the delivery expectations of Government.

Practical measures to be implemented include all agencies being required to publish Output Statements relating to the resources allocated to them with target achievements, and Departments will put in place service level agreements which commit agencies to delivering agreed volumes and standards to the public. Agencies will also be compelled to use shared services options, save in the most exceptional circumstances.

Minister Lenihan also indicated that the Government will review the standard governance structures used for agencies to date. He said that there 'is scope in particular for reducing the number of statutorily independent boards of stakeholders in favour of more immediate Ministerial direction with greater recourse to advisory boards.'

When it comes to appointments to state boards, the Minister said that it would be useful for government if an organisation compiled a list of people willing to serve on boards. Government ministers could then use the list where vacancies arise. Furthermore, the Irish public service would benefit greatly from being able to call upon international expertise to contribute to commercial state boards and in areas of challenging policy design, such as that presented by the proposed National Asset Management Agency.

Arising from the reports of the OECD and Task Force, the Minister said that the Department of Finance is charged with leading the development of models of performance and governance frameworks, including the role and function of boards. The results of this work will be considered by the Cabinet Committee on Transforming Public Services.