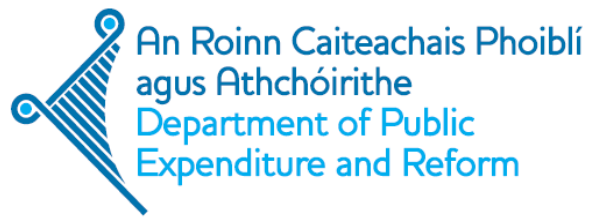




Irish Government Economic & Evaluation Service



Staff Paper 2017

**Estimating the Value of Additional Hours Worked:
Haddington Road & Croke Park Agreements**

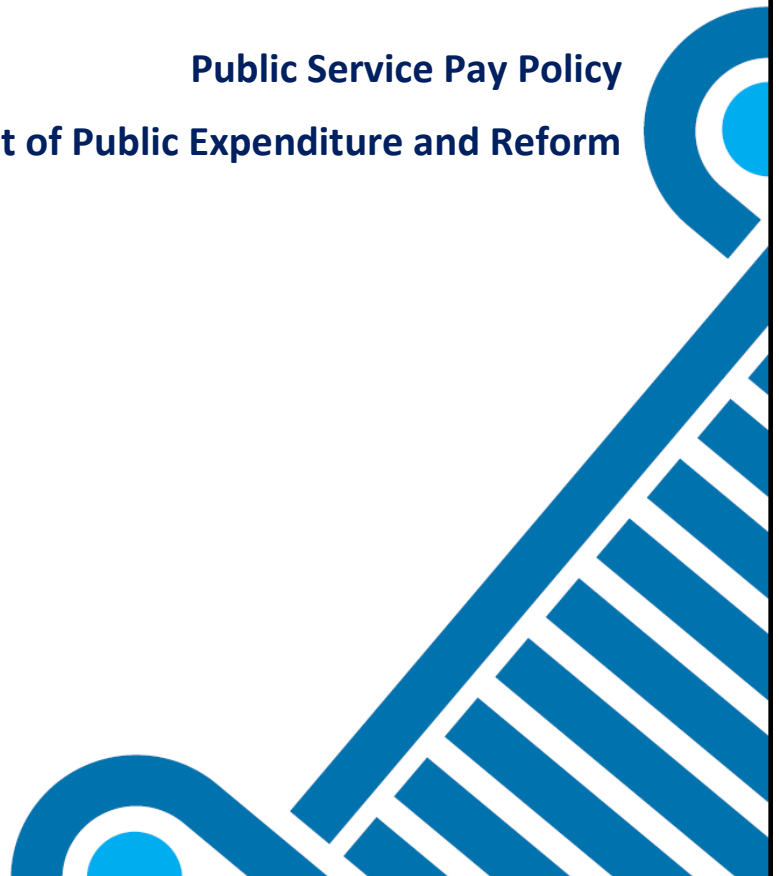
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EXECUTIVE SUMMARY

Under the Croke Park and Haddington Road Agreements public servants agreed to work additional hours as part of a suite of significant structural reforms. These additional hours were implemented on a sectoral basis through the existing procedures around time and attendance. In 2013 it was estimated that the Haddington Road Agreement hours alone would add approx. 15 million hours to public service delivery. In advance of negotiations on a successor to the Lansdowne Road Agreement this paper updates this estimate, values the hours as they are currently worked, and provides indicative cost implications of policy reversal based on a range of replacement rates. Such estimates rely, by necessity, on a certain set of assumptions and these are made explicit throughout the paper. Three core findings¹ are as follows:

FINDING 1: Additional hours worked by public servants under both Agreements in 2016 equates to circa 15 million².

FINDING 2: The value of the additional hours worked at end 2016 is approx. €583 million based on the salaries of those public servants who worked additional hours.

FINDING 3: The replacement cost is higher. If the additional hours were to be fully replaced through recruitment, approx. 11,652 WTE equivalents would be required with a potential cost to the state of c. €621m. Due to a range of factors full replacement is unlikely. These include the sizeable cost, existing Government expenditure priorities, an already tightening labour market and finite resources. For the purposes of illustration, a range of lower replacement rates have been included. At 50% and 75% replacement there would be an additional recruitment requirement of between 5,826 – 8,739 WTE and costs of €311m – €466m.

There are three potentially significant costs that are not included in the above estimates:

1. **Pension Liability.** The additional public service pension liability associated with the recruitment of new staff. For example, Eurostat include an additional 20% imputed pension contribution for the calculation of Compensation of Employees in Government Expenditure³.

¹ Apart from Tusla, these findings exclude public servants in Non-Commercial State Bodies and include additional hours for An Gardaí Síochana under Haddington Road but not worked in 2016 due to their non-acceptance of the Lansdowne Road Agreement. These hours were worked in the period 2013 -2015 and are again being worked for the period 2017-2018.

²Below this headline figure the composition of hours varies between the 2013 and 2016 estimate see Box 1 on page 12 for full reconciliation).

³ [European System of Accounts: ESA 2010](#)

2. **Overtime Divisor.** The overtime cost of reverting to a shorter working week and thus increasing the hourly rate on which overtime payments are calculated.
3. **Agency Staffing.** In the context of existing recruitment plans and a tightening labour market it is unlikely that any large scale replacement of hours in the Health Sector would be met through direct recruitment, at least in the short term. Instead agency staffing would be required to fill immediate gaps with an associated cost premium of approximately 20%.

Importantly, the value of the additional hours and the cost of reversing the additional hours are not the same. Value is based on current working arrangements while replacement costs are calculated on the pre-Agreement working hours.

When considering the potential replacement rate of additional hours, for example a replacement of 50% of the hours worked, it should be noted that while only half of the total costs of the hours are directly realised at this rate, the balance represents a real productivity loss in the public services.

The findings above on quantification, value and cost of the hours are supported by the inclusion of qualitative evidence that shows 1) how the additional hours are used to support service delivery at a sectoral level and 2) what the potential service disruptions from any policy reversal would be.

Returns from individual sectors indicate the hours are being used extensively across public service delivery including to:

- avoid school closures previously necessary for parent teacher meetings, staff meetings, school planning, subject planning and mandatory Continuous Professional Development;
- deploy additional family based interventions and strengthened child protection through Tusla;
- extend opening hours for citizen facing services including Hospital Clinics, Intreo Offices, Public Libraries and customer service help desks;
- reduced processing times (e.g. for social welfare claims);
- increase the availability of out of hours service (Radiography and Medical Scientists);
- maintain a high level of public services delivery in the context of demographic increases in service users (Health and Education) and decreases in public

service staffing numbers (Local Authorities);

- cover leave in the Health Service and continue to deliver patient care. For example at any one time 4% of nurses and midwives are on maternity leave, 2.5 million additional nursing hours help cover this with reduced recourse to agency staff at +20% premium;
- provide additional consultant led medical interventions to reduce waiting lists;
- enhance the Garda response to crime through more frequent patrols and checkpoints;
- introduce new services such Local Enterprise Offices and the Revenue Commissioners 1890 Business Tax help line;
- Improve Revenue audit, compliance and investigation functions.

In short, additional hours are now an integral part of public service delivery in all areas where public services are currently delivered by public servants working the agreed hours.

1. BACKGROUND

In response to the collapse of the state finances in 2010 there was an imperative to reduce the Exchequer deficit and achieve greater value for money in the delivery of public services. Reform of the public service pay bill was a vital component of the stabilisation of the public finances as it accounted for 35% of total expenditure in 2008.

This process of reform started with the Croke Park Agreement, which delivered considerable savings and efficiencies, including a requirement in the Education Sector for an additional hour per week in relation to teachers and staff in Higher Education Institutions.

However, under the terms of the EU-IMF Programme of Financial Support, there was an obligation to reduce expenditure by a further €1 billion over the period 2013-2016 to reach a deficit target of less than 3% by 2015. So that the burden of this adjustment did not fall on salaries under €65,000, and to avoid compulsory redundancies, all parties agreed under the Haddington Road Agreement that:

“Further measures are required to underpin the delivery of a more integrated, efficient and effective public service. Under this Agreement further sustainable reform measures will be implemented in the following areas:

- *Redeployment*
- *Performance management*
- *Flexible working arrangements*
- *Work-sharing arrangements*
- *Workforce restructuring.”*

Additional hours from public servants formed a core part of the modernising agenda and represented an unprecedented structural increase in the productivity of the Public Service. In turn that productivity allowed for the continued delivery of public services, at a time of significant resource constraint – directly contributing to the future sustainability of public service salaries.

Savings from the increase in productivity, have also allowed for the additional recruitment since 2014 and the current process of unwinding the Financial Emergency Measures in the Public Interest (FEMPI) legislation that commenced with the Lansdowne Road Agreement.

This paper combines the additional hours under both the Croke Park and Haddington Road Agreements in the quantification, valuation and costing of the additional hours produced in subsequent sections.

2. ADDITIONAL HOURS UNDER THE HADDINGTON ROAD AGREEMENT

Overall, as part of the Haddington Road Agreement, the following increases to working hours were accepted, with some variation at a sectoral level in light of existing terms and conditions:

- 35 hours or less – increase to minimum 37 hour week.
- Greater than 35 hours but less than 39 hours – increase to 39 hour week.
- Greater than 39 hours remain the same.

By way of illustration, the impact on selected grades or classes of public and civil servants is outlined below:

- Civil Servants – an additional 2.25 hours net per week
- Gardaí – an additional 3 days a year
- Nurses – an additional 1.5 hours per week
- Health and Social Care Professionals – 2 hours per week
- Management / Clerical (Health Sector) – 2 hours per week
- Teachers – 2 to 2.5 hours per week
- Academics – 78 hours per year

At the time it was estimated that these additional hours would result in the following increase in working hours per sector:

- 5.2 million additional hours in the Health Sector;
- 4.4 million additional hours in the Education Sector;
- 3.0 million additional hours in the Civil Service;
- 1.5 million hours in Local Government; and
- 0.5 million additional hours in An Garda Síochána.

In total, therefore, it was estimated that the additional hours would result in approximately 15 million additional hours to be assigned by management to the delivery of public services.

3. IMPLEMENTATION

Additional hours were implemented as agreed through the standard procedures on time and attendance existent in the various sectors. Direct savings accrued in areas where the additional hours reduced the requirement for additional staff, overtime and/or agency spend.

4. PRIVATE SECTOR COMPARISON

Evidence from the CSO, Earnings Hours and Employment Costs Survey Quarterly suggests that the additional hours worked led to an increase in average weekly paid hours in the public service from 2013 – rising from 31.6 hours per week on average in Q4 2012 to 32.7 hours per week in Q4 2017.

Average Weekly Paid Hours

	2008 Q4	2009 Q4	2010 Q4	2011 Q4	2012 Q4	2013 Q4	2014 Q4	2015 Q4	2016 Q4
Private sector	32.7	32.1	31.9	31.7	31.6	31.6	31.8	32.4	32.2
Public sector	32	32.2	31.7	31.6	31.6	32.1	32.2	32.8	32.7
All sectors	32.5	32.1	31.8	31.7	31.6	31.7	31.9	32.5	32.3

Source: CSO EHECS Quarterly Survey

Given that not all public servants had an obligation to work additional hours under the Agreements this finding is in keeping with the increase in hours under the Agreements.

It also shows that hours worked in the public and private sector in Q4 2016 are broadly in line with only marginal difference.

5. METHODOLOGY

The methodology used to quantify, value and cost the additional hours is simple and reflects the available data. For the purposes of quantification, the methodology is consistent with the approach used to quantify the additional hours in 2013.

Step 1. Quantification of the Hours

Existing public service numbers are reported on a monthly basis by grade to the Department of Public Expenditure and Reform (DPER). After verification with the sectors, the additional hourly requirements were applied to the number of weeks worked (excluding annual leave entitlements/periods of closure), by the categories of staff that incurred an obligation under the Agreements.

Step 2. Valuation of the Hours

Total pay expenditure across broad areas is also reported on a monthly basis to DPER. These figures contain pay expenditure across multiple grades or categories of staff and therefore contain significant variation, both in terms of the numbers of additional hours worked and the average pay of particular sub categories. In order to address these twin issues and arrive at a more accurate valuation of the additional hours, pay

expenditure, disaggregated by the category of staff required to work the additional hours, was requested from the sectors. This was converted into annual average and weekly pay figures based on weeks worked and allowing for annual leave. In turn, this was used to construct an average hourly rate which was then applied to the quantification of additional hours in Step 1.

Step 3. Costing of Replacement

The actual cost of replacing the additional hours depends on a number of factors, principally the proportion of additional hours that would be replaced and the pay rate at which they would be replaced at.

To deal with these in reverse order, the additional hours are worked by staff at all levels of experience, with rates of pay that reflect their experience and progression on incremental scales. Consequently, the value of the additional hour performed by a senior member of staff would be higher than that of an additional hour of work performed by a more junior member of staff reflecting the greater experience held by the former.

However, if these hours were replaced it would generally be through recruitment of staff with the minimum level of experience for the grade, i.e. a person entering at the lowest point on scale. There exists, a tension therefore: between the value of the hour worked and its likely replacement cost. This is minimised by costing the replacement at the average salary of the category of staff in question, in keeping with the approach in Step 2. Such an approach has the added benefit of more accurately reflecting the longer term cost of replacement through recruitment. Practically, for the purposes of producing a high level estimate, this is a reasonable approach due to the volume of different grades and pay scales that exist in the public service and the lack of centrally held detailed employee data.

How many of the additional hours would be replaced is a more complex question, encompassing the extent to which the additional hours are used for the direct delivery of public services to citizens, the ability to recruit additional staff in a tight labour market, competing government investment priorities and the fiscal position of the State. For these reasons the paper has produced a range of costs based on various different replacement rates. Cost and WTE estimates have been produced for lower replacement rates for the purposes of illustration.

To derive these estimates, the quantification of the additional hours outlined in Step 1 was converted into Whole Time Equivalent (WTE) based on the pre-Agreement hours worked (it is assumed that recruitment to replace the hours would be on the basis of reduced weekly working hours). The average salary figure for that category of staff (as detailed above) is then applied to the WTE numbers to produce a cost of replacement on a 1 for 1 basis.

This is then varied by application of a 50% and 75% replacement of hours.

Detailed below are a number of costs are excluded from these calculations:

1. **Pension Liability.** The additional public service pension liability associated with the recruitment of new staff. For example, Eurostat include an additional 20% imputed pension contribution for the calculation of Compensation of Employees in Government Expenditure⁴.
2. **Overtime Divisor.** The overtime cost of reverting to a shorter working week and thus increasing the hourly rate on which overtime payments are calculated.
3. **Agency Staffing.** In the context of existing recruitment plans and a tightening labour market it is unlikely that any large scale replacement of hours in the Health Sector would be met through direct recruitment, at least in the short term. Instead agency staffing would be required to fill immediate gaps with an associated cost premium of approximately 20%.

Step 4. Qualitative Assessment of the Importance of the Additional Hours

To support the quantitative investigation of the value of the additional hours and the potential cost of their replacement, each of the main sectors of public service employment⁵ were asked to supply examples of how the additional hours are currently utilised and the potential impact if these hours were lost.

⁴ [European System of Accounts: ESA 2010](#)

⁵ Health, Education, Justice and Local Authority sectors, Tusla, Social Protection and the Revenue Commissioners,

6. OVERALL RESULTS

Applying the above methodology across the main areas of the public service provides the following aggregated results:

FINDING 1: Additional hours worked by public servants under both Agreements in 2016 equates to circa 15 million.

Underneath this headline figure the composition of additional hours worked has changed for a number of different reasons.

- Croke Park hours worked by teachers are included and Haddington Road hours are excluded. The latter were temporary in nature to cover supervision and substitution payments and are being incorporated into revised pay scales under the terms of the HRA:

“A gross additional payment equivalent to the 2011 lower payment rate paid for supervision and substitution will be included in the common basic scale for teachers. This will be included in two moieties with half included in the school year 2016/17 and the second half included in the school year 2017/18.”⁶

The net effect is a loss of approx. 550,896 hours from the 2013 estimate.

- Better data is now available following implementation of the broad provisions of the agreement on additional hours to particular grades within the public service.
- Additional recruitment in the period since the Agreement has added nearly a million additional hours to the total.
- The Labour Court ruling of November 2016 reduced the additional working requirement for members of An Garda Síochána.

A full reconciliation of the estimates can be found in Box 1 below.

⁶ Haddington Road Agreement

Box 1: Reconciliation of 2013 and 2016 Estimates

The difference in the ex-ante estimate of 14.6 million additional hours produced in 2013 and the current ex-post assessment of 14.7 million is due to:

- Additional recruitment = approx. 850,254 hours
- More comprehensive data (increased coverage on grades not assumed to be effected) = approx. 941,606 hours
- More comprehensive data (decreased coverage on grades assumed to be effected) = approx. -787,547 hours
- Inclusion of Croke Park hour for Teachers = approx. 2,316,756 hours
- Exclusion of Supervision and Substitution hours for Teachers = approx. - 2,867,651 hours⁷.
- Implementation in an Garda Siochana reduced following Labour Court Ruling = approx. -328,100 hours

FINDING 2: The value of the additional hours worked at end 2016 is approx. €583 million based on the salaries of those public servants who worked additional hours.

FINDING 3: The replacement cost is higher. If the additional hours were to be fully replaced through recruitment, approx. 11,652 WTE equivalents would be required with a potential cost to the state of c. €621m. As full replacement is unlikely – due to the sizeable cost, existing Government expenditure priorities, already tightening labour market and finite resources – a range of lower replacement rates have been included. At 50% and 75% replacement there would be an additional recruitment requirement of between 5,826 – 8,739 WTE and costs of €311m – €466m.

⁷ An estimated €20m in ongoing savings after the exclusion of these hours has not been included in the overall valuation or replacement costing.

Box 2: Assumptions and Coverage:

The following are the main assumptions the authors applied in the quantification of the potential costs to the state.

- In calculating the replacement costs, the average salary of the type of employee was used for new hires on Pre-Agreement hours to reflect the longer term cost of a WTE and the implicit assumption of reversal in working hours.
- Only staff obligated to work additional hours under the two agreements were considered in this study.
- Annual leave entitlements/periods of closure were excluded for the purposes of establishing an hourly rate.
- Calculation exclude public servants in Non-Commercial State Bodies apart from Tusla and include additional hours for An Gardaí Síochana under Haddington Road but not worked in 2016 due to their non-acceptance of the Lansdowne Road Agreement. These hours were worked in the period 2013 -2015 and are again being worked for the period 2017-2018.

Importantly, the value of the additional hours and the cost of reversing the additional hours are not the same. Value is based on current working arrangements while replacement costs are calculated on the pre-Agreement working hours.

When considering the potential replacement rate of additional hours, for example a replacement of 50% of the hours worked, it should be noted that while only half of the total costs of the hours are directly realised at this rate, the balance represents a real productivity loss in the public services.

The findings above on quantification, value and cost of the hours are supported by the inclusion of qualitative evidence detailed in the sectoral sections that shows 1) how the additional hours were used to support service delivery and 2) what the potential service disruptions from policy reversal would be.

Returns from individual sectors indicate the hours are being used extensively across public service delivery including to:

- avoid school closures previously necessary for parent teacher meetings, staff meetings, school planning, subject planning and mandatory Continuous Professional Development;

- deploy additional family based interventions and strengthened child protection through Tusla;
- extend opening hours for citizen facing services including Hospital Clinics, Intreo Offices, Public Libraries, customer service help desks and telephone lines;
- provide enhanced customer service levels in front-facing public service delivery and reduce processing times (e.g. for social welfare claims);
- increase the availability of out of hours service (Radiography and Medical Scientists);
- maintain a high level of public services delivery in the context of demographic increases in service users (Health and Education) and decreases in public service staffing numbers (Local Authorities);
- cover leave in the Health Service and continue to deliver patient care. For example at any one time 4% of nurses and midwives are on maternity leave, 2.5 million additional nursing hours help cover this with reduced recourse to agency staff at +20% premium;
- provide additional consultant led medical interventions to reduce waiting lists;
- enhance the Garda response to crime through more frequent patrols and checkpoints;
- introduce new services such Local Enterprise Offices;
- improve Revenue audit, compliance and investigation functions;

In short, additional hours are an integral part of public service delivery in all areas where public services are currently delivered by public servants working the agreed hours. More detailed information on the types of activity supported by additional hours is included in each of the sectoral sections below.

Overall Summary of Results

Sector	Total Additional Hours	Total Value of Additional Hours (Annual)	100% WTE Replacement Cost	75% WTE Replacement Cost	50% WTE Replacement Cost
Health	5,826,453	€212,047,795	€224,053,337	€168,040,002	€112,026,668
Tusla	325,983	€10,840,207	€11,442,425	€8,581,818	€5,721,212
Education	4,014,280	€241,489,682	€259,978,580	€194,983,935	€129,989,290
Justice*	190,140	€6,807,341	€6,856,354	€5,142,265	€3,428,177
Local Authorities	911,225	€15,384,981	€16,264,123	€12,198,092	€8,132,061
Civil Service	3,451,146	€96,406,649	€102,560,264	€76,920,198	€51,280,132
Total	14,719,227	€582,976,654	€621,155,082	€465,866,311	€310,577,541

- An estimated 14.7 million additional hours worked at year end 2016 with an estimated value of €582m. Reflecting their relative shares of the public service, frontline areas of Health and Education comprise 67% of the total additional hours.
- Applying staff numbers at December 2016, there is an estimated potential cost to the State ranging from circa €621m - €311m depending on the degree to which these hours are replaced.

7. EDUCATION SECTOR

Grade	Total Additional Hours	Total Value of Additional Hours (Annual)	100% WTE Replacement Cost	75% WTE Replacement Cost	50% WTE Replacement Cost
Primary - Teacher	1,310,280	€79,941,470	€83,055,668	€62,291,751	€41,527,834
Primary - Non-teaching staff	19,910	€573,243	€606,000	€454,500	€303,000
Second level- Teachers	1,006,476	€74,232,826	€77,607,045	€58,205,284	€38,803,523
Second level - Non-teaching staff	198,797	€4,825,622	€5,101,371	€3,826,029	€2,550,686
Tertiary lot Lecturer	348,840	€66,688,851	€80,151,663	€60,113,747	€40,075,832
University Lecturer	386,980				
Third Level Admin/Clerical/Maintenance	742,998	€15,227,670	€13,456,831	€10,092,623	€6,728,416
Total	4,014,280	€241,489,682	€259,978,580	€194,983,935	€129,989,290

- An estimated 4 million additional hours worked at year end 2016 in the Education sector with an estimated value of €241m. Within this estimate, additional hours by teachers and lectures contributed approximately an additional 3 million hours.
- Applying staff numbers at December 2016, there is an estimated potential cost to the State ranging from circa €260m - €130m depending on the degree to which these hours are replaced.
- Qualitative evidence below indicates how the additional hours are used to support public service delivery in the Education Sector.

Education Sector: Qualitative Evidence

Teachers

Under the Croke Park Agreement, teachers agreed to work an additional hour per week of non-class contact activities. These hours continue under the Haddington Road and Lansdowne Road Agreements. The Croke Park hours are 33 additional hours a year at post primary (36 hours at primary) worked by teachers. These hours are used within the school system to facilitate certain essential activities involving the entire teaching staff or groups of teachers to take place. Examples include staff meetings, parent-teacher meetings, school planning, subject planning and mandated Continuous Professional Development. Utilisation of the additional hours for these purposes has practically eliminated school closures which were previously necessary for these activities.

Should teachers cease working these hours, schools would be forced to again close for these activities, resulting in interruption to tuition time for students and significant inconvenience for parents. An alternative to closure would be to cease these activities, although this is not considered feasible due to the consequential impacts on student performance.

Under the Haddington Road Agreement, teachers are required to work an additional 43 hours per annum of Supervision and Substitution (S&) duties for no payment. An allowance was previously payable to teachers who carried out these duties.

However this requirement was, in effect, temporary as the agreement committed that “A gross additional payment equivalent to the 2011 lower payment rate paid for supervision and substitution will be included in the common basic scale for teachers. This will be included in two moieties with half included in the school year 2016/17 and the second half included in the school year 2017/18.”

Nevertheless, while in place from 2013-2017 the Department of Education and Skills estimate that the additional hour’s requirement resulted in estimated savings to the Exchequer of approximately €356 million. While the S&S allowance will be incorporated back into the teacher pay scale in 2017, which in effect is a “buy-back” of these hours, the ongoing long-term saving from this measure is approximately €20 million per annum.

If teachers ceased working these hours, external staff would have to be recruited at significant cost. Recruitment and management of such staff would also place an increased administrative burden on employers. The alternative would be to re-instate the previous regime under which teachers undertook S&S duties voluntarily and were paid a separate allowance. The ongoing long-term saving of approximately €20 million per annum outlined above would be foregone in that circumstance.

Special Needs Assistants (SNAs)

SNAs, almost uniquely among public servants, have not had an additional working hours requirement under the various Public Service agreements. There was no requirement from a system perspective to have them work additional hours.

Under the terms of the Croke Park Agreement, discussions took place that led to agreement on changed attendance arrangements for SNAs. SNAs always had a liability to be available for a number of days at the start and finish of each school term not exceeding 12 in total. Under the Croke Park Agreement it was agreed to introduce greater flexibility to the use of these 12 days. These 12 days now equate to 72 hours (pro-rata for part-time SNAs) to be used by schools as an additional bank of hours to be utilised and delivered outside of normal school opening hours and/or the normal school year. The 72 hours can be used in shorter blocks at the discretion of school management.

This has delivered a significant systemic benefit and the Department's Inspectorate has incorporated into its whole school evaluation and inspection programme a verification of the utilisation of the 72 hours in schools.

Reversion to the pre-Croke Park Agreement position would mean reversion to the requirement for an SNA to be available for a number of days at the start and finish of each school term not exceeding 12 in total giving rise to a loss of flexibility on the use of the hours.

Third Level Lecturers

Under the Croke Park Agreement, lecturers agreed to work an additional hour per week to facilitate all educational activities. Institutes of Technology (IoT) use this to provide additional structured timetabled periods of availability of lecturers to students.

In addition, arising from the Croke Park Agreement, IoT lecturers are required to work 2 additional flex hours during the lecturing term, where required by management. One of these hours was re-designated to non-lecturing uses in 2016 at a cost of €10 million per annum.

Under the Haddington Road Agreement, IoT lecturers are required to work an additional 78 hours and this is accounted for by the elimination of time off for church holidays and by reducing extra weighting for evening lecturing.

Lecturers in universities and other colleges are also required to work an additional 78 hours per annum under the Haddington Road Agreement. These additional hours and the additional hours arising from the Croke Park Agreement are deployed using Workload Allocation Models to maximise savings and productivity in individual institutions.

Additional hours for third-level lecturers facilitate institutions to cope with increasing student numbers at a time of decreasing staff numbers.

If these hours ceased, institutions would have to limit intake to courses.

Non-academic staff

Other staff (administrative, management, support, research and others) are required to work additional time. Employers in the sector are using this additional time to manage workloads and backlogs, maintain service delivery and reduce reliance on overtime in a context in which

they have had increasing volumes of business and falling staff numbers. If these hours were ceased, overtime budgets would have to be increased by approximately €7 million per annum and/or additional staff would have to be recruited at a cost of approximately €9 million per annum in order to continue the work currently covered by the hours. Alternatively, service enhancements would not be possible and productivity would decrease.

8. HEALTH SECTOR

Grade	Total Additional Hours	Total Value of Additional Hours (Annual)	100% WTE Replacement Cost	75% WTE Replacement Cost	50% WTE Replacement Cost
Management / Administration	1,674,584	€47,820,945	€50,777,149	€38,082,861	€25,388,574
Medical / Dental	327,496	€31,687,497	€33,400,335	€25,050,251	€16,700,168
Nursing	2,526,377	€85,469,199	€88,887,967	€66,665,975	€44,443,984
Health & Social Care Professionals	1,228,576	€45,079,045	€48,942,964	€36,707,223	€24,471,482
Other Patient & Client Care	69,419	€1,991,108	€2,044,922	€1,533,692	€1,022,461
Total	5,826,453	€212,047,795	€224,053,337	€168,040,002	€112,026,668

- An estimated 5.8 million additional hours worked at year end 2016 in the Health service with an estimated value of €212m. Within this there was over 4 million additional hours delivered in front line areas by nurses, doctors and other health and social care professionals.
- Applying staff numbers at December 2016 there is an estimated potential cost to the State ranging from circa €224m - €112m depending on the degree to which these hours are replaced. These costs do not include any premium for hours replaced through agency staffing, this would add approximately 20% to the replacement cost.
- Qualitative evidence below indicates how the additional hours are used to support public service delivery in the Health Sector.

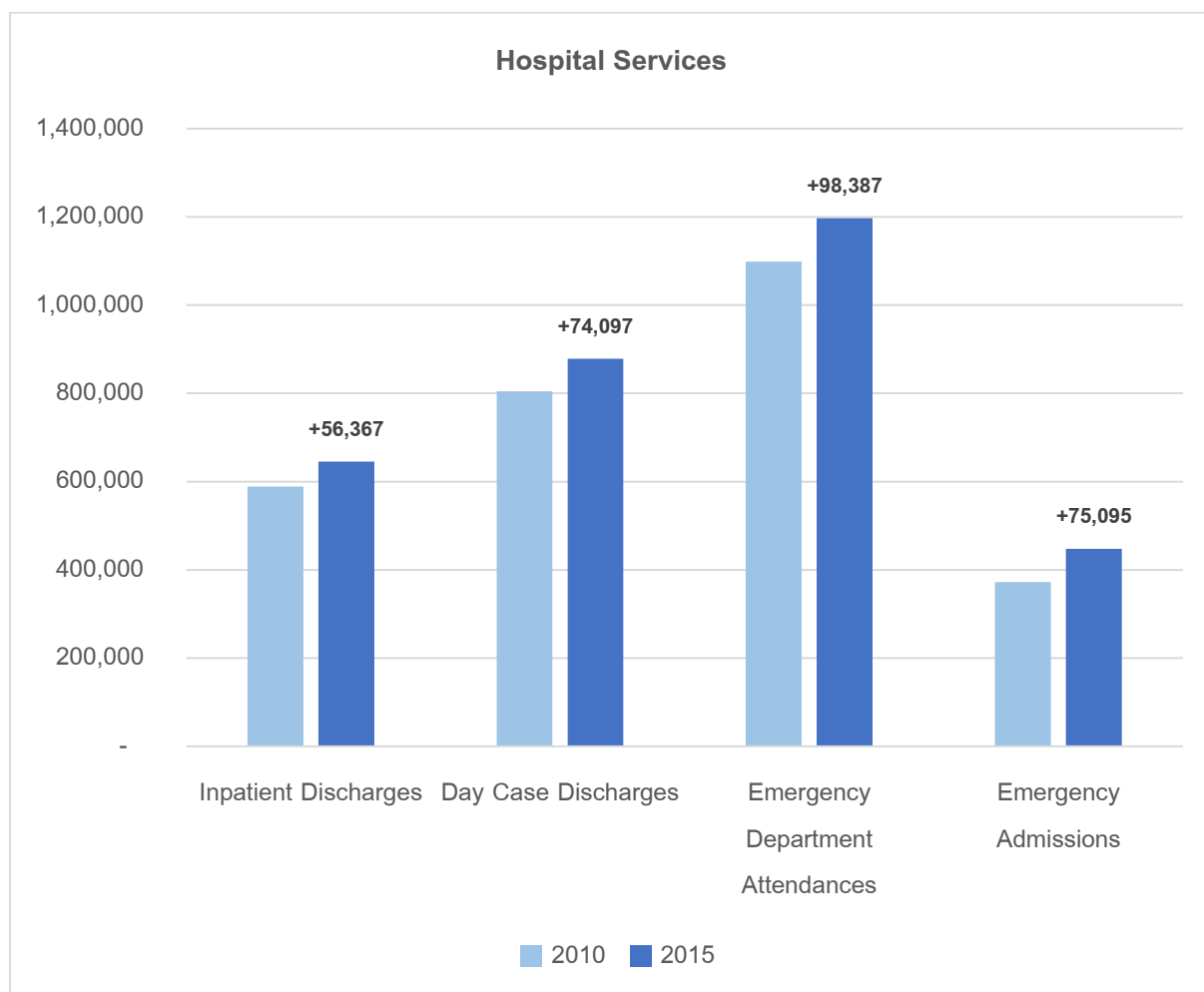
Health Service: Qualitative Evidence

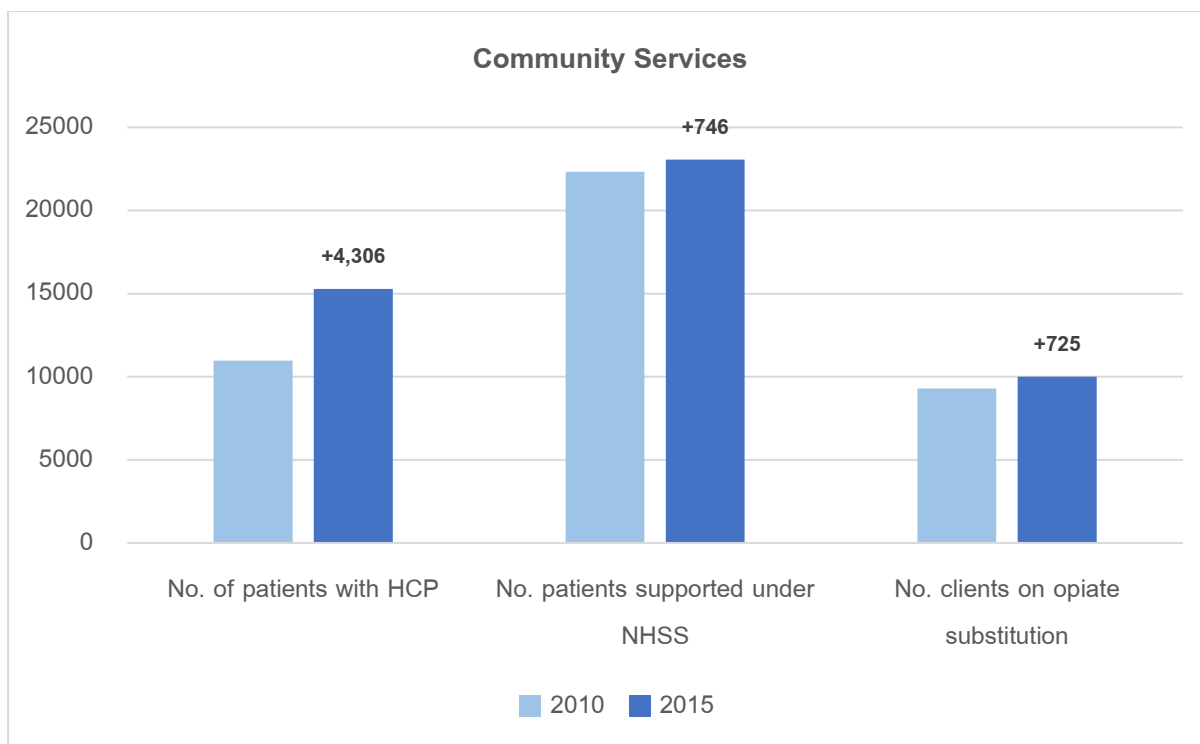
The additional hours available in the health services, under the provisions of the HRA, have had a direct impact on the maintenance and, in many instances, broadening of the level of services provided over the lifetime of the agreement. This level of service has been provided at a time when resources to the HSE have been constrained.

Recent years have seen significant additional demands on the health services through:

- an increasing population (4.635m, up 9% since 2006);
- an ageing population (those aged 65 years and over are up 20,000 per annum with an expected increase in age related chronic illness of 40% by 2020),
- a high birth rate (second highest in the EU)

These trends are evident in the year on year increases in attendance at emergency departments and requiring of other services. For example, between 2010 and 2015 there was an additional 98,387 attendances at EDs, an increase of 8.9% or 276 additional attendances for each day of the year.





The HSE has a large number of female staff, comprising 80% of the overall staff population. This figure is more pronounced amongst front line staff, such as nurses and midwives. At any time, an average of 4%, or 1,000 nurses and midwives are on maternity leave. The additional hours available have been widely used to fill gaps arising from such instances.

Additionally, the hours have been used to provide cover for sick leave absences, an average in the region of 4.5%, amongst front line staff, and to provide Time Off In Lieu (TOIL) to staff who work beyond contracted hours to maintain services in many circumstances.

In respect of the additional hours which have become available within the Allied Health Professionals grouping, the additional hours have significantly supported the introduction of 8-8 working, as per Labour Court agreement of 2010 and 2011, for Medical Scientist and Radiography grades respectively. These enhanced services have arisen at a time when there was no increase, and in many cases, a reduction in numbers of staff in these groupings. The availability of the additional hours in these areas have also assisted in reducing the hours that need to be covered through costly, out of hours arrangements.

The extra hours are also beneficial in allowing for in service training and other staff development measures. These uses of the additional hours are in addition to the other uses that have been set out such as;

- Extended Day (early starts, late finish, lunch hour opening, etc.) 8am to 8pm working day
- Extended clinic opening hours,
- Increased number of interventions,
- Additional training
- Expansion of new services,

- Increase in number of clients being seen and lengthening of intervention/appointments.

Effect on Health Service if hours of attendance were to return to pre HRA levels.

The loss of the additional hours available since 2013 would result in serious additional costs, and/or reduction in delivery of services. An example of this is that if nursing hours were to return to 37.5 hours per week, the maintenance of the same number of hours in nursing would require the taking on of an additional 1,433 nurses at an average cost of €60k per year. This would potentially cost an additional €88 million alone.

Furthermore, given current difficulties in recruiting and retaining some specialist categories of nurses and midwives, the loss of these hours at this time would have a severely negative impact on the provision of services, inevitably leading to curtailment and reduction of services, longer waiting lists, reduced clinic times etc.

The loss of hours in the Allied Health Professionals sector would have an adverse effect on the continuance of the roll out of the extended day in these areas. Other projects such as early/late opening of clinics would also be curtailed as would the move to lunch time opening.

Any reversal to hours previously worked by Hospital Consultants will lead to less patients being treated, curtailment of times and numbers of clinics, reduction in amount of elective surgery and other procedures.

In overall terms, it is the view of the HSE that any return to the working hours being undertaken prior to 2013 will have a severely negative impact on the provisions of services, together with being majorly costly at this time of constraint on public funding.

9. CIVIL SERVICE

	Total Additional Hours	Total Value of Additional Hours (Annual)	100% WTE Replacement Cost	75% WTE Replacement Cost	50% WTE Replacement Cost
All Grades (excluding Prison Service)	3,451,146	€96,406,649	€102,560,264	€76,920,198	€51,280,132

- Estimates of the total additional hours worked at year end 2016 for the Civil Service amount to an estimated 3.5m hours, with an estimated Total Value of approx. €96m.
- Applying staff numbers at December 2016 there is an estimated potential cost to the State ranging from circa €103m - €51m depending on the degree to which these hours are replaced
- Qualitative evidence below indicates how the additional hours are used to support public service delivery in two citizen facing areas of the civil service, the Office of the Revenue Commissioners and the Department of Social Protection.

Civil Service: Qualitative Evidence

Office of the Revenue Commissioners

In respect of the Office of the Revenue Commissioners the additional hours worked under the HRA have translated into average equivalent of 317.5 FTE staff per annum (equivalent to salary cost of €14m approximately) and an additional 9.1 TCOs per annum (calculations are based on grades up to and including HEO). The overtime savings realised a saving of €1.1m per annum.

The additional hours facilitated a significant number of projects to be undertaken in each of the regions. Some examples include:

- In each region, the additional hours enabled the introduction of new and enhanced training programmes and initiatives including new mentoring and coaching programmes in (practical compliance and customer service training; accredited training courses for CO and EO entrants a project which was the award winner in the Civil Service Excellence and Innovation Award in 2016 in the Excellence in Skills Development category).
- Advisory visits and Outreach events enabled by the additional hours which assisted Revenue in promoting and marketing Revenue Services including our online services (112 events in one region alone in 2016).
- In general, the additional hours enabled Revenue to dedicate staffing resources to specified audit projects and compliance programmes.
- They also facilitated the introduction of a new Business Taxes 1890 service.
- The establishment and allocation of staff to newly established Districts within Regions with responsibility for service, refunds and anti-avoidance functions for the larger cases within regions (what we call 'Second Tier' cases) was advanced by additional hours savings realised under HRA .

The impact of losing the equivalent of 317 full time equivalents, even in an organisation of 6,000, is very significant and would lead to a negative impact in service delivery, audit, compliance and investigation functions, among others.

The impact of the loss of 317 FTE may best be illustrated by contrasting this number with the additional resources granted to Revenue in the last three budgets. In the last three Budgets the Minister for Finance granted additional resources to Revenue for specific purposes as follows:

- In the 2015 Budget: 126 additional FTE (56 for Compliance; 50 for Local Property Tax and 20 for International Tax).
- In the 2016 Budget: 50 additional for Compliance work.
- In the 2017 Budget: 90 additions (50 for Audit and Compliance and 40 for Brexit).

The loss of 317 FTE would effectively eliminate the 266 additional resources granted to Revenue for these specific purposes over the last three years plus an additional 51 Full Time Equivalents. The additional hours also provided annual savings in overtime of €1m in each year which would constitute an additional loss.

Department of Social Protection

Over recent years, the Department's service delivery model has evolved significantly. The Department has changed its engagement with working age customers to support increased employment (the Intreo model), while maintaining income supports. In addition, shifting demographics and the ageing population are leading to increased claims for payments in central scheme areas such as state pension and carers. For example, the State Pension (Contributory and non-Contributory) has increased by 228,102 or 96% between 2006 and 2016.

Combined with an increase in the seasonally adjusted Live Register of 291,500 or 185% between January 2007 and September 2010, the Department of Social Protection had to respond to an unprecedented increase in claim numbers, while also reconfiguring employment supports to assist jobseekers re-entry to the labour market. The Haddington Road Agreement hours directly enabled the Department to deliver on both fronts.

Specifically, the additional hours under Haddington Road allowed for extended opening hours and the conduct of business over lunchtime and later into the day. They also helped to maintain minimum cover levels in individual offices and facilitate different working patterns without incurring a requirement to pay allowances or premium pay.

Given that the working hours are used to deliver core business, any reduction in the hours would result in a reduction in productivity and could lead to longer claim processing times or other negative impacts on customer service.

10. LOCAL GOVERNMENT SECTOR

Grade	Total Additional Hours	Total Value of Additional Hours (Annual)	100% WTE Replacement Cost	75% WTE Replacement Cost	50% WTE Replacement Cost
Managerial, Clerical /Admin	911,225	€15,384,981	€16,264,123	€12,198,092	€8,132,061

- Estimates of the total additional hours worked at year end 2016 for the Local Government sector amount to an estimated 911,225 hours, with an estimated Total Value of approx. €15m.
- Applying staff numbers at December 2016 there is an estimated potential cost to the State ranging from circa €16m - €8m depending on the degree to which these hours are replaced
- Qualitative evidence below indicates how the additional hours are used to support public service delivery in Local Government

Local Authority Sector: Qualitative Evidence

The Local Government sector has experienced a significant reduction in staffing levels. In December 2008 the total head count in the Local Government sector was 37,801 whole time equivalents (WTE). By December, 2015 the head count in Local Government reduced to 28,882 WTE, a reduction of 8,919 or 23.6% of WTE. As a result, salary costs in the sector reduced by 27.3% or by almost €483 million over that period. (National Oversight and Audit Commission Report, April 2017). The additional hours provided for under the Public Services Stability Agreement(s) have yielded some 911,000. This equates to a whole-time equivalent of approximately 554.

The ability for the sector to continue to operate with full service and enhanced opening hours of front-line services to the public on foot of the additional hours is not to be underestimated in the context of having lost approximately one quarter of its staff. In addition, the sector has undergone major structural and organisational reform resulting in revenue, capital and salary savings.

The review of allowances undertaken in 2012 resulted in the abolition of many ad-hoc allowances. Acting up allowances were restricted to critical positions and the process of back-filling positions of those acting up ceased almost completely. The additional hours allowed for services to continue without the cost of premium pay (allowances and overtime). There was no loss to service on foot of the increased hours which is a critical factor for a sector involved in direct service provision. An overview of the most significant programmes attributable (in some cases non-exclusively) to the additional hours is provided below.

1. Structural Reform

a. Local Government Reform Act 2014

The Act provided for the abolition of Town Councils and the establishment of the municipal districts in the City and County Council areas. The number of local authorities reduced from 114 to 31. As a result, all Town Council functions were transferred to the relevant City, County or City and County Council. In addition, six local authorities were merged into three: Waterford City and County Councils, Limerick City and County Councils and North Tipperary and South Tipperary County Councils. As a result, there was a reduction in the number of elected representatives and a more consolidated use of local government staff. The resources required to achieve the change management programme of aligning the Town and Borough Council structures with the County structures could not have been achieved without the availability of additional hours. The reform programme has resulted in a change in focus and culture around the provision of its services.

b. Shared Service Models

The progress made by the local government sector in rolling out shared services models has been significant and have relied to a large extent on the reassignment of staff to particular project areas which would not have been possible without the availability of additional hours. Of particular note is the flagship shared service, MyPay, which administers all payroll and

superannuation functions for the sector. Other shared services have been established in the areas of Road Management, Building Control, Waste Enforcement, and the Water Framework Directive. In addition, the sector pursued a number of collaborative projects where best practice was shared to deliver efficiencies. These collaborative projects include Internal Audit and Debt Management. A suite of ICT Enablers was also developed, such as the Local Government Portal, BCMS and FixYourStreet.ie. The Local Government Sector is playing a meaningful role in the reform of public service procurement. The sector has established the Local Government Strategic and Operational Procurement Centres, and is overseeing the procurement of Minor Works and Plant Hire for the entire Public Service.

2. Economic Development and Job Creation

a. Local Enterprise Offices

The dissolution of the County and City Enterprise Boards and the establishment of the Local Enterprise Offices within the county structures strengthens the role that the sector plays in economic and enterprise development. The strengthening of liaisons with the business sector and job-creation sector has resulted in a change in focus and culture around the provision of its services in this area. In order to sustain its commitments to measurable targets and requirements under service level agreements with Enterprise Ireland, the retention of the additional hours is critical to local government. The additional hours have also made it possible to roll out a programme of graduate recruitment across the sector together with the training and development initiatives required to provide meaningful integration of new skillsets into the sector.

b. Gateway

Cooperation with the Gateway programme of job-activation was made possible by the deployment of resources, including through the additional hours, for supervisory purposes. The programme was highly successful with many participants having secured permanent employment within the sector and elsewhere on foot of the work experience provided within local authorities. In tandem with this was the enabling of local authorities to undertake added-value projects with the use of Gateway staff.

3. Other Reforms

Significant restructuring is also underway across service areas such as the water sector, the library service and the fire service. Such initiatives which include operation under service level agreements, stringent budgets and increased public opening hours would be detrimentally affected by the loss of additional hours.

In addition to the major structural reforms outlined above, local authorities were in a position to be capable of reassigning resources to important service areas, to restructure traditional service areas such as Roads and Water Services, to extend opening hours, phone services, customer care desks, libraries etc. and to provide staffing for new initiatives in shared services across the sector. The sector also undertook a workforce planning exercise which primarily

reduced the numbers at senior management level (Directors of Service and Senior Executive Officer grades). These grades reduced by approximately 20% across the sector. The additional hours provided the capability of continued and enhanced service provision, particularly in respect of services to elected members, the business sector and community groups.

11. JUSTICE SECTOR

Grade	Total Additional Hours	Total Value of Additional Hours (Annual)	100% WTE Replacement Cost	75% WTE Replacement Cost	50% WTE Replacement Cost
Garda, Sergeant & Inspector	190,140	€6,807,341	€6,856,354	€5,142,265	€3,428,177

Source: Department Data returns and DPER calculations

- Certain ranks within an Garda Síochána were obliged to work, what would have amounted to 190,000 additional hours valued at an estimated c. €6.8m, had they come within the Lansdowne Road Agreement.
- Had these hours been worked in full, which they are expected to in 2017 – 2018, the potential cost to the state to replace these hours with WTE would be approximately €6.8m.
- Qualitative evidence below indicates how the additional hours are used to support public service delivery in the Justice sector.

Justice: Qualitative Evidence

There was a substantial decrease in costs associated with the policing and investigation of serious criminal offences due to the fact that local Garda Management were in a position to utilise the hours under the Haddington Road Agreement.

The hours facilitated the scheduling of high visibility crime and traffic checkpoints and public order Patrols at weekends - this enhanced operational effectiveness and had financial benefits as normally overtime would be utilised to facilitate same.

Members utilised Haddington Road hours when prior to the scheduled commencement of their tours of duty to facilitate operational needs and by attending incidents close to the end of their normal shift, such as attending at the scene of traffic collisions, dealing with public order prisoners, attending at Hospitals for body identification in relation to sudden deaths resulting in savings on overtime.

Additional patrols/checkpoints were deployed in the border area using the Haddington Road hours. HRA hours were also utilised to provide additional crime prevention patrols to increase visibility and counteract criminal activity. Augmenting units on night duty (after 3am) allowing for effective public order policing by extending members on late tours.

Local Garda Management utilised HRA hours in relation to District & Circuit Court attendance by members with their consent. CPD Classes, Public Order Refresher Training, and attendance at various courses in the Garda College were attended by members on HRA. A number of operations including Special Investigations, Warrant Execution, Junior Cert Patrols, and policing the Referendum resulted in major savings. Ten hours tour of Duty were utilised to facilitate the policing of local festivals.

With regard to civilian personnel the additional weekly hours assisted in the clearing of backlog of existing workloads and for the undertaking of additional administrative tasks, for example, maintenance of Alarms on CAD, maintaining Divisional Procurement Contracts.

12. TUSLA

Grade	Total Additional Hours	Total Value of Additional Hours (Annual)	100% WTE Replacement Cost	75% WTE Replacement Cost	50% WTE Replacement Cost
Management VIII+	10,744	€556,688	€590,608	€442,956	€295,304
Admin Grade III-VII	51,681	€1,340,275	€1,421,941	€1,066,456	€710,970
Social Work	137,021	€4,833,247	€5,109,432	€3,832,074	€2,554,716
Social Care	105,221	€3,465,678	€3,653,012	€2,739,759	€1,826,506
Psychology & Counselling	2,184	€92,842	€98,147	€73,610	€49,073
Nursing	3,567	€121,252	€126,102	€94,577	€63,051
Other Health Professionals	923	€34,296	€36,256	€27,192	€18,128
Family Support	7,643	€195,274	€200,698	€150,524	€100,349
Other Support Staff incl. catering	2,948	€72,353	€74,363	€55,772	€37,182
Education & Welfare Officer	4,052	€128,301	€131,865	€98,899	€65,933
Total	325,983	€10,840,207	€11,442,425	€8,581,818	€5,721,212

- Estimates of the total additional hours worked at year end 2016 for Tusla amount to an estimated 325,983 hours, with an estimated Total Value of approx. €11m.
- Applying staff numbers at December 2016 there is an estimated potential cost to the State ranging from circa €11m - €6m depending on the degree to which these hours are replaced
- Qualitative evidence below indicates how the additional hours are used to support public service delivery in Tusla

Tusla: Qualitative Evidence

The additional hours achieved by Tusla under the HRA are used in:

- supporting and promoting the development, welfare and protection of children, and the effective functioning of families
- offering care and protection for children in circumstances where their parents have not been able to, or are unlikely to, provide the care that a child needs. In order to discharge these responsibilities, the Agency is required to maintain and develop the services needed in order to deliver these supports to children and families, and provide certain services for the psychological welfare of children and their families
- taking responsibility for ensuring that every child in the State attends school or otherwise receives an education, and for providing education welfare services to support and monitor children's attendance, participation and retention in education
- ensuring that the best interests of the child guides all decisions affecting individual children
- consulting children and families so that they help to shape the agency's policies and services
- strengthening inter-agency co-operation to ensure seamless services responsive to needs
- undertaking research relating to its functions, and providing information and advice to the Minister regarding those functions; and
- commissioning services relating to the provision of child and family services.

Similarly, the additional hours will underpin the provision of:

- Child protection and welfare services
- Educational Welfare Services
- Psychological Services
- Alternative care
- Family and Locally based Community Supports
- Early Years Services
- Domestic, Sexual and Gender based Violence Services.

13. CONCLUSION

This paper has estimated that public servants are working an additional 15 million hours under the terms of the Croke Park and Haddington Road Agreement. Based on the salaries paid to public servants these hours are valued at approximately €583m. However if these hours were to be replaced the cost would be higher as recruitment would be on the basis of the pre-Agreement weekly working requirements. Depending on the assumed replacement rate, numbers of whole time equivalent and associated costs are estimated in the region of 5,826 to 11,652 WTE and €311m to €621m. To give an idea of the scale involved, Budget 2017 allocated expenditure for recruitment of approx. 6,000 WTEs.

Qualitative evidence from across the public service indicates that the additional hours are integrated into public service delivery, from extended opening hours for hospital clinics and public libraries to the roll out of the new Local Enterprise Offices and more frequent Garda patrols. These services provide real benefits to citizens and represent a significant structural increase in the productivity of the public services.

For these reasons, the position of the Department of Public Expenditure and Reform is that the additional hours under the Croke Park and Haddington Road Agreement should be retained in full.