



REVIEW BODY
ON
HIGHER REMUNERATION
IN THE
PUBLIC SECTOR

Report No. 42

to

The Minister for Finance

on

The Levels of Remuneration Appropriate to
Higher Posts in the Public Sector

14 September 2007

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Executive Summary

A REVIEW OF THE REMUNERATION OF KEY PUBLIC SERVICE POSTS HAVING REGARD TO THE PRIVATE SECTOR

The Review Body recommends:

- movement to the full lower quartile of private sector salaries as a general principle;
- pay increases ranging from zero to 36.2% in one case;
- a discount of 15% of salary to allow for the superior value of the pensions applicable to the groups examined relative to private sector pensions; and
- the extension of performance-related awards to the most senior posts in the civil service, Garda Síochána and Defence Forces as previously recommended in 2000.

The overall increase in salary costs arising from these recommendations is 7.3%.

Objective of the Review Body

Our prime objective has been to recommend remuneration rates for top public service posts which will enable the State to recruit, retain and motivate high-calibre people and reward them appropriately.

General Position

This is the seventh general review of higher remuneration in the public sector and is the first general review of the groups covered by our terms of reference in seven years. However, an interim increase of 7.5% was recommended in our Report No. 40 in June 2005 and this was implemented. Some groups in the Health Service Executive received a further increase of 4% following a recommendation in our Report No. 41 in December 2005.

The Review Body carried out an extensive examination of public service posts with the assistance of the Hay Group Consultants. The number of posts specifically examined by the consultants was the largest number ever examined on behalf of the Review Body.

The Review Body also commissioned a detailed examination of the value of public service pensions for the grades covered by our remit by reference to pensions arrangements in the private sector. The consultants who carried out this study conducted a similar exercise for the Public Service Benchmarking Body. The key finding of the study was that the pensions of the groups covered by our terms of reference are significantly more valuable than the pensions of comparable groups in the private sector. The superior value was assessed by the Review Body's actuarial advisers as being 15% of salary.

In addition to the consultancy studies carried out, the Review Body publicly advertised for submissions on the groups covered by its terms of reference. The submissions received were considered by the Review Body and oral hearings were held with a range of interested parties.

We concluded that the conditions set out in our report on the previous general review in 2000 (Report No. 38) for movement towards the lower quartile of private sector rates have been largely fulfilled. Accordingly, we considered that on this occasion, as a general principle, salaries should be set at 100% of the lower quartile subject to a discount of 15% to reflect the superior value of public service pensions.

While we considered that the remuneration of senior posts in the private sector was an important reference point we did not consider that private sector practice should be followed in all cases. In particular, we did not attach significant weight to published information on the remuneration packages of the chief executives of the top Irish PLCs. Companies in this category comprise a small segment of the private sector and are not representative of the private sector as a whole. We do not consider, therefore, that remuneration practices in companies of this kind should influence the determination of salaries in the public service or that the public service should follow what we regard as the excesses in certain cases in the private sector.

In the case of posts at the top of an organisation structure, we considered that the determination of salaries should have regard to the desirability of establishing an appropriate level of headroom over the second tier of management. Accordingly, we adjusted the salary which 100% of the (discounted) lower quartile of private sector rates would produce where strict application of this would bring about a level of headroom which we regarded as inadequate or excessive.

We varied our approach in the case of some groups. In relation to members of the Government and other political office holders we considered that direct comparison with the private sector was not appropriate and that the salaries of senior public servants were more relevant. In arriving at our recommendations in relation to the Judiciary, we considered that bar earnings were an important factor in determining the remuneration of Judges. As regards the medical groups, other than hospital consultants, coming within our terms of reference the groups concerned, in general, based their submissions to us largely on the contention that their remuneration should be related to that of hospital consultants. Our recommendations were influenced by the views we formed on the validity of that comparison.

Hospital Consultants

At the time of our examination of other groups, there was considerable uncertainty about the position of hospital consultants. In the light of this uncertainty we did not consider that it would be appropriate to recommend on the remuneration of hospital consultants pending greater clarity on the future position.

Conclusions of the evaluation of public service jobs

The general finding of the consultants we engaged was that the remuneration of many senior public service posts is below private sector levels even when allowance is made for the superior value of pensions in the public service. However, the position varies among the different groups. As we found in the last general review, the salaries of the largest jobs, such as Secretaries General, the Dublin City Manager and the Garda Commissioner, are very much behind private sector levels. The gap is significantly less in the case of some other jobs and in a number of cases salaries are not out of line with the lower quartile of private sector rates.

This follows the general pattern we have identified over a number of reviews where the gap between public service and private sector salaries is more pronounced at the higher managerial levels.

Our findings are specific to the groups we examined. The extent to which the salaries of public service posts diverge from private sector salaries varies from group to group. As stated above, the biggest divergence is found in the bigger jobs and this tends to diminish for less complex positions to the extent where in some jobs there is no gap with private sector salaries. It follows from this that no conclusions about other public service groups not covered by our review can be drawn from our findings.

Performance-related awards

We examined the typical remuneration package available to private sector jobs which are comparable in weight to posts coming within our remit. The typical remuneration package, in addition to base salary, can comprise a mix of a performance-related bonus, long-term incentives, share options and a car. The most significant addition to salary in the case of the private sector posts relates to performance bonuses and the examination we conducted revealed that bonuses represent a significantly higher proportion of overall remuneration than at the time of the last review.

The prevalence of performance bonuses in the private sector influenced our decision to recommend again that performance-related awards be applied to the senior posts of Secretary General in the civil service, the Garda Commissioner and the Chief of Staff of the Defence Forces.

Recommendations on pay increases

The following table shows the effects of the pay increases for the main sectors. The individual salary levels recommended are shown in Appendix 1 of the report.

Sector	% Increase	Sector	% Increase
State Bodies	7.8	Political Office Holders	12.2
Regulators	4.8	Judiciary	18.1
Civil Service	7.2	County Registrars	5.6
Garda Commissioner Ranks	7.1	Public Health posts	19.2
Defence Forces, General Ranks	4.6	Specialist Orthodontists	4.3
Local Authorities	2.3	Prison Doctors	9.2
HSE	4.3	Third Level Education posts	5.8

The Seventh General Review of Higher Remuneration in the Public Sector was carried out by Tony O'Brien (Chairman), John Doherty, Brian Hillery, Vivienne Jupp, Peter Malone and Noel O'Neill.

MATRIX OF RECOMMENDED SALARY RATES

Salary	Office Holders	Judiciary	Civil Service	Local Authority	HSE	Garda and Military	State Bodies	Education	Other Posts
€ 310,000	Taoiseach	Chief Justice	Secretary General (I)		CEO			Level I President	C&AG, DPP
303,000			Secretary General (II)	Dublin City Manager		Garda Commissioner	Enterprise Ireland, IDA, Forfás and FÁS		
290,000	Tánaiste	President, High Court Supreme Court Judge				Chief of Staff		Level II President and President, DIT	
270,000			Secretary General (III)		National Director (I)		Fáilte Ireland, NRA Teagasc HIQA Courts Service		Regulators and Garda Ombudsman Commission Deputy DPP
260,000		President, Circuit Court High Court Judge		Manager (II)					
255,000									
250,000									
247,000									
240,000	Minister	President, District Court		Manager (III)					
236,000									
220,000									
202,500									
202,000									
198,000									
197,000									
195,000									
194,636									
186,000									
185,000									
180,000									
178,923									
173,000									
172,000									
170,000									
169,415									
169,000									
167,000									

MATRIX OF RECOMMENDED SALARY RATES – continued

Salary	Office Holders	Judiciary	Civil Service	Local Authority	HSE	Garda and Military	State Bodies	Education	Other Posts
€ 165,000	Minister of State							Presidents St. Patrick's and Mary Immaculate Colleges Level II Director, IOTs	Chief Prosecution Solicitor
161,000								Level II Registrars, Secretaries and Bursars	
160,250								Professor, Director, DIT and Director, NCAD	Deputy Chair, Bord Pleanála, County Registrar (I) County Registrar (II) Footnote 3, 3
159,000									
158,000		District Court Judge	Assistant Secretary	Manager (IV)	National Director (III)	Major General Asst Commissioner	Footnote 1 ¹ Footnote 2 ²		
151,261									
151,000									
146,000									
145,000									
143,000									
138,000									
134,000					Asst National Director (I)				
132,000									
130,000				Manager (V)		Brigadier General			
127,000	Cathaoirleach of Seanad								
125,000									
118,000					Asst National Director (II) LHO Manager		IAASA and Housing Finance Agency		
110,925									
104,874				Director of Services				Principal, Church of Ireland, College	
103,500	Leas-Chathaoirleach of Seanad Leader of the Seanad								
98,500									

¹ Shannon Development, Údaráis na Gaeltachta and Dublin Docklands Development Authority

² Bord Iascaigh Mhara, Science Foundation Ireland, Health Research Board, Marine Institute and Equality Authority

³ Director of Public Health/Medicine, Specialist Orthodontist and Prison Doctor

See note in paragraph 4.18 of report re Irish Film Board, Irish Sports Council, National Disability Authority, Citizens Information Board, National Library and National Museum

Public/Private Sector Salary Rates (including recommended rates before and after pension discount)



1 Terms of Reference and Context

Terms of Reference

1.1 The Review Body on Higher Remuneration in the Public Sector was set up in May 1969. The standing terms of reference of the Review Body, which were revised in 2005, are as follows:

To act as a standing body whose primary function will be to advise the Government from time to time on the general levels of remuneration appropriate to:

- (1) members of the Government, Ministers of State, the Attorney General and the Chairman and Deputy Chairman of Dáil Éireann and Seanad Éireann;
- (2) the Judiciary;
- (3) civil servants outside the scope of the civil service conciliation and arbitration scheme;
- (4) higher management grades in the local authorities and Health Service Executive not covered by the Public Service Benchmarking Body process;
- (5) the ranks of Commissioner, Deputy Commissioner and Assistant Commissioner in the Garda Síochána;
- (6) Chief of Staff (Lieutenant-General), Major-General and Brigadier-General/Commodore in the Defence Forces;
- (7) the Comptroller and Auditor General;
- (8) the chief executives of non-commercial state-sponsored bodies;
- (9) hospital consultants;

and such other posts as it may be asked to examine from time to time.

The last general review was carried out in 2000 and was the subject of Report No. 38 of the Review Body dated 25 September 2000.

The present General Review

1.2 In April 2005, the Government asked the Review Body to carry out the seventh general review of the levels of remuneration of the top public service posts covered by its terms of reference and to report thereon in the second half of 2007, to coincide with the report of the Public Service Benchmarking Body which will be reporting on the remuneration of the rest of the public service.

Interim Review

1.3 In April 2005, the Government also asked the Review Body to examine whether the remuneration of the groups covered by its terms of reference had fallen out of line with the remuneration of comparable jobs in other employments since the Review Body last reported and, if satisfied that serious anomalies or inequities existed, to recommend an interim increase to rectify them and to report thereon before the end of June 2005. The Review Body reported on the interim review in Report No. 40 dated 27 June 2005 and recommended an interim increase of 7.5%. In addition, certain grades at the level of Assistant National Director in the Health Service Executive received a further increase of 4% as a result of a recommendation in Report No. 41 of the Review Body in December 2005.

Timing of general reviews

1.4 A new general review was due in 2004 i.e. four years after the last review. However, the Partnership Agreement “Sustaining Progress” contained a commitment to discussions with the public service unions on future benchmarking, in the context of the discussions on whatever arrangements on pay and conditions were to be put in place on the expiry of the initial eighteen month pay agreement under Sustaining Progress. The general review was deferred pending these discussions. Under a subsequent pay agreement (second half of Sustaining Progress) it was agreed that the report on the next benchmarking exercise would be made in the second half of 2007. We were informed by the Department of Finance that it was considered that there was a need to align the timing of the benchmarking exercise and the general review by the Review Body and that the then Minister for Finance decided that the next report of the Review Body on a general review should be finalised about the same time as the Benchmarking Body’s report. We comment on the timing of general reviews in paragraphs 2.2 to 2.4.

Revisions to terms of reference of the Review Body

1.5 Revised standing terms of reference, as set out in paragraph 1.1, were established for the Review Body in 2005. The previous standing terms of reference of the Review Body applied since 1991. A number of changes affecting them have occurred since then. Following the approval by the Government of the recommendations of the Review Body in Report No. 37 of 20 December 1996, the remuneration of the chief executives of commercial state-sponsored bodies and of the harbour authorities is no longer considered by the Review Body. Following the approval by the Government of the recommendations of the Review Body in Report No. 38 of 25 September 2000, the salaries of members of the Houses of the Oireachtas are no longer considered by the Review Body (the remuneration of political office holders is still covered).

1.6 The Government decided in its most recent consideration that the standing terms of reference should be revised to those set out in paragraph 1.1 to take account of these changes and others such as the new structure in the health sector. It was also decided that the revised terms of reference should no longer provide for reviews at specific intervals since it was intended that future reviews would coincide with benchmarking exercises, the timing of which would be negotiated with the public service unions.

Groups covered by the present General Review

1.7 In addition to the general categories mentioned in paragraph 1.1, the Review Body was requested to examine the following specific groups:

- Leader of Seanad Éireann;
- Directors of Public Health Medicine;
- Specialists in Public Health Medicine;
- Specialist Orthodontists;
- Prison Doctors;
- Director of Public Prosecutions, Deputy Director and Chief Prosecution Solicitor;
- County Registrars; and
- Deputy Chairperson and Ordinary members, An Bord Pleanála.
- members of the following Commissions:
 - Commission for Energy Regulation;
 - Commission for Aviation Regulation;
 - Commission for Communications Regulation; and
 - Garda Síochána Ombudsman Commission.
- the following posts in third level educational institutions:
 - Heads of universities, Registrars, Secretaries, Bursars and Professors in universities;
 - Directors of Institutes of Technology;
 - President and Directors of the Dublin Institute of Technology; and
 - Heads of Colleges of Education and the National College of Art and Design.

Context

1.8 This is the seventh general review carried out by the Review Body (Appendix 5 contains a list of previous Review Body reports). On this occasion in the region of 1,600 posts, other than hospital consultants, are covered by the terms of reference. We comment separately on hospital consultants in paragraphs 2.36 and 2.37.

State of the public finances and public sector pay policy

1.9 The Department of Finance provided information on the public finances and Government pay policy. The economy is entering a period of uncertainty mainly reflecting adjustments in the housing market. Moreover, the open nature of the Irish economy makes it particularly sensitive to developments elsewhere. The state of the economy is a key determinant of the budgetary position. The current forecasts are for a General Government surplus of 1.1% of GDP for 2007 and 0.9% and 0.6% of GDP for 2008 and 2009 respectively. One of the key determinants of Government spending is public service pay.

1.10 Irish budgetary and economic policy operates within the parameters of the Stability & Growth Pact (SGP). The Pact has two nominal anchors: the 3% of GDP reference value for

the deficit ratio and the 60% of GDP reference value for the debt ratio. Since the 2005 reform of the SGP implementation of the Pact is more responsive to prevailing economic circumstances while maintaining the strong basic commitment to fiscal discipline. There is an increased focus on safeguarding the sustainability of the public finances. Ministers have committed to consolidate actively public finances and avoid pro-cyclical policies (e.g. adding to demand in good times) and to use unexpected extra revenues for deficit and debt reduction.

1.11 The medium-term budgetary objective (MTO) is now defined on a country specific basis, to take account of the diversity of economic and budgetary positions across the EU¹. Ireland has an MTO of close to balance which it is already achieving.

1.12 Member States such as Ireland with low debt and high potential growth (and therefore at low risk as regards budgetary sustainability) could avail, if and when necessary, of budgetary flexibility up to a deficit of 1% of GDP to maintain its high levels of public investment throughout the economic cycle. However, this does not represent a new budgetary target. The potential extra flexibility has to be put in the balance with the requirement under the SGP that Member States at MTO are expected to maintain their strong budgetary position so as to preserve macroeconomic stability and to avoid fiscal loosening in good times.

1.13 The Department of Finance stated that the key message is that as a country we must continue to run the Budget on a sustainable basis and within the parameters of what should be expected of a country in our economic and budgetary position. With the economy now entering an uncertain period, the focus must be on securing sustainable increases in prices and wages: failure to do so will undermine competitiveness and jobs.

Competitiveness

1.14 The submission from the Department of Finance referred to the issue of the loss of competitiveness also. It was stated that competitiveness of the economy is the key and helps determine the future of the country. If the economy continues to lose competitiveness then it will impact on growth, jobs and the budgetary position. Competitiveness is determined by a number of factors and not all apply equally to all businesses. However, pay and earnings are central to most companies and, especially in some sectors, are the key element in dictating the price of goods and services.

1.15 The Department of Finance stated that a loss of competitiveness experienced to date will impact on future growth and reduce our ability to deal with social issues. The restoration and enhancement of competitiveness is a central objective and to that end wage growth must not exceed that justified by productivity and, in addition, must reflect the risks faced by the economy from exchange rate developments and increasing competition from emerging economies. In recent years Ireland has suffered deterioration in wage competitiveness, as unit labour costs in Ireland have risen more rapidly than in our major trading partners. More recently, exchange rate movements have not been conducive to competitiveness developments. As a small trading nation, Ireland is particularly exposed to potential further exchange rate movements.

¹ For euro area members this ranges between -1% of GDP for low debt/high potential growth countries and balance or surplus for high debt/low potential growth countries.

Issues for Consideration

1.16 The Department of Finance suggested that the Review Body should give particular consideration to a number of issues in the general review. These included:

- **The growing importance of the superannuation arrangements for public servants and the rising pensions bill which will have to be met in the future.** The Department referred to the comments of the Review Body in Report No. 40 dated 27 June 2005 on the interim review that “It seems to us that the relevance of superannuation arrangements in the public service as a component of overall remuneration has assumed a greater importance than was the case at the time of the last general review” (in 2000). The Department supported the intention of the Review Body, as expressed in Report No. 40, that it would investigate the pension issues further in its general review and consider the extent to which the value of the public service superannuation arrangements should be offset against remuneration packages in the private sector. We return to the issue of the value of public service pensions in Chapter 3.
- **The secure tenure enjoyed by public servants.** The Department of Finance stated that, in the main, public servants once they have served a probationary period can look forward to continued employment unless they contravene the conditions attached to their employment. In contrast, in the private sector there is the threat of loss of jobs if a particular business runs into difficulties or undergoes restructuring.
- **Recruitment and retention.** The Department stated that it was not aware of any evidence that there have been difficulties in recruiting senior staff or in retaining them.

Implementation of Report No. 38 of the Review Body

1.17 The Review Body reported on its last general review in September 2000 (Report No. 38). The Government considered the report and generally endorsed the recommendations. The Government decided to phase the payment of the recommended increases on the following basis:

- 5% from 25 September 2000;
- 5% from 1 March 2001, or, where the total increase recommended was 10% or less, the full balance of the increase from that date;
- one half of the balance of any increase from 1 July 2001; and
- any remaining balance from 1 April 2002.

1.18 The Government did not adopt the Review Body’s recommendations on a small number of points.

Chief of Staff of the Defence Forces

1.19 The Body had recommended that the salary of the Chief of Staff of the Defence Forces should be set at £90,000 (in 2000 terms). The Government decided to increase this to £100,000.

Rewarding Exceptional Performance

1.20 In its 1996 report on a previous general review (Report No. 37) the Review Body had recommended changes to the awards scheme for exceptional performance. In Report No. 38

the Body was critical of the lack of progress made in the area. Report No. 37 had, among other things, recommended changes to the structure of the system for Assistant Secretaries and the introduction of a system of awards for health board chief executives and local authority managers and assistant managers. In the event, the Government had decided not to introduce a scheme for the health boards and local authorities and to continue with the existing system for Assistant Secretaries².

1.21 In Report No. 38 the Review Body again recommended structural changes and the extension of the system not only to the health boards and local authorities but also to Secretaries General in the civil service and to the senior Garda ranks.

1.22 The Government, in 2001, adopted a system of performance-related awards along the general lines envisaged by the Review Body. However, it did not approve the extension of the scheme to Secretaries General, the Garda Commissioner or the Chief of Staff of the Defence Forces. It does apply to Deputy and Assistant Secretaries in the civil service, Deputy and Assistant Garda Commissioners and the ranks of Major General and Brigadier General in the Defence Forces.

1.23 The Government in reaching its decision not to include the most senior grades in the civil service, Garda Síochána and Defence Forces considered that a scheme of monetary awards for these grades could have an adverse impact on the working relationship between the Minister and the most senior officials concerned and would be undesirable in principle and in practice. Therefore, the system as developed does not include these senior posts.

1.24 Following this decision the Government also approved the extension of a system of performance-related awards on the basis recommended by the Review Body to the senior management in the then health boards and the local authorities as well as the chief executive officers of the non-commercial state-sponsored bodies (many of these already had performance award schemes).

1.25 With the replacement of the health boards by the Health Service Executive a system of performance-related awards was developed for certain HSE employees.

Long Service Increments for TDs and Senators

1.26 In Report No. 38 in 2000, the Review Body recommended that for the future the salary of a Dáil Deputy should be set at the maximum of the grade of Principal Officer (standard) in the civil service and the salary of a Senator should be fixed at 70% of the TD's rate. The Government accepted this recommendation and as a result the salaries of TDs and Senators are no longer part of the terms of reference of the Review Body.

1.27 Long service increments (LSIs) are payable to Principal Officers (one after three years of satisfactory service on the maximum of the normal five point scale and a second after a further three years). Extension of LSIs to TDs and Senators was not subject to a specific recommendation by the Review Body but the Body stated that such an extension would not be incompatible with the recommended salary linkage provided that the service as TD or

² The Review Body had recommended extending the available pool from 4% to 10% of payroll for the Assistant Secretary grade. It recommended no increase in basic pay. The Government approved a 6% increase in basic pay instead of the increased bonus pool.

Senator required for LSIs was comparable to that required by a Principal Officer. The Government decided to introduce LSIs on this basis, i.e. a member of the Oireachtas should receive the first LSI after seven years' service and the second after ten years' service.

Other pay movements affecting Review Body grades

1.28 Since the Review Body reported on the last general review in September 2000 the following general round increases have been applied to the posts covered by its remit:

Programme for Prosperity and Fairness (PPF)

1 October 2000	5.5%
1 April 2001	2%
1 October 2001	5.5%
1 April 2002	1% Lump sum
1 October 2002	4%

Sustaining Progress (SP)

1 January 2004	3%
1 July 2004	2%
1 December 2004	2%
1 June 2005	1.5%
1 December 2005	1.5%
1 June 2006	2.5%

Towards 2016

1 December 2006	3%
1 June 2007	2%

1.29 As already indicated, in Report No. 40 of 27 June 2005 the Review Body recommended a 7.5% interim increase in the pay of those covered by its terms of reference. The Government approved the application of this increase in two equal phases from 1 July 2005 and 1 January 2006. In Report No. 41 a further increase of 4% was recommended for certain posts in the Health Service Executive. This increase was implemented with effect from 1 January 2005.

1.30 Some of the posts of chief executive officer of state-sponsored bodies which the Review Body has now been asked to examine are linked for pay purposes to the civil service grade of Principal (higher scale)³. That civil service grade received the benefit of an 11.7% increase as recommended by the Public Service Benchmarking Body. This increase was implemented on a phased basis of one quarter of the increase from 1 December 2001, one half from 1 January 2004 and the balance from 1 June 2005.

Procedure for the present General Review

1.31 Advertisements were placed in national newspapers on 27 January 2006 inviting written submissions on the groups covered by our terms of reference. Advertisements were also placed

³ The following chief executive posts which the Review Body has been asked to examine specifically on this occasion are so linked: Principal Officer (higher): Irish Sports Council, National Disability Authority, Irish Film Board, Director of National Library of Ireland and Director of National Museum of Ireland. Principal Officer (higher) plus allowance: Citizens Information Board (formerly Comhairle).

in medical publications. In addition guidelines for submissions were prepared and were circulated to interested parties. Oral submissions were taken from some of those who made written submissions to us as well as from others whom we considered could assist us. In all 90 submissions were received (some of which were outside our terms of reference) and the Review Body met a total of 51 representative groups or individuals. (Appendix 4 lists the persons and organisations which made submissions to us on groups within our terms of reference).

1.32 We engaged the Hay Group, Management Consultants to evaluate some of the posts within our terms of reference and advise us on the remuneration of private sector jobs which are comparable to a number of these posts. In conjunction with the Public Service Benchmarking Body, we engaged Mr David Kingston and Mr Damian Cooper, Acuvest Ltd as internal advisers on pensions issues and Life Strategies Ltd for an exercise to evaluate public service pensions by reference to pension arrangements in the private sector.

Structure of Report

1.33 Our report is split into two parts. Part I sets out our working method and the considerations and recommendations on the appropriate level of remuneration for the various posts. Part II deals with the development of systems for the rewarding of exceptional performance in the public service.

Recommended rates of remuneration

1.34 The salary rates recommended in this report include the second phase (with effect from 1 June 2007) of the increases due under the public service pay agreement associated with Towards 2016. The recommended rates should attract the remaining phases of the increases due under this Agreement and all other general increases arising after the date of the report.

1.35 In the case of civil servants and certain other public service groups, revised pension arrangements were introduced in 1995. These include the introduction of an employee contribution for personal superannuation benefits to apply to persons recruited since 6 April 1995 where a non-contributory scheme for personal benefits applies to persons recruited before that date. In the case of groups for which this contribution was introduced, their salary scales were generally increased to 20/19^{ths} of the salary scales of employees recruited before 6 April 1995. The position we have adopted is to base the recommended rates on a contributory pension scheme with terms approximating to the civil service superannuation scheme where an employee contribution in respect of personal superannuation benefits is being made equivalent to that introduced for established civil servants recruited since 6 April 1995. On this basis, as a general principle, salaries equivalent to 19/20^{ths} of the recommended rates should be applied to persons in the relevant grades who do not make an employee contribution in respect of personal superannuation benefits. Accordingly, in the case of the groups for which an employee contribution for personal superannuation benefits was introduced in 1995, the existing rates shown in the report refer to persons recruited since 6 April 1995. Lower rates apply to persons recruited before this date.

1.36 The position described in the preceding paragraph does not apply to other public service groups where an employee contribution for personal superannuation benefits was already payable prior to 1995 or where such a contribution was not introduced in 1995 or

later. In these cases there is no distinction in the salaries payable to persons recruited before or after 1995.

There is no distinction of this kind in the case of the following groups:

- Staff of local authorities and the HSE
- Political Office Holders
- The Judiciary
- Directors of Public Health Medicine and Specialists in Public Health Medicine
- Specialist Orthodontists
- Prison Doctors
- Directors of Institutes of Technology
- President and Directors of Dublin Institute of Technology
- Heads of Colleges of Education
- Director of the National College of Art and Design.

1.37 In cases where it is relevant, we describe the positions to apply to persons recruited before and after 1995 in the appropriate chapters.

Acknowledgements

1.38 We wish to thank all those who participated in this Review, either directly or indirectly, and, in particular, those who made submissions, attended oral hearings and provided expert opinion or advice to us. We were most ably assisted by an experienced and diligent secretariat who displayed excellent judgement, provided wise counsel and attention to detail throughout our work. Our Secretary, Brendan Duffy, demonstrated an exceptional level of energy, diplomacy and analytical skills. His capacity to grapple with a huge workload in a short timeframe was particularly impressive and his overall leadership ensured that tight time schedules were met. He and his colleagues, Tony Carberry, Brian Naughter and Cairíona McEvoy, displayed particular expertise in organising and structuring meetings, researching and analysing key issues and in ensuring that the Review Body was fully and accurately briefed. In summary, the expertise and competencies of the secretariat made our task considerably less burdensome and we are grateful to them.

PART I

General Review

Approach to the Seventh General Review

Approach of the Review Body

2.1 In Report No. 38 and in previous reports, the principles of independence and impartiality which the Review Body follow were described. Previous reports also described the aim of recommending remuneration rates for top public service posts which will enable the State to recruit, retain and motivate high-calibre people and we remain committed to this. In this Chapter we set out the main considerations which influenced our approach on this occasion.

Frequency of Reviews

2.2 Seven years have elapsed since the last general review. However, the Review Body carried out an interim review in 2005 of the remuneration of the groups covered by the standing terms of reference. This resulted in an increase of 7.5%. Accordingly, in general, groups covered by our terms of reference have received an increase of 7.5% in addition to the standard increases arising under pay agreements since the time of the last general review. Some groups in the Health Service Executive received a further increase of 4% as a result of a separate examination of their position in 2005. The increases referred to have, of course, had the effect of reducing the increases which we would otherwise have recommended in this report.

2.3 While an interim review was carried out in 2005, it is important to emphasise that this was confined to an examination of general pay movements of relevant senior management grades in the private sector by reference to the pay increases applying to senior public servants and did not entail a detailed evaluation of the individual groups coming within our remit. The Review Body commented in earlier reports on the desirability of carrying out general reviews at regular intervals and avoiding lengthy gaps between reviews. Long gaps between reviews inevitably lead to situations where the salaries of at least some senior public servants fall out of line with the market to a major extent and do not reflect developments in their jobs. In these situations large increases may be required to bring salaries to an appropriate level.

2.4 Previously, the terms of reference of the Review Body provided for reviews at intervals of four years. As indicated in paragraph 1.6, the Government decided that the revised terms of reference of the Review Body should no longer provide for reviews at specific intervals since it was intended that future reviews would coincide with benchmarking exercises, the timing of which would be negotiated with the public service unions. We are disappointed about the removal of the provision for reviews at regular intervals and are concerned that this may result in delays in reviews or even situations where reviews occur too frequently. We have commented in the previous paragraph on the undesirable consequences of long gaps between reviews and we consider that these can lead to inequitable treatment for the groups covered by our terms of reference. It is our view that in order to be fair to the people concerned, it would be appropriate that reviews be carried out about every four years and we would urge strongly that this should continue to be the case under the new arrangements.

Changes in jobs since the last General Review

2.5 Almost all submissions made to us referred to changes in the demands of jobs since the last general review. Generally, it was represented to us that the changes went beyond a normal process of change and were transformational in nature. In these cases it was suggested to us that the degree of change experienced warranted a substantial increase in remuneration.

2.6 Change is a normal feature of any job. We do not accept that change is, in itself, a basis for an increase in remuneration. There is a constant process of change in both the public service and the private sector. We are conscious also that our remit covers senior management grades in the public service. In our view, it is an important part of the role of these grades to be the drivers of change and they should not expect separate compensation for doing this. Senior public servants are not unique in experiencing change. We commented in our last report on the degree of change which the private sector has had to cope with and this remains the position. Furthermore, successive national partnership agreements have stressed that the associated pay increases have been predicated on an ongoing process of change and, accordingly, there is no basis for additional payment in respect of the change process.

2.7 In a number of cases, it is our view that what was represented to us as major change is no more than normal evolution of jobs. Changes in the volume of work, the need to cope with new legislation and regulations and general growth in complexity of issues dealt with are common features of all senior jobs in the public service and private sector. We referred in paragraph 2.3 of Report No. 38 to the increasing demands on senior public servants resulting from the change process and we regard much of the change described to us on this occasion as being simply a continuation of that process.

2.8 The perception by individual public servants of the relative level of change in their jobs can be misleading also. It is understandable that individuals will be very conscious of the changes affecting their own jobs but less aware of the changes in other jobs. This is demonstrated by the number of different groups or individuals that suggested to us that the change they had to cope with was greater than that experienced in any other job. Furthermore, there were cases where groups that were linked to other grades for pay purposes suggested to us that the link was no longer appropriate because of the way their jobs had changed but no account was taken of the way in which the other jobs had also changed.

2.9 We consider that change in senior public service jobs is significant only where it can be regarded as bringing about a fundamental change in the nature of a job and exceeds the degree of change applicable to jobs of comparable weight in the private sector. As we state elsewhere in this report, we consider that the issue of change can best be addressed by evaluating jobs in their current form and comparing the remuneration payable with that applicable to jobs of comparable weight in the private sector. An evaluation of the current demands of a job automatically captures any change in the nature of the job. Accordingly, we commissioned an evaluation by the Hay Group of 112 jobs covered by our terms of reference. In this manner we have taken account of the development of jobs since our last review.

The Public Service Modernisation Programme

2.10 There is a continuing programme of modernisation in the public service. This has been under way since the launch of the Strategic Management Initiative (SMI) more than twelve years ago. The SMI agenda was further developed by the Delivering Better Government (DBG) programme, launched in 1996, which presented a vision for the civil service built around key organisational themes. These included a greater openness and accountability, a mission of quality customer service and the efficient and fair operation of simplified regulations. Further support for the implementation of these initiatives was set out in subsequent social partnership agreements, the *Programme for Prosperity and Fairness* (PPF), *Sustaining Progress* and *Towards 2016*.

2.11 The *Programme for Prosperity and Fairness* which was agreed in 2000 further advanced the objectives of the SMI by focussing on continuous improvements in service delivery, resource management and organisational responsiveness. *Sustaining Progress*, the social partnership agreement which was agreed in 2003, provided for the continuation of the modernisation programme across the public service.

2.12 A major innovation under *Sustaining Progress* was that the payment of all of the general rounds and the final two phases of the benchmarking increases for each sector, organisation and grade was made conditional on verification of satisfactory achievement of the provisions on co-operation with flexibility and ongoing change, satisfactory implementation of the modernisation agenda set out in the agreement, the maintenance of stable industrial relations and the absence of industrial action.

2.13 *Towards 2016*, the current social partnership agreement contains a range of commitments on modernisation, co-operation and flexibility designed to ensure that the progress made across the public service under earlier agreements will continue, but at a faster rate.

2.14 We commented in Report No. 38 on the need for senior public service managers to drive the modernisation process and on the extent to which successful implementation would require that they adopt a radically different approach than previously. The ongoing modernisation of the public service has implications for senior public servants and the level of performance which must be delivered. The need for vision, flexibility and the ability to respond to changing circumstances will continue to be required of senior public servants if the public service is to be an efficient and effective organisation and provide the level of service which the public is entitled to expect in a cost effective manner.

Comparison with remuneration in the private sector

2.15 With the aid of the consultants we engaged, we collected detailed information on the remuneration of senior management posts in the private sector. The information we obtained demonstrated clearly that the salaries of many senior public service posts are below private sector levels even when allowance is made for the value of pensions in the public service. However, the position varies among the different groups and reflects developments in the private sector. In the period since our last general review, the remuneration of the top and

most demanding jobs in the private sector has increased to a greater extent than that of less demanding posts or posts below chief executive level. This has brought about a situation where the salaries of the largest jobs in the public service, such as Secretaries General, the Dublin City Manager and the Garda Commissioner, are very much behind private sector levels for jobs of comparable weight. However, the gap is significantly less in the case of some other jobs and in a number of cases salaries are not out of line with the lower quartile of private sector rates. This follows the general pattern we have identified over a number of reviews where the gap between public service and private sector salaries is more pronounced at the higher managerial levels.

2.16 Gaps in remuneration between public service and private sector jobs are greater when account is taken of the benefits available in the private sector in addition to salary including bonuses, share options and cars. In particular there has been a dramatic increase in the proportion of overall remuneration which bonuses represent and we comment further on this in Part II of the report.

Relating public service salaries to the market

2.17 In the last general review we gave greater weight to comparison with levels of remuneration in the private sector than had been the case in previous reviews. We were influenced in this approach by a general movement in public pay policy towards greater reliance on comparison with the private sector as evidenced by the establishment of the Public Service Benchmarking Body.

2.18 We concluded that as a medium-term objective, the appropriate benchmark for the groups covered by our remit was the lower quartile of private sector salaries and that, as a first step, salaries should be brought to 85% of this benchmark. In a small number of cases we considered that salaries should be set at 95% of the benchmark.

2.19 We recommended that further movement towards the benchmark should be dependent on implementation of the public service modernisation and reform programme as well as continuation of the positive macroeconomic and fiscal environment.

2.20 We received a number of submissions which argued that it was inappropriate and unfair to use the lower quartile of private sector rates as a benchmark. In general, the position taken was that the median of private sector rates should be the basis for comparison. Submissions contended that what was seen as inequitable treatment of top public servants was compounded by the approach taken in Report No. 38 of setting remuneration levels at 85% of the lower quartile.

2.21 In Reports No. 37 and No. 38, we gave our reasons for adopting the view that the remuneration of top public servants should be compared with the lower quartile of private sector rates. We referred to the differences between public service posts and senior posts in the private sector in areas such as exposure to commercial pressures and risk, tenure and conditions of employment. It is also the case that there is a limited recruitment pool for a number of top public service posts and recruitment is effectively confined to the public service.

We are still of the view that the lower quartile is the appropriate basis for comparison. We return to the issue of the differences between senior posts in the public service and those in the private sector in later paragraphs of this Chapter. As regards the use of 85% of the lower quartile, we took the view in our report on the last general review that this benchmark was a reasonable starting point in movement towards the full lower quartile.

2.22 Some submissions made to us suggested that it was anomalous to use the lower quartile of private sector rates as the comparison for groups coming within our remit when, it was contended, the median was accepted as the appropriate comparison for public service grades at lower levels. We have no role in the determination of the remuneration of groups outside our remit and we are guided by considerations which we regard as relevant to senior public service posts. However, we do not consider that there is necessarily a conflict in adopting different approaches for senior posts and for posts at lower levels. It is a feature of the private sector that the differences in salary between senior management posts and the posts below them are much greater than in the public service. Use of the same basis of comparison for all public service groups would import similar differences into the public service and it is questionable whether this would be a desirable development.

Differences between the public service and the private sector

2.23 We remain of the view that comparison with the private sector should be the prime consideration in arriving at our recommendations on the salaries of the groups within our remit. However, comparison between the remuneration of top public servants and remuneration packages in the private sector is not a simple matter. There are significant differences between the public service and the private sector and these have to be taken into consideration.

2.24 The private sector is not a single entity and the remuneration practices are not uniform. It seemed to us from some of the submissions we received that comparisons drawn with the private sector were unduly influenced by published information on the remuneration packages of the chief executives of the top Irish PLCs. Companies of this kind comprise a small segment of the private sector and are not representative of the private sector as a whole. We do not consider, therefore, that remuneration practices in companies of this kind should influence the determination of salaries in the public service or that the public service should follow what we regard as the excesses in certain cases in the private sector.

2.25 We referred in our interim report (Report No. 40) in 2005 to the growth in performance bonuses in the private sector and the increasing proportion of overall remuneration which they represent. The evaluation exercise conducted by the Hay Group confirmed this. It is clear that bonuses now represent a very substantial component of overall remuneration in the private sector and that the proportion of overall remuneration accounted for by bonuses has grown significantly since the last general review in 2000. There are features of public service employment which mean that there can be difficulties in the application of performance-related awards. While we consider that performance-related awards should be part of the remuneration packages for some of the groups within our remit, in our view it is not feasible or appropriate to introduce awards of the order payable in the private sector. Accordingly,

the area of performance-related awards is one example where it is not realistic to follow exactly the remuneration practices in the private sector. We discuss this issue in more detail in Part II of the report.

2.26 There are differences in culture also between the public service and the private sector. We mentioned in paragraph 2.22 that the differences in salary between senior management in the private sector and the groups reporting to them are much greater than is the case in the public service. We have expressed the view in previous reports that there should be a substantial difference between the top posts in public service organisations and other tiers of management and our recommendations have increased the differentials that apply. Nevertheless, the differentials resulting from the salaries we recommended in our earlier reports do not approach those applying in the private sector. While we still hold the view that there should be a substantial difference between the remuneration of the top posts in public service organisations and posts at lower levels, we do not consider that the remuneration of the top posts should be increased to the extent that would create the kinds of differentials that apply in the private sector.

2.27 It appears to us that there is a collegiate form of management in the public service that does not apply to the same extent in the private sector. This has implications for the relationship between the top post and the other tiers of management as well as affecting the relative levels of responsibility. The form of management in the public service has evolved over time and is suited to the nature of the work of the public service. The complete adoption of a private sector model would involve a major change in the way the public service operates. In our view a fundamental change in culture of this sort in the public service is neither warranted nor desirable.

2.28 Differences in conditions of employment must also be taken into account in a comparison of remuneration in the public service and private sector. Pension arrangements are more favourable in the public service and allowance must be made for these. We discuss this issue in detail in Chapter 3.

2.29 Security of tenure is greater in the public service and we address this matter in Chapter 3 also.

Approach adopted to the General Review

2.30 The approach we took in the light of the considerations mentioned in the previous paragraphs of this Chapter is described in the following paragraphs.

2.31 Job evaluation: As already stated, we commissioned the Hay Group to carry out a major job sizing exercise covering a total of 112 jobs coming within our terms of reference. This was the biggest job evaluation exercise ever conducted for the Review Body and the number of posts evaluated by the consultants is considerably higher than in the last general review. As we indicated in Report No. 38, once a job has been evaluated under the Hay methodology it can then be compared to jobs of similar scale in other organisations and this allows an assessment to be made of the level of remuneration that is typically paid for a post of that scale. The Hay

Group advised us of the private sector market rates for jobs of comparable weight relative to those covered by our terms of reference.

2.32 Benefits in addition to salary: We were also advised of the additions to salary applicable to private sector posts. The typical remuneration package, in addition to base salary, can comprise a mix of a performance-related bonus, long-term incentives, share options and a car. The most significant addition to salary in the case of the private sector posts relates to performance bonuses. Our recommendations in relation to the application of performance-related awards to public service posts are set out in Part II of the report.

2.33 Coherent pay structure: As in the case of the last general review, in order to maintain a coherent pay structure we “banded” together posts where the consultants’ evaluation or our own conclusions indicated that differences in job weight were not significant.

2.34 Determining public service salaries: Having regard to the various considerations already referred to, we reached the following conclusions:

- The appropriate benchmark for the groups coming within our remit should continue to be the lower quartile of private sector salaries.
- For purposes of comparison between public service salaries and remuneration in the private sector a discount should be made to allow for the superior value of public service pensions.
- The conditions set out in Report No. 38 for movement towards the lower quartile of private sector salaries have been largely fulfilled. Accordingly, we considered that on this occasion, as a general principle, salaries should now be set at 100% of the lower quartile subject to a discount to reflect the superior value of public service pensions on the basis described in Chapter 3.
- In the case of posts at the top of a structure, the determination of salaries should have regard to the desirability of establishing an appropriate level of headroom over the second tier of management. Accordingly, we adjusted the salary which 100% of the (discounted) lower quartile of private sector rates would produce where strict application of this would bring about a level of headroom which we regarded as inadequate or excessive.

2.35 Other Groups: We took a different approach to some groups. In the case of members of the Government and other political office holders we considered that direct comparison with the private sector was not appropriate and that the salaries of senior public servants were more relevant. In arriving at our recommendations in relation to the Judiciary, we considered that bar earnings were important in determining the remuneration of Judges. As regards the medical groups (other than hospital consultants) coming within our terms of reference, the groups concerned, in general, based their submissions to us largely on the contention that their remuneration should be related to that of hospital consultants. Our recommendations were influenced by the views we formed on the validity of that comparison and what we considered to be the appropriate levels of remuneration for the groups concerned.

Hospital Consultants

2.36 At the time of our examination of other groups, there was considerable uncertainty about the position of hospital consultants. Negotiations were underway on a revised contract but had not been finalised. In view of the uncertainty about the future position in relation to a new contract for consultants, we considered that it was not appropriate or feasible to make recommendations on the remuneration of consultants as part of this report. We understand that the parties concerned will decide how the remuneration of consultants should be determined as soon as the position in relation to the new contract becomes clearer.

2.37 For the reasons set out above, this report does not contain recommendations in relation to hospital consultants.

Other Groups in the Public Service

2.38 Our conclusions are specific to the groups we examined. The extent to which the salaries of public service posts diverge from private sector salaries varies from group to group and, as we have already stated, the biggest divergence is found in the bigger jobs. In our view, the existence of any traditional pay relationships between the groups we have examined and other groups does not provide justification for automatic extension of increases we have recommended to groups outside our remit.

Public Service Pensions and Security of Tenure

Background

3.1 In our interim report in 2005, we stated that the relevance of superannuation arrangements in the public service as a component of overall remuneration had assumed a greater importance than was the case at the time of the last general review. We expressed the view that the value of public service pensions is a critical factor in any comparison with rates of remuneration in the private sector and we indicated that we would investigate this issue further in this general review and consider the extent to which the value of public service superannuation arrangements should be offset against the remuneration packages available in the private sector. We referred specifically to the manner in which public service pensions are revised in line with pay awards to serving staff and stated that this is particularly valuable and that it is likely that most private sector organisations would regard it as being unaffordable.

3.2 In concluding that an assessment of the value of public service pension arrangements was an important part of our examination, we were influenced by evidence of a trend in the private sector which entailed a move from defined benefit schemes to defined contribution arrangements. It seemed clear also that the costs of pension provision were increasing as a result of improvements in longevity and lower interest rates resulting in likely lower returns on future investments. These developments have led to greater public awareness of the value of pensions and the cost of providing for increases in pensions in the period after retirement. As indicated above, the manner in which public service pensions are increased in line with pay awards to serving staff is particularly valuable in this respect.

3.3 We were conscious also that, while the general position is that public service employees are fully covered by pension provision, this is not the case in the private sector. A substantial number of private sector employees do not have any occupational pension.

3.4 We acknowledge that steps have been taken to address the cost of public service pensions. Changes introduced in 2004 for new recruits involving changes in retirement ages and the removal of the right of most employees to retire before age 65, except on an actuarially reduced basis, will reduce the cost of public service pensions. Nevertheless, in the light of the developments mentioned in the preceding paragraphs, it seemed to us that it was likely that the value of the pensions of public service employees was significantly greater than the value of the arrangements applying in the private sector.

Public Service Pension Terms

3.5 While a number of groups covered by our terms of reference have pension terms which differ from standard public service terms in some respects, the majority of the public servants covered by our terms of reference are in grades to which standard terms apply. The standard public service pension terms can be summarised as follows for persons who joined the public service before 1995:

- An annual pension of $1/80^{\text{th}}$ of pensionable remuneration per year of pensionable service up to a maximum of 50% of pensionable remuneration.
- A lump sum of $3/80^{\text{th}}$ of pensionable remuneration per year of pensionable service up to a maximum of 150% of pensionable remuneration.
- A spouse's pension of 50% of member's pension
- Normal retirement age: optional at any time between 60 and 65
- Post retirement increases in pensions in line with salaries (pay parity).

3.6 Under these terms many persons retiring in the near future from the public service will receive a pension of 50% of final pay, a lump sum of 1.5 times final pay and be covered for a spouse's pension of 25% of pay. In addition, the arrangement of increasing pensions in line with salaries has proven to be beneficial since pay increases have consistently outstripped consumer price inflation.

3.7 In the case of persons who joined the public service on or after 6 April 1995, their pension benefits are integrated with the State pension. The annual pension is as described in paragraph 3.5 less twice the single person's maximum rate of State pension (since 2004 a minimum pension of $1/200^{\text{th}}$ of pensionable remuneration per year of service applies). For persons who joined the public service from 1 April 2004, the following changes were introduced for most public servants:

- the minimum age of retirement with full pension benefits was increased;
- the maximum retirement age of 65 was removed;
- cost neutral early retirement options were introduced from age 55 onwards with actuarial reduction in benefits – this gave greater flexibility of retirement but reduced benefits for those retiring between ages 60 and 65; and
- for those who joined before April 2004, a cost neutral early retirement facility was introduced to allow retirement anytime from age 50 onwards with actuarial reduction in benefits. No actuarial reduction applies to this group from age 60 onwards.

3.8 In the case of groups that have terms that differ from standard public service pension terms, the enhancements generally relate to the possibility of added years for pension purposes, the possibility of qualifying for a full pension of 50% of salary with less than 40 years service or payment of pension before the normal minimum retirement age applicable to public service employees generally. Examples of some groups with pension terms that differ from standard terms are Government Ministers, Judges, University Presidents and Secretaries General of Government Departments.

Approach to the assessment of the value of public service pensions relative to private sector arrangements

3.9 Pensions are normally regarded as deferred pay for the period after retirement. Because of this it is appropriate to express the cost of pensions as a percentage of pay. This is common practice in the private sector and is the approach we took also.

3.10 As part of our consideration of this matter we sought advice from two sources. Acuvest Ltd was appointed as an internal adviser on pensions to the Review Body and to advise on the overall situation regarding pensions in the public service and private sector. Acuvest fulfilled a similar role for the Public Service Benchmarking Body. We are grateful to Mr David Kingston and Mr Damian Cooper of Acuvest for their advice in our examination of public service pensions. In addition we commissioned Life Strategies Ltd to conduct an analysis of the available data on public service and private sector pension arrangements and to carry out an actuarial examination of the value of public service pensions relative to arrangements in the private sector.

3.11 Some submissions made to us suggested that, insofar as the grades covered by our terms of reference are concerned, comparison with private sector salaries for comparable jobs should not involve a discount to allow for the value of public service pensions. A number of arguments were made to us in this regard. For instance, it was stressed that the comparison with the private sector should be based on senior posts in the private sector rather than the generality of arrangements applying in the private sector. It was contended that top private sector posts had pension arrangements which could be considered to be at least as favourable as public service terms when all factors were taken into account such as the possibility of qualifying for full pension with much shorter service than is required in the public service. It was put to us also that private sector pensions for senior posts were based on salaries which were much higher than those for comparable jobs in the public service and that this more than offset any more favourable aspects of public service pensions.

3.12 We accept the general point that the pension arrangements for the groups covered by our terms of reference should be compared to the pensions applicable to jobs of comparable weight in the private sector. We acknowledge also that there are some cases in the private sector where the pension terms applicable to senior management posts are more favourable than those for other staff in the same organisation. However, this is not universal practice in the private sector. There are many different pension arrangements in the private sector unlike the public service where, apart from a small number of exceptions, pension terms are at least broadly comparable for all groups. The approach taken in the study we commissioned was to look at the overall position in comparable private sector employment and have regard to the various pension arrangements which are in place.

Assessment of Pension Costs

3.13 Pension costs can be assessed by calculating the present capital value of pension benefits and spreading this cost over the entire working life of the employee. An alternative method is to examine the period during which the employee served in a particular position (e.g. a Head of a university) in order to evaluate the pension benefits accrued during that period. Our advisers considered that the second method was more appropriate to the kinds of posts covered by our remit. This method could be applied to all these posts, some of which are ones in which persons are likely to serve in one position only during their careers, and enabled more appropriate and sensible comparisons to be made with relevant private sector posts.

3.14 The main factors affecting pension costs are longevity, discount rates (the likely return on investments), the level of salary and its effect on pension, the difference between salary on

commencement and salary on retirement, where pension depends on final salary, and likely retirement age. Since none of these factors can be predicted with certainty, there is no “right answer” as to how they should be assessed and assumptions have to be made about their effects in the future. Life Strategies provided central estimates on the main factors and these were used as the basis for the assumptions made. Information was also provided on the sensitivity of alterations to these assumptions.

3.15 The central assumptions made were:

- Mortality 75% of population
- Mortality improvements CSO projections
- Discount rate to retirement 4% real per annum (i.e. 4% in excess of price inflation)
- Interest rate in retirement 2% real per annum
- General level of salary increases 2% above inflation.
- Increases in State Pension In line with salaries
- Administration costs 1% of payments/payouts
- Married mix 73% married at retirement

3.16 The present value of a pension for any particular employee depends on individual circumstances. However, it is neither feasible nor useful to calculate pension costs for every individual employee. Instead, having regard to advice we received, the position of some groups with standard pension terms and others with non-standard terms were examined.

3.17 In practice, the majority of those covered by the remit of the Review Body have standard public service pension terms. Typical of such groups are Assistant National Directors in the HSE and Assistant Secretaries in the civil service. Other groups such as Judges or Government Ministers have different arrangements which reflect the nature of their employment.

Outcome of the examination

3.18 As indicated in paragraph 3.3, a substantial number of private sector employees do not have any occupational pension. However, in the case of senior grades coming within our remit we considered that the appropriate comparison was with private sector employees at a similar level. In contrast to the general position in the private sector, the great majority of private sector employees at senior management levels have pensions. In the case of directors of large private sector companies, pensions coverage is at 100% or close to it. However, there is some diminution of coverage at slightly lower levels of management. Life Strategies used the results of a number of surveys to determine the pension provision at senior levels in the private sector comparable to the public service grades covered by our review. In assessing the pensions provision in the private sector it was necessary to distinguish between coverage of defined benefit and defined contribution schemes. As a general rule, it is more expensive to provide a defined benefit scheme.

3.19 The grade of Assistant National Director in the HSE was taken as being representative of a grade within our remit with standard public service pension terms. We also asked Life Strategies to look at the position using the salary level of an Assistant Secretary in the civil service, which is somewhat higher than the salary of an Assistant National Director. Life Strategies considered it appropriate to examine the position that applies to persons recruited subsequent to 1995 as a reasonable assessment of public service pension terms, particularly as the arrangements introduced in 1995 involving integration with the State pension provide the most suitable basis for comparison with the private sector where integration generally applies. In any case, the overall benefits of pension terms applying to staff recruited before and after 1995 were found to be generally comparable by the Commission of Public Service Pensions⁴.

3.20 Life Strategies obtained detailed information on serving employees and retirees including data on ages, service, salary on recruitment and retirement as well as other relevant data. Based on this information and the assumptions made, Life Strategies concluded that the cost to the employer of providing a public service pension to those within our remit with standard pension terms was 27% of salary. As indicated this is based on the position of an Assistant National Director in the HSE. The amounts shown in the example following are those applying immediately before 1 June 2007 (the salaries shown are with effect from 1 December 2006 and are rounded). Future salaries and pensions have regard to the assumptions referred to in paragraph 3.15.

Example

Age at appointment to the grade	46
Retirement Age	62
Salary at entry	€93,000
Salary at retirement	€113,000
Actual years service	16
Credited years service	16
Pension	€18,232
Lump Sum	€67,800
Cost as % of earnings p.a.	32%
Employer effective contribution rate p.a.	27%

⁴ Appendix 6.3 of the Report of the Commission on Public Service Pensions refers.

The pension and lump sum are calculated as follows:

Salary at retirement	= €113,000
State Pension	= €10,921 ⁵ (with effect from 1 January 2007)
Net pensionable remuneration	= €113,000 – (2 × €10,921) = €91,158
Pension	= €91,158 × 16/80 = €18,232
Lump sum	= 3 × €113,000 × 16/80 = €67,800

The employer effective contribution rate p.a. is calculated as follows:

Pension multiplier ⁶	= 30.56
Capital value of pension	= €18,232 × 30.56 = €557,170
Total capital value of benefits	= €557,170 + €67,800 = €624,970
Present value of capital required ⁷	= €478,751
Present value of employee contributions ⁸	= €85,860 over the time at this grade
Present value of employer contributions	= €478,751 – €85,860 = €392,891
Present value of 1% of salary contribution ⁹	= €14,811 over the time at this grade
Required contribution rate	= €392,891/€14,811 = 27%

3.21 While an Assistant National Director in the HSE was used as an example of a grade covered by our remit with standard pension terms, as already mentioned, we also asked Life Strategies to look at the position of a grade at the salary level of an Assistant Secretary in the civil service, which has a somewhat higher salary than an Assistant National Director. Life Strategies informed us that repeating the calculations using the salary scale of an Assistant Secretary produced a similar result.

3.22 While the figure of 27% represents a substantial cost, this is not surprising having regard to the following considerations:

- accrual of pension is at the rate of 1/80th of final net pensionable remuneration per year of service (plus lump sum and spouse's benefit);
- longevity is improving quite rapidly and, with an assumed retirement age of 62, pension could be payable for about 25 years; and
- a pension will increase in line with the current salary for the post held on retirement.

⁵ The current State Pension of €209.30 per week multiplied by the average number of weeks in a year (52.18) gives an annual State Pension of €10,921.

⁶ This is the amount of capital required at retirement to pay €1 of pension for life. It takes account of the increases in pension and the payments to a spouse after death. It is based on the assumptions about mortality and post retirement discount rate.

⁷ This is lower than the capital value of benefits because the discount rate is higher than the assumed rate of salary increase (discount rate is 4% real while salary increases are 2% real).

⁸ This allows for contributions of 3% of pensionable salary plus 3.5% of net pensionable salary. It is based on a salary scale starting at €93,000 and increasing to €113,000. The present value is based on discounted values.

⁹ This value is calculated by projecting salary for each year at this grade. An amount equal to 1% of salary in each year is calculated and then discounted to the present time at the appropriate discount rate to give a present value of each of these future contributions.

3.23 Since the value of a pension is influenced by the final salary on which it is based, the value of the pension for the groups within our remit is greater than that applying to more junior grades in the public service whose salaries are lower.

The Private Sector

3.24 In assessing the value of pension terms available in the private sector for broadly comparable jobs, Life Strategies had regard to:

- a weighted average of employee coverage in the private sector covering the following:
 - Those with no pension
 - Those with a Defined Contribution Pension (value is the employer’s contribution)
 - Those with a Defined Benefit Pension (value calculated using similar methodology to that used for the public service and reflecting typical private sector benefits)
- the weightings had to reflect the comparative employments. A number of sets of data were used for this purpose including data available from the Pensions Board, data published by the CSO and an analysis of the position in private sector quoted companies. In addition, based on an assignment carried out for the Public Service Benchmarking Body, Life Strategies had regard to information available from a private sector survey insofar as it related to the pension arrangements for private sector groups at a similar level (or above) to the most senior grades within the remit of that Body.

3.25 As indicated in paragraph 3.18, in the case of the senior public service groups covered by the Review Body only a very small number of comparable private sector employees had no occupational pension. While, as stated in paragraph 3.23, the value of the pensions of the groups within our remit are higher than that of other public service groups, it is also the position that the value of the pensions of the comparator groups in the private sector is higher than that applicable to more junior employees in the private sector.

3.26 Based on the overall mix of pension arrangements in the private sector, Life Strategies concluded that the cost to the employer of the pension terms for a comparable employee in the private sector was in the region of 12% of salary. If comparison had been confined to those with defined benefit schemes only, but without revision of pensions in line with pay increases for serving employees, the private sector cost would have been 18%. In the private sector most, but not all, employers grant increases to pensions in payment but these are normally confined to CPI increases at most, often subject to a ceiling on the percentage increase granted.

3.27 On the basis that the cost of a private sector pension scheme was 12%, the value of a public service pension for those coming within our remit who have standard pension terms was found to be greater than private sector terms by 15%. Accordingly, in making comparisons between public service salaries and remuneration of comparable private sector jobs we made a discount of 15% to take account of the superior value of public service pensions. It has to be emphasised that the figure of 15% cannot be taken as a precise one as it is dependent on

a number of variables and assumptions. However, we are satisfied that it represents a reasonable and somewhat conservative assessment. It does not follow that the same assessment would apply to other public service groups.

3.28 A significant part of the superior value of public service pensions is attributable to the manner in which public service pensions are revised in line with pay awards to serving staff, sometimes referred to as indexation. As we stated in paragraph 3.1 and in our report on the interim review in 2005, this is particularly valuable and it is likely that most private sector organisations would regard it as being unaffordable.

Groups with non-standard terms

3.29 As already indicated, a number of groups within our terms of reference have pension terms which differ from standard terms and have a greater apparent value. We gave considerable consideration to the manner in which allowance should be made for the special pension terms applying to such groups. We were conscious that there are reasons of sound public policy why some groups have pension terms which are more favourable than the standard terms. For instance, the terms applying to Secretaries General take account of the introduction of the present fixed-term contract arrangement and removal of the right to serve until normal retirement age, potentially up to 65. We consider that a similar situation applies in the case of other groups such as County Managers, University Presidents and some chief executives of State Bodies. In the case of other groups such as Judges, appointments are made at an age which means that standard terms requiring 40 years to receive a full pension cannot reasonably be applied. Very special circumstances apply to Government Ministers also because acquisition of the service needed to qualify for a pension is subject to the uncertainties of political life.

3.30 In effect, there are a variety of reasons for the application of non-standard pension terms to certain groups. Appointments to these groups may be for restricted periods and there can be disadvantages associated with these appointments such as compulsory early retirement and comparatively short periods of service in the relevant positions.

3.31 If the Review Body were to apply a greater discount to these groups than to groups in receipt of standard pension terms, this would effectively cancel the value of the special terms by reducing salary to take account of them. This would mean that the public policy considerations which led to the special terms for some groups would, in effect, be set aside. The alternative of making a greater deduction but increasing salary to allow for the special considerations applying to the grades in question would be a highly subjective exercise and would achieve little.

Conclusions

3.32 We considered that a more appropriate approach would be to make a deduction for all groups based on the standard public service pension terms. While we recognised that some groups have more favourable terms, we considered that there are reasons of public policy for this which should not, in effect, be set aside through the application of a higher discount than

applies to other groups. On this basis we concluded that in making comparisons between the salaries of the grades covered by the Review Body and the remuneration of comparable private sector jobs, the adjustment to allow for the superior value of public service pensions should be 15% in the case of all the groups within our remit.

3.33 The argument is sometimes made that public service pensions have a particular value because they are, in effect, guaranteed by the State and thus have a greater certainty of payment than pensions of private sector employees. While there is a validity to this argument we did not consider it appropriate to make a specific allowance for certainty of payment. The reality is that, in practice, there have been very few situations in which private sector pension schemes have encountered difficulties to the extent that pensions were not paid.

3.34 For reasons already explained, we consider that there is no “right answer” in assessing the comparative value of pensions in the public service and the private sector. There are a myriad of assumptions which can influence an assessment and it is also the position that the benefits for any individual employee can be significantly different from the average position. However, we are satisfied that public service pensions are more valuable than the arrangements in the private sector. The superior value of public service pensions is largely attributable to the full coverage of employees with defined benefit pensions and the system of post retirement increases in pensions in line with salary increases.

3.35 It must be stressed that the overall situation in regard to pension provision in the private sector is a very fluid one and is changing quite rapidly. Changes we have already referred to affecting matters such as longevity, interest rates and price inflation affect pension costs and are causing overall policy on pensions provision to be reviewed. Pension costs will vary over time and bring about changes in the comparative values of public service and private sector pensions. Accordingly, the assessment we have made of the superior value of public service pensions cannot be regarded as a precise figure which will endure into the future nor can it be compared to assessments made in the past. However, we are satisfied that our assessment that the superior value of public service pensions amounts to 15% of salary is a reasonable conclusion at this time.

3.36 We wish to emphasise that the conclusions we have reached on the cost of pension benefits are based on the particular circumstances of the groups coming within our remit. It does not follow that the same conclusions are appropriate to other public service groups.

Security of Tenure

3.37 Some of the submissions made to us suggested that we should not give any significant weight to security of tenure for public servants. It was pointed out that a number of the posts coming within our remit are appointed on fixed-term contracts and it was argued that most senior staff in the private sector had a reasonable degree of security of tenure also or were well compensated if they lost their jobs.

3.38 It is, of course, the position that some of the groups covered by our review have fixed-term contracts but that is not true of the majority of those covered by our terms of reference.

We acknowledge also that there is some validity in arguments made to us that few senior management staff in the private sector lose their jobs or, if they do, substantial termination payments may be made. Nevertheless, there is a certainty of security attaching to public service posts which does not apply in the private sector. Senior public servants are not subject to the vagaries of the market or risks of job loss through business failure. We consider that this level of security has a value.

3.39 We do not think that it is possible to calculate the value of security of tenure in any scientific manner and the value ascribed to it must be a matter of judgement. Furthermore, we consider that the value of security of tenure in present economic circumstances must be regarded as less than that which would apply in circumstances of high unemployment. We were also conscious that in making comparisons with the private sector we have used the lower quartile of private sector remuneration as the benchmark, following a substantial discount to allow for the value of public service pensions.

3.40 In these circumstances we considered that it would be unduly harsh to apply a further discount for security of tenure. We would emphasise, however, that we consider security of tenure to be a real benefit. We would be disposed to make an explicit discount to allow for it in different economic circumstances or if we were setting the remuneration of those within our remit at a higher level relative to the private sector.

Non-Commercial State-Sponsored Bodies

Background

4.1 In view of the number of organisations involved, it is not feasible for the Review Body to examine the posts of chief executive of all non-commercial state-sponsored bodies. Accordingly, the normal practice is that the Review Body examines only a selection of the chief executive officer posts – normally the larger bodies, some others that the Minister for Finance asks it to look at specifically and a sample of others. The pay of the remaining posts is then determined by reference to the recommendations on the posts examined. On this occasion, we were asked to examine the remuneration of the chief executives of 28 non-commercial state-sponsored bodies.

4.2 We commissioned an evaluation of 24 posts of chief executive and were advised on the remuneration of posts of comparable weight in the private sector. The posts evaluated included all 16 of the posts which were not the subject of a specific recommendation in Report No. 38. The evaluation showed significant differences between posts. The salaries of some chief executives of state-sponsored bodies were well below private sector rates but the salaries of others compared well with the lower quartile of private sector rates, when allowance is made for the value of public service pensions on the basis set out in Chapter 3. The manner in which the salaries of chief executives of non-commercial state-sponsored bodies compared to private sector rates was influenced to some extent, at least, by the approach taken in Report No. 38 where the salaries recommended for some (but not all) chief executive posts were determined by reference to 95% of the lower quartile of private sector rates, rather than 85% as applied to the generality of posts coming within the Review Body's remit.

Developments since the last review

4.3 The submissions we received on behalf of chief executives, referred to changes since the last review. Some of these related to the types of changes affecting most of the groups covered by our review such as a more complex environment, changes in legislation at national and EU levels, the increasing emphasis on accountability, the need to respond to changes in the direction of Government policy etc. Other developments are specific to individual organisations relating to increased demands on chief executives arising from matters such as expanded functions, new priorities and increases in the scale of operation.

Categorisation of non-commercial state-sponsored bodies

4.4 We have again taken the approach adopted in the last two reviews in which non-commercial state-sponsored bodies are divided into two groups (Group A and Group B bodies). It remains our view that the generality of chief executives of non-commercial state-sponsored bodies can be regarded as broadly comparable to the senior posts in the civil service but that there are some bodies (the Group A bodies) which have a commercial aspect to their activities and comparison with the civil service is not always appropriate.

4.5 As indicated in Report No. 38, a decision to place an organisation in Group A is not based on an assessment of its relative size, importance or the level of responsibility of its chief executive; it is simply that we consider that private sector rates have a more direct relevance because of the different types of skills the chief executive requires and the fact that the source of those skills and competencies is as likely to be found in the private sector as in the public sector.

4.6 It was explained in Report No. 38 that in regard to the recommendations made there were distinctions between Group A and Group B bodies as follows:

- the recommended salaries for chief executives of Group A bodies were based on 95% of the lower quartile of private sector rates whereas the salaries of chief executives of Group B bodies were based on 85% of the lower quartile;
- in the case of chief executives of Group A bodies we recommended that there should be Ministerial discretion, in certain circumstances, to fix basic pay rates at up to the lower quartile of rates for private sector posts of comparable weight; and
- we recommended that the chief executives of all the Group A bodies could be provided with a company car without a deduction from salary for private use.

4.7 As already indicated, we have concluded on this occasion that, as a general principle, we should recommend salaries which are based on 100% of the lower quartile of private sector rates. Accordingly, the first distinction between Group A and Group B bodies mentioned in the preceding paragraph is no longer applicable. We discuss the other distinctions in the following paragraphs.

Conclusions

4.8 Our approach to the determination of the remuneration of the chief executives of non-commercial state-sponsored bodies has been based on the general considerations set out in Chapter 2. As indicated in paragraph 4.4 we are still of the view that there should be a distinction between Group A and Group B bodies.

4.9 As already stated, it was recommended in Report No. 38 that there should be Ministerial discretion, in certain circumstances, to fix basic pay rates for chief executives of Group A bodies at up to the lower quartile of rates for private sector posts of comparable weight. Since the salaries recommended for chief executives of Group A bodies were based on 95% of the lower quartile of private sector rates, the discretion available to Ministers was of a very limited kind, allowing the recommended rates to be increased from 95% to 100% of the lower quartile of private sector rates. However, that approach is no longer relevant since we now recommend that, as a general principle, salaries should be based on 100% of the lower quartile of private sector rates.

4.10 We still consider that a mechanism is needed to cater for situations where special circumstances apply to the recruitment of a chief executive. The circumstances to which we refer are of the kind set out in paragraph 3.7 of Report No. 38 – where, for example it is

necessary to recruit individuals from outside the public service with the required commercial, marketing and other skills to fill chief executive posts, where a chief executive's salary is hindering recruitment to other senior management positions or where a chief executive is being appointed with a view to undertaking a substantial restructuring or reorientation of the organisation. We indicated that Ministerial discretion should be applied within a coherent policy framework.

4.11 In the light of the approach we have taken to the determination of the remuneration of chief executives of non-commercial state-sponsored bodies we consider that there should be a change in the extent of the discretion available to Ministers. We recommend that where the circumstances described in the previous paragraph apply and where the relevant Minister is satisfied that an increase in the recommended salary for the chief executive of a Group A body is fully justified, the recommended salary may be increased by up to 10%.

4.12 As in previous reviews, we concluded that it would not be appropriate to recommend separate salaries for each of the chief executive posts examined by us. Although there are differences in the job weights between the various chief executive posts some of the differences are not, in our view, sufficient to warrant separate salaries. We remain of the view that the kind of banding system recommended in previous reports has worked well. Accordingly, we recommend a continuation of the banding system. We have adopted the same approach as in the last review and where posts have been "banded" we have taken the post with the greatest job weight as the reference point with the consequence that the recommended salaries for some posts are higher, but not significantly so, than if the posts had been assessed in isolation.

Company Cars

4.13 As in the case of the last review, we received some submissions which argued that there should be no deduction from the salary of a chief executive of a Group B body where a company car is provided and private use is permitted. The Review Body has discussed this issue in the reports on the last two general reviews. We do not consider that there has been any change in circumstances which would warrant a departure from the approach recommended in the previous reviews. Accordingly, in the case of Group A bodies, we recommend that where a company car is provided to a chief executive, no deduction from salary should be made in respect of private use. Where a company car is provided to the chief executive of a Group B body and private use is permitted, we recommend that there should be a deduction from salary of 20% of the list price of the car at the time of purchase.

Recommendations – Group A Bodies

4.14 We recommend that the rates of annual remuneration of the chief executives of the Group A state-sponsored bodies should be as shown in Table 4.1.

4.15 In accordance with the approach taken elsewhere in this report, the recommended rates are based on a contributory pension scheme with terms approximating to the civil service superannuation scheme where an employee contribution in respect of personal superannuation benefits is being made equivalent to that introduced for established civil servants recruited since 6 April 1995. The existing rates shown also relate to a person covered by such a pension scheme.

4.16 Salaries equivalent to 19/20ths of the recommended rates should be applied to persons covered by a non-contributory pension scheme in respect of personal superannuation benefits with terms approximating to the civil service superannuation scheme. The recommended salaries should also be adjusted where the chief executive makes a contribution in respect of personal superannuation benefits which is different to that introduced for established civil servants recruited since 6 April 1995. Adjustments should also be made if no superannuation scheme applies or if the terms of a superannuation scheme differ significantly from civil service terms in other respects. The recommended rates also assume that no other benefits are provided apart from company cars, in the case of Group A bodies, together with general terms approximating to those in the civil service. If additional benefits are provided the rates recommended by us should be adjusted appropriately to take account of the value of these benefits.

Table 4.1**Recommended Salary Rates for the Chief Executives of Group A Bodies**

Body	Current Rate	Recommended Rate	% Increase
	€	€	
IDA Ireland	201,683	247,000	22.5
Enterprise Ireland	201,683	247,000	22.5
Forfás	201,683	247,000	22.5
FÁS	201,683	247,000	22.5
Fáilte Ireland	161,346	198,000	22.7
Shannon Development	151,261	No increase	0.0
Údarás na Gaeltachta	151,261	No increase	0.0
Dublin Docklands Development Authority	151,261	No increase	0.0
Bord Bia	151,261	180,000	19.0
Bord Iascaigh Mhara	121,919 <small>(on a personal basis)</small>	151,000	23.9
Digital Hub Development Agency	178,923	No increase	0.0
National Roads Authority	Personal Rate*	198,000	0.0
Housing Finance Agency	123,025	130,000	5.7
Personal Injuries Assessment Board	169,415	No increase	0.0
Science Foundation Ireland	Personal Rate*	151,000	0.0

* A personal rate higher than the recommended rate is being paid at present.

Recommendations – Group B Bodies

4.17 We recommend that the rates of annual remuneration of the chief executives of the Group B state-sponsored bodies should be as shown in Table 4.2. The existing and recommended salaries shown are on the basis described in paragraphs 4.15 and 4.16.

Table 4.2
Recommended Salary Rates for the Chief Executives of Group B Bodies

Body	Current Rate	Recommended Rate	% Increase
	€	€	
Courts Service	Personal Rate*	185,000	0.0
Teagasc	151,261	195,000	28.9
Health Information and Quality Authority	194,636	No increase	0.0
Irish Film Board	114,581**	Retain existing link. See note in paragraph 4.18 of Report	
Health Research Board	143,192 (on a personal basis)	151,000	5.5
Marine Institute	143,194	151,000	5.5
The Equality Authority	125,046 131,092 137,144 143,192	132,000 138,000 144,500 151,000	5.5 (at maximum of scale)
Irish Sports Council	114,581**	Retain existing link. See note in paragraph 4.18 of Report	
National Disability Authority	114,581**	Retain existing link. See note in paragraph 4.18 of Report	
Citizens Information Board (formerly Comhairle)	121,825**	Retain existing link. See note in paragraph 4.18 of Report	
National Library of Ireland	114,581**	Retain existing link. See note in paragraph 4.18 of Report	
National Museum of Ireland	114,581**	Retain existing link. See note in paragraph 4.18 of Report	
Irish Auditing and Accounting Supervisory Authority	125,046	130,000	4.0

* A personal rate higher than the recommended rate is being paid at present.

** Current rate shown refers to the maximum of a scale/range.

Other Group B Bodies

4.18 The salaries of five of the posts which we have been asked to examine on this occasion are linked to the salary of a Principal (higher scale) in the civil service. The five posts are the chief executives of the Irish Sports Council, National Disability Authority, Irish Film Board, the Director of the National Library of Ireland and the Director of the National Museum of Ireland. The post of chief executive of the Citizens Information Board (formerly Comhairle) is linked to the salary of a Principal (higher scale) plus an allowance. In the case of these posts we concluded that the existing links are still appropriate. We have not, therefore, recommended revised salaries for these posts in this report. We consider that the salaries of the posts in question should be determined by the outcome of the benchmarking exercise as it applies to the grade of Principal (higher scale). The posts in question should also receive any future increases applied to the grade of Principal (higher scale).

Personal Rates

4.19 The salaries we have recommended for Group A and Group B bodies are those we regard as appropriate for the various posts of chief executives. Where higher rates than those recommended by us are being paid at present, the chief executives concerned should retain the existing remuneration on a personal basis. However, we consider that when new chief executives are appointed the recommended salaries should be introduced.

Headroom

4.20 In Report No. 38 we commented on the headroom between the chief executive and the grades at the second level in some state-sponsored bodies. A number of submissions we received referred to the small differential between the chief executive and posts reporting to the chief executive. It remains the position, as was the case in the last review, that in some cases the remuneration of second level posts is close to the (updated) rates recommended for chief executives in Report No. 38.

4.21 The Review Body stated in Report No. 38 that the remuneration levels of some second level posts raised serious doubts as to whether these posts are properly graded and suggested that the salaries of these posts were determined in a manner which did not have regard to the chief executive's remuneration and the need for reasonable headroom. In our view, the position in this regard has not changed significantly since our last review.

4.22 The rates recommended in this report are based on what we consider to be justified having regard to the demands of the posts. It follows that the remuneration of second level posts should be lower to a degree that provides adequate headroom. However, if increases are to be applied to second level posts without reference to the remuneration of the chief executive the problems in relation to headroom will persist.

4.23 Second level posts in non-commercial state-sponsored bodies do not come within our remit but it continues to be our view, as was stated in Report No. 38, that second level posts should not benefit automatically from increases recommended for other grades where this would cause a headroom problem and, in particular, we do not consider that there is justification, on a relativity basis, for applying increases to second level posts which are greater than those for the chief executive.

Regulators and Members of the Garda Síochána Ombudsman Commission

5.1 Among the posts being examined for the first time by the Review Body are the members of the following Commissions:

- The Commission for Energy Regulation
- The Commission for Aviation Regulation
- The Commission for Communications Regulation
- The Garda Síochána Ombudsman Commission

The Commission for Energy Regulation

5.2 The Commission for Energy Regulation is the regulator for the electricity and natural gas sectors in Ireland. The Commission is a statutory corporate body established under Section 8 of the Electricity Regulation Act, 1999 (as the Commission for Electricity Regulation) and renamed the Commission for Energy Regulation under Section 5 of the Gas (interim) (Regulation) Act, 2002.

5.3 The Electricity Regulation Act, 1999 states that “The Commission shall consist of at least one but not more than three members, each of whom shall be appointed by the Minister on such terms and conditions of appointment, including remuneration, as the Minister may fix, with the consent of the Minister for Finance, to hold office in a full-time capacity for a period of not less than three and not more than seven years.” The Act also states that “A member of the Commission, including the Chairperson, whose term of office expires by effluxion of time shall be eligible for re-appointment to serve a second term, subject to a limit of serving no more than ten years on the Commission” and “A member of the Commission shall not be entitled to serve more than two terms of office”.

5.4 The Act also provides that where there is more than one member of the Commission, the Minister shall appoint one of them to be Chairperson of the Commission. At the initial stages of our examination, the Commission consisted of a Chairperson and two Commissioners but one of the Commissioner posts subsequently became vacant. The Commissioners have collective responsibility for all decisions of the Commission.

Functions of the Commission

5.5 The Commission’s mission statement is “To regulate in a way that maintains a sustainable supply of electricity and natural gas, protects the short and long-term interests of Irish energy customers and is in the economic and competitive interests of Ireland.” The Commission prepares and publishes a five year strategic plan which sets out its mission, strategic goals and plans to achieve those goals over a five year period.

5.6 The Commission has a wide range of specific functions and duties in the electricity and gas sectors. These include the following main functions:

- ensuring sufficient capacity in the systems to satisfy reasonable demands for supply of natural gas and electricity;
- protecting the interests of final customers including the disadvantaged, the elderly and those residing in rural areas;
- promoting competition in supply of electricity and natural gas and electricity generation;
- ensuring that there is no unfair discrimination between applicants for or holders of licences, consents and authorisations or between them and State-owned operators;
- promoting the continuity, security and quality of supplies and encouraging safety and efficiency in undertakings and by end users;
- ensuring licence and authorisation holders are capable of financing their activities;
- setting standards, enforcing compliance, settling disputes, controlling and monitoring performance and reporting regularly on these activities;
- promoting research and the use of sustainable forms of energy that reduce or are free of greenhouse gas emissions as well as adopting measures to protect the natural environment in all the sectors' activities; and
- advising Government on the development and regulation of the gas and electricity sectors.

5.7 The range of functions that the Commission carries out is evolving as the regulatory framework for energy sectors in Ireland and in Europe develops. For instance the Energy (Miscellaneous Provisions) Act, 2006 expands the regulatory functions of the Commission to develop an all-island energy market, to regulate electrical contractors and gas installers with respect to safety and to regulate electricity interconnectors. It also provided for greater Ministerial powers to provide policy directions to the Commission for Energy Regulation, to open the natural gas market and to take action in the case of emergencies.

Remuneration of the Commissioners

5.8 There are three separate rates applying to the three Commissioners for Energy Regulation. One of these is a personal rate applying on a red circled basis. The present Chairperson was appointed some years ago at a rate equating to the Secretary General Level III salary. The third Commissioner was appointed from a competition in which the advertised salary was at the level of Deputy Secretary in the civil service.

5.9 The submission we received on behalf of the Commissioners described in detail the demands and particular features of the posts. The submission suggested that the current remuneration arrangements are inequitable and do not recognise sufficiently the strategic and operational importance of the roles. It was also contended that the current remuneration undervalues the requirements of the posts in terms of the nature of the responsibility, the

public accountability and decision making. The submission proposed that the remuneration of the posts should be at the level applicable to Secretaries General, Level II. However, it was also suggested that the terms of employment of Commissioners were less favourable than those of Secretaries General in some respects and that this factor should also be reflected in their remuneration.

5.10 While the Commissioners exercise collective responsibility for all decisions, it was suggested to us in an oral hearing with the Commissioners that there should be some additional remuneration in recognition of the role of the Chairperson.

5.11 The Commissioners considered that it would be difficult to extend a scheme of performance-related awards to their posts in view of the independent nature of their roles. However, they argued that if a scheme of awards were to be applied to Secretaries General, with a maximum award of 20%, it would be appropriate to increase the remuneration of the Commissioners by at least 10% to compensate for the non-availability of awards in their case.

Commission for Communications Regulation

5.12 The Commission is a statutory body established under the Communications Regulation Act, 2002. The Act provides that the Commission shall consist of at least one member and not more than three members. In accordance with the Act, a Commissioner is appointed on a full-time basis for a period of not less than three years and not more than five years. A Commissioner may not serve more than two terms of office as a Commissioner. At the time of our examination there were three Commissioners, one of whom was the Chairperson.

Functions of the Commission

5.13 The mission statement of the Commission is “The Commission for Communications Regulation will facilitate the development of a dynamic, efficient and competitive market place for electronic communications and postal networks and services for the benefit of the Irish Community.” The Commission is the statutory body responsible for the regulation of the electronic communications sector (telecommunications, radio communications and broadcasting transmission) and the postal sector. It is the national regulatory authority for these sectors in accordance with EU law which is subsequently transposed into Irish legislation.

The Commission’s remit covers various kinds of transmission networks including:

- traditional telephone wire;
- traditional television and radio;
- radio communications including fixed wireless;
- MMDS and deflector operators providing TV services;
- mobile operators providing voice and data services;

- licensing framework for satellite services in Ireland; and
- postal delivery network.

Section 10(1) of the Communications Regulation Act, 2002 describes the specific functions of the Commission as:

- “(a) to ensure compliance by undertakings with obligations in relation to the supply of and access to electronic communications services, electronic communications networks and associated facilities and the transmission of such services on such networks,
- (b) to manage the radio frequency spectrum and the national numbering resource, in accordance with a direction under section 13,
- (c) to ensure compliance by providers of postal services with obligations in relation to the provision of postal services,
- (d) to investigate complaints from undertakings and consumers regarding the supply of and access to electronic communications services, electronic communications networks and associated facilities and transmission of such services on such networks, and
- (e) to ensure compliance, as appropriate, by persons in relation to the placing on the market of communications equipment and the placing on the market and putting into service of radio equipment.”

Section 10(2) of the Act also provided that:

- “(a) The Minister may, after consultation with the Commission, by order, transfer to the Commission such additional functions as the Minister considers appropriate, being functions that are incidental, supplemental or consequential to the functions conferred on the Commission under this section and,
- (b) The Minister may, by order, amend or revoke an order under this subsection.”

Section 10(3) of the Act states “The Commission shall have all such powers as are necessary for or incidental to the performance of its functions under this Act.”

Section 10(4) states “The Commission shall be the national regulatory authority for the purposes of Regulation No. 2887/2000 of 18 December 2000 of the European Parliament and of the Council on unbundled access to the local loop.”

Remuneration of the Commissioners

5.14 The submission on behalf of the Commissioners described in detail the nature of the posts and their roles and functions. The remuneration of the post of Commissioner is linked to the salary of a Deputy Secretary in the civil service but it was suggested that such a link is not appropriate because of differences between the terms and conditions of the

Commissioners and those of the Deputy Secretary grade in the civil service. Specific references were made to the following differences:

- Recruitment for the post of Commissioner is on the basis of a competitive process which is open to candidates from both the public service and private sector;
- Commissioners are appointed on a contract for a fixed-term; and
- Commissioners are not eligible for performance-related awards.

5.15 The Commissioners proposed to us that the appropriate comparators for Commissioners should be the chief executives of certain large Group A state-sponsored bodies. It was argued that private sector rates have a relevance to the post of Commissioner because of the different types of skills a Commissioner requires. It was also suggested that the mandate and operating requirements of the post are such that it requires Commissioners to have the skills and competencies which would be required to manage an organisation in the internationally competing private sector, as well as the skills needed to manage the interaction with the political system, the civil service and other stakeholders.

5.16 As already indicated, a system of performance-related awards does not apply to the Commissioners at present. In the course of an oral hearing with us, the Commissioners indicated that they were open to the introduction of such a scheme subject to ensuring that this would not impinge on their independence in the exercise of their roles. We were informed that a system of performance-related awards applies to staff reporting to the Commissioners and that this can lead to a situation where the overall remuneration of such staff exceeds that of the Commissioners.

The Commission for Aviation Regulation

5.17 The principal functions of the Commission for Aviation Regulation are to regulate airport charges at Dublin Airport and aviation terminal services charges levied by the Irish Aviation Authority, to discharge certain functions in relation to slot allocation, to license Irish airlines, tour operators and travel agents, to approve ground handlers and enforce certain air passenger rights under EU legislation. The Commission is a statutory body established under the Aviation Regulation Act, 2001.

5.18 The Aviation Regulation Act, 2001 provides that the Commission shall consist of at least one but not more than three members. In accordance with the Act, a Commissioner may hold office in a full-time capacity for a period of not less than three and not more than five years. The Act states that a Commissioner whose term of office expires by effluxion of time shall be eligible for re-appointment to serve a second term, subject to a limit of serving no more than ten years on the Commission. A Commissioner is not entitled to serve more than two terms of office. At the time of our examination there was a single Commissioner.

Functions of the Commission

5.19 The Commission's primary mission statement is to assist in the underpinning of Ireland's economic growth and prosperity by:

- facilitating efficient economic development and operation of Dublin Airport in a manner which meets the requirements of current and prospective users of Dublin Airport, protects the reasonable interests of current and prospective users of Dublin Airport and enables Dublin Airport Authority to operate and develop Dublin Airport in a sustainable and financially viable manner; and
- implementing a licensing and enforcement regime which protects the legitimate safety and consumer protection interests of the travelling public.

5.20 The Commission’s business planning is largely determined by the following primary statutory objectives:

- airport charges are to be determined at least once every four years. In practice this has led to a very frequent revisiting of the determinations arising from self generated reviews, judicial reviews and administrative appeals;
- aviation terminal services charges are to be set every five years. The review and the preparatory work involved is a major undertaking for the Commission;
- implementation of EU Regulations in relation to slot allocation. This is highly cyclical. Business planning anticipates near and medium-term resource requirements for this area;
- passenger rights enforcement. This is a fairly new function (mid 2005) and is in a developmental phase; and
- licensing activities in relation to tour operators, travel agents, air carriers and ground handlers are cyclical and are carried out annually or at six monthly intervals.

Remuneration of the Commissioner

5.21 The Commissioner provided us with a detailed description of the role and functions of the post. It was stressed that although the Commission had a small number of staff, the job of Commissioner was considered to be a complex one, requiring an ability to deploy economic analysis in the making of decisions, in order to balance the interests of users of aviation services without unduly intervening in the work of aviation businesses.

5.22 The present salary of the Commissioner is linked to, but is somewhat below, that of a Secretary General, Level III and the submission from the Commissioner suggested that this relativity should be maintained. In the course of an oral hearing with us, the Commissioner expressed support for the introduction of a scheme of performance-related awards for the post.

Garda Síochána Ombudsman Commission

5.23 The Garda Síochána Act, 2005 contains significant legislative provisions on policing. It represents the first major revision of the operation of the Garda Síochána since the foundation of the State and is designed to support the efficient and effective operation and administration of the Garda Síochána in the twenty-first century.

5.24 An important feature of the Act was the establishment of the Garda Síochána Ombudsman Commission to replace the Garda Síochána Complaints Board. The Garda Síochána Ombudsman Commission has an expanded role and is required and empowered to:

- investigate complaints against members of the Garda Síochána directly and independently;
- investigate any matter, even where no complaint has been made, where it appears that a Garda may have committed an offence or behaved in a way that would justify disciplinary proceedings; and
- investigate any practice, policy or procedure of the Garda Síochána with a view to reducing the incidence of related complaints.

5.25 The Garda Síochána Act, 2005 provides that the Garda Síochána Ombudsman Commission is to consist of three members, all of whom are to be appointed by the President on:

- (a) the nomination of the Government, and
- (b) the passage of resolutions by Dáil Éireann and Seanad Éireann recommending their appointment.

5.26 The Act also provides that one of the members shall be appointed as Chairperson. The current Chairperson is a Judge of the High Court and was not covered by our examination of the members of the Commission.

5.27 In accordance with the Act, a member of the Ombudsman Commission holds office for the period, exceeding three years but not exceeding six years, that the Government may determine at the time of appointment. A member is eligible for re-appointment for a second term.

Functions of the Garda Síochána Ombudsman Commission

5.28 Section 67 of the Garda Síochána Act, 2005 describes the specific objectives and function of the Commission as follows:

“(1) The objectives of the Ombudsman Commission are—

- (a) to ensure that its functions are performed in an efficient and effective manner and with full fairness to all persons involved in complaints and investigations under Part 4 concerning the conduct of members of the Garda Síochána, and
- (b) to promote public confidence in the process for resolving those complaints.

(2) The functions of the Ombudsman Commission are—

- (a) to receive complaints made by members of the public concerning the conduct of members of the Garda Síochána,

- (b) to carry out the duties and exercise the powers assigned to it under Part 4 in relation to those complaints,
 - (c) to issue guidelines for the informal resolution under section 90 of certain categories of complaints and to make procedural rules for investigations under section 95,
 - (d) to report the results of its investigations under Part 4 to the Garda Commissioner and, in appropriate cases, to the Director of Public Prosecutions and, if it reports to the Director, to send him or her a copy of each investigation file,
 - (e) to conduct, in accordance with section 102, other investigations of matters concerning the conduct of members of the Garda Síochána,
 - (f) to examine practices, policies and procedures of the Garda Síochána in accordance with section 106,
 - (g) to draw up with the Garda Commissioner protocols in accordance with section 108, and
 - (h) to carry out any other duties and exercise any other powers assigned to it under this Act.
- (3) The Ombudsman Commission has all powers that are necessary for, or incidental to, the performance of its functions under this Act.
- (4) Subject to this Act, the Ombudsman Commission shall be independent in the performance of its functions.
- (5) The Chairperson of the Ombudsman Commission shall manage and control generally the officers, administration and business of the Commission.”

5.29 Part 4 of the Act, referred to in 1(a), 2(b) and 2(d) above, relates to complaints, investigations and other procedures. As regards Sections 90 and 95 referred to in 2(c) above, Section 90 relates to resolution of complaints by mediation or other informal means and Section 95 refers to investigations by the Ombudsman Commission of complaints that do not appear to involve offences. Section 102 referred to in 2(e) above refers to other investigations by the Ombudsman Commission. Section 106 referred to in 2(f) above relates to an examination of certain practices, policies and procedures of the Garda Síochána and Section 108 referred to in Section 2(g) above relates to the preparation of protocols for the handling of certain investigations by the Ombudsman Commission and some other matters.

Remuneration of the Commissioners (other than the Chairperson)

5.30 The submission we received on behalf of the members of the Garda Síochána Ombudsman Commission, other than the Chairperson, stressed the powers of the Commission. It was stated that in carrying out a criminal investigation, designated officers of the Commission have Garda powers, immunities and privileges. They are empowered to obtain search warrants, to arrest members of the Force, to detain and question members of the Force, to take forensic samples and to recommend charges against them. Where a criminal offence

does not arise, or a prosecution has for whatever reason been ruled out, the Commission is empowered to conduct a civil investigation. As part of a civil investigation, the Commission may require persons to provide it with documents or other information. It may also require persons to attend before it and answer fully and truthfully any questions put to them by the Commission. If a person fails to comply with these requirements, the Commission may seek an order of the Circuit Court requiring him or her to comply.

5.31 The current salary of two of the Commissioners is a little in excess of the salary of a Deputy Commissioner in the Garda Síochána. The submission made to us suggested that the demands of the job of Commissioner combined with the powers and responsibilities associated with the role meant that the current salary was inadequate. It was also argued that the gap between the salary of the two Commissioners and that of the Chairperson, who is a Judge of the High Court, was excessive and should be narrowed. The point was made to us that all members of the Commission have the same powers.

5.32 The submission on behalf of the Commissioners also argued that the headroom between the Commissioners and the senior staff member reporting to them, whose salary is equivalent to that of an Assistant Secretary in the civil service, was insufficient and that this provided a further basis for a significant increase for the Commissioners.

5.33 The Commissioners considered that, because of their independence and the nature of their role, it would not be appropriate to apply a scheme of performance-related awards to them. However, attention was drawn to the application of such a scheme to Deputy Commissioners in the Garda Síochána. It was stated that this allowed for the possibility of an annual award of up to 20% of salary for a Deputy Commissioner in the Garda Síochána, and a probable average award of 10%. It was argued that the salary of the Garda Síochána Ombudsman Commissioners should include an element to reflect the absence of performance-related awards and that an overall salary equating to the salary of a Deputy Commissioner in the Garda Síochána plus 10% would be appropriate.

Conclusions

5.34 The submissions on behalf of the members of the Commissions covered by our examination generally emphasised comparisons with other senior posts in the public service. The approach we have taken to our assessment of the appropriate remuneration of these groups is the same as that taken in relation to other groups. On this basis, we have had regard primarily to comparison with the remuneration of jobs of comparable weight in the private sector and we were assisted by the Hay Group in this regard. However, we accept that there must be a coherence to the remuneration structure for senior posts within the overall public service and have given consideration to the relative demands of various posts.

5.35 We consider also that there are factors other than job weight that must influence the level of remuneration attaching to the Commissioner posts we have examined. The jobs are specialist in nature and require levels of expertise that are in short supply.

Commissions with responsibility for the regulation of the Energy, Communications and Aviation sectors

5.36 There is a broad similarity between the kind of regulatory functions exercised by the Commissioner posts for energy regulation, communication regulation and aviation regulation. Accordingly, we think it is appropriate to consider these posts together.

5.37 We fully acknowledge the importance of the roles of the Commissioners referred to, the demands of the jobs, the complexity of the issues with which they are faced and the difficult decisions which must be taken. There are differences, however, in the scale and breadth of the jobs. Nevertheless, we appreciate that each of the jobs is a difficult and demanding one and we do not consider that the difference between the demands of the posts are of such an order that different salaries are justified.

5.38 As regards comparisons made by the Commissioners with posts of Secretary General and chief executives of the major non-commercial state-sponsored bodies, our general conclusion was that the job weight of the posts of Commissioner was less than that of the other posts with which comparison was made.

Recommended salaries

5.39 The recommended rates shown in Table 5.1 relate to persons who make an employee contribution in respect of personal superannuation benefits equivalent to that introduced for established civil servants recruited since 6 April 1995. The existing rates shown also relate to persons making such a contribution. Salaries equivalent to 19/20^{ths} of the recommended rates should be applied to persons who do not make an employee contribution in respect of personal superannuation benefits.

5.40 Having regard to the considerations mentioned in the preceding paragraphs, we recommend the following rates of salary.

Table 5.1
Recommended Salary Rates for Regulators

Post	Current Rate	Recommended Rate	% Increase
	€	€	
Commissioner for Aviation Regulation	203,379	185,000	0.0
Commissioner for Energy Regulation ¹⁰	169,415	185,000	9.2
Commissioner for Communications Regulation	169,415	185,000	9.2

¹⁰ The current rate shown refers to the most recent appointment to the post. Other members have higher rates.

5.41 As indicated above there is one serving Commissioner for Aviation Regulation and the rate recommended takes account of all aspects of the role of that post. The rates recommended for the Commissioners for Energy Regulation and for Communications Regulation refer to the ordinary Commissioners. Where one of these Commissioners also acts as Chairperson we consider that an additional amount should be payable and we recommend that the Chairperson should receive an addition of 10% to the recommended salaries for ordinary members.

5.42 In any cases where the salary recommended is lower than the salary being paid at present the persons in receipt of the higher salaries should retain them on a personal basis.

Garda Síochána Ombudsman Commission

5.43 In our examination of the posts of Garda Síochána Ombudsman Commissioner we were conscious that the Commission was in an early stage of its development and was not fully operational when the post of Commissioner was evaluated by our consultants. Nevertheless, we are satisfied that it was possible to make a full evaluation of the nature and demands associated with the post of Commissioner. The role and functions of the posts are set out in legislation and we were greatly assisted by the comprehensive submission and factual information received from the Commissioners.

5.44 In arriving at our recommendations on the appropriate remuneration for the post of Commissioner we took account of the evaluation of the post by our consultants as well as the need to attract and retain persons possessing the particular skills needed for the post. We accept also the arguments made to us about the need for an appropriate differential between the salary of the Commissioners and the salaries of the senior posts reporting to them. We consider, however, that there is less validity in the arguments made about the need to narrow the differential between the salaries of the Commissioners and that of the Chairperson. The Chairperson is a Judge of the High Court and the salary payable derives from that position. We do not consider that it follows that the salary payable to a High Court Judge should influence the remuneration payable to the other Commissioners.

5.45 We do not consider either that comparison with the salary of a Deputy Commissioner of the Garda Síochána should be a major factor in the determination of the salary of the Garda Síochána Ombudsman Commissioners. While there is an obvious working relationship between the Ombudsman Commissioners and senior ranks of the Garda Síochána, the roles are quite different. We consider that the salary of the Garda Síochána Ombudsman Commissioners should be determined primarily by the nature of their jobs rather than by reference to other posts.

5.46 As in the case of other posts, the salary we recommend for the Garda Síochána Ombudsman Commissioners relates to a person who makes an employee contribution in respect of personal superannuation benefits equivalent to that introduced for established civil servants recruited since 6 April 1995. The existing rate shown also relates to a person making such a contribution. A salary equivalent to 19/20th of the recommended rates should be

applied to a person who does not make an employee contribution in respect of personal superannuation benefits.

5.47 Having regard to our overall assessment of the post of Commissioner we recommend a salary as follows:

Table 5.2

Recommended Salary Rate for the Garda Síochána Ombudsman Commissioners

Post	Current Rate	Recommended Rate	% Increase
	€	€	
Garda Síochána Ombudsman Commissioner	159,744	185,000	15.8

6

Deputy Chairperson and Ordinary Members of An Bord Pleanála

Functions of An Bord Pleanála

6.1 An Bord Pleanála is an independent body, which performs a quasi-judicial role in relation to planning and development. It was first established in 1977, under the Local Government (Planning and Development) Act, 1976 and currently comprises a Chairperson and nine Members, one of whom is appointed as a Deputy Chairperson. Our terms of reference include the Deputy Chairperson and the ordinary Members. This is the first time these posts have been examined by the Review Body. In the remainder of this Chapter we use the term “Member” in referring to the ordinary Members and the Deputy Chairperson except where we wish to distinguish between the positions.

6.2 The Members of An Bord Pleanála, supported by the staff of the Board, make decisions in respect of appeals on applications for planning permission, air pollution licences, water discharge licences and fire safety certificates, in respect of infrastructure projects, including motorways, roads, waste management projects and water/drainage schemes and in respect of confirmation of compulsory purchase orders. These matters may refer to projects of significant value and national importance. The Board also performs a role in interpreting the law, when determining referrals made under Section 5 of the Planning and Development Act, 2000 (i.e. the Board decides if planning permission is or is not required for a particular development, based strictly on the provisions of the law and statutory regulations).

6.3 Decisions in relation to the matters referred to in the preceding paragraph are made by the Board acting as a corporate entity, with a minimum of three Members constituting a quorum.

6.4 However, the Deputy Chairperson has some additional responsibilities in relation to the management of the Board. Section 110 of the Planning and Development Act, 2000, as amended by Section 17 of the Planning and Development (Strategic Infrastructure) Act, 2006, provides that:

The Chairperson *and*, subject to the overall direction of the Chairperson, the Deputy Chairperson shall *each* have the function of:

- (a) ensuring the efficient discharge of the business of the Board, and
- (b) arranging the distribution of the business of the Board among the Members.

These functions fall to be performed by the Deputy Chairperson where the Chairperson is not available or the post of Chairperson is vacant.

6.5 The Planning and Development (Strategic Infrastructure) Act, 2006 led to changes in the operations of the Board. In particular, the Board acquired two new functions.

6.6 Firstly, applications for planning permission for certain scheduled large scale infrastructure projects of strategic importance will be submitted directly to An Bord Pleanála instead of to the local authority. Secondly, authority is being transferred to An Bord Pleanála, from the Minister for Transport and the Marine, in respect of the approval of railway orders for metro lines, light railways and other rail lines. These additional functions will require new procedures in respect of decision-making and consultation with interested parties and the public, as set out in the Act.

6.7 The listed infrastructure projects include, in summary:

- onshore petroleum or natural gas extraction installations;
- oil refineries and gasification installations;
- power stations;
- gas terminals, storage installations and pipelines;
- windfarms;
- transport infrastructure, including harbours, airports and rail terminals;
- waste disposal installations, including land fill and incinerators;
- water abstraction projects;
- waste water treatment plants;
- flood relief works, dams and coastal protection works; and
- electricity transmission lines.

Appointment of Board Members

6.8 Board Members are appointed under the provisions of the Planning and Development Act, 2000 (Section 106) as amended by Section 15 of the Planning and Development (Strategic Infrastructure) Act, 2006. The Act states that the Minister for the Environment, Heritage and Local Government shall appoint nine members as follows:

- (a) 2 members shall be appointed from amongst persons nominated for such appointment by such organisations that, in the Minister's opinion, are representative of persons whose professions or occupations relate to physical planning, engineering and architecture as may be prescribed;
- (b) 2 members shall be appointed from amongst persons nominated for such appointment by such organisations that, in the Minister's opinion, are concerned with economic development, the promotion of and carrying out of development, the provision of infrastructure or the development of land or otherwise connected with the construction industry as may be prescribed;

- (c) 2 members shall be appointed from among persons nominated for such appointment by such—
- (i) organisations that, in the Minister’s opinion, are representative of the interests of local government,
 - (ii) bodies representing farming, and
 - (iii) trade unions, as may be prescribed;
- (d) 2 members shall be appointed from among persons nominated for such appointment by such—
- (i) organisations that, in the Minister’s opinion, are representative of persons concerned with the protection and preservation of the environment and of amenities,
 - (ii) voluntary bodies and bodies having charitable objects,
 - (iii) bodies that, in the Minister’s opinion, have a special interest or expertise in matters relating to rural and local community development, the promotion of the Irish language or the promotion of heritage, the arts and culture,
 - (iv) bodies that are representative of people with disabilities, and
 - (v) bodies that are representative of young people, as may be prescribed; and
- (e) one member shall be appointed from among the officers of the Minister who are established civil servants for the purposes of the Civil Service Regulation Act, 1956.

A Board Member is appointed for a maximum term of five years – on occasion for less – at the end of which re-appointment is at the discretion of the Minister. The position is whole-time and requires full-time attendance at the Board’s offices.

6.9 The Deputy Chairperson is appointed by the Minister from among the Members of the Board. Such appointment ceases when the Member’s term of appointment as a Member of the Board comes to an end.

6.10 There are features attaching to the appointment of Members which are designed to prevent any conflict of interest. These include an absolute prohibition on engagement in other paid employment. The Board’s own code of conduct imposes further restrictions. Members must make annual declarations of their financial or business interests. Where any possible conflict of interest might arise in relation to a particular case, Members must absent themselves from any involvement therein.

Remuneration of Members of An Bord Pleanála

6.11 The salary of ordinary Members of the Board is based on the minimum point of the scale for an Assistant Secretary in the civil service. The salary of the Deputy Chairperson is based on the maximum point of the scale for an Assistant Secretary.

6.12 In their submission to us, the Members of An Bord Pleanála suggested that their current salary levels were inadequate and did not properly reflect the demands of their posts. Reference was made to the differential between the salary of the Chairperson of the Board and that of the Members. The salary of the Chairperson is determined by legislation. Section 105(14) (a) of the Planning and Development Act, 2000 provides that “There shall be paid by the Board to the Chairperson the same salary as is paid to a Judge of the High Court.”

6.13 The Members fully accepted that the Chairperson carries a greater burden in terms of managerial functions and overall direction of the Board. However, it was stated that the extent to which the salary of the Members was below that of the Chairperson undervalued their role and responsibilities.

6.14 The submission on behalf of the Members also suggested that the level of their remuneration does not reflect the limitations of the post, whereby Members cannot engage in any activity which might compromise their independent role and appointments are made for five years only with no guarantee of re-appointment.

6.15 In the submission on behalf of ordinary Members it was proposed to us that, having regard to salary differentials in other areas of the public service, a salary based on approximately 70% of the Chairperson’s salary would be appropriate for ordinary Members. In the case of the submission on behalf of the Deputy Chairperson, it was suggested that the salary of that post should be fixed broadly between the salary of the Chairperson and that of the ordinary Members. It was further submitted that this should be at the same level as a Deputy Secretary in the civil service.

6.16 As regards performance-related awards, the submission on behalf of the Members of an Bord Pleanála stated that the nature of the Members’ work is quasi-judicial and collegiate, in that a minimum quorum of three Members is required in the making of any decision. The submission suggested that the nature of the work meant that a system of individual performance-related awards was not appropriate. However, the submission also stated that if the Review Body were to recommend the introduction of such a scheme, it should apply equally to all Board Members, given the collegiate nature of their role.

Conclusions

6.17 We commissioned an evaluation of the post of the Deputy Chairperson and one post of ordinary Member of An Bord Pleanála and were advised on the remuneration of posts of comparable weight in the private sector. Previously, in 2002, the posts at the level of Deputy Chairperson and ordinary Member were examined on behalf of the Department of Environment, Heritage and Local Government and the outcome of that evaluation led to an increase in salary. However, we wished to examine the posts in the light of developments since 2002. In this regard, the submission on behalf of the Members described the main changes in the nature of their work and the increased workload arising from new legislation and the growing complexity of the casework.

6.18 As we have indicated elsewhere in the report, we do not consider that changes in jobs are, in themselves, a basis for an increase in salary. Change is a natural feature of all jobs, particularly in the case of senior posts, and the process of change has been recognised in the increases arising under the pay agreements associated with National Agreements. Furthermore, all the groups that made submissions to us argued that their jobs had undergone significant change since the last review. As we have stated in Chapter 2, in examining any group we do not see a value in assessing the change affecting them since the last review in isolation. Our approach has been to examine the current demands of jobs which has the effect of taking account automatically of the manner in which they have changed. In this case, therefore, our examination was based on the demands of jobs of the Deputy Chairperson and ordinary Member in their present forms and thus captured developments in the roles.

6.19 Arguments were made to us about the differential between the salaries of the Chairperson and the Members. We do not consider that we should give significant weight to this. The post of Chairperson is not covered by our terms of reference and has not, therefore, been examined by us. As indicated in paragraph 6.12, the salary for the post is determined by legislation. We consider that our recommendations on the salaries for the Deputy Chairperson and ordinary Members must be based primarily on the demands of those jobs as assessed by us.

6.20 Based on our examination of the jobs and the conclusions we reached, we consider that the salaries of the Deputy Chairperson and ordinary Members of An Bord Pleanála should continue to be related to the salary of the grade of Assistant Secretary in the civil service on the same basis as at present. In forming this view we have taken account of developments in the jobs of both groups.

6.21 We recommend the salaries as shown in Table 6.1. The recommended rates relate to persons who make an employee contribution in respect of personal superannuation benefits equivalent to that introduced for established civil servants recruited since 6 April 1995. The existing rates shown also relate to persons making such a contribution. Salaries equivalent to 19/20th of the recommended rates should be applied to persons who do not make an employee contribution in respect of personal superannuation benefits.

Table 6.1

Recommended Salary Rates for the Deputy Chairperson and Ordinary Members of An Bord Pleanála

Post	Current Rate	Recommended Rate	% Increase
	€	€	
Deputy Chairperson	143,192	151,000	5.5
Ordinary Member	125,046	132,000	5.6

Civil Service, Comptroller and Auditor General, Director of Public Prosecutions

I Civil Service

7.1 The policies and operations of the civil service have a significant impact on the economic, social, political and physical environment of Ireland. The senior civil service grades of Secretary General and Assistant Secretary covered by our remit carry a range of significant responsibilities in a complex environment involving high level policy planning, political, legal and financial decision making.

7.2 There is a process of ongoing change in the civil service with the continued implementation of the Performance Management and Development System, new recruitment and other human resources arrangements, new behaviour codes and standards, continued quality customer service initiatives, the introduction of Regulatory Impact Analysis and other reform related to better regulation. A new system of multi-annual capital envelopes has also been introduced with revised capital appraisal guidelines for the management of significantly enhanced capital budgets.

7.3 Secretaries General and Assistant Secretaries have faced major challenges in recent years arising from the programme of change. New legislation such as the Public Service Management (Recruitment and Appointments) Act, 2004 and the Civil Service Regulation (Amendment) Act, 2005 has changed the framework of recruitment in the civil service and has led to a more devolved and flexible structure as well as giving Secretaries General managerial responsibility for all matters pertaining to appointments, performance, discipline and dismissal of civil servants below Principal Officer level. The Civil Service Regulation (Amendment) Act, 2005 introduces significant changes to the human resource management procedures in the civil service, particularly in relation to dealing with underperformance.

7.4 A significant change has been the way in which the personal accountability of Secretaries General for their Departments has been reinforced and made more explicit. The publication in January 2003 of the Report of the Working Group on the Accountability of Secretaries General and Accounting Officers (Mullarkey Report) put renewed focus on the responsibilities of Secretaries General as Accounting Officers and assigned to them a number of specific additional obligations in terms of certifying that robust systems of internal financial control, internal audit, the adoption of formal risk management strategies, governance arrangements for State bodies reporting to Departments and improved management information systems are all in place.

7.5 One of the major managerial and leadership challenges faced by senior management of the civil service is the implementation of the Government's decentralisation programme. The Minister for Finance announced the Government's commitment to a voluntary decentralisation programme in December 2003. The proposals involve the relocation of over 10,300 posts within civil service Departments/Offices and certain public service agencies to over 50 locations across 25 counties throughout the country, with eight Government

Departmental headquarters being moved from the capital. The implementation of this programme has already required significant efforts by the bodies affected which include organising the moves and putting the necessary infrastructure and staffing in place. These efforts will continue over the short to medium-term and will include the key objective of maintaining services to the Government and to the public throughout the relocation process. The decentralisation programme will also provide opportunities to enhance the modernisation process in the civil service and wider public service.

7.6 Secretaries General and Assistant Secretaries also carry significant responsibilities in driving the modernisation agenda in the civil service. The programme of modernisation of each sector of the public service has been under way since the launch of the Strategic Management Initiative (SMI) more than twelve years ago. The SMI agenda was further developed by the Delivering Better Government (DBG) programme, launched in 1996, which presented a vision for the civil service built around six key organisational themes. These included a greater openness and accountability, a mission of quality customer service, and the efficient and fair operation of simplified regulations. Within Government Departments, these developments were to be underpinned by organisational improvements in human resource management, financial management and enhanced information systems management. Further support for the implementation of these initiatives was set out in subsequent social partnership agreements.

7.7 The *Programme for Prosperity and Fairness* which was agreed in 2000 further advanced the objectives of the SMI by focussing on continuous improvements in service delivery, resource management and organisational responsiveness. The modernisation programme across the public service continued under *Sustaining Progress* which was agreed in 2003 and *Towards 2016*, the current social partnership agreement.

7.8 We were informed also of a further initiative regarding a review of the public service. In June 2006, the Taoiseach asked the Implementation Group of Secretaries General to develop proposals on initiatives to advance the next phase of modernisation of the public service. Arising from this, proposals for a major review of the public service by the OECD were approved by the Government in December 2006 and this review is under way.

7.9 The review of the public service will have two main objectives:

- to benchmark the public service in Ireland against other comparable countries; and
- to make recommendations as to future directions for public service reform.

7.10 This review marks a new phase in the sustained reform of the public service over the last decade. The review will cover the whole of the public service. While the review will not be a detailed audit of individual sectors such as health, education, local government etc, it will examine the effectiveness of arrangements through which Government objectives are translated into outputs and outcomes. It will focus on the connections between the different sectors including the links between Departments/Offices and local government, health and education sectors, with a particular focus on delivery of quality public services.

7.11 The OECD review is one of four initiatives announced by the Taoiseach. The other measures include a system of organisational reviews or “health checks” for public service bodies, better performance indicators, including aggregate indicators to show the combined

impact of spending in particular areas, and a leadership programme to ensure that leaders are fully developed at all levels in the public service in the coming years. The OECD review will be supported by an advisory structure drawing on expertise from the business world, the academic community, the social partners and other stakeholders and will be led by the Secretary General to the Government.

Recruitment

7.12 The recruitment market for Secretaries General and Assistant Secretaries is a restricted one and is largely confined to the civil service. We were supplied with information on the competitions for these posts conducted by the Top Level Appointments Committee since our last review. We noted that there was a decrease in the average number of applications since our last review but this was not substantial and the number of applicants is still at a reasonably high level.

7.13 We accept that there may be a view among some potential candidates that the salaries of top civil service posts do not compensate for the responsibilities of these posts. However, as we indicated in Report No. 38, we are not convinced that salary levels are the principal reason for the decline in the numbers applying for top civil service posts. We consider that it is likely that people have become more selective in the posts they apply for. Furthermore, we are satisfied that the senior posts are still being filled by persons of the highest calibre.

Conclusions

7.14 We commissioned an evaluation of ten posts of Secretary General and four posts of Assistant Secretary and obtained advice on the level of remuneration applicable to jobs of comparable weight in the private sector. The findings of the evaluation showed that the remuneration of these groups was below that of comparable jobs in the private sector, particularly in the case of Secretaries General.

Secretaries General

7.15 We commissioned an evaluation of a large number of posts of Secretary General on this occasion as we decided to carry out a fundamental review of the existing salary structure for Secretaries General which entails three salary levels. Report No. 38 recommended that the Secretary General, Department of Finance should continue to be the only post at Level I (the highest salary level), that there should be nine posts at Level II and that the remaining posts should be at Level III.

7.16 Our examination suggested that there continues to be some differences in terms of job weight between the various posts of Secretary General. However, the differences are not such as to warrant a wide range of salaries and we are satisfied that a structure of three salary levels is still appropriate.

7.17 We have concluded that the post of Secretary General to the Government/the Department of the Taoiseach is significantly more demanding than on the occasion of the last

review and that this post and the post of Secretary General, Department of Finance are the most demanding posts. We consider that these two posts should have the same salary.

7.18 While there are differences between the other posts of Secretary General, we consider that the demands of many of them are broadly comparable. On this basis, we recommend that a greater number of posts should be included at Level II of the salary structure for Secretaries General with a corresponding reduction in the number of posts at Level III.

7.19 We recommend that the annual basic salaries of Secretaries General should be as set out in Table 7.1.

7.20 The recommended salaries relate to established civil servants appointed since 6 April 1995 making an employee contribution in respect of personal superannuation benefits. The existing rates shown also relate to such civil servants. Salaries equivalent to 19/20^{ths} of the recommended rates should be applied to persons recruited before 6 April 1995 who do not make an employee contribution in respect of personal superannuation benefits.

Table 7.1
Recommended Salary Rates for Secretaries General

Post	Current Rate	Recommended Rate	% Increase
	€	€	
Level I			
Department of Finance	272,272	303,000	11.3
Department of the Taoiseach/Secretary General to the Government	242,019	303,000	25.2
Level II			
Departments of: Agriculture, Fisheries and Food Communications, Energy and Natural Resources Education and Science* Enterprise, Trade and Employment Environment, Heritage and Local Government* Foreign Affairs Health and Children Justice, Equality and Law Reform Social and Family Affairs Transport and the Marine* Chairman, Revenue Commissioners	242,019	270,000	11.6
Level III			
Other Secretaries General	211,765	236,000	11.4

* The increase shown above for posts at Level II relate to those posts which are already at Level II. The increase is higher (27.5%) in the case of the Secretaries General, Department of Education and Science, Department of the Environment, Heritage and Local Government, and Department of Transport and the Marine as these posts are at Level III at present.

Assistant Secretaries

7.21 In the last two general reviews the Review Body commented that there was a variation in the levels of responsibility of different posts of Assistant Secretary although the last review found that the variation was less than on previous occasions. On balance, it was decided that a common salary scale should be retained but it was recommended that the variation in job sizes should be kept in mind by the Department of Finance and Secretaries General when new Assistant Secretary posts were being created.

7.22 Our examination as part of this review found that there continues to be variations in job size. The extent of the variation is about the same as that identified in the last review. We remain of the view that, on balance, a common scale should apply to all Assistant Secretary posts but would again urge the Department of Finance and Secretaries General to address this issue to the extent possible when new Assistant Secretary posts are being created.

7.23 At present, the maximum of the scale for an Assistant Secretary (excluding payments under the present scheme of performance-related awards) is approximately 68% of the salary of a Secretary General in the Level III band. In the submission we received on behalf of Assistant Secretaries, it was accepted that a reasonable level of headroom between Secretaries General and Assistant Secretaries is justified. However, it was suggested that in view of the collegiate operation of Departmental Management Advisory Committees and the delegation of functions under the Public Service Management Act, 1997 the level of headroom is currently larger than is warranted.

7.24 The outcome of our examination did not support the contention that the headroom between Secretaries General and Assistant Secretaries is excessive. In fact, the information we obtained showed that the remuneration of Secretaries General was below private sector rates for comparable jobs to a greater extent than in the case of Assistant Secretaries. Furthermore, it is our view that levels of accountability and responsibility carried by Secretaries General are significantly greater than those applying to Assistant Secretaries and this should be reflected in the headroom between the two grades.

7.25 We recommend that the salary scale for the grade of Assistant Secretary should be as shown in Table 7.2. The existing and recommended rates shown are on the basis described in paragraph 7.20.

Table 7.2

Recommended Salary Scale for Assistant Secretaries

Current Scale	Recommended Scale	% Increase (at maximum of scale)
€ 125,046 – 131,092– 137,144 – 143,192	€ 132,000 – 138,000– 144,500 – 151,000	5.5

Other civil service posts

7.26 There are a number of posts in the civil service at the level of Deputy Secretary. We have recommended a salary for these posts at what we regard as an appropriate position between the salaries of the grades of Assistant Secretary and Secretary General, Level III. The recommended salary is shown in Table 7.3. The existing and recommended salaries are on the basis described in paragraph 7.20.

Table 7.3
Recommended Salary Rate for Deputy Secretaries

Current Rate	Recommended Rate	% Increase
€ 169,415	€ 185,000	9.2

Changes in responsibilities of Secretaries General

7.27 It was possible for us, as part of the present general review, to take account of recent changes in the responsibilities of some Secretaries General arising from revisions to the functions of certain Government Departments. However, it was fortuitous that the timing of these changes coincided with a general review. In other circumstances, the intervals between general reviews could mean that major changes in the responsibilities of a Secretary General would not be assessed until a considerable time after the changes have taken place. We consider that this is unsatisfactory. In our view, where there is a fundamental change in the responsibilities of a Secretary General before a general review is due or where a new Department is created, the Review Body should be asked to examine the post of Secretary General at the time of the change and the matter should not be deferred until the next general review.

II Comptroller and Auditor General

7.28 In Report No. 38 the Review Body recommended that the salary of the Comptroller and Auditor General (C&AG) should be at the same level as a Secretary General at Level II of the three band structure recommended for Secretaries General in that report.

Developments since the last review

7.29 There have been developments in the job of the C&AG since our last report. There has been an increase in the number of entities subject to the remit of the C&AG and the workload of the post has been affected by the growing emphasis on the accountability of the public service. A significant change in the environment in which the C&AG operates has been the development of corporate governance in line with practices in the private sector. The advent of mandatory audit committees, the requirement for a Statement of Internal Financial Control and Directors' Compliance Statements have placed additional demands on auditors in the private sector and corresponding developments have occurred in the public service as a result of the adoption of the recommendations in the Mullarkey report to which we have referred in paragraph 7.4.

Remuneration of the Comptroller and Auditor General

7.30 In a submission to us, the C&AG acknowledged that linking the salary of the post to the salary levels of Secretaries General was not an unreasonable approach. However, it was suggested to us that comparison with the total remuneration package of a managing partner in a large auditing practice was also valid. It was proposed to us that the remuneration of the C&AG should at least match that of a managing partner after account is taken of the value of security of tenure, public service superannuation arrangements and any other relevant advantages attaching to the C&AG's post that might be identified by the Review Body.

7.31 The submission by the C&AG also stated that there were significant differences between the post and a post of Secretary General as the position of the C&AG is that of a constitutional officer and not a civil servant. As a result there are differences in relation to appointment, tenure, legal status and reporting relationship. The C&AG is appointed by the President on the nomination of Dáil Éireann under Article 33 of the Constitution and is an independent constitutional officer with a reporting responsibility to Dáil Éireann. The C&AG also has tenure until 65 years of age.

Conclusions

7.32 We accept the points made about the differences between the nature of the post of C&AG and a post of Secretary General. We acknowledge also that certain comparisons can reasonably be made between the overall demands of the post of C&AG and those of a top management post in an auditing practice in the private sector. However, we remain of the view expressed in previous reports that comparison with the salaries of Secretaries General continues to be the most appropriate basis for determining the remuneration of the C&AG and we note that the C&AG also accepted that this approach was not unreasonable.

7.33 We consider that the salary of the C&AG should be at the same level recommended for Secretaries General at Level II of the salary structure for Secretaries General as shown in Table 7.1. Accordingly, as shown in Table 7.4, we recommend an annual salary of €270,000 for the post. As is the case with other posts we have examined, the recommended salary of €270,000 is the salary which would be appropriate to a person who makes an employee contribution in respect of personal superannuation benefits equivalent to that introduced for established civil servants recruited since 6 April 1995. A salary equivalent to 19/20^{ths} of this amount should be applied to a person who does not make an employee contribution in respect of personal superannuation benefits.

Table 7.4

Recommended Salary Rate for the Comptroller and Auditor General

Current Rate	Recommended Rate	% Increase
€ 242,019	€ 270,000	11.6

7.34 The submission to us suggested that performance-related awards are not appropriate to the C&AG. We agree with the view of the C&AG on this matter.

III Director of Public Prosecutions, Deputy Director of Public Prosecutions and Chief Prosecution Solicitor

7.35 In Report No. 38, the Review Body recommended that the salary of the Director of Public Prosecutions (DPP) should be at the same level as a Secretary General at Level III of the three band structure recommended for Secretaries General in that report. The posts of Deputy Director of Public Prosecutions and Chief Prosecution Solicitor are included in our remit on this occasion. These posts were not previously examined by the Review Body.

Developments since the last review

7.36 A submission we received on behalf of the DPP, the Deputy DPP and the Chief Prosecution Solicitor drew attention to developments affecting the Office of the DPP since the last review. The Report of the Public Prosecution System Study Group led to significant organisational change. This Group was established by the Government in October 1998 to review the legal and organisational arrangements for the public prosecution system. Various recommendations were made by the Group and accepted by the Government.

7.37 The major recommendation of the Group was that responsibility for implementing prosecutorial decisions of the Office of the DPP should transfer from the Attorney General and the Office of the Chief State Solicitor to the Office of the DPP. As a result, the criminal prosecution division of the Office of the Chief State Solicitor was transferred to the Office of the DPP in December 2001. This led to an increase in the staff numbers in the Office of the DPP from just under 35 to an authorised staff complement of 209. The transfer also resulted in the Office of the DPP taking direct responsibility for the handling in Court of all indictable prosecutions in the greater Dublin area. The Office of the DPP also took direct responsibility for a range of District Court prosecutions in the greater Dublin area.

7.38 As regards the position outside Dublin, the necessary legislative provisions to enable the transfer from the Attorney General to the DPP of the contracts of the local State Solicitors are now in place. The commencement order transferring responsibility for the State Solicitor Service to the Office of the DPP was signed by the Taoiseach on 16 May 2007. This means that the DPP will have direct operational responsibility for handling all indictable prosecutions in the State.

7.39 In addition to the increased responsibilities referred to in the preceding paragraphs, the Garda Síochána Act, 2005 created a new oversight role for the Office of the DPP to be discharged with regard to prosecutions taken in the District Court by members of the Garda Síochána. The DPP now has power of direction, both general and specific, in relation to all summary Garda prosecutions. This power, contained in Section 8 of the Garda Síochána Act, 2005 was brought into force on 1 February 2007.

7.40 The submission we received on behalf of the DPP, the Deputy DPP and the Chief Prosecution Solicitor also referred to increasing demands on the Office of the DPP arising

from matters such as the growing complexity in case law and Court procedures generally, new legislation, and international developments.

Remuneration of the DPP, Deputy DPP and Chief Prosecution Solicitor

7.41 As indicated in paragraph 7.35, the salary of the DPP is at the same level as a Secretary General at Level III of the three band structure recommended for Secretaries General in Report No. 38. The salary of the Deputy DPP is the same as that of a Deputy Secretary in the civil service and the salary of the Chief Prosecution Solicitor is somewhat above that of an Assistant Secretary in the civil service.

7.42 The submission we received on behalf of the DPP, the Deputy DPP and the Chief Prosecution Solicitor argued strongly that the existing salaries were too low. It was suggested that an appropriate comparator for the DPP was the President of the High Court. In the case of the Deputy DPP, the suggested comparator was the Director General of the Office of the Attorney General and in the case of the Chief Prosecution Solicitor the suggested comparator was the Chief State Solicitor.

Conclusions

7.43 We do not agree that the remuneration of the DPP or the senior posts in the Office of the DPP should be determined solely by reference to a comparison with the posts referred to in the preceding paragraph. There are special features to judicial posts and we do not agree that the salary of the DPP should be based on that of the President of the High Court.

7.44 We consider that the salary of the DPP and the other senior posts in the Office of the DPP should be based on an assessment of the overall demands of the jobs, taking account of their roles and responsibilities. Accordingly, we commissioned an evaluation of the posts of DPP, Deputy DPP and Chief Prosecution Solicitor and were advised on the remuneration of posts of comparable weight in the private sector.

7.45 The post of DPP was evaluated as part of the last general review also. The submission to us on this occasion contended that the previous evaluation failed to take account of the unique features of the job of the DPP as it focussed mainly on the numbers of staff employed and the annual expenditure. This is not the case. Our evaluation goes well beyond an examination of measures of scale of operation, such as numbers employed and expenditure, as ranges of factors associated with each job examined are considered.

7.46 Based on our examination, we are satisfied that the demands of the job of DPP have increased significantly since our last review having regard to the developments already referred to. We consider that the salary of the DPP should be at the same level as Secretaries General at Level II of the salary structure we have recommended for Secretaries General as shown in Table 7.1. Accordingly, as shown in Table 7.5, we recommend an annual salary of €270,000 for the post.

Table 7.5

Recommended Salary Rate for the Director of Public Prosecutions

Current Rate	Recommended Rate	% Increase
€ 211,765	€ 270,000	27.5

7.47 As is the case with other posts we have examined, the recommended salary for the DPP, and the recommended salaries referred to in the following paragraphs for the Deputy DPP and Chief Prosecution Solicitor, relate to the salaries which would be appropriate to persons who make an employee contribution in respect of personal superannuation benefits equivalent to that introduced for established civil servants recruited since 6 April 1995. Salaries equivalent to 19/20^{ths} of these amounts should be applied to persons who do not make an employee contribution in respect of personal superannuation benefits.

7.48 We consider that a salary equivalent to that of a Deputy Secretary in the civil service remains appropriate for the Deputy DPP and accordingly, as shown in Table 7.6, we recommend a salary of €185,000 for that post.

7.49 The Chief Prosecution Solicitor has a reporting relationship to the Deputy DPP. In view of this and our assessment of the relative demands of the two posts, we consider that the salary of the Chief Prosecution Solicitor should continue to be higher than that of an Assistant Secretary in the civil service but below that of a Deputy Secretary. As shown in Table 7.6, we recommend a salary of €160,250 for that post.

Table 7.6

Recommended Salary Rates for the Deputy Director of Public Prosecutions and Chief Prosecution Solicitor

Post	Current Rate	Recommended Rate	% Increase
	€	€	
Deputy DPP	169,415	185,000	9.2
Chief Prosecution Solicitor	151,873	160,250	5.5

7.50 The DPP expressed the view to us that performance-related awards are not appropriate to the post of DPP. We agree with this view. The posts of Deputy DPP and Chief Prosecution Solicitor are eligible for performance-related awards at present and we consider that they should be covered by the arrangements recommended by us in Part II of the report in regard to the application of performance-related awards generally.

I Garda Síochána

8.1 The Commissioner, Deputy Commissioners and Assistant Commissioners of the Garda Síochána comprise the corporate level leadership of the Force. They are charged with the responsibilities of policing in Ireland and maintaining State security. Since our last review the Garda Síochána Act, 2005 has been enacted. This contains very significant legislative provisions on policing. It represents the first major revision of the operation of the Garda Síochána since the foundation of the State and provides a new legal framework for policing in the State.

8.2 The Act reforms the law in relation to the administration and management of the Garda Síochána and defines the relationship between the Garda Commissioner and the Minister for Justice, Equality and Law Reform in this regard. The Act enables the Minister to set policing priorities and performance targets for the Garda Síochána. It puts in place new and comprehensive reporting requirements on matters such as policing plans for each year which have to be prepared by the Commissioner. The Act also places a statutory requirement on the Commissioner to account to Government for any aspect of the functions of the post. It also requires the Commissioner to keep the Minister and the Secretary General of the Department informed of matters relating to significant developments concerning the security of the State, the preservation of peace and public order and the protection of life and property.

8.3 The Act assigns new powers and responsibilities for the management of the Force and for financial matters to the Commissioner. It provides for the transfer of employer responsibility for the existing civilian support staff within the Garda Síochána to the Commissioner. In addition the Commissioner will be the Accounting Officer for the Force.

8.4 The internal national policing environment has also been challenged by the findings of the Tribunal of Inquiry chaired by the Honourable Mr. Justice Frederick Morris. Furthermore, external events have had an impact on the operations of the Garda Síochána. The international policing and security environment has been altered by the events of 11 September 2001 but these have had an effect on policing in this jurisdiction also and the Garda Commissioner has had to ensure that effective strategies are in place to safeguard the democratic and social institutions of the State.

Relationship between the Garda Commissioner and the Minister for Justice, Equality and Law Reform in relation to the operation of the Garda Síochána

8.5 The submission we received on behalf of the Commissioner ranks in the Garda Síochána referred to the significant changes in the relationship between the Garda Commissioner and the Minister for Justice, Equality and Law Reform arising from the Garda Síochána Act, 2005. The Commissioner ranks drew specific attention to the following provisions in the Act:

- Section 11, which contains legislative provisions to remove Commissioner ranks from office;
- Section 20 which sets performance targets for the Commissioner;
- Section 21 which provides for the approval of the Commissioner’s Strategy Statement;
- Section 22 which provides for the approval of Annual Policing Plans;
- Section 25 which allows the Minister for Justice, Equality and Law Reform to issue written directives to the Commissioner;
- Section 40 which imposes a statutory duty on the Commissioner to account fully to the Government and the Minister through the Secretary General, Department of Justice, Equality and Law Reform for any aspects of the functions of the Commissioner;
- Section 42 which creates provisions for special inquiries in administration, practice and procedures; and
- Section 43 which allows the Commissioner to become for the first time the Accounting Officer for the Force with responsibilities of accountability and audit oversight.

8.6 The Garda Síochána Act, 2005 also provides for the introduction of the Garda Reserve and we are conscious of the demands this imposes on the Garda Commissioner and other Commissioner ranks in addressing issues such as recruitment, training, deployment/duties, employment terms and conditions etc.

Remuneration of the Commissioner Ranks

8.7 In their submission to us, the Garda Commissioner ranks argued that their remuneration is inadequate and inappropriate. The submission suggested that the remuneration of the Garda Commissioner should be close to the median of salaries paid to the chief executives of the major commercial State bodies. Comparison was also made with the remuneration of chief executives of private sector companies which were regarded as most comparable to the Garda Síochána in terms of scale of operation. Furthermore, we were urged to have regard to the salaries of senior ranks in the Police Service of Northern Ireland and a number of police forces in England.

8.8 The submission from the Commissioner ranks also contended that, in the last general review, the Review Body failed to take account of a number of factors relevant to the remuneration of the Commissioner ranks. Among the matters mentioned in the submission were the suggestion that there should be parity of remuneration between the Commissioner and the Secretary General, Department of Justice, Equality and Law Reform, the uniqueness of the policing role in Ireland, where the Commissioner has responsibility for both policing and State security, and the work pressure experienced by the Commissioner ranks.

8.9 The submission we received also drew attention to allowances payable to ranks below Assistant Commissioner level. In particular, attention was drawn to an availability allowance payable to Chief Superintendents and Superintendents in recognition of the requirement to

be available after normal working hours. It was pointed out that the Commissioner ranks are required to be constantly available and it was suggested that there was a strong case for granting an availability allowance to these ranks also.

8.10 The Commissioner ranks support a system of performance-related awards and consider that these awards should be extended to the Garda Commissioner as recommended in Report No. 38. However, it was proposed that performance-related awards should be incorporated into basic salary.

Conclusions

8.11 We commissioned an evaluation of the post of Garda Commissioner and one of the posts of Assistant Commissioner and were advised on the remuneration of posts of comparable weight in the private sector. We also evaluated the post of Secretary General, Department of Justice, Equality and Law Reform. Having regard to the outcome of our examination, we remain of the view expressed in Reports No. 37 and No. 38 that the salary of the Secretary General should be somewhat higher than the salary of the Commissioner but not to a major extent.

8.12 We do not accept the contention in the submission on behalf of the Commissioner ranks that the previous review failed to take account of a number of aspects of their role. In evaluating the jobs coming within our remit we consider the full range of responsibilities involved. Furthermore, on this occasion, as in the previous review, our examination had regard to all aspects of the roles of the Commissioner ranks.

8.13 We accept that there have been changes since the last review in the jobs of the Commissioner ranks and by evaluating the responsibilities of the ranks as they now stand we have ensured that these changes are taken into account. We comment in paragraphs 2.5 to 2.9 on the general issue of change since the last review and we make the point that all of the jobs covered by our terms of reference have experienced change. While we acknowledge the nature of the change affecting the Commissioner ranks, we consider that a number of these changes have the effect of introducing to the Garda Síochána the kind of modern management practices which we would expect to find in all major public service or private sector organisations. For instance, the assignment of the role of Accounting Officer to the Commissioner has been anticipated for some time and in our view it is appropriate that the Head of an organisation of the size of the Garda Síochána should exercise this role.

8.14 It remains our view, as expressed in Report No. 38, that the demands on the heads of public service organisations and the ultimate responsibility borne at this level warrant a substantial differential in salary over posts at the second level. Accordingly, we consider that the salary of the Commissioner should be significantly higher than that of the Deputy Commissioners. We do not consider that this argument applies to the same extent in the case of the differential between the salary of the Deputy Commissioners and that of the Assistant Commissioners.

8.15 We do not consider that an availability allowance of the kind payable to Chief Superintendents and Superintendents is warranted in the case of the Commissioner ranks. We

accept the arguments made to us about demands on the Commissioner ranks in regard to availability but the requirement to be available frequently outside normal working hours is a common feature of senior posts in the public service and must be regarded as being encompassed in the salaries for these posts. While we do not recommend that an allowance should be paid to the Commissioner ranks, we accept that the availability allowance payable to Chief Superintendents is relevant in considering the differential which should apply between the remuneration of Chief Superintendents and the salary of an Assistant Commissioner.

8.16 We discuss the question of performance-related awards in Part II of the report including the issue of their application to the Garda Commissioner. We disagree with the suggestion in the submission of the Commissioner ranks that awards of this kind should be incorporated into basic pay. We consider that these awards should be separate from basic salary and should be non-pensionable.

Recommendations

8.17 We recommend that the annual salaries of the Commissioner ranks should be as set out in Table 8.1. The salaries recommended are those which would be appropriate to persons recruited to the Garda Síochána since 6 April 1995 who are covered by the revised employee contribution in respect of personal superannuation benefits introduced with effect from that date. The existing rates shown also relate to persons making such a contribution. An appropriate reduction in the recommended rates shown should be applied to personnel recruited before 6 April 1995 who pay an employee contribution of 1.75% of salary in respect of personal superannuation benefits.

Table 8.1

Recommended Salary Rates for Garda Commissioner Ranks

Rank	Current Rate	Recommended Rate	% Increase
	€	€	
Commissioner	217,969	250,000	14.7
Deputy Commissioner	156,542	167,000	6.7
Assistant Commissioner	134,744	143,000	6.1

II Defence Forces

8.18 The Officers of General rank, the Chief of Staff, Major Generals and Brigadier Generals, comprise the leadership of the Defence Forces. They have responsibility for the Army, Air Corps, Naval Service and Reserve Forces. These consist of 23,000 personnel of all ranks (10,500 permanent members of the Defence Forces and 12,500 reservists) including personnel deployed in other countries. In addition there are around 880 civilian personnel employed by the Defence Forces.

8.19 The operational control of the Defence Forces rests with the Chief of Staff. The Chief of Staff has overall responsibility for the efficiency and effectiveness of military assets and personnel to ensure the safety of the State in accordance with Government policy and is responsible to the Minister for Defence for these duties. Financial authority in respect of a major element of the Defence Forces Vote, excluding pay and compensation, is delegated to the Chief of Staff by the Secretary General, Department of Defence.

Developments since 2000

8.20 In Report No. 38, the Review Body referred to the publication in February, 2000 of the White Paper on Defence. The publication of the White Paper marked the start of a period of change in the Defence Forces. The White Paper outlined a strategy to ensure that “Ireland has a world class military organisation to enable the Defence Forces to meet the requirements of Government in the changing national and international sphere”. It acknowledged the changes emerging in the area of international security and outlined a programme to position the Defence Forces to meet the new security challenges. The White Paper outlined an overall strategy for the participation of the Defence Forces in international security arrangements and operations under the United Nations, the EU, NATO’s Partnership for Peace and the Planning and Review Process and the Organisation for Security and Co-operation in Europe.

8.21 These and subsequent developments have had a significant impact on the demands made on the Defence Forces as well as on the nature of the roles and the duties and responsibilities of the senior ranks of the Defence Forces. The developing activities of the Defence Forces are outlined in the Strategy Statements of the Defence Forces and the Department of Defence in recent years. The activities are taking place within the overall strategic goals of the Defence Forces which are described in the Defence Forces Strategy Statement 2005-2007 as follows:

- to enhance the Defence Forces’ capability in contributing to the security of the State;
- to recruit, develop, motivate and sustain effective human resources to support the delivery of military capability and defence outputs;
- to participate in multi-national peace support, crisis management and humanitarian operations; and
- to provide emergency and non-emergency services to Government bodies.

8.22 The role of the Defence Forces has also been affected by other developments including the events of 11 September 2001 and the greater emphasis on threat assessment.

8.23 The developing role of the Defence Forces has occurred during a period when the numbers in the Defence Forces have reduced. Since 2000 there have been reductions of 1,000 in military personnel and over 200 in civilian personnel. Furthermore, the Defence budget has been maintained at the 2000 level in real terms.

Remuneration of the Officers of General Rank

8.24 In Report No. 37 in 1996 the Review Body recommended a higher salary for the Garda Commissioner than the Chief of Staff which was a departure from the position which pertained prior to this. However, the Government did not accept this recommendation of the Review Body and maintained the parity of salary between the two posts. In Report No. 38 the Review Body again recommended a higher salary for the Garda Commissioner. The Government increased the salary recommended by the Review Body for the Chief of Staff but did not bring this salary to the level recommended for the Garda Commissioner. The salary of the Garda Commissioner has continued to be higher than that of the Chief of Staff since Report No. 38.

8.25 In their submission to us the Officers of General rank expressed their extreme disappointment with Report No. 38 and the relative salary levels recommended for the Garda Commissioner ranks and the Officers of General rank. It was suggested that our recommendation that the salary of the Garda Commissioner be higher than that of the Chief of Staff was not justified in view of the level and range of responsibilities held by the Chief of Staff. It was also put to us that the departure from the former parity between the salaries of the Chief of Staff and the Garda Commissioner could be perceived as publicly devaluing the worth of the Defence Forces at a time when the leadership skills of the General ranks were being tested to the limit to meet the challenges arising from the White Paper.

8.26 The Officers of General rank stated that the accountability and responsibility of the Chief of Staff have increased since 2000 and argued that, apart from any other consideration, this merits restoration of the former parity of salary between the Chief of Staff and the Garda Commissioner. It was also suggested that there should be a similar parity between the salaries of Major Generals and Deputy Commissioners and between Brigadier Generals and Assistant Commissioners.

8.27 The Officers of General rank also commissioned consultants to advise on how their salaries compared to the remuneration of jobs of comparable weight in the private sector and provided us with the conclusions of the consultants in this regard. The overall conclusion of that consultancy exercise was that the salaries of the General ranks were significantly below private sector rates.

8.28 At present a scheme of performance-related awards applies to the ranks of Major General and Brigadier General but not to the Chief of Staff. In the oral hearing, the General ranks indicated that they favoured the extension of performance-related awards to the Chief of Staff. We comment on this matter in Part II of the report.

Conclusions

8.29 As already indicated, the Officers of General rank made known to us their disappointment with the recommendations in Report No. 38. We are conscious of the strength of their views in regard to the salary of the Chief of Staff relative to that of the Garda Commissioner and we gave consideration to this issue again on this occasion. We wish to make it clear, however, that our previous recommendations in no sense undervalued the role of the Defence Forces. We fully recognise the important and demanding roles of the General ranks

and we accept that they have managed the changes in the Defence Forces arising from the White Paper and other developments in a manner that has produced a more efficient and effective organisation. Our recommendations were based on an objective assessment of the jobs of the Chief of Staff and the Garda Commissioner and were not influenced by any other factors.

8.30 In the light of the arguments made to us and as both the General ranks and the Garda Commissioner ranks suggested that their jobs had changed significantly since our last review, we commissioned an evaluation of the jobs of both the Chief of Staff and the Garda Commissioner. In the case of the Defence Forces we also evaluated a post of Brigadier General. We assessed the jobs in their current form and thus took account of the way they have developed since our last review. In addition to the evaluation of the weight of the jobs we were advised on how the salaries of the posts compared to jobs of comparable weight in the private sector.

8.31 Our examination concluded that the job weight attaching to the post of Garda Commissioner remains higher than that applying to the post of Chief of Staff, taking account of the developments affecting both posts since our last review. Accordingly, on this occasion we have again recommended a higher salary for the Garda Commissioner.

Recommendations

8.32 We recommend that the annual salaries of the General ranks should be as set out in Table 8.2. The salaries shown relate to persons recruited to the Defence Forces since 6 April 1995 who make an employee contribution in respect of personal superannuation benefits introduced with effect from that date. The existing rates shown also relate to persons who make such a contribution. Salaries equivalent to 19/20^{ths} of the recommended rates shown should be applied to personnel recruited before 6 April 1995 who do not make an employee contribution in respect of personal superannuation benefits.

Table 8.2

Recommended Salary Rates for Defence Forces Officers of General Rank

Rank	Current Rate	Recommended Rate	% Increase
	€	€	
Lieutenant General (Chief of Staff)	201,682	220,000	9.1
Major General	137,144	143,000	4.3
Brigadier General/Commodore	125,046	130,000	4.0

Local Authorities and the Health Service Executive

I Local Authorities

Background

9.1 The local authority sector delivers an extensive range of frontline services. The activity of local authorities is expanding and this is driven by several factors, for example:

- population and economic growth;
- Government targets for the delivery of critical infrastructure;
- growth in demand for additional functionality in services, e.g. pre-planning consultations;
- broadening of core business e.g. to address social inclusion, to promote greater local service integration through the County Development Boards and manage diversification within programmes;
- higher expectations of quality customer service; and
- more intensive health and safety objectives, e.g. in relation to building inspections and fire safety.

9.2 The Local Government Act, 2001 consolidated and modernised local government law, providing statutory underpinning for the changes already underway in accordance with “Better Local Government – A Programme for Change” which was published by the Government in 1996. In particular, the Act:

- placed a new emphasis on the policy making role of councils;
- expanded the definition of local authority functions to provide a forum for democratic representation, to carry out specific/ancillary functions, to exercise a wide discretion to promote the community interest;
- allowed new rights for media and public access to local authority meetings;
- provided a new ethics framework for staff and councillors; and
- formalised the strategic management process, including a requirement for the production of, and annual reporting on, a corporate plan for the authority.

9.3 These key strands of the reform agenda rely significantly on the capacity and contributions of the Managers of local authorities and the team of Directors of Services to lead policy development in new areas of social inclusion and community development, to engage with the State, economic and social partners to promote coherent policy and implement it locally and to drive objective setting, performance management and service delivery.

9.4 In addition to the increased range of services and activities, the jobs of senior management of local authorities have become more demanding in other respects. For instance, Managers must achieve the right balance in leading flexible and innovative organisations that can respond to rapid economic growth and social change, while at the same time implementing a wide range of regulatory controls.

9.5 Furthermore, the local authority sector is now more transparently accountable for performance. The Programme for Prosperity and Fairness highlighted the need for the development of performance measurement and management as part of a modern local government sector. In May 2000, the Department of Environment, Heritage and Local Government published a set of 21 national service indicators to be used by all local authorities to measure their performance in certain areas. This was followed by the establishment of a customer service group in 2003 to review the initial set of service indicators. The outcome of this review was a revised set of 42 indicators which were put in place for the 2004 financial year. Performance by reference to these indicators is now the subject of scrutiny by an independent assessment panel to which all local authorities must report by March of each year. The first report published in June 2005 recognised the initiative as a significant innovation underlining the commitment to the modernisation agenda and the users of public services.

Recruitment and Retention

9.6 Posts of Manager are open to persons outside the local authority sector but it was put to us in oral hearings that there was an inability to attract suitable applicants from the private sector because the salaries of Managers are not considered to be sufficiently attractive. We obtained details of 5 recent competitions to fill Manager posts. Of a total of 89 applicants for 5 posts, 10 were from the private sector but only one was shortlisted and none reached the final interview stage. In two of the five competitions all the applicants were from the public service. In the case of these two competitions, there were 34 applicants, 33 of whom were persons already employed in local authorities.

9.7 No evidence was provided to us which would suggest that there is a problem of retention in relation to Managers. Managers of individual local authorities may, of course, leave their jobs from time to time to move to other Manager posts in the local authority structure.

City and County Managers

9.8 There are currently five levels of salary for Managers of local authorities. The submission we received from the Society of City and County Managers did not propose any changes to the current banding system but indicated that this approach was without prejudice to the merits of submissions by other parties.

9.9 We commissioned an evaluation of the post of Dublin City Manager and four other Manager posts.

Conclusions

9.10 Following our examination of the remuneration of Managers we are still of the view that five salary bands for Managers are appropriate. However, we formed the view that the

sizes of some of the jobs have grown to a greater extent than the generality of posts and we consider, therefore, that some re-alignment of the posts in the individual salary bands is justified.

9.11 We concluded that the demands of the post of Dublin City Manager have grown to a very major extent in terms of diversity, scale and complexity. This warrants the salary of the post being placed at a higher level relative to other senior public service posts than is currently the case resulting in a substantial increase in salary. In our view there has been a significant increase also in the demands of the Manager posts in Fingal, South Dublin, Kildare and Meath. We consider that the increased demands of these posts warrant the posts being placed in a higher salary band than at present. Our recommendations in Table 9.1 provide that the posts in Fingal and South Dublin be moved from Level III to Level II and that the posts in Kildare and Meath be moved from Level IV to Level III.

Directors of Services

9.12 The post of Director of Services was created as part of the “Better Local Government” initiative and was designed to replace the former post of Assistant City/County Manager although the former title has been retained in some situations. Directors of Services are the second level posts in local authorities. They carry responsibility for a specific function, or range of functions. Generally, Directors of Services exercise executive functions, which are by law the function of the Manager, under a formal warrant of delegation from the Manager. Directors of Services are also members of the senior management team of local authorities.

9.13 In Dublin City Council, Assistant City Managers (this title has been retained in Dublin) have a salary which is the equivalent of the salary payable to a Manager at Level V. All other Directors of Services have a common salary which, at maximum, is approximately 85% of the salary of a Manager at Level V.

9.14 We commissioned an evaluation of one post of Assistant City Manager in Dublin and two posts of Director of Services in local authorities outside Dublin. A submission we received on behalf of Assistant City Managers in Dublin suggested that these posts should have a salary equal to that of a Manager at Level IV. However, it is our view that these posts should continue to have a salary equivalent to that of a Manager at Level V.

Conclusion

9.15 In the case of Directors of Services in other local authorities, our conclusion was that the salary of these posts was not out of line with the lower quartile of private sector rates when allowance is made, on the basis set out in Chapter 3, for the value of public service pensions.

Recommended salaries

9.16 Managers, Assistant Managers and Directors of Services make an employee contribution in respect of personal superannuation benefits. The recommended salaries take account of this contribution.

Table 9.1

Recommended Salary Rates for Managers and Dublin Assistant City Managers

Post	Current Rate	Recommended Rate	% Increase
	€	€	
Level I Dublin City Manager	183,529	250,000	36.2
Level II Managers of:– Cork County	155,294	186,000	19.8
Fingal	143,195	186,000	29.9
South Dublin	143,195	186,000	29.9
Level III Managers of:– Cork City	143,195	173,000	20.8
Dun Laoghaire/Rathdown	143,195	173,000	20.8
Kildare	133,113	173,000	30.0
Meath	133,113	173,000	30.0
Level IV Managers of:– Counties Clare, Donegal, Galway, Kerry, Kilkenny, Limerick, Louth, Mayo, Tipperary (South), Westmeath, Wexford, Wicklow and Limerick City	133,113	151,000	13.4
Level V Other City or County Managers Dublin Assistant City Managers	123,027	130,000	5.7

Table 9.2

Recommended Salary Rates for Directors of Services/Assistant Managers outside Dublin

Post	Current Rate	Recommended Rate	% Increase
	€	€	
Directors of Services/Assistant Managers outside Dublin	88,739– 92,774– 96,807– 100,840– 104,874	No increase	0.0

Expenses

9.17 Managers may be paid travelling expenses in respect of journeys on official business in accordance with approved rates. As an alternative to claiming travelling expenses, Managers may claim 7.5% of total remuneration plus vouched cost of petrol used on travelling on official

duties. The submission we received on behalf of Managers proposed an increase in the payment of 7.5%. We do not consider that this amount should be increased.

II The Health Service Executive

Background

9.18 The Health Service Executive (HSE) came into operation on 1 January 2005 following the enactment of the Health Act, 2004. The HSE assumed full operational responsibility for running the country's health and personal social services. The Act also provided for the dissolution of the Health Boards and the Eastern Regional Health Authority and a number of other agencies. The functions of the dissolved bodies transferred to the HSE. The establishment of the HSE was a major element of the Government's health service reform programme.

9.19 The HSE is a very large employer with over 100,000 whole-time equivalent employees. It is responsible for delivering a multiplicity of services to the public in response to all health and personal social needs. The main service delivery units are the National Hospitals Office, Primary, Community and Continuing Care and Population Health. The Health Act vests all the power for the management and delivery of health and personal social services in the Board of the HSE. The Board, in turn, delegates all responsibility to the Chief Executive Officer (CEO), with the exception of certain functions reserved to the Board.

9.20 The HSE has responsibility for a budget of approximately €14 billion. The CEO of the HSE is the Accounting Officer in relation to the appropriation accounts of the HSE for the purposes of the Comptroller and Auditor General Acts, 1866 to 1998. Under the Health Act, the CEO can be required to attend before an Oireachtas Committee to give an account of the administration of the HSE. Previously, the Secretary General, Department of Health and Children was the Accounting Officer.

Scope of the Review

9.21 Our terms of reference cover a number of levels of management in the HSE up to the post of CEO. The specific levels covered by our examination are:

- The CEO
- The National Directors
- Assistant National Directors and posts at an equivalent level (including Hospital Network Managers and Directors of Regional Health Offices)
- Local Health Office Managers

Report No. 41 of the Review Body

9.22 In 2005 we carried out a review of a number of posts at the level of Assistant National Director or equivalent. In Report No. 41, dated 16 December 2005, on that review we recommended an increase of 4% for the grades concerned. This was implemented with effect

from 1 January 2005 and was applied in addition to the interim increase of 7.5% recommended in Report No. 40, dated 27 June 2005, for the generality of groups coming within our terms of reference.

Remuneration of the posts covered by the present review

CEO of the HSE

9.23 The serving CEO is being remunerated at a level established on a personal basis but the Review Body was asked to recommend a rate for the post. We understand that it is the intention that the rate recommended by us will apply to the successor to the present CEO.

National Directors

9.24 At the commencement of our review, there were 10 posts of National Director with responsibility for the following areas:

- National Hospitals Office
- Primary, Community and Continuing Care (PCCC)
- Population Health
- Finance
- Human Resources
- Corporate Planning and Control Processes
- Internal Audit
- Office of the CEO
- Estates
- Shared Services

In addition there were two posts at National Director level which were vacant. The posts in question are the National Director of Procurement and National Director of ICT.

9.25 During the course of our review, we were informed that, in February 2007, the responsibility for the management of all shared services functions and the pursuance of the objectives and implementation of a shared services delivery strategy was transferred from the central National Directorate for Shared Services to the appropriate functional Directorates. As a result, the post of National Director of Shared Services was abolished and responsibilities in relation to shared services were assigned to the National Director posts with responsibility for Finance, Human Resources, ICT and Procurement. Our assessment of the relevant posts took account of their additional responsibilities in relation to shared services.

9.26 At present, there are three salary bands for National Directors. The National Directors with responsibility for the National Hospitals Office and PCCC are in the highest salary band.

The second salary band applies to the National Directors with responsibility for Finance, Human Resources and Population Health. The third salary band applies to the other National Directors.

Assistant National Directors

9.27 There are a large number of posts of Assistant National Director or equivalent posts who report to the National Directors. As indicated, these are the posts that were examined by us in 2005. There is a common salary rate for most of the posts at present although there is a small variation in other cases. However, in Report No. 41 in 2005 we indicated that we had formed the view that the jobs were not of a uniform weight and that some jobs were more demanding than others. In general, it seemed to us that at the time of the review in 2005 the bigger jobs were those posts in the Hospital Network and the Primary, Community and Continuing Care Directorate which are most closely accountable for service delivery on the ground.

Local Health Office Managers

9.28 There are 32 posts of Local Health Office Manager within the PCCC directorate of the HSE. These report to Assistant National Directors in this directorate. A common salary applies to these posts but some individuals are in receipt of a personal rate of pay.

Approach to the determination of salaries

9.29 We commissioned an evaluation of 25 of the posts coming within our remit. The posts evaluated were the post of CEO, six posts of National Director, fifteen posts of Assistant National Director or equivalent and three posts of Local Health Office Manager.

9.30 We indicated in Report No. 41 that the HSE was in an evolving form and that a major process of change was underway. At that time, we considered that it was not possible to assess with certainty the full extent of the change which would arise or the impact of this on management posts. Some of the jobs we examined in 2005 were clearly in a transitional state and the roles had not been fully developed. In those cases, it seemed to us that there was a lack of clarity about the future content of jobs. The absence of stability created difficulties for us in evaluating the posts covered by our review.

9.31 We accept that there has been progress since our review in 2005 and that the situation is somewhat more stable than the one that applied in 2005. In our view this stability is more evident in the posts at National Director level than at the level of Assistant National Director. In the case of posts below the level of National Director, in particular, we consider that there is still some lack of clarity about the precise direction and reporting relationships of some of the jobs we examined and this made it difficult to evaluate them. We concluded that there is still an element of evolution about some of the management posts. At this stage in the development of the HSE we would have expected to find a clearer and more stable organisation structure. We would urge the management of the HSE to address this issue as a matter of urgency.

9.32 In the circumstances described in the preceding paragraph, the only approach we could take was to assess the jobs in the form that existed at the time of our review. We had regard to the way the jobs would develop where the future developments were reasonably clear.

9.33 A feature of a number of submissions made to us in respect of posts below the chief executive was a suggestion that the remuneration of these posts should be equated to that of posts at the top of public service organisations such as Secretaries General or chief executives of certain organisations. The submissions described the personal accountability of some of the posts and the functions delegated to them. We are fully conscious of the demands of the posts coming within our remit and we have taken these into account in arriving at the salary levels we recommend. However, we would make the general point that, regardless of the demands of the jobs, posts at the second or lower levels of management within an organisation cannot be regarded as the equivalent of a chief executive. As we have indicated in previous reports, we consider that the chief executive of any organisation carries the ultimate responsibility for the operations of the organisation and faces demands which are not replicated at other levels of management.

Conclusions

CEO

9.34 The job of CEO of the HSE is a major and demanding one. We commissioned an evaluation of the job and were advised on the remuneration of posts of comparable weight in the private sector. In terms of the overall responsibilities and scope of the job, this was one of the most demanding public service posts examined by us. As already indicated, the serving CEO is being remunerated at a level established on a personal basis. Accordingly, the existing remuneration will continue to apply to the serving CEO but the remuneration we recommend will be treated as the definitive rate for the job.

National Directors

9.35 As stated in paragraph 9.26, there are three salary bands for National Directors at present. While there are differences in the demands of the jobs of National Director we considered whether it was appropriate to have three salary bands for the small number of posts at National Director level.

9.36 Our conclusion was that the posts of National Director for the National Hospitals Office and PCCC were significantly more demanding than other posts. Accordingly, we consider that these two posts should have a higher salary than the other posts of National Director.

9.37 Although the number of remaining posts is small, the differences in the demands of the jobs are of such an order that separate salary bands continue to be justified. We have concluded, therefore, that the existing salary banding system should remain.

9.38 We consider also that based on the demands of the jobs the remuneration of National Directors should be increased. The revised salaries we recommend are set out in Table 9.3.

Assistant National Directors

9.39 As already stated, there is a common salary scale for most posts of Assistant National Director and posts at an equivalent level. As indicated, there is a small variation in salary in other cases. We indicated in Report No. 41 that we had formed the view that the jobs were not of a uniform weight and that some jobs were more demanding than others. However, at that time we did not consider that there should be a departure from the common salary scale applying in most cases but stated that we would return to this issue in the general review.

9.40 We commissioned an evaluation of 15 posts at the level of Assistant National Director or equivalent. The outcome of that exercise confirmed our view that there were significant differences in the demands of jobs at this level. The jobs we found to be the most demanding were those of the Hospital Network Managers and some of the jobs in the PCCC Directorate.

9.41 Hospitals in Ireland are grouped into 8 Hospital Networks. The hospitals within each network are managed by a Network Manager. Network Managers are responsible for arrangements for service provisions within the networks including acute services provided by both the statutory and voluntary sectors. We concluded that the salary of Hospital Network Managers should be higher than that of most of the other posts at the level of Assistant National Director. While we consider that there are differences in job size within the group of Hospital Network Managers, it is our view that these differences are not sufficient to warrant separate rates of salary for individual posts of Hospital Network Manager.

9.42 There are six posts of Assistant National Director in the PCCC Directorate. Four of these are responsible for service management in the four HSE Administrative areas – HSE South, HSE West, HSE Dublin/Mid-Leinster and HSE Dublin/North East. The two other posts are responsible for functional areas. One post is responsible for Planning, Monitoring and Evaluation and one is responsible for Contracts.

9.43 We found the four posts responsible for the service management to have more demanding jobs than the other posts at this level in the PCCC Directorate. We also consider the jobs to be more demanding than other posts at this level in the HSE, with the exception of Hospital Network Managers.

9.44 We have concluded that the same salary should apply to the four posts mentioned in the preceding paragraph and to Hospital Network Managers. We consider that the salary for these posts should be higher than that applying to other posts at the level of Assistant National Director and that a common salary should apply to the other posts.

9.45 In the case of the Assistant National Directors, other than the Hospital Network Managers and the four PCCC posts mentioned above, our conclusion, is that their salary is out of line with the lower quartile of private sector rates to a small extent only when account is taken of the value of public service pensions. This position takes account of the increases already secured by this group comprising both the interim increase of 7.5% recommended in our Report No. 40 in June 2005 and a further increase of 4% following a recommendation in our Report No. 41 in December 2005.

Certain posts in the Population Health Directorate

9.46 There are three posts of Assistant National Director in the Population Health Directorate filled by persons who are Public Health Doctors and they have a salary equal to the salary of a Director of Public Health Medicine which is more than €10,000 above the salary of other Assistant National Directors.

9.47 The three persons concerned have a higher salary than other Assistant National Directors because they have a medical qualification and because of the working relationship that exists between them and the Directors of Public Health Medicine and Specialists in Public Health Medicine.

9.48 It is difficult for the Review Body to deal with a situation where some Assistant National Directors have a salary higher than that of other posts at the same level because of particular circumstances. The salary for medical personnel has to have regard to their qualifications and the recruitment market for them. However, the Review Body cannot reasonably set a rate for all Assistant National Directors based on the fact that three of them have medical qualifications and a particular working relationship with Directors of Public Health Medicine and Specialists in Public Health Medicine. We consider that where the HSE is satisfied that persons filling these three posts must be medically qualified, the salary recommended in Chapter 13 for a Director of Public Health Medicine should apply to the posts. Otherwise the rate recommended for the generality of Assistant National Directors (other than the Hospital Network Managers and the four PCCC posts) should apply.

Local Health Office Managers

9.49 There are 32 Local Health Office Managers who are responsible for local health offices under the PCCC directorate. The local health offices deliver a comprehensive range of health and personal social services. In accordance with an agreement reached between the HSE and the IMPACT union in December 2004, the salary of Local Health Office Managers is the same as that which applied to the former grade of Programme Manager. However, unlike the former grade of Programme Manager, Local Health Office Managers are not eligible for performance-related awards.

9.50 We commissioned an evaluation of three posts of Local Health Office Manager and were advised on the remuneration of posts of comparable weight in the private sector. Our conclusion, is that the salary of Local Health Office Managers is not out of line with the lower quartile of private sector rates when account is taken of the value of public service pensions.

Recommended salaries

9.51 The HSE grades covered by our review make an employee contribution in respect of personal superannuation benefits. The recommended salaries in Table 9.3 take account of this contribution.

Table 9.3
Recommended Salary Rates for HSE Grades

Post	Current Rate	Recommended Rate	% Increase
CEO	€ Personal Rate	€ 303,000	0.0
National Directors:– National Hospitals Office PCCC	184,904	202,500	9.5
National Directors:– Finance Human Resources Population Health	155,296	170,000	9.5
Other National Directors	143,193	151,000	5.5
Hospital Network Managers Assistant National Directors (Service Management) in the PCCC Directorate	94,388 – 98,583 – 102,778 – 106,971 – 111,167 – 115,362	113,000 – 118,000 – 123,000 – 128,000 – 133,000 – 138,000	19.6**
Other Assistant National Directors and posts at an equivalent level	94,388 – 98,583 – 102,778 – 106,971 – 111,167 – 115,362*	96,500 – 100,800 – 105,100 – 109,400 – 113,700 – 118,000	2.3**
Local Health Office Managers	90,758 – 94,791 98,825 – 102,857 106,892 – 110,925	No increase	0.0

* some posts have a slightly lower rate at present but it is our intention that the recommended rate shown should apply to these also.

** refers to increase at maximum of scale.

In any case where a higher rate than that recommended by us is being paid at present, the higher rate should be retained on a personal basis.

Groups coming within the remit of the Review Body

9.52 On this occasion our terms of reference required us to examine four tiers of management within the HSE including the CEO, National Directors at the second level, Assistant National Directors and equivalent posts at the third level and Local Health Office Managers at the fourth level of management. We do not consider it appropriate or desirable to include all these levels of management posts within our remit.

9.53 We appreciate that the Review Body examined the former grade of Programme Manager in the last general review and that the present review covers groups which replaced the grade of Programme Manager. However, at the time of the last review Programme Managers were at the second level of management in the former Health Boards and reported

to the CEO of the Health Boards. The situation has changed considerably with the creation of the HSE.

9.54 In general terms, the Review Body does not normally examine grades below the level of Assistant Secretary in the civil service. There are some exceptions to this including some posts of chief executive in State bodies and some other posts at the second level of organisations. Nevertheless, the normal practice is that the Review Body examines the top management posts within public service organisations. We think it is appropriate that the remit of the Review Body be confined to such posts. As we have indicated in previous reports, we consider that there are special factors which are relevant in determining the remuneration of the most senior posts in the public service which do not apply to the same extent to other posts.

9.55 On this occasion we were asked to examine posts in the HSE at lower levels of management than are normally referred to the Review Body, including a grade at the fourth level of management. These posts are at similar levels of management to other public service posts which come within the remit of the Public Service Benchmarking Body. We consider that it is inappropriate to refer posts at these levels to the Review Body and we see no reason why HSE grades should be treated differently in this regard from other public service grades at the same levels.

Members of the Government, Ministers of State, the Attorney General, the Chairman and Deputy Chairman of Dáil Éireann and Seanad Éireann and the Leader of Seanad Éireann

10.1 In Report No. 38, the Review Body recommended that for the future the salary of a TD should be related to the salary of the grade of Principal Officer (standard) in the civil service and the salary of a Senator should be fixed at 70% of the TD's rate. The Government accepted this recommendation and as a result the salaries of TDs and Senators are no longer part of our terms of reference.

Remuneration of Office Holders

10.2 As in the case of the last review, we approached the remuneration of office holders by first deciding on the remuneration of Ministers and then setting the remuneration of other office holders at what we considered to be the appropriate levels relative to Ministers.

10.3 The pressures on political office holders are considerable. The increasing demands and growing complexity of work which we refer to in relation to top public servants apply to office holders also, probably with even greater force. Political office holders are also subject to levels of accountability which are unique. Apart from their accountability to the Oireachtas, they have an accountability to the electorate which entails standing for election at regular intervals in their capacity as members of the Dáil or Seanad.

10.4 We expressed the view in Report No. 38 that the salaries of Ministers provide inadequate compensation for the workloads borne by them and this remains our view. However, there are special considerations affecting the remuneration of Ministers and other office holders. In view of the nature of political office, we do not consider it feasible to base the salaries of Ministers on the remuneration of jobs in the private sector. If this were to be done, the salaries would be considerably higher than those we recommend in this report. This position is similar to that applying in other countries. A survey by the Hay Group in 2006 of the position in 13 countries showed that the remuneration of office holders in all the countries concerned was well below that of jobs of comparable weight in the private sector.

10.5 As was the case in 2000, we examined the remuneration of political office holders in a number of other countries in the EU and in Australia, New Zealand and the United States. This provided useful background information on the position in other countries. However, as stated in Reports No. 37 and No. 38 we have reservations about the use of international comparisons of this kind. Differences in matters such as political systems, roles of office holders and remuneration structures call into question the validity of comparisons with other countries.

10.6 In assessing the appropriate remuneration of Ministers we considered that the most appropriate approach was to have regard to the salaries of top public servants. We took the view that the salaries of Secretaries General were particularly relevant in this regard although we consider that the overall demands of the jobs of Ministers are greater than those applying to Secretaries General. The salaries of Secretaries General are influenced by factors which we consider to be less relevant to Ministers such as comparison with the private sector and differentials over other civil service grades. Nevertheless, we remain of the view expressed in Report No. 38 that it would not be appropriate at this time in the Irish administration, as is the case in some other countries, to have a situation where the salary of a civil service Head of a Department is considerably more than that of a Minister.

10.7 As already indicated we set the salary of other office holders by reference to the salary for Ministers. Having determined the salary for a Minister we decided on the appropriate relative salaries of other posts. As part of this consideration, we decided on the extent to which the salaries of the Taoiseach and Tánaiste should exceed that of Ministers.

Leader of the Seanad

10.8 On this occasion, our terms of reference require us to make a specific recommendation on the salary of the Leader of the Seanad. The position of Leader of the Seanad was introduced by the Oireachtas (Allowances to Members) Act, 1938. However, it was not until 1994, pursuant to Section 3 of the Oireachtas (Allowances to Members) (Amendment) Act, 1994, that holders of this position were paid an allowance. In 2001 this was changed from an allowance to a salary in accordance with Section 7 of the Ministerial, Parliamentary and Judicial Offices and Oireachtas Members (Miscellaneous Provisions) Act, 2001.

10.9 Prior to the introduction of Section 7 of the Ministerial, Parliamentary and Judicial Offices and Oireachtas Members (Miscellaneous Provisions) Act, 2001 the Leader of the Seanad was an ordinary member of the Seanad with an allowance for holding that particular position. However, following the introduction of the above legislation the Leader of the Seanad is now to be treated as an office holder. That legislation also provided that the remuneration of the post should, as with other office holders, be in the form of a salary. The new salary arrangement did not confer any additional cash benefit to the Leader of the Seanad; the former allowance was simply replaced by a salary of equivalent amount.

10.10 Because the Leader of the Seanad was by then paid a salary, it was decided that the increase arising under the Review Body's interim report of 2005 should apply. It was also decided that the salary of the Leader of the Seanad should be examined in the current general review.

Conclusions

10.11 Having regard to the considerations referred to in the preceding paragraphs, we recommend that the salaries of political office holders should be as set out in Table 10.1. Where office holders are members of the Oireachtas their salaries comprise two separate elements – the relevant parliamentary salary (as a TD or Senator) plus a salary as an office

holder. As indicated in paragraph 10.1, the salary of a TD is linked to that of a Principal Officer (standard) in the civil service and the salary of a Senator is based on 70% of that of a TD. As a result, the salaries of TDs and Senators will be determined by the outcome of the benchmarking exercise in relation to Principal Officers.

10.12 In considering the remuneration of office holders, we considered that we should recommend an overall level of salary which we consider to be appropriate, incorporating both the relevant parliamentary salary and the office holder's salary. This means that the breakdown of the overall remuneration between parliamentary salary and the element attributable to the particular office will depend on the salary of a Principal Officer arising from the benchmarking exercise. Accordingly, while the benchmarking exercise may affect the parliamentary salary of office holders it will not result in any adjustment to the overall remuneration we recommend for office holders. Any effect will relate only to the way in which the remuneration is made up and the office holder's element of the remuneration will be the overall remuneration we recommend less the relevant parliamentary salary.

Table 10.1
Recommended Salary Rates for Political Office Holders

Office	Current Rate	Recommended Rate	% Increase
	€	€	
Taoiseach	271,822	310,000	14.0
Tánaiste	233,503	270,000	15.6
Minister	214,344	240,000	12.0
Minister of State	147,284	165,000	12.0
Attorney General	214,344	240,000	12.0
Ceann Comhairle	214,344	240,000	12.0
Leas-Cheann Comhairle	147,284	165,000	12.0
Cathaoirleach of the Seanad	113,636	127,000	11.8
Leas-Chathaoirleach of the Seanad	92,560	103,500	11.8
Leader of the Seanad	87,242	98,500	12.9

Structure of the Courts

11.1 The Courts established by the Constitution – the Supreme Court and the High Court – constitute the judicial organ of the Government. They exercise the judicial powers of Government conferred on them by the people through the Constitution. The governmental powers exercised by these Courts, a court of first instance and a court of final appeal, include decisions on the constitutionality of a Bill referred to the Supreme Court by the President under Article 26 before it becomes law, decisions on the constitutionality of Acts of the Oireachtas and the separation of powers between the various organs of State, judicial review as to the constitutionality or legality of governmental and public body decisions/policies and review of decisions of lower courts.

11.2 The preceding paragraph refers to one aspect of the constitutional status of the Courts but the Circuit Court and the District Court also exercise important roles and functions in the administration of justice. The civil and criminal jurisdiction of the Circuit Court runs very much in parallel to that of the High Court, other than in relation to the governmental matters referred to. As regards civil cases, the Circuit Court has, generally speaking, the same jurisdiction as the High Court subject to certain limitations on the level of jurisdiction. Its jurisdiction is currently more extensive and important than it has been historically. Its jurisdiction for serious crime, that is to say crime tried on indictment before a Judge and jury, is the same as that of the High Court (Central Criminal Court) except for the exclusion of a limited number of offences.

11.3 The District Court also fulfils an extremely important role. The District Court is a court of summary jurisdiction. Traditionally, it was a Court of summary judgement but this is no longer the case. In their submissions to us, the Judges of the District Court outlined the burden of work faced by them in a range of areas.

11.4 There are greater pressures on the Judiciary since our last review. New and more complex legislation, changes in society and the evolution of the Courts Service have increased the workload of Judges and there is greater intrusion into their private time involving working outside normal hours and at weekends. There have been increases in the number of Judges allowable under legislation also as a result of the Courts and Court Officers Act, 2002 and the Courts and Court Officers (Amendment) Act, 2003. Pending legislation will bring about a further increase in the number of Judges.

Recruitment

11.5 Submissions made to us referred to a decline in the number of applications for judicial posts. Evidence presented to us and information available from the reports of the Judicial Appointments Advisory Board demonstrate a continuing reduction in the applications for

positions in all the Courts. We accept that the increased pressures of judicial work, to which we have already referred, combined with the gap between the remuneration of Judges and the earnings of legal practitioners have made judicial posts less attractive. We have taken this position into account in our recommendations.

11.6 Despite the reducing number of applications, we are satisfied that judicial positions continue to be filled by persons of the highest calibre.

Relative demands of the different Courts

11.7 As was the case in the last general review, we received submissions from the Judges of the District Court and the Circuit Court which argued that there should be an improvement in their salary positions relative to Judges of the higher courts. The Judges of the District Court referred to changes in legislation affecting their role and the number of sitting days of the District Court. It was suggested that taking account of all aspects of their jobs, parity with the salary of a Judge of the Circuit Court was justified.

11.8 The Judges of the Circuit Court acknowledged the hierarchical structure of the Courts but argued that the gap between the salaries of Judges of the High Court and Judges of the Circuit Court was excessive. The submission referred to similarities between the positions of Judges of the High Court and the Circuit Court in relation to matters such as the criteria for appointment, the qualifications and experience required. Our attention was also drawn to the number of Judges of the Circuit Court who had been appointed to the High Court.

11.9 We consider that there should be differences in salary between the Judges of the different Courts to reflect the hierarchical nature of the Courts structure and variations in the responsibility and authority of the different Courts. We accept that the demands on Judges of all the Courts have grown. However, we are of the view that there is a justification for an improvement in the salary of Judges of the Circuit Court relative to Judges of the High Court. Our views in this regard are influenced by considerations referred to in the preceding paragraphs. In particular we have given weight to the position whereby the jurisdiction of the Circuit Court is currently more extensive and important than it has been historically.

The Chief Justice and Court Presidents

11.10 The Chief Justice is President of the Supreme Court and titular head of the Judiciary. The constitutional position as head of the Judiciary is emphasised by ex-officio membership of the Council of State. The Chief Justice also presides at meetings of the Presidential Commission. The Commission consists of the Chief Justice, the Chairman of Dáil Éireann and the Chairman of Seanad Éireann. Article 14.1 of the Constitution provides that the powers and functions conferred on the President under the Constitution shall be exercised and performed by the Commission in the event of absence of the President from the Country.

11.11 In addition to the various specific duties and obligations attaching to the Office, the Chief Justice has a general responsibility for the Judiciary and the administration of justice as a whole.

11.12 Presidents of other Courts also have extensive and demanding responsibility for supervising and organising the administration of justice in their own Courts and will also have occasion to deal with the Government on specific issues.

11.13 We are conscious that in addition to their judicial and administrative roles, the Chief Justice and the Court Presidents have additional duties by virtue of their Offices. For instance, the Chief Justice is Chairperson of the Board of the Courts Service, the Superior Court Rules Committee and the Reference Committee which deals with applications for property arbitrations and has a range of other responsibilities. Court Presidents also gave us examples of responsibilities deriving from their Offices.

11.14 In Report No. 38 we recommended an improvement in the salaries of the Court Presidents relative to other Judges in recognition of the increased administrative and other burdens associated with these Offices. On this occasion we have again been conscious of the additional responsibilities of the Chief Justice and Court Presidents by virtue of their Offices.

11.15 It seemed to us that the role of the Chief Justice as Chairperson of the Board of the Courts Service is a particularly demanding one. The Chief Justice does not receive a fee for acting as Chairperson. Nevertheless, we do not consider it appropriate to recommend that a separate payment be paid in respect of the additional responsibilities of the Chief Justice and Court Presidents. We are satisfied that the recommended remuneration provides a fair reward for the full range of responsibilities of these positions.

Remuneration of the Judiciary

11.16 In previous reports the Review Body recommended that the salary for the Chief Justice should be the same as that of the Taoiseach. The submission we received from the Judges of the Supreme and High Courts questioned this approach. It was suggested that by determining the remuneration of the Chief Justice in this way, the Review Body was failing to make an objective assessment of the appropriate remuneration for the Chief Justice. It was also pointed out to us at an oral hearing that in the past the salary of the Chief Justice had been higher than that of the Taoiseach.

11.17 From the foundation of the State until 1968 the salary of the Chief Justice exceeded that of the Taoiseach (formerly President of the Executive Council). In 1968 two Acts of the Oireachtas separately set the remuneration of the Taoiseach and the Chief Justice. The remuneration level set for both posts was the same. The Acts in question were the Oireachtas (Allowances to Members) and Ministerial and Parliamentary Offices (Amendment) Act, 1968 and the Courts (Supplemental Provisions) (Amendment) (No. 2) Act, 1968.

11.18 Since the first general review in 1972, all reports of the Review Body have recommended that the salaries of the Taoiseach and the Chief Justice should be the same.

11.19 We have given consideration to the relative salaries of the Taoiseach and the Chief Justice and have again concluded that the salaries of both Offices should be the same. In our view their respective constitutional positions as Head of the Judiciary and Head of the

Executive provide a compelling case for this approach. We do not consider that this is inconsistent with an objective assessment of the appropriate remuneration for the various judicial posts and in arriving at our overall recommendations for the Judiciary we have had regard to factors such as the level of the earnings of legal practitioners.

11.20 In view of the major role of Judges in our society, we are fully conscious of the importance of ensuring that the most qualified legal practitioners continue to be attracted to the Judiciary. As already indicated, we accept that there has been a decline in the numbers applying for judicial posts and this is a matter of concern. We consider that it is self evident that the gap between the remuneration of the Judiciary and the earnings of top legal practitioners is a disincentive to recruitment but, in our view, there are other factors to be considered also. There are considerations besides remuneration which influence recruitment to the Judiciary. We consider that the prestige attaching to judicial office is an incentive although it was clear from our discussions with Judges that there is some perception among them that the level of prestige is less than that which formerly applied. It seems to us that there is a vocational element also to the acceptance of judicial office as well as the prospect of interesting work.

11.21 However, we fully accept that remuneration is a major factor affecting recruitment to the Judiciary. We acknowledge that acceptance of judicial office can involve a substantial reduction in earnings for legal practitioners. We stated in Report No. 38 that it is not realistic to set judicial salaries at a level which matches the earnings of the top legal practitioners and we found a general acceptance of this among the Judiciary.

11.22 However, we are still of the view expressed in Report No. 38 that the gap between the salaries of Judges and the earnings of legal practitioners should not reach the stage where it becomes a powerful disincentive to the acceptance of judicial office and we have adopted that principle in our deliberations on the remuneration of the Judiciary.

11.23 We noted the information on earnings of legal practitioners contained in reports of the Competition Authority in 2005 and 2006. We considered that the median earnings of Senior Counsel were particularly relevant. The salaries listed in those reports were for 2001 and 2002. No more recent figures were available. However, we made an estimate of the likely current level of earnings by increasing them by reference to the general level of increases in executive salaries since 2002 as identified in published reports and the information available to us from the evaluation exercise we conducted in relation to other groups covered by our terms of reference. We appreciate that this is not a fully scientific approach but we consider that it is the best method available to us to enable a general indication of the current level of legal earnings to be derived.

11.24 In making comparisons with the earnings of legal practitioners the conditions of service of Judges are, of course relevant. We were also conscious of the significant expenses borne by legal practitioners in running a practice.

11.25 While, as indicated in previous reports, we have reservations about the validity of comparisons with other countries, we examined the remuneration recommended for Judges in the UK in the report of the UK Review Body on Senior Salaries published in March 2007.

Availability of Judges outside normal working hours

11.26 We were provided with information on the requirement for Judges to be on-call outside normal working hours including weekends. We do not consider that it would be appropriate to recommend that a separate on-call allowance be paid to the Judiciary and it was clear from our discussions with members of the Judiciary that this was their general view also. However, we consider that the extent to which Judges must be on-call should be reflected in their remuneration and we have taken this into account in arriving at our conclusions on the salaries for Judges.

Conclusions

11.27 In view of the considerations mentioned in the preceding paragraphs, we consider that an increase in the remuneration of the Judiciary is warranted. We are still of the view expressed in Report No. 38 that it is not realistic to set judicial salaries at the level of highest earnings by legal practitioners, even after allowance is made for the conditions of service of Judges and the practice expenses of barristers. Nevertheless, we consider that there should be a significant increase in judicial salaries to ensure that the reduction in earnings on accepting a judicial post does not reach an unsustainable level. We recommend the following salaries:

Table 11.1
Recommended Salary Rates for Members of the Judiciary

Office	Current Rate	Recommended Rate	% Increase
	€	€	
Chief Justice	268,243	310,000	15.6
President of the High Court	249,083	290,000	16.4
Judge of the Supreme Court	233,757	270,000	15.5
President of the Circuit Court	226,094	260,000	15.0
Judge of the High Court	220,348	255,000	15.7
President of the District Court	166,697	202,000	21.2
Judge of the Circuit Court	160,950	197,000	22.4
Judge of the District Court	134,124	158,000	17.8

Expenses

11.28 At present Judges receive unvouched non-pensionable and non-taxable expense allowances which are revised on 1 January of each year in line with movements in the Consumer Price Index over the preceding twelve months. The allowances are intended to cover expenses which could not be dealt with under the normal claim and recoupment arrangements, principally in respect of work done by Judges at home – research and

formulation of judgments, dealing with urgent applications. This requires provision of a study and suitable facilities.

11.29 The current annual value of the allowance is €8,294.77 in the case of the Chief Justice, President of the High Court, Judges of the Supreme Court and the High Court and the President of the Circuit Court. In the case of Judges of the Circuit Court and President of the District Court the allowance is €1,951.54 while Judges of the District Court receive €976.75. In Report No. 38 we recommended a substantial increase in the allowance payable to the Chief Justice, President of the High Court, Judges of the Supreme Court and the High Court and the President of the Circuit Court. The increased amounts have been revised since our last report in line with movements in the Consumer Price Index and we do not recommend any further increase at this stage.

11.30 Submissions on behalf of the Judges of the Circuit Court argued that their allowance should be increased to the level payable to the Judges of the higher courts. We do not agree that this would be warranted. The increased amounts recommended in Report No. 38 were significantly influenced by the need for Judges to work at home on the preparation and formulation of written judgments and dealing with urgent applications. We accept that there is a need for all Judges to work at home but we consider that the demands are greatest in this regard in the case of the Supreme and High Courts.

11.31 Accordingly, we do not consider that the allowance for Judges of the Circuit Court and the District Court should be at the same level as for Judges of the higher courts. However, we accept that an increase in the current allowances for the Judges of the Circuit Court and the District Court is justified. We recommend that the allowance for Judges of the Circuit Court be increased to € 2,500 (28% increase) and that the allowance for Judges of the District Court be increased to €1,250 (increase of 28%). These allowances should continue to be revised in the same manner as applies at present and should be updated on 1 January 2008.

11.32 We consider that the position of the President of the District Court is different to that of ordinary Judges of the Circuit Court and the District Court. We are satisfied that the administrative burden associated with this post is such that the allowance for the President of the District Court should be increased to the level applying to other Court Presidents (€8,294.77) and we recommend accordingly.

12 County Registrars

Background

12.1 The remuneration of County Registrars was considered by the Review Body following an individual reference made to the Body in 1977 (Report No. 13 refers). The remuneration of the posts has not been specifically examined by the Review Body since then although, as a result of a relationship with the salary of the civil service grade of Assistant Secretary, County Registrars have benefited from increases recommended by the Review Body.

12.2 There are 26 County Registrars. County Registrars manage each Circuit Court Office and are responsible for the proper management of the Circuit Court Offices throughout the State. A similar function is exercised in relation to the High Court on circuit and, where appropriate, the Central Criminal Court on circuit.

Role and responsibilities of County Registrars

12.3 Under Section 35 of the Court Officers Act, 1926 and Section 51 of the Court Officers Act, 1995 a County Registrar is required to be a solicitor of not less than eight years standing who is then actually practising or has previously practised for not less than eight years, or a barrister of not less than eight years standing who is then actually practising or has previously practised for not less than eight years. In accordance with Section 5 (2)(b) of the Courts and Court Officers Act, 2002, a County Registrar who practised as a barrister or a solicitor for not less than 10 years before he or she was appointed to be a County Registrar is qualified for appointment as a Judge of the Circuit Court.

County Registrars have a wide range of functions including the following main responsibilities:

- **Holding County Registrars' Courts:** County Registrars preside over "Motion Courts" pursuant to the Courts and Court Officers Acts, 1995 and 2002.
- **List Management:** County Registrars determine which cases are ready for trial, which cases should receive priority and which cases should be adjourned or removed from the list (e.g. cases which have been settled).
- **Case Management:** A new rule of the Circuit Court means that management and progress of Family Law cases will move from the interested parties to County Registrars. County Registrars will preside over Family Law Case Management hearings, make such directions, impose such sanctions, compel such witnesses and order such costs as may be directed.
- **Duties of Taxing Master:** Under the Courts and Court Officers Act, 1995, Part VI, Section 27, County Registrars may exercise the powers of a Taxing Master of the High Court. When exercising those powers, County Registrars are responsible for measuring disputed costs.

- Arbitration: County Registrars hold arbitration hearings to determine the right of a person to acquire freehold title and, if necessary, fix the price.
- Acting as Sheriff: Except in Dublin and Cork, County Registrars are the County Sheriffs and are responsible for the enforcement of Court Orders, including repossession of land and goods.
- Acting as Local Returning Officer: Except for Dublin and Cork, County Registrars are responsible for the conduct of all Dáil elections, Presidential elections, referenda within Dáil constituencies and acting as Local Returning Officers in the taking of the poll for European elections. County Registrars receive additional remuneration, over and above basic salary, for their roles in relation to elections and referenda. County Registrars, including those in Dublin and Cork, hold annual revision courts to review the Electoral Register. No additional remuneration is payable for this function.
- Exercising management responsibilities: The Courts Service is responsible for the management of capital and operating budgets for the Courts system. However, County Registrars have responsibility for a range of management functions which include the effective management of the day-to-day workloads of Court staff, business planning, implementation of change management initiatives, health and safety issues, keeping registers and notifying appropriate authorities of persons ineligible to act as company directors.
- Manager of the Central Criminal Court on circuit: County Registrars are responsible for the administration of the Central Criminal Court on circuit. Functions include providing a jury panel and all logistical arrangements.
- Acting as District Probate Officer: County Registrars operate as District Probate Officers in fourteen counties (Cavan, Cork, Donegal, Galway, Kerry, Kilkenny, Limerick, Louth, Mayo, Sligo, Tipperary, Waterford, Westmeath and Wexford). An allowance is payable in addition to salary for this work.
- In the course of our examination, we were provided with information on further quasi-judicial functions assigned to County Registrars pursuant to Council Regulation (EU) 1206/2001. The functions in question involve County Registrars taking evidence in civil proceedings from witnesses resident in Ireland where the dispute originates in another EU State. County Registrars assisted in the design and drafting of the Rules which will be implemented towards the end of 2007.

12.4 In their submission to us County Registrars provided detailed information on the legislative and other changes which have affected their role since their remuneration was last examined by the Review Body. We comment in Chapter 2 on the issue of change and its impact on the groups covered by our terms of reference. We fully acknowledge that the role of County Registrars and the complexity of their jobs have expanded considerably since 1977. However, we would also make the general point that the roles and responsibilities of all the grades covered by our review have developed significantly in this period.

Remuneration of County Registrars

12.5 In Report No. 13 in 1977 the Review Body recommended that the salaries of County Registrars should be linked generally to the salaries of Assistant Secretaries in the civil service and this continues to be the position. There are three salary bands for County Registrars. The Dublin County Registrar has the highest salary which is equivalent to the maximum point of the scale for an Assistant Secretary. The Cork County Registrar has a salary which falls between the third and fourth salary points on the scale for an Assistant Secretary and the other County Registrars have a salary somewhat above the minimum of the scale for an Assistant Secretary.

12.6 In their submission County Registrars made the point that while their salary was linked to that of an Assistant Secretary they were not eligible for the performance-related awards applicable to Assistant Secretaries and these were not reflected in their remuneration.

12.7 County Registrars did not propose a change in the present three band salary structure but suggested to us that the present link with the grade of Assistant Secretary was no longer appropriate. They considered that they should be linked for salary purposes to the Judiciary and they proposed that the salary of County Registrars, other than in Dublin and Cork, should be increased and based on 90% of the salary of a Judge of the Circuit Court with corresponding increases for the County Registrars in Dublin and Cork.

12.8 As indicated in paragraph 12.3, fourteen County Registrars act as District Probate Officers. An allowance in the region of €5,000 is payable for this work. In their submission to us, the County Registrars argued that the allowance payable is inadequate compensation for the knowledge, care and responsibility involved in this work. The principal responsibility in this regard relates to the issuing of grants of representation (probates of wills to executors with the will annexed where there is a will and no executor named, and administration where the deceased was intestate).

12.9 County Registrars considered that performance-related awards were not appropriate for their posts in the light of the independence of their roles and the nature of their functions. However, they asked us to take account of the lack of such awards in arriving at our recommendations on the appropriate salary for their posts.

12.10 County Registrars qualify for a pension after 20 years but do not receive payment of a pension until 65 years of age. County Registrars pointed out that a Judge of the Circuit Court can receive a full pension after fifteen years' service and sought the application of similar terms to their posts. We have not given consideration to this matter as our terms of reference do not extend to recommendations on changes in existing pension arrangements. Insofar as pensions are concerned, we have considered the value of the pension terms applicable to the groups within our remit and, with the assistance of our advisers on pensions, we have taken these into account in arriving at our conclusions on the appropriate salary levels. This issue is dealt with in detail in Chapter 3.

Conclusions

12.11 We commissioned an evaluation of five posts of County Registrar and were advised on the remuneration of posts of comparable weight in the private sector. The outcome of the evaluations combined with our own conclusions supported the continuation of the present three band salary structure. We found that the post of Dublin County Registrar was the most demanding post. In the case of posts outside Dublin we concluded that the post of Cork Registrar was more onerous than the other posts. We did not consider that there was a compelling case for different levels of salary for the other posts.

12.12 As already indicated, County Registrars argued strongly that their remuneration should be linked to the Judiciary and that the salary of the posts outside Dublin and Cork should equate to 90% of the salary of a Judge of the Circuit Court. We do not consider it appropriate that the salary of County Registrars should be determined in this manner. We acknowledge that legal training and qualifications are required by County Registrars but we do not accept that their salaries should be based on the salaries of the Judiciary.

12.13 While we acknowledge the importance of the role of County Registrars, we consider that judicial posts are significantly more demanding. In our view setting the salary of County Registrars at 90% of the salary of a Judge of the Circuit Court, as proposed by County Registrars, would not reflect properly the different demands of the posts.

12.14 Based on the evaluations we conducted and the views we formed, we recommend the salaries shown in Table 12.1 for County Registrars. The recommended salaries shown relate to persons who make a contribution in respect of personal superannuation benefits equivalent to that introduced for established civil servants recruited since 6 April 1995. The existing salaries shown also relate to persons making such a contribution. Salaries equivalent to 19/20^{ths} of the recommended salaries shown should be applied to persons who do not make a contribution in respect of personal superannuation benefits.

Table 12.1
Recommended Salary Rates for County Registrars

Post	Current Rate	Recommended Rate	% Increase
	€	€	
County Registrar, Dublin	143,192	151,000	5.5
County Registrar, Cork	138,408	146,000	5.5
Other County Registrars	126,926	134,000	5.6

12.15 We accept the arguments by County Registrars that the allowance payable for acting as District Probate Officers should be increased. We do not consider that the allowance should be expressed as a fixed percentage of salary but we consider that the amount payable at present should be increased to €7,500 p.a. This allowance should continue to be revised in line with general increases in salary on the same basis as applies at present.

Directors of Public Health Medicine and Specialists in Public Health Medicine

Background

13.1 The grades of Director of Public Health Medicine and Specialist in Public Health Medicine are covered by our review on this occasion. These grades were not previously examined by the Review Body.

13.2 Our terms of reference include both Directors of Public Health Medicine and Specialists in Public Health Medicine. We were informed during an oral hearing that the post of Director of Public Health Medicine remains from the former Health Board structure and that the post will be phased out over time. We were also informed that in general terms Directors can be described as Specialists with additional administrative/management functions. In this section of the report we use the term Specialists in Public Health Medicine in a generic sense as referring to both grades but we make a separate recommendation as shown in Table 13.1 about Directors of Public Health Medicine.

13.3 Departments of Public Health Medicine were established in 1995 within the former Health Boards to be staffed at senior level by fully trained medical specialists (Specialists in Public Health Medicine). The Health Protection Surveillance Centre (formerly the National Disease Surveillance Centre) was established in 1998 as Ireland's specialist agency for the surveillance of communicable diseases by the then Health Boards working conjointly. The National Disease Surveillance Centre had an executive Director and was governed by a Board. In 2005, the Health Protection Surveillance Centre became part of the Health Service Executive (HSE).

13.4 The major issue dealt with in submissions to the Review Body was the claim on behalf of Specialists in Public Health Medicine for a salary equivalent to that of a Hospital Consultant i.e. the granting of Consultant Status. Submissions supporting the granting of Consultant Status were made by the Irish Medical Organisation (IMO) and the Faculty of Public Health Medicine. The submission made by the Faculty of Public Health Medicine was endorsed by the President of the Royal College of Physicians of Ireland.

Role of Specialists in Public Health Medicine

13.5 The purpose of Public Health Medicine is to promote and protect the health of the whole population and its subgroups with a particular emphasis on reducing health inequalities. Responsibility for Public Health Medicine now lies within the Population Health Directorate of the HSE. We were informed by the Department of Health and Children that Specialists in Public Health Medicine are expected to play a key role in relation to the following population health functions:

- service planning, prioritisation and policy development;

- co-ordination of inter-sectoral policies that impact on health;
- health impact assessment;
- health protection with regard to environmental health and communicable disease issues; and
- health promotion including preventative policies and the creation of environments that support health and the strengthening of community action for health.

13.6 Submissions made to us indicated that the practice of doctors trained to a specialist level in Public Health Medicine lies within three principal domains of the public health function – health protection, health service development and health improvement.

The areas covered within each are illustrated in the following table.

The Three Domains of Public Health Medicine

Health Protection	Health Service Development	Health Improvement
<ul style="list-style-type: none"> • Disease and injury prevention • Communicable disease control • Protection from environmental hazards • Emergency planning 	<ul style="list-style-type: none"> • Service planning • Clinical effectiveness • Clinical governance and risk management • Efficiency (including value for money) • Audit and evaluation • Change management 	<ul style="list-style-type: none"> • Health promotion • Reducing inequalities • Advocacy on socio-economic issues • Education • Lifestyles • Community development
<p>Surveillance and monitoring of health and determinants of health underpin all three domains.</p>		

13.7 It was emphasised in the submissions from the IMO and the Faculty of Public Health Medicine that the three domains are not separate entities and often overlap with a common requirement for core skills, knowledge and competencies. The work requires expert medical decision making, together with a broad medical experience and speciality training.

Changes in the nature of the posts

13.8 The submissions made to us referred to changes in the nature of the posts in recent years. Reference was made to developments in national legislation and at EU level as well as other issues affecting the work of Specialists in Public Health Medicine.

Training

13.9 It was emphasised in the submission made on behalf of Specialists in Public Health Medicine that they are fully trained senior specialist doctors in the specialty of Public Health Medicine in the Irish health care system. They are required to have completed higher specialist

training, to have obtained Membership of the Faculty of Public Health Medicine of the Royal College of Physicians, and to be on the Register of Medical Specialists of the Medical Council. They are responsible for their own independent medical practice and must exercise independent clinical judgement in matters pertaining to the health of the public. Training of Specialists in Public Health Medicine is supervised by the Irish Committee on Higher Medical Training.

13.10 Specialists in Public Health Medicine are clinicians who have received specific training in the areas of epidemiology and biostatistics, evidence-based healthcare, infectious diseases control and prevention. Submissions made to us on behalf of Specialists in Public Health Medicine stated that the training received in these areas equated to higher consultant-level training. Specific information provided by the IMO in relation to the training and qualifications of Specialists in Public Health Medicine stressed the following:

- (a) Specialists in Public Health Medicine are qualified doctors, registered to practice in Ireland with the Statutory Body (the Medical Council). In addition, there is a requirement for a post graduate qualification from the Royal College of Physicians of Ireland in Public Health Medicine i.e. Membership of the Faculty of Public Health Medicine of Ireland (MFPHMI), Royal College of Physicians of Ireland or its equivalent. It was stated that this qualification entitles the holder to apply for Consultant Public Health Medicine or Consultant in Communicable Disease Control posts in Northern Ireland, in the rest of the UK and throughout the EU.
- (b) Similar to other medical specialties, doctors following a career path in Public Health Medicine must undertake a period of basic specialist training – General Professional Training (GPT) which extends over a minimum period of two years following the intern year. In Ireland, certification of GPT is necessary for appointment to higher training posts in all medical specialties including Paediatrics and Public Health Medicine.
- (c) On completion of General Professional Training, doctors aspiring to be Specialists in Public Health Medicine undertake an additional post graduate qualification in public health – Masters in Public Health or equivalent. This degree may be undertaken on a full-time basis over one academic year or on a part-time basis over two academic years. This facilitates a successful outcome in the Part 1 MFPHMI.
- (d) Higher Specialist Training in Public Health Medicine takes a minimum of four years in a designated post in a scheme of higher professional training approved by the Irish Committee on Higher Medical Training (ICHMT). Following successful annual assessments, when the Specialist Registrar (SpR) is nearing the date calculated for the completion of training in the Specialty, the Dean and the National Specialty Director (NSD) will initiate a review of all the training records and confirm (or otherwise) the date due for satisfactory completion of all the required elements.
- (e) On successful completion the trainee must apply for a certificate of completion, which will be issued when the decision of the Dean and NSD has been endorsed on behalf of the Specialty by the ICHMT, in the same way as all other medical specialties. Application is then made to the Medical Council for entry on the Specialist Register.

- (f) For appointment to a post of Specialist in Public Health Medicine, there is a requirement of at least seven years satisfactory experience (after becoming entitled to full registration) in the practice of the medical profession, including at least four years satisfactory experience in Public Health Medicine. It was stated to us that this is the same as applies to advertised Hospital Consultant posts.

13.11 The Faculty of Public Health Medicine also drew our attention to a provision in the Medical Practitioners Act, 2007 in which a practitioner within the speciality of Public Health Medicine has been identified as eligible for inclusion as one of six named medical practitioners for election to the Medical Council. The Faculty of Public Health Medicine stated that this indicated a recognition by the Minister for Health and Children of the importance of the speciality of Public Health Medicine.

General Approach to the remuneration of Specialists in Public Health Medicine

13.12 Unlike most other groups covered by our general review we did not ask the Hay Group to undertake a job evaluation of the jobs of Specialists in Public Health Medicine and an assessment of the salaries by reference to salary levels in the private sector. While we acknowledge the importance of remuneration levels in the private sector as a factor which influenced our recommendations on the remuneration of the generality of the groups coming within our remit we considered that there were additional special considerations affecting this group.

13.13 Firstly, we consider that there must be a coherence to the salaries of the medical and dental groups covered by our terms of reference. Accordingly, we attached considerable weight to placing the salaries of these groups in what we regard as the appropriate positions relative to each other. Secondly, as indicated in the preceding paragraphs, the submissions from the IMO and the Faculty of Public Health Medicine concentrated on comparisons between Specialists in Public Health Medicine and Hospital Consultants. This issue was also addressed by the Department of Health and Children and the Health Service Executive in the oral hearings. We concluded, therefore, the main issue for consideration by us was the claim on behalf of Specialists in Public Health Medicine for a salary equivalent to that of a Hospital Consultant and that our examination should be directed towards a comparison of the two groups.

Comparison between Specialists in Public Health Medicine and Hospital Consultants

13.14 The submissions made to us by the IMO and the Faculty of Public Health Medicine suggested that there were close similarities between Specialists in Public Health Medicine and Hospital Consultants. It was stated that the qualifications, training and expertise of Specialists in Public Health Medicine were identical to those of Hospital Consultants. It was pointed out, however, that unlike many Hospital Consultants, Specialists in Public Health Medicine do not have access to private practice and private income. The argument was made that the equivalence in the training demands and the unfavourable remuneration in comparison to

other medical specialties had the potential to make Public Health Medicine an unattractive career choice for young doctors.

13.15 In oral hearings with us, the Department of Health and Children and the HSE took the view that there were significant differences between Specialists in Public Health Medicine and Hospital Consultants and that a salary equivalent to that of a Hospital Consultant was not warranted in the case of Specialists in Public Health Medicine. The Department and the HSE took the position that the main differences related to the responsibility for patients. While the importance of the work of Specialists in Public Health Medicine was acknowledged, it was stated that they did not carry the same responsibility for patients on an individual basis as Hospital Consultants and did not deal directly with patients to the same extent.

Conclusions

13.16 Based on our examination and the information provided to us, we are fully satisfied that the qualifications, training and expertise of Specialists in Public Health Medicine equate to those of Hospital Consultants. However, we do not consider that remuneration can be based on qualifications, training and expertise alone. The nature of the work carried out must be a major consideration also.

13.17 The information presented to us demonstrated clearly that Specialists in Public Health Medicine fulfil a vital role in the health of the population and their work is of national importance. For the reasons already mentioned, we considered that the critical factor in the determination of their remuneration was the comparison between them and Hospital Consultants. As indicated in the preceding paragraph, we accept that there is an equivalence in training, qualifications and expertise. There are, of course, differences in the precise nature of the work carried out by the two groups but the issue to be determined is whether the different roles can be regarded as being comparable in terms of job weight and the levels of responsibility. We gave much consideration to this issue.

13.18 In considering the roles of Specialists in Public Health Medicine and Hospital Consultants it seemed to us that differences in the nature of responsibility for individual patients was a compelling factor. We consider that Specialists in Public Health Medicine do not have the level of autonomy and clinical responsibility for individual patients attaching to the post of Hospital Consultant. As already indicated, we fully acknowledge the importance of the work of Specialists in Public Health Medicine but we formed the conclusion that there was an additional dimension to the work of Hospital Consultants in respect of the ongoing responsibility for patients on an individual level. On this basis, we consider that the remuneration of Hospital Consultants should be higher than that of Specialists in Public Health Medicine. Nevertheless, we consider that an increase in salary for Specialists in Public Health Medicine is justified. In view of the extra managerial functions assigned to Directors of Public Health Medicine we recommend a higher salary for that group. The salaries we consider to be appropriate are set out in Table 13.1.

Table 13.1**Recommended Salary Rates for Directors of Public Health Medicine and Specialists in Public Health Medicine**

Post	Current Rate	Recommended Rate	% Increase
	€	€	
Director of Public Health Medicine	125,919	145,000	15.2
Specialist in Public Health Medicine	107,933	130,000	20.4

Directors of Public Health Medicine and Specialists in Public Health Medicine make an employee contribution in respect of personal superannuation benefits. The recommended salaries in Table 13.1 take account of this contribution.

13.19 Our recommendations are based on the current circumstances applicable to Specialists in Public Health Medicine and Hospital Consultants. We wish to stress that the salary recommended for Specialists in Public Health Medicine is not intended to establish a fixed relationship with the salary of Hospital Consultants and any future changes in the remuneration of Hospital Consultants, other than the application of standard increases arising under general agreements, should not necessarily be extended to Specialists in Public Health Medicine. A major consideration in the case of any future developments would be the extent to which any change in the remuneration of Hospital Consultants was based on alterations in their role, working conditions and terms of employment and whether similar changes applied to Specialists in Public Health Medicine.

Medical Assistant National Directors of Population Health

13.20 There are three Medical Assistant National Directors of Population Health in the HSE. We have made a recommendation in Chapter 9 on the remuneration of these posts.

Out-of-hours cover

13.21 We are aware that there have been discussions between the Irish Medical Organisation and the HSE about payments for out-of-hours cover by Public Health Doctors. This issue has also been the subject of a recommendation by the Labour Court. We do not regard the question of payments for this service as coming within our terms of reference. We were not requested to examine the matter and we did not receive submissions from the parties on it. Accordingly, we make no recommendation on payments for out-of-hours cover by Directors of Public Health Medicine or Specialists in Public Health Medicine.

14 Specialist Orthodontists

Background

14.1 This is the first time that posts of Specialist Orthodontists have been examined by the Review Body. The proposal to create the posts arose initially from the Dental Health Action Plan published in 1994. In 1998, a review group representative of health board management and Consultant Orthodontists reviewed the orthodontic services. The objective of this review was to ensure equity in the provision of orthodontic treatment throughout the then health boards. The review group published a report, known as the Moran report, which recommended that appropriately trained, qualified and registered Specialist Orthodontists be employed in orthodontic units to ensure the continuation of a high quality service.

14.2 Job descriptions were subsequently agreed for the post of Specialist Orthodontist. The question of the appropriate salary for the new posts was referred to an independent adjudicator in 2001. The adjudicator noted that the posts were recently created and expressed the view that it was appropriate to establish an interim salary for the posts subject to review later in the light of further developments. The adjudicator recommended that the review of the salary should take place no later than 1 September 2003. In the event a review did not take place by that date and it was agreed that the matter would be referred to the Review Body for consideration as part of the present review.

Role of Specialist Orthodontists

14.3 Orthodontics is the specialist branch of dental science concerned with growth of the face and the development of proper occlusion (bite). It is an area of dentistry concerned with the supervision, guidance and correction of the growing and mature dentofacial structures i.e. teeth, facial bones and facial soft tissue. Specialist Orthodontists are based primarily in designated orthodontic specialist units but they may provide services from a variety of locations such as community dental clinics and special needs clinics.

14.4 The Dentists Act, 1985 governs the education, training, recognition of and registration of the dental profession, including specialists. A statutory body, the Dental Council, is responsible for the standards required for primary qualifications and for the adequacy of post graduate specialist training. With the consent of the Minister for Health and Children, the Dental Council determines the specialities to be recognised for purposes of a register known as the Register of Dental Specialists. In 2000, the Dental Council established a division of Orthodontics in the Register of Dental Specialists, thus enabling the creation of the new post of Specialist Orthodontist. In submissions made to us by the Irish Dental Association on behalf of Specialist Orthodontists, it was stressed that both the Consultant Orthodontists and Specialist Orthodontists are registered in the same Specialist Register.

Duties of Specialist Orthodontists

14.5 The agreed job description for Specialist Orthodontists specifies that the following duties will be performed by the grade:

- participate in the organisation and delivery of orthodontic services under the overall direction of the Consultant in Orthodontics;
- provide complex orthodontic treatment to patients attending the regional unit and community dental service clinics;
- co-ordinate and assist with primary orthodontic treatment carried out by General Dental Surgeons in the community service;
- participate in clinical audit;
- assist in the assessment of the need for orthodontic treatment in accordance with guidelines;
- participate in the training of staff in training courses approved by the appropriate regulatory authority; and
- carry out such other duties appropriate to the Office as may be designated from time to time by the Chief Executive Officer or other designated officer. (This reference relates to a Chief Executive Officer of the former health boards).

Remuneration of Specialist Orthodontists

14.6 As already indicated the salary initially established for Specialist Orthodontists was intended as an interim arrangement pending a later review. The current salary is a single point of €139,044 inclusive of the increase of 2% with effect from 1 June 2007 under the public service pay agreement associated with Towards 2016. The decision to set an interim salary for the posts was influenced by the consideration that the posts were then newly created and allowed for their development.

14.7 Submissions made to us by the Irish Dental Association on behalf of Specialist Orthodontists referred to difficulties in relation to recruitment and retention. It was stated that when the posts were first advertised there were no applications from outside the public health service and that not all dental surgeons within the public health service with the appropriate qualifications applied for the posts. We were also informed that there were continuing unfilled vacancies in the posts and that there was a pattern of Orthodontists leaving the public health service for more lucrative opportunities in the private sector.

14.8 We were informed that in order to address difficulties in recruitment, training in orthodontics for suitable personnel in the public health service has been sponsored by the Department of Health and Children through the Dublin Dental Hospital and a number of Dental Hospitals in the United Kingdom. Training is provided for a period of three years and, in addition to salary payable over the training period, the cost of training is funded by the Department of Health and Children. On successful completion of training, qualified personnel

are contracted to provide a public health service in the Health Service Executive for a period of three years.

14.9 In the written submission to us and at an oral hearing, the Irish Dental Association suggested that this initiative would not be sufficient to ensure a full complement of Specialist Orthodontists because, it was contended, the salary level is not sufficient to attract suitable applicants in view of significantly greater potential earnings in the private sector. It was also suggested that the single salary point payable was a disincentive to remain in the public service and that a salary scale including long service increments would be more attractive.

14.10 The written and oral submissions made to us by the Irish Dental Association concentrated on the argument that a pay relationship should be established with the grade of Consultant Orthodontist and that the salary of Specialist Orthodontists should be set at 90% of the salary of Consultant Orthodontists. However, it was proposed that this salary level should be the minimum point of a salary scale which would incorporate two long service increments. The present salary represents 80% of the salary of Consultant Orthodontists.

14.11 It was argued that the training, qualifications and duties of Specialist Orthodontists and Consultant Orthodontists show considerable similarities. In terms of the training required, both groups require 5 years undergraduate training, 2 years in general practice and 3 years post graduate training. Consultant Orthodontists require a further 2 years as a Senior Registrar. As stated in paragraph 14.4, it was stressed to us that both the Consultant Orthodontists and Specialist Orthodontists are registered in the same Specialist Register.

Conclusions

14.12 As already indicated, the salary established for Specialist Orthodontists was an interim one and it was intended to review it in the light of the development of the grade. We are satisfied from our examination of the posts that they are now in a stable state and have developed to a point where a definitive salary should be established.

14.13 We acknowledge the close working relationship between Specialist Orthodontists and Consultant Orthodontists and the similarities in training and qualifications. Nevertheless, we do not consider it appropriate to set the salary of Specialist Orthodontists as a fixed percentage of the salary of Consultant Orthodontists. We accept that the relationship with Consultant Orthodontists is one factor to be taken into account but, in our view, the salary of Specialist Orthodontists must be based primarily on the remuneration which is justified on the basis of the demands of the work of that grade.

14.14 Furthermore, we consider that a fixed pay relationship would be unduly inflexible and could lead to later difficulties if subsequent developments in the role of either grade justified a change in the relative salary positions of Specialist Orthodontists and Consultant Orthodontists. For these reasons we have recommended a salary for Specialist Orthodontists which we consider to be warranted based on the current demands of the work of the grade. This salary should not be regarded as establishing a fixed relationship with the salary of

Consultant Orthodontists and major changes in the future in the roles and functions of either grade could require that a change be made in the relative salary positions.

14.15 As already indicated, we were urged by the Irish Dental Association to recommend a salary scale for Specialist Orthodontists. It was suggested that a three point salary scale plus two long service increments would be appropriate and the view was expressed that this would assist in the retention of staff in the public health service.

14.16 Long service increments are not generally a feature of the remuneration of public service grades at the salary level we recommend in Table 14.1 for Specialist Orthodontists and we do not consider that we should introduce them for this grade. Furthermore, the application of long service increments, in addition to a normal salary level which we consider justified, would place the maximum level of remuneration for Specialist Orthodontists inappropriately close to the salary of Consultant Orthodontists whose salary does not include long service increments.

14.17 We do not see any benefit in changing the remuneration of Specialist Orthodontists from a single salary point to a salary scale. The salary we recommend for Specialist Orthodontists is what we consider to be the appropriate “rate for the job”. If a salary scale were to be introduced we would consider that the salary recommended should be the maximum of the scale with lower salary points leading to that maximum. We would have reservations anyway about the suitability of a very short scale such as the one suggested to us and we do not consider that it would make any significant difference to the retention of staff. In all the circumstances, we consider that retention of a single salary point is preferable. In our view this would be more likely to encourage recruitment than a salary scale leading, after a number of years, to the salary rate now recommended.

14.18 In the light of our assessment of the grade of Specialist Orthodontist we consider that an increase in the current salary is warranted. The recommended salary is shown in Table 14.1. Specialist Orthodontists make an employee contribution in respect of personal superannuation benefits. The recommended salary in Table 14.1 takes account of this contribution.

Table 14.1

Recommended Salary Rates for Specialist Orthodontists

Post	Current Rate	Recommended Rate	% Increase
Specialist Orthodontist	€ 139,044	€ 145,000	4.3

Background

15.1 The mission of the Irish Prison Service (IPS) is to provide safe, secure and humane custody for people who are sent to prison. In terms of prison healthcare, a key strategic objective is to provide health services to prisoners, who are a recognised special needs group within the overall population, of a level equivalent to that available to citizens in the general community.

15.2 At the time of our examination, the IPS employed 18 doctors on contract across 14 institutions with responsibility for approximately 3,250 prisoners. Only three of the Prison Doctors were full-time doctors with a contract for 39 hours per week. The remaining doctors had contracts with hours ranging from 4 to 27.5 hours per week.

15.3 Generally, Prison Doctors are required to work as part of multi-disciplinary health teams within prison establishments. They must be registered, other than provisionally, on the General Register of the Medical Council. In the event that a Prison Doctor ceases to be registered, the contract ceases to have effect. A Prison Doctor should hold an appropriate specialist registration in line with the standard requirements which pertain in the general health care system.

15.4 Prison Doctors are responsible for the provision of primary medical care, including psychiatric care, within prisons and they operate in compliance with guidelines issued by the Director of Prison Healthcare within the IPS. The responsibilities of Prison Doctors include:

- medical assessment of persons sent to prison;
- ongoing general medical care of prisoners;
- prescribing a course of treatment and monitoring that treatment for its duration;
- referral for specialist opinion where appropriate;
- liaison with other professionals involved in the overall therapeutic care and well-being of prisoners;
- screening of prisoners for relevant diseases; and
- ensuring the provision of appropriate vaccination programmes to prisoners in line with IPS health policy.

15.5 Prison Doctors' responsibilities also involve medico-legal duties including medico-legal reports, court reports, probation and welfare reports, and medical recommendations to the Department of Justice, Equality and Law Reform.

15.6 Prison Doctors also have responsibilities in relation to drug treatment. The IPS and the IMO have agreed to undertake an expert review of the operation and delivery of drug treatment in prisons, including the requirements for facilities and staffing/training.

15.7 Prison Doctors are accountable to Prison Governors for the non-professional aspects of their service.

Contract for Prison Doctors

15.8 An agreement was reached on a revised contract for Prison Doctors, following an industrial dispute in 2004. Prison Doctors now have the status of non-established State employees and they are appointed under civil service regulations. A particular difference between the new contract and the previous one was that the patient contact hours to be provided were specified in a much more explicit manner than had been the case in the previous contract. The new contract also provided that Prison Doctors would co-operate with a system of computerised medical records for all prisoners. They were also required to co-operate with ongoing service developments including implementation of appropriate technology throughout the service. Prison Doctors also agreed to take part in a system of performance management.

Remuneration of Prison Doctors

15.9 As a result of a dispute between the IPS and Prison Doctors, general round pay increases which became payable subsequent to December 2004 had not been applied to Prison Doctors at the time of our examination. For purposes of consistency with other rates shown in our report, the salaries and other payments referred to in this Chapter show the position that would apply if all general round increases up to and including 1 June 2007 had been paid to Prison Doctors. On this basis, the salary of a Prison Doctor arising from the new contract is €132,738 for a 39 hour week and pro-rata for less than this. This salary represents a substantial increase on the previous salary.

15.10 An annual allowance of €5,771 (with effect from 1 June 2007) is payable in respect of liability for attendance outside the normal agreed times at the request of the Governor or other appropriately delegated member of staff. In relation to actual attendance at the specific request of the Governor or other appropriately delegated member of staff, outside the hours of 8 a.m. to 6 p.m. on weekdays, at weekends and on public holidays, a non-pensionable additional fee is payable as follows (the rates quoted are with effect from 1 June 2007):

- for attendance between the hours of 6 p.m. and midnight on weekdays and between 8 a.m. and midnight on weekends and public holidays a fee of €69.21 for the first hour or part hour.
- for attendance between midnight and 8 a.m. a fee of €92.25 for the first hour or part hour.
- where such attendance in any case exceeds one hour an additional fee of €46.12 per hour or part hour subsequent to the first hour is paid.

15.11 Prior to the new contract, Prison Doctors received additional payments for the administration of vaccines to prisoners. The new contract provides that this service will not attract additional payment and is regarded as being encompassed in the salary for the post of Prison Doctor.

15.12 The submission to us by the IMO on behalf of Prison Doctors suggested that the remuneration of Prison Doctors should be equivalent to that of a Hospital Consultant. The submission stated that Prison Doctors are specialists in general practice with the same training requirements as Consultants in other medical specialities such as geriatrics, psychiatry, general medicine, occupational health medicine etc. It was pointed out that Prison Doctors hold additional post graduate qualifications relevant to their duties as Prison Doctors and that, in common with Consultants, they are clinically autonomous.

Performance-related awards

15.13 In the submission to us, the IMO proposed that a scheme of performance-related awards be applied to Prison Doctors. In an oral hearing, the IPS expressed the view that such a scheme should not be part of the remuneration package for Prison Doctors. We refer in Part II of the report to the general issue of performance-related awards.

Superannuation arrangements

15.14 As part of the agreement reached in 2004, Prison Doctors are covered, with effect from August 2004, by the terms of the non-contributory pension scheme for non-established State employees and the Spouses and Children's contributory pension scheme for non-established State employees.

Recruitment

15.15 The IPS acknowledged that there have been problems in recruiting Prison Doctors. It was stated that while there were some improvements as a result of the increased salary agreed in 2004, difficulties were still being experienced in this area.

Conclusions

15.16 In the submission to us and in the course of an oral hearing, the IPS stated that the terms of the contract agreed in 2004 were not being complied with fully by Prison Doctors. In the oral hearing with us, the IMO strongly denied the suggestion that the terms of the contract were not being honoured.

15.17 We are not in a position to adjudicate between the differing views expressed to us about compliance with the terms of the contract agreed in 2004, nor is it part of our role to do so. Any failure to comply with the contract would, of course, be a serious matter but we see it as the responsibility of the IPS to ensure that the contracted hours are delivered by all Prison Doctors and to take the appropriate action, including termination of a contract in individual cases, if any situation arises where this is not being done.

15.18 We consider that an increase in remuneration is warranted in the case of Prison Doctors. In forming this conclusion we had regard to the nature of the work, the earnings of medical personnel in other employments and the difficulties being experienced in recruitment. We do not consider, however, that a salary based on that of a Hospital Consultant is appropriate. While we acknowledge the level of medical expertise required by Prison Doctors, in our view their role is significantly different to that of a Hospital Consultant.

15.19 Based on our assessment of the role of a Prison Doctor and the other factors referred to in the preceding paragraph, we consider that the salary shown in Table 15.1 is appropriate for a Prison Doctor providing full-time service of 39 hours per week. A pro-rata salary should apply to Prison Doctors providing a service of less than 39 hours per week. The recommended salary takes account of the superannuation arrangements applicable to Prison Doctors.

Table 15.1
Recommended Salary for Prison Doctors

Post	Current Rate	Recommended Rate	% Increase
Prison Doctor	€ 132,738	€ 145,000	9.2

15.20 The revised salary recommended is subject to full compliance with the terms of the agreed contract. If there is disagreement between the parties in any case as to whether the terms of the contract are being complied with, the increased salary should not be implemented until it has been established through direct discussions or referral to a third party, as appropriate, that the contracted hours are being delivered and that other provisions of the contract are being complied with e.g. provision of an on-call and out-of-hours service, operation of multi-disciplinary working, maintenance of medical records etc. The increased salary recommended also takes account of the responsibilities of Prison Doctors in relation to drug treatment, including co-operation with the policy arising from the review referred to in paragraph 15.6. Accordingly, this aspect of their work should not attract additional payment.

15.21 We do not recommend an increase in the existing payments for being on-call or for attendance outside the hours of 8 a.m. to 6 p.m. on weekdays, at weekends and on public holidays.

Organisation of the Prison Medical Service

15.22 The IPS informed us that they envisaged a situation in the future where the primary medical needs of prisoners could best be met by a smaller number of doctors operating on a full-time basis. It was accepted that there may be some smaller prisons where the workload would not require a full-time doctor on site and that suitable alternative arrangements would be needed. This matter is outside our terms of reference but we would encourage the IPS to develop a policy on this matter in conjunction with the IMO.

16 Higher Posts in the Third Level Education Sector

Background

16.1 Our terms of reference cover the following posts in the third level education sector:

- Heads, Registrars, Secretaries and Bursars of universities.
- University Professors.
- Directors of Institutes of Technology.
- The President and Directors of Dublin Institute of Technology.
- Heads of Colleges of Education.
- Head of the National College of Art and Design.

16.2 With the exception of university professors, these groups were the subject of Report No. 39 of the Review Body in March 2001. This is the first occasion on which professors have been examined by the Review Body.

16.3 We commissioned an evaluation of a number of the posts covered by our terms of reference and were advised on the remuneration of posts of comparable weight in the private sector. A total of 23 posts in the third level education sector were evaluated.

Recruitment to posts in the third level education sector

16.4 In Report No. 39 we indicated that we accepted that there was a wider recruitment market for university Heads than for other public service groups and that this should be taken into account in determining the remuneration of the posts. There is a closed recruitment market for some of the posts covered by our terms of reference such as Secretaries General. In other cases, where posts are publicly advertised, there is little recruitment from outside the sector and the recruitment market is effectively confined to Ireland although we accept that there may be isolated cases which are exceptions to this.

16.5 We consider, therefore, that university Heads are in a different position to the generality of other groups covered by our terms of reference because the recruitment market for these posts is an international one. We acknowledge that there may be an international dimension to the recruitment of some other posts in the third level education sector. However, in the cases of posts below the level of the Head of a university we consider that this issue arises for certain individual posts only and is not of general application as is the case for the Heads.

16.6 We stated in Report No. 39 that our approach, in reflecting the special recruitment arrangements in the salaries of Heads of universities, was to set a rate which would result from the kinds of factors taken into account for other groups and then to make an addition in respect of the recruitment market. We have taken this approach again on this occasion.

Accordingly, the salaries we recommend for Heads of universities are higher than those we would propose if there were a different recruitment market.

Allowances

16.7 In Report No. 39 we referred to payments being made to some posts in addition to salary and stated that the salaries we recommended represented our view of the appropriate salaries for the normal duties of the posts concerned. Accordingly, it was our intention that the recommended salaries would absorb allowances being paid. We also stated in Report No. 39 that payments additional to the recommended salaries should not be made unless the Higher Education Authority, with the agreement of the Minister for Education and Science and the Minister for Finance, is satisfied that the duties which attract these payments are ones which are additional to the normal duties of the post in question.

16.8 We were informed that, despite the recommendation we made in Report No. 39, allowances over and above the salary levels recommended in Report No. 39 are being paid to some of the posts covered by our terms of reference. We fail to understand how this situation can occur since, under the Universities Act, 1997, payments of this sort require the approval of the Minister for Education and Science and the Minister for Finance. Clearly, there is a major departure from our recommendations if persons covered by our terms of reference are to receive payments in addition to the salaries we recommend and this brings about a situation where the persons concerned are being paid more than we believe to be justified.

16.9 We consider that the Department of Education and Science should take the prime responsibility for ensuring that any unauthorised allowances are withdrawn and should take all necessary steps to resolve the situation without delay. We wish to emphasise again that the levels of remuneration we recommend in this report are intended to represent total remuneration for the posts concerned and no additional payments should be made other than in situations referred to in Report No. 39 viz. where the Higher Education Authority, with the agreement of the Minister for Education and Science and the Minister for Finance, is satisfied that the duties which attract these payments are ones which are additional to the normal duties of the post in question.

16.10 In any situation where an unauthorised allowance is being paid, no increase in salary arising from this report should be applied until the allowance has been withdrawn.

Residences

16.11 In Report No. 39 we made a recommendation on the treatment of residences provided to some Heads of universities/colleges. We recommended that where a residence is not on campus or where a residence on campus is not used to a significant extent for official purposes, a deduction of 10% of the approved salary for the post in question should be made. We do not consider that any change in this position is warranted.

Heads of Universities

16.12 Each university has a Governing Authority which carries responsibility for the governance of the university. Under the Universities Act, 1997 the Head of a university is charged with the management and direction of a university in its academic, administrative, financial, personnel and other activities. In a submission to us by the Irish Universities Association (IUA) it was argued that the role of university Heads has developed considerably since these posts were last examined by us.

16.13 We were informed by the IUA that candidates for the position of university Head are required to have at least ten years experience at a senior level of leadership in higher education, preferably with international experience, including:

- the effective leadership and management of academic staff;
- evidence of delivery of key elements of a university's strategic objectives in the areas of academic excellence, research or innovation;
- ability to reconcile conflicting interests without detriment to the ongoing direction of the university;
- assurance in the selection of subordinates and the confidence to delegate extensively; and
- credibility to inspire the management team and to make the university a world class institution.

Changes in the role of Heads of Universities

16.14 The submission by the IUA stated that a major expansion and development of the university sector has led to significantly increased demands on Heads of universities and a growth in the complexity of their work. It was indicated that strategic planning by the Heads is now the foundation of the management of their institutions, that the reality for them is that their roles now demand a much increased level of accountability and that there has been an increase in the extent to which they must manage commercial and operational risk.

16.15 It was also put to us that university Heads are no longer academics and administrators but rather strategic leaders who are required to assess opportunities and risks against clear strategic priorities and to take decisions with far reaching implications. In summary, it was suggested to us that the changes since the last review in 2001 combined with the full implementation of the Universities Act, 1997 meant that the role of a Head of a university had developed to the stage where it closely resembled the role of a chief executive of a major Irish company.

16.16 Since Report No. 39 a revised funding model has been adopted for universities and other institutions which will have an effect on the role of university Heads. The revised funding arrangements have three separate elements:

1. An annual recurrent grant allocated to each institution as at present using a formulaic approach. Funding is provided on the basis of a uniform grant per student in broad areas. Additional funding is provided in respect of students from disadvantaged backgrounds.
2. Performance-related elements, benchmarked against best national and international practice, with greater emphasis on the setting of targets and monitoring of results. In particular, there will be a focus on results arising from the institution's own strategic plans and their consistency with broader Government objectives.
3. Funding which will support innovation generally, but especially in specified areas which support national strategic priorities.

16.17 The new funding model will require institutions to develop more focussed outcomes based on strategic plans which are consistent with identified national needs.

16.18 We discuss the general issue of change in Chapter 2. We acknowledge that the role of a Head of a university has changed since our last review but change is a normal feature of the work of all senior management groups in the public service. The university sector has grown significantly in terms of income and student numbers since our last review. We accept also that university Heads face greater demands than previously and that there is increasing emphasis on managing their institutions with less dependence on direct State funding through finding other competitive sources of income.

16.19 We were informed by the Department of Education and Science that since the last review in 2001, a number of additional posts have been created in universities immediately below the level of President, with titles such as Vice President or Head of College. These posts are not among those we have been asked to examine in the present review but we may be requested to examine them at a later stage. It was suggested to us that an assessment of the changes in responsibilities of university Heads should take account of the support provided by the newly created senior posts. We consider that this is a valid argument.

16.20 In assessing the degree of change and the resultant demands on university Heads, we considered that the current demands of a post of university Head could best be assessed by evaluating the jobs in their current form. As stated elsewhere in this report, an evaluation of this kind takes account of the features that make up the overall weight of the present job and automatically captures any development of the jobs since they were last evaluated. Accordingly, we commissioned an evaluation of a number of posts of university Head and were advised on the remuneration which jobs of comparable weight in the private sector would attract. The salaries we recommend, as set out in Table 16.1, have regard to the outcome of that evaluation.

Determination of the remuneration of Heads of Universities

16.21 The submission from the IUA suggested that the conditions now exist which would enable the Review Body to recommend that university Heads be taken out of the Review Body process and that their remuneration be determined by Governing Authorities along the lines of the system for the chief executives of commercial state-sponsored bodies as recommended in Report No. 37 of the Review Body. We decided that we should not make a recommendation to this effect. We consider that there is a significant distinction between universities and commercial state-sponsored bodies. In our view, the functions of the commercial state-sponsored bodies are closer to the activities of private sector companies than is the case with universities. Furthermore, the Government has decided that the Heads of universities should come within our remit and we consider this to be a matter of public policy which is appropriate for determination by the Government rather than us.

Salary structure for the Heads of Universities

16.22 In Report No. 39 we recommended that there be two salary bands for Heads of universities. The higher band applies to the Heads of Trinity College, Dublin, University College, Dublin and University College, Cork.

16.23 Some of the submissions we received questioned the approach we had taken to salary bands. The submission from the Higher Education Authority (HEA) asked us to give consideration to whether a two tier salary system was still appropriate. The HEA referred to the central role to be played by higher education and research, the substantial increases in the resources and numbers across all institutions, the requirement that all institutions contribute to national objectives and the application of performance measures to all of them. The HEA expressed the view that in an environment where all university Heads are expected to show high levels of leadership and innovation, it is not necessarily the case that the bigger the university, the bigger the job of Head.

16.24 We accept that there are common features to the jobs of all university Heads. Nevertheless, we consider that the scale of operation of a university is a relevant consideration in assessing the job of a university Head. Differences in areas such as student numbers, financial resources managed and the range of courses provided have an impact on the overall demands placed on Heads of universities. In our view differences in the overall weight of jobs should be reflected in remuneration. However, we consider that, having regard to the common features of all jobs, there should not be major differences between the salaries of Heads of the different universities.

Conclusions

16.25 We concluded that two salary bands are still appropriate for Heads of universities. In deciding on the posts to be placed in each band we had regard to our assessment of the demands of the posts. We formed the view that the post of Head of the National University of Ireland (NUI), Galway should now be placed in the higher salary band. In forming this view we acknowledge that the scale of operation of NUI Galway is smaller than the other three universities in the higher band in terms of total income and staffing. However, we also took

account of other factors, such as the mix of postgraduate and undergraduate activity, the range of income sources and, in particular, the extent of non-teaching (research and consultancy) income, the range of faculties and subjects offered. NUI, Galway fits broadly alongside the other universities in the higher salary band on such indicators.

16.26 In considering the overall levels of remuneration which are warranted, we had regard, as already stated, to the international dimension to the recruitment of university Heads. We compared the salaries of the posts covered by our review with the salaries of the Heads of universities in the UK, in particular, and with posts below the level of university Head from which candidates for posts as university Head would be likely to be drawn.

16.27 We also obtained information, to the extent possible, on salaries in other countries but, as acknowledged in the submission we received from the IUA, information on these countries (other than the UK) is not available to the same extent as was the case at the time of our last review. This appears to be due to reluctance on the part of Governing Authorities to release information on remuneration because of the competitive market for university Heads. Nevertheless, it is clear from our research that in some countries university Heads have moved from a situation where they had a salary based on public sector norms to having a salary which is related to the general market.

16.28 A significant difference between the position applying in the UK and the one applying in this country is that the remuneration of university Heads in the UK is determined by the Governing Authorities concerned and not by a Review Body such as ours. We have given our views in paragraph 16.21 on the proposal by the IUA that university Heads in Ireland be removed from the remit of the Review Body and that their remuneration be determined by the Governing Authorities.

16.29 As already indicated, we have taken account of salaries paid in other countries to posts from which candidates for positions as university Heads would be likely to be drawn. We consider, however, that there may be factors other than salary which may inhibit recruitment from abroad and which cannot be addressed in our review. The major consideration in this regard may be the cost of moving to Ireland, particularly housing costs.

16.30 We consider that the revised salaries we recommend will improve the ability of universities to attract suitable candidates from abroad for positions as university Heads.

16.31 We recommend the salaries shown in Table 16.1. The recommended salaries shown relate to persons who make an employee contribution in respect of personal superannuation benefits equivalent to that introduced for established civil servants recruited since 6 April 1995. The existing rates shown also relate to persons making such a contribution. Salaries equivalent to 19/20^{ths} of the recommended rates should be applied to persons who do not make an employee contribution in respect of personal superannuation benefits.

Table 16.1
Recommended Salary Rates for Heads of Universities

Post	Current Rate	Recommended Rate	% Increase
	€	€	
Level I			
Trinity College, Dublin	226,895	270,000	19.0
University College, Dublin	226,895	270,000	19.0
University College, Cork	226,895	270,000	19.0
National University of Ireland, Galway	206,725	270,000	30.6
Level II			
Dublin City University	206,725	236,000	14.2
University of Limerick	206,725	236,000	14.2
National University of Ireland, Maynooth	206,725	236,000	14.2

Registrars, Secretaries and Bursars

16.32 Our remit covers the posts of Registrar, Secretary and Bursar. There are some differences in the titles of posts in particular universities but, for convenience, we use the generic terms Registrar, Secretary and Bursar in this report. We are conscious that there is not a common structure among posts at this level in the university sector and that there are variations in the responsibilities attaching to posts in different universities. We last made recommendations on the posts of Registrar, Secretary and Bursar in Report No. 39 in March 2001. Since then there has been a restructuring of these posts in some universities. In UCD the post of Secretary no longer exists and the bulk of the duties of the former post have been assigned to the Bursar. In UCC the former post of Secretary/Bursar has been divided into two separate posts of Secretary and Bursar.

16.33 In Report No. 39 we described the typical duties of Registrars, Secretaries and Bursars as follows:

- A Registrar is responsible for academic administration;
- A Secretary is, in general, responsible for corporate affairs, human resources, buildings and estates (in some cases); and
- A Bursar has specific responsibility for the finance function and buildings and estates (in some cases).

16.34 The submission we received on behalf of Registrars, Secretaries and Bursars referred to developments in the roles of the posts since Report No. 39. We were informed that, while the typical duties described above would still reflect the core functions of the posts, universities have had to review and, in some cases, reconfigure the distribution of functions. We were given details of the responsibilities of individual posts as well as descriptions of the key objectives of the posts, the key performance targets and the knowledge, experience and competencies required.

16.35 We comment on the developments in the roles of the posts in paragraphs 16.37 to 16.41.

16.36 We were informed that Registrars are appointed for a fixed-term but the duration of the term varies between universities. Generally, fixed-term appointments do not apply to Secretaries and Bursars but the Bursar in UCD has a fixed-term contract of ten years.

Changes in the roles of Registrars, Secretaries and Bursars

16.37 We received a submission from the Irish Universities Association (IUA) on behalf of Registrars, Secretaries and Bursars. These posts were referred to in the submission as “Direct Reports” (to the Head of a university). The submission outlined changes in the university sector which have had an impact on the jobs of Registrars, Secretaries and Bursars since Report No. 39 and led to increased demands on them as well as a growth in the complexity of their work. It was indicated that strategic planning by these posts is now the foundation of the management of their institutions, that the reality for them is that their roles now demand a much increased level of accountability and that there has been an increase in the extent to which they must manage commercial and operational risk.

16.38 It was also put to us that Registrars, Secretaries and Bursars are no longer academics and administrators but rather strategic leaders and managers who are required to assess opportunities and risks against clear strategic priorities and to take decisions with far reaching implications. As indicated in paragraph 16.15, a similar argument was made in relation to the development of the role of university Heads. It was suggested that these changes, combined with full implementation of the Universities Act, 1997, meant that the duties of the posts had developed to the stage where they closely resembled the roles of senior executives in major Irish companies.

16.39 The developments described in the submission were, understandably, largely the same as those referred to in paragraphs 16.14 to 16.17 in relation to Heads of universities.

16.40 We accept that the jobs of Registrars, Secretaries and Bursars have developed since our last general review of posts in the third level education sector. Our comments in Chapter 2 on the general issue of change are relevant to these posts also.

16.41 As we stated in relation to Heads of universities in paragraph 16.20, we consider that the current demands of posts can best be assessed by evaluating the jobs in their current form and this automatically captures any development of the jobs since they were last evaluated. Accordingly, we commissioned an evaluation of six posts of Registrar, Secretary and Bursar and were advised on the remuneration of posts of comparable weight in the private sector. The salaries we recommend, as set out in Table 16.2, have regard to the outcome of that evaluation.

Determination of the remuneration of Registrars, Secretaries and Bursars

16.42 The submission from the IUA suggested that the Review Body should recommend that posts of Registrar, Secretary and Bursar be taken out of the Review Body process. As already indicated, a similar proposal was made in the case of Heads of universities. We have given our views on this proposed approach in paragraph 16.21.

Conclusions

16.43 In Report No. 39 we recommended that there be two salary bands for Registrars, Secretaries and Bursars corresponding to the bands applicable to Heads of universities.

Accordingly, the higher band applies, where applicable, to posts of Registrar, Secretary and Bursar in Trinity College, Dublin, University College, Dublin and University College, Cork.

16.44 We gave consideration to whether a two tier salary system was still appropriate for Registrars, Secretaries and Bursars. Although there are common features to the jobs of all these posts, we concluded that two salary bands were still appropriate. We consider also that the salary bands should continue to correspond to those applicable to Heads of universities. In view of the recommendation made in paragraph 16.25 in relation to the post of Head of the National University of Ireland (NUI), Galway, we consider that the relevant posts in that university should be placed in the higher salary band for Registrars, Secretaries and Bursars.

16.45 We have already commented on the international dimension to the recruitment market for Heads of universities. We do not consider that this factor applies to the same extent to posts of Registrar, Secretary and Bursar. Taking account of the overall weight of the jobs, it is our view that the important consideration in determining the remuneration of these posts is that the salary should be at an appropriate level between the salary levels of professors and Heads of universities. We consider that the salary of these posts should be above that of professors but that there must be sufficient headroom between the salary of the Heads of a university and the salary of Registrars, Secretaries and Bursars to reflect the ultimate responsibility of the Head. We formed the view that this headroom should be greater than that which exists at present.

16.46 On the basis of our own conclusions and the considerations mentioned in the preceding paragraph we recommend the salaries set out in Table 16.2. The recommended salaries shown relate to persons who make an employee contribution in respect of personal superannuation benefits equivalent to that introduced for established civil servants recruited since 6 April 1995. The existing rates shown also relate to persons making such a contribution. Salaries equivalent to 19/20^{ths} of the recommended rates should be applied to persons who do not make an employee contribution in respect of personal superannuation benefits.

Table 16.2

Recommended Salary Rates for Registrars, Secretaries and Bursars

Post	Current Rate ¹¹	Recommended Rate	% Increase
	€	€	
Level I			
Trinity College, Dublin	161,347	169,000	4.7
University College, Dublin ¹²	161,347	169,000	4.7
University College, Cork	161,347	169,000	4.7
National University of Ireland, Galway	151,261	169,000	11.7
Level II			
Dublin City University	151,261	159,000	5.1
University of Limerick	151,261	159,000	5.1
National University of Ireland, Maynooth ¹³	151,261	159,000	5.1

¹¹ The current rate shown does not include payments made in some cases for particular duties.

¹² There is no post of Secretary in UCD at present.

¹³ There is no post in NUI, Maynooth equivalent to “Secretary” in other universities.

16.47 Our examination was based on the normal roles of Registrar, Secretary and Bursar in universities. Accordingly, our recommendations relate to situations where Registrars, Secretaries and Bursars are performing the normal duties of these posts only. In any situation where duties over and above the normal duties of the posts are assigned, the question of any additional payment should be handled in accordance with our recommendations in paragraph 16.9. Accordingly, the university should, as required by the Universities Act, 1997, seek approval for any proposed payment and payment should be made only where the Higher Education Authority, with the agreement of the Minister for Education and Science and the Minister for Finance, is satisfied that the duties which attract these payments are ones which are additional to the normal duties of the post in question.

University Professors

16.48 This is the first occasion on which posts of university professor have come within the remit of the Review Body. At present, the salary of professors is related to the salary of an Assistant Secretary in the civil service.

16.49 At the time of our review there were over 400 full-time posts of professor in the universities. In addition there were about 40 posts of associate professor in NUI, Galway. The grade of associate professor in NUI, Galway has received the same increases as professors generally as a result of a Labour Court Recommendation in 1989.

Role of University Professors

16.50 We were provided with information on the role, functions and responsibilities of professors. The following responsibilities were among those referred to:

- teaching, lecturing, supervision;
- research and advancement of knowledge, writing papers, academic books etc;
- examining theses within and outside the university;
- participating in all examining boards for PhD candidates whether or not the student is supervised by the professor;
- responsibility for all examining within the subject and for maintaining standards;
- acting as external examiners in the subject and programmes at other universities in Ireland and abroad;
- dealing with day-to-day academic and other problems of individual students at the undergraduate and postgraduate level;
- serving on various committees of faculty, school, university, outside bodies, and other academic and professional bodies such as national committees;
- responding to consultation by members of the public and others on various matters on a non-remunerative basis; and
- acting as referee for research papers; writing reviews of research papers.

16.51 Submissions we received on behalf of professors referred to developments in the role of professors. It was stated that the role of professors has expanded significantly in recent years with changes in the strategic plans of universities placing more demanding responsibilities on professors. The following specific points were made:

- the rapid growth in student numbers has outpaced teaching resources and greater quality in teaching and learning has been required;
- research activities have increased dramatically and professors have responded to the requirements to facilitate a multitude of important new research centres and institutions in addition to their standard work load;
- there has been an increase in overseas students which has placed additional demands on the sector; and
- a new focus on continuing education and access has also placed intense pressures on professors to fulfil increasing demands for quality teaching, research, additional administrative duties and compliance requirements.

16.52 The submissions stated that the developments referred to have taken place against an environment of increasing student commitments and a requirement by the HEA to operate within a unit cost based approach and new quality assurance procedures involving both academic and administrative reviews. In summary, it was suggested that professors have significantly increased productivity in a recent period of extraordinary change and that responsibilities, hours worked and requirements on staff have expanded. The following factors were referred to as evidence of increased productivity:

- increasing student numbers and high student/staff ratios within the university sector;
- increases in full-time postgraduate student numbers;
- increases in the number and percentage of full-time PhD students;
- increases in quality/job profiles of staff;
- high entry requirements for students resulting in increased expectations;
- introduction of new quality assurance procedures; and
- expanded research activities.

16.53 We accept that developments in the third level education sector have added to the pressures on professors. We have commented on the general issue of change in Chapter 2.

16.54 The point was also made to us that the qualifications required for a professorship are in excess of those required for most other positions in the public and private sectors. It was stated that almost all professors have a PhD, have many years teaching and research experience, often at an international level, before becoming professors and many spend years in post doctoral research.

Remuneration of Professors

16.55 As indicated in paragraph 16.48, the remuneration of professors is related to that of Assistant Secretaries in the civil service. On this basis, professors have received the same increases in salary as Assistant Secretaries. However, a difference in remuneration is that following the recommendations in Report No. 38 of the Review Body, a scheme of performance-related awards has applied to Assistant Secretaries while no awards of this kind are applied to professors.

16.56 Submissions we received on behalf of professors suggested that the salary link with Assistant Secretaries was no longer appropriate. It was stated that the existing link did not reflect the increased responsibilities of professors and resulted in a salary level which was not sufficient to attract talented staff compared with the private sector. It was stated that it is essential that the changed nature of the role of professors with increasing demands for quality research, teaching and other responsibilities is recognised by the Review Body. The submissions on behalf of professors suggested that the Review Body should put the salary of a professor somewhat ahead of that of an Assistant Secretary in the civil service. We have already referred to the issue of change insofar as it relates to professors. However, we would make the general point that, in suggesting that the pay relationship with Assistant Secretaries is no longer valid because of changes in the role of professors, the submissions on behalf of professors did not seem to us to have recognised adequately that there have been significant developments in the roles of Assistant Secretaries also.

16.57 We commissioned an evaluation of seven posts of university professor across a range of disciplines and were advised on the remuneration of posts of comparable weight in the private sector.

Conclusions

16.58 In the oral hearings it was suggested to us that the recruitment market for professors had to be regarded as an international one. We have already discussed the international dimension to the recruitment of Heads of universities. We consider that this factor is less relevant in the case of professors.

16.59 We accept that it is desirable that the salaries of professors should enable highly qualified candidates to be recruited from abroad where necessary. However, we consider the position to be different to that applying to university Heads for two reasons. Firstly, we consider that the international dimension does not apply equally to all professor posts and is more relevant to some disciplines than others. Secondly, the information available to us suggests that professors in Irish universities are paid relatively well by international standards, particularly by reference to the UK. In making this point we are conscious that in the UK salaries are determined by Governing Authorities and they have the facility to increase remuneration to respond to particular difficulties in recruitment.

16.60 The point was made to us in oral hearings that there were difficulties in recruiting professors from abroad in particular disciplines. As we have indicated, we consider that the salaries payable in Irish universities compare well with those in other countries but we accept

that there can be difficulties in recruiting persons from abroad due to other factors which are beyond the scope of this review, especially housing costs in Ireland. Furthermore, we acknowledge that recruitment in some disciplines can present special difficulties. Difficulties of this kind raise the issue of whether there should be a common salary for all professor posts.

16.61 The submissions we received on behalf of professors favoured retention of a common salary. However, we think that there is a good case for special treatment of posts in exceptional situations where there is evidence of major difficulties in recruitment. We do not think it is feasible for us to specify which individual posts or disciplines should receive special treatment. This is a complex issue and there will be variations from time to time in the specific posts which give rise to difficulties in recruitment. We think it is necessary to deal with posts on an individual basis where recruitment difficulties arise.

16.62 The Universities Act, 1997 already allows for some discretion to depart from approved salary levels in certain circumstances within a framework agreed between the universities and the HEA (referred to in the Act as “*An tÚdarás*”). Section 25(4) of the Act provides as follows:

“Subject to subsection (5), there shall be paid by a university to the employees of that university, such remuneration, fees, allowances and expenses as may be approved from time to time by the Minister with the consent of the Minister for Finance.”

Section 25(5)(a) of the Act, allows for departures from approved levels of remuneration as follows:

“A university may depart from levels of remuneration, fees, allowances and expenses approved under subsection (4) where the governing authority is satisfied that it is necessary to meet the objects of the university, but may do so only in accordance with a framework, which shall be agreed between the universities and An tÚdarás”.

16.63 A framework agreement between the universities and the HEA is already in place for posts up to, and including, the level of professor. This is intended to relate to exceptional cases and envisages appointments under the framework agreement being made on a contract and “red-circled” basis. We consider that this arrangement can be used to address major difficulties of recruitment affecting individual posts where there is clear evidence from responses to advertisements for posts that it is not possible to recruit a suitably qualified candidate at the approved salary level.

16.64 Although we found variations in the job size of professor posts, subject to the provisions referred in the preceding paragraphs, we consider, on balance, that there should continue to be a common salary scale for professors. Based on our assessment of the grade of professor we concluded that the more demanding professor roles were generally comparable in terms of job size to the grade of Assistant Secretary in the civil service and we recommend a revised salary which maintains parity of pay between professors and Assistant Secretaries at

the maximum of the scale. The revised salary we recommend is shown in Table 16.3. This results in an increase of 5.5% at the maximum of the scale.

16.65 The recommended salary scale shown relates to persons who make an employee contribution in respect of personal superannuation benefits equivalent to that introduced for established civil servants recruited since 6 April 1995. The existing scale shown also relates to persons making such a contribution. A salary scale equivalent to 19/20th of the recommended scale shown should be applied to persons who do not make an employee contribution in respect of personal superannuation benefits.

16.66 At present there are minor variations, amounting to no more than a few euro, in the salary scales applying to professors in most of the universities. The only significant difference is that there is an eight point scale in NUI, Galway while there is a six point scale in the other universities. The existing scale shown below is the one applying in Trinity College, Dublin. We see no reason why there should be variations in the scales applying to professors in different universities and we consider that the recommended scale shown should be applied in all of the universities.

Table 16.3
Recommended Salary Scale for Professors

Post	Current Scale	Recommended Scale	% Increase (at maximum of scale)
Professor	€	€	5.5
	111,285–	117,500–	
	117,666–	124,200–	
	124,045–	130,900–	
	130,429–	137,600–	
	136,809–	144,300–	
143,194	151,000		

Institutes of Technology

Background

16.67 Our terms of reference cover the Directors of the thirteen Institutes of Technology in Athlone, Blanchardstown, Carlow, Cork, Dundalk, Dun Laoghaire, Galway/Mayo, Limerick, Letterkenny, Sligo, Tallaght, Tralee and Waterford.

16.68 The function of an Institute of Technology as set out in Section 5 of the Regional Technical Colleges Act, 1992 is:

“— to provide vocational and technical education and training for the economic, technological, scientific, commercial, industrial, social and cultural development of the State with particular reference to the region serviced by the college”.

16.69 The post of Director is specifically identified in the Act of 1992 and the role is described as follows:

“To control and direct the activities of the College and to control and direct staff of the College in implementation of such activities and to be responsible to the Governing Body thereof and for the efficient and proper management of the College”.

16.70 The Director is the chief officer and is the accounting officer for the purposes of reporting to Dáil Éireann on the activities of the Institute. The Director is an ex-officio member of the two statutory bodies named in the Act – the Governing Body and the Academic Council. The Director chairs the Academic Council.

16.71 The last general review of the remuneration of these posts was the subject of Report No. 39 of the Review Body in 2001. The submission to us on behalf of the Directors drew attention to developments in their role since the last review. Six main areas of change were identified as follows:

- changes brought about as a result of the enactment of the Qualifications (Education and Training) Act, 1999;
- increased emphasis on access for the disadvantaged to higher education;
- challenges posed by the growth in the Irish economy and the need for the Institutes, as those educational organisations most closely related to the world of work, to respond to the need to meet skills shortages;
- recognition of the imbalanced geographical spread of economic growth, the development of the National Spatial Strategy and the role of the Institutes in regional development;
- national economic policy developments which have placed knowledge creation and exploitation at the heart of Ireland’s economic growth and development; and
- new public sector management approaches including strategic planning and performance management.

16.72 A significant part of the Qualifications (Education and Training) Act, 1999 was the provision it made for the possibility of delegating the right to make awards up to and including PhD level to the Institutes of Technology. The actual level of delegation made to date under the Act varies between institutes.

Remuneration of Directors

16.73 In their submission to us, the Directors of Institutes of Technology suggested that the most relevant comparators for Directors are the posts of University President, Level II and President of DIT. They also considered that the salary levels of chief executives of private sector companies with more than 400 staff were relevant. In addition, comparison was also made with the remuneration of university professors and senior staff within the Institutes. It was stated that most recent appointments as Directors were filled from these groups. It was

argued that, in order to attract candidates with the necessary academic, administrative and management expertise, there must be significant headroom between the remuneration of Directors and that of these posts.

16.74 It was suggested to us that, as in the case of Heads of universities, there was an international dimension to the recruitment of Directors and that this must be recognised in determining a level of remuneration which will attract suitable candidates.

16.75 There are two salary bands for Directors of Institutes of Technology. The higher salary band applies at present to the Directors of the Institutes in Cork, Limerick, Galway/Mayo and Waterford.

16.76 The submission on behalf of Directors accepted that, while all the Directors face similar complexities and responsibilities in carrying out the duties of their posts, there were differences in the scales of operation of the Institutes. The Directors agreed, therefore, that two salary bands were appropriate. However, it was suggested that there was some lack of clarity in the determination of the posts to be included in each band as a result of a recommendation of the Labour Court in 2005 in relation to senior staff of the Institutes below Director level.

16.77 In Report No. 39 we recommended that three posts be placed in the higher salary band and that all other posts be placed in the second band. As indicated in paragraph 16.75, there are now four posts in the higher band (the Director of Limerick Institute of Technology was added). In arriving at our recommendation in regard to the placing of Directors within the salary bands we took account of the overall demands of the posts as assessed by us.

16.78 There are two salary bands also for senior staff of the Institutes below Director level. The recommendation of the Labour Court to which the Directors referred concerned a claim by senior staff of certain Institutes. The claim was based on Arbitration Report No. 19 of the Scheme of Conciliation and Arbitration for Teachers, dated 28 May, 1992. As a result of this Arbitration Report, senior staff in Institutes with more than 225 wholetime equivalent teachers receive a higher salary than those in other Institutes. The Labour Court recommended that this criterion should continue to apply in the absence of any agreement to amend it (Labour Court Recommendation No. 18393 refers).

16.79 The higher salary band for senior staff relates to those in the Institutes of Technology in Athlone, Cork, Galway/Mayo, Limerick, Sligo and Waterford. This does not correspond to the higher salary band for Directors as those posts in the Institutes in Athlone and Sligo are not in the higher band. The submission on behalf of the Directors drew attention to the differences between the salary bands applying to them and those applying to the senior staff reporting to them.

16.80 Our remit does not cover senior staff below the level of Director and we do not propose to comment on the arrangements applying to them. As far as the Directors are concerned we do not consider that a simple formula based on the number of teaching staff

should be used to determine the placing of posts within the two salary bands. We consider that the assessment of the appropriate remuneration for the posts of Director must take account of a wider range of considerations which affect the demands of the jobs. Our recommendations in this report are based on our assessment of the overall weight of the jobs.

Conclusions

16.81 We commissioned an evaluation of two posts of Director and were advised on the remuneration package available to jobs of similar weight in the private sector. We concluded that the posts in the Institutes in Cork, Galway/Mayo and Waterford were the most demanding ones and that the salary for these three posts should be higher than the salary for the other posts. Based on our assessment of the jobs we recommend the salaries set out in Table 16.4 for Directors of Institutes of Technology. Directors make an employee contribution in respect of personal superannuation benefits. The recommended salaries in Table 16.4 take account of this contribution.

Table 16.4

Recommended Salary Rates for Directors of Institutes of Technology

Post	Current Rate	Recommended Rate	% Increase
	€	€	
Level I Directors of Cork, Galway/Mayo and Waterford Institutes of Technology	161,346	172,000	6.6
Level II Directors of other Institutes of Technology	151,262	161,000*	6.4

* One of the posts has a higher salary at present and this should be retained on a personal basis.

Dublin Institute of Technology

16.82 Our terms of reference cover the President and Directors of Dublin Institute of Technology (DIT). There are ten posts of Director. Six are Directors of Faculty and the other four posts have responsibility for Human Resources, Finance, Academic Affairs and Research and Enterprise. DIT has about 20,000 students and about 1,800 wholtime staff. DIT is a vocationally oriented institution and offers multi-tiered education and training to students, both full-time and part-time, from apprenticeship through technician to doctoral and post-doctoral levels.

Changes in the role of President and Directors of DIT

16.83 In Report No. 39 we commented that DIT had moved from being a loose confederation of colleges to a single integrated institution and that a new management structure had been introduced following the integration of six separate colleges into a single institute. The submission we received on behalf of the President and Directors outlined a

number of developments since the posts were last examined by the Review Body. Some examples of the developments listed were:

- the new structure is firmly established and is working smoothly;
- degree awarding powers up to PhD level are now fully functional;
- modularisation, which was just a policy decision at the time of the last review, has been implemented;
- a new centralised timetabling system has been implemented;
- an environment has been created which attracts, retains and provides career development for high calibre academic staff; and
- DIT has brought about successfully a complete integration of the former separate colleges and this was recognised by the European University Association in a recent review report which stated '*It also appears to be one of Ireland's largest ongoing successful projects, with multiple changes taking place while still consolidating its new identity*'.

16.84 The relocation of DIT to a new campus at Grangegorman within a short time-frame will also present major management problems. The relocation entails not just the development of a new physical infrastructure but also the major logistical challenge of transferring a fully operational institution to a new site while still maintaining operations.

16.85 We accept that the jobs of the President and Directors have developed since our last general review of posts in the third level education sector. Our comments on the general issue of change in Chapter 2 are relevant to these posts also.

16.86 As we stated in relation to other posts, we consider that the current demands of posts can best be assessed by evaluating the jobs in their current form and this automatically captures any development of the jobs since they were last evaluated. Accordingly, we commissioned an evaluation of the post of President and one post of Director in DIT and were advised on the remuneration of posts of comparable weight in the private sector. The salaries we recommend, as set out in Table 16.5, have regard to the outcome of that evaluation.

Remuneration of the President and Directors of DIT

16.87 In Report No. 39 we recommended a salary for the President of DIT which was the same as the salary for Heads of universities in the second salary band. The salary we recommended for Directors was approximately 69% of the President's salary. We also stated in Report No. 39 that the demands of the job of President of DIT were likely to continue to grow and that the relative salary position of the post should be re-examined at the next general review.

16.88 The submission we received on behalf of the President and Directors of DIT suggested that the size and complexity of DIT when compared to other third level institutions, and the challenges facing the institution, provided a clear basis for putting the salary of the President at the same level, at least, as the salary of the Heads of universities in the higher salary band.

16.89 In the case of the Directors of DIT, the submission suggested that the present level of remuneration was inadequate. It was also stated that the headroom between the Directors and those reporting to them had been eroded due to increases arising from the public service benchmarking process. The submission suggested that the Directors should be remunerated at 80% of the salary which had been proposed for the President.

16.90 Our assessment did not support the contention that the job weight of the President of DIT equated to that of the Heads of universities in the higher salary band. While we have accepted that the job of the President has developed since the last review, the jobs of Heads of universities have developed also as have the jobs of most senior management posts in the public service. Our conclusion is that a salary at the level applicable to Heads of universities in the second salary band remains appropriate.

Conclusions

16.91 Based on our assessment of the jobs, we recommend the salaries set out in Table 16.5. The President and Directors make an employee contribution in respect of personal superannuation benefits. The recommended salaries in Table 16.5 take account of this contribution.

Table 16.5

Recommended Salary Rates for the President and Directors, Dublin Institute of Technology

Post	Current Rate	Recommended Rate	% Increase
	€	€	
President	206,726	236,000	14.2
Directors	143,193	151,000	5.5

Colleges of Education and the National College of Art and Design

Colleges of Education

16.92 The terms of reference of the Review Body cover the Heads of three teacher training colleges. The posts in question are the President of St Patrick's College, Drumcondra, the President of Mary Immaculate College, Limerick and the Principal of the Church of Ireland College of Education.

16.93 St Patrick's College, Drumcondra has been a college for the education of primary school teachers for well over a century. The mission of the College is to enhance its role in teacher education, both general and special, to provide degrees in the humanities, to promote academic research and develop further postgraduate studies, while fostering excellence in all its activities. St Patrick's College is academically linked to Dublin City University, but is institutionally autonomous.

16.94 Mary Immaculate College, Limerick is an autonomous third level College, academically linked to the University of Limerick, which offers undergraduate and postgraduate degrees in Education, the Arts and Early Childhood Care and Education.

16.95 The Church of Ireland College of Education has the particular responsibility of providing an adequate supply of fully trained teachers capable of upholding and maintaining the distinctive ethos and spirit of national schools under the management of the Church of Ireland, the Presbyterian Church in Ireland and the Methodist Church. The College also offers a Postgraduate Diploma in Learning Support and Special Educational Needs for qualified teachers and a Certificate for Special Needs Assistants. The ordinary course of three years' duration leads to the University of Dublin (Trinity College) degree of B.Ed. Suitably qualified students who wish to pursue an honours degree of B.Ed. may register for a fourth year to study wholly within the University's Department of Teacher Education.

Role of the Heads of Colleges of Education

16.96 Submissions and factual information we received provided details of the role, functions and responsibilities of the Heads of Colleges of Education and this information was developed further in the course of oral hearings.

16.97 We received a written submission on behalf of the Presidents of St Patrick's College, Drumcondra and Mary Immaculate College, Limerick. In addition to the ongoing responsibilities, the submission described new or expanding responsibilities arising from changes in the environment in which the Colleges of Education operate. Among the factors listed were:

- the need to generate additional revenue;
- continuing development of college programmes and research to meet new and changing demands;
- increasing corporate governance requirements;
- implementation of a performance management programme;
- an increased need for flexibility in responding to requirements such as special needs education, disadvantaged areas and access to education;
- an increasing emphasis on academic quality, self-assessments and external or peer reviews;
- a requirement for strategic planning involving specific long-term plans with stated objectives and priorities; and
- increased pressure to improve standards and skills to meet the requirements of new and existing teachers.

16.98 In order to assess the current demands of the jobs in question we commissioned an evaluation of two posts of Head of Colleges of Education and were advised on the remuneration package applicable to jobs of similar weight in the private sector.

Salaries of the Heads of Colleges of Education

16.99 In Report No. 39, we recommended revised salaries for the Heads of the Colleges of Education which gave an increase of 17.4% in the case of the Presidents of St Patrick’s College, Drumcondra and Mary Immaculate College, Limerick and 3.8% in the case of the Principal of the Church of Ireland College of Education. Although not determined on that basis, the salary recommended for the Presidents of St Patrick’s College, Drumcondra and Mary Immaculate College, Limerick equated to the maximum of the scale for a university professor.

16.100 In their submission to us, Presidents of St Patrick’s College, Drumcondra and Mary Immaculate College, Limerick argued that the salary recommended in Report No. 39 was inadequate. It was suggested that due to differences in role and responsibility, the salary of the Presidents of St Patrick’s College, Drumcondra and Mary Immaculate College, Limerick should be significantly higher than that of a university professor. It was also argued that the creation of posts of professor and associate professor in the Colleges would be desirable but that the current salary of the Presidents did not permit this.

16.101 The submission suggested that the salary of the Presidents of St Patrick’s College, Drumcondra and Mary Immaculate College, Limerick should be between that of a university professor and a university Head.

Conclusions

16.102 Based on our assessment of the posts, the evaluations carried out and the major difference in scale of operation between the Church of Ireland College and the other colleges, we recommend the salaries shown in Table 16.6. The Heads of the Colleges of Education make an employee contribution in respect of personal superannuation benefits. The recommended salaries in Table 16.6 take account of this contribution.

Table 16.6

Recommended Salary Rates for Heads of Colleges of Education

Post	Current Rate	Recommended Rate	% Increase
	€	€	
Presidents of St Patrick’s College, Drumcondra and Mary Immaculate College, Limerick	143,193	161,000	12.4
Principal of the Church of Ireland College of Education	121,013	125,000	3.3

National College of Art and Design

16.103 The role of the National College of Art and Design (NCAD) is to provide art and design education at the highest possible level. It offers the largest range of art and design degrees in the State at undergraduate and postgraduate level. One of the key objectives for the NCAD in recent years has been the development of research capacity to PhD level and the development of new programmes at Masters level. The College has been a recognised college of the National University of Ireland since 1996.

16.104 The NCAD has two statutory officers, the Director and the Registrar, leading four faculties over eleven academic Departments, together with a Library, Central Office for Student Services and General Administration. The four faculties in the NCAD are Design, Education, Fine Art and Visual Culture. The remuneration of the Director comes within our remit.

Director of the National College of Art and Design

16.105 The duties of the Director are defined in Section 17(2) of the National College of Art and Design Act, 1971. The Director is the chief officer of the board and has overall responsibility for the activities of the college subject to the authority of the board. We were given a detailed description of the functions of the Director. These include the following responsibilities in addition to the overall responsibility for the management of the college:

- acting as a member of the board of the college including proposing new policy initiatives to the board and implementing policy proposals as approved by the board;
- chairing the Academic Council, the Quality Assurance Steering Group, the Management Group and the strategic meetings of Heads of faculties;
- determining budget allocations, in conjunction with the Registrar, for approval by the board;
- overall supervision of policies on human resources and staff development;
- overseeing contracts with art and design colleges across Europe in relation to mobility of students for overseas study;
- chairing all examination boards in NCAD and responding to written reports by external examiners;
- promoting the image of NCAD nationally and internationally;
- managing campus planning and associated capital works; and
- devising a funding strategy for capital works.

Remuneration of the Director

16.106 The Review Body last made a recommendation on the remuneration of the Director in Report No. 39. Based on our assessment of the demands on the job in its current form, we recommend the salary shown in Table 16.7 for the Director of the NCAD. The Director makes an employee contribution in respect of personal superannuation benefits. The recommended salary takes account of this contribution.

Table 16.7

Recommended Salary for the Director, National College of Art and Design

Post	Current Rate	Recommended Rate	% Increase
Director	€ 143,193	€ 151,000	5.5

PART II

Awards for Exceptional Performance

Awards for Exceptional Performance – Background and General Principles

17.1 In this chapter we review the system of performance-related awards introduced following our recommendations in Report No. 38. We comment on the manner in which this system has operated and give our views on the future development of performance-related awards.

Report No. 38

17.2 In Report No. 38 we expressed our frustration at the failure to advance performance-related awards at the senior levels of the public service despite the issue being on the agenda for a lengthy period. We recommended that a new system of performance-related awards be introduced. We made it clear that we saw this as a final attempt to kick start what we saw as a highly desirable element in the total remuneration for top level posts in the public service. We recommended that consideration be given to withdrawing the whole concept of rewarding exceptional performance if no substantive progress had been made by the time of this general review.

17.3 In Report No. 38 we recommended that performance-related awards should be applied to the following groups coming within our terms of reference:

- chief executives of non-commercial state-sponsored bodies;
- Secretaries General, Deputy Secretaries, Assistant Secretaries and equivalent grades in the civil service;
- the Garda Commissioner, Deputy Commissioners and Assistant Commissioners;
- managers and assistant managers (now Directors of Services) in local authorities; and
- chief executive officers and programme managers of health boards – following the abolition of health boards and creation of the HSE, performance-related awards now apply to National Directors and Assistant National Directors (and equivalent posts) in the HSE.

17.4 We did not recommend that performance-related awards be applied to senior ranks in the Defence Forces because a submission we received from the General ranks of the Defence Forces expressed some reservations about the suitability of such awards for the Defence Forces. However, the General ranks later formed a different view on this matter and the Government decided to apply performance-related awards to the ranks of Major General and Brigadier General.

17.5 Our full recommendations on performance-related awards are set out in Part II of Report No. 38, Chapters 11-15. We summarise these recommendations in the following paragraphs.

17.6 In Report No. 39 on the third level education sector, we expressed the view that the development of a scheme of performance-related awards in the third level education sector should be encouraged. However, it was our view that the preconditions for the introduction of a scheme of awards were not yet in place. We saw it as the responsibility of the Department of Education and Science in consultation with the Higher Education Authority, where appropriate, and the Department of Finance to determine when the preconditions have been fulfilled. We recommended that, when these bodies were satisfied that the preconditions were in place, a scheme of performance-related awards should be introduced in the third level education sector.

Level of awards

17.7 In Report No. 38 we recommended that the levels of awards should be as set out below.

Chief Executives of Non-Commercial State-Sponsored Bodies

- The maximum payment level should be 20% of basic salary. We also recommended that decisions on the application of schemes of performance-related awards to bodies where such schemes are not already in operation should be a matter for the parent Department in consultation with the Department of Finance having regard to the need to have a number of preconditions fulfilled.

Civil Service

- The payments for both Secretaries General and Assistant Secretaries should be on the basis of 10% of payroll for the relevant groups, with an upper limit on individual payments of 20% of salary. Up to 20% should also be payable to Deputy Secretaries. Because of the small numbers involved we did not propose an overall paybill limit to the grade of Deputy Secretary.

Garda Síochána

- The payments provided in the Garda Síochána scheme for the Assistant Commissioner rank should be on the basis of 10% of payroll for the group, with an upper limit on individual payments of 20% of salary. For the Commissioner and Deputy Commissioners we considered that up to 20% should be payable.

Local Authorities and the former Health Boards

- Payments to managers and assistant managers of local authorities and to chief executive officers and programme managers of health boards should be on the basis of 10% of payroll for the relevant group with an upper limit on individual payments of 20% of salary.

Monitoring and Execution of the scheme of awards

17.8 We considered that there was a need for a mechanism to oversee and monitor the operation of the scheme of performance-related awards. Accordingly, we recommended that

a Committee for Performance Awards (CPA) be established with the role of monitoring, managing and approving recommendations for performance-related awards in relation to the top levels of the civil service and the Garda Síochána. We considered that there should be five members of the Committee, three of whom should be persons from the private sector with experience in operating systems of reward management. The other two members should be ex-officio members – the Secretary General to the Government and the Secretary General, Public Service Management and Development in the Department of Finance.

17.9 We recommended that similar, but separate, bodies be established to oversee the schemes for the local authority and health sectors.

17.10 We recommended that the key roles of the CPA should be to:

- validate objectives established for Secretaries General, Assistant Secretaries, the Garda Commissioner and Deputy/Assistant Commissioners;
- review self assessments of performance by Secretaries General and the Garda Commissioner;
- decide on performance-related payments for Secretaries General and the Garda Commissioner;
- approve recommendations made by Secretaries General and the Garda Commissioner for performance-related payments to Deputy and Assistant Secretaries and to the other Commissioner ranks in the Garda Síochána; and
- monitor the application of performance-related awards for chief executives of non-commercial state-sponsored bodies.

17.11 We considered that the Committee should operate in a manner similar to a remuneration committee in the private sector and that the same balance of responsibilities should apply. On this basis, the Committee should have the final say on performance-related payments. Proposals by Secretaries General and the Garda Commissioner for payments to Deputy/Assistant Secretaries and Deputy/Assistant Commissioners should be approved by the Committee before any payments are made. This is broadly consistent with private sector best practice (where remuneration committees made up of non-executive directors approve performance rewards for the chief executive and, on his/her proposal, for the top management team).

Principles applicable to performance-related awards

17.12 We considered that there were a number of important principles which should be followed if performance-related awards are to operate successfully. We set out the following principles:

- **Awards must not be seen as an automatic addition to basic pay.** Basic pay is payable for the performance of the normal duties of the post and for the achievement of goals associated with these. Awards for exceptional performance must of their nature be

applied only where performance has been demonstrably exceptional and has exceeded the normal requirements of the post.

- Performance awards must be related to the **achievement of highly demanding and challenging targets** which are difficult but not impossible to attain.
- Awards for individuals should normally **vary from year to year** since they are based on performance in the year to which they relate. It is unlikely that an individual will reach exactly the same level of performance in every year. It is particularly important that an award made in one year is not regarded as an entitlement to a similar award in subsequent years.
- Award schemes must **avoid a perception that there will be “something for everyone”**. We expected that in any year a significant number of individuals within an organisation would not qualify for any award on the basis that while they have carried out the responsibilities of their jobs in a fully satisfactory manner they have not exceeded the normal requirements of the jobs.
- **Performance-related awards should not be pensionable.**

17.13 It was a fundamental part of our approach in Report No. 38 that awards should be based on stretched targets which went beyond the normal demands of the job.

Implementation of the recommendations in Report No. 38

17.14 As indicated in Chapter 1, the Government, in 2001, adopted a system of performance-related awards along the general lines envisaged by the Review Body. However, it did not approve the extension of the scheme to Secretaries General, the Garda Commissioner or the Chief of Staff of the Defence Forces. The Government in reaching its decision not to include the most senior grades in the civil service, Garda Síochána and Defence Forces considered that a scheme of monetary awards for these grades could have an adverse impact on the working relationship between the Minister and the most senior officials concerned and would be undesirable in principle and in practice.

17.15 A detailed description of the operation of the scheme of performance-related awards as approved by the Government is contained in the annual reports of the Committee for Performance Awards for the civil service, Garda Síochána and the Defence Forces from 2002 to 2006. Guidelines for the operation of the scheme are contained in these reports also. The relevant parts of these reports are at Appendices 2 and 3 to this report. The descriptions in these appendices relate to the civil service scheme but similar procedures apply to the other groups.

18 Operation of Schemes of Performance-Related Awards

18.1 We reviewed the manner in which the scheme of performance-related awards has operated. We discussed this with the Chairpersons of the CPAs for the civil service, the Garda Síochána, the Defence Forces and the local authorities and with the chief executive of the HSE. We also got the views of the grades covered by the scheme and of the Heads of relevant organisations who were not themselves covered by the scheme but who have a major role in operating it – Secretaries General, the Garda Commissioner and the Chief of Staff of the Defence Forces. In addition we examined the reports of the CPAs for the years from 2002 to 2006.

18.2 The general view of those covered by the scheme and the Heads of organisations was that the scheme was working reasonably well. The Committees for Performance Awards have generally expressed positive views about the scheme also and indicated that since its introduction there have been improvements in the objectives being set for the majority of organisations and in the approach to recommendations on awards. However, there have been a number of recurring concerns expressed by the Committees in their reports. These can be summarised as follows:

- there is a failure in a significant number of cases to submit objectives and recommendations on awards by the required deadlines. The 2006 report of the CPA for the civil service, Garda Síochána and Defence Forces indicated that while there has been some improvement, about 19% of Departments/Offices had not submitted objectives by 1 April 2006, two months after the deadline; and
- there is insufficient differentiation in the awards made, with a cluster of awards around the 10% level. The 2006 report of the CPA for the civil service, Garda Síochána and Defence Forces noted that over 48% of awards were between 9% and 11% (inclusive).

18.3 The 2005 report of the CPA indicated that there were some doubts about the overall effectiveness of the scheme of performance-related awards. The doubts appear to revolve around the requirement that the objectives of the scheme be confined to stretched objectives which go beyond the normal demands of the job and a view that this may mean that objectives may not be focussed on core aspects of the job which are of major importance.

18.4 It has also been a feature of the scheme of awards that there are very few cases where no award was made. In the five years of operation of the scheme in the civil service, Garda Síochána and Defence Forces from 2002 to 2006 only four persons received no award. In 2003 one person received no award and in 2004 three persons received no award. In 2002, 2005 and 2006 all those who participated in the scheme received some award.

18.5 While the numbers who received no award represent a small proportion of the total numbers who participated in the scheme of awards, the CPA has made the point that the scheme of performance-related awards approved by the Government, and the guidelines

prepared by the Committee, allow discretion to give some award in situations where demanding targets have been narrowly missed. The operation of the scheme differs in that respect to what we envisaged in Report No. 38. As already indicated, we stated in that report that we expected that in any year a significant number of individuals within an organisation would not qualify for any award on the basis that while they have carried out the responsibilities of their jobs in a fully satisfactory manner they have not exceeded the normal requirements of the jobs. We accept, however, that a situation where almost all those who participate in an awards scheme receive some award is a common feature of schemes in the private sector also.

Approach to performance-related awards on this occasion

18.6 We considered that the main issues on which a decision was required was whether schemes of performance-related awards remained appropriate in the light of the operation of the existing schemes. As already stated, the general view of those we consulted was that the schemes were operating reasonably well although there were some concerns of the kind we have described.

18.7 A number of Heads of organisations we consulted stressed that the rigours of setting objectives and having performance measured against the achievement of those objectives were particularly welcome and helped senior management to focus on issues which are of critical importance. However, while we accept that this is a desirable development, it is a by product of an awards scheme and is not, in itself, a justification for performance-related awards. Our view in this regard is that monitoring of performance against agreed objectives should be a normal feature of the management of any organisation and the existence of a scheme of awards is not a requirement for the implementation of such a system of performance management.

18.8 Nevertheless, our overall conclusion was that the schemes have taken root in the public service at this stage and are operating reasonably well, although there is significant scope for improvement. We consider that the views we expressed in Report No. 38 on the desirability of an awards scheme remain valid. We take the view, therefore, that these schemes should continue. We are also influenced in this decision by the prevalence of bonus schemes in the private sector and the extent to which the levels of these bonuses have increased. It follows from our view that the reference point in determining the remuneration of top public servants should be private sector rates, that performance-related awards, which are a growing proportion of overall remuneration in the private sector, should form part of the remuneration of top public servants also.

18.9 Having formed the view that the schemes of performance-related awards should continue, we then considered whether the schemes should be modified and whether they should be extended to other groups. We commissioned, Mercer Human Resource Consulting (Mercer) to advise us on the application of systems of performance-related awards in other countries with particular regard to the position of groups comparable to the senior posts which are not covered by the awards scheme at present as a result of a decision by the Government i.e. Secretaries General of Government Departments, the Garda Commissioner and the Chief of Staff of the Defence Forces.

19 Future Operation of Schemes of Performance-Related Awards

19.1 In the following paragraphs we discuss the manner in which the existing schemes are operating and give our views on whether they should be modified. For purposes of simplicity we refer to the civil service scheme but our comments apply also to the schemes for the Garda Síochána, Defence Forces and local authorities. We comment separately on the position in the HSE and non-commercial state-sponsored bodies.

Monitoring of the system

19.2 We consider that the Committees for Performance Awards which we recommended in Report No. 38 have worked well and we do not see any need to modify their composition or the manner in which they operate.

Funds available for awards

19.3 At present the funding for the schemes is, in general, based on 10% of payroll for each of the relevant groups, with an upper limit on individual payments of 20% of salary. As already indicated the limit of 10% does not apply in the case of some individual posts. As stated elsewhere in this report, the evaluations we conducted, involving a comparison between the remuneration of the groups covered by our remit and remuneration levels in the private sector, demonstrated the growing importance of performance awards in the private sector as a component of overall remuneration. This examination also showed that the level of awards in the private sector has increased significantly since the last general review. The information we obtained suggests that the bonus opportunity, as a proportion of basic salary, for private sector jobs comparable in terms of job weight to the senior jobs within our remit has doubled approximately since our last general review and can reach up to 100% of salary in the case of the most senior jobs.

19.4 In view of the developments in the private sector, we considered whether we should recommend an increase in the funding for awards for the groups coming within our remit. We concluded that we should not do this at this stage. The schemes of performance-related awards are still in a fairly early stage of development and, as described in subsequent paragraphs, we have some concerns about the manner in which the schemes are operating. In these circumstances we consider that it is premature to increase the level of funding for the schemes.

Nature of objectives

19.5 It was a fundamental part of our approach in Report No. 38 that awards should be based on stretched targets which went beyond the normal demands of the job. We have referred to

concerns that this approach may mean that objectives may not be focussed on core aspects of the job which are of major importance in the jobs of senior staff.

19.6 There are differences in the approaches taken in other countries in relation to performance awards. One approach represents the view taken by us that an award should be paid only where the normal requirements of the job are exceeded. Another view is that performance-related awards are an intrinsic part of overall remuneration and should reflect the manner in which the normal duties of the job are performed.

19.7 We do not consider that performance-related awards should be payable for efficient and effective performance of the normal duties of a post. That is to be expected of public servants, particularly of those at the levels coming within our terms of reference. In our view, the salary payable should be regarded as compensation for the functions and achievements associated with the normal duties of the post.

19.8 We remain of the view that performance-related awards should be payable only where performance has been demonstrably exceptional and has exceeded the normal requirements of the post. We still consider, therefore, that performance-related awards should be based on stretched targets which go beyond the normal ongoing responsibilities of the job. We see no inconsistency between this approach and the need to ensure that objectives are based on issues which are of major importance. We find it difficult to understand the concern that the approach we have suggested could mean that objectives are not focussed on core aspects which are of major importance in the jobs of senior staff.

19.9 If such a situation is occurring, we take the view that heads of organisations are failing to set appropriate and meaningful objectives. While we consider that objectives should go beyond the normal requirements of the job, they clearly should relate to matters which are of major importance to the organisation. We would be concerned at any suggestion that objectives are being based on issues which do not meet this requirement and are actually diverting attention away from important matters.

19.10 In our view it should be obvious that the condition that objectives should not be based on the normal ongoing responsibilities of the job does not mean that they should be unrelated to the responsibilities of the person to whom they refer. The guidelines for the operation of the scheme of performance-related awards in the civil service state explicitly that objectives must be compatible with the long-term goals of the organisation and should be derived from the Strategy Statement for the Department/Office and the Business Plans for job holders. If objectives diverge from these issues they are unsatisfactory and should not be accepted by the CPA.

19.11 In summary, it remains our view that performance-related awards should be based on stretched targets which go beyond the normal requirements of the job rather than on the normal day-to-day responsibilities of the job. However, we re-iterate that the objectives must relate to matters which are of major importance to the organisation and be relevant to the person to whom they refer.

19.12 We wish to comment on one further issue in relation to objectives. We have noted that successive reports of the CPA have referred to delays in the submission of objectives. The report of the CPA for 2006 stated that, while there has been an improvement in this area, it remains the position that a significant minority of Departments/Offices are submitting objectives at far too late a stage in the year – in 2006 about 19% of Departments/Offices had not submitted objectives by 1 April 2006, two months after the deadline. The CPA has emphasised in previous reports that if the process of setting objectives is to be meaningful, objectives must be prepared and agreed at the beginning of the year to which they relate. It has been made clear that the CPA considers it to be unacceptable that objectives for a particular year should be set only when a significant part of the year has already elapsed.

19.13 We share the concerns of the CPA in relation to the late submission of objectives. We find the position mentioned to be extraordinary and it is one that would not be tolerated in the private sector. The submission of objectives for a year when much of that year has already elapsed raises doubts about the usefulness of the objectives and means that they cannot be assessed in a meaningful way by the CPA. When the objectives come to the attention of the CPA it may be too late to take appropriate corrective action if they are unsatisfactory. The approach taken by a significant minority of Departments and Offices demonstrates a lack of commitment to the system of performance-related awards.

19.14 We note the comments of the CPA in its report for 2004 that in some of the cases of late submission of objectives, Assistant Secretaries appear to have produced their draft objectives in a timely fashion. The difficulties with late submission of objectives in the case of a significant minority of Departments/Offices would, therefore, appear to be attributable to Secretaries General. This raises doubts as to whether Secretaries General are sufficiently committed to performance-related awards.

19.15 We think it is unacceptable that performance-related awards should be based on objectives which are not finalised until much of the year to which they relate has passed. This is considerably at variance with the process we recommended in Report No. 38 and, in our view, brings the whole system into disrepute. We note that in its report for 2006, the CPA has stated that objectives for a year should now be submitted by the end of December of the previous year, rather than by 1 February of the current year as specified in the guidelines which applied up to now. We welcome this decision by the CPA and we see no good reason why this cannot be done.

19.16 In our view firm action has to be taken to resolve the difficulties about late submission of objectives. We consider that performance-related awards should not be paid in any case where objectives have not been submitted by the revised deadline established by the CPA unless there is some exceptional and valid reason in an individual case why objectives have to be delayed. We consider it to be a matter for the CPA to decide whether there are acceptable reasons in particular cases. However, we stress that we see any departure from the deadline as arising in the most exceptional circumstances only where the CPA accept that it would not have been possible to submit objectives by the specified date.

19.17 We realise that the approach we recommend may lead to situations which will be perceived as being unfair as Assistant Secretaries may not receive awards because of unacceptable delays by Secretaries General, even where the Assistant Secretaries have produced their objectives in time. Nevertheless, we consider it to be completely unacceptable that awards are based on objectives submitted at a late stage when they are no longer meaningful. We think the approach we recommend is necessary to protect the integrity of the awards system.

Spread of awards

19.18 As already indicated, we stated in Report No. 38 that we expected that in any year a significant number of individuals within an organisation would not qualify for any award on the basis that while they have carried out the responsibilities of their jobs in a fully satisfactory manner they have not exceeded the normal requirements of the jobs. The scheme of performance-related awards as approved by the Government and the guidelines approved by the CPA for this scheme differed in some respects from the approach we intended in regard to the spread of awards.

19.19 The guidelines approved by the CPA for the scheme of performance-related awards suggest that awards should be distributed as follows:

A Awards of 15% to 20%

Only in the most exceptional situations where performance has surpassed all reasonable expectations and has resulted in the achievement of a major goal of the Department. In many years it would be expected that no one would qualify for awards of these levels and no more than a very small number of people in any year where such awards arise.

B Awards of more than 10% and less than 15%

Only where performance has substantially exceeded the targets defined. The extent to which an award exceeds 10% should be determined by the extent to which targets were exceeded. Around 25% to 30% of awards could be in this category.

C Awards of more than 5% and up to 10%

Stretched targets have been fully met or exceeded (but not to a major degree). Relative levels of performance of persons in this category should determine where an award falls in the range but payments at the upper end of this range should arise only where targets are exceeded. Around 65% to 70% of awards could be in this category but there should be a reasonable distribution of payments over the 5% to 10% range.

D Awards of 0% to 5%

Stretched targets have not been fully met. No payment should be made where there is a failure to reach the level of performance required subject to discretion to make payments of up to 5% where demanding targets have been narrowly missed. Around 5% to 10% of awards could be in this category.

19.20 The significant difference from what we had intended is the provision relating to awards of up to 5%. Allowing discretion to make payments of up to 5% when demanding targets have been narrowly missed means that it is inevitable that almost everyone participating in the scheme will receive some award. We understand the view that there should be some recognition of an otherwise excellent performer who has narrowly failed to reach a demanding target. We accept also, as stated elsewhere, that it is common in the private sector that almost all participants in awards schemes receive some award.

19.21 We are more concerned about the failure to differentiate sufficiently in the awards to individuals. The Report of the CPA for 2006 showed the following position in regard to awards actually made to all posts covered by the schemes of performance-related awards in the civil service, Garda Síochána and Defence Forces.

Range of awards	CPA Guidelines	Actual Awards for 2006	Actual Awards for 2005
15% to 20%	Very few	6.8%	3.8%
10%+ and less than 15%	25% to 30%	39.5%	40.0%
5%+ and up to 10%	65% to 70%	47.8%	52.4%
5% or less	5% to 10%	5.9%	3.8%

19.22 The CPA commented in its report for 2006 that in the case of awards in the category ranging from 10%+ to just under 15% (39.5% of all awards), the majority of actual awards were at the lower end of the range and there were few awards approaching 15%. Over 26% of the total number of awards were above 10% but less than 12%.

19.23 The CPA has consistently called for greater differentiation in awards and has commented on a reluctance among Secretaries General to recommend awards which differentiate between individuals to a significant extent. In its more recent reports the CPA urged heads of organisations to make a real effort to identify an outstanding performer in the organisation each year and to recommend an award which recognises the superior performance. While this would mean that awards for other persons would be at a lower level, the CPA considers that an approach of this kind would be preferable for encouraging exceptional performance.

19.24 We agree with the views of the CPA and we note the comments in the 2006 Report that it appears that there was some evidence that Secretaries General are attempting to recognise outstanding performance. However, it seems to us that there is a small movement only in this direction. We doubt that there will be an adequate response to the views expressed by the CPA unless the guidelines for the awards scheme are changed to encourage a different approach. We consider that a number of principles set out below should be adopted to encourage greater differentiation.

General Points

19.25 The guidelines for the scheme should emphasise that awards are based on *relative* performance. Awards are subject to an overall limit on the amount available for distribution. In order to ensure that there is appropriate differentiation in awards and that the scheme is not used to give the same broad level of award to all participants, awards must be based on relative levels of performance.

19.26 Accordingly, we consider that what is important is not the absolute performance of an individual but how the level of performance compares to that of others. Even in a situation where all Assistant Secretaries are performing to a high standard, there will be some differences between the overall performance of individuals and awards should reflect this.

Lower awards

19.27 We consider that discretion to make an award where demanding targets have been narrowly missed should be used sparingly. In general, we consider that awards should be confined to situations where performance has been exceptional. If there is a failure to achieve targets we do not consider that an award should be paid unless the margin of failure is extremely narrow and is not attributable to factors related to under performance. We consider that, normally, lower awards should arise in situations where targets have been met and where overall performance, though fully satisfactory, is judged by the Secretary General to have been relatively somewhat lower than that of others at the same level.

19.28 We consider that we should not recommend that a specified number of persons should receive no award as this could be unfair and, possibly, exclude persons from an award even where targets have been achieved. However, in the light of the revised approach we have suggested we would expect to see an increase in the number of persons who receive no award in any year.

Outstanding Performers

19.29 We support the view expressed in annual reports of the CPA that heads of organisations should make a real effort to identify if there has been an outstanding performer in the organisation each year and recommend an award which recognises the superior performance. In cases of this kind we consider that an award of at least 15% would be justified. As indicated by the CPA, while this would mean that awards for other persons would be at a lower level, an approach of this kind would be desirable and would help to encourage exceptional performance.

Position in the HSE

19.30 The system of performance-related awards is in its early stages in the HSE. The scheme being operated is along the same lines as apply in other parts of the public service. While the system had been operating in the former health boards for some years, 2005 was the first year of operation in the HSE. Unlike other parts of the public service there is no external Committee for Performance Awards and we understand that monitoring of the system is undertaken by a Remuneration Committee of the Board.

19.31 As the scheme has been in operation for a short time in the HSE we have little experience of it to draw on. In our view it is appropriate that the scheme be overseen by a Committee of the Board. We consider that the guidelines applying to the other public service schemes should apply to the HSE also and that the approaches we have suggested in the preceding paragraphs should be followed in the HSE scheme also.

19.32 We understand that information on awards made is conveyed to the Department of Health and Children. We consider that an annual report on the operation of the scheme and on the awards made should be produced by the HSE. The report should be similar in format to the annual reports of the Committee for Performance Awards for the civil service, Garda Síochána and the Defence Forces. The report should be presented to the Secretary General, Department of Health and Children. If the Secretary General has any concerns about the operation of the scheme they should be discussed with the HSE with a view to resolving them. Any unresolved issues should be brought to the attention of the Minister for Health and Children. The annual report on the operation of the scheme in the HSE should be made available to the Secretary to the Review Body also.

19.33 We were urged by the chief executive of the HSE to recommend an increase in the funding for performance-related awards. For the reasons set out in paragraph 19.4 we do not propose to do this.

19.34 We comment in Chapter 20 on the grades in the HSE which should be covered by the awards scheme.

Non-Commercial State-Sponsored Bodies

19.35 In Report No. 38 we expressed our concerns about the way in which schemes of performance-related awards were being operated in non-commercial state-sponsored bodies and the frequency with which the maximum bonus was awarded to chief executives. We found no real improvement in the position on this occasion. This approach raises serious doubts about the ability or willingness of boards of these bodies to apply performance-related awards in a satisfactory or realistic manner. It is simply not credible that a level of performance justifying the maximum award, or an award close to the maximum, will be delivered every year.

19.36 Our concerns about the application of performance-related awards in non-commercial state-sponsored bodies led us to consider whether the approval of awards should be removed from the boards of these bodies and transferred to an external CPA. However, we concluded that it would not be appropriate to do this as the role of approving awards properly belongs with the boards. Nevertheless, if there is no improvement in the position at the time of the next general review the case for transferring this role to an external CPA will be considerably stronger.

19.37 In Report No. 38 we recommended the following approach to the monitoring of awards in non-commercial state-sponsored bodies:

- boards should be obliged to transmit the results of their deliberations to the Secretary General of the parent Department who would pass them to the CPA with his/her observations;
- the CPA should enter into discussion with the organisations where it has serious concerns about the approach taken or the awards made;
- it would also be open to the CPA to bring its concerns to the attention of the responsible Minister;
- where these concerns are not appropriately addressed the CPA could propose to the Minister for Finance that the scheme be suspended pending a full review of its operation; and
- the CPA should have no role in approving the awards.

19.38 It seems to us that the procedures we recommended in this regard have not been followed in practice and that awards made by boards of non-commercial state-sponsored bodies are not being monitored adequately by the parent Departments. We consider that our recommendations in Report No. 38 in this regard are still appropriate and should be adopted for the future.

Pensionability

19.39 We are still strongly of the view that performance-related awards should not be pensionable.

20 Groups Covered by Performance-Related Awards

20.1 It has been the consistent view of the Review Body that there are areas of the public service in which performance-related awards are not appropriate because it is not feasible or appropriate that any person or agency assess the performance of the groups concerned. We consider that political office holders and the Judiciary are in this category. There are other posts covered by our terms of reference where we consider that the nature of the posts, involving semi-judicial or independent functions, renders them unsuitable for performance-related awards. The posts in question are those of the DPP, the Comptroller and Auditor General, the Regulators, members of the Garda Síochána Ombudsman Commission, the Deputy Chairperson and ordinary Members of An Bord Pleanála and County Registrars.

20.2 In principle, we consider that performance-related awards could be applied to other groups within our remit but in some cases we think that the necessary conditions to allow this to be done are not yet in place. We comment in subsequent paragraphs on the positions in relation to individual groups.

Civil Service, Local Authorities, Garda Síochána, Defence Forces

20.3 We consider that performance-related awards should continue to apply to the groups coming within the existing schemes. We comment separately in Chapter 21 on the positions of Secretaries General of Government Departments, the Garda Commissioner and the Chief of Staff of the Defence Forces.

The HSE

20.4 Performance-related awards apply at present to the Chief Executive, National Directors and posts at the level of Assistant National Director. A personal arrangement applies to the CEO at present and we do not propose to comment on this. However, when the post is next filled we consider that a scheme of performance-related awards similar to that applying to other posts coming within our terms of reference should apply to the CEO.

20.5 We consider that performance-related awards should continue to apply to the posts of National Director and posts at the level of Assistant National Director which are covered by the existing awards scheme.

20.6 Performance-related awards do not apply at present to the grade of Local Health Office Managers. Our general approach is that awards should apply to grades coming within our remit. However, the grade of Local Health Office Manager is at a similar level of management to other public service posts which come within the remit of the Public Service Benchmarking Body and we see no reason why the grade should be treated differently from other public service grades at the same level. Other public service grades at this level are not covered by performance-related awards and we do not think that an awards scheme should be introduced

for Local Health Office Managers simply on the basis that they are covered (inappropriately, in our view) on this occasion by the Review Body rather than the Public Service Benchmarking Body. Accordingly, we do not think that performance-related awards should be introduced for Local Health Office Managers at present. This position should be reviewed in the event of any decision to apply awards to grades at a similar level in other parts of the public service.

State-Sponsored Bodies

20.7 We stated in Report No. 38 that, in principle, we had no difficulty with the application of performance-related awards to the chief executives of all non-commercial state-sponsored bodies provided the conditions are in place to enable these awards to be applied properly. We considered that the following particular conditions had to be in place in non-commercial state-sponsored bodies before schemes of performance-related awards are introduced:

- it must be feasible to set demanding and measurable targets for the chief executive against which performance can be assessed;
- adequate management performance and management information systems must be in place to support a system of performance-related awards; and
- the board must include some people with the managerial experience required to form a sub-committee to operate a system of performance-related awards, assessing the extent to which targets have been achieved and deciding on the appropriate level of payment.

20.8 We indicated in Report No. 38 that it is not appropriate for the Review Body to assess the extent to which these requirements are fulfilled in individual bodies. The cycle of general reviews and the fact that not all State bodies are specifically covered in each general review means that we cannot always be in a position to assess when an individual body has fulfilled the conditions necessary for the introduction of performance-related awards. Accordingly, we recommended that the Department of Finance draw up guidelines on the preconditions for the introduction of awards for exceptional performance based on the factors outlined above. It would then be a matter for the appropriate parent Department, in consultation with the Department of Finance, to decide, on the basis of a proposal from the body concerned, whether a particular body fulfils the conditions necessary for the successful application of a scheme of awards for exceptional performance. Where the Departments are satisfied that these conditions are fulfilled we considered that a scheme of performance-related awards should be introduced.

20.9 We still have some doubts about the capacity of boards of non-commercial state-sponsored bodies, as presently constituted, to operate schemes of performance-related awards and the experience to date in the case of some bodies is not encouraging. Nevertheless, it remains our view that performance-related awards should be applied to the chief executives of all non-commercial state-sponsored bodies where the necessary conditions are in place. We consider that the principles set out in paragraph 20.7 should be followed in determining whether schemes of performance-related awards should be introduced in particular state-sponsored bodies.

20.10 Submissions we received on behalf of chief executives of some state-sponsored bodies contended that parent Departments and the Department of Finance were not committed to the recommendations in Report No. 38 and had failed to agree to the implementation of schemes of performance-related awards although the necessary conditions were in place. We are not in a position to adjudicate on this matter but we urge parent Departments of non-commercial state-sponsored bodies and the Department of Finance to address this issue without delay and to ensure that schemes of performance-related awards are approved where the conditions referred to in paragraph 20.7 are fulfilled.

Medical/Dental posts

20.11 We considered the possible application of performance-related awards to Directors of Public Health Medicine, Specialists in Public Health Medicine, Specialist Orthodontists and Prison Doctors. We received some differing views on the application of performance-related awards to these groups. A common view was that performance-related awards on an individual basis presented difficulties but that awards on a group basis would be appropriate.

20.12 In our view one of the main objectives of performance-related awards is the encouragement of individual excellence. We consider that this requires an assessment of individual performance. We do not favour the application of awards on a group basis. This leads to a situation where personal responsibility is diffused and where there are equal awards for all members of a group regardless of the level of individual performance. This is completely inconsistent with what our proposals on performance-related awards are intended to achieve. Accordingly, we are not prepared to recommend the application of performance-related awards on a group basis.

20.13 We recognise that there are particular difficulties in the application of awards on an individual basis to medical and dental personnel but we do not think this should be ruled out forever either. The successful application of an awards scheme on an individual basis would have to be designed carefully to ensure that the setting of objectives and the assessment of performance does not impinge on clinical independence or impose inappropriate pressures. There are obvious difficulties also in deciding on an appropriate body to assess the performance of medical personnel and decide on awards. We do not think that the conditions are in place at present to allow the application of performance-related awards to medical personnel on an individual basis. We are conscious also that reservations were expressed about the suitability of individual performance-related awards.

20.14 We think it is beyond the scope of our review to design a system of individual performance-related awards for medical and dental personnel which would cope with the difficulties referred to and overcome the reservations about the suitability of such a system. We would suggest that the representative bodies concerned and the relevant Government Departments/management organisations enter into discussion about the possible design of a suitable system. If the parties concerned can reach agreement on a system of individual awards which complies with the general principles outlined in this report and is consistent with our general recommendations on systems of performance-related awards, we would have no

difficulty with the application of performance-related awards to medical and dental personnel coming within our remit.

Third Level Education Institutions

20.15 In Report No. 39 on posts in third level education institutions, we expressed the view that the development of performance-related awards for the most senior managers of third level education institutions should be encouraged. However, we stated that performance-related awards should not be introduced until the conditions were in place to enable these awards to be applied properly.

20.16 We indicated that, in our view, the preconditions for the operation of a successful scheme of performance-related awards in the third level education sector were:

- a framework must be in place to enable a robust set of objectives to be established and to monitor the extent to which these objectives are achieved;
- these objectives should be based on performance factors which are common to all third level institutions and/or within individual sub-sectors (i.e. universities, colleges of education etc.); and
- there must be some element of inter-institution comparison. This requires that there be adequate financial and management information systems to enable comparisons of this kind to be made.

20.17 In Report No. 39 we expressed the view that these preconditions were not yet in place and a workable system along the lines prescribed by us in Report No. 38 could not be implemented in the short-term. We saw it as the responsibility of the Department of Education and Science in consultation with the Higher Education Authority, where appropriate, and the Department of Finance to determine when the preconditions have been fulfilled. We recommended that when these bodies were satisfied that the preconditions are in place performance-related award schemes should be introduced on the basis outlined in Reports No. 38 and No. 39.

20.18 We considered that the composition of Governing Authorities of third level institutions meant that they would not be equipped to make decisions on performance-related awards. We recommended that, in the event of the future introduction of a scheme of performance-related awards for the third level sector, decisions on awards should be made by persons outside the Governing Authorities. We considered that generally similar arrangements to those recommended for other groups in Report No. 38 would provide a suitable model for the third level education sector.

20.19 We envisaged a committee chaired by the Secretary General, Department of Education and Science with other members nominated by the Higher Education Authority and drawn from persons in the private sector with experience of operating schemes of performance-related awards. We considered that the role of the awards committee should be similar to that described in Report No. 38 in regard to the Committee for Performance Awards and that the

operational guidelines for the committee should be along the lines described in Appendix 3 of Report No. 38. The role of the committee would be to ensure that overall guidelines are adhered to, that objectives are clear and that there is consistency in the approach adopted in different institutions.

20.20 We considered that when a scheme of performance-related awards was introduced in the third level education sector the level of awards and the cost parameters should be the same as those recommended in Report No. 38 in relation to other public service groups.

Position since Report No. 39

20.21 In oral hearings we were informed that discussions have been held on the possible introduction of a scheme of performance-related awards and that proposals are under consideration by the Department of Education and Science and the Higher Education Authority at present. As it is over six years since our recommendations were made we are disappointed at the lack of progress although we acknowledge that the introduction of a scheme on the lines we recommended and putting the necessary conditions in place present difficulties. We would urge the parties concerned to bring their consideration to a conclusion as a matter of urgency so that a scheme of performance-related awards on the lines we have recommended can be introduced in the third level education sector for the groups coming within our terms of reference.

20.22 Posts of professor were not covered by our recommendations in Report No. 39 but come within our remit on this occasion. We consider that performance-related awards should be applied to these posts also provided that a suitable scheme of performance-related awards is introduced in the third level education sector on the basis we have recommended. We think that the procedures to be followed in the application of performance-related awards to professors should be similar to those applicable to Assistant Secretaries in the civil service and the guidelines should be similar to those for the civil service scheme. In particular, we consider that, as in the case of Assistant Secretaries, awards should be based on relative levels of performance. We consider that the main principles to be followed in the awards scheme for professors should be as described in the following paragraphs.

Pool for awards

20.23 The pool for performance awards for professors should be 10% of the pay bill for the group concerned. Within that overall limit, individuals could receive payments of up to 20% of salary. In view of the large number of professors we consider that the pool should apply within each institution i.e. the amount available in any institution will be 10% of the salaries of the professors in that institution.

Objectives

20.24 Professors should hold discussions with the head of the relevant College to agree objectives for the year ahead, the priorities and level of achievement to be aimed at. The objectives outlined should:

- be based on stretched performance by a fully competent person and go beyond the normal requirements of the job;
- be compatible with the long-term goals of the institution;
- be limited to about three key areas, in addition to ongoing responsibilities, which should be derived from the overall strategy for the institution;
- contain an indication of the relative weight of the objectives; and
- indicate how success or otherwise in achieving the objectives can be assessed.

20.25 Where the Head of the College considers it appropriate, an objective agreed with a professor can extend beyond his/her functional area and can relate to a cross-institutional issue.

20.26 When approved, objectives should be sent by Heads of Colleges to the committee referred to in paragraph 20.19. As in the civil service scheme, it should be open to the committee to question the objectives submitted. In general, the committee should challenge objectives where it is of the view that they may not be sufficiently demanding or are expressed in a way that will make subsequent assessment of performance particularly difficult. Where developments during the year lead to a significant change in the objectives, the committee should be informed of the changes and the reasons for them.

Assessment of performance

20.27 At the end of each year, professors should complete a self assessment of performance. The assessments should take the form of reports at the end of a year by persons covered by the scheme on the progress achieved under each of their objectives. The assessments should not contain any view in relation to the appropriate award. It is the role of the Head of the College to review the assessments, to comment on them, to give his/her view on the performance of individuals during the year and to make a recommendation on the appropriate award for each person having regard to the guidelines for the operation of the awards scheme. The ultimate decision on awards should be a matter for the committee we have recommended.

20.28 The following general approach should be taken to assessments:

- a short statement should be made by the person concerned indicating the extent to which, in his/her opinion, the normal duties of the job were carried out effectively;
- there should be a progress report on achievements by reference to each of the key objectives, concentrating on the measures identified to assess success or otherwise including quantitative factors where appropriate;
- the person's view of the contribution which had to be made to achieve particular objectives should be described;
- where there were changes in objectives during the year, a report should be given on the changes which occurred and the achievements against the revised objectives;

- comments should be provided where relevant on reasons why particular objectives were not fully achieved, e.g. unforeseen factors which affected achievement;
- the self assessment should be passed to the Head of the College who should review it, form his/her own view of the level of achievement and make a report to the committee including a recommendation on the award to be made. The Head of the College should also make a short report on the overall performance of the institution; and
- the committee should decide to accept or refer back for reconsideration the recommendation of the Head of the College.

20.29 While the formal assessments should be made at the end of the review period, Heads of Colleges should carry out a mid-term review of progress on achievement of objectives in order that any difficulties arising are identified at an early stage and to allow appropriate corrective action to be taken.

Groups to which performance-related awards do not apply

20.30 Submissions from some groups, where it was accepted that performance-related awards were not appropriate, suggested that we should recommend another form of payment in lieu of these awards. We do not favour a payment of this sort.

20.31 In our view, the purpose of performance-related awards is to reward individual excellence and encourage a performance culture. Accordingly, we consider that awards should be payable only on foot of a rigorous system of assessment based on performance against defined objectives. Performance-related awards are, by their nature, uncertain. We have already made it clear that we consider that there must be clear differentiation in awards made by reference to differing levels of performance and that the perception that there will be “something for everyone” must be avoided.

20.32 A system of payments in lieu of performance-related awards would provide guaranteed payments which would apply equally to all the persons concerned regardless of the relative levels of performance. It would also mean that payment would be made without the rigours and uncertainties associated with performance-related awards. A system of this kind would be the antithesis of what we wish to encourage and, in our view, would be undesirable in principle. Accordingly, where a scheme of performance-related awards is not feasible or appropriate we consider that an alternative form of payment should not be made. For the reasons already mentioned, we think that payments in lieu of performance-related awards would be highly undesirable.

21 Position of Secretaries General, Garda Commissioner and Chief of Staff of the Defence Forces

21.1 As already indicated, the Government decided not to apply performance-related awards to Secretaries General of Government Departments, the Garda Commissioner and the Chief of Staff of the Defence Forces. The Government considered that a scheme of monetary awards for these grades could have an adverse impact on the working relationship between the Minister and the most senior officials concerned and would be undesirable in principle and in practice.

21.2 In making our recommendations in Report No. 38 we did not consider that there would be difficulties of this kind particularly since, in recommending a scheme that would apply to Secretaries General and equivalent posts, we proposed procedures that did not require any involvement by Ministers in deciding on awards. However, in considering the application of awards to the groups concerned we gave some thought to a possible scheme of awards which would avoid any adverse impact of the kind envisaged by the Government. As mentioned previously, we commissioned Mercer Human Resource Consulting (Mercer) to advise us on the application of systems of performance-related awards in other countries with particular regard to the position of groups comparable to the top posts which are not covered by the awards scheme at present.

21.3 For the purpose of the exercise Mercer researched the position in other countries and identified some countries in which performance-related awards apply to posts comparable to Secretary General or equivalent. The countries in question are as follows:

- Australia
- Canada
- Denmark
- New Zealand
- UK

The report by Mercer stated that a scheme is likely to be introduced in Norway at a later date.

21.4 Mercer analysed the current arrangements in each of these countries based on the experience and expertise of the local Mercer office, publicly available material and a discussion with representatives of the organisations responsible for managing the awards scheme.

21.5 In summary, performance-related awards for top public service posts are most common in the English speaking countries. Managing the process for heads of Government

Departments is typically the responsibility of a post/body which may also have other responsibilities in relation to remuneration. In a number of countries the performance-related award covers both base pay and bonuses. It is usual to consult with the relevant Minister as part of the process by which the performance ratings and rewards are established.

21.6 The system we proposed in Report No. 38 for Secretaries General and equivalent posts was broadly similar to the one which applies to Permanent Secretaries in the UK. Mercer advised us that there was no evidence to suggest that the UK scheme had an adverse impact on the relationship between the individual Permanent Secretaries and their Ministers. However, there are some significant areas in which the position in the UK differs from that in Ireland. In particular, the size and scope of individual Departments are larger and there may be a number of Ministerial posts assigned to an individual Department. As a result, the relationship between individual Ministers and the civil service heads of Departments may be less direct than is the case in Ireland.

21.7 Mercer advised us that, in general, in the other countries examined, in addition to the UK, schemes have been in operation for a number of years and there is no evidence in those countries either of an adverse impact on the relationship between the senior officials and their Ministers. We were informed that concerns about potential difficulties were expressed initially in some countries but that these difficulties did not emerge in practice.

21.8 Mercer advised us also that in all countries some consultation with the Minister was seen as a positive factor in avoiding difficulties but it was also seen as important that Ministers are not responsible for the ultimate decisions on the performance ratings or the related awards. It also seems clear that where there is an individual or agency with a responsibility for managing the process of performance-related awards, this acts as a cushion between the head of an organisation and the Minister.

21.9 The advice we received indicates that the schemes operating in other countries work well in practice and there is nothing to suggest that they damaged the relationship between Ministers and heads of Departments or equivalent posts. However, we accept that the political and administrative systems in these countries differ in some respects from those in Ireland and that the experience in those countries of the application of performance-related awards to top posts does not necessarily give an indication of the likely effects in Ireland.

The position for the future

21.10 We consider that it is unsatisfactory that Secretaries General and equivalent posts are not eligible for performance-related awards while the posts reporting to them receive such awards. We consider that it is important for the development of a performance culture in an organisation that performance assessment and reward for exceptional performance should apply from the top down. In view of the increased importance of performance awards as part of the overall package of remuneration of top posts in the private sector, the absence of such awards from the remuneration of some top posts in the public service distorts the comparison with the private sector. It also seemed to us that the exclusion of Secretaries General and equivalent posts has led to a perception, in some cases at least, of unfair treatment.

21.11 In Report No. 38 we set out our views on how performance-related awards should be applied to Secretaries General and equivalent posts. The specific operational guidelines are set out in Appendix 3 of that report. As mentioned in earlier paragraphs, in general, in some other countries Ministers are consulted before final decisions are taken on awards but our recommendations did not provide for this. While we recommended that objectives should be agreed with Ministers, we did not envisage any role for Ministers in the decisions on awards which would be a matter for the CPA alone.

21.12 Since our recommendations did not require Ministers to become involved in any way in decisions on awards for Secretaries General and equivalent grades, any risk of an adverse effect on the relationship between Ministers and heads of Departments or equivalent posts should be minimised. It does not appear to us that it is possible to design an alternative scheme of individual performance-related awards which would reduce that risk any further. It seems to us that the Government's reluctance to implement our recommendations is based on concern about the whole concept of a scheme of performance-related awards for Secretaries General and equivalent posts rather than the particular procedures to be applied in such a scheme. If this is the case, the Government's concern cannot be alleviated completely by modifications in the procedures we recommended.

21.13 While we acknowledge that the experience in other countries of the application of performance-related awards to top posts does not necessarily give an indication of the likely effects in Ireland, it nevertheless seems to us to be significant that the possible adverse effects which are a cause of concern to the Government have not emerged in practice in other countries. For the reasons mentioned in paragraph 21.10 we remain of the view that the application of performance-related awards to Secretaries General and equivalent posts is a highly desirable objective. We understand the concerns of the Government but in the light of the positive experience in other countries we consider that these concerns would be unlikely to be realised. We recommend, therefore, that a scheme of performance-related awards for Secretaries General and equivalent grades should now be introduced.

21.14 In the light of experience of the operation of schemes of performance-related awards for other grades and further consideration of the application of awards to Secretaries General and equivalent posts, we consider that there should be some variation from our recommendations in Report No. 38 in regard to the manner in which the scheme for Secretaries General and equivalent posts should be applied. We set out in subsequent paragraphs the views we have formed on how the scheme for Secretaries General and equivalent posts should operate. For convenience we refer to Secretaries General only in the following paragraphs but the procedures and principles we recommend are intended to apply to the Garda Commissioner and the Chief of Staff of the Defence Forces also.

Amount of the awards

21.15 We have recommended that awards for Assistant Secretaries within a Department/Office should be based on relative levels of performance. We consider that it would be considerably more difficult to take a similar approach in the case of Secretaries General who have responsibilities for different Departments with different demands and

priorities. Accordingly, we consider that the performance of each Secretary General should be considered on an individual basis by reference to the specific objectives relating to his/her post.

21.16 We consider that, as is the case for Assistant Secretaries and other grades covered by the scheme of performance-related awards at present, the maximum award for a Secretary General should be 20% of salary. Since we have recommended that the performance of each Secretary General should be considered on an individual basis it is not feasible to apply an overall cost limit of 10% of payroll to awards for Secretaries General as was recommended in Report No. 38. Nevertheless, as indicated in paragraph 21.18 awards in the region of 20% should arise in very exceptional circumstances only and we consider that the average award to Secretaries General should be about 10%.

21.17 As in the case of Assistant Secretaries, we consider that awards for Secretaries General should be based on the achievement of demanding targets which go beyond the normal requirements of the job. We would repeat that, as stated in Chapter 19, objectives based on stretched targets must relate to goals which are of major importance to the organisation.

21.18 We consider that the same general guidelines that apply to awards for Assistant Secretaries should apply to Secretaries General also. Therefore, we would expect that awards of 15% to 20% of salary would be payable only in the most exceptional situations where performance has surpassed all reasonable expectations and has resulted in outstanding achievement by reference to all objectives. We would expect that in any year no more than one or two Secretaries General would qualify for such an award. In our view the general position should be that the average award would be in the region of 10% where stretched targets have been fully met or exceeded to some degree.

21.19 We consider that awards of more than 10% and up to 15% should be payable only where performance has substantially exceeded the targets defined. The extent to which an award exceeds 10% should be determined by the extent to which targets were exceeded. We consider that there should be some discretion to make an award where demanding targets have been partially met and full achievement of them was narrowly missed. However, such payment should be made only in circumstances where it was not possible to achieve the targets in full due to reasons outside the control of a Secretary General and not attributable in any way to under-performance. The precise amount of the payment in such cases would have to be a matter for discretion in the particular circumstances which gave rise to targets not being met in full but we consider that awards in these circumstances should not exceed about 5%.

21.20 As in the case of the scheme of performance-related awards applying to other grades, it should be a precondition for payment that the normal duties of the job, including the management of the Department, are being carried out effectively. Accordingly, even if demanding targets have been achieved, no award should be made unless the ongoing responsibilities have been performed in a fully satisfactory manner. The CPA requires that Secretaries General submit each year a report on the overall performance of Departments. We consider that such reports should describe clearly the manner in which the ongoing

responsibilities of the Secretary General have been performed. We consider that it is particularly important that it be demonstrated that the Secretary General has ensured that the Department is being managed effectively and that any issues of under-performance have been fully addressed and resolved.

21.21 We commented in Chapter 19 on difficulties in relation to the late submission of objectives to the CPA. We consider that no award should be paid to a Secretary General where objectives for his/her post or for Assistant Secretary posts in the Department have not been submitted by the deadline established by the CPA unless there is some exceptional and valid reason in an individual case why objectives have to be delayed.

Monitoring of the scheme

21.22 We gave considerable thought to the manner in which a scheme for Secretaries General might operate. We consider that the CPA for the civil service, Garda Síochána and the Defence Forces which we recommended in Report No. 38 has worked well in monitoring the scheme of performance-related awards for other grades and concluded that it should also be assigned this role in relation to a scheme for Secretaries General.

21.23 As already stated, there are five members of the CPA, three of whom are persons from the private sector. The other two members are ex-officio members – the Secretary General to the Government and the Secretary General, Public Service Management and Development in the Department of Finance. We do not consider it desirable to assign the entire responsibility for monitoring the awards scheme for Secretaries General to persons from the private sector. While the private sector members of the CPA have experience of the scheme of performance-related awards for other grades, we consider that they could not reasonably be expected to have detailed information on the operation of the public service and the priorities of Government which, in our view, would be required in monitoring an awards scheme for Secretaries General. In our view, the CPA requires an input from senior persons with detailed knowledge of the workings of the public service.

21.24 Accordingly, we consider that in monitoring the scheme of awards for Secretaries General, the CPA should remain in its present form including the Secretary General to the Government and the Secretary General, Public Service Management and Development in the Department of Finance. We consider that the primary function of these two Secretaries General as members of the CPA should be to provide the necessary advice to the private sector members on whether the objectives proposed for Secretaries General are consistent with the priorities of Government and, in regard to the determination of awards, on the extent to which the objectives have been achieved and have contributed to the development of a more effective public service.

21.25 We consider that some difficulties of practicality and perception could arise if the Secretaries General who are members of the CPA were themselves eligible for awards. In view of the role of the Secretary General to the Government and the Secretary General, Public Service Management and Development in the Department of Finance in the determination of awards for Secretaries General we do not consider that these posts should be eligible for

performance-related awards. However, we consider that the two Secretaries General should receive a non-pensionable annual payment of 10% of salary in recognition of the functions associated with the operation of the CPA in relation to Secretaries General. We recognise that this recommendation may be viewed as being somewhat inconsistent with the view expressed earlier that where performance-related awards are not considered to be appropriate for a particular group, a payment in lieu should not be made. However, we do not regard this recommendation as being inconsistent with our general approach. Unlike the other groups where awards are not considered to be appropriate, we have recommended that awards be applied to Secretaries General. We have proposed a system of awards which requires that two posts of Secretary General undertake a role which is vital to the successful operation of the scheme but excludes those posts from awards. In these very exceptional circumstances we consider it reasonable that a payment be made to the two Secretaries General concerned in respect of the functions which we have proposed in relation to the awards scheme for Secretaries General.

21.26 In the oral hearing with Secretaries General we were urged to give our views on an alternative approach if we recommended a scheme of performance-related awards but the Government again decided not to implement it. In order to avoid any doubt in the matter, we wish to make it clear that should the Government decide not to implement performance-related awards for Secretaries General we consider, for the reasons set out in paragraphs 20.30 to 20.32, that another form of payment should not be made in lieu to any Secretary General.

Summary

21.27 In summary we propose that a scheme of performance-related awards for Secretaries General be introduced and operated as follows:

- The CPA established for the existing scheme of performance-related awards in the civil service, Garda Síochána and the Defence Forces, should have responsibility for monitoring the awards scheme and determining awards for Secretaries General.
- The role of the Secretary General to the Government and the Secretary General, Public Service Management and Development in the Department of Finance should be to provide the necessary advice to the private sector members of the CPA on whether the objectives proposed for Secretaries General are consistent with the priorities of Government and, in regard to the determination of awards, on the extent to which the objectives have been achieved and have contributed to the development of a more effective public service.
- Before the end of each year, Secretaries General should agree demanding targets for the year ahead with the relevant Minister. The targets should be confined to about three key areas and should go beyond the normal demands of the job but be based on matters which are of major importance to the organisation.
- The agreed objectives should be sent to the CPA before 31 December. It will be the role of the CPA to validate the objectives and it should be open to the CPA to seek amendments to the objectives if they are not regarded as sufficiently demanding or consistent with the general principles we have outlined.

- At the end of the year to which the objectives relate Secretaries General should submit a self assessment of performance setting out in detail the progress achieved on the objectives. As required under the existing scheme for other grades, a report should also be furnished on the overall performance of the organisation. It should be open to the CPA to seek any additional information considered necessary or to enter into discussions with Secretaries General about the extent to which objectives were achieved.
- Based on consideration of the self assessments and any other information considered necessary, the CPA should decide on awards to Secretaries General having regard to the principles set out in this report.

21.28 In accordance with our recommendations, the only involvement of Ministers in the process would be to approve objectives for Secretaries General and we consider that it is necessary for the successful operation of the awards scheme that objectives for Secretaries General should reflect the priorities of Ministers. Our recommendations do not provide for involvement by Ministers in the assessment of performance by Secretaries General or the determination of awards.

Tony O'Brien, Chairman

John Doherty

Brian Hillery

Vivienne Jupp

Peter Malone

Noel O'Neill

Brendan Duffy, Secretary

14 September, 2007

APPENDICES

1 Current and Recommended Salary Rates

The following tables show the current and recommended rates of salary and the percentage increases involved for the various posts covered by the review. Where relevant the rates shown are based on a contributory pension scheme with terms approximating to the civil service superannuation scheme where an employee contribution in respect of personal superannuation benefits is being made equivalent to that introduced for established civil servants recruited since 6 April 1995 – see paragraphs 1.35 to 1.37 of the report.

Chief Executives of Group A State-Sponsored Bodies ¹⁴

Body	Current Rate	Recommended Rate	% Increase
	€	€	
IDA Ireland	201,683	247,000	22.5
Enterprise Ireland	201,683	247,000	22.5
Forfás	201,683	247,000	22.5
FÁS	201,683	247,000	22.5
Fáilte Ireland	161,346	198,000	22.7
Shannon Development	151,261	No increase	0.0
Údarás na Gaeltachta	151,261	No increase	0.0
Dublin Docklands Development Authority	151,261	No increase	0.0
Bord Bia	151,261	180,000	19.0
Bord Iascaigh Mhara	121,919 (on a personal basis)	151,000	23.9
Digital Hub Development Agency	178,923	No increase	0.0
National Roads Authority	Personal Rate*	198,000	0.0
Housing Finance Agency	123,025	130,000	5.7
Personal Injuries Assessment Board	169,415	No increase	0.0
Science Foundation Ireland	Personal Rate*	151,000	0.0

*A personal rate higher than the recommended rate is being paid at present.

¹⁴ 19/20ths of the rates shown apply to persons who do not make an employee contribution in respect of personal superannuation benefits.

Chief Executives of Group B State-Sponsored Bodies¹⁵

Body	Current Rate	Recommended Rate	% Increase
	€	€	
Courts Service	Personal Rate*	185,000	0.0
Teagasc	151,261	195,000	28.9
Health Information and Quality Authority	194,636	No increase	0.0
Irish Film Board	114,581**	Retain existing link. See note in paragraph 4.18 of report.	
Health Research Board	143,192 (on a personal basis)	151,000	5.5
Marine Institute	143,194	151,000	5.5
The Equality Authority	125,046 131,092 137,144 143,192	132,000 138,000 144,500 151,000	5.5 (at max of scale)
Irish Sports Council	114,581**	Retain existing link. See note in paragraph 4.18 of report.	
National Disability Authority	114,581**	Retain existing link. See note in paragraph 4.18 of report.	
Citizens Information Board (formerly Comhairle)	121,825**	Retain existing link. See note in paragraph 4.18 of report.	
National Library of Ireland	114,581**	Retain existing link. See note in paragraph 4.18 of report.	
National Museum of Ireland	114,581**	Retain existing link. See note in paragraph 4.18 of report.	
Irish Auditing and Accounting Supervisory Authority	125,046	130,000	4.0

*A personal rate higher than the recommended rate is being paid at present.

**Current rate shown refers to the maximum of a scale/range.

Increase in salary costs for non-commercial State bodies	7.8%
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¹⁵ 19/20ths of the rates shown apply to persons who do not make an employee contribution in respect of personal superannuation benefits.

Regulators¹⁶

Post	Current Rate	Recommended Rate	% Increase
	€	€	
Commissioner for Aviation Regulation	203,379	185,000	0.0
Commissioner for Energy Regulation	169,415 ¹⁷	185,000	9.2
Commissioner for Communications Regulation	169,415	185,000	9.2

Increase in salary costs for this group	4.8%
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Garda Síochána Ombudsman Commissioners¹⁶

Post	Current Rate	Recommended Rate	% Increase
	€	€	
Garda Síochána Ombudsman Commissioner	159,744	185,000	15.8

An Bord Pleanála¹⁶

Post	Current Rate	Recommended Rate	% Increase
	€	€	
Deputy Chairperson	143,192	151,000	5.5
Ordinary Member	125,046	132,000	5.6

¹⁶ 19/20ths of the rates shown apply to persons who do not make an employee contribution in respect of personal superannuation benefits.

¹⁷ The rate shown refers to the most recent appointment to the post. Other members have higher rates.

Civil Service¹⁸

Post	Current Rate	Recommended Rate	% Increase
	€	€	
Secretary General:			
Level I	272,272	303,000	11.3
Level II	242,019	270,000	11.6
Level III	211,765	236,000	11.4
Deputy Secretary	169,415	185,000	9.2
Assistant Secretary	125,046– 131,092– 137,144– 143,192	132,000– 138,000– 144,500– 151,000	5.5 (increase at maximum of scale)

Increase in salary costs for this group	7.2%
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Comptroller and Auditor General¹⁸

Current Rate	Recommended Rate	% Increase
€ 242,019	€ 270,000	11.6

Office of the Director of Public Prosecutions¹⁸

Post	Current Rate	Recommended Rate	% Increase
	€	€	
DPP	211,765	270,000	27.5
Deputy DPP	169,415	185,000	9.2
Chief Prosecution Solicitor	151,873	160,250	5.5

Increase in salary costs for this group	15.4%
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¹⁸ 19/20ths of the rates shown apply to persons who do not make an employee contribution in respect of personal superannuation benefits.

Garda Commissioner Ranks¹⁹

Rank	Current Rate	Recommended Rate	% Increase
	€	€	
Commissioner	217,969	250,000	14.7
Deputy Commissioner	156,542	167,000	6.7
Assistant Commissioner	134,744	143,000	6.1

Increase in salary costs for this group	7.1%
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Defence Forces Officers of General Rank²⁰

Rank	Current Rate	Recommended Rate	% Increase
	€	€	
Lieutenant General (Chief of Staff)	201,682	220,000	9.1
Major General	137,144	143,000	4.3
Brigadier General/Commodore	125,046	130,000	4.0

Increase in salary costs for this group	4.6%
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Local Authorities

Post	Current Rate	Recommended Rate	% Increase
	€	€	
Manager:			
Level I	183,529	250,000	36.2
Level II	155,294	186,000	19.8
Level III	143,195	173,000	20.8
Level IV	133,113	151,000	13.4
Level V	123,027	130,000	5.7
Director of Services	88,739– 92,774– 96,807– 100,840– 104,874	No increase	0.0

Increase in salary costs for this group	2.3%
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¹⁹ Rates lower than those shown apply to persons recruited before 6 April 1995 – see paragraph 8.17 of the report.

²⁰ 19/20ths of the rates shown apply to persons who do not make an employee contribution in respect of personal superannuation benefits.

Health Service Executive

Post	Current Rate	Recommended Rate	% Increase
CEO	€ Personal Rate	€ 303,000	0.0
National Directors:– National Hospitals Office PCCC	184,904	202,500	9.5
National Directors:– Finance Human Resources Population Health	155,296	170,000	9.5
Other National Directors	143,193	151,000	5.5
Hospital Network Managers Assistant National Directors (Service Management) in the PCCC Directorate	94,388 – 98,583– 102,778 – 106,971– 111,167 – 115,362	113,000 – 118,000– 123,000 – 128,000– 133,000 – 138,000	19.6 (increase at maximum of scale)
Other Assistant National Directors and posts at an equivalent level	94,388 – 98,583– 102,778 – 106,971– 111,167 – 115,362	96,500 – 100,800– 105,100 – 109,400– 113,700 – 118,000	2.3 (increase at maximum of scale)
Local Health Office Managers	90,758 – 94,791 98,825 – 102,857 106,892 – 110,925	No increase	0.0
Increase in salary costs for this group			4.3%

Political Office Holders

Office	Current Rate	Recommended Rate	% Increase
	€	€	
Taoiseach	271,822*	310,000*	14.0
Tánaiste	233,503*	270,000*	15.6
Minister	214,344*	240,000*	12.0
Minister of State	147,284*	165,000*	12.0
Attorney General	214,344	240,000	12.0
Ceann Comhairle	214,344*	240,000*	12.0
Leas-Cheann Comhairle	147,284*	165,000*	12.0
Cathaoirleach of the Seanad	113,636**	127,000**	11.8
Leas-Chathaoirleach of the Seanad	92,560**	103,500**	11.8
Leader of the Seanad	87,242**	98,500**	12.9

*includes TD's salary.

**includes Senator's salary.

Increase in salary costs for this group	12.2%
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Judiciary

Office	Current Rate	Recommended Rate	% Increase
	€	€	
Chief Justice	268,243	310,000	15.6
President of the High Court	249,083	290,000	16.4
Judge of the Supreme Court	233,757	270,000	15.5
President of the Circuit Court	226,094	260,000	15.0
Judge of the High Court	220,348	255,000	15.7
President of the District Court	166,697	202,000	21.2
Judge of the Circuit Court	160,950	197,000	22.4
Judge of the District Court	134,124	158,000	17.8

Increase in salary costs for this group	18.1%
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County Registrars²¹

Post	Current Rate	Recommended Rate	% Increase
	€	€	
County Registrar, Dublin	143,192	151,000	5.5
County Registrar, Cork	138,408	146,000	5.5
Other County Registrars	126,926	134,000	5.6

Increase in salary costs for this group	5.6%
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Specialists in Public Health Medicine and Directors of Public Health Medicine

Post	Current Rate	Recommended Rate	% Increase
	€	€	
Director of Public Health Medicine	125,919	145,000	15.2
Specialist in Public Health Medicine	107,933	130,000	20.4

Increase in salary costs for this group	19.2%
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Specialist Orthodontists

Post	Current Rate	Recommended Rate	% Increase
	€	€	
Specialist Orthodontist	139,044	145,000	4.3

Prison Doctors

Post	Current Rate	Recommended Rate	% Increase
	€	€	
Prison Doctor	132,738	145,000	9.2

²¹ 19/20ths of the rates shown apply to persons who do not make an employee contribution in respect of personal superannuation benefits.

Heads of Universities²²

Post	Current Rate	Recommended Rate	% Increase
	€	€	
Level I			
Trinity College, Dublin	226,895	270,000	19.0
University College, Dublin	226,895	270,000	19.0
University College, Cork	226,895	270,000	19.0
National University of Ireland, Galway	206,725	270,000	30.6
Level II			
Dublin City University	206,725	236,000	14.2
University of Limerick	206,725	236,000	14.2
National University of Ireland, Maynooth	206,725	236,000	14.2

Registrars, Secretaries and Bursars of Universities²²

Post	Current Rate ²³	Recommended Rate	% Increase
	€	€	
Level I			
Trinity College, Dublin	161,347	169,000	4.7
University College, Dublin	161,347	169,000	4.7
University College, Cork	161,347	169,000	4.7
National University of Ireland, Galway	151,261	169,000	11.7
Level II			
Dublin City University	151,261	159,000	5.1
University of Limerick	151,261	159,000	5.1
National University of Ireland, Maynooth	151,261	159,000	5.1

University Professors²²

Post	Current Scale	Recommended Scale	% Increase (at maximum of scale)
	€	€	
Professor	111,285– 117,666– 124,045– 130,429– 136,809– 143,194	117,500– 124,200– 130,900– 137,600– 144,300– 151,000	5.5

²² 19/20ths of the rates shown apply to persons who do not make an employee contribution in respect of personal superannuation benefits.

²³ The current rate shown does not include payments made in some cases for particular duties.

Directors of Institutes of Technology

Post	Current Rate	Recommended Rate	% Increase
	€	€	
Level I Directors of Cork, Galway/Mayo and Waterford Institutes of Technology	161,346	172,000	6.6
Level II Directors of other Institutes of Technology	151,262	161,000	6.4

Dublin Institute of Technology

Post	Current Rate	Recommended Rate	% Increase
	€	€	
President	206,726	236,000	14.2
Directors	143,193	151,000	5.5

Colleges of Education

Post	Current Rate	Recommended Rate	% Increase
	€	€	
Presidents of St Patrick's College, Drumcondra and Mary Immaculate College, Limerick	143,193	161,000	12.4
Principal of the Church of Ireland College of Education	121,013	125,000	3.3

National College of Art and Design

Post	Current Rate	Recommended Rate	% Increase
	€	€	
Director	143,193	151,000	5.5

Increase in salary costs for the third level education sector	5.8%
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2

Extract from the 2006 Report of the Committee for Performance Awards for the civil service, Garda Síochána and the Defence Forces

1 The manner in which the scheme of performance-related awards operates is set out in the following paragraphs.

Background to the scheme of performance-related awards

2 Following a decision by the Government on the implementation of recommendations in Report No. 38 of the Review Body on Higher Remuneration in the Public Sector, a revised scheme of performance-related awards was introduced for Assistant Secretaries and Deputy Secretaries in the civil service. In addition schemes of performance-related awards were introduced for the ranks of Deputy Commissioner and Assistant Commissioner in the Garda Síochána, the ranks of Major General and Brigadier General in the Defence Forces and senior staff of local authorities and health boards.

3 The Review Body indicated that it considered that a scheme of performance-related awards would be a highly desirable element in the total remuneration for top level posts in the public sector. Significant emphasis was placed on the role of performance-related awards in the incentivisation of work and as a means of rewarding excellence. The Review Body stated that it saw the purpose of performance-related awards as encouraging excellence, both individual and collective, within an organisation and that this was as much a requirement for the public sector as for the private sector.

4 The scheme of awards recommended by the Review Body and approved by the Government is based on performance by reference to demanding targets. The focus on performance is consistent with the more results-driven approach to management in the public service which has resulted from the implementation of the Strategic Management Initiative. It is also designed to lead to more effective performance at senior management levels in the public service and will make the persons covered by the scheme more accountable to the heads of their organisations. Greater effectiveness at senior management levels is also important in ensuring that value for money is obtained from the additional resources made available for performance-related awards.

5 The Government accepted a recommendation by the Review Body that a Committee for Performance Awards, similar to a remuneration committee in a public company, be established to oversee the schemes of performance-related awards other than those for the local authorities and health boards for which separate committees have been established. The Review Body considered that the main roles of the Committee should be to monitor the application of the

scheme of performance-related awards and to bring independent judgement to bear in approving objectives for the persons covered by the scheme and in approving recommendations for awards.

6 The Committee for Performance Awards (CPA) was established in November 2001. A new Committee was appointed in February 2006 and the members are:

Eddie Sullivan (Chairperson), Secretary General, Public Service Management and Development, Department of Finance (*standing member*)

Dermot McCarthy, Secretary General to the Government (*standing member*)

Maurice Keane, former Group Chief Executive, Bank of Ireland Group

David Kingston, Chairman of the Irish Stock Exchange and former MD of Irish Life

Máire O'Connor, Partner, McCann FitzGerald Solicitors.

7 Prior to the introduction of the revised scheme for Assistant Secretaries and Deputy Secretaries, there was a scheme of awards for Assistant Secretaries which was based on 4% of the paybill for the group of Assistant Secretaries. Under the revised scheme, the pool for performance awards for Assistant Secretaries is 10% of the pay bill for the group concerned. Within that overall limit, individuals can receive payments of up to 20% of pay.

8 While the pool applies on a civil service wide basis it would be expected that, apart from exceptional situations, a broadly similar percentage of the relevant paybill will be available to each Department with a large number of eligible parties for performance-related awards for Assistant Secretaries, i.e. normally the amount available in any Department will be 10% of the salaries of the Assistant Secretaries in that Department.

9 The main civil service groups covered by the scheme of performance-related awards are posts at the level of Assistant Secretary. However, the scheme also applies to a small number (just over 20) of other posts which are either at Deputy Secretary level or have a salary level above Assistant Secretary but below Deputy Secretary (subsequent references to Deputy Secretaries include both categories). Since the numbers of posts at these levels are small and they are spread over various Departments, it is not feasible to apply a pool system with an aggregate limit of 10% to awards. However, the other conditions applicable to Assistant Secretaries, including the upper limit of 20% on individual awards, also apply to them.

10 Awards are based on an assessment by the relevant Secretary General (or equivalent) of the performance of Assistant Secretaries and Deputy Secretaries by reference to objectives agreed between the Assistant Secretary or Deputy Secretary and the relevant Secretary General. Similar arrangements apply in the cases of the schemes for the relevant ranks in the Garda Síochána and the Defence Forces. In those schemes awards are based on assessments by the Garda Commissioner or Chief of Staff of the Defence Forces, as appropriate.

11 The revised scheme for posts at the levels of Assistant Secretary and Deputy Secretary in the civil service was introduced with effect from 1 January 2002. The schemes for the Garda Síochána and the Defence Forces were introduced with effect from 1 May 2002. The first payments under the new schemes were made early in 2003 in respect of a twelve month period

in the case of the civil service scheme and an eight month period in the case of the other schemes. The second set of awards made in 2004 related to the full year of 2003 in the case of all groups. Awards made in subsequent years also related to the full year for all the groups concerned.

Procedures

12 Guidelines for the operation of the scheme of performance-related awards for the relevant civil service posts were considered and approved by the CPA in November 2001 and were issued to Secretaries General of Government Departments. A copy of these guidelines (updated as appropriate) is attached as an Appendix to this report. Similar guidelines apply to the schemes for the ranks of Deputy Commissioner and Assistant Commissioner in the Garda Síochána and Major General and Brigadier General in the Defence Forces.

13 The main steps to be followed under the scheme are set out below. The steps listed relate to the civil service scheme but similar procedures apply in the case of the schemes for the relevant ranks in the Garda Síochána and the Defence Forces.

Objectives

14 Assistant Secretaries/Deputy Secretaries hold discussions with the Secretary General to agree objectives for the year ahead, the priorities and level of achievement to be aimed at. Secretaries General consult the relevant Minister before finalising agreed objectives. The objectives outlined should:

- be based on stretched performance by a fully competent officer and go beyond the normal requirements of the job;
- be compatible with the long-term goals of the organisation;
- be limited to about three key areas, in addition to ongoing responsibilities, which should be derived from the Strategy Statement for the Department/Office and the Business Plan for the Assistant Secretary;
- contain an indication of the relative weight of the objectives;
- indicate how success or otherwise in achieving the objectives can be assessed.

15 Where the Secretary General considers it appropriate, an objective agreed with an Assistant Secretary/Deputy Secretary can extend beyond his/her functional area and could relate to the management of the Department as a whole or to a cross-Departmental issue.

16 When approved, objectives are sent by Secretaries General to the Secretary to the CPA.

17 The CPA may question the objectives submitted by a Secretary General. In general, it will challenge objectives where it is of the view that they may not be sufficiently demanding or are expressed in a way that will make subsequent assessment of performance particularly difficult. Where developments during the year lead to a significant change in the objectives, the CPA should be informed of the changes and the reasons for them.

Assessment of performance

18 At the end of the review period (i.e. December 2006 in the case of the awards covered by this report), each Assistant Secretary/Deputy Secretary completes an assessment of performance. The guidelines for the scheme of performance-related awards provide that, ideally, the assessment should be concise and should therefore cover no more than 3 pages. The assessments take the form of reports at the end of a year, by persons covered by the scheme, on the progress achieved under each of their objectives. The assessments do not contain any view in relation to the appropriate award. It is the role of the head of the organisation to review the assessments, to comment on them, to give his/her view on the performance of individuals during the year and to make a recommendation on the appropriate award for each person having regard to the guidelines for the operation of the awards scheme. The ultimate decision on awards is a matter for the CPA.

19 The following general approach is taken to assessments:

- a short statement is made indicating the extent to which, in his/her opinion, the normal duties of the job, including the management of the Division, were carried out effectively;
- there is a progress report on achievements by reference to each of the key objectives defined earlier, concentrating on the measures identified to assess success or otherwise including quantitative factors where appropriate;
- the person's view of the contribution which had to be made to achieve particular objectives is described;
- where there were changes in objectives during the year, a report is given on the changes which occurred and the achievements against the revised objectives;
- comments are provided where relevant on reasons why particular objectives were not fully achieved, e.g. unforeseen factors which affected achievement;
- the self assessment is passed to the Secretary General who reviews it, forms his/her own view of the level of achievement and makes a report to the CPA including a recommendation on the award to be made. The Secretary General should also make a short report on the overall performance of the organisation;
- the CPA accepts or refers back for reconsideration the recommendation of the Secretary General.

20 While the formal assessments are made at the end of the review period, the CPA advises that Secretaries General carry out a mid-term review of progress on achievement of objectives in order that any difficulties arising are identified at an early stage and to allow appropriate corrective action to be taken.

21 In addition to performance against targets, awards for Assistant Secretaries/Deputy Secretaries have regard to other criteria, where relevant, relating to the contribution made to the management of the Department as a unit, in particular contributions outside their own Division. Such awards will also have regard to the contribution made to particular cross-departmental policy goals as well as individual and group contribution to the overall development of the public service including, for example, the Strategic Management Initiative, the Management Information Framework, e-Government, Decentralisation and the

Performance Management and Development System. Accordingly, the assessment should refer to the contributions made in these areas.

22 As already indicated, assessments are reviewed by the Secretary General concerned who has the prime role in reviewing them and in forming a conclusion on the amount of an award. Recommendations by Secretaries General on awards to Assistant Secretaries/Deputy Secretaries are forwarded to the CPA for approval. The role of the CPA is to ensure that overall guidelines are adhered to, that objectives are clear and that there is consistency in the approach adopted in different Departments. Subject only to these considerations, it is unlikely that the CPA will overrule the proposals of Secretaries General.

3

Guidelines on the scheme of performance-related awards for posts at Assistant Secretary level

Background

1. Report No. 38 of the Review Body on Higher Remuneration in the Public Sector recommended changes in the scheme of performance-related awards which applies to Assistant Secretaries and Deputy Secretaries. The Review Body recommended that a Committee for Performance Awards (CPA) should be established to monitor and adjudicate on the awards process. The recommendations of the Review Body were accepted by the Government.
2. The CPA comprises, Mr. Eddie Sullivan, Secretary General, Public Service Management and Development, Department of Finance, who is the Chairperson of the Committee, Mr. Dermot McCarthy, Secretary General to the Government, Mr. Maurice Keane, former Group Chief Executive, Bank of Ireland Group, Mr. David Kingston, Chairman of the Irish Stock Exchange and former MD of Irish Life and Ms Máire O'Connor, Partner, McCann FitzGerald Solicitors.
3. The procedures to be followed in the operation of the scheme of performance-related awards and the main features of the scheme are set out in the following paragraphs. The scheme will apply to posts of Assistant Secretary and certain other posts (including posts at Deputy Secretary level). The specific posts, other than posts of Assistant Secretary, which are covered by the scheme are listed in Appendices A and B.

Setting Objectives for Assistant Secretary posts

4. The first step in the process is the preparation of objectives for the year ahead. Performance-related awards will be based on achievements against the objectives defined.
5. Assistant Secretaries (including those who are heads of Offices) should arrange to hold discussions with the Secretary General concerned before the end of the year to discuss targets for the year ahead and agree on the priorities and level of achievement to be aimed at. Secretaries General should consult the relevant Minister before finalising agreement with Assistant Secretaries. Having reached agreement with the Secretary General, Assistant Secretaries should define their agreed objectives. The objectives outlined should:
 - be based on stretched performance by a fully competent officer and go beyond the normal requirements of the job
 - be compatible with the long-term goals of the organisation
 - be limited to about three key areas, in addition to ongoing responsibilities, which should be derived from the Strategy Statement for the Department/Office and the Business Plan for the Assistant Secretary

- contain an indication of the relative weight of the objectives
- indicate how success or otherwise in achieving the objectives can be assessed.

Where the Secretary General considers it appropriate, an objective assigned to an Assistant Secretary could extend beyond his/her functional area and could relate to the management of the Department as a whole or to a cross-Departmental issue. Objectives should have regard to the major issues of Government policy in relation to the public service. Secretaries General should also provide an overview of the organisation's key priorities for the year ahead.

6. When completed the objectives should be sent to the Secretary General concerned. Secretaries General should transmit the agreed objectives, together with the overview of priorities, to Patricia Coleman, Secretary to the CPA, Department of Finance, 73-79 Lower Mount St, Dublin 2 (tel. 6045789), not later than 1 February of the year in question. It is not expected that the CPA will question objectives agreed with a Secretary General except where it is of the view that the objectives set may not be sufficiently demanding or are expressed in a way that will make subsequent assessment of performance particularly difficult. Where developments during the year lead to a significant change in the objectives, the CPA should be informed of the changes and the reasons for them.

Assessment of performance

7. At the end of the review period (i.e. December of the year under review) each Assistant Secretary should complete a self-assessment of performance. Ideally the assessment should cover no more than 3 pages. The following general approach should be taken

- a short statement should be made indicating if the normal duties of the job, including the management of the Division, were carried out effectively
- there should be a progress report on achievements by reference to each of the key objectives defined earlier, concentrating on the measures identified to assess success or otherwise including quantitative factors where appropriate
- the individual contribution which had to be made by the Assistant Secretary to achieve particular objectives should be described
- where there were changes in objectives during the year, a report should be given on the changes which occurred and the achievements against the revised objectives
- comments should be provided where relevant on reasons why particular objectives were not fully achieved, e.g. unforeseen factors which affected achievement.

While the formal assessment will be made at the end of the review period, the CPA would advise that Secretaries General carry out a mid-term review of progress on achievement of objectives in order that any difficulties arising are identified at an early stage and to allow appropriate corrective action to be taken.

8. In addition to performance against targets, awards for Assistant Secretaries will have regard to other criteria, where relevant, relating to the contribution made to the management

of the Department as a unit, in particular contributions outside their own Division. In addition, such awards will have regard to the contribution made to particular cross-departmental policy goals as well as individual and group contribution to the overall development of the public service including, for example, the Strategic Management Initiative, the Management Information Framework, e-Government and the Performance Management and Development System. Accordingly, the self-assessment by Assistant Secretaries should refer to the contributions made in these areas.

9. Self-assessments by Assistant Secretaries will be reviewed by the Secretary General concerned who has the prime role in reviewing self assessments of performance by Assistant Secretaries and in forming a conclusion on the amount of an award. Recommendations by Secretaries General on awards to Assistant Secretaries should be forwarded to the CPA for approval. The assessments and comments by Secretaries General should include reports on progress in relation to major issues of Government policy in relation to the public service such as competitiveness, decentralisation, obtaining value for the pay increase under the benchmarking process through modernization initiatives. The role of the CPA is to ensure that overall guidelines are adhered to and that there is consistency in the approach adopted in different Departments. Subject to these considerations, it is unlikely that the CPA will overrule the proposals of Secretaries General unless the guidelines have not been adhered to.

The Secretary General should provide a short report on the overall performance of the organisation, including references to any issues identified by the organisation's audit committee.

10. Recommendations by Secretaries General on awards, together with any comments on self-assessments by Assistant Secretaries should be sent to Patricia Coleman, Secretary to the CPA by 31 December of the year under review.

Assistant Secretary posts which are heads of Offices

11. Some Assistant Secretary posts are heads of Offices and do not directly report to a post at Secretary General level. However, there is a general relationship between the Offices concerned and Government Departments. In these cases, the role of a Secretary General in reviewing a self-assessment and recommending an award to the CPA should be carried out by the Secretary General of the Department which is most relevant to the Office concerned. Appendix C lists heads of Offices at Assistant Secretary level and the Secretary General post which should review the self-assessment and recommend on an award.

Awards to Assistant Secretaries

12. The pool for performance-related awards for Assistant Secretaries is 10% of the pay bill for the grade on a service wide basis, i.e. the cost limit applies to all Assistant Secretaries across Departments and not on a Departmental basis. Instructions will be issued by the CPA before 31 December of each year on the detailed manner in which the pool should be calculated. However, while the pool will apply on a civil service wide basis it would be expected that, apart from exceptional situations, a broadly similar percentage of the relevant paybill will be available

to each Department for performance-related awards for Assistant Secretaries, including heads of Offices at Assistant Secretary level associated with the Department, i.e. normally the amount available in any Department will be 10% of the salaries of the Assistant Secretaries in the Department/associated with the Department.

13. Within the overall cost limit of 10% of the paybill, awards of up to 20% of salary may be made to individuals. The system of performance-related awards approved by the Government requires that there be rigorous application of awards and clear differentiation in the awards applicable to different levels of performance. The following guidelines will be applied by the CPA and should be followed by Secretaries General in recommending awards for Assistant Secretaries.

A Awards of 15% to 20%

Only in the most exceptional situations where performance has surpassed all reasonable expectations and has resulted in the achievement of a major goal of the Department. In many years it would be expected that no one would qualify for awards of these levels and no more than a very small number of people in any year where such awards arise.

B Awards of more than 10% and less than 15%

Only where performance has substantially exceeded the targets defined. The extent to which an award exceeds 10% should be determined by the extent to which targets were exceeded. Around 25% to 30% of awards could be in this category.

C Awards of more than 5% and up to 10%

Stretched targets have been fully met or exceeded (but not to a major degree). Relative levels of performance of persons in this category should determine where an award falls in the range but payments at the upper end of this range should arise only where targets are exceeded. Around 65% to 70% of awards could be in this category but there should be a reasonable distribution of payments over the 5% to 10% range.

D Awards of 0% to 5%

Stretched targets have not been fully met. No payment should be made where there is a failure to reach the level of performance required subject to discretion to make payments of up to 5% where demanding targets have been narrowly missed. Around 5% to 10% of awards could be in this category.

It is a precondition for payment that the normal duties of the job, including the management of the Department, are being carried out effectively. Accordingly, no payment will be made unless the ongoing responsibilities have been performed in a fully satisfactory manner.

Notification of awards

14. When the CPA has decided on the levels of awards each Secretary General will be informed in writing of the decision in relation to posts in his/her Department/Office. Where

the CPA does not agree with a recommendation made by a Secretary General, there will be discussion with the Secretary General concerned before a final decision is made.

Deputy Secretaries and other posts at a level above Assistant Secretary but below Deputy Secretary

15. The provisions set out in the foregoing paragraphs in relation to setting of objectives, assessment of performance and the criteria for awards will also apply to Deputy Secretaries. However, because of the small numbers involved an overall limit of 10% of the payroll for the grade will not be applied.

Appointments made during the annual cycle for assessments and awards

16. The cycle for awards runs from 1 January to 31 December of the year in question. In any year **where an appointment to a post covered by the awards scheme is made after 1 January the person appointed may be regarded as coming within the awards cycle for the year in question provided the appointment is made on or before 30 June.** In such a case the objectives set for the post holder and the assessment of performance should be based on the period from the date of appointment to 31 December. In the initial period, any award made should be a proportion of the amount which would have been payable if a full year had been served e.g. where six months have been served in the post up to 31 December, half the annual amount would be payable.

17. **Where an appointment is made after 30 June the person appointed should be regarded as coming within the awards cycle commencing on 1 January of the following year.** In such a case the objectives set for the post holder and the assessment of performance should be based on the period from the date of appointment to 31 December of the following year. In the initial period, any award made should be based on the full period from the date of appointment and should therefore be greater than the amount which would have been payable based on a period of twelve months e.g. where 18 months have been served up to 31 December, one and one half times the annual amount would be payable.

APPENDIX A

Posts covered by the scheme at the equivalent of Assistant Secretary Level

Ambassador at Assistant Secretary level
Advisory Counsel, Grade I, Office of the Attorney General
Assistant Chief State Solicitor
Chief Executive Officer, National Council for Special Education*
Chief Executive Officer, Public Appointments Service*
Chief Executive Officer, State Examinations Commission*
Commissioner, Office of Public Works
Commissioner of Valuation*
Chairperson, Refugee Appeals Tribunal*
Data Protection Commissioner*
Deputy Chairman, Labour Court
Director of Audit, Office of the Comptroller and Auditor General
Director of Corporate Enforcement*
Director of Engineering Services, Office of Public Works
Director of the Equality Tribunal*
Director of the Meteorological Service*
Director of the Office of the Ombudsman*
Inspector of Audits, D/Environment, Heritage and Local Government
Legal Advisor, D/Environment, Heritage and Local Government and D/Foreign Affairs
Parliamentary Counsel
Professional Officer, Grade II, Office of the Director of Public Prosecutions
Revenue Solicitor, Office of the Revenue Commissioners
Refugee Applications Commissioner*
Secretary and Director of Audit, Office of the Comptroller and Auditor General

*denotes head of Office – see Appendix C

APPENDIX B**Posts covered by the scheme at the equivalent of Deputy Secretary Level or at a level above Assistant Secretary but below Deputy Secretary**

Ambassador at Deputy Secretary level

Chairman, Competition Authority*

Chairman of the Labour Court*

Chief Executive Officer of the Labour Relations Commission*

Chief Inspector, Department of Education and Science

Chief Inspector, Department of Agriculture, Fisheries and Food

Chief Medical Officer for the Civil Service

Chief Medical Officer, Department of Health and Children

Chief Prosecution Solicitor, Office of the Director of Public Prosecutions

Chief Veterinary Officer, Department of Agriculture, Fisheries and Food

Deputy Director General, Office of the Attorney General

Director of the Irish National Immigration Service

Deputy Director of Public Prosecutions*

Executive Chairperson of the interim Board of the National Consumer Agency and Director of Consumer Affairs*

Principal Architect, Office of Public Works

*denotes head of Office – see Appendix C

APPENDIX C

Assistant Secretary Level posts which are heads of Offices

Post which will recommend on award	<i>Assistant Secretary level</i>
Secretary General, D/Education & Science:	Chief Executive Officer, National Council for Special Education Chief Executive Officer, State Examinations Commission
Secretary General, D/Enterprise, Trade & Employment:	Director of Corporate Enforcement
Secretary General, D/Environment, Heritage and Local Government:	Director of the Meteorological Service
Secretary General, D/Finance:	Commissioner of Valuation
Secretary General, Public Service Management and Development, D/Finance:	Chief Executive Officer, Public Appointments Service
Secretary General, D/Justice, Equality & Law Reform:	Chairperson, Refugee Appeals Tribunal Director of the Equality Tribunal Data Protection Commissioner Refugee Applications Commissioner
Ombudsman:	Director of the Office of the Ombudsman
Post which will recommend on award	<i>Post above Assistant Secretary level</i>
Director of Public Prosecutions:	Deputy Director of Public Prosecutions
Secretary General, D/Enterprise, Trade & Employment	Chairman of the Competition Authority Chairman of the Labour Court Chief Executive Officer, Labour Relations Commission Executive Chairperson of the interim Board of the National Consumer Agency & Director of Consumer Affairs

4 Submissions Received

Note: An asterix (*) denotes that oral evidence was heard from these individuals, groups and organisations or from their representatives. Hearings were held with some representative associations on more than one occasion in relation to different groups. We also received some other submissions in respect of groups which are not within our terms of reference. These have not been included in the list.

An Bord Bia

AMICUS*

Assistant National Directors (PCCC) HSE*

Association of Assistant Secretaries and Higher Grades*

Association of Chief Executives of State Agencies*

Association of Retired Commissioned Officers

Athlone Institute of Technology

Attorney General, Mr Rory Brady S.C.*

Barrett, Dr. Sean, Trinity College

Bord Iascaigh Mhara

Chief Justice*

Citizens Information Board (formerly Comhairle)

City and County Managers Society*

Commission for Communications Regulation*

Commission for Energy Regulation*

Commissioner for Aviation Regulation*

Comptroller and Auditor General

County Registrars Association*

Courts Service

Cregan, John, Director, Regional Health Office, HSE

Dean of the Faculty of Public Health Medicine, RCPI

Defence Forces, Officers of General rank*

Department of Education and Science*

Department of the Environment, Heritage and Local Government*

Department of Finance*

Department of Health and Children*

Deputy Chairperson and Ordinary Members of An Bord Pleanála*

Dillon, John B.

Director of Public Prosecutions, Deputy Director and Chief Prosecution Solicitor*

Director, National Library of Ireland

Directors of Regional Health Offices, HSE*

Director of Services and City Engineer, Cork City Council

Directors of Institutes of Technology*

Dublin City Assistant Managers

Dublin City Manager (former)

Dublin Docklands Development Authority

Enterprise Ireland

Fáilte Ireland

FÁS

Flanagan, Brian

Forfás

Garda Síochána Ombudsman Commission-ordinary members*

Garda Síochána, Commissioner ranks*

Governing Authority UCD

Haran, Paul*

Health Research Board

Health Service Executive*

Higher Education Authority*

Hogan, Michael V. Head of Finance, Dun Laoghaire-Rathdown County Council

Hospital Network Managers, HSE*

IBEC*

IDA Ireland

IMPACT*

Irish Congress of Trade Unions*

Irish Dental Association*

Irish Federation of University Teachers*

Irish Hospital Consultants Association*

Irish Medical Organisation*

Irish Prison Service*

Irish Sports Council

Irish Universities Association*

Judges of the Circuit Court*
 Judges of the District Court*
 Leader of Seanad Éireann*
 Local Government Directors Society*
 Local Health Office Managers, HSE*
 Manager (former) Kildare County Council
 National Directors, HSE*
 National Library of Ireland
 National Museum of Ireland
 National University of Ireland, Galway
 Ordinary Judges of the Supreme and High Courts*
 President and Directors of the Dublin Institute of Technology*
 President of the Circuit Court*
 President of the District Court*
 President of the High Court*
 Presidents, St. Patrick's College, Drumcondra and Mary Immaculate College, Limerick*
 Principal, Church of Ireland College of Education*
 Retired Generals and Commodores
 Secretaries General of Government Departments*
 Secretary and Director of Audit in the Office of the C&AG
 Secretary General to the Government and Department of the Taoiseach*
 Secretary General, Department of Education and Science
 Secretary General, Department of Environment, Heritage and Local Government
 Secretary General, Department of Transport and Marine
 Shannon Development
 SIPTU*
 Teagasc

5

Previous Reports of the Review Body

The following reports have been submitted to date by the Review Body:

	<i>Report relating to remuneration of</i>	<i>Date of Report</i>
No. 1	Local Authority Engineers and County Accountants	26 September 1969
No. 2	(First General Review) Civil servants, local authority and health board officers outside the scope of conciliation and arbitration schemes and chief executives of state-sponsored bodies Members of the Oireachtas, Members of Government, etc. Judiciary	11 July 1972
No. 3	Property Arbitrator	13 July 1973
No. 4	Labour Court Chairman and Ordinary Members	29 January 1975
No. 5	Commissioner ranks in the Garda Síochána	5 March 1975
No. 6	Chief Executive of Radio Telefís Éireann	25 April 1975
No. 7	Secretary of the Department of the Public Service	1 July 1975
No. 8	Former Managing Director of Bord na Móna (anomaly claims)	28 November 1975
No. 9	Chairman of Bord Iascaigh Mhara (anomaly claim)	10 December 1975
No. 10	Director General of the Institute for Industrial Research and Standards	26 January 1976
No. 11	Manager of the Irish National Stud Co. Ltd	28 September 1976
No. 12	Managing Director of Nítrigin Éireann Teoranta	24 November 1976
No. 13	County Registrars	11 February 1977
No. 14	Secretary and Deputy Secretary, Department of Economic Planning and Development	1 May 1978
No. 15	Chief Executive of Córas Tráchtála	25 July 1978
No. 16	Chief Executive of the Agricultural Credit Corporation	14 November 1978
No. 17	Certain higher civil service grades (interim increase)	25 May 1979

	<i>Report relating to remuneration of</i>	<i>Date of Report</i>
No. 18	Groups covered by terms of reference for second general review other than civil servants (interim increase)	25 May 1979
No. 19	Higher civil service grades not covered by Report No. 17 (interim increase)	25 May 1979
No. 20	(Second General Review) Civil servants, local authority officers and health board officers outside the scope of conciliation and arbitration schemes, commissioner ranks in the Garda Síochána, Comptroller and Auditor General, chief executives of state-sponsored bodies, chief officers of harbour authorities Members of the Oireachtas, Members of Government, etc. Judiciary	30 October 1979
No. 21	State Solicitors	2 April 1980
No. 22	Assistant Principals and Principals in the civil service (whether an inequity arose in their pay in the period 12 July 1976 to 25 June 1978)	28 May 1980
No. 23	Property Arbitrator	23 July 1980
No. 24	Chief Executive of Local Government Staff Negotiations Board	5 November 1980
No. 25	University Presidents	21 October 1981
No. 26	Directors of NIHEs, Limerick and Dublin, National College of Art and Design and Thomond College of Education	3 November 1981
No. 27	Higher departmental and professional civil service grades	27 November 1981
No. 28	Chief Executive of Bord Gáis Éireann	29 July 1982
No. 29	Groups covered by terms of reference for third general review (interim report)	24 November 1986
No. 30	(Third General Review) Civil servants, local authority officers and health board officers outside the scope of conciliation and arbitration schemes, commissioner ranks in the Garda Síochána, Comptroller and Auditor General, chief executives of state-sponsored bodies, chief officers of harbour authorities Members of the Oireachtas, Members of Government, etc. Judiciary	30 November 1987

	<i>Report relating to remuneration of</i>	<i>Date of Report</i>
No. 31	Ministerial Pensions	22 June 1988
No. 32	Hospital Consultants	15 June 1990
No. 33	Presidents of St. Patrick's College, Drumcondra and Mary Immaculate College, Limerick, and Principal, Church of Ireland College of Education	14 June 1989
No. 34	Chief Executive of the Legal Aid Board	14 June 1989
No. 35	(Fourth General Review) Part 1: Civil servants, local authority officers and health board officers outside the scope of conciliation and arbitration schemes, commissioner ranks in the Garda Síochána, Defence Forces officers of General rank, Comptroller and Auditor General, chief executives of state-sponsored bodies, chief officers of harbour authorities and the Judiciary Part 2: Remuneration, superannuation and severance arrangements for Members of the Oireachtas and Members of Government, etc.	30 January 1992
No. 36	Hospital Consultants	12 January 1996
No. 37	(Fifth General Review) Civil servants, local authority officers and health board officers outside the scope of conciliation and arbitration schemes, commissioner ranks in the Garda Síochána, Defence Forces officers of General rank, Comptroller and Auditor General, chief executives of state-sponsored bodies, chief officers of harbour authorities Members of the Oireachtas, Members of Government, etc. Judiciary and Hospital Consultants	20 December 1996
No. 38	(Sixth General Review) Civil servants outside the scope of the conciliation and arbitration scheme, senior staff of local authorities and health boards, commissioner ranks in the Garda Síochána, Defence Forces officers of General rank, Comptroller and Auditor General, chief executives of non-commercial state-sponsored bodies, Members of the Oireachtas, Members of Government, etc. Judiciary, State Solicitors and Hospital Consultants	25 September 2000

	<i>Report relating to remuneration of</i>	<i>Date of Report</i>
No.39	Higher posts in the Third Level Education Sector	5 March 2001
No. 40	Interim Report	27 June 2005
No. 41	The remuneration of certain posts in the Health Service Executive	16 December 2005