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OFFICE OF THE ATTORNEY GENERAL

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Mr. Ciarán Connolly,  
Secretary General,  
PSMD,  
Department of Finance,  
Merrion Street,  
Dublin 2.

**Re: Public Service Agreement (Croke Park Agreement)  
Implementation Action Plan**

Dear Ciarán,

I refer to your letter dated 16 September 2010 concerning the identification of measures this Office proposes to take in order to implement the Public Service Agreement. I attach for your information Action Plans in respect of this Office, the Chief State Solicitor's Office and the Law Reform Commission but as requested I will make a composite report on all three.

As I explained my letter dated to you dated 13 August 2010 the main aim of the PSA is to reduce the cost of public services. While I can absolutely endorse that objective I regret to say that it will be very difficult for the AGO, CSSO or LRC to further reduce costs. In particular neither Office funds programmes that can be eliminated or scaled back and neither has huge levels of staff that can be rationalised or redeployed. Thus the two most direct methods for finding savings are not available to us. The LRC has already had its budget reduced by 33% and any further cuts would affect its future viability.

The Offices provide legal services to the Government and Departments and in this they are demand-led. All measures taken to date to achieve savings have been arranged to minimise the impact on the vital services we deliver but further cuts inevitably would have a negative effect. It would be comforting to believe that the implementation measures other Departments are taking will result in a reduced need for legal services but our experience to date shows that the opposite is more likely to be the case for the foreseeable future.

In my letter I set out some of the measures the AGO has taken to maintain service and reduce costs. As a proportion of both budget and staff numbers the reductions have been severe and

represent real and ongoing savings. In the case of the AGO Vote (which includes the LRC Grant-in-Aid) our annual net expenditure will be approximately €4 million (or 22%) lower in 2010 than in 2008, for the CSSO the reduction will be approximately €10 million (or 25%). There is no scope to increase the level of savings without impacting on the level of service we can deliver. The work being required of the Offices is rising both in volume and complexity but the timescales expected to deliver it are shortening.

I have made the point previously that in many respects the Office of the Attorney General is very different to other Public Service organisations. This statement equally applies to the CSSO. Both Offices' greatest contribution to reducing public expenditure lies in their ability to provide a professional and effective service. Without such a service it is likely that the State will incur significantly greater costs either through ill advised activity or having to engage private sector legal firms. In this latter regard I draw your attention to the C & AG's recent report which set out the level of fees paid to private sector legal firms in conjunction with their work on banking stabilisation measures. I would point out that these fees almost equal this year's A1 budget for the entire AGO - advisory, drafting and administration. Further measures that save modest amount from our budgets but which impact heavily will be more than offset as Departments have to turn to private firms for their legal services.

There is evidence that the CSSO is overstretched in meeting the demands for a legal service. It is absolutely necessary that the courts are covered during legal term. It will be impossible to reduce staff numbers or payroll to any great extent. That Office is anxious to discuss, with the Department of Finance, ways and means of dealing with surges in legal work on the basis of flexibility in terms of use of contract staff. The CSSO plans to discuss this issue with the Department during the preparation of the estimates.

The Offices' lack of options to effect drastic staff reductions or other direct savings means that our Action Plans emphasise measures to enhance efficiencies. Both Offices have, over the past number of years engaged in comprehensive modernisation initiatives such as Client Service, IT enhancements, promotions on merit etc and consequently, unlike some other public service organisations, are not now in a position to promise such measures as part of future plans. As a compromise the plans, in addition to setting out the prospective measures, also give details on some of the more significant developments which have already been put in place.

The attached document, which has been prepared in consultation with the Offices' MAC and Partnership Committees, sets out our proposals to implement key measures and below I will draw your attention to the most significant of these. I anticipate that over the lifetime of the Agreement we will be progressing and developing these initiatives as well as introducing new ones to adapt to future demands on the Offices and the availability of resources.

## **AGO**

The AGO has identified 21 measures which it proposes to implement. With limited scope for direct savings the measures primarily are designed to promote efficiency and ensure best possible service to our clients thus indirectly contributing to overall savings in public expenditure. All can be implemented within existing resources.

Proposed measures include a flexible work practice model developed in response to the heavy and complex workload with which the Office has had to engage during banking crisis related matters.

Also arising from that body of work the Office is putting in place systems to enable it to deal with large amounts of simultaneous communications from several different stake-holders. The objective is that such communication is captured by the existing case and records management system and dealt with accordingly.

Our Secondment Programme has been very successful with 15 AGO legal staff members now embedded in 11 Departments. They provide in-house legal advice while building up practical understanding of the work of organisations. The Office will continue the Programme and discuss with clients the benefits of extending it further.

We will also undertake several projects to assist our clients in practical ways. By enhancing their legal knowledge through the direct provision of training as well as making available previous advices in electronic format we anticipate that relevant staff in Departments will be better placed to develop workable policies. We do not see this as doing away with the need for advice but it should reduce instances of advice being sought on identical issues and also enable staff to set out with greater accuracy the salient points of a request. All this should speed up the process for both this Office and the Departments.

The Office's core outputs of legal advice and legislation are the product of professional knowledge and experience. It is not possible to replace this with IT solutions that can do the same at less or even greater cost. Of course, the Office does see the benefits of using IT to support and enhance its work. Consequently, in relation to the application of Information Technology to enhance service, the Office is embarking on two major projects. The first is a new database to retain previous advices and make them available to AGO and CSSO staff in a user-friendly and searchable manner. This will help reduce time required for research but also ensure consistency of advice. The other major project is the development of an "Authoring Tool" for legislation work. Such a tool will be used by staff to draft legislation and reduce the need for re-keying, proofreading and general tracking and administrative overheads in the preparation of legislation. It is also proposed that the tool will ultimately integrate with the system in the Houses of the Oireachtas which facilitates the movement of legislation through the Houses. This should result in savings for both organisations.

An IT development to enhance financial controls relates to the integration of our case and records management system, ACME, with our financial system, Agresso. The integration will enable both the AGO and CSSO to automatically capture useful information in relation to the engagement of legal counsel by AGO/CSSO staff. The information will be available in real time and on an accruals basis rather than when a fee note is received.

In relation to general organisational matters the Office will supplement its existing sick leave procedures with the provisions of the Department of Finance circular 9/2010. Additionally staff and management will continue to work together in order to find solutions to the practical problems arising from reduced staff numbers.

Finally, the AGO is convinced of the need for organisations to regularly review their own work practices and also to compare itself to other similar organisations to ensure that it is engaged in best practice. To this end we will enhance our existing quality control and compliance regimes to ensure that staff are following the correct practices but also that the practices themselves remain relevant and efficient. The Office will also identify relevant

organisations in other jurisdictions to benchmark itself against them and use such information to inform future development.

### **CSSO**

Expenditure on Counsel's fees has remained within the voted allocation and the Government's policy on professional fees has been observed. The CSSO, supported by the AGO, carries a rigorous review of all fee notes submitted and assesses each on the basis of value of the work carried out. The projected expenditure for 2010 is in the order of €14.3 million compared to expenditure of €16.1 million in 2009 and €17.7 million in 2008.

The Office has significantly reduced the time between receipt of fee notes and actual payment.

The use of EFT for the payment of counsel is currently in the region of 50% of payments. The Office plans to increase the EFT rate to 80% by the middle of 2011.

As set out above, the Office contributes to an overall reduction in costs to the State by efficient management of legal work on behalf of clients. The CSSO will continue to collaborate with clients in order to ensure high profile and high volume cases are managed in a manner that keeps costs to a minimum. For instance, the use of early settlement will be pursued, where appropriate, to ensure that counsels' fees and general law expenses are kept to a minimum.

Another initiative of the CSSO is the transfer the Attorney General's scheme to the Department of Justice and Law Reform. Currently payments under the scheme are made by the Department and later recouped from the CSSO. The formal transfer will result in administrative savings in both organisations.

A significant expenditure for the State relates to the cost of legal actions taken by or against it. The CSSO will further develop its policy on recouping costs where the State is successful in the action. Not only will this result in additional funds for the exchequer but it should also be a deterrent to future litigation against the State.

The Office will also review the services provided by external legal cost accountants to ensure that they represent value for money. This review will also look for ways to streamline the process and decide whether it will be more cost effective to carry out some of this work in-house.

### **LRC**

The Law Reform Commission will continue to complete its current law reform programme the *Third Programme of Law Reform 2008-2014* as approved by the Government in December 2007. The Commission's annual budget was reduced by 33% for 2010 but it continues to meet its output targets. Significant savings were achieved by reducing staff numbers by 11 and using unpaid interns on some projects.

The measures proposed by the Commission include:

- (i) Significant projects, for instance on Personal Debt Management and Debt Enforcement, Alternative Dispute Resolution, Consolidation and Reform of the Courts Acts and the

Law of Sexual Offences. Details of the benefits of these important topics are contained in the Action Plan.

- (ii) Development of a classified list of Acts in Ireland to facilitate access to legislation for all users.
- (iii) Development of the Fourth Programme of Law Reform and a second programme of restatement.
- (iv) Revised methodology in the preparation of restatements to ensure greater productivity and quality of work.
- (v) Identification of Statutory Instruments (SIs) which will be a major step in reducing the burden on Government Departments, professionals and the general public who will no longer need to do or pay for research to ascertain the state of the law. This project will improve transparency of the law and is in line with the "Better Regulation" objectives.

I will be happy to discuss this Office's action plans further with you.

Yours sincerely,



**Liam O'Daly**  
**Director General**