

# Public service numbers reach record high, review of dept. staffing expected

## MARTIN FRAWLEY

**The number of public servants on the payroll is forecast to reach almost 393,000 this year, which would constitute a new record level of employment – and which is a 33% increase since the end of the public service moratorium.**

According to the brief for the new Minister for Public Expenditure and Reform, Paschal Donohoe, this represents an increase of more than 12,000 on the estimated provision for 2022.

The recently-published brief points out that the public service pay bill stood at €22.7 billion in 2022, and has been increasing at around €1 billion per year for the last number of years.

One-third of the pay bill is due to pay increases and the remainder to increase in numbers. The brief warns Minister Donohoe that managing the sharp rise in public service numbers “will be an ongoing challenge.”

At the end of 2014 – the year when the moratorium on recruitment was ended – public service employment stood at 293,346. Given the Department’s forecast for this year that numbers will reach just short of 393,000 by the end of the year, it will mean an increase of 100,000 in public service numbers, or around 33%, in just 9 years.

In this regard, the brief mentions that the Department is planning “a review of the evolution of public service staffing numbers and the operation of delegated sanction in early 2023.”

## DELEGATED SANCTION

Delegated sanction basically allows each department flexibility on staffing to meet business needs as long as they stay within the pay ‘envelope’ or ceiling. The initiative was introduced in 2015 for a three-year period, and was extended in 2018 for a further three-year period to end 2020. It has remained in place in 2021 and 2022.

While the brief does not say that the flexibility allowed on staffing for each department has led to the substantial increase in numbers employed, it says that review of delegated sanction “will assess its success in managing overall staffing and pay levels with a view to making recommendations to strengthen the process.”

Though not directly related to this review, the Ministerial brief notes that between end of 2019 and October 2022, the HSE recruited an additional 16,275 whole time equivalent (WTE) staff. It notes that, last year, the HSE set a target to recruit an additional 5,500 WTEs, but due to a tight labour market is likely to recruit an additional 4,000 to 4,500, by the end of 2022. However, the brief says that in 2023 the HSE plans to recruit an additional 6,000 WTEs.

If achieved, “this would represent an increase in the Health Service workforce of c. 23,000 WTEs (19%) between end-2019 and end-2023 (representing a total Health Service workforce of 143,000 WTEs).”

Generally on health spending, the brief says that the annual health budget has increased by €6.5 billion or 38% since 2019.

## **REPORT ON HIGHER EARNERS**

Under the heading ‘risks and challenges’, it says the management of core expenditure by the Department of Health and the HSE “is imperative and is a key challenge and risk. The Vote has a history of requiring supplementary Estimates.”

Minister Donohoe is told that agency costs and overtime in health have increased “considerably” since the onset of the pandemic and together with pay represents “a sizeable component of overall health spend.” Recruitment in health, it says, needs to be managed.

Separately, the Minister’s brief mentions the Independent Review Panel, set up by the then Minister, Michael McGrath, last March, to conduct a review of the current recruitment and pay determinations processes in place for senior public servants, particularly secretaries general.

The panel was established in the wake of the controversy that erupted over the appointment, following an open competition, of former secretary general in DPER, Robert Watt, to the top job in Health, on a salary more than €80,000 in excess of the highest rate for secretaries general.

The brief says that the panel, which is chaired by Dr Donal de Buitléir and includes consultant Jenny Smith and former head of the PAS, Bryan Andrews, has already undertaken a public consultation and is “currently preparing a report.”

“The report is likely to be presented to the Minister before end of Q1 2023”, says the brief.