

**Submission from the Senior Civil Service Association  
to the  
Independent Review Panel on Senior Public Service Recruitment and Pay Processes**

**1. Introduction**

The Senior Civil Service Association (SCSA) welcomes the establishment of the Independent Review Panel by the Minister for Public Expenditure and Reform and the opportunity to make a submission to the review body. The SCSA is recognised by the Minister for Public Expenditure and Reform as the sole representative body representing the interests of Assistant and Deputy Secretaries General in the Civil Service. While it is not a trade union, it is acknowledged as the vehicle through which the views and opinions of these grades are solicited and communicated to the Minister. The Association's primary focus is on securing the terms and conditions of employment and the remuneration of its members and the protection and vindication of the rights of members as Senior Civil Servants. No other organisation or group provides such representation on behalf of these grades.

The terms of reference of the Review Panel set out that it has been established to conduct a review of the current recruitment and pay determination processes in place for Senior Public Service posts - whom we represent - in particular arrangements in the Civil Service, with a view to ensuring that clear guidelines are in place that are open, transparent, and objective. It is noted that the scope of the review will encompass consideration of the following matters for our members:

- The current Recruitment Process;
- Processes for determining terms and conditions of employment; and
- In relation to Secretaries General, current arrangements in place at end of term

In this regard, it is noted that, under its terms of reference, the scope of the review encompasses the current recruitment and pay determination processes for Senior Public Service posts, inclusive of Civil Service posts at Assistant Secretary and above and equivalents and other Senior Level Public Service positions.

This submission primarily relates to this aspect of the remit of the Review Panel. However, the Association would also wish to make some points in relation to the current recruitment process for the Grades we represent and the end of term arrangements for Secretaries General. In the points we make below in relation to pay determination and terms and conditions of employment, the Association is simply pointing to the extent to which current pay determination for the Senior Public Service has departed in recent times from the accepted independent and objective processes for determining such matters in respect of our members. This submission is not making a case on the matter of pay increases for the grades we represent and should not be interpreted as such.

## **2. Recruitment and Attracting High Calibre Candidates**

In its submission to the Review Body on Higher Pay in 2007, the then Department of Finance advised the Review Body that *“it was not aware of any evidence that there have been difficulties in recruiting senior staff or in retaining them”*. However, in its 2017 Report, the Public Service Pay Commission stated:

*“In 2014, PAS reported challenges in attracting external candidates to senior executive roles, and has stated that these challenges were mainly due to salaries in the public service not being comparable to those in the private sector. PAS has said that the situation worsened in 2015 and 2016, due to an improvement in the economy, stating that it is a candidate driven market and that lack of comparable incentives such as performance related bonus, health care and car allowance are issues. We were advised that a public service pension is no longer regarded as an incentive at these levels, partly because many applicants already have pension arrangements in place”* clearly reflecting an adverse change in the recruitment environment for appointment to these grades.

The 2019 Report from Public Service Pay Commission further recorded that *“DPER acknowledged a continuing difficulty in attracting candidates for certain high-level posts due to constraints on remuneration”*. In addition, it states: *“... in the opinion of DPER, the current situation has resulted in a policy deficit with pay rates being determined on an ad hoc basis, without a consistent and objective policy support structure, in an effort to attract candidates for certain roles. The Commission would support the employer’s view that this approach is neither desirable nor sustainable”*.

Examining developments and trends in 2017, the 6th Top Level Appointments Committee (TLAC) Report to the Minister for Public Expenditure and Reform found that *“The mix of applicants between civil service, public sector and private sector shows a similar pattern to previous years with a continuing decline in the private/other sector”* and that *“the declining*

*trend in private sector applications from 2015 is a significant trend and needs to be monitored.”*

In its submission to the Pay Commission in 2019, DPER note that:

*“In 2018, while applications from the private sector accounted for 29% of total applications for TLAC competitions, this dropped to just 9% following the shortlisting process, and resulted in the private sector providing just 8% of successful candidates recommended for appointment. This raises the concern that, as well a decline in the percentage of applications from outside the civil and public service in recent years, senior posts may not be attracting the right calibre of external applicants.”*

The 2020 Ninth Report of the TLAC to the Minister for Public Expenditure and Reform commented that in 2020 there were 943 eligible applications for twenty posts. Of these, 465 came from the private sector. However, 290 of this 943 total represented the application pool for two of the twenty posts and accounted for 190 of the 465 private sector applicants. The Chair of TLAC acknowledged that the 2020 figure for private sector applicants is unusually high, perhaps reflecting economic adversity in that year. Of those sent forward for final interview in 2020, however, 78% were civil servants, 15% were from the public service and just 7% were from the private sector. This outcome further reinforces the SCSA concern that the highest calibre private sector executives and professionals are not sufficiently attracted to a civil service career.

[[https://publicjobs.ie/documents/NINTH\\_TLAC\\_REPORT\\_TO\\_THE\\_MINISTER\\_2020.pdf](https://publicjobs.ie/documents/NINTH_TLAC_REPORT_TO_THE_MINISTER_2020.pdf)]

In its findings in its 2019 Report, the Pay Commission states:

*“It is further noted that remuneration in respect of higher-level posts in the public service was historically determined by Government on the recommendations of the Review Body on Higher Remuneration in the Public Sector. This reflected a policy position that pay for the most senior posts in the public service should be determined in a different manner to the normal industrial relations machinery used for other grades. The Review Body provided objective, evidence based assessments to inform pay policy via periodic reviews of the adequacy of remuneration for senior grades between 1969 and 2009. The Commission would consider it appropriate, should it be decided to conduct a review of remuneration of senior level posts, that the Review Body be reconstituted for this purpose, given the complexity and variety of the posts under discussion, as well as the range of issues affecting them”.*

Clearly the very significant demands on members of the senior civil service and the level of the compensation package available, as is reflected in numerous independent reports, is having a negative impact on attracting applicants. In addition to the decline in private sector

applicants for public service appointments, the available evidence also points to a decline in the quality of private sector candidates over recent years.

Our Association would like to highlight the challenges of recruiting senior level personnel, as set out in the 2019 Report of the Pay Commission and to reaffirm our full commitment to ensuring that the public service can attract the highest calibre candidates for appointment to senior ranks in the civil and public service. We concur with the view of the Commission, as set out in the 2019 Report, on the need for a pay review and on the role of the Review Body on Higher Remuneration in the Public Sector in this regard.

### **3. Recruitment Process**

The TLAC process for recruitment to senior positions in the civil and public service has been in place for many years. While that process has evolved in many respects, it is well accepted across the Civil Service and among our members as providing a professional and objective process of assessment of candidates for appointment to the grades represented by our Association. While TLAC processes have evolved significantly in line with professional and internationally accepted standards, including competence-based approaches, presentations and psychometric testing etc, it has remained the case that the processes for appointment to senior level posts in the civil service are independent of the political and managerial domain. Our Association is adamant that that independence and objectivity of the TLAC within the current TLAC system must remain as the core element of the recruitment process for appointments to position of Assistant Secretary General in the Civil Service.

In terms of membership of the TLAC, specific provisions as to the competences of individual members should be set down in its related processes to ensure that TLAC membership and indeed the membership of shortlisting and interview boards for Assistant Secretaries fully represent the requisite competences and skillsets for such boards. In this regard, the membership of boards would benefit from regular review to ensure that the balance of members is such as to bring an up to date understanding of the complex environment in which senior civil servants work and also a depth of expertise and knowledge sufficient to critically assess candidates' potential to meet the challenges of the roles in question. This is in no way to suggest any deficiency in the membership of the TLAC but rather to ensure an appropriate level of transparency in relation to its membership, as is the case in appointments to many other State boards and bodies.

There are a large number of retirements in the grade currently and the Association is aware that the period currently required to conduct Assistant Secretary recruitment competitions has increased and is now about 5 to 6 months. This imposes significant additional demands on those remaining, particularly if Assistant Secretaries in a department fall to retire or move

in close proximity. The Association considers that the Review Panel should bring forward proposals to ensure that the TLAC has the capacity to fill vacancies more expeditiously.

The TLAC should be empowered to adopt such processes as it considers appropriate in terms of ensuring a professional independent and objective recruitment process going forward. Such processes should be published for consideration and input by bodies representing the relevant cohorts before their formal adoption by the TLAC.

The TLAC should continue to produce and publish regular annual reports on the outcome of its recruitment processes having regard to Government policy on recruitment to senior level appointments, in particular in relation to the success of applicants relative to gender, and civil service, public service and private sector applicants and any assessments of the processes as they consider appropriate in this regard.

The issue of mobility across Departments has become a more significant issue in recent times, not least in terms of filling vacancies in the ranks of the Assistant Secretary grade. Experience of working across a range of Departments is seen as a positive and important criterion when seeking senior level promotion in the civil service. In examining the recruitment process for Assistant Secretaries, it is the view of the Association that the panel should also have regard to the role of the mobility arrangements for Assistant Secretaries and should consider whether the current mobility procedures provide a satisfactorily transparent and objective process to support mobility across Departments.

The Association notes in this regard that the existing process of candidate assessment is, for the most part, internal to the recruiting Department and to the Secretary General of that Department, with the recommendation coming from the Secretary General of the recruiting Department to the Mobility Board for signoff. However, the lack of any external participation in the process (the Mobility Board comprises three Secretaries General with no external members) is a significant divergence from what would be seen as the independence and objectivity of the TLAC process and of interview and assessment processes in the public service generally.

The SCSA is not seeking to replicate the extensive TLAC process for recruitment of Assistant Secretaries through mobility. After all, the Senior Public Service mobility candidates are already Assistant Secretaries. However, the Association considers that some external element of candidate assessment in the mobility process would be appropriate and enhance transparency in bringing forward recommendations and decisions on mobility. For example, a non-civil service member of the TLAC could be included as part of an assessment panel together with the Secretary General of the recruiting Department and some TLAC representation on the Mobility Board itself.

#### **4. Processes for Determining Terms and Conditions of Employment**

The Review Body on Higher Remuneration in the Public Sector is the established body for establishing appropriate rates of pay for Assistant Secretaries and a range of other appointments in the Public Service. The Review Body was set up in May 1969 and has produced reports on higher remuneration in the public service culminating in the last comprehensive general review in 2007, Report No 42 to The Minister for Finance on 14 September 2007.

The standing terms of reference of the Review Body, which have been amended from time to time, are 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 a range of appointments including: members of the Government and political office holders; the Judiciary; top level Civil Servants; higher management grades in Local Authorities and Health Service Executive; Commissioner level ranks in the Garda Síochána; General Ranks in the Defence Forces; Chief Executives of non-commercial state-sponsored bodies.

While the appropriate salary for senior appointments in the civil and public service is, and remains, a matter for Government, and this is fully accepted by our members, the assessment of an independent, objective and non-political review body is an important element for our members in determining appropriate terms, conditions and remuneration of Assistant Secretaries. We would therefore strongly advocate that the Review Body on Higher Remuneration in the Public Sector be reconstituted to conduct a review of pay, building on the recommendations in the 42<sup>nd</sup> report having regard to the changed circumstances since that report was completed.

In that context, it is important to point out a number of issues and changes that have arisen since that last report was completed.

In its 42<sup>nd</sup> report, the Review Body on Higher Remuneration in the Public Sector reported 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. .... 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.”*

The 42<sup>nd</sup> report also stated 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.*

#### **4.1 Pension Benefit**

The pension discount of 15% referred to by the Review Body was based on an actuarial assessment of the then Public Service defined benefit scheme which did not include the more recent introduction of pension contributions by our members to their public service pension. It was also based on final salary while the current pension scheme for new members is based on average earnings. The discount was based on the value of the public service defined benefit (assessed at 27% of salary) versus private pension general provision (defined benefit and contribution for all grades and assessed as 12% of salary) (27% minus 12% = 15%). It is the Association's view that the appropriate discount is the higher level Private Sector Pension Defined Benefit (assessed as 18% of salary) and that the discount should therefore be 9% (27%-18%) rather than 15%. It is also the view of the Association that the 27% of pay value attributed to the then public service pension is likely to be lower given the changes in pension provision and increased contribution by our members in respect of their pensions. Indeed, in its submission to the Pay Commission, DPER itself acknowledges that *"the remuneration package on offer in the senior public service does not now enjoy the same degree of compensating support from pension terms as heretofore"*.

It should also be noted that since the publication of the 42<sup>nd</sup> Report of the Review Body on Higher Remuneration in the Public Sector, the Standard Fund Threshold provisions have been introduced in relation to pensions. This taxation measure significantly reduces the benefit arising from a Public Service Pension, in a situation where the beneficiary has no option in terms of alternative arrangements to mitigate the tax impact, but is mandatorily required to contribute to their pension pot. The negative impact of the Standard Fund Threshold on public service pension benefits will increase exponentially in the coming years, particularly for newer and younger recruits to the grades we represent, thus reducing the attractiveness of Assistant Secretary for both internal and external candidates.

#### **4.2 Performance Bonus**

In examining the typical remuneration package available to private sector jobs which are comparable in weight to posts coming within its remit, the Review Body noted that:

*"... 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 Review Body further noted that:

*“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 ....”*

In that regard, the Review Body reiterated its view that performance-based bonuses should form part of the available pay package for our members. This would represent a potentially significant element of our members pay at up to 20% of basic pay.

Performance pay was unilaterally discontinued by the Government in 2009 in the face of the then financial crisis. This also included the discontinuation of the 0.1% of payroll available for all other grades in the civil service. While pay for all other grades in the public service has been restored, the potentially significant benefit of performance-pay, which formed part of the pay package for our members under Report 42 and was discontinued due to the Financial Crisis, has not been restored. DPER itself acknowledged the non-reintroduction of the performance payments in its submission to the Pay Commission on senior executive pay in 2019, alongside a number of other adverse impacts on pay for senior civil servants over the course of the financial crisis and since. In acknowledging that all public servants earning below €70,000 will get full pay restoration, DPER states: *“In the case of Assistant and Deputy Secretaries and equivalents across the public service, while FEMPI based pay reductions will be fully unwound by October 2020, the Performance Related Award element of the pre-FEMPI remuneration package has not been reintroduced”*. It is acknowledged that the 0.1% fund for merit pay for staff below the level of Assistant Secretary has also not been restored but this was not part of the individual remuneration package and, for any merit pay recipient, it represented a significantly lower proportion of pay for those grades to whom it applied.

The Association has from time-to-time commissioned independent experts to establish comparisons of remuneration for senior grades in the Irish civil service (Assistant Secretary General and Secretary General) with comparable employment in the private sector in Ireland as well as with comparable civil service grades in other jurisdictions. These studies have been carried out on our behalf by Mercer, one of the world’s largest human resource consultancy firms. The methodology used in in these studies is virtually identical to that used by the Review Body on Higher Remuneration in the Public Sector.

Last year the Association commissioned a further report from Mercer focussing on a comparison of remuneration between the grades of Assistant Secretary and Secretary General with equivalent Irish private sector comparators based on roles of a similar size and scope. A comparison of the private sector market lower quartile total remuneration (this is what the 42<sup>nd</sup> report of the Review Body recommended) with Assistant Secretary General and



Secretary General total remuneration revealed that the gap in total remuneration has widened to an alarming degree with total remuneration for the grades of Assistant Secretary and Secretary General falling starkly behind the lower market quartile comparator for the private sector.

The Association would again reiterate that the points made above should not be viewed as a claim for increased pay for our members. We fully accept that pay determination for our members is ultimately a matter for Government. However, in arriving at that pay determination decision, it is important to our members that there is in place an objective, independent and consistent process of appropriate pay determination. That has not been the case since 2007 in respect of the grades we represent and we seek to see that process reconstituted.

#### **5. Secretaries General - Current Arrangements in Place at End of Term**

The accountability of Secretaries General and Accounting Officers is one of the key accountability mechanisms in the civil service. The roles and their responsibilities were examined in detail in the July 2002 Report of the Working Group on the Accountability of Secretaries General and Accounting Officers (i.e. the “Mullarkey report”). DPER’s 2014 consultation paper “Strengthening Civil Service Accountability and Performance” summarises from the Mullarkey Report the working relationship between the Secretary General and the Minister who is in charge of the Department, identifying it as a key factor in the effective administration of Government Departments, stressing that this places the Secretary General in a different position to other civil servants. The relationship extends beyond the Minister and requires the Government as a whole to place confidence in the Secretary General.

A Government Decision was made on 25 October 2011 regarding the TLAC review of special retirement and severance terms for Secretaries General. The changes to the Terms and Conditions of Appointment of Secretaries General in 2011, in effect, ended the entitlement to full pension after 7 years’ service and has led to a lack of certainty as to what happens thereafter. These changes could potentially impact the balance of the relationship between a Secretary General, a Minister and the Government. We are fortunate in Ireland that there remains a strong mutual trust and respect between political parties on all sides of the Houses and the senior civil service. The terms and conditions of appointment should serve to reinforce this respect. The IPA Research Paper No 12 Civil Service Accountability, Challenge and Change puts this point well in remarking *“It is important that the issue of the independence of civil servants and their ability to ‘speak truth to power’ should not be compromised by any arrangements that might facilitate further political input to appointment and performance assessment processes for senior civil servants.”*

[[https://www.ipa.ie/\\_fileUpload/Documents/IPA\\_Accountability\\_2014.pdf](https://www.ipa.ie/_fileUpload/Documents/IPA_Accountability_2014.pdf)]

Consideration needs to be given to bringing greater clarity and certainty around the arrangements through which a Secretary General at the end of their term is allocated new duties. These arrangements ought to be well signalled in advance of the end of term and be commensurate with the grade at which the post holder has been operating. The Association considers it very likely that an absence of a clear roadmap in this situation will act as a disincentive for those at Assistant Secretary or Deputy Secretary level, or for others, to apply for future Secretary General opportunities.

## **6. Conclusion**

The Senior Civil Service Association thanks the Review Panel for this opportunity to contribute to its deliberations and looks forward to receiving its report in due course.

Yours sincerely,



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John Roycroft  
Secretary

4 October 2022